

ESSENTIAL ELEMENTS OF AN ELECTRONIC COMMERCE STRATEGY AT COMPANY LEVEL

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ABSTRACT

E-commerce represents the multiplicity of software and commercial processes that are necessary for the operation of business procedures, using digital data flows, as well as presupposing the use of the Internet, of digital communications and of software applications as part of the sale/purchase processes, being a component of e-business. It is a concept referring to the sale and purchase transactions or to the exchange of products, services and/or information, using a computer network, the Internet included, and being the key element of the new economy, in which the Internet is the main environment where e-commerce makes its presence known and visible. E-commerce may be analyzed from four perspectives, as follows: from the point of view of communications, business processes, perspectives of services and real time (online) accessibility.

KEYWORDS: *E-commerce, business-to-consumer (B2C), business to business (B2B), business process, communications*

1. INTRODUCTION

E-commerce is the multitude of software and commercial processes necessary for business procedures to function, only or primarily using digital data flows.

Electronic commerce presupposes the use of the Internet, of digital communications and of software applications within sale/purchase processes, being a component of e-business.

In broad lines, electronic commerce is a concept which refers to buying and selling, or to product, service and information exchanges using a computer network, including the Internet. The transformation of the digital information in social and economic value through the new economy leads to the creation of new industries, modifying the old ones and profoundly affecting the lives of all citizens. The enterprises in all fields are beginning to add e-commerce elements to their portfolio.

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From a pragmatic point of view, other concepts and ways of defining things hold importance as well. Among these, the following are of special interest:

- “all activities performed online, to the purpose of stirring consumer interest before the sale and to ensure consumer support after the sale” – provided by the Internet Computing revue;
- “commercial transactions taking place within open networks” – given by the European Organization for Trade and Development;
- “forming a vast network of small companies, governmental agencies, big corporations and individual entrepreneurs in one single community that facilitates communication among them all, via computers”, mentioned by the Center for Electronic Commerce Resources;
- “doing business online. This includes buying products online and on the Internet, as well as electronic data exchange, where the computer of an institution gets informed and transmits buying orders to the computer of another company”, given by Computer Desktop Encyclopedia;
- “commercial transactions using procedures of automated processing combined with automated ones bearing on information exchange”, mentioned by NIST Computer Systems Laboratory;
- “electronic commerce generally refers to all forms of transactions having to do with commercial activities, ongoing at company level or with buyers, which rely on the processing and transmission of information in a digital form, including text, sound and images”, (Organization for Economic Cooperation and Development – OECD);
- “electronic commerce represents the electronic performance of commercial activities. It is based on the electronic processing and transmission of data including text, sound and images. It comprises various activities, including the electronic transacting of products and services, network delivery of goods, the electronic transfer of capital, of shares, of consignment charts, direct marketing and warranty and post-warranty services. It involves both products (appliances, medical ones) and services (information, financial, juridical); traditional activities (health, education) and new activities (virtual malls)” – supplied by the European Commission;

2. CURRENT PROSPECTS OF ELECTRONIC COMMERCE AMONG COMPANIES

In a narrower sense, electronic commerce refers to commerce among companies and with the consumers unfolding via electronic media. [1].The narrowest sense is the one limiting electronic commerce to transactions with the end users, which entails a system of electronic payments. Every one of the definitions introduced above is general, including not only commercial transactions between the seller and the buyer, but also the adjacent activities that make these transactions possible. The need for this kind of definitions reflects the ever-speedy evolution of electronic commerce in the past 10-15 years.

In its current version, electronic commerce may be regarded as the process including the sale, purchase, transfer and exchange of products, services and/or information through the intermediary of computer networks.

Electronic commerce may be analyzed starting from the following perspectives:

1. **Communications** – From the perspective of communications, electronic commerce represents the delivery of goods, services, information or the making of payments through computer networks or other electronic means.
2. **Commerce** – From the commercial angle, electronic commerce extends the possibility to sell and buy products, services and information via Internet and through the intermediary of online services.
3. **The business process** – From the point of view of the business process, electronic commerce is the manner of doing business online, the business processes taking place via electronic networks, which therefore replace the physical business procedures.
4. **Service** – According to the service provided, electronic commerce is a means that fulfils the need of governments, companies, consumers and management to reduce service costs, while at the same time improving the quality of the relationship with the client and delivery time.
5. **The learning process** – From this perspective, electronic commerce ensures online education and training in schools, universities and organizations, various types of businesses included.
6. **Collaboration** – Electronic commerce is the cornerstone of inter and intra organizational collaboration.
7. **Community** – From the perspective of the community, electronic commerce offers a space where the members of various communities can learn, make transactions and collaborate.

