

Technology makes
the world smaller



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Technology Make the World Smaller Office 2004 Test Drive User Table of

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Technology Makes the World Smaller The international marketplace is changing very fast every day. E-commerce and E-Business is now one of the standard ways to do business. The Internet has opened up vast opportunities for business to tap into new markets all over the world.

The use of the Internet removes all geographical constraints, permits the instant establishment of virtual branches throughout the world, and allows direct and immediate foreign market entry to the smallest of businesses to the biggest.

As the economy is becoming more global in nature, companies are handling more business on an international level. When comparing traditional business to e-business, one can see several differences between the two. The most obvious difference when buying standard goods such as a computer or Clothes is the store. When dealing with e-business there is no “real” store or merchandise to look at.

It is all presented through the merchant’s webpage, or by other electronic means. You will not be able to touch, or feel potential purchases. All you will have to go on is perhaps a picture and a brief description of the item on your computer screen.

This is obviously a big change from traditional store where you can walk in physically touch what you plan to purchase. There are several reasons why e-business is appealing to a lot of people.

E-business is based on the internet. If you are using the internet, you are not bound by geography. You can access any site, anywhere in the world from the comfort of your own chair. Now the consumer has access to several things they didn't before.

Same goes for any type of business on the Web. The consumer and different business now has variety.

With the entire internet at your fingers, in a matter of minutes you can browse several stores in several parts of the world without even leaving the comfort of your own home. This allows you to compare prices and products off of different site. With e-business you are not restricted to the prices and products of your local stores.

You can easily choose the best price or the best product. You have probably read all of the news stories about the shift to e-commerce and the hype that has developed around e-commerce companies. And you may have actually purchased something on the web, so you have direct personal experience with e-commerce.

Still, you may feel like you don't understand e-commerce at all so lets start with the basics.

Commerce Before we get into a complete discussion of e-commerce, it is helpful to have a good mental image of plain old commerce first. If you understand commerce, then e-commerce is an easy extension. Merriam-Webster's Collegiate Dictionary defines commerce as follows: com. merce n [MF, fr. L commercium, fr. com- + merc-, merx merchandise] (1537) 1: social

intercourse: interchange of ideas, opinions, or sentiments 2: the exchange or buying and selling of commodities on a large scale involving transportation from place to place 3: sexual intercourse

So commerce is, quite simply, the exchange of goods and services, usually for money.

You can see that at this high level, commerce is a fairly simple concept.

Whether it is something as simple as a person making and selling hotdogs on a street corner or as complex as a Doctor performing heart surgery, all of commerce at its simplest level relies on buyers, sellers and producers. So electronic commerce is just exchange of money for goods and services via electronic means. In other words, electronic commerce is usually when you purchase something off of the Internet.

It is often referred to as e-commerce, or e-business. The Internet has revolutionized the businesses of today.

Instead of having physical stores, companies can sell their products right off of the Web. To understand it a bit, let's take a look at one of the most successful e-commerce companies Dell. Dell provides a range of technology products, including mobility products, desktop personal computers, software and peripherals, servers and networking, and storage products. Co.

's services offerings include infrastructure technology, consulting and applications, and business process services.

Co. also provides a range of financing alternatives, asset management services, and other customer financial services for business and consumer customers. Co. ' s customers include corporate, government, healthcare, and education accounts. Co.

conducts its businesses through four reportable segments: Large Enterprise; Public; Small and Medium Business; and Consumer. Dell is a straightforward company that, like Gateway 2000, and a host of others, sells custom configured PCs to consumers and businesses around the world.

Dell started as a mail order company that advertised in the back of magazines and sold their computers over the phone. Like the book Direct from Dell explains “ Dell’s WebPages have enabled Dell computers to reduce their expenditures and become much more efficient in their production and distribution of their computers.

Dell’s success at using the built to order system and internet has enabled them to become a much more efficient manufacturer of computers allowing Dell to maximize profits. Dell’s e-commerce presence is widely publicized these days because Dell is able to sell so much merchandise over the web.

Dell currently sells something like \$14, 000, 000 in equipment every day. 25% of Dell’s sales is over the web.

Simplified e-commerce is what most small businesses and individuals are using to get into e-commerce. In this option the vendor provides a simplified system for creating your store. The system usually involves a set of forms

that you fill out online. The vendor's software then generates all of the web pages for the store for you.

One good examples of this sort of offering is the website " Ebay". EBAY Technology has allowed us to form international community with consumers.

Not many company's have done this as well as Ebay who was one of the first but more are popping up such as Amazon. There are very few companies in the world that are as recognizable as eBay.

It is the online auction site and stands as one of the top online retailing stores in the world today. Hundreds of millions of people buy and sell merchandise through the eBay website. Few websites, if any, can drive the amount of traffic that eBay gets on an average day. What is more, virtually all of the people visiting eBay intend either to buy or sell goods and they can be neighbors or on opposites sides of the world.

Because of this it is the perfect place on the internet to acquire or dispose of merchandise. The ability to display a products or services, and the ability to extend your business hours to 24-7 without a physical presence, and to update information which is seen by the world, immediately is very powerful in reaching global markets. Businesses can now use website like ebay and the internet breaks down logistical barriers, offering greater flexibility and power in the way they do business. It shrinks time and distance, simplifies complex business processes. E-cash

Our textbook states that the biggest impact that will effect international business and global customers is E-retailing and financial services. They say

the day is just around the corner where we will have " E-cash" which stands for electronic cash.

With the example of prepaid smart cards we can see it's not too far behind. Today you can buy one of these cards and use them for public calls and transportation and replacing cash. Once we see this type of payment option show up on the internet it will result in global digital cash and customers and business will be able to work on a 24-hr basis.

Electronic cash systems offer vast opportunities for the consumer and business. In business transactions, electronic cash allows businesses to verify cash transactions instantly and to convert from one currency to another.

This will be a big breakthrough e-cash will be a currency without a country. In consumer to business transactions, it is easier for the customer because there is no need to carry physical currency, and transactions can be made over the internet instantly. EBay creates value by providing a very simple service. It brings people together. To the uninitiated, this may not seem like much.

And yet, it is the foundation of a multibillion-dollar, multinational business empire that exerts an influence over the lives of millions of people. An advantage of any new technology as well as the internet is that it amplifies human potential. When electricity, the telephone, the automobile, and the airplane were invented they made the world more accessible to more people. Business and people could now reach further distances. The internet can have the same revolutionary impact individuals and businesses

can overcome geographical, cultural and logistical barriers and improve the way they live and work instantly.

Because it amplifies our potential in so many ways, it's possible that the long-term impact of the Internet could equal that of electricity, the automobile and the telephone.

Disadvantages of the new technology and the internet is that it can make work portable. This will allow company's to contract work overseas to save of cost. Resulting in people losing jobs to low paid workers in other countries. In Conclusion the development of technology has greatly benefited mostly developed countries in which they were first launched, but because of the internet many other undeveloped countries are not too far behind.

The power of the internet has now allowed for people to communicate regardless of where they are in the world whether it is your neighbor living twenty feet away, or some person totally across the world. Work cited Dell, Michael, Catherine Fredman, , and . Direct from Dell. New York: Harper Collins Publishers, 1999. Print.

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Print. Footnotes