Welcome to e-business

The primary goal of e-business course, is to give you, the learner, an understanding of how the Internet has created a new economy which, by its explosive growth and sheer size, has already changed our perception of the traditional ways of doing business. Companies like Amazon and EBay have successfully created domination on areas, where just a few years ago traditional brick and mortar companies were king. However, in order to be successful on the net, you do not have to be a giant like them. Many small and mid-size companies have managed to build online businesses quite profitably. E-business is a dynamic interdisciplinary topic utilizing concepts from both business and technology. In this regard, i shall introduce the e-business from both aspects where you will discover the effect of e-business traditional business and reasons that lead to the current use of e-business. You shall also study the future potential of e-business, especially in the local context. Forms of e-business such as B-B (Business to Business and B-C(Business to Consumer) will be studied in addition to various revenue models. Strategies that facilitated some successful e-business such as customer relationship management and supply chain management will be introduced.

2. LO2  Key Terms used in e-Business

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<th>Main Learning</th>
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Objective

Which one is it among the objectives?

Nature of learning object
Is it a preknowledge quiz/graphics/module overview/an activity such as labs/video/project/case scenario/animation/role play/simulation/a sub-topic/a well-designed summary

Cite key benefit using it over others
Enhances interaction/collaboration/learner engagement/abstract concepts are real/saves time/enhances motivation....

Coordinator Name
Robert Oboko

Coordinator e-mail
robertoboko@gmail.com

SME name
Jackson G Kabira

SME e-mail
gkabira@gmail.com

Internet: The Internet is a global network connecting millions of computers.

IT: Information Technology. The science and activity of using computers and other electronic equipment to store and send information.

E-business: It includes buying and selling of goods and services, servicing customers, collaborating with business partners and conducting electronic transactions within an organization.

E-commerce: Describes the buying, selling, transferring or exchanging of products, services or information via the Internet.

Web browser: A computer program that can access a database of Internet resources for specific information and report the results such as Internet explorer® and Mozilla FireFox®

E-Government: the use of Internet technology in general and e-commerce in particular to deliver information about public services to citizens.

Business-to-consumer (B2C): the sellers are organizations and the buyers are individuals.

Business-to-business (B2B): both the sellers and buyers are business organizations. It represents the vast majority of e-business.
Consumer-to-consumer (C2C): an individual sells products or services to other individuals.

Business-to-employee (B2E): An organization uses e-commerce internally to provide Information and services to its employees.

Brick-and- mortar: organizations are purely physical organizations.

Consumer-to-consumer: (C2C): Consumers sell directly to other consumers e.g individuals selling cars in online classified ads.

Hybrid: Combines B2B and B2C
Mobile commerce: E-business transactions conducted in a wireless environment.

WWW: World Wide Web - It is a system of Internet servers that support specially formatted documents in a language called HTML (Hypertext Markup Language) that supports links to other documents, as well as graphics, audio, and video files.

Intranet: An internal corporate of government network that uses Internet tools such as web browsers and Internet protocols.

Extranet: A network that uses the Internet to link several intranets.

Protocol: It is a set of rules that nodes in a telecommunication system use when they communicate.

CRM: Customer Relationship management - It entails all aspects of interaction that a company has with its customers, whether it is sales or service-related.

Domain: A group of computers and devices on a network that are administered as a unit with common rules and procedures.

Virtual communities: Groups of individuals linked on the Internet.

Encryption: Process of encoding messages in transit to ensure that only authorized persons can read it.

EDI: Electronic Data Interchange: Is a way for business and banks to send business documents to each other in electronic form directly from one computer to another rather than using the Internet.

EFT: A system of moving money from electronically from one bank or account to another.

Source: [http://dictionary.cambridge.org/](http://dictionary.cambridge.org/)

### 3. LO3 Pre-assessment

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Pre-knowledge quiz
Check you understanding!

