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