# UNDERSTANDING E-BUSINESS & E-COMMERCE AND THEIR RELATION TO THE CONCEPTUAL FRAMEWORK OF E-MARKETING: CASE STUDY

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***Abstrak :****Information technology (IT), teknologi Internet pada khususnya telah membawa perubahan dalam praktik bisnis dan pemasaran, di mana hampir semua aktivitas dan praktik business, commerce, dan marketing dapat dijalankan secara elektronik. Hal ini terlihat pada istilah/kata seperti"electronic business (e-business)","electronic commerce (e-commerce), dan"electronic marketing (e-marketing)" yang artinya disiplin ilmu tersebut telah teraplikasi dalam information dan communication technology (ICT) dan telah dipraktikan secara elektronik. Meskipun demikian, sampai saat ini masih belum ada keseragaman dalam hal definisi dan konsep e-business, e-commerce, dan e-marketing bahkan terjadi tumpang tindih (overlap) satu sama lain dalam praktik. Selain dapat membentuk wawasan berpikir yang terfokus, konsep dan definisi yang tepat baik dalam pengertian luas maupun pengertian sempit akan memberi manfaat untuk menjustifikasi posisi diri kita sendiri baik dari aspek disiplin ilmu maunpun dalam praktik. Paper ini mereview literature dari berbagai sumber buku dan jurnal mengenai konsep dan definisi e-business, e-commerce, dan e-marketing yang tepat, dikatkan dengan penelitian ProfessorMeng dari Universitas Guan Dong berjudul"Study on Combining e-commerce and e-marketing" Mei 2010 yang sedikit banyak telah menginspirasi pembahasan paper ini dan sekaligus menjadikannya sebagai studi kasus paper ini.*

*****Kata kunci****: IT, ICT, Internet, e-business, e-marketing, e-commerce*

## 1. INTRODUCTION

In the emerging global economy, Information technology (IT) has increasingly become a necessary component of business strategy and a strong catalyst for economic development. The strategic integration of ICT in business has revolutionized relationships within organizations and those between and among organizations and individuals. Specifically, the use of ICT in business has enhanced productivity effectively, encouraged greater customer participation, and enabled mass customization, besides reducing costs.

The major role of IT will become more important as time passes. As an enabling technology, information and communication technology (ICT), the internet technology in particular, has become the major facilitator of a firm's business activities both in global and domestic economy in which every firm has to win over its competitors.

E-business is the use of the internet technology to network and empower business activities, e-commerce, organisational communication and collaboration within a company and with its customers, suppliers and other stakeholders. IT-empowered business, commerce, and marketing have ledto confusion over the concepts and

definitions of e-business, e-commerce, and e-marketing, and eventually caused an overlap in activities with e-commerce and e-marketing with e-commerce.

Consequently, we need the proper concepts and definitions of e-business, e-marketing, and e-commerce to guide entrepreneurs and executives in business and in not-for-profit organizations in the management of their marketing efforts and e-commerce.

Professor Meng of Guan Dong University says that e-marketing is the integral parts of e-commerce or e-commerce includes e-marketing, to combine both of them, to make e-marketing based on e-commerce.

The business example is concerned with handling of customer complaints. As long as customers do not complain, then e-commerce may be sufficient for electronic transactions with customers. The front end ofthe business is electronic, and this front end is the only contact customers have with the business. However, if a customer complains, then other parts of the business such as e-marketing should have to get involved. For example, if the customer has received a computer which is found deficient, then the customer gets in touch with the vendor. The vendor has to decide whether the complaint is justified. If it is, then the vendor has to decide whether to fix the product, replace the product, or refund the money paid for the product.

This kind of managerial decision-making will typically involve other departments in addition to marketing department. These other departments may be the technical department, the production department, and the finance department. While the marketing departments have electronic communication with the customer using information systems, other departments may not be connected to the same information systems.

In case in situation happens, the internal handling of a customer complaint in the business is not transparent to and accessible for the customer. The customer may experience time passing by, without any information from the vendor. A complaining customer was angry already at the time of the complaint. The anger and frustration are rising, as the customer receives no response. The customer is unable to obtain information from the vendor by electronic means, since the vendor is doing **e-commerce**, **not e-marketing** let alone **e-business**.

If the vendor would be an e-business, then the business process of customer complaints handling would be an integrated information system to which the customer has access. Then it is possible for the customer to follow the complaint handling process, and it is possible for other departments than marketing, to stay in direct contact with the complaining customer to resolve the issues.


## 2. THEORETICAL BACKGROUND

### 2.1. Concept and definition of IT and ICT

The term "technology" is not necessarily means "high-tech." Management guru, Peter Drucker (1985) says, "Technology is simply defined as applications of knowledge to human work. Thus accounting, economic order quantity, word-of-mouth marketing, and well-defined mentoring programs are all technologies."

