

IT6506 - eBusiness Technologies

1. Introduction to eBusiness and eCommerce

Level III - Semester 5



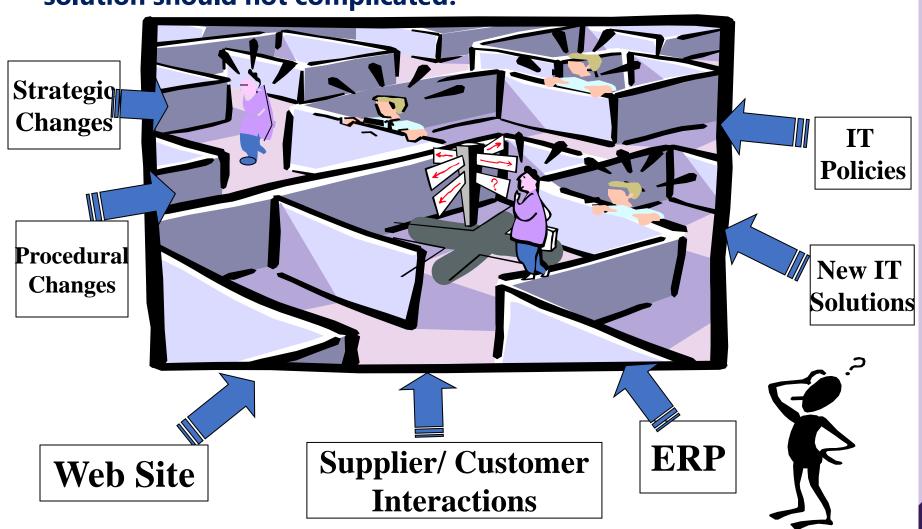


What is eBusiness?

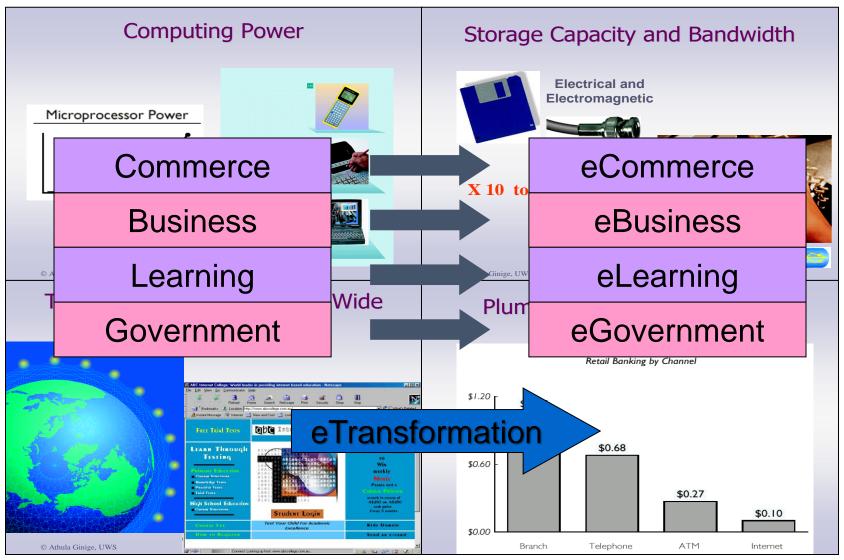
- eBusiness, or electronic business, refers to the conduct of business processes and transactions using electronic means, such as the internet, computer networks, and other digital technologies. This includes Marketing, buying, selling, delivering, servicing, and paying for products, services and information across (non-proprietary) networks linking an enterprise and its prospects, customers, agents, suppliers, competitors, etc. and managing supply chain activities.
- eBusiness has revolutionized the way companies do business, enabling them to reach a global audience, reduce costs, increase efficiency, and improve customer service. Some examples of eBusiness include online shopping, online banking, e-commerce platforms, digital marketing, online payment systems, and enterprise resource planning (ERP) software.
- eBusiness is a vital component of the modern economy and plays a critical role in enabling businesses of all sizes to compete and thrive in the digital age.

What eBusiness should not be!

With all the new changes in the IT solutions, policies, the eBusiness solution should not complicated!



ICT is changing many things!



