

THE SIGNIFICANCE OF E-BUSINESS AND KNOWLEDGE-BASED CUSTOMER RELATIONSHIP IN THE E-MARKETPLACE ENVIRONMENT

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ABSTRACT

Freedom, choice and simplicity brought about by e-business and knowledge-based customer relationships are creating the next Internet and mobile wave. The Value Web Technology of enterprise interactions has emerged in the consumer centric world. The combination of evolving business drivers (e.g: globalisation, downsizing), changing customers' demands and the evolution of enabling technology is producing e-business applications in the e-marketplace environment. The Internet and mobile technology inform an organisation that the network offers an opportunity to establish more personal, efficient and competitive relationships with the customers in a new scenario. This paper focuses on the e-marketplace environment and presents some of the findings within an organization using e-business. This organisation focuses on the knowledge-based customer relationship as one of the core competency strategies to gain a competitive advantage at the e-marketplace.

INTRODUCTION

The Internet, mobile and e-commerce affect the traditional dynamics of all industries in the marketplace. Today's businesses are caught in a state of flux, and it is under such a circumstance that nimble and innovative companies can exploit the Internet, mobile technology and e-commerce to adopt a new model, new technologies and create a new role in the marketplace.

In response, forward-thinking Asian companies are shifting gears from managing product portfolios to managing customer portfolios. The focus today is on customer relationship management (CRM). Companies

emphasize customer growth and retention of customers, in addition to finding new ones. They are compiling database on individual customers so that they can understand them better and construct individualized offerings and messages. They are replacing monologues with customer dialogues and improving their methods of measuring customer profitability and customer value. (Kotler et al., 2003)

Knowledge-based customer relationship management is the 'in thing' in today's environment. This paper presents the practical applications used for organisations in different industries. Walker (2001) acknowledges the fact that more companies are recognizing the fact that the service center is critical to their success. They are placing much emphasis on the service center's mission of keeping their own employees productive. They also realize the value of providing good customer service.

This paper discusses the new economy at the e-marketplace commerce web as being given a facelift by the e-business phenomenon with the focus on knowledge-based customer relationship. The knowledge-based customer relationship provides the knowledge for an organisation to look at the root causes of problems in customer relationship that impact the organisations especially the marketing department. This paper suggests an initiative for e-business strategies.

E-BUSINESS AND KNOWLEDGE-BASED CUSTOMER RELATIONSHIP

Electronic business (e-business) is no longer the buzz word but it is very much considered as a vital strategic tool among companies. Although e-business has brought about change in the way

businesses are conducted and has constantly appeared in the national media, there is still no one universally accepted definition of e-business.

Botto (2000), refers to e-business as a generic term used to describe business processes implemented in electronic or virtual environments like the World Wide Web. Turban *et al.*, (2004) describe e-business which includes not just the buying and selling of goods and services, but also servicing customers, collaborating with business partners and conducting electronic transactions within an organisation.

Van H., *et al.* (2001) define e-business as "a secured, flexible and integrated approach to delivering differentiated business value by combining the systems and processes that run core business operations with the simplicity and reach made possible by the Internet Technology."

E-business facilitates businesses through the Internet and the mobile platform. E-business has also created the value web technology of enterprise interaction in the consumer centric world, as shown in Figure 1. The Value Web comprises of Organisations, Customers, Suppliers and Dealers.

Basically, the value web is a network that integrates Customers and Partners with the organisation. In short, e-business facilitates the integration of processes, applications and information systems that synergizes the collaboration, coordination and relationship in the new economy model of e-marketplace commerce web.

In Digital Capital Tapscott *et al.*, (2000) suggest that the currency of the new economy is not hard capital but knowledge and relationship capital. Tiwana, (2001) lists the key factors that

have driven businesses from the 1960s to the present as shown in Table 1.

E-MARKETPLACE COMMERCE MODEL

E-marketplace is an environment where the marketplace exists electronically. The Internet is where the e-marketplace surfaces and the next big wave of e-marketplace will be on the mobile technology.

Figure 2 shows the e-marketplace commerce web model. This is the work done by the author who lectures and trains participants and post-graduate students. The E-marketplace Commerce Web model is supported by the Interoperability Services, Supplier Network and Commerce Services Providers. Interoperability Services such as the Internet Service Provider (ISP), Telecommunication firms, and Gateways provide users with the infrastructure to gain access to the Internet and mobile network, whereas the Supplier Network such as system, service providers, and software provides users with the interface for communication.

In the business environment, one cannot neglect the role of commerce service providers who support the completion of the actual transaction between the seller and the buyer in the e-commerce environment. Commerce service providers can be divided into two categories: e-payment (Banking) that ensures the flow of money and the e-fulfillment (logistics) that ensures the flow of goods and services, whereas the insurance and inspection services can fall under the e-payment or e-fulfillment categories may act as assurance.

The Electronic Commerce Web model in Figure 2 shows the Business to Business (B 2 B),

Table 1. Emergence of Business Drivers, 1960 -2000 (After Tiwana, 2001)

Era	Emergent Forces
1960s	New products
1970s	Low Cost manufacturing
1980s	Total Quality Management
1990s	Customer relationships and one-to-one marketing
2000s	Knowledge-enabled relationship management and e-business