

5

Overview of E-Business

Syllabus

Concept of E-business : Business Success through adoption of technology, information management for business Initiatives, Performance improvement through e-business. Introduction to various collaborative partnerships, E-commerce: Sectors of e-commerce, B to C, B to B and C to C ecommerce, E-commerce success factors, clicks and Bricks in ecommerce, collaborative commerce. E-Marketplace, M-commerce, E-Government; Various E-business Models, Challenges of the E-Business Models, Globalization of E-business.

5.1 Concept of E-business

- E-business expands to Electronic Business, which implies the online presence of the business firm.
- It includes e-commerce and other business activities such as accounting, production, finance and so on which are conducted electronically.
- It refers to the digital enablement of transactions and processes within a firm, involving systems under the control of the firm.
- There are two types of E-business: Pure Play and Brick and Click.
 - In pure play, business operates in online mode only.
 - In brick and click, business operates both online and offline mode.

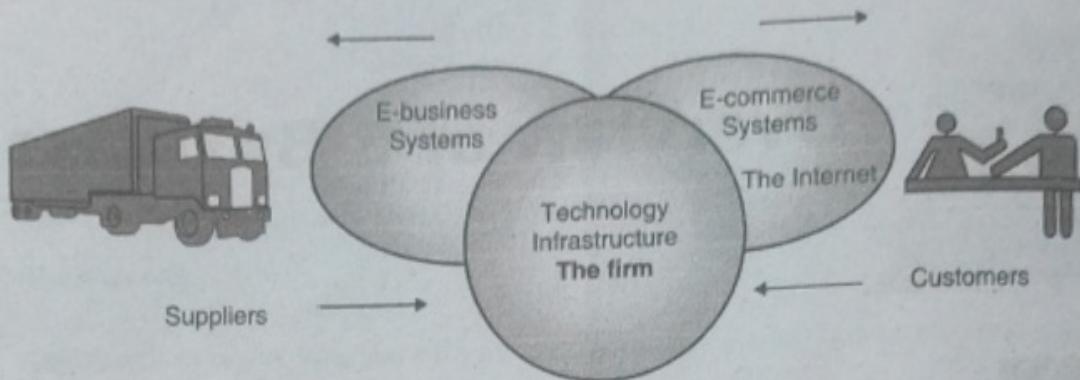


Fig. 5.1.1 : E-business is a superset of e-commerce

- E-business draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems.

5.1.1 Comparison between E-Commerce and E-Business

Sr. No.	E-Commerce	E-Business
1.	When the trading of goods and services takes place over the internet through electronic devices is e-Commerce.	When the business activities are conducted electronically, it is called as e-Business.
2.	The scope is narrow in comparison with e-Business.	The scope of e-Business is wider in comparison to e-Commerce because covers e-Commerce also.
3.	E-commerce just involves buying and selling of products and services.	E-business includes all kinds of pre-sale and post-sale efforts.
4.	Money is involved in an e-commerce transaction.	But e-Business involves monetary and allied activities like procurement of raw materials, looking for suppliers etc..
5.	The first and foremost requirement of e-commerce is website to represent the company on the internet.	E-Business requires a website and software packages like ERP, CRM etc.

Sr. No.	E-Commerce	E-Business
6.	E-commerce requires internet to connect the company with the rest of the world.	As against to e-commerce, E-business requires networks like internet, intranet and extranet.
7.	E-commerce has an extroverted approach as it deals with external parties only like customers, suppliers and distributors.	On the contrary, the approach of e-business is ambiverted because it deals with internal parties such as employees along with external parties such as customer, suppliers, distributors and creditors.
8.	E-commerce is narrower concept and restricted to buying and selling.	It is a broader concept that involves market surveying, supply chain and logistics management.

5.2 Business Success through Adoption of Technology

- Innovation is a constant in technology as well as business. But all the new technologies and innovations are not adopted or accepted by the people.
- Technology adoption as a consistent process is the key to enabling hesitant users to successfully adopt and use technology.
- A research was conducted by Intuit in collaboration with government of India on MSMEs. About 748 MSMEs of 12 cities were surveyed.
- It has been observed that 60% businesses had adopted technology from the start of business, 20% at the time of expansion in manpower, 11% adopted at the time of expansion in reach of market serviced, 4% have adopted at the time of expansion in product line, 3% at the time of revenue expansion.
- Also they have tried to find out the reason that why businesses have adopt technology.
- 68% company's adopted technology because colleagues, other businesses benefiting from it, 36 % adopted it because change in Government regulations, 19 % company's adopted because training program helping integration of IT with business.
- Rapid technological change can challenge all competitors in a market.
- Technology may free businesses from a single source of supply ex. open source software vs Microsoft.



- Some businesses may be technology leaders, where technology enables them to gain an advantage.
- Most other businesses need to assess the threat posed by technology on their competitive position.
- Benefits of adopting technology in businesses are:
 1. Efficient Human Resource Management
 2. Improved customer service
 3. Improved quality of deliverables
 4. Increased competitiveness
 5. More informed decision making
 6. Easier remote access
 7. Improved internal communications
 8. Helps in tracking business performance
 9. Increased efficiency
 10. Speed, faster than manual
- Today all B2B suppliers use Internet for communication purposes, to promote their business, to run their own website.
- Top barriers to technology adoption are
 - o Lack of awareness
 - o Skilled manpower
 - o Cost
 - o Poor Infrastructure

5.3 Information Management for Business Initiatives

- What is information management?
 - o Application of management techniques to collect information, communicates it within and outside the organization, and process it to enable managers to make quicker and better decisions.
- Running business successful today requires the ability to make fast informed decisions.
- Corporate information can exist in many operational systems throughout an organization.

Finding the right information can require:

- Access to multiple repositories in multiple formats on multiple systems
- Multiple steps, often causing delayed responses, thus resulting in loss revenue, non-compliance, or customer dissatisfaction.
- Complex inquiries to formulate a complete result that can be used for making an informed decision.

So information management solution provides an integration of structured and unstructured information in a context that is used by users to make decisions.

It provides a seamless, role based set of tools that let users be more efficient in completing their key tasks.

These tools can include:

- Business Intelligence
- Enterprise search
- Collaboration
- E-mail management
- Portal
- Information management provides a single view into company's information sources.
- Information management enables businesses to:
 - Monitor and control operating processes for efficiency and improve them to save time or money.
 - Research demand for new products
 - Sense what is happening in the external environment and respond accordingly through their strategy.
 - Communicate messages about brands and products internally and externally.
 - Exchange information with partners such as suppliers as part of their operational processes.