Intended Learning Outcomes

At the end of this lesson, you will be able to;

Obtain a sound understanding of the applications and technologies in eBusiness and Have the knowledge of

- the concepts used in eBusiness,
- the Business applications,
- marketing on the web,
- new revenue models,
- latest payment mechanisms,
- Business & eBusiness Strategies
- Emerging technological & eBusiness trends
- Technological best practices in eBusiness
- Setting up your own electronic presence or eBusiness
- Technical Infrastructure for E-Business
- Security Privacy and Legal Issues

This course will Prepare the students with

- the skills needed to work in any eBusiness environment and to decide on strategic business decisions related to eBusiness
- The understanding of ethics and professional issues in a eBusiness environment
- The ability to work in an eBusiness environment in the global market
- the ability to take a company through the eBusiness Transformation process

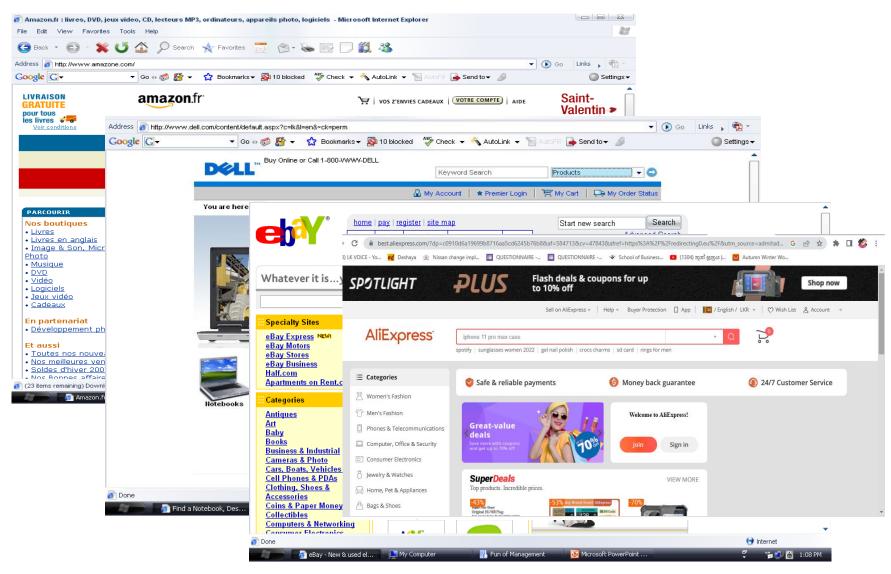
List of sub topics

1. Introduction to eBusiness and eCommerce

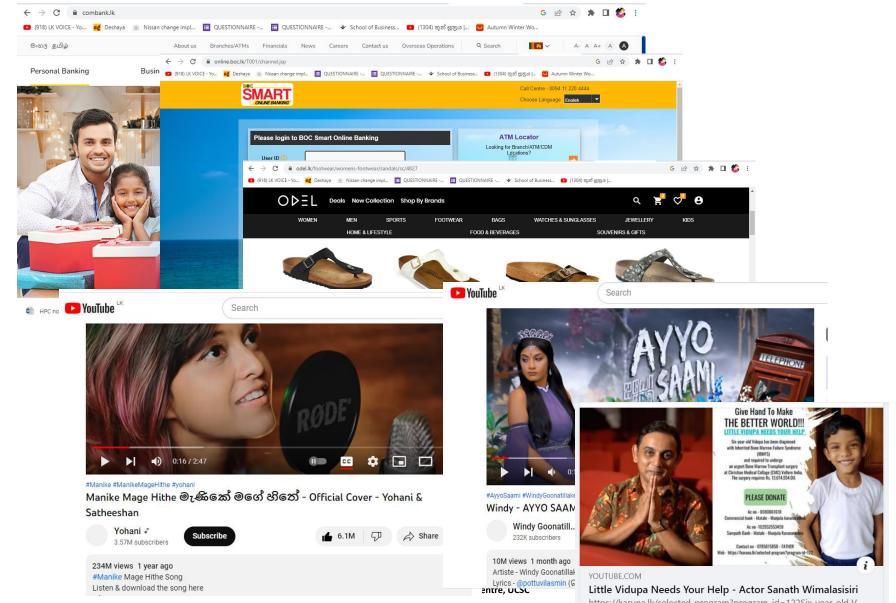
(2 hours) [Ref: Teacher's note]

- 1.1. Introduction to eBusiness
- 1.2. Classification of eBusiness (B2C, B2B, C2C, B2G,...)
- 1.3. Advantages and disadvantages of eBusiness
- 1.4. The eBusiness Environment
- 1.5. Customer business interaction in eBusiness