Turban et al (2010) say, information technology (IT) is the collection of the computing systems in an organization, or organization's collection of information systems, their users, and the management that oversees them. Information Technology, in its narrow definition, refers to the technological side or the technology component of an information system. It includes the hardware, software, data and database, networks, procedure, people, and other electronic devices. And the term "ICT" refers to the electronic devices for worldwide communication.

## 2. 2. E-Business and E-Commerce

### 2. 2. 1. Concept and definition of e-business

E-business is the internet application technology that can help facilitate efficiency and effectiveness of a firm's business activities. The Web site for educators, summarized e-business and e-marketing, and e-commerce opportunities flowing from the internet's unique properties: reduces cost of production by reducing factory overhead and labor cost, increases sales, accesses new market across the globe, targets market segments more effectively, provides more accurate information and improve the customer service experience, improves the efficiency of supply chain, improves employee motivation through more flexible working methods, and allows 24/7 access to the firm's products and services.

E-business is the use of the internet technology to network and empower business activities, e-commerce, organisational communication and collaboration within a company and with its customers, suppliers and other stakeholders. E-business is utilization of the internet, intranet, extranet and other networks to support their commercial processes. According to Strauss et al (2009), E-business is the continuous optimization of a firm's business activities through digital technology.

E-business, in its narrow sense, includes the process of transacting with suppliers and customers electronically. However, if this narrow definition is applied, there is an overlap in activities with e-commerce. Although the terms "e-business" and "e-commerce" are often used synonymously, the distinction between them lies in the broader range of processes in e-business that incorporates internal transactions within an organization. These include transactions relating to procurement, logistics, supply chain management, payments, stock control and order tracking (Combe, 2006).E-business involves attracting and retaining the right customers and business partners. It permeates business processes, such as product buying and selling. It includes digital communication, e-commerce, and online research, and it is used by every business discipline, (Strauss et al, 2009).

Turban et al. (2008) say, e-business refers to a broader definition of e-commerce, not just the buying and selling of goods and services, but also servicing customers, collaborating with business partners, and conducting electronic transactions within an organization.

E-business constitutes the ability of a firm to connect electronically, in multiple ways, many organizations, both internal (interconnected all departments all department within a firm) and external (supplies, third party logistics, financial institutions, etc.), for many different purposes. It allows an organization to execute electronic transactions

with any individual entity along the value creation include suppliers, logistics providers, wholesalers, distributors, service providers, and end customers. Increasingly, e-business allows an organization to establish real-time connections simultaneously among numerous entities for some specific purpose, such as continuous optimization of the **upstream supply chain** and **buy-side e-commerce** through the **downstream supply chai**n and **sell-side e-commerce.** The buy-side e-commerce takes over **e-procurement** functions as shown at figure 1.
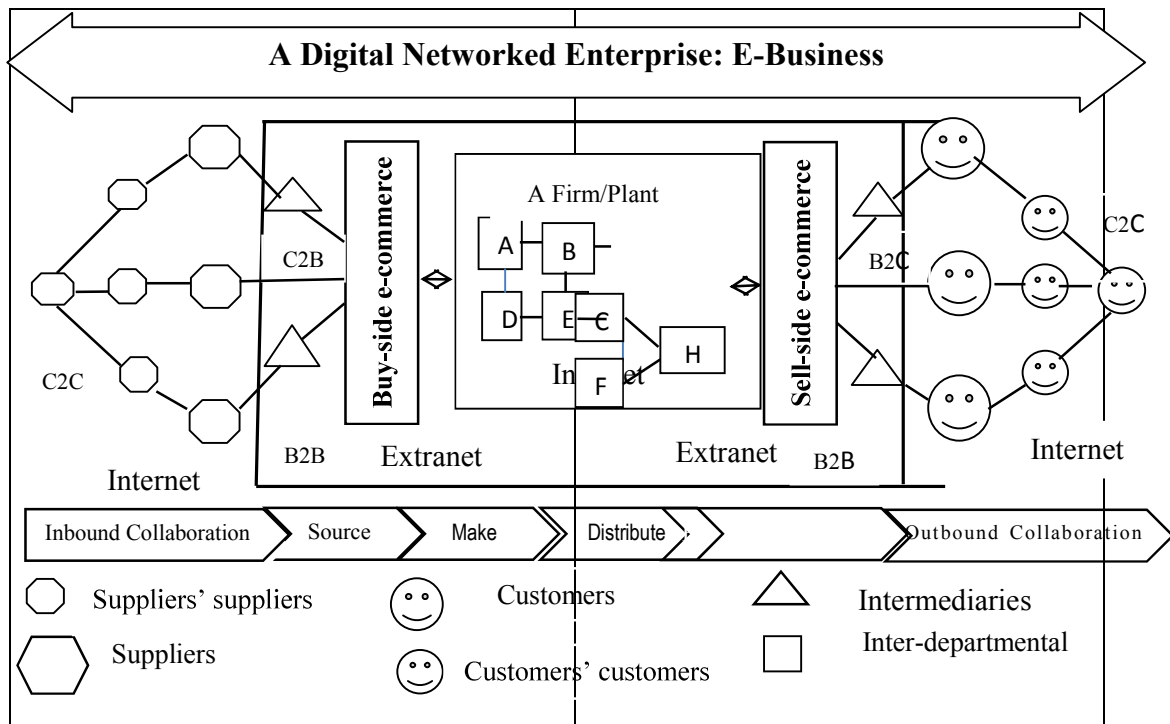