3. DESIGNING A BUSINESS STRATEGY FOR ELECTRONIC COMMERCE

A well-designed strategy should include an assessment of the selling potential of the respective product or products on the electronic markets, an estimation of the necessary investments to start and expand the business, a plan to unfold the activity and measure progress, or an evaluation of the investment profile that will attract financing [2].

The core elements of a business strategy for electronic commerce include the following:

➤ **Management synthesis.** This crucial part of the electronic commerce strategy should be conceived after the finalization of the other aspects contained by the business plan. It can be inferred that the investors or the company bank will only go through this part initially. This is the right place for a brief, direct and concise description of the company plan. If the synthesis attracts the interest of investors, subsequently there will be a series of opportunities to demonstrate enthusiasm for this project. Also, the decisive elements for the success of the company need to be introduced, followed by an enumeration of the competitive edge aspects in comparison with the other competitors which are already present on the Internet.

➤ **Objectives.** The long-term objectives must be defined, and the way in which electronic commerce helps the company to achieve these goals also needs to be made apparent.

➤ **Prospects.** They bear on the manner in which the Internet will be used.

➤ **Current situation.** Identifying the company products that will sell better on the Internet.

➤ **Establishing the assessment criteria for Web operations.** This may include the number of accessing instances per month, the number of visualized pages, the number of visitors who have not returned on the respective pages, the number of current contracts, of transactions and of orders.

➤ **Promotion.** The manner in which the company website is advertised for.

➤ **The market analysis.** Which are the existing opportunities on the electronic commerce market?

➤ **Existing competitors** – presenting the results of the analysis of existing competitors and of the company competitiveness within the industry. A list of websites belonging to all major and minor competitors will be drawn. The market share of each will be calculated. The estimated trend in the sector of activity of the respective company for electronic commerce will be established.

➤ **Prospective customers.** The demographic and socio-economic portfolio for the prospective customers of the online business will be introduced. Arguments why it is believed that these potential consumers will purchase the company products or services will be put forth.

➤ **Research on a relevant focus group.** Introducing the company results calculated on a small sample group of potential clients that are representative for the respective targeted market. The research should provide the company with feedback regarding the product's potential in an electronic commerce environment.

➤ **Calculated risk.** The description of the company estimation regarding performance in the sector of activity for the following 3-5 years, both online and offline (the classical way).

➤ **Marketing strategy.** Showing the way in which online clients, importers, agents etc. will be drawn towards the business, as well as how their interest in the business will be piqued and maintained.

➤ **Content.** The elements that the company intends to include on its own website will be set in detail.

➤ **Advertising.** The advertising plan is introduced. It should take into account the external requirements regarding labelling and packaging, translation issues, client relations, cultural specificities and semantic barriers.

➤ **Public relations.** A regular and consistent upgrade program for the offered products and services will be drawn. It may include electronic news bulletins, columns for technical magazines and revues, press releases, the organization of meetings with clients and the hosting of online forums.

➤ **Sales strategy.** The details taken into consideration bear on:

✓ *Setting the prices/ profitability.* An international strategy concerning the prices for sale, distribution and online purchase will be established.

- ✓ *Order and payment processing.* How will orders be taken (by phone, via fax, post, the Internet)? How will the payment be made (on the phone, through fax, post, the Internet)?
- ✓ *Distribution methods.* Location and manner of delivery abroad will be set. How will the order and consignment confirmations be transmitted?
- ✓ *Sales tactics.* Will the product be promoted only online or through other traditional means as well (direct post, e-mail, telephone, printers, radio and television commercials etc.)?
 - *Service.* Will service be ensured for the clients, upon request, once the sale has been concluded?
 - *Business relations.* A plan is drawn up, along with the type of relationships that need to be established (for instance, agent/distributor) in order to develop international business relations, including legal aspects regarding training in various cultural environments.
 - *Integration.* The presentation will reveal the way in which the company systems will be integrated with those used by the bank, the company customers, suppliers, distributors etc.
 - *Production plan.* The demonstration will bear on the initial volume, expansion requirements, sources of raw materials, production sites.
 - *Financial prospects.* Realism and a conservatory manner is required.
 - *Annual budget.* The costs for the first year after the electronic commerce strategy is applied are anticipated.
 - *Cash-payment flow.* The cash-payment ratio is calculated.
 - *5-year plan.* An estimate of profit and loss over a period of five years is calculated.
 - *Balance sheet.* The assets and liabilities in cash are measured for the company.
 - *The break-even point analysis.* The number of units that need to be sold in order to attain the break-even point is calculated.
 - *Fund sources and utilization.* The financing source needed in order to initiate or expand the export operations is introduced.
 - *Utilization of resources.* The way in which profit and credit will be used is highlighted.
 - *Conclusions.* The basic objectives of electronic commerce are restated, along with the overall capital, estimated profit, general terms and comments.

