

# E-BUSINESS IN THE CONTEXT OF THE NEW ECONOMY

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**Abstract:**

*The main resource of information society is information and not as the industrial capital and the share of costs of production activity migrates to the design. Digital integration creates new market opportunities for companies and individuals, eliminate the traditional barriers that suppress the flow of information and allowed to move goods, promoting efficiency as a final goal. Business environments everywhere are becoming more confident in the capacity and performance of computer networks to integrate in to the global digital economy.*

**Key words:** e-commerce, information society, digital economy, e-business

**JEL classification:** L86, H55, M15

Produced by the Internet revolution in electronic commerce can be summarized in several key areas:

- business globalization, the Internet is an open system, allowing SMEs to access global markets;
- reduction and elimination of intermediaries, allowing direct contact between suppliers and customers (direct trade development);
- changing nature of the market from a physical location in a virtual;
- providing new business opportunities, changing the type and form business relationships.

The concept of e-business, e-commerce more widely than is based on creating electronic business community where customers, partners, suppliers and employees of businesses are online on the Internet, sharing together the latest information, providing enterprise operation with considerably greater efficiency.[1,4]

E-business fundamentally and profoundly changing traditional business, changing technologies, processes, structures and culture of the organization.

A business can cover several areas (activities) such as: product development, marketing, management, human resources, accounting, customer and suppliers, etc. Businesses can be greater or lesser extent, local or global, traditional or global. Of course, the main purpose of business is to generate profit. In addition to this, a business can be beneficial because it: helps to increase state revenues, creates jobs, leads to a certain social prestige for the owners, improve consumer satisfaction, has a role in the development of the society.

Profits raison d'être of any business can be generated in the following ways:

- by increasing revenue;
- by creating new products, by entering new markets (expansion), by selling more products to the same customers (up-selling);
- by adding additional products and services to existing customers (cross-selling);
- reducing operational costs by reducing costs, reducing infrastructure costs, improving productivity.

Based on these assumptions, e-business, electronic business, means that part of the business using the Internet as support. Whereas the Internet provides new resources for development of any human activity, the concept of e-business differs substantially from the traditional business. Although there are plenty of contradictions in the period in question, e-business to business means using information and communication technologies applications in relations with other firms within their company or in interaction with customers or government. Definition of e-business allows the development of other concepts, namely:

- Business-to-Business (B-2-B or BTB) includes all transactions are carried out between two or more business partners. These transactions are usually based on the extranet system, which means that our business partners acting on the Internet using names and passwords for their Web pages. In practical terms, this category can be any company that uses the Internet to order from suppliers to receive invoices and make payments.

- Business-to-Consumer (B-2-C or TBT) refers to the relationship between retailer and end consumer retail e-commerce is considered. This category has expanded greatly due to the World Wide Web: There are now shopping malls all over the Internet offering all kinds of consumer goods, from cakes or wine, from computers and cars.

- Business-to-Administration (B-2-A or BTA) covers all transactions between companies and local and central administrative authorities. This category is used currently (since January 2011) the companies' tax returns and information relating to VAT or taxes.

- Business-to-Employee (B-2-E) refers to transactions within a firm, the firm's staff designed and conducted its own intranet system.

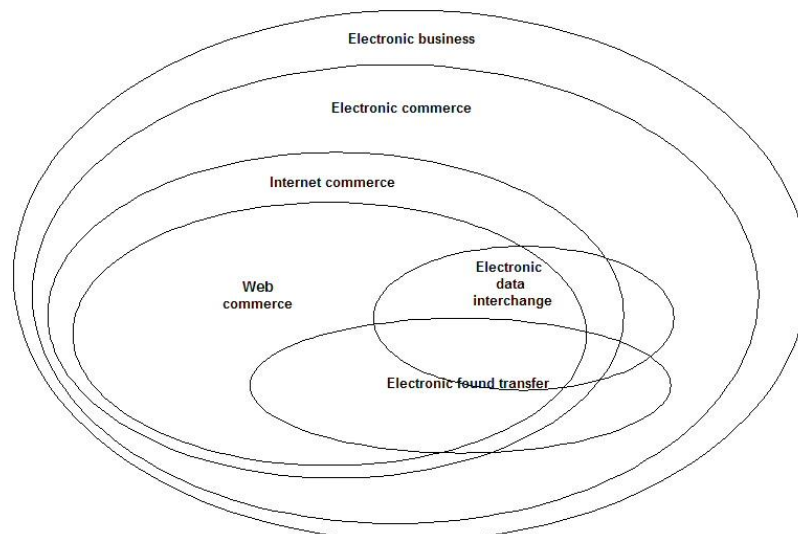


Figure 1. - The e-business relations

As you can see your e-business includes both commercial activities (represented by Q-commerce or electronic commerce) and non commercial activities, for example the provision of information, interaction with customers (CRM – Customer Relationship Management), chat, mail. [4]

Electronic commerce (e-commerce) is an electronic component business of supply includes all sales activities. Here can be found on-line marketing operations, sales, online purchases, etc. Support for products sold. For some companies, electronic commerce means any financial transaction using computer technology. For others, the term covers the whole e-commerce sales - including marketing and selling itself. Many people consider e-commerce as any commercial transactions conducted electronically for the purchase of products such as books, CDs, tickets and more.