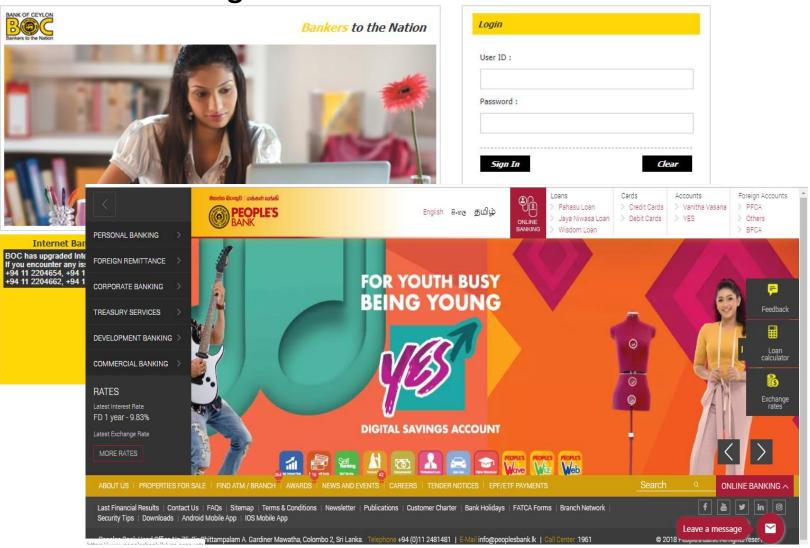
1.1 Introduction to eBusiness Why is learning eBusiness Important to you?



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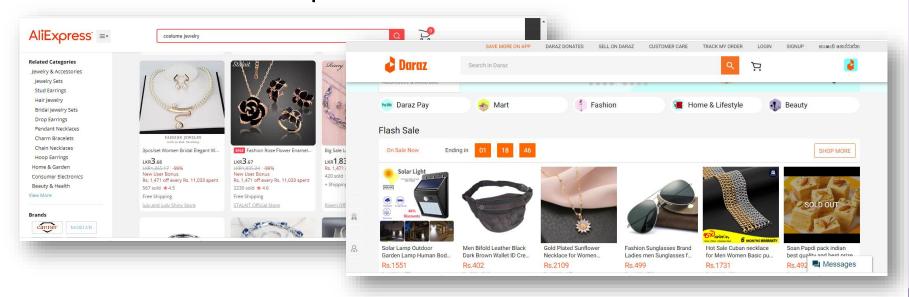


Internet Banking



- eBusiness, also known as electronic business, is the conduct of business processes and transactions using digital technologies such as the internet, computer networks, and mobile devices. eBusiness encompasses a wide range of activities, including buying and selling goods and services online, conducting financial transactions, exchanging information with partners and customers, and managing supply chain activities.
- The rise of eBusiness has fundamentally changed the way companies do business, enabling them to reach a global audience, reduce costs, increase efficiency, and improve customer service. eBusiness has also created new business models, such as online marketplaces and digital platforms, which have disrupted traditional industries and created new opportunities for entrepreneurs and innovators.

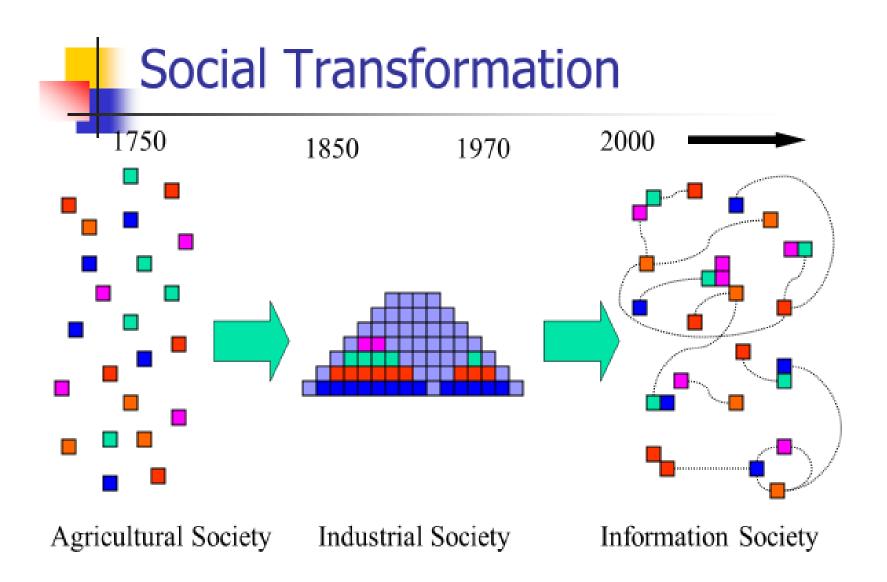
 To succeed in eBusiness, companies must have a strong digital strategy, which includes a robust online presence, a focus on user experience, and a commitment to datadriven decision making. Companies must also be able to adapt quickly to changing market conditions and customer demands, leveraging digital technologies to stay ahead of the competition.



