Impact of Electronic Data Interchange on Business Communication and Communication Strategy Evolution in the Digital Age

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Abstract: The research focuses on strategic approaches employed by businesses to enhance communication efficiency amidst the pervasive digital metamorphosis, with a primary emphasis on the role of EDI. The study unfolds in two dimensions: first, the optimization of communication channels through EDI, emphasizing accelerated information flow, reduced errors, and strengthened relationships. Second, it delves into personalized communication in the digital transformation era, revealing how companies leverage EDI for tailored messages, heightening customer engagement and conversion rates. The study explores the evolving role of communication professionals, emphasizing the acquisition of data analysis skills in a data-driven business environment. The paper introduces a specialized algorithm to illuminate the intricacies of the EDI process, providing a systematic approach to grasp the electronic organization, translation, and transmission of data. It underscores the importance of cybersecurity, especially in handling sensitive data in increased digital interactions. The study offers guidance on enhancing communication strategies amid ongoing digitization.

1. INTRODUCTION

In the contemporary business landscape, Electronic Data Interchange (EDI) stands as an important technology reshaping the dynamics of information exchange. EDI, at its core, involves the electronic transmission of structured business documents between trading partners (Sun, 2023). It replaces traditional paper-based methods, fostering efficiency by streamlining processes and minimizing manual intervention (Addo, 2022).

Business communication encompasses the strategies and practices employed by organizations to convey information both internally and externally (Cornelissen, 2020, p. 336). In the digital age, the landscape of business communication has undergone a paradigm shift. It now extends beyond traditional mediums to incorporate diverse digital channels, emphasizing the need for adaptability (Ancillai et al., 2019) and strategic utilization of technology to ensure effective message dissemination.

Communication strategy in the digital age reflects the dynamic approach organizations adopt to navigate the complexities of the contemporary business environment (Teubner & Stockinger, 2020). It involves leveraging digital tools, data-driven insights, and technology-driven platforms to tailor communication efforts. This strategic adaptation is essential to engage diverse audiences (Hyland-Wood et al., 2021), enhance brand perception, and align with the rapidly evolving expectations of stakeholders in the digital realm.

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The research is organized into distinct sections: “Optimizing Communication Channels Through EDI” explores how EDI accelerates information flow, reduces costs, and strengthens inter-organizational relationships. “Personalized Communication in the Digital Transformation Era” investigates EDI’s role in tailored communication, enhancing customer engagement and real-time responsiveness. “Evolution of Communication Professionals in a Data-Driven Landscape” emphasizes the important role of communication professionals in adopting EDI and acquiring data analysis skills. The research methodology includes a practical example, showcasing a specialized algorithm for electronic data organization, translation, and transmission within the EDI process. “EDI in the Automotive Industry” scrutinizes EDI’s role in streamlining coordination and addressing industry-specific challenges. “Addressing Cybersecurity Challenges in the Digital Age” underscores the importance of robust cybersecurity measures in EDI implementation. The concluding sections, “Discussion” and “Conclusion”, provide practical guidelines and summarize the transformative impact of EDI on communication strategies. Together, these sections offer a concise exploration of EDI’s influence on modern communication channels and strategies.

2. OPTIMIZING COMMUNICATION CHANNELS THROUGH EDI

The strategic integration of Electronic Data Interchange (EDI) significantly shapes the optimization of communication channels (Culot et al., 2019) in today’s business milieu. The acceleration of information flow stands as a cornerstone of EDI’s impact. By displacing traditional paper-based documentation and eliminating manual data entry, EDI establishes a streamlined and expeditious channel for information exchange (Carvalho et al., 2020). This paradigm shift is particularly noteworthy when contrasted with conventional methods like mail or fax systems. An equally critical aspect of EDI lies in its capacity to institute a standardized format for transactions (Kumar et al., 2020). This universal adherence to a standardized foundation serves as a safeguard against potential pitfalls such as data misinterpretation and formatting discrepancies. EDI has been shown to contribute to a noteworthy reduction in transaction costs (Oleiwi, 2023). This revelation underscores not only the efficiency gains but also the economic advantages associated with the adoption of EDI. The integration of automated processes, synonymous with EDI, transcends mere operational efficiency and becomes a catalyst for profound enhancements in inter-organizational relationships and substantive cost savings (Abbasnejad et al., 2021). The integration of automated processes, synonymous with EDI, transcends mere operational efficiency and becomes a catalyst for profound enhancements in inter-organizational relationships and substantive cost savings. In terms of relationship enhancement, the automated processes facilitated by EDI engender a heightened level of reliability and consistency in business transactions. The standardization intrinsic to EDI protocols minimizes the risk of misunderstandings, cultivating stronger, more resilient relationships between collaborating entities (Camarinha-Matos et al., 2019).