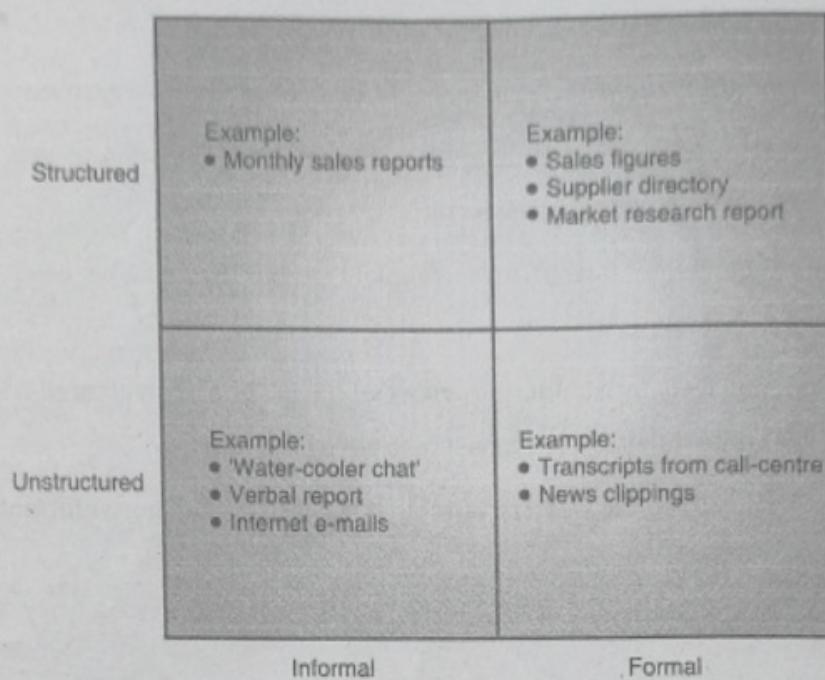


Fig. 5.3.1 : Different forms of information

- Challenges of information management in the business?
 - **Accessibility** : How do businesses make relevant information available to employees and partners?
 - **Relevance** : How do we find information relevant to our decisions?
 - **Security** : How do we protect this information from accidental deliberate threats?
 - **Legality** : How do businesses ensure they are using customer, employee and market information in accordance with legal and ethical standards?

5.4 Performance Improvement through E-Business

- We will focus on e-Business strategies. E-business uses technology to improve business processes and performance. This includes managing internal processes such as human resources, financial and administration systems, as well as external processes such as sales and marketing, supply of goods and services, and customer relationships.
 - E-Business describes many different activities and aspects involved in business management and marketing using the internet.
 - Setting up a website
 - Social networking

- o Marketing your business online
- o Finding new customers
- o Selling online
- o After-sale service

E-business will improve business execution through minimal effort and open network by the presentation of new advancements in the esteem chain and interfacing esteem chains crosswise over organizations so as to improve administration lessen costs, open new channels.

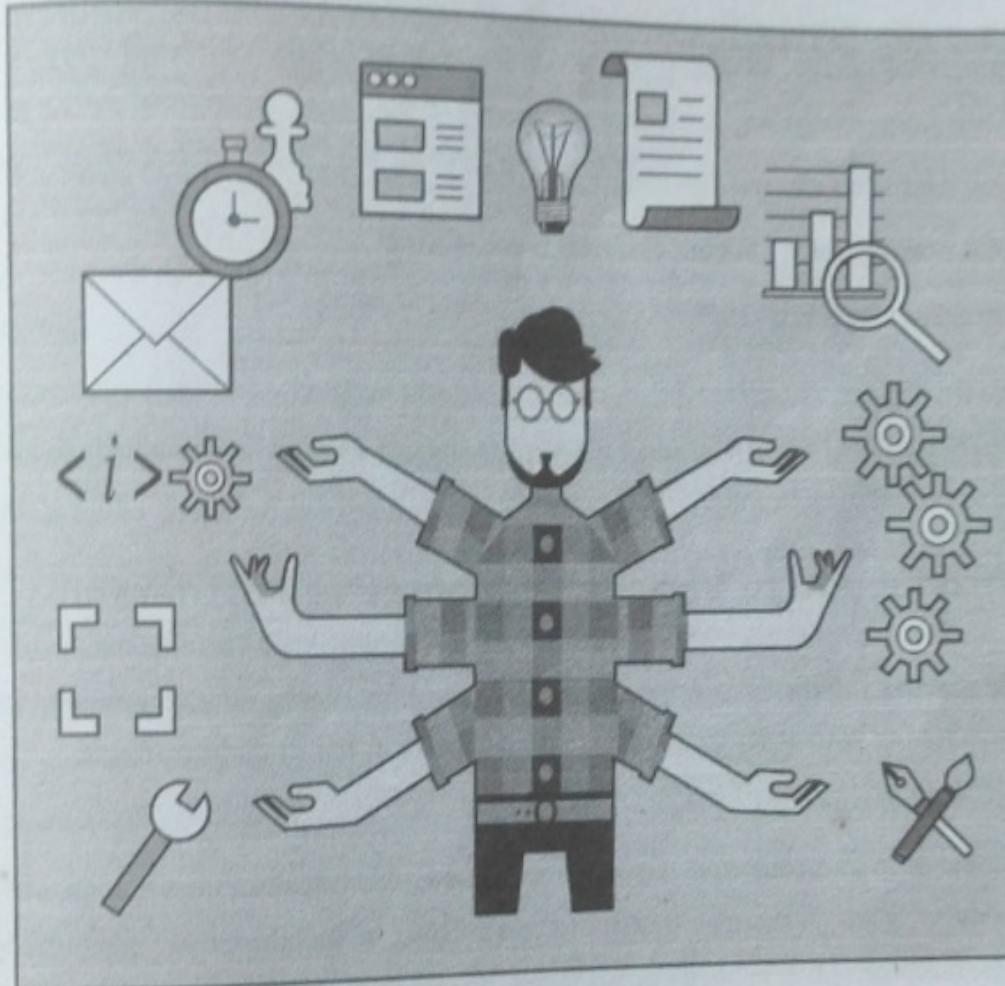


Fig. 5.4.1

- Most of the businesses greatly reduces the cost of many different systems and improves performance when you integrate tools with activities.
 - o Web apps : Microsoft Office Web Apps- document editing and sharing
 - o Online office tools : Google apps- email, documents, calendar, chat and other online solutions.



