

The effectiveness of e-business changes in B2B relationships

Irene Samanta-Rounti(*)

Dr. Panagiotis Kyriazopoulos(*)

(*)Department of Business Administration

Graduate Technological Education Institute of Piraeus, Greece

isamanta@teipir.gr

pkyriaz@teipir.gr

Abstract

It is apparent that the expansion of globalization has created new potential for businesses across the world. Business environments have been changed and the leaders of tomorrow will be these organisations that can reap the benefits of the new standards stemming from the technological developments brought by globalization. In this highly-competitive context Greek B2B firms have to complete the necessary transformation from the "old economy" through engaging with e-business. This research examines the marketing strategies of those B2B firms moving from traditional to e-commerce. The findings showed two clusters of firms, one of them consider that e-marketing increased efficiency and reduced transaction costs with partners. The second cluster revealed that some industries have not succeeded in understanding the new strategic environment and still operate with mechanisms of the traditional market.

Key words: e-business, globalization, e-marketing, relationships

Introduction

As the massive growth in e-commerce continues, significant opportunities and challenges emerge for all firms that market products and services in the new economy. The Internet is also becoming the main way that managers research B2B purchases, offering a better way to communicate complex B2B information tailored to the customer situation.

Firms that can enter the e-commerce marketplace may be able to develop important differential advantages in selected market segments.

At the same time major challenges confront organization attempting to formulate an e-commerce strategy, transform their traditional business models, and deal with rapid changes in e-commerce technology.

According to Nielsen (2005) to be successful business marketers must integrate the Internet and e-commerce into "*the fabric of their traditional business operation, leveraging it as a new communication tool that can increase sales, satisfaction and service levels*". From the perspective of the entire supply chain, a key issue is to include further use of e-commerce in order to reduce the cost of a transaction and increase the quality of product data flows throughout the supply chain.

Implementing an e-commerce model incorporate the Net into a day – to – day functioning of the company for building B2B relationships. Benefits from such processes include lighting data trade-off, low volume of inventories, and quick response. Nevertheless, sellers now have a new channel to push their policy for their customers, and new approaches to manage sales, distribution, and sustain services. All of these demand a high degree of interaction and some degree of system integration between supplier and buyer. The expansion of seller-buyer relationships is a continue process during which relational marketing practices and ethical values should be included.

Then the supplier becomes motivated to conduct in a way that is beneficial to the relationship as a whole, and as an effect "emerging exchange partners start setting the ground rules for future exchange" (Weller, 2000). Despite the accepted importance of these practices, there is no much evidence for the mechanisms by which firms may increase relationships in e-commerce. In fact, the degree to which partners have mutual concepts such as trust, commitment, mutual cooperation, and satisfaction reflects the process of relationship development (Pepper and Rogers, 2005).

As B2B relationships are affected by a set of drivers in an e-business context, the present research examines the factors that influence these relationships. We also aim to determine the operational and strategic changes required for a company to make the transition from the “old” to the “new” economy in order to retain and build e-relationships.

Literature Review

Characteristics of Globalization and how they affect the Market

Globalization has affected firms around the world, which have managed impressive reductions in the barriers of trade and have established important agreements to promote the trade of products, services and investment globally. With these new opportunities that have come along in foreign markets, companies have constructed factories in other countries and maintained prosperous deals with foreign partners. Therefore, a major characteristic of globalization is that it forms an international industrial and financial business structure (Lado et al., 1998; Pearse, 1997; Lei, 1991).

From a study of the global economic system, as it is shaped today, we conclude that globalization reflects a contemporary phenomenon that is irreversible and so all business firms have to adapt themselves to that state of affairs. According to Whipple (2000), two points about the globalization process are generally accepted. First, it is not possible to interrupt the process, and second, that it makes the world a richer place to live in. It cannot be restrained and it is led by many people, determined to increase their wealth. He also suggests that despite the many contrary opinions, in absolute terms poor states are less poor because of their active participation in the globalization process. As an example to support this view, Whipple (2000) refers to countries of South East Asia that have reduced poverty by participating dynamically in the global market, contrary to countries of Central Africa with static economies that have been hostile to investments. Investors primarily desire to increase their profits by reducing the costs of production. All of the above can be achieved with quality investments, technical knowledge and accurate information and mostly with the application of an aggressive strategy (Parkhe, 1991).