**Figure 1. The positions of e-business, e-commerce, e-marketing, Internet, extranet and intranet**

In practice, firms should need to design a strategy and implement it, the means by which they reach their business vision-mission and objectives or a business plan. How does traditional strategy differ from e-business strategy? E-business strategy is the deployment of enterprise resources to capitalize on technologies for reaching specified objectives that ultimately improve performance and create sustainable competitive advantages (Strauss et al, 2009).

### 2. 2. 2. E-Commerce and Physical Commerce

**E-commerce Concept and Definition**

Chan et al (2001) noted that commerce is a basic economic activity involving trading or the buying and selling of goods.

The earliest example of e-commerce is electronic funds transfer where allows financial institutions to transfer funds between one another in a secure and efficient manner. Later, electronic data interchange(EDI) was introduced to facilitate inter business transactions. However, early EDI systems were typically operated over special networks that are complex to setup and costly to administer. For these reasons, EDI has not been as widely deployed as expected. With the advent of internet technologies and advanced cryptographic techniques, it is now feasible to implement e-commerce over a public network –the Internet.

Generally speaking, e-commerce is about the sale and purchase of goods or services by electronic means, particularly over the internet (Chan et al, 2001). In broad terms one can distinguish two types of commerce: **traditional commerce** and **e-commerce**. For example, if you want to buy a book, you will go to a physical bookstore and buy the physical book from a salesman. In a pure e-commerce system, transactions take place via electronic means.
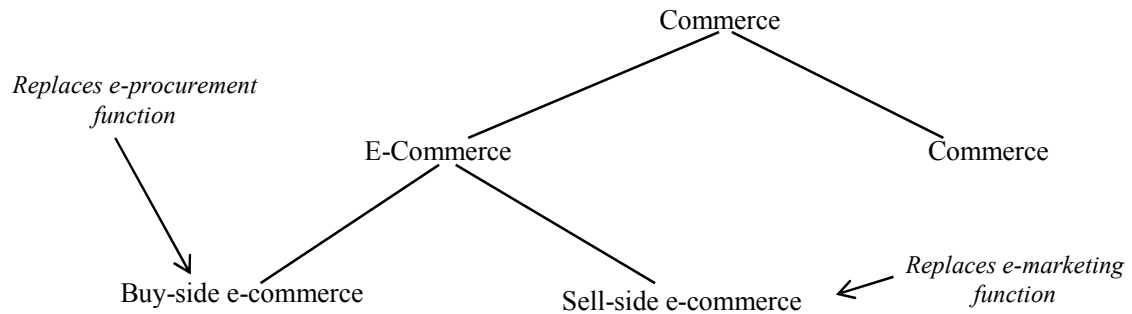


**Figure 2. The E-Commerce Hierarchy**

The term e-*commerce* is defined by some as describing transactions conducted between business partners. E-commerce is an important concept that describes the process of buying, selling, or exchanging products, services, and information, via computer networks, including the Internet (Turban, et al. 2002). E-commerce from different perspectives:

- *Communication perspective*, e-commerce is the delivery of goods, services, information, or payments over computer networks or by any other electronic means.
- *Business process perspective*, e-commerce is the application of digital technology toward the automation of business transactions and workflow.
- *Service perspective*, e-commerce is a tool that addresses the desire of firms, consumers, and management to cut service costs while improving the quality of goods and increasing the speed of service delivery.
- *Online perspective*, e-commerce provides the capability of buying and selling products and information on the Internet and other online services.
- *Collaboration perspective*, e-commerce is the framework for inter- and intra-organizational collaboration.
- *Community perspective*, e-commerce provides a gathering place for community members, to learn, transact, and collaborate. In figure 3 and figure 4, we find some

