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Chapter VII

Stakeholder Relationships and Electronic Commerce: A Comparison of Singapore and Australia

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INTRODUCTION[1]

E-commerce is often associated with the buying and selling of consumer products over the Internet. While this narrow definition of e-commerce is correct, many other commerce and business activities also fall under the term "e-commerce". The stakeholders who create commerce, either actively or passively construct and determine the nature of the commercial relationship. The aim of this chapter is to suggest the e-commerce Differentiation Framework, which uses the nature and activities of stakeholders to distinguish between the two major types of e-commerce, namely *Business-to-Business* (B2B) e-commerce and *Business-to-Consumer* (B2C) e-commerce. This framework will use examples of e-commerce in Small and Medium Enterprises (SMEs) in Singapore and Australia. The study was carried out in these two countries over a period of four months in 1999.

E-commerce has captured the attention of businesses large and small, government officials, academics, and the greater public, due to its rapid growth in recent years and the amount of money it commands. According to a recent forecast by the GartnerGroup, the global market for B2B e-commerce alone is expected to rise from US $145 billion in 1999 to US $7.29 trillion in 2004 (GartnerGroup, 2000). While not being overwhelmed by such forecasts and statistics (OECD, 1999), e-commerce is a phenomenon that promises to impact business operations, government policies, consumer buying behavior, and many other elements of the modern society.

The definition of e-commerce is still indeterminate (Clarke, 1998; DCITA, 1999, USDC, 1999). For the purpose of this chapter, e-commerce includes commerce and business activities that are performed over electronic networks (both fixed and mobile networks), including upstream and downstream supply chain activities, and consumer purchases that are initiated through electronic means. The different types of e-commerce activities are essentially determined by the stakeholders involved. A review of existing literature in e-commerce (Kalakota & Whinston, 1996; Lawrence et al., 1998; Rangan & Bell, 1998; Riggins & Rhee, 1998; Whinston et al., 1997) identified the two major types of e-commerce as Business-to-Business e-commerce, and Business-to-Consumer e-commerce. Creating a framework for distinguishing the two types of e-commerce activities aids in identifying and understanding the stakeholders involved, the roles they play, the nature of e-commerce relationships, and the potential benefits to different stakeholders. It is hoped that the outcome of this study will enable businesses to formulate strategies to align their business operations more closely with e-commerce strategies, thus improving the management of resources like raw materials, labor, capital and entrepreneurship.

This study draws on e-commerce examples in Singapore and Australia as these two countries are considered early adopters of technological innovations in the region.

LITERATURE REVIEW AND RESEARCH FRAMEWORK

On the surface, the two identified categories of e-commerce (B2B and B2C) appear to share the similarity of using electronic networks to enable commerce activities. However, a more detailed analysis will highlight where the similarities end, and what the distinguishing features are. This chapter thus proposes the e-commerce Differentiation Framework for distinguishing and categorizing the two

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