

## **2- Ecommerce and Business**

### **2-1 The Internet effect to the Ecommerce**

Before the widespread commercial use of the Internet قبل الاستخدام الواسع للإنترنت, *the EDI system was very expensive to run mainly because of the high cost of the private networks. Thus, EDI was limited largely to cash-rich multinational corporations using their financial strength to pressure and persuade smaller suppliers to implement EDI systems, often at a very high cost.* By 1996 no more than 50,000 companies in Europe and 44,000 in the USA were using EDI, representing less than 1 per cent of the total number of companies in each of the respective continents.

With the advent (مجيء) of the Internet, the term e-commerce began to include:

- 1. Electronic trading of physical goods البضائع الملموسة and of intangibles such as information.**
- 2. All the steps involved in trade, such as on-line marketing, ordering payment and support for delivery.**
- 3. The electronic provision of services such as after sales support or on-line legal advice.**
- 4. Electronic support for collaboration between companies such as collaborative on-line design and engineering or virtual business consultancy teams. See [1]**

Some of the definitions of e-commerce often heard and found in publications and the media are:

**Electronic Commerce (EC) is where business transactions take place via telecommunications networks, especially the Internet.**

**Electronic commerce describes the buying and selling of products, services, and information via computer networks including the Internet.**

**Electronic commerce is about doing business electronically.**

The wide range of business activities related to e-commerce brought about a range of other new terms and phrases to describe the Internet phenomenon in other business sectors. Some of these focus on purchasing from on-line stores on the Internet.

*Since transactions go through the Internet and the Web, the terms I-commerce (Internet commerce), icommerce and even Web-commerce have been suggested but are now very rarely used.*

بما ان المعاملات التجارية اصبحت تنجز باستخدام الانترنت وصفحات الويب، تم اقتراح بعض التسميات مثل I-commerce, Web-commerce لكن مثل هذه المصطلحات قلما تستعمل في الوقت الحاضر.

Other terms that are used for on-line retail selling include *e-tailing*, *virtual-stores* or *cyber stores*. A collection of these virtual stores is sometimes gathered into a '*virtual mall*' or '*cybermall*'.

## 2-2 E-BUSINESS

*E-business can broadly be defined as the processes or areas involved in the running and operation of an organization that are electronic or digital in nature*

يمكن تعريفه على نطاق واسع على انه المعالجات او المجالات المتضمنة في عمليات التشغيل الخاصة بالمؤسسات والتي تكون طبيعتها الكترونية او رقمية، وتتضمن هذه العمليات المباشرة مثل التسويق؛ المبيعات وادارة الموارد البشرية بالاضافة الى العمليات الغير مباشرة مثل عملية اعادة هندسة العمل التجاري وتغيير عملية الادارة.

**Some of the activities involved in E-commerce are:**

- **Commercial transactions conducted by electronic medium**
- **Electronic payment**
- **Trading of digital goods and services**
- **Electronic supply chain management**
- **Online order fulfillment**
- **Customer service**



**Figure 2.1 Ebusiness activities**

**E-business is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners.**

**E-business includes customer service (e-service) in addition to transform of key business processes through the use of Internet technologies.**

