

E-business and jp morgan chase essay



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E-business has become the new way of doing business in today's economy and for some organizations it is the only way of doing business. Several brick-and-mortar businesses today have opened up an e-business online that has provided them several new opportunities to capture business that they weren't available to before. This paper will discuss the affect e-business has on JPMorgan Chase and Company (Chase), the advantages, limitations, and risks e-business has provided to this organizations and how Chase is benefiting from the use of e-business.

Online Banking The Internet offers businesses the opportunity to reach millions of customers and communicate with them on many levels. Many businesses setup virtual stores to sell products whereas other businesses use the Internet to communicate with their customers and provide a specific service such as online banking. JPMorgan Chase is one of the largest and best known financial institutions.

According to JPMorgan Chase (2010) the bank now known as Chase was founded in New York in 1799 and currently has a global present with operations in more than 50 countries. Chase bank started out as a small brick-and-mortar financial institution providing small business loans and private banking to the wealthy. Today they have grown their presences by offering several convenient locations across the world as well as designed a well established online banking website giving their customers the option to visit a physical branch or do their banking transactions from the comfort of their home.

The Effects of E-Business on JP Morgan Chase In the early 80s Bank One a company bought out by JP Morgan Chase developed and tested one of the earliest online home banking systems called Channel 2000.(JP Morgan Chase, 2010) This system allowed customers to view banking statements, pay bills, and shift money between their accounts. From this platform Chase could develop their own online banking system that permitted their customers more options to buy and sell stocks, view statements, balance their checkbooks, and track their budgets.

The effects from this online banking system gave Chase a competitive advantage in the banking industry that caused several individuals to switch their banking over to Chase. The development of online banking gave Chase more opportunities to market to customers that they could not reach before by offering them more convenient ways to do their banking online. Furthermore, these opportunities lead to the exponential growth in profits that Chase saw in the 80s.

Today online banking has become an industry standard and provides Chase with a very successful e-business. Offering a wide-range of services online such as bill pay, money transferring, commercial banking, investment management, and credit monitoring, Chase has been able to charge small fees on these services helping increase their bottom line. Not only does online banking have a number of positive effects on Chase's business operations it has also lead to new technology innovation in the banking industry. With the development of online banking several other services in the banking industry are now available online or through the use of mobile

technology making it even easier to manager one's personal and commercial finances.

Advantages, Limitations, and Risks of E-Business Chase has harness many of the advantages that online banking has brought to them such as an increase in new customer accounts, increase competitive advantage, and newer innovations allowing them to develop new banking standards, but from reward comes risks. With the start of online banking Chase has had to deal with several new risks that threaten their business organization. External risks that Chase must deal with in today's world are hackers, malicious users, and security breaches. These risks can have a big impact on the business if not protected against.

According to Acohido (2010) back in September of 2010 Chase had a three-day outage of it consumer online banking system that caused all there online banking to cease. Chase ruled out an online attack and stated it was caused by a system outage from a third party vendor. However, cybersecurity experts stated that it was too early to rule out some sort of malicious attack. Whether it was a system outage or some type of online attack these are the risks associated with e-business that Chase must protect against. Events like this outage can cause damage to there branding image or worst could have caused a breach in there security. This is why Chase along with other banking counterparts has had to come up with new innovations to protect the business and it customers from potential attacks like this.

Limitations from e-business can be partial but is based on the willingness of the business to spend capital on it. If a business doesn't want to spend

money on their e-business then that part of their business operations will provide limited functionality and only return so many benefits back to the organization. With Chase online banking there is every aspect of banking provided to the customer which doesn't pass any limitations on to the customer. Furthermore, online banking has given Chase the opportunity to discover more about their customers, develop new marketing trends, and reach millions of customers around the world.

Conclusion Today businesses must keep their competitive advantage to stay in operation. Several businesses have turned to the Internet to help them keep their competitive advantage over their rivals. JP Morgan Chase have developed a virtual banking world that has permitted them to capture more customers and increase their bottom line. Chase has been positively affected by their decision to open an online banking website that gives their customers more options to bank with them. In conclusion this paper discussed the affect e-business has on Chase, the advantages, limitations, and risks e-business has provided to this organizations and how Chase is benefiting from the creation of their online banking world.

Reference

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