CHAPTER II
BASIC OF THEORY

II.1 Business : Briefly Description

L.R.Dicksee said that the business understanding is a form of activity that is primarily intended to benefit those who seek or having an interest in the occurrence of these events.

Business purposes are :

- Profit
- Procurement of goods or services
- Welfare for owners of the factors of production and society
- Full employment
- The existence of the company in the long term (a long time)
- Progress and growth
- The prestige and achievement.

II.2 Definition of E-Business

E-Business is transaction, buying and selling, business which do automatically through electronic/internet activity, and also company can directly related with their customer, busines partner and suppliers. E-Business can be the form of advertisement, invite someone to buy our product. One of its functions of E-Business is to support part of Marketing, Production, Accounting, Finance, and Human Resource Management.

More precisely companies use information and communication technologies by organizations, individuals, or parties related to running and managing key business processes so that it can provide benefits.

II.3 History of E-Business

In 1993, The concept of e-businesss background is crisis which happened by IBM and eventually change their CEO.

Fast internet growth at the mid-1990's, many parties think internet as a golden opportunity to make the company more superior, but many have not been able to take advantage of the situation.

In the middle of the development of the network which invreasingly chaotic and disorderly, the development of intranets, servers, websites, browsers, and search engines, which indicates the need for the development of a new platform that is broad and strong enough to accommodate the entire business, both large and small, so not only can used to sell products and promote the brand.

See the Condition that can change the way companies work, finally in 1995 Louis Gerstner, CEO of IBM when it managed to overcome the financial crisis experienced by IBM and agenda how to make the Internet can be a business tool to be sucessfull bsuiness, with took Dennie Welsh as Head of Integrated Systems Services Corporation (a subsidiary of IBM) at the time, and Marketing Executive John Patrick who has the same perception with him.

To handle the large plan, Gerstner eventually formed Internet Division under the command of Irving Wladawsky0-Berger, with the task of formulating and launching the company's internet strategy accross all business units.

So in the fall of 1997, Louis Gerstner through IBM's marketing make a creative campaign to ecnourage and provide services that each company is able to implement e-business ad use the Internet as a business value.

II.4 Business to Consumer and Consumer to Consumer Model in Social Media Online Business

Business to Consumer and Consumer to Consumer model business in Social media utilize broadcast and mentioning to the consumer to show our product. This model business also will growth fast because it doesn't need big fund to make a shop. With this business model it will make people easy to make online business. An example is when a Shirt company wants to make the company well-known names, they just need to make broadcast and introduce their products to other users through a mention or broadcast. Users who see the ad are expected to buy the products he sold. Social media can make business easy with mentioning or broadcasting. All of social media which has broadcast or mentioning feature like BBM, Line, Twiter, and Facebook will be social media that people will sell their product there.