similarities among integrated e-marketing, (traditional) commerce as a sales function and marketing functions or an exchange function. This obviously indicates that e-commerce is one part of e-marketing functions that focus on electronic transactions and exchanges.
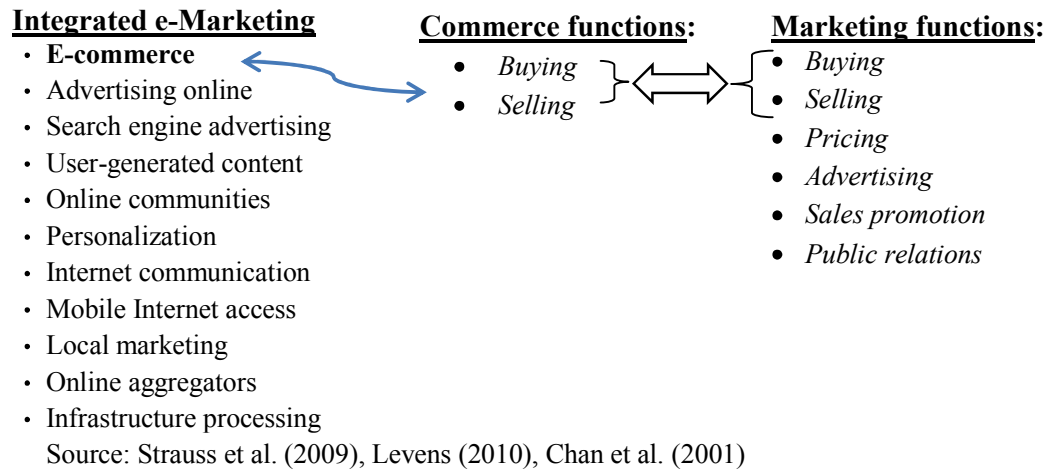
**Integrated e-Marketing**
- **E-commerce**
- Advertising online
- Search engine advertising
- User-generated content
- Online communities
- Personalization
- Internet communication
- Mobile Internet access
- Local marketing
- Online aggregators
- Infrastructure processing

**Commerce functions:**
- *Buying*
- *Selling*

**Marketing functions:**
- *Buying*
- *Selling*
- *Pricing*
- *Advertising*
- *Sales promotion*
- *Public relations*

Source: Strauss et al. (2009), Levens (2010), Chan et al. (2001)

**Figure 3. The Comparison among e-Marketing, Traditional Commerce and Marketing Function**

The emergence of e-commerce is creating fundamental change to the way that business is conducted. These changes are altering the way in which every enterprise acquires wealth and creates shareholder value. The myriad of powerful computing and communications technology enabling e-commerce allow organizations to streamline their business processes, enhance customer service, and offer digital products and services. This shift underlying marketing fundamentals is now the driving force that is luring many organizations to embrace e-commerce.

While engaging in e-commerce undoubtedly has substantial benefits, this market place is also quite competitive. E-commerce reduces customer search and switching costs, has the ability to distribute information on new products, access new sales channels and reduce entry-level capital requirements, thereby lowering barriers to entry. Companies that exhibit a market orientation by being vigilant regarding the needs of customers and the actions of competitors tend to achieve better performance. Over-emphasizing one dimension at the cost of the other tend to lead to sub-optimization in an environment that rewards the ability to sense and respond to a variety of information cues (Changet al., 2003).

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. A study conducted by Changet al. (2003) proposed that e-commerce initiatives are important strategic initiatives and that firms with a stronger e-commerce market orientation would be more successful. Complexity of the strategy process can be

simplified by searching for patterns of behavior in organizations. Table 1 shows the contrast of commerce and e-commerce:

**Table 1. Traditional Commerce versus E-commerce**

| Activity | Traditional Commerce | E-commerce |
|---|---|---|
| Product information | Magazines, flyers | Web sites, Online catalogs |
| Business communications | Regular mail, Phone | E-mail |
| Check product availability | Phone, fax, letter | E -mail, web sites, and extranet |
| Order generation | Printed forms | E-mail, web sites |
| Product acknowledgements | Phone, fax | E-mail, web sites, and  EDI |
| Invoice generation | Printed forms | Web sites |

In practice, companies would conduct different types of e-commerce in accordance with their companies' characteristics, activities and products as shown at table 2. In order to help better understand the various functions and positions of e-commerce, please take a look at figure 1, and table 2 gives the comprehensive examples of different companies perform different e-Commerce:

