The social economic and legal impact resulting from ebusiness essay sample

This project is to investigate and analyse the social, economic and legal impact resulting from the adoption and growth of eBusiness. The project also investigated the web-based business of Rosenbluth and Dell.

eBusiness is not just the buying and selling of goods and services it is also servicing customers, collaborating with business partners and conducting electronic transactions within an organisation. eBusiness is the complex fusion of business processes, enterprise application and organisational structure necessary to create a high performance business model. In business to date, eCommerce and eBusiness are used interchangeably.

A brief history of the emergence of eCommerce and eBusiness :

1969 Packaged switch network

1971 An elementary form of email, a computer messaging system

1991 The beginning of the World Wide Web (WWW)

1993 Force browsers Netscape

1995 The Internet

The widespread adoption of technology and broadband has enhanced the growth of business. Travel services, (96% of Ryanairs businesses are done on line) books, compact discs (CDs) and entertainment tickets continue to be the biggest online purchases among Internet users. Consumers can compare prices and check all of the different tour operators on line. They are often given a discount for booking their ticket online. This means the

intermediaries are made redundant which in turn leads can lead to job losses.

Many businesses are selling solely on line. For example, Amazon. com and Netflix conduct all of their business is done online. EBusiness is likely to have a huge impact on the way we do business. It has the potential to lead to dramatic growth in trade, increase markets, improve efficiency and effectiveness and transform business processes.

Ireland's e-commerce sector has grown rapidly in recent years, mainly attributed to U. S. and other non-European computer and information technology companies' use of the country as a gateway to the rest of the European continent. U. S. firms find Ireland attractive because of its relatively low taxes, highly educated population, its inclusion in the euro-zone and because it is the only English-speaking nation in the European economic and monetary union.

Legal

eBusiness has developed so rapidly that is difficult for legislation to keep up. It would not be feasible to have laws governing ebusiness worldwide. The legal framework for trading online can be unclear. The European Commission proposes to make it the responsibility of the individual member states to determine legal paths. The EU is trying to ensure that ecommerce is adequately regulated and that " e-customers" have the same protection as consumers with bricks and mortar industries. Different laws govern what you can buy over the Internet. Items that are illegal in one country may be

purchased over the Internet. For example, iTrip FM transmitters for iPods are available to purchase over the Internet. These devices allow the user to hear an iPod on a standard radio receiver, which is legal in the U. S. However it is illegal to broadcast on the FM waveband in Ireland without a licence and such a device would be illegal to buy from a conventional store but consumers are still capable of ordering such devices from the U. S. over the Internet. Directives are laying down the legal framework for electronic commerce in Europe from the European Commission.

Data Protection deals with the holding of personal data on individuals and is covered in each of the EU member states by Data protection legislation Security can be seen as one of the major barriers to the growth of ebusiness. Private information can be misused by the company that hold it or by hackers who wish to make money for such information. Data Protection covers how information may be held and processed. Google promotes users to keep their emails, which are stored on their servers by offering them 2 gigabytes of storage space for email. The concern would be if this data would be assessable if required in a court of law?

Security concerns also continue to be a major barrier to online shopping with 66% of Internet users agreeing that companies are not doing enough to demonstrate the security and safety of online shopping.

The Directive on Distance Selling and Financial Services covers all types of distance contracts and it requires companies selling financial services to provide consumers with certain information prior to the conclusion of a contract such as the general terms and conditions that apply.

Record labels say they're losing millions of dollars to CD burning and file sharing. Sony tried to prevent this by issuing more than 50 CD titles from artists such as Neil Diamond and Celine Dion with the XCP software. When played on a Windows PC, the software controlled how many times the CD could be copied, and documented users' listening habits. Microsoft said a key part of the XCP copy protection system counted as malicious software under the rules it uses to define what Windows should be protected against It plans to include detection and removal tools for parts of XCP in its weekly anti-spy ware software update

Results of the seventh annual CyberSource Corporation survey of eCommerce fraud show the burden of online fraud is falling on the shoulders of the mid-to-large eCommerce merchant. After several years of flat or declining fraud loss rates, mid-to-large merchants reported a reversal of that trend in 2005. For mid-sized merchants selling $5-$25 million online, average fraud losses increased from 1. 5% of revenue in 2004 to 1. 8% in 2005.

The key problem facing larger merchants as they work to fight online fraud is the increasing volume of orders they must process each year combined with their reliance on time-consuming, labour intensive, manual review processes.

" The continuing development of new technologies has transformed the way business is done today and we must therefore make ourselves secure against the threat of Internet and e-commerce fraud, forgery and counterfeiting," said Michael Ahern T. D., Minister for Trade and Commerce discussing the future of Irish security at the opening of the Annual Conference of the National Standards Authority of Ireland (NSAI).

Central Statistics Office figures indicate that e-commerce now accounts for about a quarter of industrial turnover however a recent survey by the Consumer Reports Web Watch also shows that 25% of US internet users have stopped buying on line because of the fear of identity theft, credit card fraud and leaking of personal information.

