

"ELECTRONIC BUSINESS", "ELECTRONIC COMMERCE" : CONCEPTS AND MAIN CHARACTERISTICS

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Introduction. There is a lack of unified, clear definitions of the terms "e-business", "e-commerce" in the professional literature. Moreover, these terms are also used as synonyms, which is not acceptable. The purpose of the article is to coordinate, analyze and generalize the existing definitions proposed by different authors. The definitions given by different authors regarding e-business and e-commerce were also discussed and an attempt was made to formulate a unified definition for these terms.

Methodology. The research used the methods of scientific cognition, particularly analysis and comparison, observation and logic, as well as comparison. Foreign professional literature and scientific articles served as a theoretical and methodological basis for the research. The methods of analysis and comparison were used during the study of the definitions of the terms "e-business", "e-commerce" that were put forward by different authors. International organizations as well, in particular the American Marketing Association, the Electronic Marketing Association (eMarketing Association), the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO) addressed the discovery of these concepts. Based on the studies of those organizations, a comparison was made, applying not only comparisons, but also logical methods.

Literature review: «The terms "e-business", "e-commerce" have been referred to by various organizations, theorists and authors. The American Marketing Association (American Marketing Association) defines e-business as "many business models based on Internet principles", and "Electronic commerce" as a large number of business models based on Internet principles [Dictionary]. The e-Marketing Association defines the term "e-marketing" as "any marketing activity that contains a website address (URL)." [eMA Glossary]. In 2009, the Organization of Economic Cooperation and Development (OECD) defined that "electronic commerce is the sale or purchase of goods and services carried out through computer networks to receive or give orders. Products and services are ordered online, but payment and ordering can be done online or in person." [OECD Guide, 2011, 71]. The United Nations Conference on Trade and Development defined "Electronic Commerce" as transactions involving the commercial activities of organizations and individuals based on the processing and transmission of digital information, including text, audio and visual data. [Building Conference, 2000, 14].

The World Trade Organization (WTO) defines e-business as the "intermediary" marketing of production, the sale of goods and services over telecommunication networks. And electronic trade is its special case, according to which goods and services are provided to consumers for a certain fee, using electronic networks. According to the WTO approach, e-commerce, unlike e-business, does not include production and marketing activities. [Work Programme, 1998, 1]. The definitions of the terms "electronic business", "electronic commerce" were given by Yu. Rublyovskaya, A. Yefimova, G. Golovchenko, A. Martovai, V. Grechkov, O. by Kobelev, K. Fellenshtein and R. Wood, H.M. Dietel, P.J. Dietel, K. Steinbuhler, Strauss, Ju-dy and Frost, R. Kalakota, A. Winston and others.

Scientific novelty. In our opinion, e-commerce is an activity of an organization or an individual, which is primarily aimed at making a profit as a result of transactions on the Internet. Using the Internet as a transaction venue differentiates e-commerce from e-business. E-commerce generates most of its revenue through online sales/transactions. E-business cannot involve direct transactions in the Internet environment, and online sales cannot be its main feature. With this feature, it differs from e-commerce. Thus, in our opinion, the promotion of buying and selling on the Internet is its main singularity, which we will discuss below.

Analysis. «The term "e-business" was first used by IBM, which defined it as "the transformation of core business processes with the help of Internet technologies." [Rublyovskaya, 2001, 87–102]. According to K. Fellenstein and R. Wood, e-business is "the use of electronic communications networks that allow commercial enterprises to transmit and receive information." [Fellenshtein, Wood, 2000, 33]. H. M. Deitel defines e-business as "a company that conducts online external and internal activities". [Deitel H.M., Deitel P.J., Steinbuhler K., 2001, 754]. According to D. Strauss and R. Frost, e-business is a combination of a few elements: [Strauss and Frost, 2001, 128] .

EB = EC + BI + CRM + SCM + ERP,

EB - Electronic Business)

EC - Electronic Commerce)

BI - Business Intelligence)

CRM - Customer Relationship Management

SCM - Supply Channel Management

ERP - Enterprise Resource Planning).

