

Networking the World: E-Business for Exporters

"Since adopting our new e-business strategy, our company's success at home and abroad has significantly increased.

- Canadian SME Exporter

Understanding e-business

According to the definition of the Canadian Business Service Centres, "e-business means conducting business on the Internet, including buying and selling products and services, providing customer service and collaborating with business partners."

You can also think of e-business as falling into two broad categories: "business to business" (B2B) and "business to customer" (B2C). In B2B, as the name suggests, the electronic transactions flow mostly between companies. In B2C, the electronic transactions connect a business to its retail customers.

This chapter assumes that your business already has a Web presence that makes you a potential exporter of goods or services through the Internet. If you don't have a Web presence yet, there are many sources of information about establishing one. A good place to learn the basics is Industry Canada's ebiz.enable Web site at www.strategis.gc.ca/ebizenable.

E-business applications and benefits

E-business has many applications, including sales, customer relations, finance, market research, market intelligence and procurement. Some of the benefits these applications can bring to exporters are:

- reduction of the time needed to deliver and update information about products or services;
- flexibility and adaptability of online marketing and advertising;
- customer access to your products or services 24 hours a day, every day of the year;
- faster responses to customers' needs;
- more efficient ordering and order processing;
- easier access to intelligence about export essentials such as demographics, market characteristics and competitors;
- electronic rather than physical delivery of certain products and services; and
- access to world markets, leading to more export opportunities.

Of course, using an e-business model to support an export venture doesn't do away with the traditional side of exporting. You'll still have to deal with matters like shipping, customs regulations and work permits, just as you would if you were doing business without the Internet. Seen from this angle, e-business hasn't changed exporting all that much. What it has done is make all kinds of export-related communication and connection much easier.

E-business or e-commerce?

A distinction has also evolved between e-business and e-commerce. *E-commerce* generally refers only to online financial transactions. *E-business* includes online financial transactions along with many other types of information exchange, such as online servicing of customers or communication with business partners.

TIP

Export regulations apply to e-business just as they do to traditional business. If you currently need an export permit to sell your product outside Canada, using the Internet won't change the requirement.

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