Globalization can be considered as a process of transformations in the organization of transactions and social relations around the globe, bringing forth interregional flows, activity networks, interactive environment and power. The following types of change describe it adequately: it extends the economic, political and also the social activities across regions, nations or even continents; it supports the substantial connection among different nations and the growing magnitude of flows of trade, culture, investment, movement of population, etc.; it quickens the transactions and the processes between nations, since the new technology of communication and transportation makes any transmission of information, goods or people easier and faster every day; it creates an environment where every incident (no matter how significant it may be) may affect other communities elsewhere. The consequences of a local event can be spread to the whole globe, making it clear that the frontiers of every country cannot seclude it from this system of globalization. Therefore, there can be confusion between domestic and global affairs (Parkhe, 1992). According to Kotler (2003): ‘Global business firm is the firm that operates in more than one country and ensures advantages of research and development, production, distribution, marketing and finances in respect to its expenses and status that the purely domestic competitors do not have.

A very interesting statement issued by UNCTAD (2003) shows the effects of globalization on small and medium-sized firms. In this study it is estimated that a great number of firms are in jeopardy and will face difficulties of orientation. For example, it is mentioned that in 2005 about 40% of the firms will not survive in their present form without making significant changes in their operation costs, in the quality of their products and their management practices. Only one-third of the business firms are capable of becoming competitive internationally and of making proper use of the increasing globalization phenomenon.

The Greece in the Global market

More specifically, the conditions for a strong competition combined with the reduction of the available investment capital that have come about as a result of the globalization process and the liberation of markets, have led to the need to create new “business types” among different business firms. The preservation and continuation of the possession of a leading role in the market create new demands in the organization of business firms, such as a certain level of flexibility in the production process and the adoption of innovative research (Lado et al, 1998).

According to a 2004 study by Organization for Economic Co-operation and Development (OECD) Greece ranked 26th out of the organization’s 29 member states with inward investments in 2003 of \$0.7 bn, just 0.17% of the total flows of \$384.4 bn. Here, only indicatively, we mention according to data from the United Nations Conference on Trade and Development (UNCTAD) for 2003, had predicted that by the year 2005, 40% of the firms would not be able to survive in their present form, if they were not to take significant innovative measures in areas such as running costs, product quality and administrative practices. The major driving forces of the globalization process are the technological changes and the distribution of information, the policies that reduces national protective barriers in investment and commerce, the promotion of state policies for the “opening up” of markets and the reformation of the settings in the markets of products, labor and capital and the ever increasing level of cooperation between businesses of different states, form the major forces that push businesses towards the globalization phenomenon.

Greece is a small country on the edge of the European continent with no contiguous border with its European Union partners who account for the bulk of its trade. Greece is rich in human capital but poor in educational and training resources for realization of that potential. Greece lacks on the one hand fundamental framework elements such as national planning rules and consistent local zoning regulations. On the other, it suffers from too much bureaucracy. The result is uncertainty and delay. It can also be mentioned the lack of sufficient technological support, the low educational level and the absence of correlation of the education programmes to the needs of the market and the businesses, as well as the reluctance to adopt more flexible working relationships from the workers’ unions. As a result of this large technological and educational gap, the competitiveness deficit becomes chronic and there is danger that it increases further.

As far as it concerns Greek firms, it is necessary for them to be expanded internationally, through a long lasting strategically planning with specific targets, such as the preservation or even improvement of competitiveness and the maximization of their profits. The saturation and the intensification of competitiveness in the domestic market, the country’s strategic position, the development of high technology, the avoidance of exporting limitations and the effective confrontation of international competition are the major reasons that impose the e-business orientation of Greek business firms.

E-business benefits

In order for Greek managers to take advantage of the opportunities and face the dangers of a new global environment, they must claim and apply the basic principles of e-business strategy so they can succeed in their prime objectives including development, technical knowledge and the satisfaction of internal and external clients (Mc. Donald, 2005).

The benefits that B2B firms can receive from e-business include the increase of income that can be achieved via the technology, the alleviation of time and the cost of production of products or services, the improvement of service to customers as well as the possibility of increasing market share (Krishnamurthy, 2005). The income, operations and profile of a firm, and also the conditions of competition, will be redefined by e-business and will involve changes in the enterprise and the enterprising environment (Middleton, 2001).

Yet the powerful relationships that are developed within the enterprising partners allow the effective exploitation of knowledge and, on the other hand, allow the growth and introduction into the market of new products and services more rapidly, more economically and, by extension, more efficiently (Malone, 2004).

