

Business to business e-commerce



Summary of business to business E-commerce is an emerging concept that describes the process of buying and selling or exchanging product, services and information via computer network including the internet. E-commerce are divided into Business-to-Business electronic commerce (B2B EC) implies are computing electronics, utilities, shipping and warehousing, motor vehicles petrochemicals paper and office products, food and agriculture. While Business-to-Consumer electronic commerce (B2C EC) implies that the buyers are individual consumers.

Three models of Business-to-Business electronic commerce (B2B EC) are described and classified on who control the marketplace the buyer, the supplier or the intermediary. Supplier-oriented marketplace offer a group of consumers a wide spectrum of products and services and also support them in their own business. There are large potentials through customer communities, individualized products and direct customer-relationship. For example this model are Dell and Cisco. Cisco uses the supplier-oriented marketplace successfully. Characteristic of the Buyer-Oriented Marketplace of Business-to-Business electronic commerce (B2B EC).

Buyers would have to search electronic store and electronic malls to find and compare suppliers and product by using Supplier-oriented marketplace. Very costly and time consuming for big buyers. Electronic procurement most important functions in the last years and mostly realized in Buyer-Oriented Marketplaces. E-Procurement can access to small companies located in foreign countries is facilitated. The greatest potential of E-Procurement can reducing the process cost up to 90 percent. For example cost saving like

avoiding errors and faster searching for products. E-Procurement also can decrease the inventory levels by 20-40 percent.

For example of the Buyer-Oriented Marketplace shows GE'S electronic bidding site (GE TPN Post) which enhances the company's procurement process. Characteristic of the Intermediary-Oriented Marketplace of Business-to-Business electronic commerce (B2B EC) is establish by an intermediary company which runs a marketplace where business buyers and seller can meet. There are two types Intermediary-Oriented Marketplace horizontal is offer services to all industrial sectors and vertical marketplaces also concentrate on one industrial.