4. THE MAIN ELECTRONIC COMMERCE STRATEGIES THAT SHOULD BE IMPLEMENTED BY BUSINESS PEOPLE

1. Online target group: E-commerce is essentially about establishing a “territory”: defining and projecting a website to reach an audience with a common interest or characteristic. No matter the product or service involved, the niche market that the company can penetrate online with specialized offers has to be defined.

2. Customization: The website visitors want unique experiences that would satisfy their needs and interests. The technology is available, even for small entrepreneurs, in order to capture the interests and preferences of individual buyers and to generate a product selection and a purchase experience dictated by tailored promotion adapted to them.

3. Content creation so as to consolidate the B2C connection: A winning e-commerce strategy aims at implementing content in such a way as to make the website “friendly” for the potential buyers. A conclusive example is Amazon, which has attracted millions of consumers by encouraging them to share their opinions concerning items such as books or CDs. Hence, it is recommendable to use strategies in order to help the possible clients to decide on the products or services that they want to purchase through Google from your website. It is extremely important to use key words and Meta Tags in order to raise the website higher on the search results list.

4. Adapting the navigation experience to the target audience: An adequate website design and a well-structured navigation remain the key ingredients for the attraction of an audience and their transformation in return users. Also, it is essential to provide an enticing navigation experience on online platforms.

5. Integration on search channels: Multi-channel offers are necessary, which will allow consumers to experience the brand consistently, regardless of the buying method of choice. Also, the products which are available through various channels should be sufficiently diversified so as to take into account price differences.[3]

6. Investment in the Mobile technology: Mobile commerce is on an ascending trend, by over 130% annually. If a sound mobile commerce platform is unavailable, a dramatic drop in revenues will be witnessed for the subsequent years. In order to stay competitive, it is important that the services should be available on mobile.

7. Investment in logistics: In order for the business to grow, it may become imperative to reach the capacities of third-party logistics investors (3PLs) in order to manage big amounts of complex orders. The reverse logistics, the capacity to manage return instances and exchange rapidly and economically becomes a crucial factor that will make all the difference. Same-day delivery and innovative networks may offer significant competitive edge.

8. Subscriptions to electronic commerce services: These may take various forms. In the repeat supply, the merchandise is sent to the client every month on a precise date set by the client. The discovery model is more promising. It offers a subscription to an ongoing experience, which offers new elements, which are more difficult to find or are regularly customized to the client’s headquarters.

9. Avoiding intermediaries: The Internet allows small companies to reach a lot of consumers quickly. Producers are more and more willing to work with small brands. They have discovered the fact that small brands are more prone to launching new products on the market, as they are less constrained by shelf room and complex supply chains.

10. Providing flawless channel experience. Sales will increase if product availability is ensured, along with promotional strategies and brand experience on all online channels, in the store or on a mobile device.

5. SUCCESS STRATEGIES FOR E-COMMERCE BUSINESS

There are more and more consumers of online products every year, there is a lot of room for e-commerce businesses of all sizes and the forms that they may take.

Nevertheless, it is more important than ever, for e-commerce businesses, to make their brand known, to constantly promote it, to surpass their competitors in quality or lower prices, as well as in the transformation of their customers in loyal ones. [4]

Strategies that should be implemented at the business level:

