E-Business Today

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# e-business

Online Business or e-business is a term which can be used for any kind of business or commercial transaction that includes sharing information across the internet.

# where does e-business take place?

 E-business is offered to all users via the internet, to internal users via an intranet (similar to the internet, an intranet is a smaller network of computers usually within a single organization), and to specified users via an extranet (an intranet partially accessible to specified users from outside an organization via a valid username and password).

# types of e-business

There are 3 main type of E-Business:

1. **Business to Consumer (B2C)** The most widely recognized form of e-business, B2C is the exchange of information, products or services taking place between a business and a consumer over the internet. As the internet develops, B2C is continually changing the way consumers acquire information, the way products are compared against one another and the way in which they are purchased.  
     
   **Example:**  
   An example of a B2C only site is amazon.com. Ae.com is an example of a B2C site housing a physical location as well.
2. **Business to Business (B2B)** The largest form of e-business in terms of money spent is B2B. Business-to-business allows trading to take place between businesses, using a low-cost sales channel for the sale of goods and services and is responsible for constantly changing corporate buying habits.  
     
   **Example:**  
   An example of a B2B site would be a car part company selling parts to a car dealership, another company, rather than directly to consumers.
3. **Business to Government (B2G)** B2G is the online exchange of information and transactions between businesses and government agencies, also known as e-government. B2G allows government agencies and businesses to use electronic means to conduct business and interact with each other over the internet.   
     
   **Example:**  
   An example of a B2G site would be one that offers electronic tax filing.

# e-commerce and its realtion to e-business

E-business and e-commerce are terms that are sometimes used interchangeably, and sometimes they're used to differentiate one vendor's product from another. But the terms are different, and that difference matters to today's companies.  
E-Commerce can be defined as, “any transaction completed over a computer mediated network that involves the transfer of ownership or rights to use goods and services. Transactions occur within selected e-business processes (eg. selling process) and are 'completed' when agreement is reached between buyer and seller to transfer ownership or rights to use goods or services." So, while e-business covers the entire range of online business dealings (from customer service to selling), e-commerce refers specifically to one entity paying for goods or services from another entity via the internet. With this in mind, remember that e-commerce can relate to all types of e-business involved in the transfer of goods or services, including but not limited to B2C, B2B and B2G.

# importance of e-business

1. **COST**

Operational costs such as maintenance of inventory and transaction costs have reduced.

1. **MARKETING**

Companies using e-business have a wider online presence. They can advertise their products and services either on their websites or by hosting them on other domains.

1. **COMMUNICATIONS**

Adoption of e-business has improved communication in the hypermarket industry. The use of email has enabled companies to respond better and faster to customer issues.

1. **REVENUES**

Companies that have adopted e-business have a faster product development cycle, enabling them to respond quickly to market needs. They take advantage of being market leaders to increase revenues before their competitors can enter the market.

# pros and cons of e-business

**PROS**

1. **High Quality Customer Service**

Customers can provide their feedback or register their complaints quite  conveniently in case of online business as compared to offline business, and in light of that an e-business can improve its customer services.

1. **No Inventory Cost**

An e-business can have minimum overhead cost. You do not need to have any special physical place to start your business or hire any staff to operate the business as required in offline business. One can start an e-business as a intermediary or a middle man.

1. **Worldwide Reach of Your Business**

An online business has global reach. In a way people living anywhere in the world are potential customers of an e-business. Moreover, the e-commerce site is open 24 hours a day, so shopping can be done from there at any time.

1. **Bulk Transactions**

One can do bulk transactions during one visit to an e-shop, since there is no limitation of collecting, packaging or carrying goods in contrast to shopping from a traditional offline shop.

**CONS**

1. **Less Security**

The biggest obstacle in the growth of e-business is the issue of security. Internet is not a secured source of communication. There are tools and options available to the hackers whereby they can not only monitor but also control any data communicated over internet. Particularly, people are not comfortable while providing their financial information due to this fact.

1. **No physical Proximity with Items Purchased**

In certain cases, customers cannot decide about buying the thing before they can physically examine it. For example, a customer would ideally want to feel and touch the texture of the piece of cloth before buying. Similarly, a customer would want to smell the perfume before purchasing. In such cases, people cannot expect to physically examine the thing before buying it online.

1. **Purchase To Delivery Time**

As much as the Internet has the advantage of processing orders and payments in real time, this has little benefit to the customer who requires the purchased item equally fast. Purchases from your e-business typically have a time lag from purchase to delivery of the physical goods. Some customers would rather go to the physical store and pick up the item unless it's of a digital kind, such as an e-book or music file.

1. **Sectoral Limitations**

Not every company can participate in e-business. Some are challenged in terms of expertise and availability of technology, while others carry products that can't be shipped economically.

For example, some large, odd-sized items may be uneconomical to transport across state lines, making it difficult to sell them online. Other products may be legally restricted, depending on state and federal laws, such as certain explosives, ammunition and alcoholic beverages.

# e-business in pakistan

E-business in Pakistan is facing many challenges to grow because;

* The people in Pakistan are economically poor and illiterate that is why the number of users transacting online are limited.
* The number of organizations offering online business is also limited and few of them are generating sufficient revenues.
* Globalization is increasingly dominating the minds of progressive business executives in the country to opt for e-business.

# conclusion

Success of e-business strategy like any strategy in Pakistan requires, Setting the objectives; developing knowledge and training; enabling technology; redesigning business processes and regulations; identifying security issues; staffing; movement from conventional to e-business; cooperating with co-business organizations; continuous management development programs to keep on updating the e-business systems; and integration of these plans with the business objectives.