

4-Criteria for advancement and classification of ecommerce -Business

It is important to identify the key drivers of e-commerce and e-business to allow a comparison between different countries. It is often claimed يدعي that EC & EB are more advanced in the USA than in Europe and Asia respectively. These key drivers can be measured by a number of criterias that can highlight the stages of advancement of e-c & e-b in each of the respective countries.

Also, there are many types of ecommerce & e-business; there should be some criteria to distinguish between these types.

4-1 Criteria that Measure the Level of Advancement in E-Commerce

The criteria that can determine the level of advancement of e-commerce are summarized below and can be categorized as:

1 Technological factors – The degree of advancement of the telecommunications infrastructure which provides access to the new technology for business and consumers.

Q: what type of infrastructure that needed to adopt Ecommerce in Iraq?

2 Political factors – including the role of government in creating خلق legislation التشريعات, initiatives البدء and funding تمويل to support the use and development of e-commerce and information technology.

3 Social factors – The level and advancement in IT education and training which will enable both buyers and the workforce القوى العاملة to understand and use the new technology.

4 Economic factors – Including the general wealth الثراء and commercial health of the nation الأمة and the elements that contribute تساهم to it.

4-2 Criteria That Measure the Level of Advancement in E-Business

Since a distinction has been made between e-commerce and e-business for consistency (لغرض التناغم), the key drivers of e-business are also identified.

The criteria that affect تؤثر على the level of advancement of e-Business in a certain country can be summarized into:

1. *Organizational culture* –its willingness الرغبة to innovate ابتداع and use technology to achieve objectives.
2. *Commercial benefits* – in terms of cost savings and improved efficiency that impact on the financial performance of the firm.
3. *Skilled and committed workforce* – it means how staff members are willing and able to implement new technologies and processes.
4. *Requirements of customers and suppliers* – in terms فيما يخص of product and service demand and supply.
5. *Competition* – ensuring the organization stays ahead of or at least keeps up with competitors and industry leaders.

4-3-Criteria to CLASSIFYING E-COMMERCE

4-3-1 identifying transacting partners مهم جدا

It is a method for classifying e-commerce by identifying **تشخيص** the partners directly involved **مباشرة** in the transaction. An informal version of this framework **الانسخة الغير رسمية لنفس هذا الاطار** is being applied in the use of the terms business-to-business (B-to-B), business-to-consumer (B-to-C) and consumer-to-consumer (C-to-C). But what exactly does this mean?

The framework that is summarized in Figure 1.4 identifies **يشخص** a range of relationships based on the party **الجهة** that initiates **تؤسس** the transaction and the party that accepts the transaction. **The party originating the e-commerce transaction also includes the facilities for initiating and fulfilling it.** For example in the case of B-to-C, a business sets up a website that invites and enables consumers to buy their products and then fulfils the purchase.

TRANSACTION ORIGINATING FROM AND BEING FULFILLED BY					
TRANSACTION INITIATED & ACCEPTED BY		Business	Consumer	Government	Peer
	Business	B-to-B	B-to-C	B-to-G	B-to-P
	Consumer	C-to-B	C-to-C	C-to-G	C-to-P
	Government	G-to-B	G-to-C	G-to-G	G-to-P
	Peer	P-to-B	P-to-C	P-to-G	P-to-P

Figure 6.1 Classification of e-commerce by transaction partners

But the consumer initiates **يبدأ** the transaction by requesting **يطلب** and then accepting the purchase **الشراء**. So there are a number of exchanges that take place **تحدث** between the parties before the transaction is completed fulfilled. Each of the categories identified in Figure 1.4 are described as:

من هنا الموضوع مهم جدا

1. Business-to-Business (B-to-B)

The exchange of products; services and/or information between business entities كيانات. According to market research studies published in early 2000, the money volume حجم الاموال of B-to-B exceeds تجاوزت that of B-to-C by 10 to 1. B2B e-commerce sales will reach \$1.13 trillion by 2020 in USA only, currently more than \$700 Billion.

Web-based B-to-B includes يتضمن:

- A. Direct selling البيع المباشر and support to business (as in the case of Cisco where customers can buy and also get technical support, downloads, patches online).
- B. Industry portals where a purchasing agent وكيل can shop supplies المجهزين from vendors, request proposals, يطلب مقترحات, and in some cases place a bid السعر المرغوب به to make a purchase at a desired price.
- C. Information sites provide يزود information about a particular industry for its companies and their employees. These include specialized search sites and trade and industry standards organization sites. E.g. www.mfgtrade.com/ is a leading portal for B-to-B news.

2. Business-to-Consumer (B-to-C)

The exchange of products, information and/or services between business and consumers in a retailing relationship. Some of the first examples of B-to-C e-commerce were amazon.com; dell.com and ebay.com in the USA and lastminute.com in the UK. In this case, the 'c' represents either consumer or customer.