Formative assessment

4. What is the difference between e-business, brick & mortar business and e-commerce?

5. How do governments use Internet technology to deliver public services?


7. Define a virtual corporation.

8. What do you think are the major driving forces in e-business?

9. Why is buying with a credit card from a vendor considered e-business?

10. What benefits do you think can be derived from e-business?

11. Why is distance learning considered e-business?

12. Name a major company in your country involved in e-business.

13. Define the term Internet?

Instructions

The aim of this assessment is to check your progress by determining how much you have learned in the unit. Questions cover everything that was presented in the unit in order to assess your overall understanding. Answer them carefully and if your score falls:

- below 40%, redo the readings.
- between 40% and 60%, redo the readings on your weak area(s)
- above 60%, you have a substantial amount of knowledge

Answers.

1. E-business is the buying goods and services, servicing customers and collaborating with business partners over the Internet. Brick & mortar is an organization existing physically while

2. e-commerce is buying and selling of products and services over the Internet.


4. A organization that exists mainly on the Internet and does business on web sites and email.
5. Technology, i.e. innovations, e-commerce, Society, social responsibility, government regulations, deregulation, shrinking budgets, subsidies, Market i.e. global, changing workforce, consumers, IT and e-commerce support i.e. digital TV, mobile phones.

Virtual nature of the transaction. Speed, convenience, discounts, lower start up costs, etc Conducted over the Internet and it has a cost of doing business.

Safaricom
A global network connecting millions of computers.

4. LO4  Overview of E-business

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Coordinator Name: Robert Oboko
Coordinator e-mail: robertoboko@gmail.com
SME name: Jackson G Kabira
SME e-mail: gkabira@gmail.com

Objective: Describing e-business
Electronic business can be defined as the use of the Internet to network and empower business processes, electronic commerce, organizational communication and collaboration within company and with its customers, suppliers, and other stakeholders. E-businesses utilise the Internet, intranets, extranets and other networks to support their commercial processes. Electronic commerce is the buying and selling, marketing and servicing of products and services via computer networks. Since e-business includes the process of transacting with suppliers and customers there is an overlap in activities with electronic commerce. Although the terms ‘e-business’ and ‘e-commerce’ are often used synonymously, the distinction between them lies in broader range of processes in e-business that incorporates internal transactions within an organisation. These include transactions relating to procurement, logistics, supply chain, payments, stock control and order tracking. As Chaffey (2004) notes, e-commerce can best be conceived as a subset of e-business. Where the two concepts overlap is in the buying and selling of products and services.

LO 5: Activity 1.1 – History of E-business

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**Introduction**

In this topic, you will note that e-business applications were first developed in the early 1970’s with innovations such as Electronics Funds Transfer (EFT) where funds would be transferred through electronic means. However, the applications were limited only to large corporations.

Afterwards EDI, which enlarged the pool of participating companies from financial institutions, manufacturers to retailers was born.

The term e-business was coined by the commercialization of the Internet in the 1990’s the expansion of which was facilitated by the convergence of new networks, protocols, software and hardware, globalization and competition. Around 1995, many innovative applications such as interactive advertisements and virtual reality were conceptualized. Many organizations now have a web site and a portal eg intranets and extranets via which employees, business associates and the public can access a myriad of information. E-business now consists of simple sites that provide corporate data to sites selling goods and services online with new innovative uses for such as online language tutoring. Information repositories for research are on the increase and sale of e-books and digital music files are the norm.

Rarely have innovations in human history brought benefits envisioned by the growth of e-business. As you visualize the global nature of this technology and its potential to reach billions, its interactive nature and the rapid growth of the Internet, the end result is innumerable benefit to mankind.

**Activity details - History of E-business**

In this activity, you are required read on the history of e-business and its progression to its current state. List the time lines of e-business from the time of EFT to what we have today. You should include the diffusion of the innovation in this manner thus; innovators, early adopters, early majority, late majority and laggards. List the software and hardware that characterized the early e-business sites and contrast them with state of technology today.
Conclusion

This activity will help you understand the current trends in the evolution of e-business and hence appreciate its current status. As the learner analyses the software and hardware technologies that were existent since the early days of e-business with the current it becomes apparent that e-business has come a long way.

Assessment

This assessment is on the just concluded activity and it is recommended that you do it individually. Submit the assignment in form of short notes within a week via an email to be provided.

1. According to what you know about the history of e-business, when was the first dot.com company conceived and which was it?

2. Why is it important to learn the historical background of e-business?

3. Identify the country with the most robust e-business traffic statistics.

4. What do you think is the driving factor(s) behind a company’s success in e-business?