The interactive nature of relationships

While the partnership might provide a vehicle through which supplies of goods and services can be planned and controlled and through which innovations can be fostered to enhance future performance, the relationship has to be perceived from the point of view of its social and cultural nature, as well as its technical and commercial facets. Communications can take place between a variety of representatives from different functions of both buyer and seller organizations. Each person brings to the relationship different personal characteristics, experiences and knowledge. Participants' interpretations of requirements and reactions to other people will be made in the light of the values and intentions that they have formed. Previous experiences and the evaluation of the outcomes of earlier interactions will also affect the pattern of development of the relationship. The dynamics of the interactions will also involve forces of both common and conflicting interests and power-dependence relationships. As the relationship progresses, so expectations and behavioral patterns will be formed. The interpersonal nature of the relationships places a premium on the need for people to develop the appropriate skills in working with and through other people. Building Business to Business relationships has become the key in marketing and therefore trust is a very important factor in e-business transactions, due to the fact that these relationships are often very fragile. Ultimately, trust is becoming imperative, and has been defined as "the subjective probability by which an organization believes that the underlying technology infrastructure and control mechanisms are capable of facilitating inter-organizational transactions according to its confident expectations" Ratnasingam & Pavlou (2003). Technology trust is of particular interest, Bennet (1997) because the development of e-marketing strategies in business to business transactions has affected relationships quite drastically, allowing more competition and more control over processes and employees. According to Earle & Keen (2000), the VNTs (value trust networks) will develop into collaborative networks in which related companies will be motivated to work together based upon the mutual creation of value.

The influence of e-Business on marketing

According to Turban et al. (2002), the areas of industry practice facing the greatest changes due to e-business and the supporting technologies are the traditional marketing practices, customer services and sales. Also, Smith (2004) and Weller (2000) state that the field of marketing is at the centre of changes caused by the industry's entry into the digital environment (Sinha, 2000).

The term 'e-marketing' tends to refer to an external perspective of how the Internet can be used in conjunction with traditional media to acquire and deliver services to customers. It has both an internal and external perspective, considering how marketing processes and communications can be improved through information and communications technology in order to achieve e-marketing objectives (Jones, 1996). Therefore, the Internet enables the customer to be in touch with the firm at any time and from any point of the compass, in order to collect information and perform transactions (Turban et al., 2002) which can be adjusted to the special needs of the customer. These processes and their absorption by firms have reconstructed the way in which firms develop and manage their relationships with customers (Singh, 2002). In the world of e-marketing success is defined by the firms ability to build long-term customer relationships that bring value to the customers and stakeholders and sustain profitability to the organization.

Research Methodology

Construct measurement

For the accomplishment of the research objectives, the questionnaire developed by Cox et al (2003) and Lancaster and Luis (2004) was used. Modifications made to the instruments included semantic changes to suit the needs of this study. For the purpose of the research, taking into account the economic environment of Greece, questions were including regarding the benefits derived from the context of e-business, the pressure from the competitors, the reduction of physical distance between the firms and the use of modern technology. The questionnaire is related to the industrial relationships between firms which operate whether as seller-supplier either as a buyer.

A structured questionnaire used consists of 94 questions of ordinal type. The items of the questionnaire was in the form statements on the 5-point Likert –type scale anchored on 1=strongly disagree, through 5=strongly agree from e-marketing and logistics point of view and categorical questions of a Yes/No type of responses. Also, the importance of these relationships anchored on 1=not important, through 5=critically important. The applied questionnaire refereed to issues, which are essential for the recording of the opinions of respondents. The topics were included on:

The reasons that force sellers/buyers relationships to be developed

The factors that impede sellers/buyers relationships to be developed

The factors influence sellers/buyers e-relationships

The questionnaires responded either from General Managers, Marketing Managers or Financial Managers responsible with face – to - face interviews since it seems clear that the people in these positions have the necessary experience to participate in the survey. The participants were assured of total confidentiality.

Sample Frame

The sample which participates in the present research consists of medium sized firms. The first criterion used for the selection of the participant firms were the sector categorization with a satisfactory representation of different kinds of companies commercial 36%, industrial 30% and services 34%. A second criterion was the firms to decide how they should prefer to participate in the research as a seller or buyer. Further the author kindly asks from the respondent to recommend firm's main partner from the seller or buyer point of view. Therefore equivalence between firms moving from traditional to e-commerce and firms that deal with e-commerce is defined as dyads operating in different business sectors. The sample divided in two equivalent groups of dyads (10 buyers – 10 sellers) using e-commerce and an equivalent group of dyads (10 buyers – 10 sellers) using traditional commerce. The population of the companies derived of the data come from Chamber of Commerce and Industry in Piraeus. The number of firms that composed the sample was 220 of which 40 responded from the greater area of Athens. The research took place from September to December 2007.

The methods used for the quantitative analysis are the factor analysis and Kendall's ordinal symmetric measures, tau-b. Furthermore, cluster analysis is also used, while all the tests were defined in a 95% confidence level. Finally the whole procedure was worked out with the statistical program SPSS v.14.

Additionally to the size of firms it seemed rather necessary to find out how these firms operate information technology systems (IT). More specifically, to investigate whether an IT department is founded within the business firm or an external partner is being qualified. 53% of the participant firms have an inside IT Department and 10% are using IT services of an external partner while the rest has not decided to move to e-business direction..

