

Value Proposition and Customer Relationships - A New Model in E-Business

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Abstract

The study revolves around the aspects of value proposition and customer relationship building in the Electronic Business. The current topic highlights the Management Information Systems, Marketing aspects of E-Commerce in Business. Though it is a relatively new concept of steering business over the Internet, it also has the latent to alter the traditional form of economic and business activities. Already it affects such large sectors as communications, finance, and retail trade and holds promises in areas such as education, health, and government. The largest effects may be associated not with many of the impacts that command the most attention but with less visible, but potentially more pervasive, effects on routine business activities. The integration of Electronic Commerce and Business will bring a renaissance in the marketing function. As it presents opportunities to get close to the customer to bring the customer inside the company, explore new product ideas, and pretest them against real customers. The paradigm shift happened in online sales and marketing from fewer value goods to durable and esteemed goods like a diamond with exotic varieties at competitive prices.

Keywords: Electronic Commerce, E-Governance, Market Participants, Online Platforms

Introduction

In the phase of Globalization, incredible progress in science and technology has carried changes into the ecosphere of trade, commerce, insurance, banking & marketing. E-Commerce enlarges the open market to global souks. It further decreases the rate of crafting, dispensing, and retrieving paper-built information. The Reputation of E-Commerce is widespread as it condenses the transaction cost. Cheap transaction costs indicate consumer empowerment. In a nutshell, E-Commerce is transforming a very giant change in the Advertising and Marketing space.

E-Commerce has a noteworthy impact on business costs and productivity. E-Commerce had taken the opportunity of wide usage due to its modest applications. So it has a huge economic influence. E-Commerce delivers the competency of trading and information on the internet platform and other online services. In recent eras. E-Commerce is transmuting the marketplace by altering corporate business models, influencing relations among market participants, and causative to changes in the marketplace. Some modern business houses had addressed three themes connected with E-Commerce and the organizational changes it entails:

- Changes in business models,
- Changes in market structure and
- Opportunities for economic growth created by organizational change.

The current topic highlights the customer value addition, Management Information Systems, Marketing aspects of E-Commerce in Business.

Learning Objectives

- To study the E-Commerce Models of Business and E-Governance
- To study the impact of E-Commerce on Business.
- To study the benefits of E-Commerce to Organizations, Consumers, and Society
- To study the barriers to E-Commerce.

E-Commerce Models

Generating an E-Commerce Platform mainly involves crafting and deploying an e-commerce website. The very first step in the progress of an e-commerce site is to recognize the e-commerce Model. Depending on the parties involved in the transaction, e-commerce can be classified into main 4 models. These are discussed as follows:

Business-to-Business (B2B) Model

This is supposed to be the wildest growing field of e-commerce. The B2B model is foretold to become the chief value model of the e-platform within a limited year. This model encompasses electronic dealings for ordering, procuring, and additional directorial tasks between business houses.

This includes not only trading goods, such as business contributions, and specialized services, but also industrial, and wholesale dealings. Sometimes in the B2B model, business is possible between two or more virtual companies, neither of which might have physical existence. Cutting-edge is in such cases, business is steered through the Internet. The chief two critical points of the B2B model are, it can competently maintain the dynamism of the supply chain and logistics. Secondly, the engineering production and procuring processes, are mechanized corporate processes to distribute the products and services speedily and cost-effectively.

Business-to-Consumer (B2C) Model

This Business to customer model involves transactions between big business houses the consumers. It suits most of all business organization that offers their products or services to customers over the online platform. These platforms display product information in an online directory and store it in a catalog directory. This model also includes services like online money transfers, travel booking

services, and dissemination of health information.

The B2C model is further prone to safety threats as consumers offer their credit card and personal security details with a fear of fraud and mischief with the platform of the business provider. Therefore, it becomes essential for online business platforms to enable efficient security mechanisms which guarantee service takers for securing their personal information.

Consumer-to-Consumer (C2C) Model

The C2C model involves operation between consumers. Here, one consumer sells straight to another consumer. Websites that provide online auctions enable a consumer to publicize and put on the market their products online to another customer. Nevertheless, both the seller and the buyer must register with the auction site. While the seller requires paying a fixed fee to the online auction platform to sell his products, the buyer can bid without paying any fee. The site brings the buyer and seller together to conduct the transaction. Any buying customer can now browse the website, search and find the product he is interested in. If the buyer encounters such a product, place an order on the Web site of eBay. eBay now purchases the product from the seller and then, sells it to the buyer. In this way, though the business is between two customers, an online service provider interface is the bridge between the two customers.



Fig 1 Types of e-commerce

Consumer-to-Business (C2B) Model

This model involves a transaction that is carried out between a consumer and a business house. It is parallel to the B2C model, on the other hand, the difference is that in this case of C2B, the customer is the seller and the business house is the buyer. In this variety of transactions, the customer decides

the price of the respective product rather than the seller. This model includes a customer who may be individuals to sell products and services to business houses.

E-Governance

In addition to the models discussed above, the five latest models are being initiated which involve dealings between the government and other entities, such as the public may take the form of consumers, business organizations, and other government bodies. And these transactions that engage the government as one entity are called e-governance.

The various models in the E-Governance scenario are:

Government-to-Government (G2G) Model

This model engrosses transactions between two governments. For example, when an Indian government wants to buy oil from the Arabian government, the business connections involved are referred to in the G2G model.