Transactonline was recently launched by AIB this protects on-line shoppers by issuing a virtual card number every time you make a purchase. The disposable number is accepted by the bank and the card company but appears to the retailer to be an entirely normal account number.

Bank of Ireland are due to launch a similar safeguard called Net Guardian Smart cards that store information on a chip rather than a magnetic strip should make fraud that little bit more difficult

Social

Shopping can be faster and more convenient. Consumers can shop from the comfort of their own home 24 hours a day seven days a week, thus avoiding long queues, parking fees etc. Offers and prices can change instantly. Prices can be checked instantly and compared to other retailers. Databases can be kept of consumer preferences and recommendations made for future purchases. Allows faster delivery of products and services especially with digitised e. g. downloading music, software etc. Information may be retrieved in seconds. It is possible to participate in virtual auctions. It allows for the interaction of consumers and it enables the exchange of ideas and comparisons.

Websites can replace bricks and mortar stores. A small business in Connemara can have the same impact online as can a hug retail store in down town New York. People in rural areas and third world countries can access services or production, which were otherwise inaccessible.

EBusiness affects people's everyday lives their work and employment. It enables individuals to work from home resulting in less traffic on roads, which in turn leads to less pollution in the air. It changes work practices, customers/suppliers relationships. The way products are delivered to the consumer and changes in staff skills needed to support business. It also eliminates geographic distance. It offers significant savings in and between firms, especially in the processing and delivery of digital products.

EBusiness can provide closer and faster links with suppliers and customers. Consumers can do their research on line before they invest in a product or service. They can compare prices and receive all the information they require about the product or service. This eliminates lengthy phone calls or face-to-face transactions with sales staff. This can amount to huge savings for the firm, which can in turn be passed on to the consumer. Conducting business electronically allows for less errors and a speedy process insuring the order receipt and invoice correspond providing it is set-up and managed correctly

There are issues of tailoring websites to suit a particular audience. Websites needs to be designed for the particular audience it wishes to target. Across the globe there are many different languages customs and cultures. There are more developing countries coming online. Some may be illiterate, have a

language barrier, and have no experience of modern technology, and therefore technology should not be complicated. It must be made more users friendly. It should be as simple to use as a mobile phone.

e-Learning

The term e-Learning represents the concept of using computers and information technology to teach and to learn. e-learning offers a new way to conduct training by using the Internet and modern computing technologies to conduct comprehensive and interactive student and employee training.

e-Learning is able to capitalise on the growing worldwide desire for on-demand learning. People in different physical locations, time zones and even speakers of different languages can all participate in the same e-Learning program. Successful e-Learning programs are able to deliver consistent learning contents at a significant time and cost saving manner comparing to the traditional approaches.

In an interview with Forbes , Peter F. Drucker said:

" Thirty years from now, the big university campuses will be relics. Universities won't survive. Already we are beginning to deliver more lectures and classes off-campus via satellite or two-way video at a fraction of the cost. The college won't survive as a residential institution."

The Web offers a new form of interactive learning that allows almost anyone to learn virtually anything, anywhere, at any time. The future requires just-in-time learning where learners can " dial a tutor" – a life mentor – anywhere

in cyberspace. Mass education can never compete with that, and it inevitably will be replaced by individualized, lifelong e-learning via the Web.

The core goal of the Irish Governments policy on the Internet is to build the competencies and infrastructure necessary to secure international investment, increased foreign trade and ensure that all sections of society can participate in the ' knowledge economy'. Broadband telecommunications is seen as being as important in the 21st century as electricity was the 20th century and railroads in 19th century.

To access public services using the internet it will be possible to transact business with Government or public service agencies (including local authorities, health boards etc.) from a single access point – whenever and wherever you wish. This might include paying your taxes, taxing your car, applying for a driving test, applying for a medical card, applying for a grant or for planning permission, applying for a passport or for Unemployment Benefit.

Economic

With wide spread acceptance and low cost entrance ebusiness is changing the world economy. Websites can be updated frequently and without huge outlay of capital, and savings can be passed on to the consumer. Online shoppers are very price-sensitive and are easily lured away, so acquiring and keeping new customers is difficult. Online customers are more interested in the company's business propositions than its brand. Customers will only buy

the product or use the service until they find a company offering better discounts.

Kenny's bookshop in Galway has gone from a bricks and mortar store to a complete online business. Many of their customers are from the U. S. Starting out as a conventional store they initially went on line to advertise their bookshop and they received so much online business they decided to close their shop in Galway and concentrate solely on the online business as this was more profitable.

EBay and Amazon remain at the top of eBusiness becuase of efficent communication and value to the customer. eBusinsess has reduced huge sales and service costs for many firms. Traditional service personnel visited customers. Representatives from the firm called to take orders. This involved travel expenses and overnight accommodation. Much of this can now be done electronically. Other savings can be made by not have to stock large quantities of inventory. The faster an input can be ordered and delivered the less need for large inventory.

