



Chapter IX

The Future of E-Business and E-Partnerships

Introduction

As demonstrated in this book, e-partnerships have significantly improved the efficiency of e-businesses and the supply chain. The collaboration between e-partners has reduced operating costs, shortened lead time of the supply chain, enhanced customer service levels and helped eliminate transaction errors in the entire supply chain, thus adding significant value to the supply chain and other businesses. Kafka et al. (2000) predicted that in spite of the misfortunes of e-marketplaces over the past few years, from an international perspective, the demand for e-marketplaces worldwide will grow steadily from US\$2.5 billion in 1999 to US\$15 billion in 2004. The overall improvement of economic conditions worldwide in 2003 and 2004 and the recovery of investors' confidence in high-tech and e-business industries have refueled the growth of e-businesses, including e-marketplaces. Indeed, the public interest in Google's IPO launched in August 2004 is an indicator of the recovery. After two days trading, Google's share price jumped 27%, and the company's value (around

US\$29 billion) now equals that of the Ford Motor Company. According to the projection made by Forrester Research, online sales will grow at a year-over-year pace of 19% to US\$225.9 billion in 2008 in the United States. Further, the number of online shoppers will also increase significantly, and nearly 5 million new United States households will shop online every year (*TechWeb News*, 2003). The mega-economic environment entails a positive and promising future for e-business, although there are many challenges and hurdles that need to be surmounted. So, what will be the landscape of tomorrow's e-business and e-partnership? This chapter attempts to answer this question.

This chapter is bifurcated, speculating the future trends of e-business and e-partnership extrapolated from current development and formulating overall conclusions based upon the research of the book.

Future Trends of E-Business

As the key premise of e-partnerships lies in a thriving e-business environment, the future of e-partnership development is tightly bound with, and determined by, the future of e-business. The author speculates possible development trends in e-commerce and e-business in the near future on the basis of current development patterns, which contribute directly to the viability of e-partnerships.

E-commerce and e-business practices will continue to grow. Industry analysts and renowned research groups, such as Gartner Group, have projected a strong growth in e-commerce and e-business, estimating the market will be worth US\$7.3 trillion worldwide in 2004 and will continue to grow in the next few years. However, unlike some of the present examples, e-business will be more mature (rather than experimental) in nature, in terms of the scope, quality and credibility of online customer services and products. Participating in e-business will be part of every executive's job in the near future. Despite its success, the recent initial public offering (IPO) of Google's shares saw them fall below the price range set by its executives, suggesting that many investors are still very cautious about e-business in the wake of the disastrous dotcom crash in which millions of shareholders around the world were badly burned. The response to Google's IPO indicates that the public expectation for high-tech e-business ROI tends to be normal now and views e-business and e-commerce as the same as other businesses.

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