- o Interactive call systems : Skype, Google Hangouts ,Webex , it increases ability to do business with people that aren't in a physical setting but more of a virtual setting or across the world.
- o Software as a service (SAAS) : MailChimp, SurveyMonkey etc., BaseCamp, ActiveCollab or ProjectPlace, Quickbooks, Freshbooks or Xero.
- Using e-Business performance of improves a lot like
 - o It helps to raise the profile of the business
 - o Improve customer support
 - o Target new markets
 - o Sell your products and services
 - o Make the processes in your business more efficient
 - o Increase marketing reach
 - o Keep the business cost down
 - o Increased hours of operations (a website provides 24 hour 7 day information to existing and potential customers)

5.5 Introduction to Various Collaborative Partnerships

- We will discuss about collaborative partnerships and the reason why companies would enter into partnership with other companies to manufacture or to sell their products.
- What is collaboration?
 - o Collaboration means working together with people from across the business to achieve a shared goal. Although similar to teamwork, a collaborative partnership is not hierarchical – everyone has equal status, no matter their seniority.
 - o You can collaborate with members of your own team or from other departments, as well as contractors, clients, or even other organizations.
- The real key is that partnerships evolve around a core competency if you have a core competency in a particular area that is not an area that you want to develop a partnership about.

For example if you are building a part that requires some machining but your core competency is engineering the part then finding a machine shop that had a core competency in machining or maybe 3D printing or some way to manufacture the parts that go into your product which is less expensive. Of course it takes less time, then you might develop a strategic partnership with that machine shop so that they can do the parts that it's their competency to do.

So developing a core competency strategy is key towards figuring out what you should outsource and what you should not.

Outsource the things that you do very little of and can't develop competence at, so you don't want to keep doing something that only takes for any one of your parts, maybe 5 or 10 minutes to do. Still, every time you do it, you get to retrain somebody because you do it so infrequently, pay someone else to do that, that does it regularly, and ship that part to you is a strategic advantage.

So organizations form alliances and partnerships with other organizations based on their core competency.

Two ways for collaborative partnership :

1. Unstructured collaboration (information collaboration)
2. Structured collaboration (process collaboration)

1. Unstructured Collaboration

- Includes document exchange, shared whiteboards, discussion forums, and email.
- It is prior to having an actual contract in place where you would be working under that contract and working together.

2. Structured Collaboration

- Involves shared participation in business processes such as workflow in which knowledge is hardcoded as rules.
- For collaboration, communicating with others using a variety of different tools such as email, social media, photo sharing, presentations and video.
- Design different communications for different purposes: to persuade, inform, entertain and support.
- Work online with others on projects, to share files, work on documents and complete task lists.



- Take part in an online meeting or discussion forum. People with more extensive skills in this area may be able to build an online community and understand how digital content and interactions can influence a person's behaviour.
- A **collaboration tool** is a technology tool that can be used to help people work together to achieve a common goal or objective.
- A collaboration tool can be something as simple as a whiteboard in a conference room that people gather around and use to brainstorm and solve problems. Another collaboration tool is a conference call, during which multiple people get together over the phone to hash out an issue.
- Few items that enable these collaboration are:
 - o Groupware : Web conferencing – blends audio, video and document-sharing technologies to create virtual meeting rooms where people gather at a password-protected website.
 - o Email : is the dominant form of collaboration application, but real-time collaboration tools like instant messaging are creating a new communication dynamic.
 - o E-government : the government moves online- it involves the use of strategies and technologies to transform governments by improving the delivery of services and enhancing the quality of interaction between the citizen-consumer within all branches of government.
- Effective collaboration drives a company's success. When teams work collaboratively, their members are encouraged to be creative and bring their best ideas to the table.
- Benefits
 - o Access to skills and strengths
 - o Develop employee skills
 - o Solve problems and innovate faster

Collaboration allows people with different backgrounds to bring their expertise to the workplace, creating a larger talent pool and increasing the possibility that problems will be solved by drawing from these diverse backgrounds.

 - o Improves work efficiency

Types of collaboration:

1. **Cross-functional collaboration :** This involves working with people who have different job functions like marketing, customer service, technology to achieve a common goal.
2. **Cross-cultural collaboration :** This involves working with people from other countries or cultures to learn more about different markets and encourage innovation.
3. **Virtual collaboration :** Apps like skype, slack, Google docs have made easier than ever for people to come together and collaborate, even if they work in different offices or countries.

5.6 E-commerce : Sectors of E-commerce

- E-commerce stands for Electronic Commerce, which implies the process of carrying out trading activities through electronic devices.
- Here the transaction between buyer and trader is made electronically and so physical interaction of parties is absent.
- It includes online shopping, online ticket booking, online banking, online hotel booking, and Social networking.
- There are 4 main models of E-commerce businesses that can be categorized into
 1. B2B(Business to Business commerce)
 2. B2C(Business to Customer commerce)
 3. C2B (Customer to Business commerce) and
 4. C2C(Customer to Customer commerce)

1. B2C

- It encompasses transactions made between a business and a consumer.
- It is one of the most popular sales models in the ecommerce context.
- Ex. When you buy shoes from an online shoe retailer, it's a business to consumer transaction.
- There are two different B2C types:
 - Click-and-Mortar: businesses that operate in both a physical store and on the Internet.
 - Pure-Play: businesses that operate purely on the Internet with no physical store



2. B2B

- This is focused on raw materials or products that are repackaged before being sold to customers.
- Unlike B2C, B2B e-commerce encompasses sales made between businesses such as a manufacture and a wholesaler or retailer.
- For example, a wholesaler places an order from a company's website, and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.
- B2B is not consumer facing and happens only between businesses.

3. C2C

- It is one of the earliest forms of commerce.
- It relates to the sale of products or services between customers, including selling relationships such as those seen on auction sites such as eBay, where individuals sell items, rather than businesses listing products for auction.
- This e-business model involves electronically facilitated transactions between consumers through some third party.
- Not all C2C businesses intend to sell goods to their members but rather assist in exchanging customers. Other companies can provide online social interactions and communities such as dating and relations, common interests and lifestyles, and fantasy games and sports sites.

4. C2B

- It reverses the traditional e-commerce model, meaning individual consumers make their products or services available for business buyers instead of it being the other way around.
- Customer to Business manages shopper giving his services or product to an organization.
- Example, C2B models include referral programs, paid testimonials, or data sharing.
- For example, the ice stock photo business model in which stock photos are available online for purchase directly from different photographers.
- C2B ecommerce like Amazon Affiliates allows the purchase of a product, for which the website owner will receive revenues or commission from a successful sale

5.7 E-commerce Success Factors

- There are many factors that will drive e-commerce growth. Here we will discuss factors that will help online retail grow in coming years.
- New technology:** It is always better to use latest technology for e-commerce since it is difficult to grow business with outdated technology.
- Website presentation:** website is the foundation to do e-commerce business. Home page should be updated regularly so the information will be accurate and timely. Overall the site should provide visitors with a pleasant experience.
- Pricing:** One of the main reason why consumers buy online is to save money, consumers can compare the price of products. Fixing of price to products is a big determining factor for launching an e-commerce business.

