

# The internet is starting to revolutionise business

[History](#), [Revolution](#)



The Internet is an electronic meeting place for ideas. This revolutionary technology has its strengths and its weaknesses for businesses, in terms of buying online or using for work purposes, which I will be discussing the extent of.

In terms of marketing there are many strengths, as the Internet market is a niche market, which many businesses develop into, but it is rapidly growing in many sectors and becoming a mass market. The Internet can be used as a source of advertising the business. This is good for businesses as nearly all homes and most workplaces have access, therefore advertising is on a large scale and isn't too expensive.

Also the Internet is a great place for buying and selling products. Businesses can market their products online. At the moment nearly every item possible can be purchased on the Internet ranging from your weekly shopping to a holiday. Many businesses have seen it as a marketing opportunity as fewer costs are involved in the marketing mix with no distribution in terms of a place to sell.

However the weaknesses are that with traditional marketing the product is actually shown to you before you buy it, the Internet doesn't allow this as everything you see is an image of the product. Therefore customer relations are cut out and loyalty and brand image can be hard to gain and market through a computer.

In terms of finance the Internet has helped businesses, especially those who are starting up as it has cut costs, especially fixed costs. Many offices have got fewer overheads to pay due to increase in teleworking and also 'hot

<https://assignbuster.com/the-internet-is-starting-to-revolutionise-business/>

desking' where employees can call in and hire a desk to work for the day.

Charles Handy believes in the 'empty raincoat' where companies should all work from home.

The weaknesses of Internet is that workers at home teleworking may not be as productive due to less supervision, or if they do their work their family life may be disrupted where they spend too much time on the computer causing many health and safety concerns such as poor vision and back ache.

Financially its weakness is that set up costs may be high and also the costs to service machinery when breakdowns occur.

In terms of Human Resources, the advantages come from efficient communications. E-mail allows you to send your work to the office or anywhere around the world. Communication is effective and two-way; employer employee relations improves and can increase motivation. Communications such as E-mail and teleworking save administration costs, as there is less paper work, therefore if costs are lower revenues can increase due to larger operating profits.

However the disadvantages are that the Internet is formal written communication and teleworking has a direct link to the workplace, all of this is an improvement in technology. However traditional face-to-face contact is not available between employees or even towards customers. This can cause communication problems, as everything has to be based on how the person on the other side perceives something. Traditional methods can market products and therefore direct customer perception, but reliance on the

Internet means that businesses have to have clear, colourful attractive marketing methods in order to persuade customers.

Also customers are not as confident to buy online than in a retail outlet, due to problems with giving credit card information. It is usually safe due to the Data protection Act, however not all customers feel safe therefore do not go as far as purchasing a product due to low confidence levels.

In terms of operations management, the Internet has cut out stock holding costs and is a system similar to JIT. A customer puts in a order and only what they order is bought by the retailer from manufacturer and sent to them. This process has saved many fixed costs on having premises to sell and fittings and fixtures are no longer needed. Also labour costs are saved, as no one needs to be hired to sell the product to the customer as they look and buy themselves.

Although the Internet has its disadvantages. In terms of operations management, customers are not able to see the quality of the product and make comparisons as it is based on an image. This may make them reluctant to purchase online.

Overall the Internet has been had many advantages and disadvantages to businesses. Although they depend on the type of business, for example a business reliant on face to face communication will not find it as beneficial, however businesses such as supermarkets where customers choose themselves generally will find it useful. The Internet has opened up new business opportunities and has cut many costs in terms of fixed costs and

overheads, causing economies of scale. However problems can occur due to lack of direct communications therefore this can cause diseconomies of scale.

Generally most fields of business have developed into using the Internet, therefore it shows that it has been successful, although its use varies according to the individual business that will have to weigh up the opportunity cost and carry out an Investment appraisal to see if it is worthwhile.