

Conducting business-to-business marketing through e-commerce represents a basic shift or change in the manner firms are interacting with buyers and suppliers.

The Role of E-Commerce It should be understood as a new communication tool, which can be used to achieve a company's objectives like increase in customer service, customer satisfaction, and sales. It cannot replace an effective marketing strategy, nor can it remove a marketing or sales function. E-commerce is an instrument that improves the effectiveness and efficiency of the marketing or sales function.

Application of E-Commerce It is important to understand that e-commerce can be applied to all functions of the business. We shall identify here some of the important marketing applications of e-commerce. These are: (i) communicating with customers, intermediaries, and suppliers; (ii) online marketing and advertising; (iii) getting and processing customer orders, and informing customers about delivery or dispatch positions of their orders; (iv) effective managing of finished-goods stocks; (v) receiving payments from customers by using electronic payment systems; and (vi) gathering useful information about existing and prospective customers.

Important Parts of E-Commerce

The Internet, World Wide Web (WWW), Intranets, and Extranets are the important elements or component parts of e-commerce.

Internet The most important element that supports e-commerce is the Internet. The system of "interconnected networks of computers" is called the Internet. It started in 1960, in a US Department of Defense project, by linking together mainframe computers to create a network for transmission of data between military computers at different sites. Later, other government networks were also connected to the original network, and the system became the Internet.

World Wide Web (WWW) It is the most popular Internet "navigation tool" for finding and getting information in a multimedia format, including video, audio, and colour graphics. Many organisations, who have decided to move into e-commerce, have set up their own web sites. The important factors that should be kept in mind while setting up a web site is that the site should be attractive on first viewing and interesting enough for repeat visits.

Intranets These are the internal internets of companies. A firm creates intranet for company employees to communicate with one another, share databases, view restricted information and conduct training programmes for company employees.

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