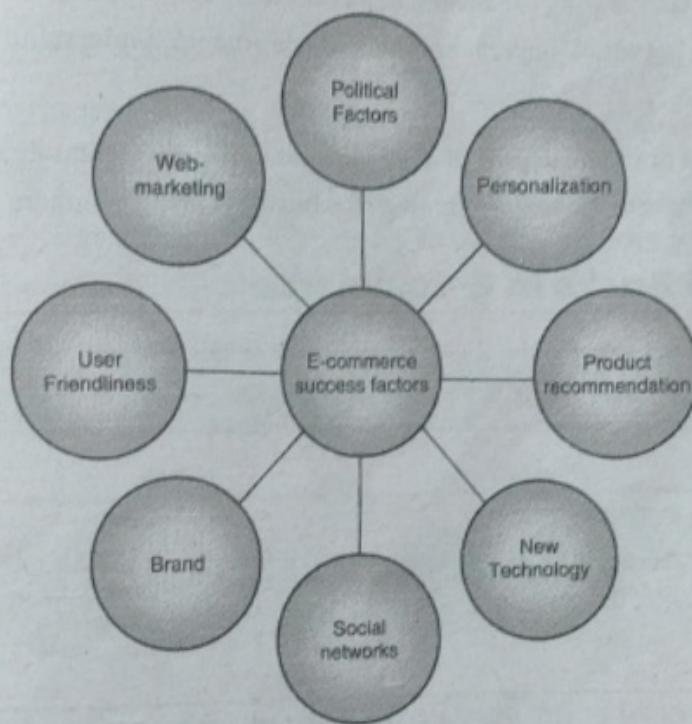


Fig. 5.7.1

- Accessible :** providing easy to access website is another important factor for successful e-commerce. It is therefore, necessary to test e-commerce site in all browsers and operating systems and test in a wide variety of situations.
- User friendliness :** User-friendliness and ease of use of the store is really the decisive factor. Due to the absence of user friendliness, customers may leave certain sites even before they have seen the price of a product.



- **Product return** : In e-commerce environment there should be sufficient provision for customers to buy and then return items that they don't really want. This will make them feel more secure and will likely to come back when they are looking to shop again.
- **Quickness** : Website should load quickly. Every component of the site should move fast in order to avoid customers leaving the site.
- **Relationship building** : Building strong relationships with customers is necessary for the successful e-commerce. This can be done by asking feedback from customers, giving them incentives and genuinely listening to what they say.
- **Political factors** : including the role of government in creating government legislation, initiatives and funding to support the use and development of e-commerce and information technology.
- **Social factors** : incorporating the level and advancement in IT education and training which will enable both potential buyers and the workforce to understand and use the new technology.
- **Technological factors** : The degree of advancement of the telecommunications infrastructure which provides access to the new technology for business and consumers.

5.8 Clicks and Bricks in E-Commerce

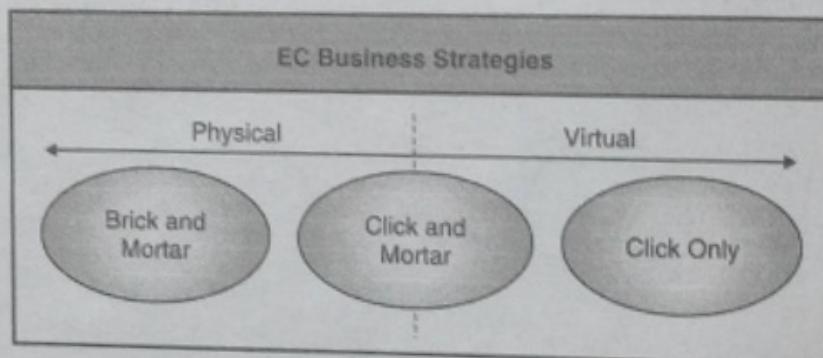


Fig. 5.8.1

- Clicks and Bricks is a jargon term for a business model by which a company integrates both offline (bricks) and online (clicks) presences, sometimes with the third extra flips (physical catalogs).
- **Definition** : It refers to a business that has a physical retail location, the bricks as well as an online presence that generates significant sales- the clicks.



- The model has historically also been known by such terms as clicks and bricks, click and mortar, bricks, clicks and flips, and WAMBAM, i.e. "web application meets bricks and mortar".
- Many retailers also offer telephone ordering and mobile phone apps, with most providing telephone sales support.
- The wide uptake of smartphones made the model even more popular, as customers could browse and order from their smartphone whenever they had spare time.
- A popular example of the bricks and clicks model is when a chain of stores allows the customer to, order online and pick up in the store, order products either online or physically in one of their stores.
- Reliance mart in India now growing fast with Brick and Click model.

5.8.1 Pros of Click and Brick

- Combine the advantages of brick and clicks.
- Attracts traditional as well as online audience.
- Cross-selling is easy and effective
- Websites/apps serve as a shopping window for customers who can browse products online and purchase them at the physical store.
- Trade off physical stores vs. online presence

5.8.2 Cons of Click and Brick

- Channel conflict
- High costs of physical buildings and large sales staffs.
- Heavy investments required to integrate the supply chain for both physical and online operations.
- Need for synchronization of discounts or sales to ensure the balance of footfalls in both, the physical store and online store.

5.9 Collaborative Commerce

- Collaborative commerce (c-commerce) is the E-commerce model in which individuals or groups communicate or collaborate online.
- Collaborative commerce is the use of Internet-based technology that promotes collaboration in business.



- Use of digital technologies for organizations to collaboratively design, produce, and manage products through life cycles.

