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However, Web e-commerce gives rise to a number of issues, not limited to regulation, legislation and encryption. One problem being the payment mechanism: how should consumers pay for their goods, and will the payment transaction be secure? This is a very complex subject that covers standards such as SET and proprietary solutions, such as Microsoft's Merchant Server. At this level it is important to know that credit cards are the most popular method of payment, with credit card numbers being transferred over a secure Web connection.

A new study by Booz Allen Hamilton (2002) identifies the United States, the United Kingdom, and Canada as the nations with the best environments for e-commerce, combining an up-to-date communications infrastructure with strong politicalleadership. A nation's " Environment" for e-commerce comprises the level of innovation, capability, a national population's IT skills, the cost and availability of access to the internet as well as political leadership and regulatory openness.

The other main elements of the e-economy' framework against which the nations were mapped were readiness, uptake and use and impact of on-linetechnologyamong three key groups: citizens, business and the government. According to the study sustained policy initiatives and intrinsic environmental factors are keys to success. Certain areas of challenge for the UK government were also identified; including government's uptake of on-line technology, uptake among citizens, and the development of world-class communications infrastructure.

Communicationevolution between manufacturers and their supply chain has developed significantly with the increasing utilization of electronic forms. Ever since the invention of the fax and phone, every organization in the motor industry has benefited from new communication technologies to speed the transfer of information between companies. Now, specifications, drawings, orders and invoices can speed between companies in minutes over the phone lines rather than spend days or even weeks being posted around the world.

Ian Peacock (1999) of Netcraft while looking at the development of Web based e-commerce in countries in the European Union reveals that Netscape developed the SSL protocol to provide transport layer encryption. The most common application of SSL is https over TCP/IP - HTTP over an encrypted transport layer link. Https is the secure 'tunnel' through which customers credit card details are transferred when shopping on the Web. Since credit payments account for the majority of online payments, it is natural to use counts of SSL servers (secure servers) per geographic region, as a metric for establishing the extent of e-commerce in that region.

Since the important search engines, such as AltaVista do not currently index https sites, there are few ways to assess the extent of SSL usage. However, Netcraft a UK based consultancy, undertake a monthly SSL survey which examines the use of encrypted transactions on the Web through extensive automated exploration. From Netcraft’s August 1999 survey that covered the period August 1998 to August 1999, all EU countries are experiencing growth in e-commerce. From study the countries were experiencing a growth in secure servers in excess of the EU average.

All EU member countries have some e-commerce presence, while also growing individually, in terms of raw servers, the UK comes top. Whether your business is trading on-line or not, it is almost certainly affected by the E-commerce Regulations which came into force in the UK on 21st August 2002. They cover more than just e-commerce. The Regulations called the Electronic Commerce (EC Directive) Regulations 2002, implement the EU's E-commerce Directive into UK law. The Directive was introduced to clarify and harmonize the rules of on-line business throughout Europe with the aim of boosting consumer confidence.

The Directive was passed in June 2000. Every commercial website is covered by the Regulations. According to the guide " information society service" is defined as " any service normally provided for remuneration at a distance, by means of electronic equipment for the processing and storage of data, at the individual request of a recipient of the service. " In the Electronic Commerce Regulations 2002 " commercial communication" means a communication, in any form, designed to promote the goods, services or image of any person pursuing a commercial, industrial or craft activity or exercising a regulated profession, other than a communication.

Commercial communications, information to be provided by a person providing an information society service, internal market, and other information such as placing of the order, right to rescind contract, mere conduit, caching, hosting and protection of rights. These Regulations implemented Articles 3, 5, 6, 7(1), 10 to 14, 18(2) and 20 of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on specific legal aspects of information society services, in particular e-commerce, in the internal Market.

Regulation 3(2) provides that the Regulations do not have prospective effect. Regulation 4(1) requires within the coordinated field apply to the provision of an information society service by a service provider incorporated in the United Kingdom irrespective of whether that service is provided in the United Kingdom or in another member State. (Regulation 2(1) explains the coordinated field as prerequisites relating to the taking up and pursuit of the activity of an information society service.

It also defines an information society service with reference to the definition in Article 2(a) of the Directive. ) However authorities dealing with Enforcement are required under regulation 4(2) to secure compliance with those requirements.

References

Booz, A. H. 2002, Booz Allen Benchmarks UK's e-Commerce Progress Against the World's Leading Economies, London, England, November 19, 2002 http://www. boozallen. com/news/658383[Accessed 28th March 2009]. Eddie, G (2002), E-commerce History, Niche Blueprint exposed, http://www. articledashboard. com [Accessed 28th March 2009]