

Chapter 1

Introduction of Information Technology

In this chapter we have seen that, electronic commerce is a revolution in business practices. If organizations are going to take advantage of new Internet technologies, then they must take a strategic perspective. That is, care must be taken to make a close link between corporate strategy and electronic commerce strategy.

In order to understand electronic commerce it is important to identify the different terms that are used, and to assess their origin and usage. 'Electronic commerce' is sharing business information, maintaining business relationships and conducting business transactions by means of telecommunications networks'.

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.

In its simplest form ecommerce is the buying and selling of products and services by businesses and consumers over the Internet. People use the term "ecommerce" to describe encrypted payments on the Internet. Sometimes these transactions include the real-time transfer of funds from buyer to seller and sometimes this is handled manually through a pos terminal once a secure order is received by the merchant.

Some analysts and on-line business people have decided that e-Business is infinitely superior as a moniker to e-commerce. That's misleading and distracts us from the business goals at hand. The effort to separate the e-Commerce and e-Business concepts appears to have been driven by marketing motives and is dreadfully thin in substance.

For the purpose of clarity, the distinction between e-commerce and e-business in this book is based on the respective terms commerce and business. Commerce is defined as embracing the concept of trade, 'exchange of merchandise on a large scale between different countries'.

Business, on the other hand, is defined as ‘a commercial enterprise as a going concern’. E-business can broadly be defined as the processes or areas involved in the running and operation of an organisation that are electronic or digital in nature. These include direct business activities such as marketing, sales and human resource management but also indirect activities such as business process re-engineering and change management, which impact on the improvement in efficiency and integration of business processes and activities.

It is important to identify the key drivers of e-commerce to allow a comparison between different countries. It is often claimed that e-commerce is more advanced in the USA than in Europe. These key drivers can be measured by a number of criteria that can highlight the stages of advancement of e-commerce in each of the respective countries. The cost of creating, processing, distributing, storing and retrieving paper-based information has decreased. E-commerce has revolutionized the way consumers buy well and services.

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