VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

EMERGING MODES OF BUSINESS

A brief discussion of various constituents of e-business and inter- and intra-transactions among them is given as below:

(i) B2B Commerce: Here, both the parties involved in e-commerce transactions are business firms, and, hence the name B2B, i.e., business-to- business Creation of utilities or delivering value requires a business to interact with a number of other business firms which may be suppliers or vendors of diverse inputs; or else they may be a part of the channel through which a firm distributes its products to the consumers. For example, the manufacture of an automobile requires assembly of a large number of components which in turn are being manufactured elsewhere — within the vicinity of the automobile factory or even overseas. To reduce dependence on a single supplier, the automobile factory has to cultivate more than one vendor for each of the components. A network of computers is used for placing orders, monitoring production and delivery of components, and making payments. Likewise, a firm may strengthen and improve its distribution system by exercising a real time (as it happens) control over its stock-in-transit as well as that with different middlemen in different locations. For example, each consignment of goods from a warehouse and the stock-at-hand can be monitored and replenishments and reinforcements can be set in motion as and when needed. Or else, a customer's specifications may be routed through the dealers to the factory and fed into the manufacturing system for customised production. Use of e-commerce expedites the movement of the information and documents; and of late, money transfers as well. Historically, the term e-commerce originally meant facilitation of B2B transactions using Electronic Data Interchange (EDI) technology to send and receive commercial documents like purchase orders or invoices.

(ii) B2C Commerce: As the name implies, B2C (business-to-customers) transactions have business firms at one end and its customers on the other end. Although, what comes to one's mind instantaneously is online shopping, it must be appreciated that 'selling' is the outcome of the marketing process. And, marketing begins well before a product is offered for sale and continues even after the product has been sold. B2C commerce, therefore, entails a wide gamut of marketing activities such as identifying activities, promotion and sometimes even delivery of products (e.g., music or films) that are carried out online. e-Commerce permits conduct of these activities at a much lower cost but high speed. For example, ATM speeds up withdrawal of money. Customers these days are becoming very choosy and desire individual attention to be given to them. Not only do they require the product features to be tailor-made to suit their requirements, but also the convenience of delivery and payment at their pleasure. With the onset of e-commerce, all this has become a reality. Further, B2C variant of e-commerce enables a business to be in touch with its customers on round-the-clock basis. Companies can conduct online surveys to ascertain as to who is buying what and what the customer satisfaction level is. By now, you might have formed the opinion that B2C is a one-way traffic, i.e., from business-to-customers. But do remember that its corollary, C2B commerce is very much a reality which provides the consumers with the freedom of shopping-at-will. Customers can also make use of call centers set up by companies to make toll free calls to make queries and lodge complaints round the clock at no extra cost to them. The beauty of the process is that one need not set up these call centers or help lines; they may be outsourced. We shall discuss this aspect later in the section devoted to Business Process Outsourcing (BPO).