



DOI: <https://doi.org/10.38035/sjam.v3i2>
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The Essence of Business to Consumer in a Global Context

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Abstract: This study will further discuss the essence of business to consumer, factors influencing its transformation, the role of technology in enhancing customer experience, as well as the challenges and opportunities faced by businesses in this era. An in-depth analysis of case studies and current trends will help to understand the positive and negative impacts of business to consumer transformation in a global context.

Keywords: business to consumer, global context

INTRODUCTION

Currently, information and communication technology is developing rapidly. With the existence of information and communication technology, it is easier for us to learn and obtain the information we need. This development has caused and encouraged changes in lifestyle, where people are always doing something related to the internet, from reading news, listening to music, watching movies, searching for tourist attractions, to shopping. Along with these lifestyle changes in the business context, the internet has created a new paradigm in the business world in the form of digital marketing or e-commerce. However, the type of e-commerce that is generally implemented is business-to-consumer e-commerce, where the seller is an organization or company and the buyer is an individual. However, with the increase in internet users, where the internet is the main source of information for the public, it has caused a change in lifestyle where individuals or the public, if they want to buy or fulfill their needs, always upload information about their needs on the internet, then business people or sellers respond and try to fulfill the needs of these internet users. This change has led to the emergence of business-to-consumer e-commerce.

In the era of globalization and advances in information technology, changes in the business world are becoming increasingly rapid and dynamic. One significant change that has occurred is the transformation of the business-to-consumer model, which has undergone a massive evolution in line with the development of digital technology with the emergence of the internet, smartphones, and other digital technologies. The business-to-consumer model has undergone a significant shift where modern consumers increasingly rely on online platforms to meet their needs and desires. One of the main factors influencing this transformation is the easy access to the internet around the world. Consumers can now quickly search, compare, and purchase products or services from the comfort of their homes without having to go to physical stores.

This phenomenon creates new opportunities and challenges for businesses to adapt to changes in consumer behavior.

The development of e-commerce technology, mobile applications, and digital marketing strategies has become the key to success in business-to-consumer. This shift has created a more open, competitive, and innovative business ecosystem. However, on the other hand, fierce competition has also encouraged companies to continuously improve customer experience, online transaction security, and effective marketing strategies.

Research Objectives

This research aims to find out how the essence of business to consumer in a global context.

METHOD

The method of this research is to use the literature study method.

RESULT AND DISCUSSION

1. E-Commerce

E-commerce is the act of conducting business transactions electronically using the internet as the primary means of communication. E-commerce can also be defined as a business process that uses electronic technology to connect companies, consumers, and communities in the form of electronic transactions and the exchange of goods, services, and information electronically (Munir Fuady, 2005:407). In other words, e-commerce is a dynamic technology, application, and business process that connects companies, consumers, and specific communities through electronic transactions and the electronic sale of goods and information services.

2. Business to consumer

Business to consumer or B2C is the process of selling a product or service directly to end users, whether individuals or groups. Thus, there are no intermediaries between the company and consumers, and the company distributes products directly to consumers. TechTarget explains that B2C is a retail model that sells products directly from businesses to end users, such as retail stores, restaurants, and doctors' practices. These companies and services sell their services or products directly to consumers, not to other businesses. Companies that implement this model usually only sell products or services that are personal needs of consumers. For example, primary needs, services that are personal needs, and so on. B2C has been around for a long time and is very easy to find in various shopping centers, restaurants, and even traditional markets. In the modern era, such as today, this business model also applies to online sales systems and is widely found in various digital marketplaces, such as Tokopedia and Shopee. You can also find examples of B2C in both large and small-scale businesses. This business model can also be found in online stores to reach consumers directly.

3. Characteristics of the Business to Consumer Business Model

Business to consumer has several specific characteristics that are easy to recognize. Here are important characteristics that StickFriends should know:

1. Open

The first characteristic is that it is open to the public and unlimited. This means that all information about the products or services that the company creates will be disseminated to the wider community.

