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Commentary

Electronic Business: An Overview

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COMMENTARY

Any type of company or commercial transaction that involves sharing information via the internet is referred to as online business or e-business. Commerce is the exchange of goods and services between firms, groups, and individuals, and it is one of the most important aspects of any company. Electronic commerce is concerned with the use of information and communication technology to enable a company's external operations and interactions with individuals, groups, and other companies, whereas e-business is concerned with doing business over the internet. Electronic business varies from electronic commerce in that it allows for the conduct of business processes (inbound/outbound logistics, manufacturing & operations, marketing and sales, and customer support) inside the value chain via internal or external networks. In 1996, IBM's marketing and Internet team coined the phrase "e-business." Electronic commerce can take place between a vast number of market actors, including businesses and consumers, private persons, government agencies, and Non-Governmental Organizations (NGOs). These market participants can be classified into three categories:

1) Workplace 2) Clientele 3) Management and administration

Within the market, they might all be buyers or service suppliers. For electronic business partnerships, there are nine possible combinations. B2C and B2B are examples of E-commerce, while A2B and A2A are examples of E-government, which is also a type of electronic business. Business activities are getting increasingly hard to manage as the e-commerce industry grows; therefore efficiency in the workplace is critical for e-commerce success. As a result, well-developed supply chain management is a critical component of e-commerce, because the e-commerce business focuses not only on developing acceptable web sites, but also on adequate infrastructure, well-developed supply chain strategy, and so on. Supply chain management, by definition, is the management of the flow of goods and services, as well as all operations associated with changing raw materials into finished commodities.

The company's purpose is to maximize customer value and acquire a competitive advantage over the competition. Manufacturing, supplying raw materials, managing supply and demand, distribution, and other aspects of supply chain management are all important in the e-commerce business. In e-commerce, effective supply chain management typically provides an advantage for businesses to positively harness new potential for profit maximization by fulfilling and meeting customer expectations. The company has a better chance of success with well-developed supply chain management since it can build the correct partnerships and supply networks, automate the business, and so on.

To summarize, good supply chain management is required in the e-commerce market for three primary reasons: -ensuring excellent service standards and stock availability; -encouraging pleasant customer experiences and evaluations, as well as developing a brand reputation; -cost efficiency. The creation of the Electronic Data Exchange (EDI) electronic data interchange was one of the founding pillars of electronic business. This technology replaced traditional document mailing and faxing with a digital data transmission from one computer to another that required no human participation. Michael Aldrich is credited with creating the forerunner to online buying. In 1979, the entrepreneur used a telephone connection to connect a television set to a transaction processing computer and coined the term "teleshopping," which means "shopping at a distance."

The business use of the Internet has advanced significantly since the mid-1990s. Amazon began as an online bookstore in 1995 and has since grown to become the world's largest online retailer, selling food, toys, gadgets, fashion, and more. eBay and Etsy are two more prominent online marketplaces. IBM, through its advertising firm Ogilvy & Mather, began to position itself as a leader in conducting business on the Internet in 1994, using the phrase "e-business" to market its basis in IT solutions and expertise. The company's CEO at the time, Louis V. Gerstner, Jr., was willing to invest $1 billion on marketing this new brand. In October 1997, IBM published an eight-page story in The Wall Street Journal that introduced the notion of "e-business" and advertised IBM's competence in the new industry, based on global market research. IBM chose not to trademark the phrase "e-business" in the hopes that it would be adopted by other corporations, spawning a new industry. However, this proved to be too successful, and by 2000, IBM had launched a $300 million campaign touting its "e-business infrastructure" capabilities in order to differentiate itself. Since then, the phrases "e-business" and "e-commerce" have become loosely interchangeable and part of the everyday lexicon.

According to the US Department of Commerce, retail e-commerce sales in Q1 2020 were anticipated to account for about 12% of total U.S. retail sales, compared to 4% in Q1 2010. The transition

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to e-business is complicated, and success requires a careful mix of strategy, an appropriate business model (e-intermediary, markets), appropriate procedures (sales, marketing), and technology (Supply Chain Management, Customer Relationship Management). When businesses go online, they must determine which e-business models are most suited to their objectives. A business model is the way product, service, and information flows are organized, as well as the source of revenue and advantages for suppliers and customers. The e-business model is similar to the traditional company model, except it is implemented online.