Here are some reasons why eBusiness is important:

- i. Global Reach: With eBusiness, companies can expand their customer base globally, as they are not limited by geographical boundaries. This allows them to tap into new markets and reach a wider audience.
- ii. Cost-Effective: eBusiness eliminates the need for physical storefronts, which can significantly reduce overhead costs. This makes it a cost-effective option for businesses of all sizes, especially for small and medium-sized enterprises.
- iii. Increased Efficiency: eBusiness allows companies to automate various processes such as inventory management, order processing, and payment collection. This leads to increased efficiency, as these processes can be completed quickly and accurately, without the need for human intervention.

- iv. Improved Customer Service: eBusiness enables companies to provide faster and more convenient customer service, such as online chat, email, or social media. This can lead to higher levels of customer satisfaction and loyalty.
- v. Data Analytics: eBusiness allows companies to collect vast amounts of data about their customers and their buying behaviour. This data can be used to improve marketing strategies and product offerings, leading to better customer engagement and increased sales.
- vi. Competitive Advantage: eBusiness provides companies with a competitive advantage over traditional businesses that have not yet adopted digital technologies. This allows them to stay ahead of the competition and remain relevant in an increasingly digital world.



Features of Agricultural Era

"Six pillars" Of Agriculture

- 1. Soil
- 2. Water
- 3. Climate
- 4. Seed
- 5. Tools
- 6. Peasants







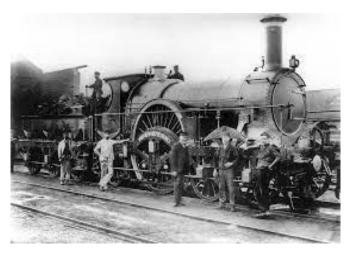






Transition from Agricultural Era to the Industrial Era Augmenting Muscle Power

- Invention of the Steam engine
- Discovery of Electricity and invention of the electric motor
- Internal Combustion Engine
- Assembly Lines
- Automation

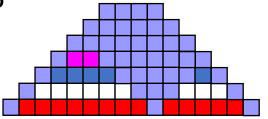






Essential characteristics of the industrial society

- Standardisation --> Mass production
- Specialisation --> Compartmentalised structures
- Synchronisation --> 9 to 5
- Concentration
- Maximisation
- Centralisation







Organizational and Management Structure of Industrial age Organizations

Adam Smith
Concept of Division of Labour
Ref. Wealth of Nations - 1766

Henry Ford
Assembly Lines
Brought work to worker -1890

Alfred Sloan

Management Structures

Apply division of Labour to Management

Large Scale Strategic Planning
Monitoring divisional performance and
Intervening to adjust plans and activities

The specialization and concentration of the workers on their single subtasks - greater skill and greater productivity on their particular subtasks







Advantages of Division of Labour

- Learning Curve efficiencies
 - More repetitions learning faster ways to perform task
 - More efficient in time, Increases productivity
 - Concentration on one repetitive task more skilled
 - Steepening of the Learning Curve
 - Reduces the time needed for training task is simplified
- Little time spent moving between tasks Reduce idle time
- The overall quality of the product will increase
- Possible to influence how production takes place

Disadvantages of Division of Labour

- The worker does not feel responsible for the end result
- Lack of motivation: the quality of labour decreases while
- Absenteeism may rise
- Repetitive Motion disorder
- Growing dependency: a break in production may cause problems to the entire process.
- Loss of flexibility: workers have limited knowledge while not many jobs opportunities are available.
- Higher start-up costs: high initial cost to buy special machinery

Draw backs of Industrialisation

- Environmental degradation: Industrialization has led to air and water pollution, deforestation, soil degradation, and other forms of environmental degradation that can have long-lasting effects on the planet and human health.
- **Social problems**: Industrialization can cause social problems such as urbanization, overcrowding, income inequality, and social dislocation, as people move from rural areas to cities in search of work and better life.
- **Exploitation of workers**: Industrialization has also led to the exploitation of workers, who are often paid low wages and work in unsafe and unhealthy conditions.
- **Dependence on non-renewable resources**: Industrialization relies heavily on non-renewable resources such as oil, coal, and natural gas, which are finite and contribute to climate change.
- **Globalization**: Industrialization has contributed to globalization, which can have negative impacts on local economies & cultures.
- **Economic instability**: Industrialization can lead to economic instability as industries and jobs can become obsolete due to technological advancements or global competition.