- **Knowing your target audience:** The key to having a successful e-commerce business is to know your target audience very well, including what they like, their average income and purchasing power, how long they spend online and their preferences.
- **Brand promotion:** with the help of e-marketing the brand can be promoted efficiently so as to ensure the existence of customers. Once you have discovered the interest area of the target audience, you must make sure that you are promoted on those websites (be they news sites, cooking ones etc.).
- **Knowing your competitors:** This aspect may be as important as knowing the target audience. One must discover the things that make the competitors successful. This can be done by constantly tracking their presentation websites, the social media pages on which they are active, as well as the communication that they have with their customers. All this information will be useful for the improvement of one's own products and/or services.
- **The purchasing process needs to be an enjoyable experience:** the buying process has to provide a pleasant experience, so that the clients should return and continue to buy things from you instead of turning towards the competition. In order to create an enjoyable experience, the website needs to be user friendly, to function smoothly without any problems, to have mobile applications, to be translated in more international languages, to have client online assistance, a return policy, as many pieces of information and photos as possible in order to help the client and determine him/her to make the decision regarding the purchase, as well as offer the cumulation of bonus points that will lead to the buying of future products at a cheaper price.
- **Flexibility:** nowadays flexibility "is everything", the market needs to constantly change at the same pace with the needs and desires of the target audience. Business people have to be willing to alter the products that don't sell, their price, the sales strategy in case the current one doesn't work. E-marketing is forever changing and transforming, and we have to adapt easily in order to have a successful business.
- **Using feedback from clients in order to improve services:** the clients' opinion is the most important one, as far as the website, the products and the services are concerned. We have to ask the customers what they like/dislike about your business all the time, in order to see how the services may be improved so as to please the customers.
- **Using an experienced logistic partner:** there is no such thing as efficient selling of products and pleasant client experience unless the client may track the delivery process and time, which need to be as fast as possible.

- **Storage of products sold online:** it is extremely easy to forget that, in the case of businesses that sell physical products, the items need to be stored, managed and inventoried just as in any traditional business. All this process takes time and financial resources that will be mirrored by the product price and by the delivery time to the buyer.

There are, still, some clear distinctions between the B2B eCommerce and the B2C one: the purchasing cycle in B2B is longer, the reason behind the purchasing decision being different, while the sales costs are higher.[5]

However, in a fundamental way, the line between the two types of business remains blurred. There are also similarities between B2B and B2C, especially when it comes to eCommerce. A few of the common factors are easily identifiable, among which: key elements such as intuitive search, high quality product photos, friendly interface and simple navigation.

Focusing our attention on the B2B sector, data shows that, in Romania, electronic commerce of the business-to-business type is growing, by 20% in comparison with 2015, and specialists estimate that by the end of the year it will reach €12 billion. There are two main reasons behind this growth.

Firstly, more and more producers and distributors are investing in online channels in order to introduce and sell their products/services. Many have realized that, online, they have the opportunity to access a much wider and diversified segment of prospective customers.

Secondly, a much higher percentage of buyers choose the online environment for purchases, to the detriment of traditional channels which involve more time and effort. Generally speaking, business-type clients enter the millennials category – are around 30 years old – and have thorough knowledge about the online context and ways in which purchases can be made online. The existing technology helps them amass more complete information about the product/service that they want, before contacting a sales representative and finalizing the purchase.

If you have a B2B business, this paper is useful for you; we have selected 5 key elements that you need to heed in order to improve market position and maximize profit.

This is not surprising, as you have probably found these 5 factors among best B2B practices, but what matters is the way in which you use them, organize them and evaluate them in order to increase impact on the audience.

- **Multi-Channel**

Taking into account that users consume information on various channels and devices, it is vital for any B2B business to be present on the respective devices and channels in order to draw the attention and interest of potential clients, the moment the purchase decision is made.

Primarily, you need a responsive design, so that your eCommerce website should correctly adapt to any device used by the visitor: a PC, a smartphone or a tablet. Technology nowadays allows the customer to finalize the purchase regardless of the device. The question is whether your website allows her/him to do the same. [6]

Regarding the channels, mind the way successful pages are made on social networks, include a mobile application, product listing in a marketplace etc. People navigate to the most hidden places of the Internet: see if these channels are relevant to your business.

➤ **Provide qualitative and consistent content on all channels**

Currently, qualitative content is crucial for B2B businesses. Although it can be a tremendous challenge if you are a distributor or a producer, let us examine both situations a little.

Irrespective of whether you provide services or products, content creation does not have to be an excessively complex process. The qualitative content has to include all the information about the product that the client needs in order to make the purchase decision: the SKU codes, the producer's name, the geographical background, specifications, features, measurements, price etc.

Moreover, the content should include both lengthy and short descriptions, instructions manuals (assemblage, installation etc.), security measures and legal provisions. The same as in B2C, products require a lot of high definition images. As far as the video materials and tutorials are concerned, these are becoming more and more popular.

Advertise both on online channels and offline, the same as the products themselves are available both on the website and in outlets. In case you are a producer, remember that the type of content that you create needs to reach the distributors, since they are usually the entities that function as intermediaries between you and the end customers. [7]

No matter what you distribute, products or services, the content present on the website should include the same complexity of information that the end customers need. Most of the times, it is necessary to invest in a team that would give the finishing touches to the information and content received from the producer, as, upon occasion, it varies in both quality and structure.