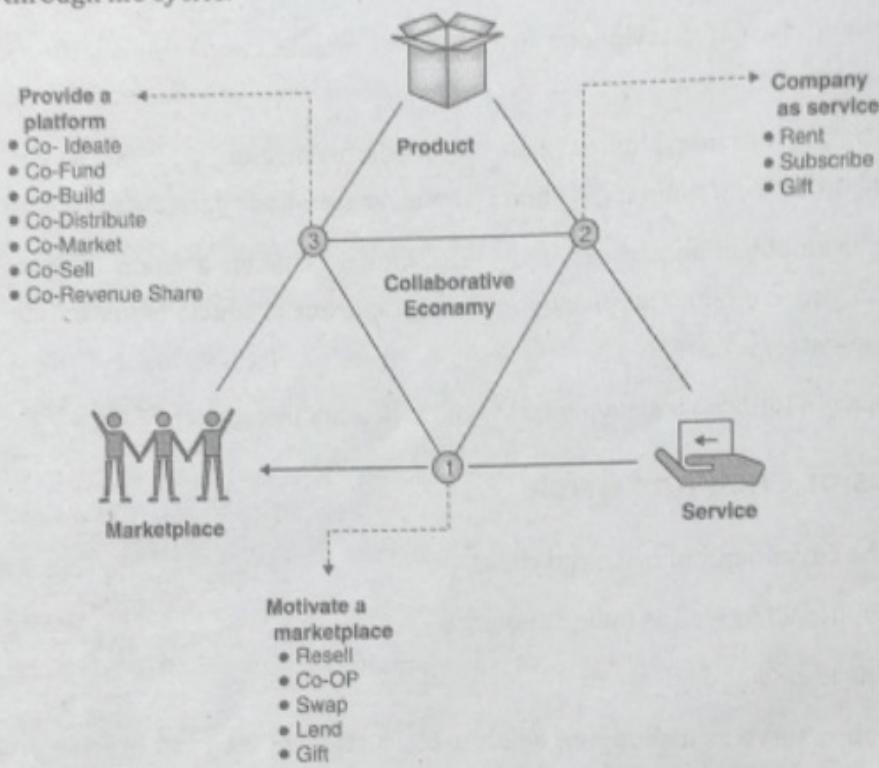


Fig. 5.9.1 : Collaborative commerce

- **Definition as per Investopedia:** Collaborative commerce consists of optimizing supply and distribution channels to capitalize upon the global economy and use new technology efficiently. Moves focus from transactions to relationships among supply chain participants.
- It is more like an interactive teleconference among members of supply chain.
- How c-commerce is different from E-commerce and E-business?
 - E-commerce involves carrying out commerce on the web, which includes buying and selling of products on the web.
 - E-business is about carrying out any business on the web and is broader than e-commerce.
 - C-commerce: using the internet cloud to synchronize operations with customer's suppliers and business.
- Benefits of C-Commerce
 1. Reduced time-to-market
 2. Improving of process transparency



3. Encouraging innovations
4. Reduction of inventory
5. Increase customer satisfaction
6. Optimization of processes of each participant.

Example : collaborative commerce in hospitality, share homes - airbnb, share cars - Ola.

5.10 E-Marketplace

- We know that in an E-commerce store, only the store owners and buyers are involved but in the case of E-marketplace, it is entirely different.
- In an E-marketplace not only store owner and buyers, but the other sellers are also involved.
- Store owner and seller, both can be in the area of selling products. But in a marketplace, only the administrator can collect the revenue.
- And after deducting the commission, the revenue, will be distributed to the respective seller.
- Marketplace is suitable for small vendors, who want to penetrate in the e-commerce market. It is a perfect, efficient and cost effective solution for such small vendors.
- E-marketplace components and participants :
 - o Customers
 - o Sellers
 - o Infrastructure
 - o Front end
 - o Back end
 - o Product and services
 - o Intermediaries third parties that operates between sellers and buyers
 - o Other business partners
 - o Support services



- Use of digital technologies for organizations to collaboratively design, produce, and manage products through life cycles.

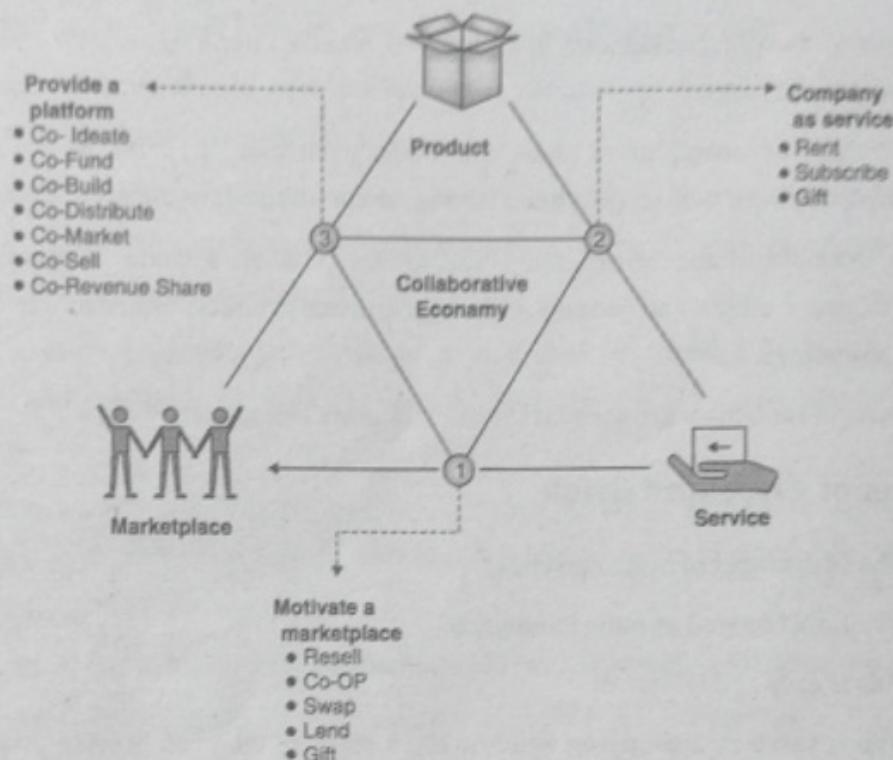


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5.10.1 Types of E-Marketplaces

- Private e-marketplaces
 - Online markets owned by a single company; may be either sell-side and /or buy-side e-marketplaces
- Sell-side e-marketplaces
 - A private e-marketplace in which one company sells either standard and /or customized products to qualified companies.
- Buy-side e-marketplaces
 - A private e-marketplace in which one company makes purchases from invited suppliers.
- Public e-marketplaces
 - B2B marketplaces, usually owned and or managed by an independent third party, that include many sellers and many buyers; also known as exchanges.

5.11 M-Commerce

- M-commerce stands for Mobile Commerce.
- M-commerce is rapidly growing part of E-commerce.

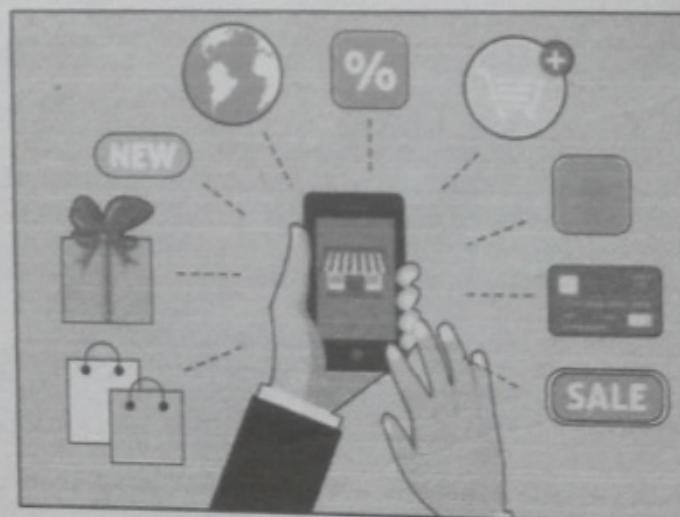


Fig. 5.11.1 : M-Commerce

- E-commerce and M-commerce have similar meanings and goals. However, they are not identical.