**Table 2. The Major different types of e-Commerce**

| C2C e-commerce | B2C e-commerce | G2C e-commerce |
|---|---|---|
| o eBay<br>o Peer-to-Peer (Skype)<br>o Blogs and communities<br>o Product recommendations | o Transactional: Amazon<br>o Relationship-building: BP<br>o Brand-building: Unilever<br>o Media owner – News Corp<br>o Comparison intermediary: Kelkoo, Price runner | o National government transactional: Tax – in land revenue<br>o National government information<br>o Local government services |
| **C2B e-commerce** | **B2B e-commerce** | **G2B e-commerce** |
| o Priceline<br>o Consumer-feedback, communities or campaigns | o Transactional: Euroffice<br>o Relationship-building: BP<br>o Media Owned : Emap business publications<br>o B2B marketplaces: EC21 | o Government services and transactions: tax<br>o Legal regulations |
| **C2G e-commerce** | **B2G e-commerce** | **G2G e-commerce** |
| o Feedback to government through pressure group or individual sites | o Feedback to government, businesses and nongovernmental organizations | o Inter-government services<br>o Exchange of information |

**The relationship among e-Business& e-Marketing and e-Commerce**

A digital networked enterprise ore-business covers all departments in a firm that consists of back-office operations and front-office operations. Back office consists of HR department, accounting, finance, production and operation, shipping, etc., while front office comprises of e-marketing and sales. E-marketing covers customer

relationship management (CRM), Customer services both online and offline, e-commerce, etc. that can be seen at figure 4:
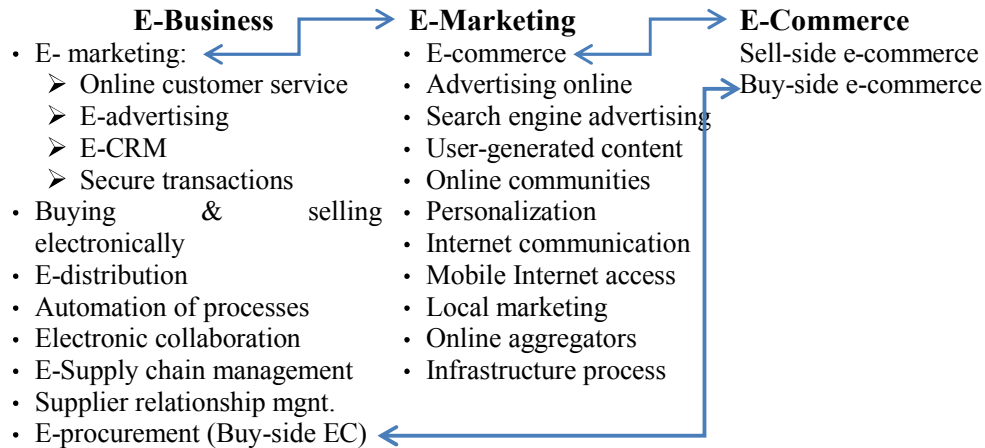
| **E-Business** | **E-Marketing** | **E-Commerce** |
|---|---|---|
| • E- marketing: | • E-commerce | Sell-side e-commerce |
|   ➢ Online customer service | • Advertising online | Buy-side e-commerce |
|   ➢ E-advertising | • Search engine advertising | |
|   ➢ E-CRM | • User-generated content | |
|   ➢ Secure transactions | • Online communities | |
| • Buying & selling electronically | • Personalization | |
| • E-distribution | • Internet communication | |
| • Automation of processes | • Mobile Internet access | |
| • Electronic collaboration | • Local marketing | |
| • E-Supply chain management | • Online aggregators | |
| • Supplier relationship mgnt. | • Infrastructure process | |
| • E-procurement (Buy-side EC) | | |

**Figure 4. The relationship among e-Business& e-Marketing and e-Commerce**

## 2. 3. The Scoope of Marketing and E-Marketing

### 2. 3. 1. Marketing Concept and definition

To prepare to be marketers, you need to understand what marketing is, what marketing concept is, how it works, what is marketed, and who does the marketing?

From a managerial point of view, marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stake holders (Levens, 2010). Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value (Kotler et al, 2010).

The **marketing concept** holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating superior customer value to its chosen target markets (Kotler et al., 2009). Marketing concept start with market, focuses on customer needs, uses integrated marketing strategy as the means, and profit through customer satisfaction. According to Levens (2010):"Marketing concept is an organizational philosophy dedicated to understanding and fulfilling consumer needs through the creation of value. Marketing functions are activities performed within organizations that create value for specific products or services."

The marketing concept is contrast with selling concept or selling concept. According to Kotler et al. (2010), the **selling concept** holds that consumers and businesses, will ordinarily not buy enough of the organization's products, therefore, the organization must undertake aggressive selling and promotion effort. The selling concept starts with factory, focuses on existing products, selling and promoting intensively, and ends with profit through sales volumes.

Noted management guru Peter Drucker (1985) identified the critical role that marketing performs for business: "Because the purpose of business is to create a customer, the business enterprise has two – and only two – basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.