Another characteristic of the sample had to do with the specialized technologies that each of the participant firm uses. The indications of this research are that 23% is making use of Intranet, 30% is using Supporting Informative Systems, 50% is using ERP (Enterprise

Resource Planning) Systems, 30% has Extranet, 37% has developed a CRM (Customer Relationship Management) strategy, 13% is using EDI (Electronic Data Interchange) and 20% has developed a SCM (Supply Chain Management) strategy.

The reasons that force sellers/buyers relationships to be developed

A number of variables in the questionnaire define the aspects of respondents in B2B firms for the efficiency of e-marketing in e-business transactions. After running various models we turned out to use only 19 variables. The orthogonal factor model was used with the principal component method. The analysis was based on the correlation matrix, while the varimax method of factor rotation was applied for better interpretation of the factors. Table1 presents the benefits firms consider to receive from an e-marketing strategy implementation.

Table 1: Factor Analysis

Factors	Variables
1. The effect of e-marketing on the supply chain	Q8.02: E-marketing effect on logistics practices' improvement (0.852) Q7.03: E-marketing effect on cost (deterioration of improvement of products' or services' sales conditions) (0.793) Q5.02: E-marketing strategy adoption (achieve the coordination of the supply chain) (0.769) Q8.03: E-marketing effect on logistics (reduction of time in stock taking) (0.709) Q8.04: E-marketing effect on logistics (reduction of time for goods delivery) (0.597)
2. Effect of the e-marketing to firm's internal culture	Q5.03: E-marketing strategy adoption (influence the speed of activities and the internal coordination of the firm) (0.786) . Q5.01: E-marketing strategy adoption (contributes to the configuration of the cost of processes) (0.692)
3. E-marketing effect on the relationships of the enterprise with customers and personnel	Q5.04: E-marketing strategy adoption (better management of relationships with the customers) (0.834) Q7.04: E-marketing effect on cost (effective use of personnel) (0.786)
4. Collaboration, deciding the potential audience	Q6.03: Benefits from a B2B collaboration (enlargement of clientele) (0.806) Q6.04: Benefits from a B2B collaboration (business' relationships broadening) (0.709) Q6.05: Benefits from a B2B collaboration (creation of competitive advantage) (0.644) Q5.06: E-marketing strategy adoption (create interdependence between the collaborating enterprises) (-0.725)
5. Benefits from a B2B collaboration	Q6.02: Benefits from a B2B cooperation (money saving) (0.749) Q6.01: Benefits from a B2B cooperation (time saving) (0.738)

Total Variance Explained gives eigenvalues, variance explained and cumulative variance explained for the factor solution. With five factors it is possible to explain 72.650% of total variance Table 2:

Table 2 : Total Variance Explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	3.756	19.769	19.769
2	2.708	14.253	34.022
3	2.701	14.215	48.237
4	2.657	13.985	62.223
5	1.981	10.427	72.650

Extraction Method: Principal Component Analysis.

B2B companies are finding e-marketing success by investing in a combination of innovative implementations of technology business process enhancements and organizational changes that are part of an overall e-marketing strategy. Contrast to the above variables respondents support that between collaborative firms is not created interdependence by the adoption of an e-marketing strategy. This statement explains that top management didn't develop dynamic and just-in-time collaborations attitude and responsiveness. Defining who the external and internal audience to be targeted is one of the primary tasks of the firm. The opportunities offered by the Internet have concluded that in Business to Business, the technology offers customers the benefit of a convenient, very rapid mechanism through which to obtain goods at the lowest available price.

Through the five factors, B2B firms in order to improve the relationships in the e-business context can reorganize their operation strategies and succeed in reducing lead times so that more productive strategies will minimize the transaction cost. This will help to achieve improved trade efficiencies that, in turn, will create the necessary conditions for the development of better relationships, so that customers can use the marketing concept. Constant refueling of this last variable will create a mechanism for (successful) firms' operation strategies. Consequently, the development of e-marketing in B2B internet usage has involved transformations particularly in the area of organization expectations of creating value within a supply chain. The internal culture is based on traditional beliefs and values that often are no longer appropriate or useful in the new environment of doing business. Therefore B2B must accept the new beliefs, management processes and communication styles that are being created by new methods of e-marketing.

B2B abilities that manage knowledge driving to the e-business strategy

This section is designed to specify organizations manage of knowledge management to approach to innovation culture due to the new e-Ra. Thus, a set of variables identifies the leadership's competencies in the area of knowledge management and innovation culture. On a scale from one to five ("not at all" to "consistently and effectively") the two groups of firms demonstrate the following behaviours.

Managers' leadership skills in cluster I are sufficiently developed the knowledge management, providing the personnel with the right directions for innovative results. Managers' leadership skills appear sufficiently developed, providing the personnel with the right directions for innovative goals. As a result the benefits derived from these leadership competencies are innovation culture, and the encouragement of active communication between co-workers and among other divisions. Cooperation, team spirit and lastly emphasis on idea-generation are the main priorities for managers to create an innovative model that ties business strategy into the day-by-day innovative process.

