

Electronic Commerce: Future Research

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The Information and Communication Technology (ICT) revolution and the introduction of e-commerce bring the companies in front of an excellent opportunity to facilitate and improve their business processes. E-commerce is an exciting area for research, because of its relative novelty and continuous growth. It differs from traditional commerce in the way that information is exchanged and processed. It focuses on the use of ICT to enable the external activities and relationships of the business with individuals, groups and other businesses [1]. B-to-B e-commerce constitutes the major percentage of e-commerce. According to E-Stats [2] U.S. manufacturers reported e-commerce shipments were \$3.0 trillion in 2012, up 10.5 percent from a revised \$2.7 trillion in 2011. In addition to the predominance of B-to-B e-commerce transactions, many sources of statistics anticipate that it will grow rapidly in the next few years. For instance, according to Forrester Research [3], B2B e-commerce sales are more than twice the size of B2C e-commerce and were expected to achieve \$559 billion in sales in the US by the end of 2013. These expectations of high growth rates indicate the significance of B-to-B e-commerce as an efficient way of conducting businesses.

The Internet, whilst becoming supremely important, is not the sole channel for conducting electronic commerce. Many companies exchange business documents with their trading partners using private Electronic Data Interchange (EDI) technology [4]. EDI, sometimes called the forefather of modern B-to-B e-commerce [5], represents the first phase of B-to-B e-commerce and still serves as an important B-to-B e-commerce technology in many industries. With the introduction of the Internet and the WWW, firms started moving away from EDI and towards using the Web and Web-based technologies, which has reduced the cost and increased the number of firms using business-to-business systems [6]. The global accessibility and economics afforded by the Internet and Web have enabled small to midsize firms to participate in B-to-B markets that were once the preserve of large corporations. With the entrance of buyers and suppliers of all shapes and sizes, the mass adoption of these technologies has propelled B-to-B into the forefront of modern commerce.

For Web-based B-to-B e-commerce, companies can sell to other businesses using their own Web sites as electronic storefronts or they can execute purchase and sale transactions through Net marketplaces or extranets. Net marketplaces provide a single digital marketplace based on Internet technology for many different buyers and sellers. They are industry-owned or operate as independent intermediaries between buyers and sellers. Net marketplaces are more transaction oriented (and less relationship oriented) than extranets, generating revenue from purchase and sale transactions and other services provided to clients. The extranet, however, permits the firm and its designated suppliers, distributors, and other business partners to share production scheduling, inventory management, and unstructured communication, including graphics and e-mail.

Jessup and Valacich [5] noted that extranets can benefit organizations in a number of ways. First, they can improve the timeliness and accuracy of communications, reducing the number of misunderstandings with business partners and customers. In the business world, very little information is static and therefore information must be continually

updated and disseminated as it changes. Extranets facilitate this process by providing a cost effective, global medium over which information can be distributed. In addition, extranets do not require great expenditure to train users on their technologies. Since many employees, customers, and business partners are already familiar with the tools associated with the Internet and Web, they do not require special training to be familiar with extranet interfaces. Extranets can also reduce errors by providing a single point of data entry from which the information can be automatically updated on disparate corporate computing platforms. Management can then obtain real-time information to track and analyze business activities.

Future research in the area of electronic commerce may address the role of electronic commerce in supporting supply chain activities; the impact of e-commerce on social and individual behavior, and cultural and organizational change management. The implementation of e-commerce in the internet banking services also worth investigation. It will be interesting to explore the change in accounting practices associated with the implementation of various segments of B-to-B e-commerce such as extranets and digital marketplaces. Issues such as the tax evasion associated with transactions utilizing electronic money, trust, security, risk management, privacy, domain names, trademarks, cross-boundary laws, and intellectual property are other areas of concern to those engaged in e-commerce research.

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Received November 10, 2014; Accepted November 10, 2014; Published November 17, 2014

Citation: Youssef MA (2014) Electronic Commerce: Future Research. *J Account Mark* 3: 118. doi: 10.4172/2168-9601.1000118

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