



The Digital World of Commerce : A Note on “E-Commerce” & “M-Commerce”

Adv. Mihir Dilip
Kalambi

(Research Student), S.K. Somaiya College of Arts Science and Commerce,
Mumbai-VidyaVihar East, Mumbai, Maharashtra 400077

ABSTRACT

The current economic scenario is more inclined towards the use of Electronic technology .In today's existing climate of digital interaction, the concept of a 'Sharing Economy' is gaining momentum. New developments are following in the footsteps of those entrepreneurs who have provided the ongoing industry developments combined with the increased use sophisticated technology and advancements. E-commerce and M-commerce sectors represent one of the most sought after and innovative and rapidly evolving sectors worldwide. The digital economy has brought about huge changes in almost each and every industry .The use of technology and its revolution has brought about several exciting opportunities not only for the commercial world but also an individual's personal use. This article aims to provide an insight on aspect of E-Commerce and M-Commerce which helps today's entrepreneurs expand their market to national and international markets.

KEYWORDS : Customer Relationship Management, Commerce: B2B, C2B, C2C, B2B, Digital, Information Technology

INTRODUCTION

Technology today affects almost each and every sphere of business and personal life. The use of automated mechanisms are increasing rapidly, thereby raising its productivity. Information technology improves the level of quality output, which in turn results in a higher standard of living. The use of technology is seen not only in the production and distribution of goods but also in customer oriented services. Technology impacts the global market on a very large scale. There is an increase in sale completion and production .This automatized era on one hand created the ability to easily process vast amounts of data in research and development, while on the other it has also shortened the development time of new products, there by speeding up their introduction in the market.

One of the major aspects of the internet is on the way business is transacted. Relationships' with the market suppliers and customers are changing rapidly. Telecommunication and information have contributed significantly towards the longest peacetime economic expansions around the world. The investment in research towards technology has paid out finally. This era is all about automaton and scientific know how, right form emails, e-commerce-business, e-cash, e-travel-finance-loans, e-music, e-books-stamps, the world is surrounded with digitalization.

The economic gains of e-commerce come from the lower costs of on-line companies, reduction on distribution costs and the elimination of middlemen. The customers benefit as they are able to compare and contrast the prices and select the best available option for themselves.

The internet facilitates four kinds of transactions, as shown in figure 1 .These transactions are;

Business to Consumer (B2C): Online shopping from various portals such as Jabong.com, Amazon.com, or buying a computer from Dell online are examples of B2C transactions.

Consumer to Business (C2B): An example of C2B transaction is the bidding for airline tickets by would be flyers through Priceline.com.

Consumers to Consumers (C2C): The e-Bay auction web portal offers transactions through which individuals can sell items.

Business to Business (B2B): B2B marketing refers to the techniques and best practices used by companies with products and services sold to other businesses. B2B considers that a number of executives likely weigh in on a single purchase decision; such practices address multiple audiences within the same enterprise. Additionally, B2B marketing caters to (generally) long transaction periods. For example two car manufactures, General Motors (GM) and Ford, plan to transfer all pur-

chasing to the web within the next 6 years.

	Consumers	Business
Consumers	C2C e-Bay (Auction)	C2B Priceline
Business	B2C Amazon (books, etc) Travelocity (travel)	B2B Ford, General Motors (manufacturers to suppliers)

Figure 1 Adapted from Commerce Survey, "The Economist, February 26, 2000, p 11

OBJECTIVES

- To highlight the importance of Information Technology and its practical application.
- To enable managers to undertake digital marketing of business product and services.
- To understand the effect of E-Commerce and M-Commerce on the future buying and selling of goods and services.

REVIEW OF LITERATURE

Although a large volume of literature is available on m-commerce and e-commerce, the topic is still under development and offers potential opportunities for further research, growth and application. This paper reviews the literature on digitalization of commerce and applications using a suitable classification scheme to identify the gap between theory and practice and future research directions.

According to Melao, (2008), "the clear commonalities among these definitions, include the improvement of business processes and the use of ICT in intranets, extranets and the Internet to conduct business. He defines e-Business as the use of ICT as an enabler to (re)design, manage, execute, improve and control business processes both within and between organizations. Thus, front and back-office integration and multi-channel integration become crucial in e-Business, which requires a challenging process improvement approach to support the necessary organizational, technological and social changes."

Basu and Muylle (2007) noted that, "companies can gain two fundamental types of benefits from e-Business. These are generally described as: Value Creation or Value Enhancement for one or more of a company's stakeholder groups; and Lower Cost of providing goods and services to the market place. Examples under Value Creation include Improvement in internal and external communication through effective e-marketing, Increment of sales through an e-commerce website integrated with a back office systems and Improvement in supplier relations and productivity through collaborative workspaces. Various examples under Lower cost are: reduction in communication and travel costs using online meeting tools; shared workspaces and; benefit from license free open source alternatives to proprietary software.