- B2C –Business to Consumer
- B2B Business to Business
- B2G Business to Government
- C2C Consumer to Consumer
- C2B Consumer to Business
- G2G Government to Government
- G2C, G2B, C2G, etc



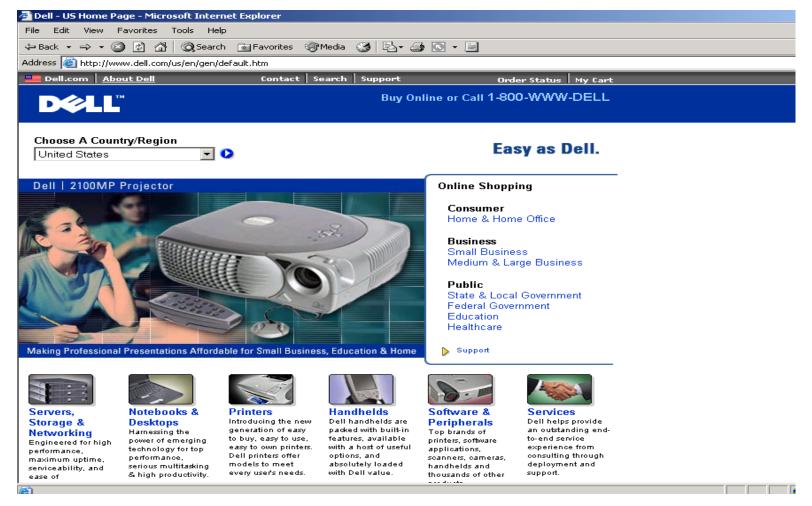




- **Business-to-Consumer (B2C):** B2C eBusiness involves companies selling products or services directly to individual customers over the internet. Examples of B2C eBusiness include online retailers such as Amazon.
- **Business-to-Business (B2B):** B2B eBusiness involves companies selling products or services to other businesses over the internet. Examples of B2B eBusiness include suppliers selling raw materials to manufacturers or software companies providing services to other businesses.
- Consumer-to-Consumer (C2C): C2C eBusiness involves individual customers selling products or services to other individual customers over the internet. Examples of C2C eBusiness include online marketplaces such as eBay.

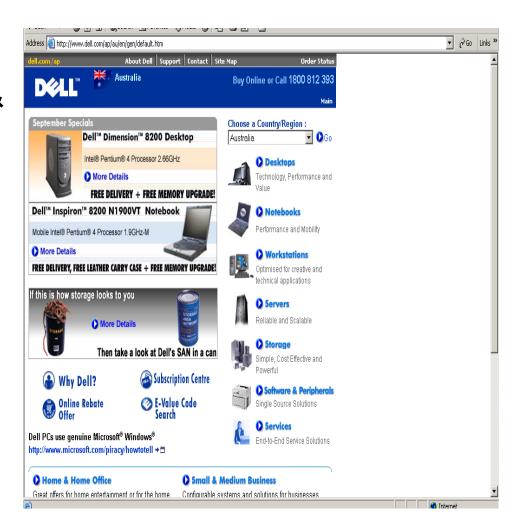
- Business-to-Government (B2G): B2G eBusiness involves companies selling products or services to government entities over the internet. Examples of B2G eBusiness include government procurement portals and software companies providing services to government agencies.
- Consumer-to-Business (C2B): C2B eBusiness involves individual customers selling products or services to businesses over the internet. Examples of C2B eBusiness include freelance marketplaces such as Fiverr.
- Government-to-Business (G2B): G2B eBusiness involves government entities selling products or services to businesses over the internet. Examples of G2B eBusiness include government procurement portals and tax portals.



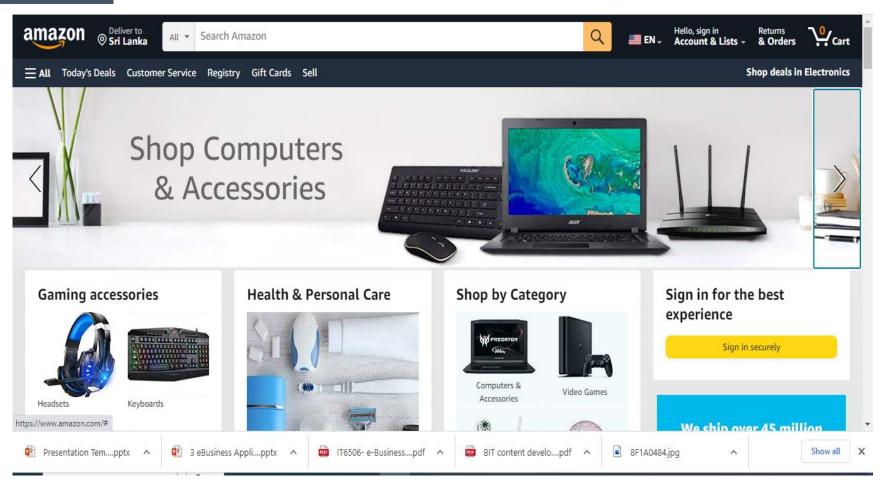


B2C - Dell Web Site

- Gives customers the ability to custom order & price various sizes & configurations of PCs online
- Receives money before product is shipped
- All customer service is done via the web helping to cut costs
- Customers can track shipments