2. Simple Transactions

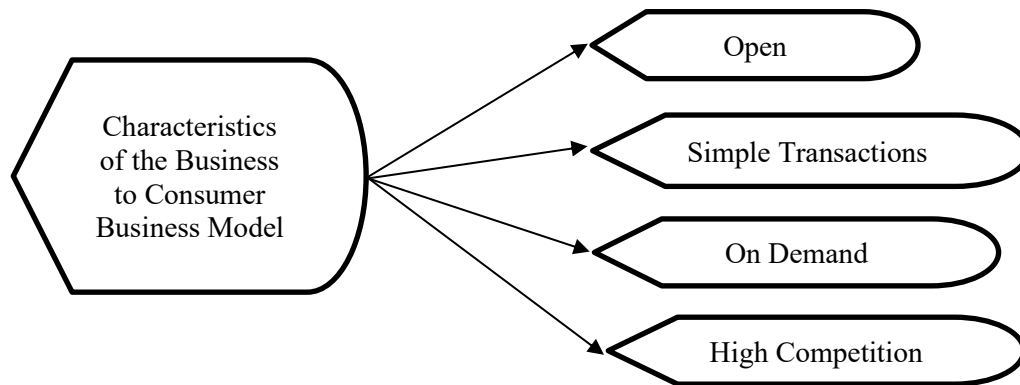
Next is that the transaction procedures in this business model are simple. In addition, transactions are not always based on the relationship between the company and its consumers.

3. On Demand

B2C is a model that provides products or services based on demand or on demand. The company will also tailor products or services to consumer needs.

4. High Competition

The last characteristic is very tight and high competition. This occurs because of the high demand for various products needed by individuals. As a result, more similar products will emerge.



4. Types Of Business To Consumer

B2C has many types that companies can implement, both offline and online. Here are some of the most popular types of Business to consumer that you should know about.

1. Direct Seller

The direct seller type is the most common and popular type. Sellers here can be large companies or small and home-based businesses. Each seller can sell products directly to consumers through various media, such as online stores, physical stores, online sites, applications, and so on. Companies that use this type usually produce their products directly without intermediaries. The goal is to maximize their profits. Meanwhile, other sellers may purchase products from companies and sell them in online stores or retail outlets.

2. Advertising-Based

Next is the advertising-based B2C model, such as e-commerce or websites. Generally, companies create various attractive and high-quality content to increase visitor interest and boost website traffic. Companies leverage this high traffic by selling ad slots that sellers can fill with information about their products or services. The higher the website traffic, the more expensive the cost per ad slot.

3. Online Intermediary

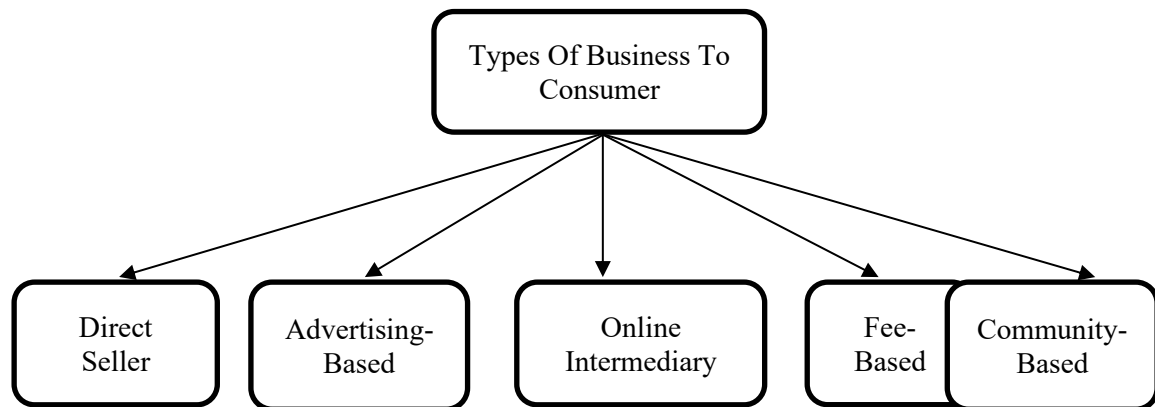
Online intermediaries generally do not have products directly. Instead, they only provide a platform that connects sellers with buyers. Consumers will view and purchase products through the online intermediary's website or platform. Then, the actual seller will prepare the product and send it to the consumer. Online intermediaries will earn profits through commissions from the company's sales.

4. Fee-Based

Another type of B2C is fee-based. Generally, this type relies on paid monthly or annual subscriptions, unlike the advertising-based B2C type, where content is provided free of charge. Therefore, each piece of content can only be accessed by consumers who have subscribed. Companies that implement this type are usually those engaged in the media industry. They also provide free services, but these are limited. Consumers still have to pay to get unlimited additional services.