Michael Dell was one of the first to build a successful ebusiness. He knew his customers. He let them order computers one at a time, while still giving them discount. Rather than building new products in long planning cycles and have them sit on the shelf he started building customers products as soon as they ordered them. Dell brings customers into the product-planning and manufacturing process, not just the sales process, and management encourages everyone in the company to have contact with the customers.

Dell have structured their website to reflect the different currencies and taxes in different countries.

eCommerce has revolutionized not only the way goods are sold but also how they are delivered. Tradition logistics is being drastically altered. A manufacturer or online supplier must be able to customize an individual order, ship it directly to the buyer anywhere in the world They must be also able to track the whereabouts of the item at any time along the supply chain. Customer's inquiries and product returns need to be handled efficiently

To enable a company to let a customer know exactly when an order will be delivered they must be able to track shipments at every stage in the supply chain. The emergence of mobile technology with Internet applications, personal digital assistants and web-enabled phones allows truck drivers and warehouse staff provides accurate up dates to head office. The capability for end-to-end visibility of a package from supplier to customer had been almost none existent in a traditional logistics environment

EBusiness opens up the global market so therefore supply chain management becomes global. Goods must be delivered across many continents. Ireland is a small open economy on the western edge of the world and logistics is a large problem. Our road infrastructure must be updated to facilitate the volume of traffic, which is increasing as a result of ebusiness. Broadband connections must also be given priority if the economy is to grow.

There are different taxation policies in different countries. Websites need to be tailored to reflect taxation. Otherwise it will undermine that countries economy. While it may be argued that companies are moving their manufacturing operations to countries with cheaper labour costs much of their Research and Design remain in Ireland. This could only be possible with modern technology email, VOIP (phone service over the internet) and videoconferencing. Companies realise that Ireland have one of the most educated workforce in the world.

Rosenbluth is an example of how innovation and technology can turn a business around.

Rosenbluth International was a leisure travel business whose business was under threat as a result of ebusiness(people booking their tickets online) has now become a pure corporate travel agency . Hal Rosenbluth turned the business around by concentrating on corporate travels. He did this by innovation and modern technology The Company gives advice on how to lower corporate travel cost, for the development of in-house travel policies for corporate clients, and for negotiating for their clients with travel providers.

Hal Rosenbluth relies on technology to simplify the complex web of travel industry processes and to give his clients the best rates. Philadelphia-based Rosenbluth International is now considered a world leader in corporate travel management, with offices in 56 countries and annual sales in excess of $3. 5 billion

Rosenbluth's philosophy on how technology can help business centres on the idea that technology can take the complex and make it simple. He believes that his greatest contribution is a technology called Dacoda (discount analysis containing optimal decision algorithms). Airlines have very powerful yield management systems, designed to extract the highest price for a seat. Dacoda works in reverse by cross-examining clients' travel patterns with qualifications for discounted airfares. It then lets clients know how they can obtain cheaper airfares. Dacoda has saved frequent fliers hundreds of millions of dollars.

Rosenbluth gets his ideas for new technologies by doing what his customers do: flying at least once a week, and listening to customer concerns. When online travel sites began cropping up everywhere, Rosenbluth implemented a technology that scans those sites and emits the cheapest airfare. After 9/11, Rosenbluth sensed the anxiety of fellow travellers and created a suite of security products with the ability to pinpoint a traveller's exact location and send an emergency message to them via PDA or mobile phone.

Electronic messaging services allow clients to mange their travel request by email. It uses Web-based template that permits clients to submit reservation requests without picking up the phone. The Network operations centre monitors the many factors impacting travel, including weather current events, and air traffic. The information is circulated to the company's frontline associates and they can then inform their clients of likely changes to their travel plans.

Rosenbluth is now lobbying hotels, suggesting they build videoconferencing rooms so that his clients can reduce travel budgets by conducting meetings via a local hotel room and a high-speed connection.

Conclusion

Having analysis the legal social and economic impact of eBusiness it is apparent that eBusiness is here to stay. eBusiness has become an integral part of the modern day business. Even mature businesses have had to make the switch over to the modern electronic world or risk being left behind. eBusiness can start off as simple as having a website for selling products but it can also stretch far beyond that through to complex electronic supply-chain and inventory management systems. Many companies have becoming over-night success through the efficient use of eBusiness. However as was demonstrated when the dot com bubble burst back in 2000, having an internet business is not sufficient. The key is still to follow the basic rules of business. The seller must have a good product and a target consumer base who are willing to buy it. Without consumers, ebusiness is nothing more than a collection of computer software and hardware.

While the technology to implement eBusiness is developing rapidly, with advances in wireless technologies and high-speed Internet, it is the social and legal issues, which are likely to cause the most problems. Operating on a global basis through the Internet creates major legal loopholes, which are a challenge for government to regulate. As long as these challenges are recognised and addressed then I feel the future will be bright for eBusiness. From the social aspect, ebusiness can have many

advantages, for example working from home avoiding the hassle of parking, long queues, and more choices available. However with this, social interaction becomes less and less. Will we lose our ability to smile and greet people?

eBusiness is here to stay and provided its place in business is recognised and implemented correctly then it can prove a valuable asset to any business.

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