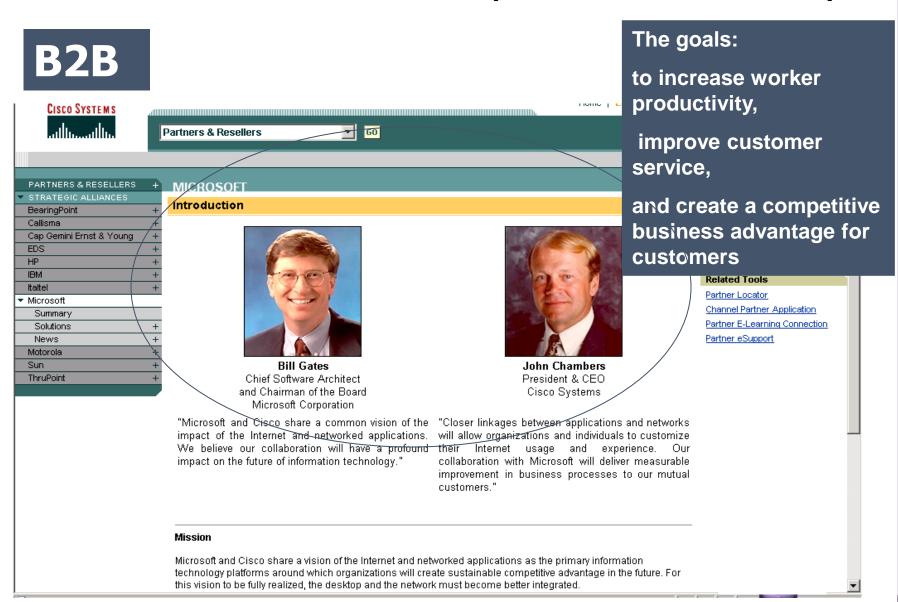
B2C



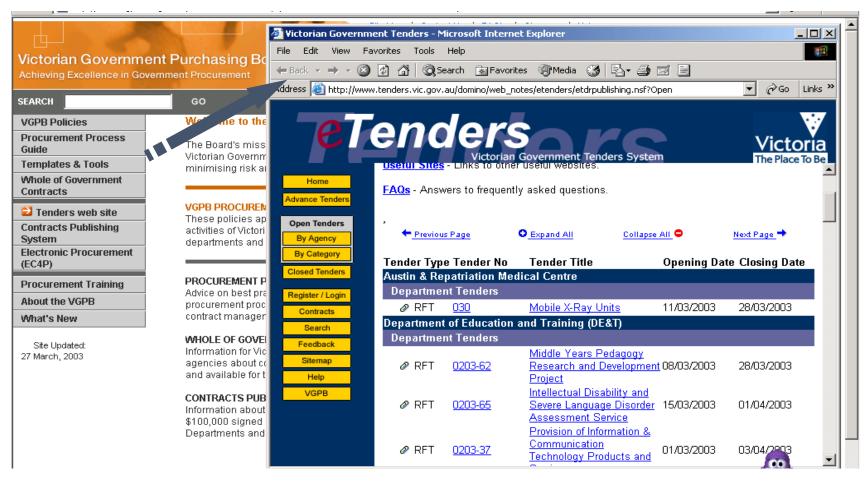


B2B: BUSINESS TO BUSINESS ECOMMERCE





B2G







Advantages of eBusiness

- Increased reach and accessibility: eBusiness allows companies to reach a global audience, breaking down geographical barriers and making it easier to connect with customers and partners around the world.
- Cost savings: eBusiness can reduce many of the costs associated with traditional business models, such as rent, utilities, and staffing. By automating many processes, businesses can also save on labor costs and increase efficiency.
- Improved customer experience: eBusiness allows companies to offer a range of customer-centric services such as online ordering, delivery tracking, and online support. This can lead to higher levels of customer satisfaction and loyalty.

