

E-Business

Module 5

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E-Business

- What is E-Business?
- What are it's strengths and advantages?
- Who will be using E-Business (B2B) in the future?



What is E-Business?

- E-Business allows users to conduct business transactions via the Internet and other related technologies



"What is E-Business?" 15 July 2002. 25 Aug. 2006 www.awprofessional.com.

Business to Business (B2B)

- Business to Consumer
 - Involves purchasing books, cd's, movies, and other merchandise online
- Business to Business
 - Does not involve the final consumer as in Business to Consumer relations
 - B2B's are companies that need to work together with other companies in order to make a finished product that is suitable for a consumer

Business to Business (B2B)

- “The original concept of a B2B exchange involved an intermediary company that created a marketplace to match buyers to suppliers.”
- B2B’s now are generally sites for “a big buyer bringing on its smaller suppliers.”
- B2B’s are “companies buying from and selling to each other online.”

Varon, Elana. "The ABC;S of B@B." The E-Business Research Center. 25 Aug. 2006 www.CIO.com.

Ward, Lynn. "The New Face of B2B E-Commerce." E-Commerce Times. 22 May 2003.
E-Commerce Times. 25 Aug. 2006 <www.ectnews.com.>



How are companies using B2B?

- Business to Business transactions are being used as online Marketplaces where companies are buying and selling from each other over the internet
- Doing business online is also becoming more important for companies who do not produce all of their own parts
 - Supply Chain Management



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Advantages of B2B seen by the Company

- Decline in paper work
- Easier to share information
 - Information travels instantly over the Internet and can be easily saved and viewed at any time
- Lower inventory levels
 - Suppliers ship instantly when a buyer needs a product
 - Buyers can have a reduced amount of stock
 - Easily alter production to meet demand

Advantages of B2B seen by the Consumer

- Companies can streamline production
 - “Resulting in reduced unit costs of products or services and, perhaps, lower prices to customers while effectively achieving economies of scale.”
- Reduced costs and increased productivity
 - Lead to more innovative products
- Ultimately the use of B2B e-commerce will generate greater customer satisfaction

Ward, Lynn. "The New Face of B2B E-Commerce." E-Commerce Times. 22 May 2003.
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Future of B2B

- Many companies are seeing the benefits to using B2B e-commerce as it helps them save money and improve their supply chains
 - “In the long term, people will manage their supply chain over the Internet.”

Future of B2B

- B2B e-commerce is rising globally everyday and not just in the United States
 - China has continued to grow at an enormous rate
 - “There are around 40 million companies in China now...and about 800,000 companies apply e-business to their daily commercial activities.”

"SinoCast China IT Watch." COMTEX. 09 Aug. 2006. 25

Aug. 2006

What Is B2C – Business to Consumer

- **Most Think of Amazon.com**
- **Organization that sells products to consumers over the internet**
- **Involves “E-Tailing”**
- **Predict, mold, and analyze consumers impressions.**

Weaknesses/ Challenges

-Consumers

- Inspection of goods
- Potential for fraud
- Intangible origin of products

-Businesses

- Potential for fraud
- Organizational Change
- Business process redesign
- Difficulty in matching technology to business needs
- Getting browsers to buy things
- Building Customer loyalty

Strengths

-Consumers

- Convenience
- Flexibility
- Economical
- Increased Reach
- Lower Prices
- Wider Choice
- Better Information

- Business

- Increased Demand
- Reduce Costs
- Global Reach

Leading Industries in B2C

- Top ten:
 1. Travel (\$73.4 billion)
 2. Consumer Electronics (\$16 billion)
 3. Sporting Goods
 4. Office Supplies
 5. Toys
 6. Health & Beauty
 7. Entertainment
 8. Apparel
 9. Cars
 10. Services



Source: E-Commerce- Business
to Consumer. (August, 2003).
M/Cyclopedia of New Media

Increases By Whom?

- “The UK will lead Europe in e-commerce spending over the next five years, with in Europe almost doubling to 263 billion euros by 2011. The average online shopper in the UK will spend 2,410 euros each year in that period. The UK has an advantage over other European countries because successful US web sites wanting to expand usually do so first with a UK web site, as there are less changes to make and there is a closer cultural fit” (Muncaster, 2006).

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Acknowledgments

The author wishes to acknowledge the support from the Society for Manufacturing Engineers - Education Foundation, SME-EF Grant #5004 for “Curriculum Modules in Product Lifecycle Management.”



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