When people perform E-commerce activities, using laptops or desktop computers, they need a place to buy or sell things.

- With M-commerce, on the other hand, people, buy and sell on the go. In other words, they use their mobile devices and can do their business transactions anywhere, as long as are online.
- E-commerce includes any online commerce, i.e., laptops, desktop computers, tablets, and smartphones.
- M-commerce only includes devices we carry around with us such as smartphones and tablets.
- So, E-commerce covers all M-commerce activities plus more.
- Kevin Duffey coined the term 'Mobile Commerce' in 1997 at the launch of the Global Mobile Commerce Forum.
- He said it is "the delivery of electronic commerce capabilities directly into the consumer's hand, anywhere, via wireless technology." Many choose to think of Mobile commerce as meaning 'a retail outlet in your customer's pocket'.
- M-commerce is the process of paying for services using a mobile phone or personal organizer.
- The customer can use his mobile device to purchase tickets for events or public transport, pay for parking, download content and even order books.

5.11.1 Attributes of M-Commerce

- Convenience :** Devices that store data and have Internet, intranet, extranet connections.
- Personalization :** Preparation of information for individual consumers.
- Ubiquity :** Easier information access in real-time
- Instant connectivity :** Easy and quick connection to Internet, intranets , other mobile devices.
- Localization of products and service :** Knowing where the user is located at any given time and match service to them.

5.11.2 Advantages of M-Commerce

- It provides a very convenient and easy to use the system to conduct business transactions.
- M-commerce has a very wide reach. A huge part of the world's population has a mobile phone in their pocket. So the sheer size of the market is tremendous.
- M-commerce also helps businesses target customers according to their location, service provider, device type, and other criteria.
- The cost of the company is also reduced. This is due to the streamlined processes, transaction cost, low carrying cost, and low order processing cost.



5.11.3 Disadvantages of M-Commerce

1. In developing countries, the networks and service providers are not reliable. It is not most suitable for data transfer.
2. The existing technology to set up an m-commerce business is very expensive. It has great start-up costs and many complications arise.

5.11.4 Applications of M-Commerce

1. M-commerce for Hotel Reservation
2. M-commerce for finance.
3. M-commerce for Retail and After sale Services.
4. M-commerce in Healthcare and Medicine
5. M-commerce and mobile marketing

5.12 E-Government

- It is electronic governance.
- E-governance is nothing but a mediator between government and citizens.
- It is the transformation of government to provide efficient, convenient, and transparent services to citizens and businesses.
- It uses a range of modern Information and Communication Technologies (ICT) by the government to improve efficiency and services.
- Through e-governance, government services will be made available to citizens conveniently, efficiently, and transparently.
- The application of ICT and e-governance has huge potential for intermediate organizations in developing countries.
- Fundamentally, E-governance entails electronic governance, which uses information and communication technologies at various levels of the government and the public sector to improve governance (Bedi, Singh, and Srivastava, 2001)
- The three main groups that can be distinguished in governance concepts are government, citizens, and businesses.
- It is used to create a better business environment
- It is used to strengthen good governance and to broaden public participation

- It is used to improve the productivity and efficiency of government agencies
- The public-private partnership-based e-governance projects are hugely successful in India.
- United Telecoms Limited (UTL) is a significant player in India on PPP-based e-governance projects.