5. Community-Based

The last type is community-based. Various online communities such as Facebook and Kaskus are two examples. These communities are places where people with similar interests, hobbies, or passions can gather and share information. For example, a shared interest in photography or traveling. This allows companies to try to sell their products or services to communities whose interests or passions are related to their business.



Discussion

The essence of business to consumer (B2C) is the direct sale of products or services from a company to end users, without going through intermediaries. This model focuses on fulfilling the needs and desires of individual consumers, utilizing digital technologies such as e-commerce and applications to reach a wide market and build direct relationships with customers. In detail, the essence of business to consumer in a global context includes :

1. The internet connects sellers and buyers.

The internet is the primary means of communication for conducting electronic business transactions (e-commerce). Business-to-consumer transactions are those conducted between merchants and end consumers as users, where companies have clear websites that assist consumers. For example, shopping cart models allow consumers to add or remove items before making an actual purchase, and consumer profiles can be saved with information such as addresses and credit card numbers. Additionally, there are classifications of products offered and payment methods. Websites like www.1800flowers.com and www.homedepot.com are widely recognized because they are well-designed for business-to-consumer transactions.

2. Reducing transaction costs

Transaction costs are the costs incurred in making an economic exchange. For example, most people who buy or sell stocks have to pay a commission to a broker, which is a transaction cost in stock trading. With e-commerce, we can reduce transaction costs because it can save time, energy, and money. For example, for producers and sellers, significant savings are possible through email. These savings occur because there is reduced or no use of paper in all transaction processes, where everything in e-commerce uses digital data, eliminating the need for paper as a medium, which ultimately provides significant savings in transaction expenses. Meanwhile, for consumers, the payment system uses digital cash or electronic cash without having to pay with cash. This means that consumers do not need to come to the manufacturer or seller in person with cash to pay for their purchases. Consumers can simply transfer the amount of money corresponding to the price of the goods ordered plus shipping costs to the account provided by the manufacturer or seller. Thus, this method provides greater convenience in transactions, which in turn can optimize time, energy, and, of course, transaction costs.

3. Advertising, buying, and exchanging goods and services around the world

advertising, buying, and exchanging goods and services around the world is done using the internet because the internet is accessible to everyone around the world, even in rural areas. Simply put, marketing and advertising products via the internet means displaying, describing, or explaining the product, or arousing people's desire for the product. Of course, this can be done by writing about it or including images, audio, or video about the product being offered on the internet, in this case a website.

With digital cash or electronic cash payment systems, consumers around the world can purchase and exchange products advertised through the internet simply by transferring the amount of money corresponding to the price of the item ordered plus shipping costs to the account provided by the seller or manufacturer. Consumers can then obtain the items they desire.

4. Extensive group software

These tasks are related to hardware, not to applications implemented by companies. modern computers cannot be used without system software. This software is usually prepared by hardware manufacturers or companies that specialize in software development. Computers are machines that process facts or data into information. People use computers to improve work results and solve various problems. The data processor or problem solver is software. The smallest form of software is numerical operations (+, -, :, x) and logic (AND, OR, >, <, =). These basic operations are arranged into programs or software. The level of processing performed by software has changed from machine-like to human-like. In information theory, a hierarchy of information is arranged, starting from data or facts, then after a process of selection and sorting, it becomes something useful, namely information. Information that is arranged systematically with a certain logical flow becomes knowledge, and ultimately, the combination of knowledge gathered from various sides is used to build wisdom. The data being processed has also changed significantly, from what was originally just numerical and character data to audio-visual data (sounds, voices, images, films). Meanwhile, an expanding group is a group that originated from a certain place and already has a name. This group has a network that is spread across cities and other regions, such as associations or communities, and has other networks.

5. Making communication and control effective

Efforts to make communication effective involve creating conditions in which the messages we convey can be received and responded to by others. These conditions are as follows: messages must be designed and conveyed in such a way as to attract the attention of the audience; messages must use symbols that refer to experiences shared by both the communicator and the audience so that both parties understand; the message must arouse the personal needs of the communicant and suggest several ways to obtain those needs, the message must suggest a way to obtain the communicant's needs that is appropriate for the group situation in which the communicant is located when prompted to give the desired response. Furthermore, a communicator must thoroughly examine the communicator's objectives, which include the right time for a message, language that is mutually understood by both parties so that the message can be conveyed properly, attitudes and values that must be displayed to be effective, and the type of group in which the communication will take place.

