

## Foreword

It took e-commerce a decade to come out of the dot-com bust – the carnage of 2000. In 2011, there are a large number of venture capitalists who are investing in e-commerce startups in India. Over \$200 million VC investments have been reported in 15-20 online service companies. The volume of business is growing at the rate of 100 percent annually. Online travel and ticketing has crossed Rs 32,000 crore, while e-retail is grossing in excess of Rs 15,000 crore. Products and services are being delivered to customers in tier-2 and tier-3 cities like Mohali, and Indore. With over 100 million Internet users, and the potential of smart phones enabling Internet access – the number of mobile phones is 800 million – the market for online services is bound to grow. E-commerce, in its second coming, is here to stay. But this e-commerce, the B2C, represents only about 20% of total e-commerce. It is the B2B e-commerce that still accounts for over 80% by value of transactions. Unlike B2C ecommerce, however, it is characterized by relatively large value per transaction, requiring large investments in infrastructure. The buyer-seller relationship is usually long-term, and is based on contracts. However, due to the complexity of relationships between business organizations, it is not feasible to perceive all types of risks and take care of them through contracts. The businesses tend to rely on assurance through inter-organizational trust. In the absence of such trust, the e-commerce infrastructure may not get utilized in proportion to the huge investments made by the trading partners, thereby denying the potential benefits of the new network-based trading systems.

This book focuses on the interplay between the technology and trust in B2B e-commerce. It presupposes that vulnerabilities in technology and limitations of interactions have created barriers to trust building. But, it recognizes that it is possible to exploit the existing technology for enhancing levels of trust. The authors offer empirical evidence in support of this contention. The book proposes, and tests, a ‘Technology and Trust Model’ that identifies the technology related trust issues and then goes on to explain how these issues can be addressed by appropriate deployment, and effective implementation of relevant technologies. It identifies some of the key technologies that are presently available, and describes the practices being followed by the companies that have chosen to implement them.

The primary contribution of this book is the identification of benchmarking technology practices, policies and procedures for effective deployment and implementation of the relevant technologies that have the potential to help in enhancing the levels of trust in B2B e-commerce. It also seeks to identify environment related factors that influence the levels of trust in B2B e-commerce and the role of policy makers and professional bodies in this regard. Further, the attempt to incorporate levels of assurance in respect of the technology-related policies and procedures as antecedents in the trust model, enhance usefulness of this book. It covers issues relating to various types of B2B systems including inter-organizational Systems as well as the e-marketplaces.

Globally, the B2B e-commerce market was estimated at US \$89,090,947,646 by December 2009, growing at a CAGR of 8.77%. The Compound Annual Growth Rate (CAGR) for the worldwide B2B e-commerce market is around 40.60%. With the growth of e-procurement, and B2C e-commerce; especially e-retail and travel & ticketing; the back-end B2B e-commerce systems will assume even greater importance. Trust will, as before, play a significant role in accelerating the adoption of e-commerce. This book can play a useful role in making that happen. The authors have strong credentials in presenting and advancing this theme.

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