

E-Business - Challenges and Opportunities

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Abstract:

The Internet as a fundamental platform of worldwide e-business has emerged both as the world's major distribution channel for goods and services and as its platform for international co-operation between business partners. This is profoundly changing economics, markets and industry structure, products and services and their flow, consumer segmentation, consumer's values, consumer behaviours, jobs and labour markets.

Not types of e-business are necessarily better than any other. It's up to each business to determine what types of e-business are right for them. E-business affects how a company views its strategy and operations: It is more than just technology. Most businesses have started the process of transformation into e-business by investing in email, a web presence and intranets. These form the foundation for a company's e-business strategy and create a basis from which an improved business to business relationship and business to consumer relationship can be established. This paper tries to attempts to know the objectives of e-business, relationship between e-business and e-commerce, growth of e-business, key principles, growth of e-business, benefits and opportunities and challenges hindrances of e-business.

Introduction:

The Internet as a fundamental platform of worldwide e-business has emerged both as the world's major distribution channel for goods and services and as its platform for international co-operation between business partners. This is profoundly changing economics, markets and industry structure, products and services and their flow, consumer segmentation, consumer's values, consumer behaviours, jobs and labour markets.

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Incorporating ICT technology into core business processes enables new levels of relationship to be established with customers, distributors, suppliers and partners. The main areas e-business can maximize business values are; customer relationship supply chain management and e-commerce, By using ICT technology these three business-critical processes can be transformed into a single, streamlined system.

Definition of E-Business:

E-Business can be defined as the use of the internet to network and empowers business processes, electronic commerce, organizational communication and collaborations with a company and with its customers, suppliers and other stakeholders.

Key Principles of E-business:

E-business is global nature. However, that is more a vision of the future than the reality of today. The business of big companies is more and more international and e-business tools are critical to their success. E-business simplifies international business also for SME's and offers big markets, but most of SME's are today satisfied with it. Thus not even enterprises with only local operation can totally forget e-business.

The e-business communication networks is global even where e-business is local, E-business is simultaneously an opportunity and a threat. As enterprises can enter new markets with it, so can a foreign company enter domestic markets with it.

A high level of trust in the global information infrastructure and services should be pressured by mutual agreement, education and further technological innovation to enhance security and reliability adoption of adequate dispute resolution mechanisms and private sector self-regulations.

E-business has both industry and enterprises level impacts. It has redefines enterprises and industries boundaries creating digital winners and loser along the way.

Benefits and Opportunities of E-Business:

- **New business models and more revenue:**

The enterprise can create additional revenue. Some business are fortunate because they provide information, goods and service that users are willing to purchase online. Such sectors are travels, financial services, books, CDs, entertainment and many items traditionally bought through mail-order catalogues.

- **Extended hours (24x7/365):**

Increasingly today, the terms 'available' and accessible to a business mean twenty-four hours a day, seven days a week access to information, products and services. Customers, suppliers and interested parties are less and less satisfied with being restricted to the traditional opening hours of business and will not be impressed if they cannot do such things as order items or discover information for themselves in the comfort of their own homes and offices when it suits them.

- **Global reach and up-to-date company material:**

E-Business can improve marketing and be a highly effective promotional tool. It is another promotional tool that should complement other forms of promotion. Besides being visible to potential customers and suppliers. It is also very easy to collate and analyse information about those visiting and buying from the site and equally easy to change the promotional aspects to maximize their impact on sales.

- **Cost reduction:**

There are many ways in which an enterprise can save costs and improve operational efficiency E-Business. It helps streamline processes.

- **Improved customer relations and services:**

An enterprise can make it easier for companies and people to do business. A website is an additional tool for facilitating business. It should be quick and easy to navigate, customer focused, offer abundant relevant information, provide opportunities for two-way communication and provide a variety of convenient ways to do e-Business.

Challenges and hindrances of E-Business:

- **Cultural Issues:** Automated business processes require a cultural change to the way business is conducted and services offered. People typically resist change, especially if they are not sure about the outcome. Not all people know E-Business well and the effects of E-Business are so many that there is space for resistance.

Conclusion:

In today's environment more than ever, managers of "old economy" companies need the right tools to support and improve their effectiveness when making major strategic moves allocating scarce resource, and managing risk. Why? Because the large "old economy" companies from consumer products to industrial manufacturing have begun to see relatively small pieces of their markets taken away by new, Web-enabled firms. As a result, they're waking up to the e-business threat (and opportunity) and have started to push toward more efficient digital strategies based on optimizing customer experiences, integrating their value chains, and accelerating information flow.

Clearly, we're in the early stages of a revolution that's changing the business landscape. As with any revolution, there will be moments of extreme optimism when the potential reveals itself; there will also be moments of extreme pessimism when scepticism rules. However, one thing is certain. E-business is creating new opportunities for companies willing to adapt. For other companies, this same revolution represents a destabilizing threat to the status quo of "business as usual."

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