Cluster analysis

At this stage we will run a Hierarchical Clustering model to define the number of clusters that better groups our observations.

The report table lists the selected statistics for each level of the independent variable. The table refers to ordinal variables. The statistics describe the distribution of the independent variable for each cluster. Comparing the statistics across the groups reveals differences between variable (cluster). Therefore from the above results is sought to define the profile of firms which belong to every cluster.

Table 3: Cluster Analysis

Final Cluster Centers	1	2
Our organization has moved beyond hit-and-miss innovation to a more strategic e-commerce approach that is aligned with our growth strategies.	4,24	3,41
Our organization has fostered a culture that expects everyone, at every level, to contribute to the innovation e- process.	4,27	2,91
Our organization has built networks, pathways and platforms that promote the flow of innovation both internally and externally through alliances and partnerships	3,99	2,78
Our organization has adopted/adapted a step-by step funnel process that facilitates idea generation/collection right through the development of a business case and deployment of the new product/service/process.	4,04	2,53
Our organization has created opportunities to learn by building e-commerce systems that capture key leanings from the innovation process and communicate these leanings across the entire enterprise.	3,97	2,63
<i>(Visionary Leadership) I take the mystery out of innovation by defining it.</i> As a leader, I have leaded our team through a process to define what innovation really means inside our organization/business unit. We've developed a clear, concise definition of innovation based on our organizational culture and internal/external parameters.	3,96	2,66
<i>(Aligning for Success) I link innovation to our business goals.</i> As a leader, I've positioned innovation within my business unit/department, as an integrated aspect of our organization's overall success--not as a gimmick. We have created an Innovation Model that ties our business strategies into the day to day innovative process.	4,01	2,88
<i>(Strategic Decision Making) I define challenges specifically.</i> As a leader, I have targeted important challenges that require innovative solutions. I have prioritized these areas and I've allocated resources to ensure implementation.	3,82	2,97
<i>(Communication) I encourage active communications.</i> As a leader, I've created an environment of mutual support among co-workers. I've facilitated discussion across the organization by helping to set up effective lines of communications no only in our own team, but also among other departments/divisions.	4,40	3,50

The analysis of the data identified two groups of respondents that displayed different characteristics related to the adoption of the e-business strategy. This means that firms that belong to cluster 2 have set low or moderate value (medians between 2.5 and 3 for the corresponding variables) to the culture of the innovation process that is adopted by them while they have set low value (medians between 2 and 2.5 for the corresponding variables) to

the leading capabilities of their leader. In the second group the companies were placed in a human-centric system with a future prospect to adopt an e-business strategy.

Firms that belong to cluster 1 seem to have adopted certain culture for innovation while their leader has certain skills leading the team to this direction (medians 4 and 5 for the corresponding variables) diffusing the innovation into the internal environment of the firm that means there is effective communication

In the first cluster no human- centric system was developed, but the internal and external environment, which influences the companies directly through the use of new technical equipment and quality systems, was seen to be representative of this group of respondents.

Reasons of relationships in B2B firms

The main reasons of relationships between sellers and buyers are the following Table 4. In the factor analysis we used the Orthogonal Factor Model with the Principal Component Method. Kaiser-Meyer-Olkin Measure of Sampling (KMO) value is 0.67 (and Sig. $p < 0,001$), which indicates that patterns of correlations are relatively compact and factor analysis should yield distinct and reliable factors. Bartlett’s test is highly significant ($p < 0,001$).

Table 4: Factor Analysis

	Variables	Factors		
		Supply chain	Innovation Culture	Distribution
Basic ability	Distribution			0,596
Advanced Abilities	Information Systems		0,694	
	R&D		0,814	
	Customer Service		0,494	
High Abilities	Lead times	0,797		
	Payment	0,720		
	Pricing	0,833		
	Quality	0,872		
	Responsiveness	0,900		

Factor analysis results show three factors which are the main reasons to create B2B e-relationships. These factors reflect the importance of the firms’ objectives in their future development. Specifically, each factor comprises issues evident from the e-marketing and from the logistics point of view. The first factor concerns distribution issues while the second factor refers to the firm’s entrepreneurial mission, including chief variables such as lead times, keeping payment agreements, the quality of products/services offered, low-cost pricing and responsiveness to customer needs. The third factor refers to innovation and comprises such elements as MIS, continued research and development activities and continued technological development of services which help firms to accomplish their objectives and establish long-term relationships.

It is appeared that high management don’t devote money and time and allocate resources to ensure the implementation in the new economy as there is a lack of a clear and concise definition of e-business based on firm’s organizational culture Table 5 .

