

Difference in the supply chain of b2b and b2c website

[Business](#)



E-Business implies revolution of the vital business processes via the usage of Internet technologies. The Internet is transforming every facet our daily lives and is hard to find any other area which is going through as fast and remarkable change, as the manner in which businesses function. When businesses espouse Internet technologies into their main processes, they begin to reap real business value. Companies irrespective of their size are utilizing the benefits of the Internet to establish communication with their partners besides connecting with their back-end data systems and transacting commerce.

Business to Consumer E-Commerce) Points of difference in the Supply Chain of B2B website and B2C website: The most important difference between B2B and B2C lies in the role of the B2B website in Internet terms. B2B websites is concerned mainly with Supply Chain Management -- SCM. SCMs constitute web portals that facilitate businesses to enter business transactions directly with their suppliers and distributors in an online manner thereby permitting electronic transfer of orders, preparation of invoices and also payments. Wholesalers, distributors and manufacturers come under this group.

On the other hand, B2C websites constitute intermediary portals to connect customers to suppliers. Among the leading ones are ebay. com which is an auction site, yell. com a yellow page website and ZDNet. com which is a technology marketplace. Transactions of the above business happen on the Internet and hence known as e-business. B2C is concerned with the objective of selling to the end user. Normally these are websites like amazon. com, which is the world largest virtual bookstore, which sell goods to the end user.
<https://assignbuster.com/difference-in-the-supply-chain-of-b2b-and-b2c-website/>

Thus a B2B website deals mainly with other businesses whereas a B2C site provides products to the end user.

What is the difference between B2B and B2C?) Even though any e-business solution is a unique one; it boils down to the categorization level of either B2B or B2C. B2C normally indicates the online trading and auctions, for instance on-line stock trading markets, on-line auctions for computers and other articles. B2C e-commerce points to the budding commerce model in which businesses and consumers communicate through the electronic mode or digital mode in some manner. Taking the example of B2C e-commerce, the aim is more regarding attracting the prospects and making them into sales.

The final objective lies in the conversion of shoppers into buyer as quickly and constantly as might be possible. Under the B2C, the flow of information among the business and consumer typically is through Internet. This flow comprises of services, product orders/ service requests from the customers, product information. Apart from that it might also involve flow of tangibles like goods ordered from customers, transfer of documents among business and customers. (Business-to-consumer E-Commerce)

The services that are typical of B2C e-commerce comprise of (i) auction stores for instance e. ay. com (ii) online stores for instance amazon. com and (iii) online services for instance travelocity. com. Among the intense outcomes of the information revolution lies in the influence regarding the manner in which economic value gets built and extracted. Access of information is easier as also the price. The benefits of the company are (i)

<https://assignbuster.com/difference-in-the-supply-chain-of-b2b-and-b2c-website/>

There is an enhanced demand (ii) The entire globe becomes the market place at a fraction of a cost (iii) There is a huge advantage of cost-reduction as regards promotion and sales. (iv) Costs are much lower.

The benefits for the customers are that they are able to get a lower price and they are faced with a wider choice and better information and increased convenience. Conducting shopping by the online stores is becoming popular and its acceptance is also increasing. Even though B2B sales constitute the major earner of revenue, yet B2C sales are also supposed to better in the forthcoming years. But for this to happen, online stores are required to provide increased value to the customers and concurrently found novel ways to generate revenues.

However there are major challenges confronting the B2C initiatives. These are " organizational challenge, business process reengineering, system integration problems, problems in matching technology to the needs of the business, the role of business intermediaries, getting browsers to purchase articles, building customer loyalty and fulfillment". (Business-to-consumer E-Commerce) Under the B2C system the SCM hovers around managing service quality albeit with strong technology mediation.

As it is known that internal marketing is required to inspire the staff to become outstanding service providers, it is crucial that internal managerial processes are required to built a friendly, high-availability, high performance website and a seamless delivery and returns procedure. A huge difference among the traditional and B2C services is the surfacing of a complex order taking and fulfillment systems as a replacement of the front-line employees.

<https://assignbuster.com/difference-in-the-supply-chain-of-b2b-and-b2c-website/>

Therefore it needless to say that service problems in B2C often come from the breakdown of such systems.

The front-end processes are concerned with the design and maintenance of websites, attracting visitors to their websites, and making them customers and getting repeat orders. In the back-end processes constitute system dealing with order fulfillment, delivery and returns. The managers' in charge of B2C are required to govern the processes to get optimum performance. A point to be noted here is that the customers get the experience of those elements comprised of the front-end and back-end processes which impact them in a direct fashion.