5.12.1 Variables of E-Governance

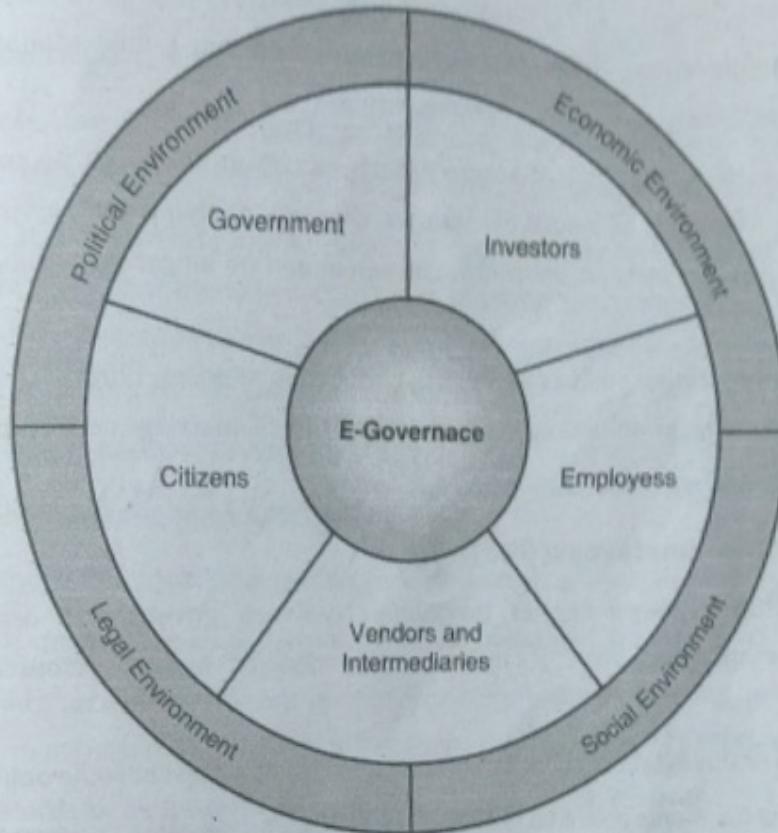


Fig. 5.12.1

5.12.2 Types of E-Governance (Models of E-Governance)

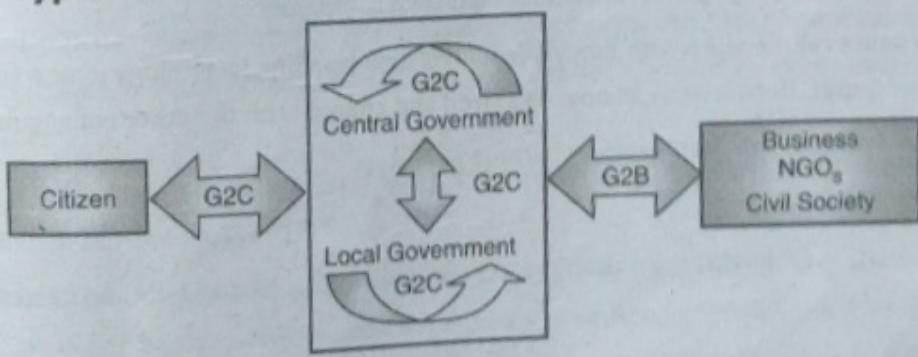


Fig. 5.12.2 : Types of E-governance



1. Government-to-Citizens (G2C) *J*

- G2C is transaction between government and citizens.
- Government provides services to fulfill the need of citizens.
- The goal of G2C governance is to offer a variety of ICT services to citizens efficiently and economically and strengthen the relationship between government and citizens using technology.
- Two-way communications allow citizens to instantly message public administrators and cast remote electronic votes and instant opinion voting.
- Transactions such as payment of services, such as city utilities, can be completed online. Mundane services such as name or address changes, applying for services or grants, or transforming existing services are more convenient and no longer have to be completed face to face.
- It includes many services such as health care, education services, filing of income taxes, basic citizens services such as online registration of birth, death, marriage certificates.
- Example : National portal of India India.gov.in , Paying my tax, License renewal

2. Government-to-employees(G2E) *B/E*

- It is the online non-commercial interaction between government organizations and government employees only. It includes provision of human resource training and development.
- The main goal of this relationship is to serve employees and present some online services.
- Online services for employees like service benefits, reviewing salary payment records and e-learning.
- It is the relationship between online tools, sources and articles that help employees maintain communication with the government and their own companies.
- E-governance relationship with Employee allows new learning technology in one simple place as the computer. Documents can now be stored and shared with the other colleagues online.
- It makes it possible for employees to become paperless.
- Benefit of G2E are :
 - (a) E-Payroll, maintains the online sources to view paychecks, pay bills and keep records for tax information.

Ex: applying for leave, reviewing salary

Payment records, checking balance of the holiday



- (b) E-training allows new and current employees to regularly maintain their training by developing new technology and enabling new employees to train and learn over new materials in one convenient location.

Example : Training for employee www.egovonline.net

3. Government-to-Business(G2B) 3

- G2B transaction is between government and business.
- It includes dissemination of policies, memos, rules and regulations.
- Online services for business organizations like licensing, permit, renewing licenses, registering businesses, downloading application forms and many more.
- Main goal of G2B is to increase productivity by giving business more access to information in a more organized manner while lowering the cost of doing business as well as the ability to save time, reduce operational cost and to create a more transparent business environment when dealing with the government.

• Example : Business portal of India Business.gov.in

4. Government-to-Government(G2G) ①

- Interaction among Government organizations, departments, and authorities.
- These services can be used as an instrument of international relations and diplomacy.
- This kind of interaction happens between different government agencies and other functional areas within an organization, between national, provincial, and local government agencies.
- It includes records by state government, schemes, plans, and initiatives.
- Example: e-governance standard portal of India <https://egovstandards.gov.in>

5.12.3 Benefits of E-Governance

- Increased efficiency in various Governmental processes, transparency and anticorruption in all transactions, empowerment of citizens and encouragement of their participation in governance.
- Speed : Technology makes communication speedier. Internet, cell phones have reduced the time taken in normal communication.
- Cost reduction : Most of the government expenditure is appropriated towards the cost of stationary. Paper-based communication needs lots of stationary, printers etc. which calls for continuous heavy expenditure. Internet makes communication cheaper saving valuable money for the government.



- Transparency : Use of ICT makes governing process transparent. All the information of the government would be made available on the internet. The citizens can see the information whenever they want to see.
- Accountability : Once the governing process is made transparent, the Government is automatically made accountable. It is the answerability for the deeds of the Government. An accountable government is a responsible Government.
 - Increased convenience
 - Reduced corruption
 - Reduction in overall cost
 - Expanded reach of government
 - Direct participation of constituents
 - Revenue growth
 - E-polling tax filing

5.13 Various E-Business Models

- The E-business model is an approach to conducting electronic business on the internet.
- A business model is the organization of product, service and information flows, and the source of revenues and benefits for suppliers and customers. The concept of e-business model is the same, but used in the online presence.

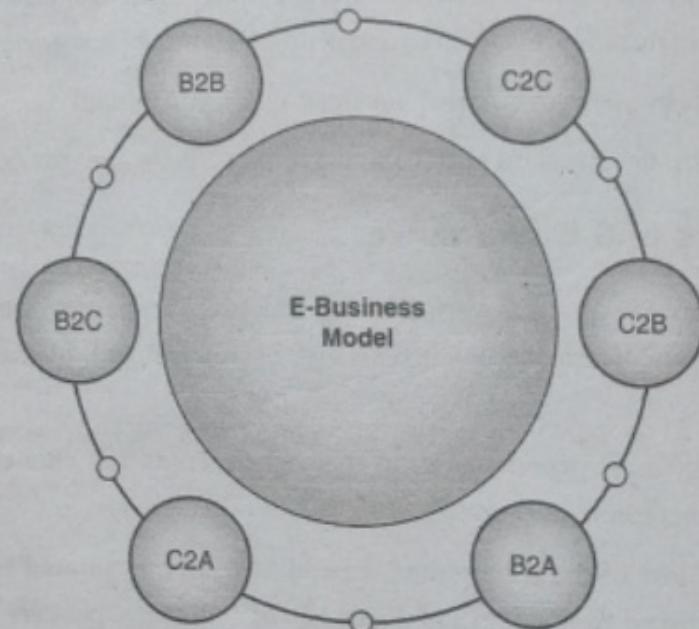


Fig. 5.13.1 : E-Business models



E-businesses have the following different models :

- o B2B(Business to Business commerce)
- o B2C(Business to Customer commerce),
- o C2B (Customer to Business commerce) and
- o C2C(Customer to Customer commerce)
- o C2A (Customer to Administrative)
- o B2A (Business to Administrative)

1. B2C

- It encompasses transactions made between a business and a consumer over the internet.
- It is one of the most popular sales models in the ecommerce context.
- Ex. When you buy shoes from an online shoe retailer, it's a business to consumer transaction.
- There are two different B2C types:
 - o Click-and-Mortar: businesses that operate in both a physical store and on the internet.
 - o Pure-Play: businesses that operate purely on the internet with no physical store.

2. B2B

- It applies to online commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer.
- This is focused on raw materials or products that are repackaged before being sold to customers.
- Unlike B2C, B2B e-commerce encompasses sales made between businesses such as manufacturers and wholesalers or retailers.
- For example, a wholesaler places an order from a company's website, and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.
- B2B is not consumer facing and happens only between businesses.

3. C2C

- It is one of the earliest forms of commerce.
- It relates to the sale of products or services between customers, including selling relationships such as those seen on auction sites such as eBay, where individuals sell items, rather than businesses listing products for auction.



