

A

Seminar report

On

## **E-Business**

Submitted in partial fulfillment of the requirement for the award of degree  
Of MBA

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## **Preface**

I have made this report file on the topic , **E-Business**, I have tried my best to elucidate all the relevant detail to the topic to be included in the report. While in the beginning I have tried to give a general view about this topic.

My efforts and wholehearted co-corporation of each and everyone has ended on a successful note. I express my sincere gratitude to .....who assisting me throughout the preperation of this topic. I thank him for providing me the reinforcement, confidence and most importantly the track for the topic whenever I needed it.

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## Introduction to e-Business

It is widely acknowledged today that new technologies, in particular access to the Internet, tend to modify communication between the different players in the professional world, notably:

- relationships between the enterprise and its clients,
- the internal functioning of the enterprise, including enterprise-employee relationships,
- the relationship of the enterprise with its different partners and suppliers.

The term "**e-Business**" therefore refers to the integration, within the company, of tools based on information and communication technologies (generally referred to as **business software**) to improve their functioning in order to create value for the enterprise, its clients, and its partners.

E-Business no longer only applies to virtual companies (called *click and mortar*) all of whose activities are based on the Net, but also to traditional companies (called *brick and mortar*).

The term *e-Commerce* (also called *Electronic commerce*), which is frequently mixed up with the term *e-Business*, as a matter of fact, only covers one aspect of e-Business, i.e. the use of an electronic support for the commercial relationship between a company and individuals.

## **What is e business?**

Electronic business (e-business) - Conducting business via the Internet.

1. E-tailing or virtual storefronts on Web sites.
2. Online business-to-business transactions.
3. Electronic data interchange (EDI), the business-to-business exchange of data using compatible software.
4. E-mail, instant messaging, and other Web-enabled communication tools and their use as media for reaching prospective and existing customers.
5. The gathering and use of demographic, product, and other information through Web contacts.

## **E Business: Technologies and Skills**

- Web technologies
- Database technologies
- Integration technologies
- Networking technologies
- Security technologies
- CIW Tracks:
  - Designer
  - Developer
  - Administrator

## **E-Business Applications**

Electronic business is any information system or application that empowers business processes. Today this is mostly done with web technologies.

### **E-business includes:**

Applications can be divided into three categories:

#### **1) Internal business systems:**

- Customer relationship management
- Enterprise resource planning
- Employee information portals
- Knowledge management
- Workflow management
- Document management systems
- Human resource management
- Process control
- Internal transaction processing

#### **2) Enterprise communication and collaboration:**

- E-mail
- Voice mail
- Discussion forums
- Chat systems
- Data conferencing
- Collaborative work systems

#### **3) Electronic commerce:**

( Business-to-business electronic commerce or business-to-consumer electronic commerce )

- Electronic funds transfer
- Supply chain management
- E-marketing
- Online transaction processing

## Capabilities and Benefits of E-Business

- **Global Reach.** Goods and services can be sold to customers worldwide.
- **Personalization.** Companies can customize products and reduce inventory.
- **Interactivity.** Customers and suppliers can negotiate prices online.
- **Right-time and integrated marketing.** Online retailers provide products when and where customers want them and promotions can be directed to individual customers.
- **Cost savings.** E-business can reduce costs.

## **Types of E-Business Models**

### **B2C**

The business-to-consumer, or B2C, model of e-business sells products directly to retail consumers online. Amazon.com is an example of a B2C model. The e-business has only an online identity through which it offers a range of products to customers. Other B2C enterprises include bestbookbuys.com and gartner.com. Most B2C models generate revenue from direct sales and processing fees. B2C also is known as electronic retail or e-tail.

### **B2B**

The business-to-business, or B2B, model involves companies using the Internet to conduct transactions with one other. B2B e-business accounts for more than 90 percent of all electronic commerce, according to the U.S. Census Bureau. The main reason for this is the complexity of B2B transactions. Unlike B2C transactions that involve sellers offering products and services and buyers purchasing them, B2B transactions are multifaceted and often involve multiple transactions at each step of the supply chain. B2B businesses generate revenue from direct sales.

### **C2B**

Consumer-to-business, or C2B, is a unique e-business model in which consumers create value and demand for products. Reverse auctions are a common characteristic of C2B models, in which consumers drive transactions and offer their own prices for products. The airline ticket website Priceline.com is an example of a C2B e-business model. The website allows customers to bid for tickets and offer their own prices. Shopping sites such as cheap.com, gilt.com and ruelala.com also are C2B.

### **C2C**

Consumer-to-consumer, or C2C, e-business models enable consumers to behave as buyers and sellers in third-party-facilitated online marketplaces. Craigslist is an example of a third-party marketplace. The company brings together disparate buyers and sellers to conduct business. Other examples of C2C websites include eBay and PayPal. A C2C model generates revenues in several ways, including personal ad fees, membership or subscription fees, sales commissions and transaction fees.



## Advantages

### ❑ Worldwide Presence

This is the biggest advantage of conducting business online. A firm engaging in e-business can have a nationwide or a worldwide presence. IBM was one of the first companies to use the term e-business to refer to servicing customers and collaborating with business partners from all over the world. Dell Inc., too, had a flourishing business selling PCs throughout the U.S., only via telephone and the Internet till the year 2007. Amazon.com is another success story that helps people buy internationally from third parties. Hence, worldwide presence is ensured, if companies rethink their business with regard to the Internet.