In parallel fashion with e-business strategy, marketing strategy becomes e-Marketing strategy when marketers use digital technology to implement the strategy. A Marketer needs to design a **strategy** to achieve its marketing objectives that includes growing customers through creating, delivering, and communicating superior customer values.

**E-Marketing strategy** is the design of marketing strategy that capitalizes on the organization's electronic or information technology capabilities to reach specified objectives. In essence, e-Marketing is where technology strategy and marketing strategy wed (Strauss et al, 2009).

The continuous optimization of using Information and Communication Technology (ICT) to network and empower business activities has transformed marketing and sales activities into electronic marketing (e-marketing) and electronic commerce (e-commerce).

Marketing is distinguishing, unique function of the business. The process of creating value through uniqueness occurs well before and well after the selling process. According to Levens (2009), marketing functions can be grouped into three general categories with functions from each category occurring throughout the marketing process, as follows:

- Exchange function
  Exchange functions are activities that promote and enable transfer of ownership. Examples of exchange functions include *buying, selling*, and *pricing,* as well as *advertising, sales promotion*, and *public relations.*
- Physical function
  Physical functions are activities that enable the flow of from producer to customer. Examples of physical functions include assembling, transporting, and handling, warehousing, processing, packaging, standardizing, and grading.
- Facilitating function
  Facilitating functions are activities that assist in the execution of exchange and physical functions. Examples of facilitating functions include financing and risk-taking, marketing information and research, as well as the promise of servicing.

### 2. 3. 2. What is marketed?

Marketers are skilled at managing demand: They seek to influence the level, timing, and composition of demand. Marketers are involved in marketing 10 types of entities: physical goods, digital goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. They also operate in four different marketplaces for consumer market, business market, global market, nonprofit organization and government.

### 2. 3. 3. What is market?

The *marketplace* is physical, such as a store and super market you shop in, whereas the *marketspace* is digital, as when you shop on Internet (Kotler et al, 2009).

### 2. 3. 4. Who markets?

A Marketer is someone who seeks a response – attention, a purchase, a vote, a donation – from another party, called the **prospect**. If two parties are seeking to sell something to each other, we call them both **marketers.** Marketing is not done only by the marketing department. Marketing needs to affect every aspect of the customer experience (Kotler et al, 2009).

In practice, some businesses view marketing from a limited perspective by considering it synonymous to *advertising and sales or the art of selling product* (Levens, 2010). But many people are surprised when they hear that selling is not the most important part of marketing! Selling is only the tip of the marketing iceberg (Kotler et al, 2009). The aim of marketing is to **know and understand the customer** so well that the product or service fits him and sells itself (Drucker, 1985). Other businesses understand that marketing performs a broad range of functions, ranging from securing products to servicing products after a sale, and that the marketing activity is connected to all other business functions. Successful business generally consider marketing department as the link between customers and businesses. Marketing departments are in a unique position to identify and communicate customer requirements to other departments within an organization, such as finance, accounting, manufacturing and business planning.

### 2. 3. 2. E-Marketing Concept and Definition

The application of information and communication technology (ICT) in e-marketing affects traditional marketing in two ways. First, it increases efficiency and effectiveness in traditional marketing functions. Second, the technology of e-marketing transforms many marketing strategies. Information and communication technology (ICT) facilitates marketers perform their activities in conducting business activities. So, another way to view it is that e-marketing is the result of information and communication technology (ICT) applied to traditional marketing. According to Strauss et al (2009), e-marketing is the *use of information technology* in the processes of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders. More simply defined, e-marketing is the result *of information technology* applied to *traditional marketing*. This parallels with what Chaffey et al (2006) say, "e-marketing is achieving marketing objectives through use of electronic communications technology.

The Internet's properties allow for more effective and efficient marketing by shifting power from sellers to buyers; empowering search engines as reputation engines; increasing market and media fragmentation, and improving online and offline strategy integration (especially multichannel marketing). Content is still king online, but connections are critical in this climate and intellectual capital rules. Finally the long tail theory showed that the economy has changed from one of scarcity to one of abundance.

The use of the Internet and other digital technology to support marketing has been granted a be wildering range of labels by both academics and professionals.

The role of e-Marketing in supporting traditional marketing is suggested by applying the definition of traditional marketing by the Chartered Institute of Marketing (*www.cim.co.uk)*,Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. Strauss et al (2009) asserts that e-marketing, on the one hand increases benefits and revenues, and on the other hand decreases costs as delineated at table 3.

