Selected aspects of e-business development

Vybrané aspekty rozvoja elektronického obchodu

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Abstract: The enhanced use of information and communication technologies (ICT) has a strong impact on business-to-business (B2B) and business-to-consumer (B2C) relationships as well as the way the key business processes are conducted. It can save costs and time, enable businesses to reach a wider market and to respond more quickly to the customer demands. These benefits open up new ways of doing international business. The policy objective is to encourage the integration of e-business into normal business by promoting the take-up of e-business services. Information and communication technologies are necessary to be seen as a tool for the increase of prosperity and competitiveness.

Key words: e-commerce, Internet, information and communication technologies (ICT), information society

Abstrakt: Zvýšené využívanie informačných a komunikačných technológií (IKT) má veľký vplyv na obchodné vzťahy medzi podnikmi navzájom (business to business – B2B) a medzi podnikmi a zákazníkmi (business to consumer – B2C), rovnako ako na spôsob priebehu kľúčových obchodných operácií. Môže ušetriť náklady a čas, umožňuje podnikom získať rozsiahlejší trh a rýchlejšie reagovať na požiadavky zákazníkov. Tieto výhody otvárajú nové spôsoby fungovania medzinárodného obchodu. Cieľom je posilniť integráciu e-obchodu do normálneho obchodu s podporou služieb elektronického obchodu. Informačné a komunikačné technológie je nevyhnutné chápať ako prostriedok zvyšovania prosperity a konkurencieschopnosti.

Kľúčové slová:, elektronický obchod, Internet, informačné a komunikačné technológie (IKT), informačná spoločnosť

Europe must play an active role in the development of a more equitable information society, which offers fair chances inclusion to all countries. The activities of developing information society have been very successful in extending the Internet connectivity and have helped to obtain the adoption of the current legal framework for electronic communications and of the important legislation for e-commerce. However, the effective use of the Internet has not developed as fast as connectivity. The policy attention has therefore shifted towards the support of the effective use of ICT through an increased availability of high quality infrastructure, the availability of attractive services and the applications and the encouragement of organizational changes. The changes are concerned also with international business and with the role of the Internet and its services in business.

Although the World Wide Web was fundamental to the rise of the *new economy*, the Web is only one of many applications that have been developed to run over the Internet since it was conceived several years ago. Others, such as e-mail, are just as significant, and more are on the way.

The effective use of the the Internet has not developed as fast as the Internet connectivity. The organizational changes are concerned also with international business and with the role of the Internet and its services in business. Problems connected with the information society and using of the Internet services are also discussed in the works of Hennyeyová (2002, 2005a, 2005b), Popelka (2000), Horská (2002, 2004), Korcová (2006), etc.

MATERIAL AND METHODS

Over the last ten years, the spread of the Internet has brought about unprecedented access to a wealth of information and resources. In the area of education and training, the use of ICT and the Internet has revolutionized the way we learn and is helping

our education and training systems to modernize for the knowledge society.

More recently, with the advent of broadband communications, our schools, universities and enterprises are able to work together on common projects of the real added value for the learner – projects involving true interaction with digital content, real-time collaboration at a distance and fast access to images, film, etc.

New challenges have to be tackled at the level of the individual European businesses. Small and Medium Sized Enterprises (SMEs), in particular, encounter barriers, both legal and practical, to the successful implementation and management of e-business processes. There remains a shortage of human resources, notably e-skills.

The roadmaps presented in this section focus on the main e-commerce challenges, which can be summarized under the following headings: identifying and removing barriers, awareness and support, interoperability and standards, developing flexible solutions, human resources and skills.

Electronic commerce can be sub-divided into four distinct categories: *business-business*, *business-consumer*, *business-administration*, *consumer-administration* (Figure 1).
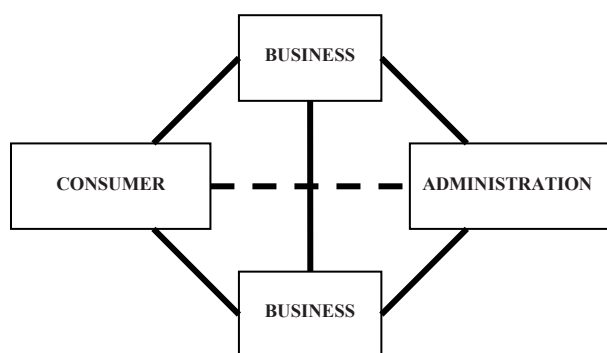

Figure 1. Categories of electronic commerce

RESULTS AND DISCUSSION

The term *e-business* covers both e-commerce (buying and selling online) and the restructuring of business processes to make the best use of digital technologies.

For a long time, however, companies have had a hard time making their websites dynamic and engaging enough for consumers to want to spend time on the site and actually to spend their money there. That is getting easier as more and more people are connecting to the Internet via broadband. With more customers using broadband, companies can take a greater advantage of newer, flashier technologies that were not possible with the dialup connections.