Ayo (2006) investigated the prospects of e-commerce based on the ability, motivation and opportunities (AMO) model, and observed that virtually all companies have online presence. The paper reported the motivation and opportunities for e-commerce as low based on lack of e-Payment infrastructure and access to information and communication technology (ICT) facilities.

Windrum and Berranger (2002) suggested that the commercial benefits of e-business lie in five areas. Firstly, firms are able to expand their geographical reach. Secondly, important cost benefits lie in improved efficiency in procurement, production and logistics processes. Thirdly, there is enormous scope for gaining through improved customer communications and management. Fourthly, the Internet reduces barriers to entry for new market entrants and provides an opportunity for small firms to reorient their supply chain relationships to forge new strategic partnerships. Finally, e-business technology facilitates the development of new types of products and new business models for generating revenues in different ways. Through their study the researchers hypothesized that many of the factors that affect the successful adoption of new technologies such as e-business are generic in nature and that the successful adoption of internet technologies in part depends on how these are used in conjunction with the other technologies and management practices that form a 'technology' cluster.

M –Commerce and Wireless Communication

Due to the rapid expansion and growth of m-commerce and e-Commerce, the market players are provided with various opportunities for enhancing their growth. However managers need to observe the trends and develop various strategies to take advantage of new technologies. While e-commerce is changing the way the business is conducted, wireless communications and m-commerce are emerging to take it further. Europe lags behind Japan even though in e-commerce and wireless applications are expected to increase greatly in Europe over the next few years. Several companies such as Motorola, Ericson, Nokia, Lucent and Microsoft are to exploit opportunities through the medium of wireless communications.

With the growing use of information technology there are several options and opportunities which are available. Such a digital revolution sets out to provide various exciting and challenging opportunities in the market.

Customer Relationship Management (CRM)

Organizations mainly exist due to consumers. Therefore in order to be successful, entrepreneurs must focus on the needs and demands

of their potential customers. Customer relation management addresses the need to identify potential consumers and their ever changing demands and requirements. In reality there is no agreed definition that defines customer relationship management. However in broader terms CRM means promoting the interaction between the customer and the company by collecting, analyzing, and using the information to better serve the client. CRM is not a new concept but over the years it has undergone several changes. The beginning of CRM can probably trace to the Siebel System Inc, in 1993. Indeed in the 1990's CRM approaches were accompanied by a number of failures. At stage one the emphasis was on the marketing process. Stage two focused on customer relationship: stage three utilized the internet for re-evaluating the process, redesigning applications, self service. It was in stage four that more attention was given towards the customers.

CRM is not a cure all for solving all the problems in the relationships between an entity and its consumer. Certain necessary steps need to be in place that can help to make this system succeed. This system needs organizational change but, along with this, it is necessary that the people are prepared for cultural adjustments. Being a comprehensive system the firm may initially start with a pilot program and then incrementally enlarge the same. In order to remain competitive, various companies must utilize the CRM process effectively and systematically in order to remain contact with their customers.

CONCLUSION

The technological world is a formal system which helps to gather, integrate, compare, analyze, and dispense internal and external information in an effective, systematic and a timely manner which in turn supports the manager in their work. The world of digitalization brings in several challenges and opportunities; it is for the entrepreneurs to utilize the best resource and to exploit these available options. The relationship with the suppliers and consumers are changing dramatically.

Keeping in mind this changing business scenario e-business and m-business has emerged as a core feature within many organizations. This digital world revolutionizes the ways in which organizations interact with customers, employees, suppliers and partners, as part of a recipe to stay competitive in the global economy.

REFERENCES

1. Andy Serwer "Dell Does Domination", *Fortune*, January 21, 2002, pp 71-75. | 2. Ayo, Charles K. (2006). "The Prospects of e-Commerce Implementation in Nigeria, *Journal of Internet Banking and Commerce*", 11(3), pp 68-75. | 3. Basu, A, and Muylle, S.(2007). How to plan e-business initiatives in established companies. *MIT Sloan Management Review*, 49, (1), pp 36-44. | 4. Commerce Survey, "The Economist, February 26, 2000, p 11. | 5. "Elementary, My Dear Watson," *The Economist*, September 23, 2000, pp 7-9. | 6. Fraya Wagneur-Marsh, "Customer Relationship Management "in Marlyn Helms, ed. *Encyclopedia of Management*, 5th Ed (Detroit: Gale 2006), pp 150-152. | 7. Melão, N. (2008) "E-Business, E-Business Process and E-Business Process Modeling: A State-of-the-Art –Overview", pp54-89. | 8. Windrum, Pual &, De Berranger, Pascale. (2002) "The Adoption of E-Business by SMES", pp 12-43. |