Failures in B2C have every chance to happen in these visible processes; however they can also happen in the background and the failure of managers to steer these processes in appropriate methods. (Conceptualizing B2C Businesses as Services) B2C relationships are present as a crucial part of the e-commerce business. Web sites applying these relationships rely on the performance and design of the website. Consumers make decisions depending on just these needs sometimes and a business requires doing well in the required needs of the consumer.

These categories of businesses also deal with marketing, and the most popular websites have been introduced before the general public through advertisements fueling interests to the consumer. After gaining recognition, these business model sites improve their selling for a long-term period.

(Lengkeek; Solack; Preston; Ritzema; Tapia, 2004) One more angle to B2B initiative in the Supply Chain Management -- SCM space is the rise of the B2B

<https://assignbuster.com/difference-in-the-supply-chain-of-b2b-and-b2c-website/>

Trading Community Evolution. The surfacing and popularity of the Internet trading communities have been exciting. Although it is still in its infancy, there is more to it in the coming years.

Majority of the trading communities presently are supporting the two fundamental works of e-commerce that are Dynamic Product Catalogues and Order Processing that are Buy/Sell and related deals. It is envisioned that the final capability and the ultimate evolutionary results of the trading community explosion locates a net of five leading functions that the entire trading community will present in the years to come. These five functions transcend simple systems functionality and include everything that is needed for most efficient delivery of a holistic supply chain solution.

To be more specific these are " Dynamic Product Catalogues, Order Processing, Multi-Firm Logistics Planning, Multi-Planning Logistics Operations and Consolidated Transportation and Delivery". (B2B Trading Community Revolution) In order to completely exploit the capability of B2B, companies are required to concentrate in terms of eHubs that are web enabled platforms that permit trading partners to locate exchange and share information connected to buying and selling activities. A number of transactions regardless of them being inbound or outbound needed in customer order fulfillment are carried out in an automated fashion.

A definition of eHub given by Kevin McKelvie and Mark Simmonds state eHub as a " set of technologies that give end to end Supply Chain integration and collaboration, sharing of information, visibility into a wide array of activities connected with demand planning, direct procurement and execution of

<https://assignbuster.com/difference-in-the-supply-chain-of-b2b-and-b2c-website/>

order". (Business-to-consumer E-Commerce: The eHub Concept) In this act, the eHub makes an optimum use of the supply chain itself and all its participants. It gives a full transparency at every stages of execution of a transaction.

Implementation of the incoming transaction of the customer present in the "far up" in the channel to contract manufacturing inside the supply chain is automated. In doing this, the inventory is optimized. (Business-to-consumer E-Commerce: The eHub Concept) Through the use of the eHub information flow is facilitated to everybody concerned in the supply chain thereby facilitating them to react in a timely and efficient fashion. Therefore the eHub primarily matches the supply chain collaboration as it is accessible to several different parties.

All the constituents contribute their share of information to build a collection of dynamic information inside the critical area of the eHub. As all the trading partners are able to use the information, it caters to multiple functions. It supplies not just the present view of the order but also supplies visibility into other related parts of fulfilling that order, like production capacity, availability of inventory and logistics and fulfillment status. (Business-to-consumer E-Commerce: The eHub Concept) There is a difference exists in the B2C and B2B marketing which has to be kept in mind while developing marketing activities.

The terms were formed to differentiate Internet Commerce business that sold mainly to consumers and those whose markets constitute other businesses. These expressions have been broadened their definitions to <https://assignbuster.com/difference-in-the-supply-chain-of-b2b-and-b2c-website/>

imply any business which primarily sells to the ultimate customer -- B2C or to other businesses which is B2B. Even though marketing programs are identical for each type of business, the difference lies in the manner of their execution, the message and the outcome of the marketing activities. At the core of successful B2B or B2C initiate is an efficient Supply Chain Management -- SCM which can make or mar an e-commerce transaction.

However, the presence of SCM appears in more visible form in case of B2B as businesses have to keep in touch with suppliers, databases and warehouses present at multiple locations, which are connected through computer networks. Presence of eHubs a recent addition will be playing an important role in the coming years to boost e-commerce transactions. The role of SCM in case of B2C on the other hand deals with the customer order processing, payment acceptance in a secured manner, order tracking while the product is in transit, shipping details and handling returns.