Advantages of eBusiness

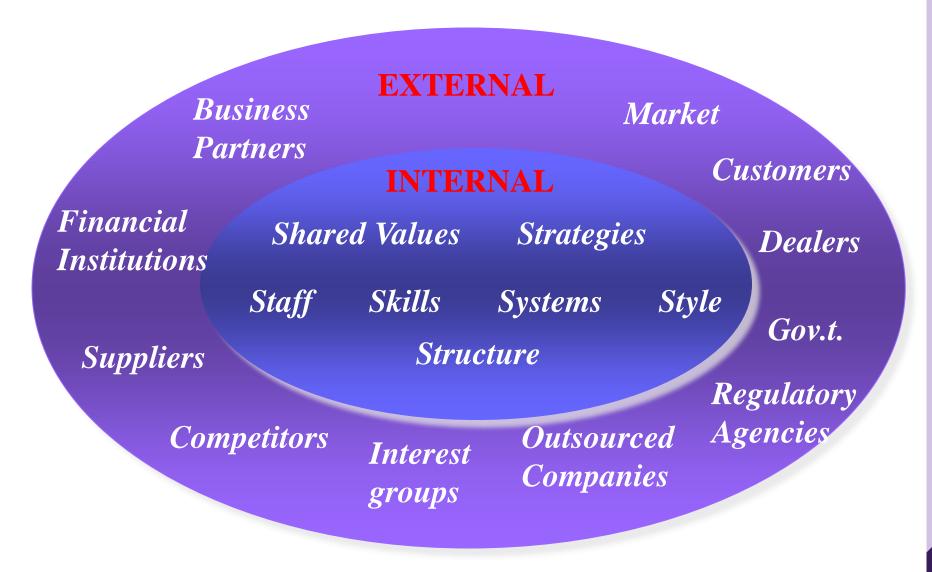
- **Greater flexibility**: eBusiness provides companies with greater flexibility to adapt to changing market conditions and customer demands. Companies can quickly add or remove products and services, adjust prices, and respond to customer feedback.
- Increased competitiveness: eBusiness enables smaller companies to compete with larger organizations on a more level playing field. By leveraging digital technologies, small businesses can often deliver products and services at lower costs and with greater agility.
- Improved supply chain management: eBusiness helps companies streamline their supply chain processes, reduce lead times, and improve inventory management, leading to improved operational efficiency and reduced costs.

Disadvantages of eBusiness

- Security risks: eBusiness can pose significant security risks, such as data breaches, hacking, and identity theft. Companies must invest in robust security measures to protect their data and the data of their customers.
- Infrastructure requirements: eBusiness requires a reliable and fast internet connection, as well as the hardware and software to support it. Companies must invest in the necessary infrastructure to support their eBusiness operations.
- **Technical issues:** eBusiness systems can experience technical issues, such as website downtime, server outages, and software bugs. These issues can impact customer experience and lead to lost revenue.

Disadvantages of eBusiness

- Dependence on technology: eBusiness requires a high degree of dependence on technology, and companies must have a solid understanding of digital technologies and systems to operate successfully. Technical problems can result in significant downtime and lost revenue.
- Lack of personal interaction: eBusiness can lack the personal interaction and relationship building that is possible with traditional business models. This can make it more challenging to build trust with customers /partners.
- **Competition:** eBusiness has lowered the barrier to entry for many industries, making it easier for competitors to enter the market. This can lead to increased competition and price pressure.



Forces working on The eBusiness Environment



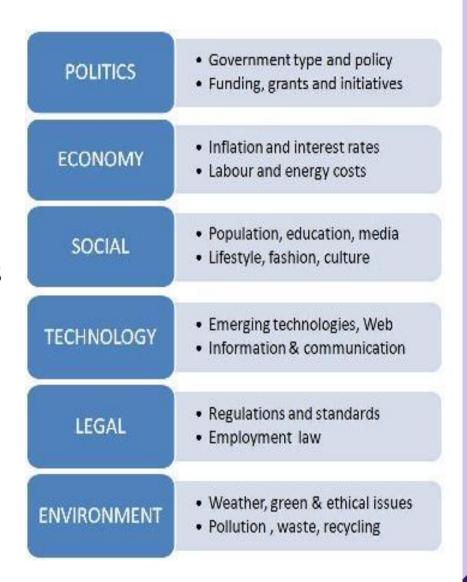
Internal Environment

- Employees
- Board of Directors
- Shareholders
- Systems
- Structure
- Strategies
- Shared values
- Staff
- Skills



External Environment

- Customers
- Markets
- Government
- Suppliers
- Special Interest Groups
- Media
- Labour Unions
- Competitors
- Financial Institutions
- Etc...