A tip! See if you can invest in a forum of the Q&A type, on which to include all the information that the customer needs in order to make the purchasing decision, in the FAQ format. This will ensure plus value in comparison with other producers and distributors.

➤ **Personalization levels**

Content personalization, as well as that of messages sent via various channels and devices, not to mention personalization of approaches, will create for your B2B business an opportunity to identify the Buyer Persona profile and to ensure a pleasant experience on the website.

The first step towards personalization is given by segmentation: organize your client database and your leads according to account data, interests, website history etc. I assure you, B2B clients are accustomed to the creation of their own accounts and to using it on this type of eCommerce websites. Consequently, you have the opportunity to know what company they work for from the beginning, as well as their position in the company, their objectives etc.

According to the created segments, personalize as follows:

- Create personalized product catalogues according to each person's contract
- Establish the prices according to the contracts and the number of products/services
- If you have made a separate customer profile, work on the website navigation system so as to allow him/her to see only the range of products that (s)he is interested in the moment that they have logged in
- Divide the content into segments on the home page, according to the industry
- After the first order and the filling in of data in the account, ease their work for the subsequent orders: automatically fill in the "finalize order" fields with the previously introduced address, payment data, surname, first name, phone number, e-mail address etc.

➤ **Take control over the client experience**

The truth is that demands connected with customer experience have been set precisely by the B2C websites. The clients of this type of business (among whom yours and, probably, even you) want rapid websites that are easily accessible no matter the device, with qualitative and relevant content, testimonials, reviews and trust badges.

Also, they would like a lineary and quick order finalization process, as well as simple search and navigation tools.

Well, B2B clients have even greater expectations. Taking into account that they place repeat orders containing the same products/services, they are looking for access to order history, available stocks and quick and comfortable delivery options.

As general rules, your prices and product/service catalogue should be available to users, regardless of their devices or locations. The same goes for account data, as well as order history and the budget spent.

As we have mentioned above, pay great attention to website content, whatever form the website takes. Do not forget that in the case of B2B, content has an even greater impact than on B2C clients.

Nowadays, user experience in B2B relies on content, personalization and a mix of solid data – along with a friendly design and a stable eCommerce platform.

➤ **Additional integrations to ensure support for the above-mentioned elements**

B2B e-commerce imposes complex integrations with third parties and systems that almost allways include management of client information and leads, products, prices and stocks. Generally, integration is made with the following applications:

- **CRM (Customer Relationship Management)** – platforms that manage client information, offer systems, indications for sales representatives and, most often, prices
- **ERP (Enterprise Resource Platforms)** – for buyer information, prices, products, stocks, order management etc.
- **Invocing and tax applications**
- **Transport services and payment processing**
- **Marketing automation and e-mailing applications**

For the SilkMart eCommerce platform, you must know that many of these integrations are pre-existent in the administrator panel of your website, and your job here is strictly to introduce access data on the admin tabs. For additional integrations, you need only to discuss with our support team and we will transform your B2B business in a real brand. [7]

6. CONCLUSION

The success of your B2B eCommerce business relies on key factors that one can find in B2C, but on other key elements as well, online business owners having to focus on them all.

5 key elements can be named for a successful business: a Multi-Channel eCommerce platform, high-quality content, personalization, control over user experience and integration with third parties/systems.

Although these 5 elements represent key principles in any eCommerce business plan, the way in which they are used, organized, assessed, perceived, as well as the power to react to the needs of the market are essential or even vital for the proper functioning and development of the business.

Product promotion has improved at content level and in connection with interactive contact with the clients. Electronic (online) commerce has created a new distribution channel and a bilateral communication, all of this with significantly reduced costs. The fact that money is saved in this way is mirrored by the cost of informing the clients, in comparison with traditional methods. The purchasing process lasts only even a few seconds, but the real economies are made when it comes to the management of the actual delivery, even more so in the case of international purchases. Here, the duration can be reduced by up to 90%.

Customer services are by far improved, as they allow for online accessing of information and customer support via e-mail. Moreover, clients may consolidate their trust relationship with company brands through their corporate web pages.

An important characteristic of electronic commerce is personalization, of both services and products. At present, we can configure computers, cars, jewellery etc. E-commerce offers the opportunity of mass personalization, competitive advantage, and it contributes to the increase of demand for certain products and services.

In conclusion, internationally, the consumer has started to diversify her/his needs and demand, requiring not only a certain product, but also a set of associated services. Supply has become much more diversified, the number of companies that activate in the online commercial environment has increased, and their need to retain customers for a longer period of time has become increasingly important. The development of online commerce depends on the global evolution and quality of the telecommunications network and on the equipments that get connected to it.

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