Government-to-Consumer (G2C) Model

In this model, the government carries out dealings with an individual consumer with a specific user domain. For example, income laws are enforced with PAN about tax payments on individual consumers over the Internet by an interactive website model.

Consumer-to-Government (C2G) model

The reverse model, is when an individual consumer interacts and deals with the government in this C2G Model. For example, a consumer can pay his electricity bill, property tax, and water tax online.

Government-to-Business (G2B) Model

The G2B model involves business connections between a government and a business house. For example, when the government plans to build a flyover, it requests tenders from various contractors (Business houses). Government can perform over the Internet through its website by using the G2B model.

Business-to-Government (B2G) Model

In this model, the reverse of G2B, the business houses deal with the government over the Internet. For example, similar to an individual consumer,

business houses can also pay their corporate taxes on the Internet.

The Impact of E-Commerce on Business

Management Information Systems: The aspect of Analysis, planning, execution, and accomplishment of e-business coordination systems within an organization. It also addresses the challenges of integration of front-end and back-end systems for an efficient way of doing business.

Human Resource Management: The main spectrum of engaging and recruiting people at work for online processes, work from home, and 'Intrapreneurs' works for a particular project. It also engages in replacing employees, performance appraisal, scale revision, promotion, and transfers of permanent employees as well as part-time employees.

Finance and Accounting: The matters related to Online payments and receipts; issues of services charges and transaction costs are better handled. The aspects of accounting and auditing and its implications where 'intangible' assets and human capital are tangibly valued in progressively more knowledge-based accounting systems.

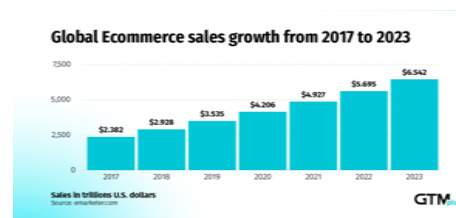


Fig 2 Growth chart of e commerce

Economics: The internal, as well as external economies, are given due diligence. The outcomes of the dealings in e-commerce on local and global economies are addressed

Production and Operations Management: The bang of online dispensation has led to compact cycle times. It takes fewer minutes to deliver products and services digitally. Similarly, the time taken to process orders could also be reduced by enabling better communication systems. Online platforms are efficiently integrated with a seller, banker, marketing, and other functional systems as well as with business partners and customers.

Marketing: Efficient online advertisements, marketing strategies, promotional activities, and consumer behavior are the critical aspects of E-Commerce platforms. Direct marketing with Artificial Intelligence-enabled services is at its peak.

Business Law and Ethics: An ethical way of doing business is the need for the hour. The special legal and ethical challenges as an outcome of global 'virtual' marketplace commitments such as copyright laws, security, and privacy of customer information, the legality of electronic contracts, etc.

The Barriers to E-Commerce

The drivers of the e-commerce industry were recognized and summarized. There are barricades to the growth and development of E-Commerce are discussed below. Frequent reports and surveys classify the different kinds of blockades, and most of them spotlight security issues as being one of the largest inhibitors to E-Commerce. Different countries are at different stages in the development of E-Commerce and as such the matters that are relevant to one country may not be pertinent to another. Similarly, the concept and issues that are relevant to the type of organization also differ from one another. On the whole, similar barriers addressed by most of the business houses but with different emphases are discussed below:

Commercial and Communication Network

The commercial infrastructure relates to concerns such as international trade agreements, taxation laws, and other legal agreements that assist in online dealings. These network arrangements are addressed and relevant to all categories of businesses.

Technological Infrastructure - Value Chain Integration

The technological infrastructure deals with matters relating to the standardization of systems and applications, which is a critical concern for large business organizations that want to implement solutions like value chain integration and e-supply chain management.

Internet Infrastructure

The internet infrastructure focuses on issues such as accessibility and service providers of Internet in terms of speed and reliability. This barrier is of

a particular matter to B2C Model, as their business relies more on general consumers' usage of an online platform. In short the flexibility with which the end users could connect to the Internet has a direct impact on their E-Commerce business.

Safety Measures

In its broadest term, Safety measures are one of the most noteworthy barriers to e-commerce as customers share their personal information like debit and credit card details. Security Encryption, User Authentication, Trust of customers and Risk involved, Lack of Public Key Infrastructure, Online Fraud, and loss of information related to the development of a broader security infrastructure.

Interoperability of Systems

This is identified as one of the major barriers for large US-based Business to Business corporations. This refers specifically to implementation and compatibility problems of integrating new e-commerce applications with existing legacy systems and resources within organizations. This problem also extends to interacting with systems of business partners and stakeholders.

Lack of Qualified Personnel

This is a particularly strong concern because internally they do not have sufficient resources to attract and maintain their support staff to develop a sophisticated technology infrastructure

Conclusion

This helplessness to bargain the product or services of interest of consumers swift is the biggest blockade to efficient marketing. This problem might be overcome through growing E-commerce platforms, where the number of sellers offers several products through online platforms. Indian e-commerce has seen many difficulties in web marketing because of infrastructural difficulties and computer illiteracy. But in the pace of growing technology and increased sales of smartphones and intervention of the internet in all nooks and corners, the sector is ever growing. The paradigm shift happened in online sales and marketing from fewer value goods to durable and esteemed goods like a diamond with exotic varieties at competitive prices.

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