Finally, the present research examines which are the main changes among buyer-seller moving from the traditional to e-business level in order to define which of them are of crucial importance enhancing their relationships.

All firms retain a web site and some of them have invested specialized technologies to facilitate B2B transactions.

Communication in the traditional level is satisfactory, but in e-commerce still need to develop (4.54-4.38) as the means show there is willingness for further development.

According to the distribution the sellers in the traditional level claim r that can solve problems with their partners while buyers believe that the problems in relation to sellers e still exist. In e-commerce the buyers are apparently satisfied from the JiT while the sellers appear to be skeptical.

As far as the information systems in the traditional level the sellers invest in equipment while the buyers continue investigating the market.

Reversely, in e-commerce the sellers appear to be skeptical and the buyers are those who invest and this appears to be an odd finding.

Regarding the lead times it an odd finding, in the traditional level they appear to retain the lead times comparing to e-commerce. Apparently, there is a long-term relationship in the traditional level creating a situation of inertia. In addition, there is a difference of views among seller-buyer and this certainly requires further examination. While in e-commerce the means (3.83 – 3.63) show that partners retain the lead times to a low extent as customers are far from a click from the competitors whereas the same time there is a common view between them.

Table 5: Reasons of relationships B2B firms

	Seller Traditional		Buyer traditional		Seller e- commerce		Buyer e-commerce	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
Distribution	4,33	0,832	3,67	1,506	3,75	0,754	4,63	0,744
Information Systems	3,83	1,115	3,20	0,447	3,33	1,073	3,88	0,641
R&D	3,42	0,900	3,50	1,049	3,50	1,314	3,63	0,916
Customer Service	3,85	0,689	3,80	1,643	4,00	0,739	3,63	0,744
Lead times	4,67	0,651	4,17	1,169	3,83	0,577	3,63	1,685
Payment	4,83	0,389	4,50	0,548	4,58	0,669	3,50	1,309
Pricing	4,33	0,778	4,83	0,408	4,42	1,165	3,75	1,389
Quality	4,31	1,182	5,00	0,000	4,58	0,669	4,25	1,035
Responsiveness	4,31	0,630	4,17	1,169	4,08	0,669	3,25	1,488

In terms of price, there is a relationship based on a pricing policy among partners. In e-commerce there is a differentiation among seller –buyer (3.75-4.42).

In reference to quality the views of partners in the traditional level are different from those of e-commerce that appear to have similar opinions.

With regard to responsiveness and to customer service in traditional level the partners express similar aspects while in e-commerce there are different views (4.08-3.25),(4.00-3.63). The findings in terms of R&D present the buyers from the traditional point of view to force to a close collaboration with sellers in R& D issues which does not exist at that time, while in e-commerce level the sellers are those who force the buyers to collaborate in R& D issues.

The of the issue of forecasting to time reduction among partners is homogenous from the traditional point of view (3.58-3.25). The sellers in e-commerce consider that commercial transactions have improved regarding time reduction whereas buyers express a kind of pessimism considering the above mater.

As for the brand name, both “partners” sellers and buyers, consider it of vital criterion in e-commerce as it affects not only the sellers who believe in it but also the buyers the certain product is aimed at.

Similar aspects are expressed regarding the evaluation of both sellers/buyers of the data processing and the importance management gives to the external relationships.

Factors influence the relationships in B2B firms

This factor analysis identifies the three main factors that influence the relationships of sellers and buyers in a traditional and an e-commerce level Table 6.

Table 6: Factor Analysis

	Relationships	Goodwill	Innovation
Performance expectations	0,674		
Trust	0,767		
Honesty	0,782		
Relationship formation	0,729		
Forecasting for lead times reduction	0,734		
Firm's size		0,872	
Firm's goodwill		0,826	
Technology, R&D			0,695

Table 7 presents the factors that influence the relationships of sellers and buyers. Performance expectations in e-commerce between sellers/buyers are homogenous but from the traditional point of view sellers are more optimistic than buyers. In the traditional level sellers trust buyers to a low extent comparing to e-commerce sellers who trust the buyers to a greater extent. Finally there is honesty among partners on e-commerce while on traditional level there seem to be more suspicious.