Although online commerce still represents less than six percent of all retail sales, its growth and future prospects show that it has finally become as established and mainstream as a trip to the local shopping centre.

The difference between B2C and B2B e-commerce

An example in the business-business category would be a company that uses a network for ordering from its suppliers, receiving invoices and making payments. This category of electronic commerce has been well established for several years, particularly using the Electronic Data Interchange (EDI) over private or value-added networks.

The business-consumer category largely equates to electronic retailing. This category has expanded greatly with the advent of the World Wide Web. There are now shopping malls all over the Internet offering all manner of consumer goods, from fruit to computers.

For one thing, the customers are different – B2B (business-to-business) customers are other companies while B2C (business-to-customers) customers are individuals. Overall, B2B transactions are more complex and have higher security needs. Beyond that, there are two big distinctions:

– *Negotiation*
  Selling to another business involves haggling over prices, delivery and product specifications. Not so with most consumer sales. That makes it easier for retailers to put a catalogue online, and it is why the first B2B applications were for buying finished goods or commodities that are simple to describe and price.

– *Integration*
  Retailers do not have to integrate with their customers' systems. Companies selling to other businesses, however, need to make sure they can communicate without human intervention.

For consumers, the e-economy brings many benefits. It means that products and services are available to people even in remote areas. And it means that consumers can compare what is offered by many different companies in many different places, to get the best deal.

The whole of the commercial transaction, including ordering, transport and delivery, the invoicing and payment cycle can be supported electronically.

Dealing with public authorities electronically for customs and tax affairs and in statistics is already well developed. However, a number of issues such as security, legal questions and procedures still have to be addressed as a part of the electronic commerce business environment.

Business benefits of electronic commerce in general are the following:
– reduced advertising costs,
– reduced delivery cost, notably for goods that can also be delivered electronically,
– reduced design and manufacturing cost,
– improved market intelligence and strategic planning,
– more opportunity for marketing,
– access to new markets, etc.

Challenges of B2C e-commerce

While the term e-commerce refers to all online transactions, B2C stands for business-to-consumer and applies to any business or organization that sells its products or services to consumers over the Internet for its own use. B2C has grown to include services such as online banking, travel services, online auctions, health information and real estate sites.

The major challenges of B2C e-commerce:
– Getting browsers to buy things – e-commerce site cannot live on traffic alone. Getting visitors to the site is only half the battle. Whether they buy something is what determines if you win. Customers are still abandoning their online shopping carts for a number of reasons. HTML is the cause of most of the usability problems associated with e-commerce. Now that broadband is more widespread, companies are boosting their conversion rates by deploying more advance web technologies and rich media. Some technologies to consider include: flash applications, audio and video, "bots" or software agents and real-time analytics. Ajax, which stands for the Asynchronous JavaScript and XML, is one such Web development technique that is helping companies to build more interactive websites.
– Building customer trust/Privacy – companies need to take steps to ensure that their customer information is well protected. First of all, companies should secure web transactions using the secure socket layer protocol. They should also consider two-part authentication, which can combine passwords with a security key with a changing code.
– Building customer loyalty – customer loyalty is particularly important given the fact that more consumers are using search engines to research products online, rather than going directly to a particular store's site.

Building a relationship with customers

Good relationships with customers are very important in B2C e-commerce. Electronic commerce is a technology for change. Companies that choose to regard it only as an adding way to their existing ways of doing business will gain only a limited benefit. The major benefits will accrue to those companies that are willing to change their organizations and business processes to fully exploit the opportunities offered by e-commerce.

Some tips how to build a strong relationship with customers:
– *Focus on personalization.* A wide array of software is available to help e-commerce sites to create unique boutiques that target specific customers. For example, the American Airlines has personalized its website so that business fliers view it as a business airline and leisure travellers see it as a vacation site. The Amazon, which built its own personalization and customer relationship management (CRM) systems, is well known for its ability to recognize customers' individual preferences.
– *Create an easy-to-use customer service application.* Providing just an e-mail address can be frustrating to customers with questions. Live chat or, at the very least, a phone number will help.
– Focus on making web site easy to use.

CONCLUSION

E-commerce has increased the focus on customer satisfaction and delivery fulfilment. Providing instant gratification for customers still is not easy, but successful B2C e-commerce operations are finding that fulfilment headaches can be eased with an increased focus and investment in the supply chain and logistical technologies.

Modern business is characterized by ever-increasing supply capabilities, ever-increasing global competition, and ever-increasing customer expectations. In response, businesses throughout the world are changing both their organizations and their operations. They are lowering the barriers between the company and its customers and suppliers. Business processes are being re-designed so that they cross these old boundaries. We now see many examples of processes that span the entire company and even

processes that are jointly owned and operated by the company and its customers or suppliers.

Electronic commerce is a means of enabling and supporting such changes on a global scale. It enables companies to be more efficient and flexible in their internal operations, to work more closely with their suppliers, and to be more responsive to the needs and expectations of their customers. It allows companies to select the best suppliers regardless of their geographical location and to sell to a global market.

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