

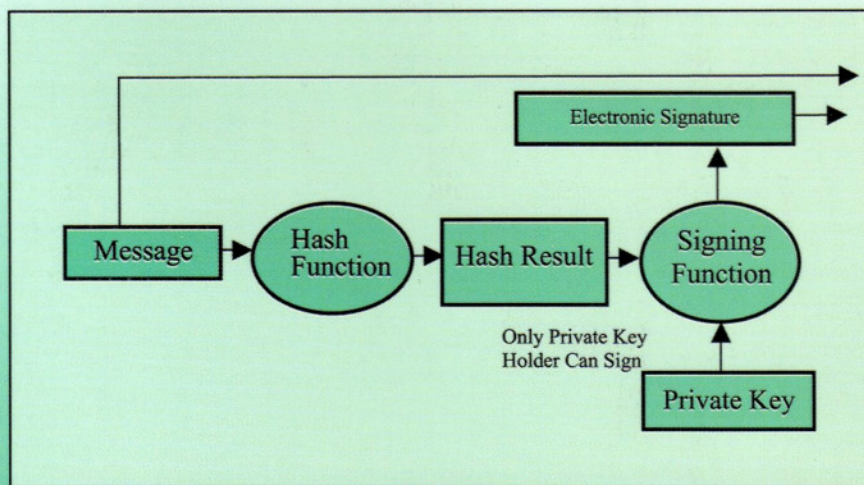


Education and Culture

Leonardo da Vinci

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# Introduction to E-business



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Bulgaria

The publishing of this book has been supported by the European Commission  
Leonardo da Vinci Programme, project number NL/03/B/P/PP/157315  
E-business in SME's.

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ISBN 954-775-426-2

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## 1. The Impact of Internet on Business

### 1. Introduction

The e-Commerce (e-C) seems to have been the most dynamic and most significant area in human development for the last decade with a strong influence on economics and human way of life. E-C or e-Business have drastically changed the understanding of commerce, business, manufacturing, communication among merchants and consumers. In 1999 @Home bought eXcite for \$6.7 billion the same time Ford bought Volvo for \$6.5 billion. Everybody knows about Ford and Volvo and their places in the world. Almost nobody knew about @Home and excite. But the scale of both deals is similar and is characteristic for the highest layer of the world economy. Meanwhile, Amazon.com's market cap reached \$25 billion in December 1998.

A lot of examples could be given in this respect. But it would be worthwhile if we could generalize and quote reliable science based forecasts. The dynamics of this area is so rapid, that unprecedented discrepancies arise. It is quite natural that serious forecasts differ by 5, 10 or 20% depending on the area and the time period. What should we say about the following forecasts made by three most serious world institutions in 2000 about the world e-C volume in 2004:

\$2400 billion according to Forester Research,

\$5700 billion according to AMR Research,

\$7000 billion according to Gartner Group.

There are no doubts about the reputation of all three organizations, but the difference between their data is more than embarrassing, because it is measured in times rather than in percents. However the explanation is quite natural – this is not a forecast about cars or even about oil production, but about a new phenomenon whose parameters are still hardly known.

To demonstrate once more the dynamics of e-C, let's terminate this introduction with the example we have just started. One year only after