### **2-3 DISTINCTION between Ecommerce and E-Business**

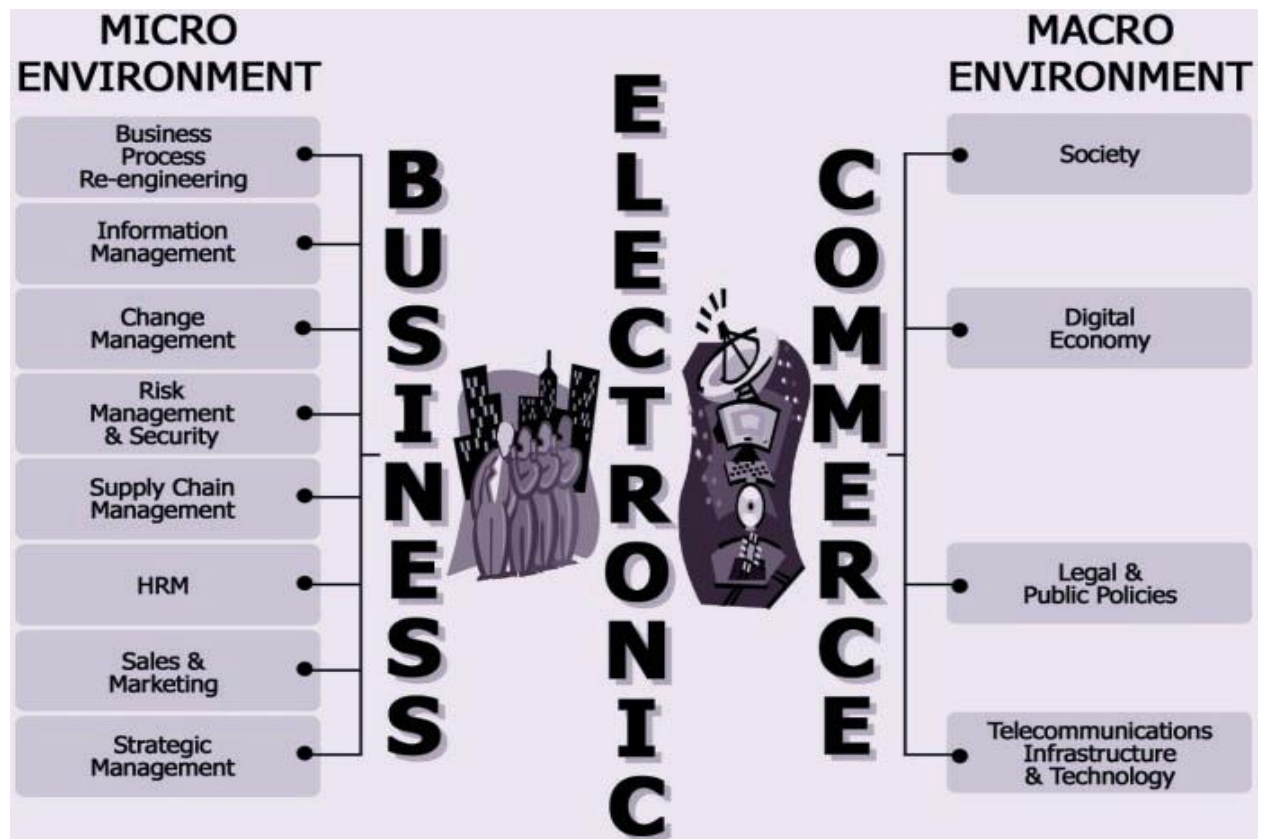
1- E-business is broader in scope and e-commerce is just an aspect or a subset of it.

2. E-commerce only covers business transactions such as buying and selling of goods and services over the internet while E-business expand to involve collaboration between other companies or different departments within the Company itself .

3. E-commerce essentially involves monetary trade while money transactions are not necessary in e-business,

For more details, see [2]

Figure 2.2 illustrates the major differences in e-commerce and e-business, where e-commerce has a broader definition referring more to the macro-environment; e-business relates more to the micro-level of the firm.



**Figure 2.2** Electronic commerce and electronic business

Although different, both e-commerce and e-business are also highly integrated and reliant upon each other.

## 2-4 Macro Environment?

It is the major external and uncontrollable factors that influence an organization's decision making, and affect its performance and strategies. These factors include the economic factors; demographics; legal, political, and social conditions; technological changes; and natural forces.

\* Specific examples of macro environment influences include competitors, changes in interest rates, and changes in

**cultural tastes, disastrous weather, or government regulations.**

## **2-5 Micro environment?**

**Factors or elements in an organization's immediate area of operations that affect its performance and decision-making freedom. These factors include competitors, customers, distribution channels, suppliers.**

## References

### 1- Rana Tassabehji, Applying Ecommerce in Business, 2003

<https://books.google.iq/books?id=4jKwn5EwRIAC&pg=PA4&lpg=PA4&dq=electronic+commerce+has+been+re-defined+by+the+dynamics+of+the+Internet+and+traditional+e-commerce+is+rapidly+moving+to+the+Internet&source=bl&ots=HqUANphdpP&sig=YINKhmLPTnaJW7S8LOGokg1LzxE&hl=ar&sa=X&ved=0ahUKEwjQiK3eIPnPAhXkCpoKHaLJA5YQ6AEIHDAA#v=onepage&q=electronic%20commerce%20has%20been%20re-defined%20by%20the%20dynamics%20of%20the%20Internet%20and%20traditional%20e-commerce%20is%20rapidly%20moving%20to%20the%20Internet&f=false>

### 2- Different between Ecommerce and Ebusiness,

<http://www.differencebetween.net/business/difference-between-e-business-and-e-commerce/#ixzz3qYH57U7H>.

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