3. Business-to-Government (B-to-G)

The exchange of information, services and/or products between business organizations and government agencies on-line. This may include:

- A. E-procurement services,خدمات الشراء in which businesses learn about the purchasing needs of agencies and provide services.
 - B. A virtual workplace in which a business and a government agency could coordinate the work on a contracted project by collaborating online such as online meetings, review plans and manage progress.
 - C. Rental of on-line applications and databases designed especially for use by government agencies.
4. **Consumer-to-Business (C-to-B).** This is the exchange of products, information or services from individuals to business. A classic example of this would be individuals selling their services to businesses.
5. **Consumer-to-Consumer (C-to-C).** In this category consumers interact directly with other consumers.

They exchange information such as expert knowledge where one person asks a question about anything and gets an e-mail reply from the community of other individuals or through chatting room.

The other form for this service type of opinions about companies and products (review), for example epinions.com.

There is also an exchange of goods between people both with consumer auction sites such as e-bay and with more novel bartering sites موقع لمقايضة البضائع such as swapitshop.com, where individuals swap goods with each other without the exchange of money.

6. **Consumer-to-Government (C-to-G).** Examples where consumers provide services to government have yet to be implemented.

- 7. Government-to-Business (G-to-B) Also known as e-government. The exchange of information, services and/or products between government agencies and business organizations.**

Government sites now enable the exchange between government and business about:

- A. Information, guidance and advice for business on international trading, sources of funding and support, facilities (e.g. www.dti.org.uk).**
- B. A database of laws, regulations and government policy for industry sectors.**
- C. On-line application and submission of official forms (such as company and value added tax).**
- D. On-line payment facilities. This improves accuracy, increases speed and reduces costs, so businesses are given financial incentives **حوافز** to use electronic-form submission and payment facilities.**

8. Government-to-Consumer (G-to-C) (Also known as e-government). Government sites offering information, forms and facilities to conduct transactions for individuals, including paying bills and submitting official forms on-line such as tax returns.

9. Government-to-Government (G-to-G) (Also known as e-government). Government- to-government transactions within countries linking local governments together and also international governments, especially within the European Union, which is in the early stages of developing coordinated strategies to link up different national systems.

4.4 Degree of digitization

There is another framework created for the categorization of e-commerce into different configurations **based on the degree of digitization of the product or service sold, the process of the transaction and the delivery agent**. The three main dimensions can be isolated as:

- 1- Traditional commerce, where products or services are physical, the process of the transaction is physical and the delivery agent is physical**

For Example a corner shop stocks newspapers that are bought with cash over the counter and are taken away by the customer out of the shop.

- 2- Pure e-commerce, where products or services are digital, the process of the transaction is digital and the delivery agent is digital.**

For example, software update services of companies like Microsoft, Cisco, Symantec; downloading of electronic books.

- 3- Partial e-commerce, where either one or two of the dimensions are physical.** For example in the case of booksellers Amazon, the products (books) are physical, the process is digital and the delivery agent is physical.

Classifying e-commerce by degree of digitization is a useful way for managers to analyse the range of products/services they sell, the processes of carrying out تنفيذ and finalizing the transaction and the way the product/service is delivered. By identifying the areas that could potentially be digitized, organizations can re-engineer their business processes to improve efficiency, reduce costs, access global markets and benefit from the advantages presented by e-commerce and e-business.

Q Why Classifying e-commerce by degree of digitization is a useful way for Managers?

		From: Supplier of content/service		
		Consumer or citizen	Business (organization)	Government
To: Consumer of content/service	Consumer or citizen	Consumer-to-Consumer (C2C) <ul style="list-style-type: none"> eBay Peer-to-Peer (Skype) Blogs and communities Product recommendations Social networks: MySpace, Bebo 	Business-to-Consumer (B2C) <ul style="list-style-type: none"> Transactional: Amazon Relationship-building: BP Brand-building: Unilever Media owner – News Corp Comparison intermediary: Kelkoo, Pricerunner 	Government-to-Consumer (G2C) <ul style="list-style-type: none"> National government transactional: Tax – inland revenue National government information Local government services
	Business (organization)	Consumer-to-Business (C2B) <ul style="list-style-type: none"> Priceline Consumer-feedback, communities or campaigns 	Business-to-Business (B2B) <ul style="list-style-type: none"> Transactional: Eurooffice Relationship-building: BP Media Owned: Emap business publications B2B marketplaces: EC21 	Government-to-Business (G2B) <ul style="list-style-type: none"> Government services and transactions: tax Legal regulations
	Government	Consumer-to-Government (C2G) <ul style="list-style-type: none"> Feedback to government through pressure group or individual sites 	Business-to-Government (B2G) <ul style="list-style-type: none"> Feedback to government businesses and non-governmental organizations 	Government-to-Government (G2G) <ul style="list-style-type: none"> Inter-government services Exchange of information

Summary and examples of transaction alternatives between businesses, consumers and governmental organizations