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The Internet is starting to revolutionise business. To what extent will business benefit from such a revolution?

The Internet is an electronic meeting place for ideas, information and people. It was created to spread academic information between universities. Since the creation of the World Wide Web, access to this information has been easier for ordinary computer users. The further development of the web browser has made it more possible for ordinary users to find what they wanted to know.

Whilst the Internet was originally designed to be an area of vast resource material, it wasn't too long before its potential was realised and that Internet trading was a real business prospect. In the beginning, Businesses simply used the Internet to place advertisements, as a way to promote the business; a new marketing avenue was the realisation of most companies. However it wasn't too long before businesses saw the real potential of the Internet, it firstly began when a method was found to take credit card payments without creating a security risk by sending a card number on the internet. The pace of growth of shopping on the Internet is breathtaking. In 1997, Dell computers made headlines by announcing sales of \$1million' per day via the internet, only a year later the announcement came as the figure was up to \$5million' per day. However the revolution does not just favour the large, multinationals, smaller companies, are likely to see the most benefit from the technological expansion, setting up a site may cost a few thousand pounds, but that cost is trivial compared with the cost of establishing overseas sales and distribution network. So exporting becomes much more affordable. This has great potential for firms offering a wide range of highly specialised goods. For example a site selling classic car parts or sports memorabilia. Orders may start coming in from Tokyo or California.

On a wider note, the Internet has revolutionised communication networks, allowing for messages to be transferred internally, within a company, or externally from company to company. This has allowed trading and productivity to increase dramatically and also as one of the motivational theorists, Mayo, concludes that communication between workers and managers and worker-to-worker influences morale and output, therefore the ability to have an internal company email system allows employees to be on a constant communication network. For manufacturing companies the internet is an endless expansion opportunity, customers can directly access the company from a home pc, search for the product they like, specify other criteria, like colour for example, and interior specifications, when taking car companies for example, and then can place their order online, and then track the order, without moving from their pc. Plus stock can be checked before a purchase is made, to stop that annoyance of being told that your choice of item is temporally out of stock when you physically go out to purchase a good. Also costs can decrease as profitability rises, with the increased expansion and net realisation of operations, resulting in higher productivity and sales, with the Internet, the administration costs are decreased as there is less paperwork, 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, therefore should a payment be made and on receipt of the good, the customer is not pleased with the item, then word can get around as to false trade description and even report under the trade descriptions act. Therefore as a direct result of this, whilst the internet offers many benefits, it is still in its relative infancy and will never quite replace the safety and personal touch that face to face sales achieves.