Suggestions

The recommendations generated from this research are as follows:

a. Sustainable innovation

Companies need to continue innovating by adopting the latest technology and digital marketing strategies to remain relevant in an increasingly competitive and rapidly changing global market.

b. Customer experience development

Focus on improving customer experience through online platforms, improved transaction security, and responsive customer service to build consumer loyalty.

c. Employee training

Involve employees in training and skills development related to technology to ensure that they can manage digital transformation effectively.

d. Market research

Continuously conduct market research to understand current consumer trends, customer needs, and technological developments so that companies can adapt their strategies to market needs.

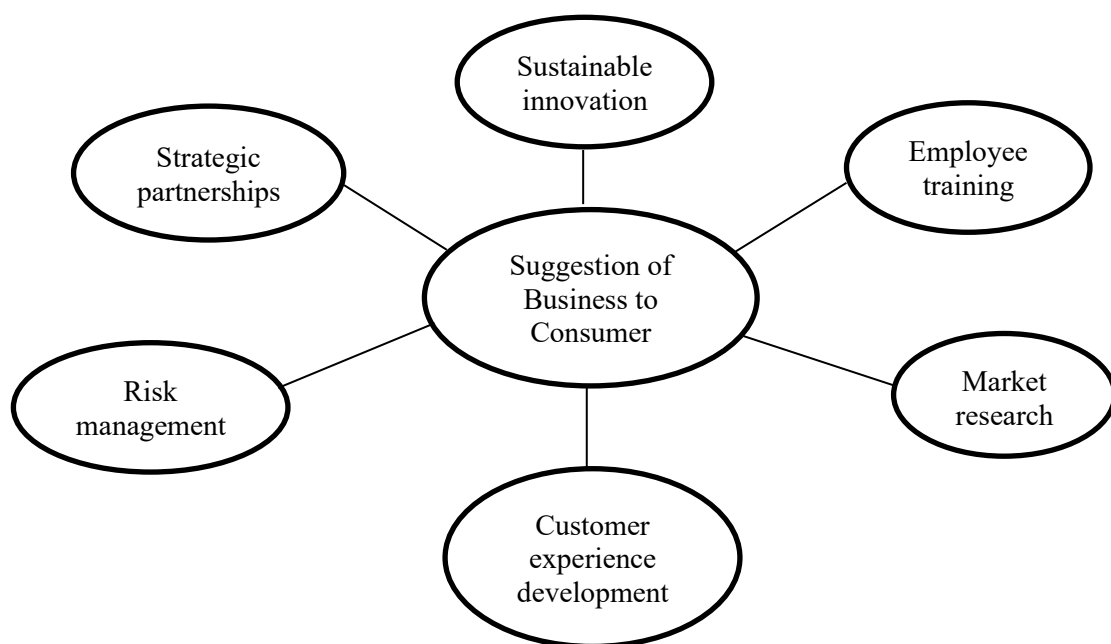
e. Strategic partnerships

Build strategic partnerships with technology providers, e-commerce platforms, and business partners to increase synergy and expand market reach.

f. Risk management

Pay attention to online transaction security and implement effective security measures to protect customer data and the company's reputation.

Implementing these suggestions can help business-to-consumer companies remain competitive, take advantage of digital opportunities, and overcome challenges that arise in an ever-changing business environment.



CONCLUSION

This study describes the essence of business model transformation from business to consumer in a global context where the development of information and communication technology has undergone a significant shift from conventional models to digital models. This phenomenon is reflected in the evolution of e-commerce, especially in business-to-consumer, which increasingly dominates modern consumer behavior. The internet plays a key role in connecting sellers and buyers and opening up new opportunities in advertising, buying, and exchanging goods and services globally.

The increase in business transactions between companies is also one of the positive impacts of this transformation. However, behind its positive potential, there are challenges that must be overcome, such as increasingly fierce competition, improving customer experience, and online transaction security.

The use of e-commerce technology, mobile applications, and digital marketing strategies are the keys to success. In addition, companies must also continue to adapt to the latest trends and optimize their business strategies.

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