But e-commerce has, broadly speaking, a greater impact on business development and includes, in fact, not only trade but also new acquisitions and all the activities that support marketing objectives of a company and may include, for example, advertising, sales, pay for post-sales customer service, etc.. Electronic commerce enables firms to become more efficient and flexible internal mode of operation, to work more closely with suppliers and become more attentive to the needs and expectations. It allows companies to select the best providers, regardless of their geographic location and sell for a global market.

Internet commerce is electronic commerce component that uses the Internet medium. This form of electronic commerce is gaining ground every day in front of other forms of e-commerce. Due to the complexity of the Internet, was necessary to define the concept of Internet commerce Web commerce.

Electronic Data Interchange (EDI) means business-to-business exchange of documents and other data. The purpose of this category of e-business can be invoices, receipts or other documents in relations between the two companies.

Electronic Funds Transfer (EFT) includes the electronic transfer of funds between two parties (which may be two companies, customers and business, etc.).

As intended, there is too much difference between e-business and traditional business. Both have as their primary goal to generate and maximize profits. Differences occur in how businesses are managed, to how IT technologies are exploited facilities. Development of e-business means the entire infrastructure reevaluation of the company - regardless of its size - for departments to see where he says the word technology. An e-business must leave the technology to improve every aspect of work. The need for continuous improvement and constant ability to adapt is what makes e-business is so strong. Companies that change their workflow, according to the processing technology, which constantly examine their strategies, they understood that e-business is not an end point of an investment, but an evolving process.[2]

One can see that the Internet opens up new opportunities for business. This translates to higher revenues and lower costs, which has the effect, undoubtedly, increase profits. It also can not ignore the possibility of firms to enter new markets. In fact speaking of the Internet as a "global market" in the whole of mankind. Of course there is still much discussion about online transaction security, translated into a slight mistrust of many to act on the Internet. This shortcoming of electronic business, to traditional, must respond to new technologies, whose task is to enhance the security technologies that make use of e-business site. However, the dominant tendency is to turn a business - e-business usual. [3]. Reasons for the transition from traditional to electronic methods of doing business are high, the following:

- market expansion, new segment of buyers;
- visibility;
- timeliness;
- new services for partners / customers;
- reduced costs (production, packaging, carriage);
- reducing conflicts with customers.

Naturally, implementation of e-business brings with it a number of advantages that traditional business can not benefit or be more difficult.

The position of the buyer, the winning time is crucial. The same product / service can be bought cheaper, they may be visited several stores in a short time. From the viewpoint of companies using electronic commerce to distinguish the following advantages:

- significantly increase the communication speed, especially for international communications;

- improving efficiency, such data need not be reintroduced in both the computer manually seller and the buyer, allowing labor to be used more productively; errors reintroduction is deleted and purchase production cycles are reduced;
- reduction of costs, for example using e-mail, mail or reduced costs messaging, EDI can mean a big reduction in inventories and the costs of the buying cycle;
- strengthen relationships with customers and suppliers, for example with a company's Web site, it always presents the latest information necessary for their partners, EDI involves working in close liaison partners;
- a fast and convenient way to provide information on a company or its products through Web sites, intranets or extranets to;
- alternative sales channels such as through a web site business.

Internet marketing is an opportunity to create a company image and attract customers. Companies providing technical information and use the website as a platform to launch business news. Using your website as a store, it offers products and take orders. Modern enterprises are characterized by a growing demand increasing, the existence of global competition and ever increasing customer expectations. To be able to meet these requirements, companies across the globe are in the process of organizational transformation and how they work. Electronic commerce is a way to facilitate and support these changes on a global scale. Electronic trading of goods and services is an extension of current trade. This promotes greater efficiency and reduce cost and effect in terms of marketing, improving customer-client relationship.

Electronic commerce facilitates cooperation between firms: reducing marketing costs and delivery, says the company's marketing strategy and provide access to new markets.

In the near future, electronic commerce will have a strong impact on the competitiveness of firms. Moreover, electronic commerce is not restricted by national borders, but it depends on the existence or networks of computers, whether or not banking infrastructure to enable payments over the Internet. Electronic commerce allows even the smallest suppliers, regardless of their geographical origin, to be omniscient and do business worldwide electronic trade positively affects not only small and medium business, but it comes in support to customers, giving them numerous options.

Electronic commerce offers the opportunity to sell products by a large number of traders to a greater number of potential clients in different places in the world by eliminating geographic and cultural barriers. It involves the use of applications such as electronic transfer of documents (EDI), FAX communications, bar code, file transfer and email.

The unprecedented development of communications and increasingly easy access to new technologies has increased the growing number of companies using this type of trade. These companies can achieve faster and cheaper through the Internet, for example purchasing activity, suppliers and completing forms consulting offers electronic control and making payments online.

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