**Table 3. E-Marketing Functions**

| E-Marketing Increases Benefits |
| --- |

- Online mass customization (different products and messages to different customers or stakeholders)
- Personalization (giving stakeholders relevant information)
- 24/7 convenience (24 hours a day, and 7 days a week)
- Sell-service ordering and tracking
- One-stop shopping
- Learning from customers on social networking sites

| E-Marketing Decreases Costs |
| --- |

- Low-cost distribution of communication messages (e.g. e-mail)
- Low-cost distribution channels for digital products
- Lower costs for transaction processing
- Lower costs for knowledge acquisition (e.g. research and customer feedback)
- Creates efficiencies in supply chain (through communication and inventory optimization)
- Decreases the cost of customer service

| E-Marketing Increases Revenues |
| --- |

- Online transaction revenue: product, information, subscription fees on transaction or referral
- Adds value to products/services and increase prices (e.g. online FAQ and customer support)
- Increases customer base by reducing new markets
- Builds customer relationships and, thus, increases current customer spending (share of wallet)

## 2. 4. The Conceptual Framework of E-Marketing

Successful e-marketing managers understand the scope of marketing and must accomplish these tasks: develop marketing strategies and plans, capture marketing insights, connect with customers, build strong brands, shape the market offerings, deliver value, communicate value, create successful long-term growth, and practice the comprehensive integration of e-marketing and traditional marketing creates seamless profitable strategies and tactics: e-commerce, advertising online, search engine advertising,user-generated content, online communities, personalization, Internet communications, mobile Internet access, local marketing, online aggregators, infrastructure processing (Kotler et al, 2009; Strauss et al, 2009).

## 3. METHODOLOGY RESEARCH: CASE STUDY

"Study on Combining of e-commerce and e-marketing" conducted by Professor Xiaoming Meng- School of information, Guangdong University of Business Studies, Guangzhou, China. Key Lab of E-commerce Market Application Technology of Guangdong Province, Guangzhou, China. Email:mxm_me@163.com

*Abstract*—In this paper, we defined a new concept "e-commerce e-marketing", and focused on six aspects to analyze and study the problems related, such as definition, content, relationship, functions, characteristics, significance and its developing model. First, we analyzed the basic content of e-commerce and e-marketing. Second, we discussed the common features and relationship between e-commerce and e-marketing. Third, we gave out the definition of e-commerce e-marketing, and analyzed the relationship between e-commerce e-marketing and e-commerce, e-marketing. Forth, we analyzed and gave out the general process of e-commerce e-marketing. Fifth, we analyzed the characteristics of e-commerce e-marketing, and pointed out the functions and significances of it. Sixth, we gave out the developing model of e-commerce e-marketing, and simply analyzed the model and its functions.

*Analysis:* We think that e-commerce covers e-marketing, and e-marketing has enriched and developed the content of e-commerce. E-commerce is as to the modern business model based on information and network technology, it not only includes logistics and distribution, transfer of goods, capital payment and settlement, business information collection and analysis, mining in market activities, but also includes product promoting, business negotiations, as well as after-sale tracking services, customer feedback and so on, and carrying out the modern e-commerce model will affect the production process, management system and management innovation, encourage enterprises to change the model of economic growth. Therefore, e-*commerce covers e-marketing*, and e-marketing is the important and indispensable component while the modern e-commerce is developing. E-commerce is a business model in information network era, itincludes each linkof business activities, and *it includes the modern e-marketing mean too.*The e-marketing, is as the mean to publish and promote products relating external customers, plays an important role.
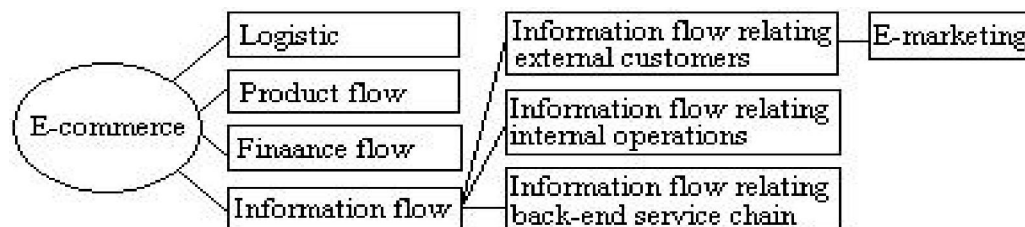


**Figure 5. The relationship between e-commerce and e-marketing**

Conclusions: we firstly defined a new concept "e-commerce e-marketing", and analyzed and studied some problems related it, such as definition, content, relationship, functions, characteristics, significance and its developing model. We think that e-commerce has closest internal relationship with e-marketing, to combine both of them, to make e-marketing based on e-commerce, is conducive to play the functions and the whole advantages of each of them. This is not only useful to accelerate e-commerce developing, to promote e-commerce application model innovating, but also is useful to promote e-marketing methods improving, and ultimately to promote the new economy era coming quickly. Source:(*www.ojs.academicpublisher.com/*)

## 4. DISCUSSIONS AND RESULTS

We agree with professor Meng that up to now, there is no united or standard definition of e-business, emarketing, and e-commerce.There are a range of terms used to describe e-business, e-marketing and e-commerce– it is called different things by different people. Consequently, we need the proper concepts and definitions of e-business, e-marketing, and e-commerce to guide entrepreneurs and executives in business and in not-for-profit organizations in the management of their marketing efforts and e-commerce.