The systemic reduction of manual intervention within the transactional process translates into tangible cost savings (Syed et al., 2020). By obviating the need for intermediaries to review documents, EDI significantly contributes to operational cost reductions, offering a transformative economic dimension.

3. PERSONALIZED COMMUNICATION IN THE DIGITAL TRANSFORMATION ERA

Personalized communication in the digital transformation era refers to the practice of tailoring communication strategies and messages to individual recipients based on their preferences, behaviors (Nobile & Kalbaska, 2020), and characteristics in the context of the ongoing digital transformation.
In this era, businesses leverage advanced technologies and data-driven insights to create customized interactions with their audience, aiming to enhance customer engagement and satisfaction. The previous discussion on the functionalities of Electronic Data Interchange (EDI) in order processing and fulfillment significantly contributes to understanding how EDI is applied in the context of personalized communication during the digital transformation era (Ali & Govindan, 2023). The automated exchange of order information through EDI establishes a foundation for personalized communication. By facilitating the direct transmission of electronic messages containing specific details about customers, products, quantities, prices, and delivery instructions (Rosário & Raimundo, 2021), EDI enables organizations to customize their communication based on individual preferences. The structured format of EDI orders, defined by message standards like EDIFACT (Sahinaslan et al., 2022), provides a unique framework that supports the interpretation of data. This structured approach allows organizations to effectively utilize EDI data for tailoring communication to the individual needs of customers. Integration with existing order management systems further enhances the efficiency of the process, enabling the direct transfer of data into internal systems.

This integration reduces the risk of errors associated with manual data entry, providing organizations with accurate information for more personalized communication. Real-time visibility and tracking, key advantages of EDI in order processing (Sahraoui et al., 2023), align with the requirements of personalized communication. Instant access to order statuses and inventory levels allows organizations to respond to customer needs in real time, fostering a personalized and responsive communication approach.

4. EVOLUTION OF COMMUNICATION PROFESSIONALS IN A DATA-DRIVEN LANDSCAPE

Positioned at the nexus of traditional and emerging communication methodologies, contemporary communication professionals find themselves at the forefront of businesses increasingly embracing EDI for streamlined communication. Professionals are entrusted with orchestrating seamless technological integrations, transcending conventional practices and necessitating adaptability to navigate sophisticated digital tools effectively (Mally, 2023). At the core of this transformative phase lies the imperative for professionals to acquire proficiency in data analysis. EDI, as a prime example, demands a nuanced understanding of data flows, document preparation (Kosmol et al., 2019), and the complex process of translating information into standardized EDI formats. This acquisition of skills is a direct response to the exigencies of effective communication within the realm of electronic information exchange.

The tangible evolution of communication strategies in the context of EDI is evident in the meticulous steps of the EDI process. From the electronic organization of data in document preparation to the translation into the EDI format using specialized software (Sun, 2023), each phase underscores the need for adept mapping expertise. The subsequent connection and transmission phase, whether through direct connections or EDI Network providers, encapsulates the essence of contemporary communication strategies.

5. RESEARCH METHODOLOGY – PRACTICAL EXAMPLE OF HOW EDI WORKS

A specialized algorithm developed by Panteon Plus - Belgrade, will be employed to illuminate the intricacies of the EDI process. This proprietary algorithm, designed with a focus on enhancing clarity and efficiency in electronic data interchange (Addo, 2022), serves as a valuable tool...
for dissecting each phase of the EDI workflow. The presented algorithm outlines the process: Prepare the documents, Translate the documents into EDI format, Transmit the EDI documents to your partner.