### ❑ Cost-effective Marketing and Promotions

Using the web to market products guarantees worldwide reach at a nominal price. Advertising techniques, like pay per click advertising, ensure that the advertiser only pays for the advertisements that are actually viewed. Affiliate marketing -- where customers are directed to a business portal because of the efforts of the affiliate, who in turn receive a compensation for their efforts meeting with success -- has emerged on account of e-business. Affiliate marketing has helped both the business and the affiliates. Firms have managed to use cost-effective online advertising strategies to their advantage.

### ❑ Developing a Competitive Strategy

Firms need to have a competitive strategy in order to ensure a competitive advantage. Without an effective strategy, they will find it impossible to maintain the advantage and earn profits. The strategy that the firms can pursue, can be a cost strategy or a differentiation strategy. For instance, till the year 2007, Dell Inc. was selling computers only via the Internet and the phone. It adopted a differentiation strategy by selling its computers online and customizing its laptops to suit the requirements of the clients. Thus, e-business resulted in Dell Inc. managing to capture a chunky segment of the market using the differentiation strategy.

### ❑ Better Customer Service

E-business has resulted in improved customer service. Many a time, on visiting a website, the customer is greeted by a pop-up chat window. Readily available customer service may help in encouraging the customer to know more about the product or service. Moreover, payments can be made online, and products can be shipped to the customer without the customer having to leave the house.

### ❑ Curtailing of Transaction Cost

The nature of online business is such that, the costs incurred for every transaction to go through smooth and sound, there is no acting middleman. Websites are sufficiently loaded with directions to facilitate stress-free transactions. Simple and succinct instructional tabs, generally, save the potential buyer from predicaments of any sort. The

mode of payment is predetermined, promising security to the customer. Thus, online payments are a no-ho-hum affair. All that you are left with, as the proprietor of your online business, is to download the requirement order and ship it. This demands effort, too; however, the toil is far less than a tangible business profile.

#### **❑ Overhead Costs Are Reduced**

An E-business, essentially, is independent of costs that are incurred due to business having a physical entity. Utility bills and other expenses are manageable. You also cut back on costs incurred for hiring personnel and retaining them with competitive incentives topped with abundant facilities. Running an e-business is highly convenient as the proprietor does not require rent another site to execute the business.

### **Disadvantages**

#### **❑ Sectoral Limitations**

The main disadvantage of e-business is the lack of growth in some sectors on account of product or sector limitations. The food sector has not benefited in terms of growth of sales and consequent revenue generation because of a number of practical reasons, like food products being perishable items. Consumers do not look for food products on the Internet, since they prefer going to the supermarket to buy the necessary items as and when the need arises.

#### **❑ Costly E-business Solutions for Optimization**

Substantial resources are required for redefining product lines in order to sell online. Upgrading computer systems, training personnel, and updating websites requires substantial resources. Moreover, Electronic Data Management (EDM) and Enterprise Resource Planning (ERP), necessary for ensuring optimal internal business processes, may be looked upon, by some firms, as one of its disadvantages.

#### **❑ Question of Safety**

with the world beguiled by the Internet, it's a fat chance that you are not one among the aficionados. The Internet is second to none, not to oxygen even, to say the least. Well, one breathes Internet. Shoppers act live wires when it comes to online pick and pay. However, with far and many pacing about, there are a few, who twitch at the mention of online payment. Instances of dupery have no intentions of nailing up anytime soon, and pseudo sites merrily mushroom. The entire customer can do, is remain in a state of doubt.

#### **❑ Data Security**

To carry out online transactions, the websites ask for your email address and other contact details. Customers brake at the mention of providing personal details, lest defiling of some nature occurs. Besides, certain sites have a complicated operational structure. Thanks to them, hackers have a job! They fiddle with accounts, meddle with important files, and corrupt data. This, certainly, cannot be termed ethical hacking! Viruses metastasize every second damaging the database, sometimes awarding disastrous repercussions, too.

#### **❑ Site Integrity**

"We respect privacy. The information provided by the customer will be protected. We refute dissemination practices as much as you do." Does this statement not tintinnabulate in the ears. Well, we have come across these paraplegic oaths several times. Are they true to their word? May be ... may be not. Some sites are known to trade their customers' details for monetary benefits. The question remains: Can we trust them?

#### **❑ System Upgradation**

Once a system is developed, the responsibility of ad hoc upgradation at intervals follows suit. If this does not happen, the site turnover would be poor. To improve site performance and tow in a good share of online customers, keeping up with the advancements is pivotal. Though, some sites may find doing this an unnecessary feature.

#### **❑ Momentary Intangibility**

No matter what e-business may try, their chances of selling products -- like furniture and appliances -- successfully, are bleak. Unless a buyer has the liberty to splurge the kitty, the 'E' sector fights a battle, it absolutely isn't a part of. For instance, if you are planning to buy a sofa set, you would want to sit on it, get the feel of the upholstery used, the finish, and what have you! An online furniture bay, by no means, can consider a proposition like this one. It is better to accept that, there, indeed, are certain things not meant to be bought online due to the spatial creep; for the rest there is e-transaction!

E-business does have its set of pros and cons. However, eventually, every business -- be it partially or completely -- has to change its modus operandi, and adopt e-business practices in order to ensure survival and success.

## Conclusion

I was surprised to discover how many studies and analysis there are behind e-commerce. However, all the fundamental things required for conducting an excellent work do not differ greatly from the "real" ones.

The Internet represents a completely new and profitable way to do business, provided that all the requirements needed are met. For example, regarding a website, it is illegal to discriminate people with disabilities; a company may be sued for it.

The Internet is a parallel online world where all the resources are not fully exploited and where consumers may gain advantages. Here, companies may increase their profits further and users may find the desired product or service easily without the hassle of shopping around.

## References

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