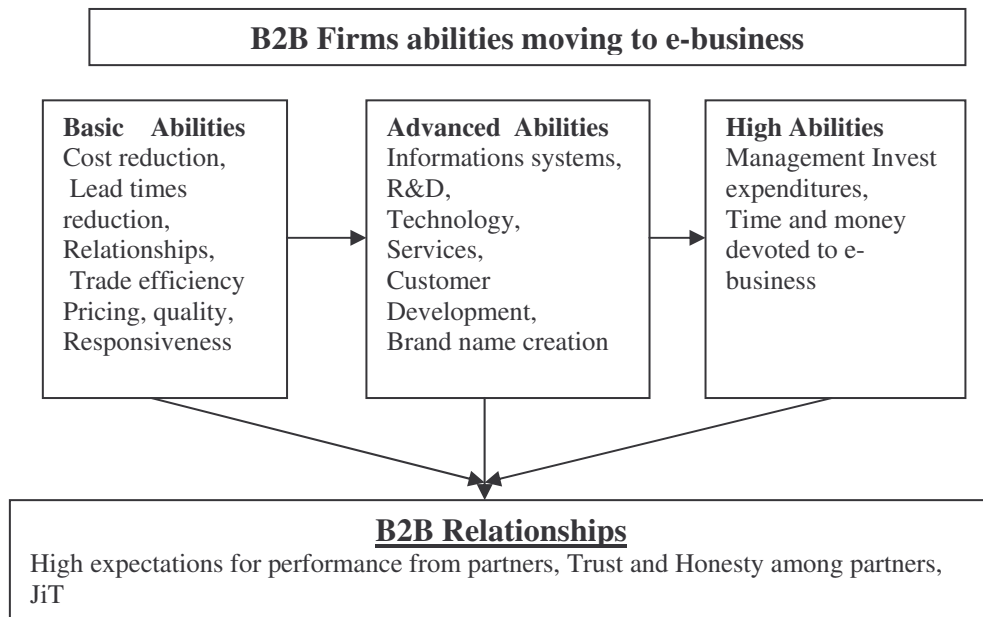
Table 7: Factors that influence the relationships

	Seller Traditional		Buyer Traditional		Seller e-commerce		Buyer e-commerce	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
High expectations of seller/buyer for performance	3,67	1,073	3,00	0,000	3,58	1,240	3,50	0,535
The level of trust among seller-buyer	3,92	1,165	4,25	0,500	4,17	0,389	3,50	0,756
The level of honesty in relationships among seller-buyer	3,83	1,030	3,25	0,957	3,92	0,515	3,63	0,744
Supplier' approximation for relationships creation	3,33	0,985	3,25	0,957	3,67	0,778	3,38	0,518
Technical support, R&D from suppliers	3,33	1,155	3,75	0,957	3,83	0,937	3,25	0,886
Forecasting for time reduction	3,75	0,622	3,00	1,155	3,92	0,996	3,38	0,916
Firm's brand helps relationships' creation	4,00	0,603	3,00	0,000	4,42	0,669	3,50	0,926
The way that buyer utilizes the price information provided fro suppliers.	3,58	0,793	3,25	0,957	3,83	0,718	3,25	0,707
The importance that gives high management to the external relationships	3,67	1,231	3,25	1,258	3,58	0,996	3,75	0,707

The model for the firms moving to e-business strategy

The abilities of seller/buyer. This model refers to the *major abilities from suppliers/buyers* via the internet. This model encourages potential suppliers to initiate business relationships or transactions by approaching the buyer in the hope of providing them with the required products or services. In addition, this model enables buyers to reduce their costs with the ability to view the list of products or services being offered to them, but has also enhanced B2B e-relationship management (Figure 1).

Figure 1: The Model



Discussion of the results

Most of B2B firms of our sample stem to have an e-business orientation considering the necessity derived from the implementation of electronic transactions. Thus, there is a strong belief that e-business facilitate the development of e-relationships. All firms retain a site while some of them have invested in specialized technology in order to help B2B transactions. According to the findings two groups of firms have emerged. The first group referred to those firms which are oriented to the New economy have linked their objectives with an e-business strategy. These firms have developed the methods and the capabilities to transmit the strategy in all levels of the organization. In addition they promote these specific e-business transactions to partners who are directed toward the same orientation. The second group of firms haven't developed a specific e-business approach as they have neither invested in network to promote an e-business strategy nor have they made professional collaborations with external partners. Unfortunately in these firms there is both lack of knowledge and the information received from the external environment is not efficiently managed. Consequently these firms don't allocate resources to ensure the implementation and the transmission of e-business.

The analysis of the results identified the extent to which some important factors from the marketing and from the logistic point of view play a vital role in seller-buyer e-relationships.

The price in combination with the quality assists the relationships in the traditional level. The exception is the brand name which doesn't help enough. Unlike to this in e-commerce the partners accept that the combinations of three factors (price-quality –brand name) are the preconditions for the relationships to be developed.

The second ascertainment is the sellers from the traditional point of view focusing on distribution linking to lead times while the buyers remain conservative (4.33-3.67), (4.67-4.17). On the other hand in e-commerce the sellers consider that a rational distribution assist the lead times (3.75-4.63) with the buyers to present a differentiation in this combination (distribution-lead times).

The responsiveness and the customer service are the next combination that assist both the relationships and in traditional or e-commerce level.