**Algorithm: EDI Processing**

```python
def edi_process(data):
    prepared_data = prepare_documents(data)
    translated_data = translate_to_edi_format(prepared_data)
    transmitted_data = transmit_edi_documents(translated_data)
    return transmitted_data

def prepare_documents(data):
    # Logic for collecting and organizing data
    prepared_data = # Prepared data in electronic format
    return prepared_data

def translate_to_edi_format(data):
    # Logic for translating data to EDI format
    translated_data = # Translated data in EDI format
    return translated_data

def transmit_edi_documents(data):
    # Logic for transmitting EDI documents
    transmitted_data = # Transmitted data
    return transmitted_data

# Example Usage
edi_result = edi_process(your_data)
```

The provided algorithm delineates the EDI process, furnishing professionals with a systematic approach to grasp the electronic organization, translation, and transmission of data. The presented methodology ensures a clear understanding of the intricacies involved in modern communication strategies, emphasizing the role of EDI in the dynamic landscape of digital communication.

### 6. EDI IN THE AUTOMOTIVE INDUSTRY

In the complex world of the automotive industry, characterized by demanding processes such as Just-in-Time (JIT) and Just-in-Sequence (JIS) production, Electronic Data Interchange (EDI) stands out as a main technology (Nürk, 2019). It serves to streamline coordination and ensure a standardized exchange of logistics information between Original Equipment Manufacturers (OEMs) and their extensive network of suppliers (Deng & Xu, 2023). Within the present-day challenges of the automotive sector, EDI proves to be a robust solution. Fueled by high-quality demands and unrelenting time pressure, the industry relies on EDI to achieve rapid updates of delivery forecasts, process and meet clients’ delivery specifications, and comply with legal and tax-law requirements.
Looking ahead, EDI positions itself as an adaptive response to future challenges. These challenges encompass the ever-shortening product cycles, unexpected delivery bottlenecks, and the transformative impact of innovations such as Artificial Intelligence (AI), Cloud computing, Big Data, and the Internet of Things (IoT) (Buckley et al., 2023, p. 94, 95, 114). Additionally, as the industry undergoes significant transformations due to trends like e-mobility and the emergence of new digital ecosystems, EDI remains a versatile and indispensable tool. In addressing the diverse requirements of the industry, various options for EDI communication play an important role. EDI integration facilitates direct document exchange via a company’s ERP system, ensuring seamless connections with the systems of business partners. For smaller partners lacking their own ERP systems, Web EDI provides a practical web-based interface on EDI platforms (Malallah & Abdulrazzaq, 2023) for efficient document exchange. Exploring the key EDI standards prevalent in the automotive sector reveals the comprehensive nature of EDI’s role.

7. ADDRESSING CYBERSECURITY CHALLENGES IN THE DIGITAL AGE

As organizations embrace Electronic Data Interchange (EDI) for streamlined business processes, prioritizing cybersecurity in EDI implementation becomes paramount. The secure exchange of sensitive business data is integral to safeguarding an organization’s reputation, financial integrity, and customer information (Efijemue et al., 2023). EDI involves the computer-to-computer exchange of standardized electronic business documents between trading partners. To reduce cybersecurity risks, organizations must implement robust data security controls and adhere to stringent practices. The main components of securing EDI operations include implementing secure communication protocols (Sun, 2023), compliance with data protection regulations, effective management of user identities and access, securing systems and networks, continuous monitoring for security events, and vigilant vendor management (Meagher & Dhirani, 2024).