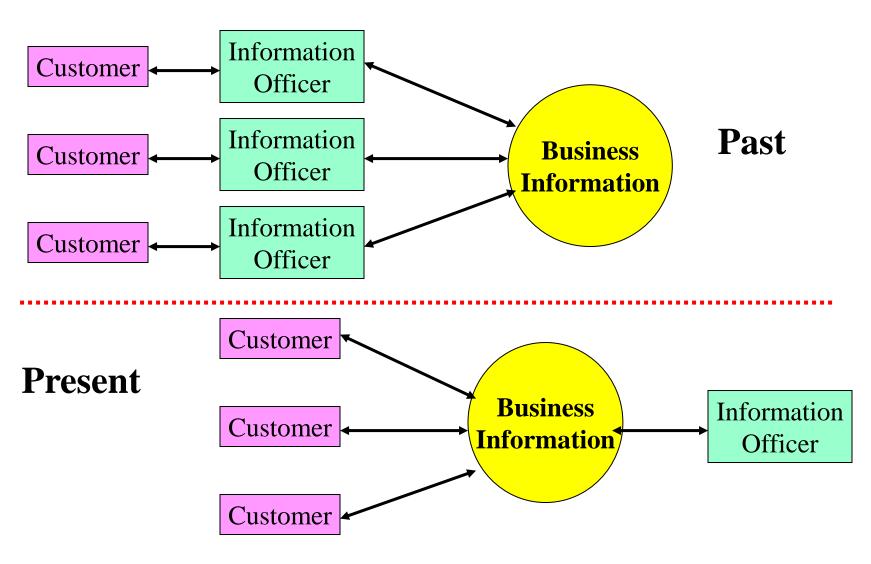


The Internal/External Business Environment - Garment Sector

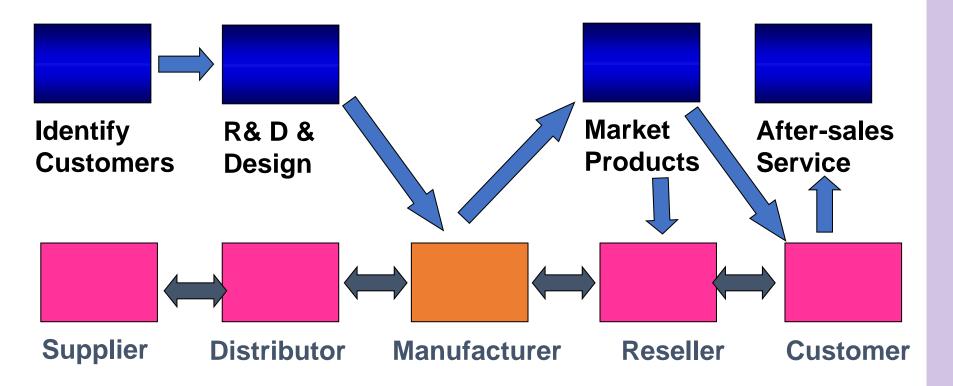


1.5. Customer business interactions in eBusiness

Customer - Business Interaction

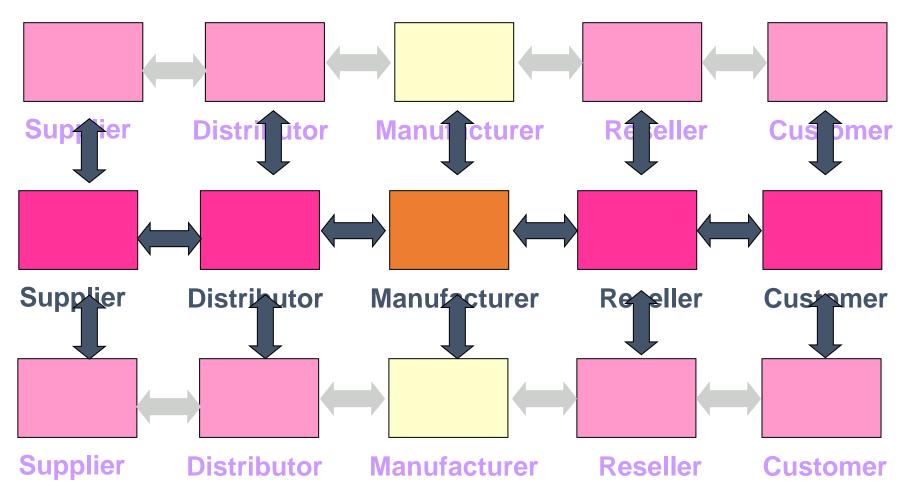


1.5. Customer business interactions in eBusiness



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Business Value Chain Collaborations



1.5 Customer business interactions in eBusiness





Online Marketplaces
Third-party business-tocustomer (B2C) or customerto-customer (C2C)



Retail SalesDirectly to customers



Business-to-Business (B2B)