E-business uses digital technologies such as the Internet and barcode scanners to facilitate the buying and selling process. The authors state that e-commerce is a transaction and includes various distribution channels as well as e-retail and consider e-commerce as part of e-business. According to D. Strauss and R. Frost:

BI consists of primary and secondary information about competitors, markets,

consumers,

CRM - includes the loyalty strategy of both organizations and individual customers, aimed at satisfying their needs (products / services and the company itself),

SCM - includes a distribution/supply system that ensures that goods are delivered to consumers in an efficient manner,

ERP - deals with internal business operations such as order taking, purchasing, invoicing and inventory control. This system allows organizations to optimize business processes while reducing costs. The result of the analysis of the observed terms of e-business is that it is necessary to develop such a definition that will maximally combine most of the above-mentioned approaches.

Thus, talking about e-business term we understand the activities of an organization or an individual aimed at making a profit, in which the main business processes, as well as external and internal communications, are carried out and supported by electronic technologies. It should be noted that the motivations for following the principles of e-business can be different: increasing the speed, coordination and efficiency of business operations, reducing the price, increasing Internet sales, etc. Basically, any commercial organization whose business processes are based on interactive technology can be considered as an e-business. So, the following should be noted.

First, for all the definitions of e-business its connection to the technologies, that serve as a foundation, is obvious. Speaking about the relationship between different types of technologies, it should be noted that digital technologies are inseparable from computer technologies, the latter are a physical basis for the existence of the former. The Internet is based on computer and digital technologies and is a global network of computers.

Second, individual authors and organizations, defining the essence of e-business, focused on the purpose of using certain technologies. However, in our opinion, the goal criterion alone cannot be the only determinant in determining the nature of e-business.

Third, individual authors and organizations view e-business as a combination or integration of certain elements.

The definition proposed by D. Strauss and R. Frost is more complete, but ignores the role of marketing. It should be noted that e-business is practically impossible without the use of complex marketing elements.

Definition of "electronic commerce". When it comes to e-commerce, it is obvious that e-commerce is a necessity nowadays. The concept of e-commerce has been around even before the invention of the Internet. Nowadays, e-commerce uses different communication technologies. In the 1940s, large American trading systems were united by a telegraph network, which transmitted information about the cost of goods in the markets

to different points of the state. Early examples of e-commerce were based on bank transactions, which were called "telegraphic transfers". [Efimova, Baltanova, 2018]:

Five stages of e-commerce development are distinguished.

The first stage - 1960-1970: the origin of the information society, development of the concept of computer network, creation of data exchange standards.

The second phase - 1970-1980: major technological innovations are created, such as microprocessors, memory cards, network development concepts.

Third phase - 1980–1990: Emergence of the first concepts of e-commerce and e-business.

The fourth stage - 1990-2000: Creation of the WorldWideWeb, payment systems for electronic money, creation of the first Internet banking.

Fifth Phase - 2000: Modern Period. Massive introduction of internet technologies in all business sectors.

The types of electronic commerce (e-commerce) are:

- electronic data exchange (Electronic Data Interchange, EDI),
- electronic capital movement (Electronic Funds Transfer, EFT),
- electronic money (e-cash),
- electronic marketing (e-marketing),
- electronic banking (e-banking),
- electronic insurance services (e-insurance).

The e-commerce market has been developing most dynamically in recent years, which is due to the rapid growth of the number of Internet users, the increasing influence of social networks and other interactive online platforms, the dynamic development of electronic payment systems and the transition of leading market players to new technological platforms of e-commerce.

Currently, there are many definitions of the term "e-commerce". Before comparing and analyzing the existing definitions, let's identify the terms "trade" and "business" given in the "Merriam-Webster" encyclopedia. Thus, "trade is the exchange or purchase and sale of a large amount of goods (services), including their transportation." Business is a broader concept- "the activity of persons engaged in the purchase and sale of goods or related financial transactions" [Merriam-Webster] that is, firstly, business is related to commerce as from public to private, and secondly, there is no fact of sale in the definition of business, which is present in commerce. Taking this as a basis, let's move on to the discussion of the main approaches to the definition of the term "electronic commerce". Taking this as a basis, let's proceed to the discussion of the main approaches to the definition of the term "electronic commerce". [Martovoi, 2004, 146-152]. According to the IBM definition, "Electronic commerce is any form of business transaction conducted over information networks." [Rublyovskaya, Popov, 2001, 87–102]. R. Kalakota

and A. Winston state that "Electronic commerce is the buying and selling of information, goods, and services over computer networks." [Kalakota, Whinston 1997, 461]. V. Grechkov, without defining the concept of e-commerce, points out its characteristics:

- the fact that the action is carried out electronically,
- actions performed through Internet providers or log files,
- allocation of assets ownership sold, purchased, traditional and new approaches,
- asset sale,
- desire to make a profit [Grechkov, 2003, 68-85].