While EDI facilitates seamless data exchange, it also introduces cybersecurity risks due to the nature of the data involved (Biasin et al., 2023). Sensitive business information, such as purchase orders, invoices, and payment details, is transmitted between different computer systems during EDI transactions. This valuable data is a target for cybercriminals seeking financial gain. Unauthorized access to data poses a significant risk in EDI systems. Hackers gaining entry to an organization’s EDI system can exploit or steal sensitive information, including customer data, financial records, or trade secrets (Abu-ulbeh et al., 2023). Additionally, they might manipulate or delete data, disrupting business operations and resulting in financial losses. To address these risks, organizations must implement robust cybersecurity measures for their EDI systems. This includes encrypting data during transmission and storage, establishing stringent access controls and authentication protocols (Omotunde & Ahmed, 2023), regular monitoring and updates for system vulnerabilities, and developing incident response and disaster recovery plans. To further reduce risks, organizations can opt to engage specialized EDI service providers. Through its proprietary business network (Oleiwi, 2023), Panteon.net®, the company ensures reliable and secure electronic data transmission, boasting over a decade of specialized experience in the field.

Collaboration with trading partners and service providers is very important, ensuring they follow cybersecurity best practices through security control verification and regular security audits.
8. DISCUSSION UNVEILING UNIQUE IMPACTS OF EDI IN COMMUNICATION OPTIMIZATION

Optimizing communication channels through Electronic Data Interchange (EDI) establishes a standardized framework that accelerates information flow while concurrently reducing operational costs (Kopczewski et al., 2020). This resonates with established research, which emphasizes the dual benefits of efficiency and cost reduction in EDI implementation. The application of EDI in fostering personalized communication during the digital transformation era is evident through its facilitation of direct and tailored exchanges of detailed order information.

The study aligns with existing literature that emphasizes the efficient customization of communication through proper data interpretation using EDI standards.

The evolution of communication professionals in a data-driven landscape (Smit et al., 2022), particularly within the context of EDI, is marked by a distinct focus on acquiring data analysis skills. This mirrors broader industry trends where communication professionals are increasingly required to navigate sophisticated digital tools and processes. In the automotive industry, EDI emerges as an important technology (Okano & Fernandes, 2019), streamlining the exchange of logistics information in complex supply chains. The results underscore its adaptability and efficiency in addressing the industry’s challenges, aligning with similar studies that highlight the broader applicability of EDI solutions in sectors with complex logistical demands. Addressing cybersecurity challenges in the digital age is emphasized due to the sensitive nature of data exchanged (Biasin et al., 2023) through EDI. The study underlines the necessity of robust data security controls, encryption protocols, and vigilant monitoring to reduce potential risks, aligning with established cybersecurity best practices in digital transactions. These findings provide a nuanced understanding of the specific impacts of EDI without reiterating previously presented facts.

9. CONCLUSION

Despite the improved efficiency and accelerated information flow provided by EDI, the key to success in the digital era lies in the thorough preparation and training of personnel. The study recommends companies invest in comprehensive training programs that enable employees to acquire data analysis skills, document preparation proficiency, and an understanding of the essential processes of translating information into standardized EDI formats (Andiyappillai, 2020). The anticipated increase in digital interactions necessitates enhanced security measures. It is recommended that companies establish robust security protocols, including data encryption, regular security audits, and staying in line with the latest advancements in cybersecurity to safeguard sensitive EDI data.

Given the shifting dynamics of communication, collaboration between communication professionals and IT teams becomes important. This synergy allows for seamless technological integrations, aligning communication strategies with the capabilities of sophisticated digital tools. To anticipate future challenges, this research recommends companies stay informed about the development of new technologies (Awan et al., 2021). Monitoring trends in artificial intelligence, cloud technologies, big data, and the Internet of Things enables adaptive and resilient communication strategies.

The study also recommends researching tailored EDI solutions that cater to the specific needs of the industry (Kamasak et al., 2023). Customizing EDI integration to the sector’s specific
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requirements enhances efficiency and effectiveness, ensuring a fluid and responsive communication environment.

These recommendations, stemming from an in-depth analysis of the impact of Electronic Data Interchange on business communication and the evolution of communication strategies in the digital age, provide practical guidelines for companies seeking to improve their communication strategies amid the ongoing process of digitization. These guidelines represent fundamental principles for navigating the complex intersection of communication and technology in the modern era. Future research could delve deeper into effective strategies for personnel training and preparation, ensuring organizations are well-equipped to maximize the benefits of EDI adoption.

References


