Business and Internet

1. Introduction:

The Internet has become a very important business tool. E-commerce means doing business online. It includes the use of the Internet to buy and sell products as well as to exchange business-related information, such as transmitting purchase orders electronically or advertising online. E-commerce is now a multi-billion-dollar part of our economy.

The Internet has allowed many small businesses to compete with larger, established companies and to reach consumers all over the world. Currently less than 11 percent of all business sales are completed using the Internet, but that figure is growing rapidly. Businesses need to plan for e-commerce.

2. Definition of E-Business:

E-business, short for electronic business, refers to the use of electronic technologies and the internet to conduct various business activities, processes, and transactions. It encompasses a wide range of activities, including online sales, digital marketing, electronic communication, collaborations, and customer service. E-business leverages internet-based technologies to streamline business operations, reach global markets, and enhance efficiency, and competitiveness in the digital marketplace.

3. Business Uses of Internet:

The internet is a versatile tool that businesses use in numerous ways to enhance operations, increase efficiency, and drive growth. Here are some key business uses of the internet:

a. **Business Communications:** Businesses use the Internet most for communication, both within and outside the company. Most internal communications on the Internet are transmitted via e-mail. But new tools are available to assist with communications, including video-phones, and software that allows several people to share application software and collaborate using text and graphics tools while sitting at their computers. Using the Internet, a company can post an employee newsletter online. This speeds the information to all employees while reducing mailing and distribution costs. Employees can quickly send reports, memos, and

other information to coworkers. Companies use the Internet to communicate with current and potential customers. The Internet has become an important way to provide information about the company and its products to customers. As customers try to find specific products and businesses, they are increasingly turning to the Internet. By using the Internet, a customer can often obtain product descriptions, determine the days and hours a business is open, and even print a map showing the location of the business. Today, if a business has not posted information about its location, products, and services on the Internet, it will likely miss some customers.

b. **Information Gathering;** A second business use of the Internet is for research. Businesses use the Internet to obtain information they need in order to make decisions. A great deal of information on the Internet is free and is provided by government agencies, colleges and universities, libraries, and even private businesses. Other information that businesses need can be purchased from companies specializing in research, from professional and trade associations, and from publishers.

Businesses can also gather information on current and prospective customers. When companies sell products, they often encourage purchasers to complete a product registration. People who regularly use the Internet are more likely to complete a product registration if it is online than if they have to fill in a registration card by hand and mail it. The registration process allows the company to collect important information about the customer, including address, telephone number, and even an e-mail address. That information is valuable in future communications and promotional activities with customers. Also, the company can gather information on where the product was purchased, the price, reasons for purchasing the product, and other related products the consumer currently owns or plans to purchase.

Many Web sites include a place where prospective customers can request information, be placed on an e-mail or mailing list, or obtain answers to specific questions. That capability allows the company to develop a list of prospective customers and determine their specific interests. The information can be used for future communications and promotions.

Competitive information is easier to obtain using the Internet. A great deal of information is contained in many businesses' Web pages. It is relatively easy to learn about the competitors' products, prices, credit terms, distribution policies, and the types of customer services offered. Some Web sites provide information on product tests, offer comparisons and reviews of products, and even have places for consumers to discuss their experiences with a company and its products.

c. **Improving Business Operations:** The Internet has become an important tool to improve business operations and control costs. Salespeople can log on to the company's Web site and determine whether a certain product is in inventory for delivery to a customer. When a product is sold, the order can immediately be entered into the computer from anywhere in

the world to speed the processing and shipping of the order. A production manager can access the records of a transportation company to see when an expected shipment of raw materials will be delivered. An accountant in a branch office can download financial statements from the main computer to compare current financial performance with last year's information. Product designers from three countries can collaborate on a new design by examining a three-dimensional drawing online and making changes that each of them can see instantly.

Small businesses can benefit competitively from the use of the Internet due to the rapid exchange of information. For example, several small automotive parts retailers can consolidate their orders through an e-business wholesaler by submitting information on needed parts via the Internet. Then the wholesaler can place a very large order with the manufacturer and receive a significant price reduction for each of the retailers. This can be done almost instantly with online order processing.

4. Advantages of E-Business:

Using e-business offers several advantages for businesses:

a. **Global Reach:** E-business allows businesses to reach a global audience without the limitations of geographic boundaries. With an online presence, businesses can access customers from around the world, expanding their market reach and potential customer base.

b. **Cost Savings:** E-business reduces the need for physical infrastructure, such as brick-and-mortar stores or office space, thereby lowering overhead costs. Online sales channels often have lower operating expenses compared to traditional retail, resulting in cost savings for businesses.

c. **24/7 Accessibility:** The internet operates 24/7, allowing businesses to remain accessible to customers at all times. E-business enables round-the-clock sales, customer support, and communication, providing convenience and flexibility for both businesses and customers.

d. **Improved Customer Experience:** E-business enhances the customer experience by providing convenient online shopping options, personalized recommendations, and efficient customer service. With e-business, customers can easily find and purchase products or services, track orders, and resolve issues online.

e. **Data Analytics:** E-business provides access to vast amounts of data and analytics that can be used to gain insights into customer behavior, market trends, and business performance. By analyzing data from website traffic, social media interactions, and sales transactions, businesses can make informed decisions and optimize their strategies for better results.

f. **Scalability:** E-business platforms and systems are scalable, allowing businesses to easily expand their operations and accommodate growth. Whether it's increasing product offerings, adding new features, or entering new markets, e-business provides the flexibility to scale operations quickly and efficiently.

g. **Innovation Opportunities:** E-business fosters innovation by providing a platform for experimentation, collaboration, and the development of new products, services, and business

models. Businesses can leverage emerging technologies and trends to innovate and stay ahead of the curve in a rapidly evolving digital landscape. Overall, e-business offers numerous advantages for businesses, including global reach, cost savings, improved customer experience, targeted marketing, data analytics, scalability, streamlined processes, competitive advantage, and innovation opportunities.