V. Grechkov describes the characteristics of "e-commerce" but does not define e-commerce. O. Kobelev views as a business activity where commercial transactions are carried out through the electronic exchange of data [Kobelev, 2010, 14].

When talking about electronic commerce, we consider it necessary to refer to the term "Electronic Marketing". D. Strauss and R. Frost note that "e-marketing" goes beyond the Internet, because even before the advent of the latter, there were separate Internet marketing technologies in areas such as customer relationship management, supply chain management, and electronic data interchange. Furthermore, the authors conclude that e-marketing is "traditional marketing using information technology." [Strauss, Frost 2001, 14]: In general, we can agree with this definition. Due to technological characteristics, e-marketing is a broader phenomenon than internet marketing. In this sense, the definition given by the E-Marketing Association does not seem quite correct to us, as it Thus, recognizing the need to clarify and supplement the existing definitions, we state that electronic marketing is the process of planning, pricing, distributing and promoting ideas, products and services to create exchange products that meet the requirements of individuals or organizations and is carried out on the basis of information technology. The American Marketing Association defines "Internet marketing" as a marketing campaign based on the Internet and e-mail and includes display advertising, e-mail, e-commerce and other tools [Dictionary of Marketing].

Online marketing cannot be limited to a marketing campaign, as there are elements of marketing that are permanent, such as distribution of products/services, customer relationship management. Additionally, the American Marketing Association defines email as an online technology, which is not true. E-mail, according to its technological characteristics, belongs to offline technologies, that is, it is carried out outside of real time.

According to D. Strauss and R. Frost, Internet marketing is considered an application of marketing on the Internet. Internet marketing influences traditional marketing in two ways. First, it increases the effectiveness of traditional marketing func-

tions. Second, Internet marketing technology is transforming a large number of marketing strategies [Strauss, Frost, 2001, 14].

H. Deitel defines an Internet marketing campaign as "the application of traditional marketing methods in an Internet environment and the use of Internet marketing tools such as classified ads and email." [Deitel, et al., 2001, 758]

In general, agreeing with the definition of internet marketing suggested by D. Strauss and R. Strauss, we find that internet marketing is defined as the process of planning, pricing, distributing and promoting ideas, products and services to create exchange products that meet the needs of individuals or organizations based on the use of Internet technologies.

Thus, based on the studies of existing approaches, we conclude that Electronic business is a more general concept that includes any form of interaction between market entities through digital technologies, and electronic commerce is limited to the execution of commercial transactions using electronic systems; for example, selling goods or providing services over the Internet.

E-business is a part of network business, even though there are plenty of corporate networks that transact business over the Internet. E-commerce is an integral part of e-business, which is due to the fact that e-business involves other forms of activity in addition to buying and selling transactions.

Conclusion. Thus, the concepts of e-commerce and e-business are very close, but have distinctive characteristics. e-commerce or online commerce is the activity of an organization or individual, which is primarily aimed at making a profit as a result of transactions on the Internet. It is the purposeful orientation of using the Internet as a transaction venue that distinguishes e-commerce from e-business. An e-commerce or internet-based business generates most of its revenue through online sales/transactions. The basis of all definitions is that electronic commerce is based on information technology and electronic methods of data exchange are used. In the article, generalizing the existing approaches to the terms "e-business", "e-commerce", analyzing the distinguishing characteristics of the concepts "e-business", "e-commerce", it is concluded that e-commerce is a component part of e-business, which is due to the fact that e-business involves other forms of activity besides buying and selling transactions.

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The object of the research is the definitions of the terms "e-business" and "e-commerce", and the subject is the research of the essence and main characteristics of the terms "e-business" and "e-commerce". The terms "electronic business" and "electronic commerce" have different definitions, which have been addressed by different international organizations, theorists and authors. A common characteristic of these concepts is their connection with the use of information technology. At the same time, each of the concepts has its own distinguishing features, which enable us to clearly distinguish the considered terms. Electronic trade or e-Commerce is a way of doing business, the main feature of which is buying and selling over the Internet. E-business is a way of doing business that uses all the possibilities of the global Internet network. This is a rather broad concept that includes many subtypes, including e-commerce. E-business is practically impossible without marketing elements, because Internet marketing is the application of marketing policies on the Internet. The obtained results will be useful in both practical and theoretical aspects.