Figure 1.of professor Meng's paper tells us "the information flow relating to external customers" provided by e-commerce proceeds to e-marketing. It means that e-commerce does not need or not use this sales data or "customer information flow "because it focuses only on selling and buying of good and services, and not on building customer relationship and loyalty as e-marketing does. Whereas, this sales data on customer information is too important for e-marketers to build customer retention or loyalty in terms of customer relationship management (CRM), and needs to be analysed further in order to determine which one of the customers is **larger share of wallet** and which one is small share of wallet (not potential and not profitable). Customer relationship management (CRM) is only one of marketing functions. Professor Meng implicitly concludes that e-commerce covers e-marketing and e-marketing is the integral part of e-commerce unfortunately reduces some of the marketing functions and marketing concept.

E-marketers use e-commerce to implement one of their e-marketing strategies and programs to achieve their marketing goals. E-commerce closely related to **sales concept** that focuses on selling without knowing whether the products and services meet customer needs and expectations.

**E-commerce** consists of buy-side **e-commerce** and **sell-side e-commerce**. The buy-side e-commerce is an overlap in activities with **e-procurement**. It means that e-commerce takes over e-procurement function that involves Supplier Relationship Management (SRM). The **sell-side e-commerce** is also an overlap in activities with e-marketing that involves Customer Relationship Management (CRM). Marketing functions can be grouped into three general categories with functions from each category occurring throughout the marketing process. One of them is exchange functions that involve the activities that promote and enable transfer of ownership. Examples of exchange functions include **buying, selling, and pricing, as well as advertising, sales promotion, and public relation.** Therefore, the concept and definition of e-marketing is broader than that of e-commerce, so e-commerce is the integral part of e-marketing.

## 5. CONCLUSIONS AND MANAGERIAL APPLICATION

Although terms "e-business "and "e-commerce" are often used synonymously, the distinction between them lies in the broader range of processes in e-business that incorporates internal transactions within an organization. E-business involves attracting and retaining the right customers and business partners. It permeates business processes, such as product buying and selling. It includes digital communication, e-commerce, and online research, and it is used by every business discipline.

E-marketing refers to its exchange functions, includes the activities of *buying, selling*, and *pricing,* as well as *advertising, sales promotion*. This overlaps in activities with e-commerce that focuses on selling and buying of products electronically. Selling is not the most important part of marketing. Selling is only the tip of the marketing iceberg. The aim of e-marketing is to know and understand the customer so well that the product or service fits him and sells itself.

E-business constitutes the ability of a firm to connect electronically, in multiple ways, many organizations, both internal (interconnected all departments all department within a firm) and external (supplies, third party logistics, financial institutions, etc.), for many different purposes. It allows an organization to execute electronic transactions with any individual entity along the value creation include suppliers, logistics providers, wholesalers, distributors, service providers, and end customers. Increasingly, e-business allows an organization to establish real-time connections simultaneously among numerous entities for some specific purpose.

In the parallel fashion with sales concept, 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. E-commerce initiatives are important strategic initiatives and that firms with a stronger e-commerce market orientation would be more successful if the products and services meet customer needs.

The application of ICT in e-marketing affects traditional marketing in two ways. First, it increases efficiency and effectiveness in traditional marketing functions. Second, the technology of e-marketing transforms many marketing strategies. Information and communication technology (ICT) facilitates marketers perform their activities in conducting business activities.

E-marketing is the result of information and communication technology (ICT) applied to traditional marketing in the processes of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders. The comprehensive integration of e-marketing and traditional marketing to create seamlessly marketing strategies and tactics pertains to e-business strategy.

it is necessary that every entrepreneur and professional staff member learn about Information and Communication Technology (ICT) not only in his or her specialized field, but also in the entire organization and inter-organizational settings as well that they can harness IT power for success.

It is important that within companies and between agency and client there is clarity on the scope of e-business, e-marketing, and e-commerce. It is also important to recognise the difference between narrow and broad definitions, and to be able to justify our own position.

The benefits of having proper concept and definition and consider how these might also limit thinking. A comparison of concept and context may be useful in explaining our conclusions – for example how the perspective of a policy maker might differ from that of an educator, or how a community animateur might think differently from a potential start-up.

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