Electronic Commerce and Business-to-Consumer (B2C) Relations

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ABSTRACT

This article discusses some of the recent trends in relation the role that electronic commerce can play in business-to-consumer (B2C) relations, including the importance of understanding the behaviour of online customers and the role that e-commerce can play in managing customer relationships online. The article serves as an introduction to this special edition of the journal, which examined the use of electronic commerce in dealings with consumers.

Keywords: business to consumer (B2C) relations; customer behaviour; customer relationship management (CRM); electronic commerce;

INTRODUCTION

This article examines some of the ways in which electronic commerce can assist businesses in developing and maintaining their business-to-consumer (B2C) relations and serves as an introduction to the articles that make up this special issue of the Journal of Electronic Commerce in Organizations, targeting the use of electronic commerce in customer behaviour and relationships.

ELECTRONIC COMMERCE AND B2C RELATIONS

There has been a focus on the use of information and communications technologies (ICTs) for competitive advantage for a few decades now, especially in larger organisations. Porter and
Millar (1985), with their discussion linking ICTs with competitive forces and generic strategies for competitiveness (being the low-cost producer, providing unique or differentiated goods, and servicing niche markets), is regarded as a key contributor to this field. In the new millennium, Porter (2001) provided an update on the role that the Internet might play in this arena.

These days, one of the keys to the successful use of electronic commerce in B2C relations is how businesses track and react to consumer behaviour and how they maintain their customer relationships. The ability to analyse such behaviour goes a long way to assisting businesses to determine the difference between their high value and low value customers and to devote different levels of resources to them accordingly. There has been a great deal of research examining customer behaviour and managing relationships over the Internet, so we will examine some of the recent trends.

Online Customer Behaviour

The role that added value can play in customer choice can vary over time—even short periods of time. For instance, a recent survey of the purchasing decisions of 7,400 US shoppers suggested that price topped a list over convenience, quality and service. This was the first time that price had been the main factor in the purchasing decision for 10 years (SCTWeek, 2008). In fact, whilst it was thought early on that customers purchasing online would be mainly driven by price, time has shown that other differentiating factors can mean that customers may pay extra if they perceive they are getting added value (Schneider, 2007).

It is well known that other factors, such as the trust that consumers have in the security of Web sites of sellers will influence whether they will make online purchases, and this can even surpass added-value factors (such as rewards or extra product support) or even discounted prices. Issues related to trust, such as knowing that a retailer keeps their financial information secure and not having to constantly enter credit card details, are important (Wolfe, 2008). A repetition of satisfactory experiences through a number of secure and/or added value can engender trust and possibly lead to customer loyalty (Schneider, 2007).

There has been some discussion about how Web 2.0 might influence customer behaviour in the future. Whilst not really introducing any breakthrough technologies, Web 2.0 does provide a means by which users (in this case, customers) can provide content in the form of images, videos, and blogs that can influence others’ perceptions of products and services as well as provide added value (by way of support) for goods. This is already having an influence in the travel industry and, more recently, in consumer choices of consumer electronics and technology products (Riegner, 2007). Riegner (2007) recently suggested that, at the moment, this influence extends only to specific
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