Learning Objectives

Upon completion of this unit, students should be able to:

1. Define the meaning and scope of e-business and e-commerce and their different elements.
2. Explain the main reasons for adoption of e-commerce and e-business.
3. Describe the barriers that may restrict adoption.
4. Describe resources to define the extent of adoption of the Internet as a communications medium for consumers and businesses.
5. Outline the business challenges of introducing e-business and e-commerce to an organization.
6. Evaluate changes in business relationships between organizations and their customers enabled by e-commerce.
7. Identify the main business and marketplace models for electronic communication and trading.
8. Describe different revenue models and transaction mechanisms available through hosting an e-commerce site.

Unit Summary

Welcome to the World of e-business and e-commerce. In the last decade, the Internet and World Wide Web have changed the way people communicate, conduct business and manage their daily lives. This course, management of e-business and e-commerce, is designed to offer a clear perspective on the new Internet economy and introduce the basic principles of e-business and e-commerce.

In this section we introduce the terms e-business and e-commerce and discuss how the Internet has revolutionized business. The scope and implications of e-business and e-commerce and the full range of benefits of introducing e-business (along with the risks) will be introduced in this section.

There are many benefits of bringing a business to the Internet. An e-business can offer personalization, high-quality customer service and improved supply-chain management — the strategic management of distribution channels and the process that support them. In this chapter, we explore the different types of businesses operating on the Internet, as well as the technologies needed to build and run an e-commerce Web site.

The fundamentals of e-commerce imply these questions for managers: What are the implications of changes in marketplace structures for how we trade with customers and other partners? Which business models and revenue models should we consider to exploit the Internet? What will be the importance of online intermediaries and marketplace hubs to our business and what actions should we take to partner these intermediaries?
The process of a reverse auction and the types of products suitable for purchase by this method are presented in this section. The benefits of reverse auctions are explored through many examples from different sectors including purchases by government departments. This section highlights the range of terms introduced to describe the application of electronic communications to solve business problems.

Amazon.com, eBay™, Yahoo and other e-commerce sites have helped to define industry categories and business models on the Web. Entrepreneurs starting e-businesses and people interested in e-commerce should be aware of the many e-business models.

In this section, we review differences between e-commerce and e-business, the significance of e-commerce and e-business, consumer adoption of digital technologies for e-commerce and e-business, the difference between B2B and B2C companies and managements responses to e-commerce and e-businesses. Businesses operating within a particular model can leverage their technologies to differentiate themselves from the competition.