In the end the R& D among partners and the evaluation from the supplier/buyer lead to the customer development and it can be improved through common projects, facilitating commercial relationships.

Conclusions

The Greek economy consists of those B2B firms which targeting e-commerce as the next step and try to adapt an innovation culture, and the rest firms operate in traditional businesses, and judging that the market is not ready for such changes. As a result, businesses operate within the same culture, with common needs and expectations but using different means of achieving their objectives. The research showed that firms' common aspect is that business culture remains the same and an innovative culture has to be implemented aiming to the standardization of processes.

In dyads where e-commerce is mainly used, B2B firms consider that the process standardisation leads to long term relationships, agreeing with equivalent dyads where e-commerce is mainly not used. The research of marketing elements factors plays a crucial role in perfecting the mechanism in long-term e-Relationship maintenance.

There needs to be changes in infrastructure, such as better training of personnel by specialists, the creation of upgraded web sites, but also the strategic planning of the use and development of e-business. Greece's challenge during the next decade is to capitalize on new technology developments and to use in order to promote and market the product better. The situation is similar in a number of 'second Internet wave' countries that are gradually reaching their Internet maturity.

From the research work firms to succeed in new e-Ra need a better and continuous absorption of external knowledge – that encompass many sorts of knowledge such as knowledge of the competition, knowledge of customers needs, technology and product trends, knowledge of core science, technologies and processes from other networks.

References

Adobor H., McMullen, R., 2002,"Strategic partnering in e-commerce; guidelines for managing alliances", Business Horizons, 45, 2, 67-76.

Bennet, R, 1997, "Export marketing and the Internet: experience of Web site use and perceptions of export barriers among UK businesses", Internet Marketing Review, 14, 5, 324-344.

Andrew Cox, Lorna Chicksand and Paul Ireland (2003), "Internet news for the 2003 volume", The Birmingham Business School

George S. Day and Katrina J. Bems, "Capitalizing on the Internet Opportunity," Journal of Business Industrial Marketing 20, no. 4-5 (2005):pp. 160-168.

Mc Donald, R. 2005, "A survey of inward investment to Greece" Special Survey 55: A supplement to issue 12 of the Greek Monthly Business Magazine "OIKONOMIKI EPITHEORISSI".

Earle, N. and Keen, P. (2000) "From .com to profit"

Jones,R. (1996) 'Digital equipment corporation: creating new business' The internet strategy handbook – Harvard Business School Press

Lei, D., 1991, "Global strategic alliances: payoffs and pitfalls", Organizational Dynamics, 19, 44-62.

Lado, A.A., Boyd, N.G., Hanlon, S.C., 1997, "Competition, cooperation, and the search for economic rents: a syncretic model", Academy of Management Review, 22, 1, 110-41.

United Nations Conference on Trade and Development UNCTAD 2003

Andrew Lancastre and Luis Filipe Lages 2004 "The Relationship between Buyer and a B2B e-Marketplace"6th European Framework Program, Specific Support Action-CoCombine. Andrew Lancastre acknowledges UNIDCOM/IADE and Luis Filipe Lages is grateful to "Nova Égide".

Malone, T. (2004), *The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style and Your Life*, HBS Press, Boston, MA, .

Middleton ,V., 2001, *Marketing in Travel an Tourism*, 3rd edition, Butterworth – Heineman, Oxford

Jacob Nielsen, "B-to-B Users Want Sites with B-to-C Service, Ease," B to B 90 (June 2005): p.48.

Parkhe, A., 1991, "Interfirm diversity, organizational learning, and longevity in global strategic alliances", Journal of International Business Studies, 22, 579-601.

Parkhe, A., 1993, "Strategic alliances structuring: a game theoretic and transaction cost examination of interfirm cooperation", Academy of Management Journal, 38, 794-829.

Don Peppers and Martha Rogers, Return on Customer (New York: Currency-Doubleday, 2005), p. 42.

Singh, M. (2002). *E-services and their role in B2C e-commerce*. Managing Service Quality, 12:434-446

Sinha, I. (2000). *Cost transparency: the Net's real threat to process and brands*. Harvard Business Review, March/April, 43-52

Turban, E., Lee, J., King, D., Chung, H.M. (2002). *Electronic Commerce: A Managerial Perspective*. Prentice-Hall Inc:NJ.

Smith, A. (2004), *Information exchanges associated with Internet travel marketplaces* Online Information Review Volume 28 Number 4 2004 pp. 292-300

Weller,TC (2000) "B2B" e-commerce :*The rise of eMarketplaces*", Research Report ,Legg Mason Wood Walker,Inc,Reston V.A

"US E-Commerce Performance Reported," I-Ways 28, Issue 3 (2005): pp 129-132.

"US. B-to-B Commerce: Internet Spending 2004-2008, "Marketing News, July 15, 2005, p.29.