- This e-business model involves the electronically facilitated transactions between consumers through some third party.
- Not all C2C businesses intend to sell goods to their members, but rather assist in exchanging customers.
- Other types of businesses can provide online social interactions and communities such as dating and relations, common interest and lifestyles, and fantasy games and sports sites.

4. C2B

- It reverses the traditional ecommerce model, meaning individual consumers make their products or services available for business buyers instead of it being the other way around.
- It applies to any consumer that sells a product or service to a business over the internet.
- For example, the stock photo business model in which stock photos are available online for purchase directly from different photographers.

5. B2A

This type of e-commerce encompasses all transactions conducted online between companies and the public administration. This is an area that involves a large amount and variety of services, particularly in areas such as security and employment

6. C2A

- The consumer to administration model groups all electronic transactions conducted between individual and the public administration for example Education, social security, taxes and health.
- Both B2A and C2A are strongly associated to the idea of efficiency and easy usability of the services provided to citizens by the government.

7. B2G

- It encompasses all transactions conducted through online between the companies and government.
- It refers to government providing services or information, social security, employment, legal documents, registrations.

5.14 Challenges of the E-Business Models

Here are the most common E-business challenges :

1. **Lack of proper knowledge or poor market research :** Online sellers are likely to make costly mistakes when they launch their business unprepared as they are not prepared with adequate knowledge to be successful. Market research and learning should be an ongoing process. If you are selling on marketplaces, there are great seller training resources where you can learn the tips and tricks. Any smart seller would make maximum use of this knowledge to be successful.
2. **Profitability :** This problem is more with the marketplace sellers as they have to bear deductions like marketplace commissions at an average of around 40% of the selling price. New sellers sometimes fail to calculate costs like packaging, cataloging charges, handling and shipping etc. before fixing the selling price. Moreover, different sellers in a bid to survive, reduce prices forcing their competitors to sell with marginal profit levels. Also, product returns make the things worse. Low profitability and sometimes selling at losses force many sellers to quit.
3. **Choosing the right product :** The first difficult step for every new online seller is to choose an ideal, hot selling product. You need to do lots of research and brainstorming before choosing the killer products. There is huge competition in almost all the product categories and profit margins are squeezing up. So seller has to work hard to identify a unique product that can give seller the decent profit margins.
4. **Returns and cancellations :** This is the most frustrating thing for online sellers. On an average, 1 out of 10 orders shipped are returned by the buyers because of different reasons. Sometimes, there are genuine returns but there are fake buyers too.
5. **Logistic challenges:** sellers need to deliver items faster for better customer service but that largely depends on the service provided by courier partners. As there is also the risk of items getting damaged during transit, choosing a wrong shipping service provider can turn out to be disastrous for your business. Though courier companies are working hard to cover remote locations and villages, shipping to such areas is still one of the major e-commerce challenges.
6. **Security issues :** E-commerce sites record crucial and sensitive details of customers such as name, phone number, address and bank details. Though many e-commerce firms try to make transactions over their websites secure through SSL that encrypts the transferred information, many online password hacking cases have still occurred.



5.15 Globalization of E-Business

- Globalization refers to the integration of markets in the global economy, leading to the increased interconnectedness of national economies.
- It is the free movement of people, goods, and services across boundaries. This movement is managed in a unified and integrated manner.
- Further, it can be seen as a scheme to open the global economy as well as the associated growth in trade.
- Hence, when the countries that were previously shut to foreign investment and trade have now burned down barriers.
- International business is a commercial term in which exchange of goods and services takes place beyond the domestic boundary.
- Globalization of E-business enhancing connectivity and interdependence among the world's markets and businesses.
- Why Globalization of E-business is important?
- Companies engaged in the global market enjoy the potential for increased revenues, but also face greater challenges in some regions of their business.
- Motives of Globalization of E-business:
 - Growth
 - Profitability
 - Risk spread
 - Competition
 - Monopoly power

5.15.1 Benefits Globalization of E-Business

1. **Better quality goods :** Globalization helps the suppliers better connect with their customers and to sell better quality products.
2. **Integration of resources :** Globalization integrates all physical and financial resources and thereby need to render better services to citizens.
3. **Job Security :** Globalization of business enables the company to do business outside the countries.

5.15.2 Challenges of Global E-Business

1. **Culture** : As you think expanding your business into a new country, you will also want to consider culture.
2. **Languages** : E-commerce companies need to offer potential customers a selection of languages to increase their chances of selling their products and services.
3. **Translations** : You can use machine translation or human translation to prepare your website for audiences who speak different languages.
4. **Price structure** : Global e-commerce success is dependent on the accuracy of foreign-currency conversions. Present the pricing of your products in local currencies and factor currency fluctuations into your e-business's pricing structure.
5. **Tariffs** : To provide a competitive advantage to domestic producers, many governments impose tariffs on imports. *> Tax that has to be paid on goods coming into a country*

5.16 Social Media Applications for E-Business

- In 2013, 75% of social generated e-business sales came from Facebook, Twitter and Pinterest.
- 74% of consumers rely on social media to guide their purchases.
- 4 in 10 social media users have purchased an item in-store or online after sharing it on Facebook, Twitter or Pinterest.
- Facebook and Instagram have also come up with features , Facebook Marketplace, Instagram Business to enable online commerce for buyers and sellers.



Fig. 5.16.1



- Besides these, social reselling, such as the model being used by Meesho, GlowRead and Shop101, conversation or chat-led commerce and group buying, as being enabled by DealShare and Mall91, are also popular models of social media applications for E-business.
- Social media sites increasingly act as points of entry to e-commerce sites, and vice versa, as e-commerce sites build rating, loyalty and referral systems tied to social media.

5.16.1 Social Media Analytics

- Social media analytics is the practice of gathering data from social media websites and analyzing that data using social media analytics tools to make business decisions.
- The art and science of extracting valuable hidden insights from vast amounts of semi structured and unstructured social media data to enable informed and insightful decision making.
- What information can be gathered from social media analytics?
- Gathers information from social networking sites and helps businesses better understand customer sentiment, user's attitudes, build rich consumer profiles and, most importantly build effective business strategies.
- There are many tools available in the market to track and analyze social media data. The most common use of social media analytics is to discover sentiments of the consumer opinion emotion topics that your consumers are discussing.
- Using social media analytics, we can answer the question of :
 - How much the campaign is being talked about and when spikes in conversation occur.
 - What people are saying about the campaign?
 - About correlation between the campaign and brand sentiment and what topics are affecting feelings about your band.
 - Measuring sentiments : It is important to not only measure volume of conversion about your band but also sentiment. We can answer the question of what are emotional reactions to the campaign and what keywords are the emotions linked to.
 - Measuring conversations