

AN EVOLUTION OF INTERNET AS THE NEW BUSINESS ENVIRONMENT

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Abstract

The internet has become a new business environment for managers and internet gurus. Over the years, contribution to management sciences has resulted in great transformation that has led to better ways of doing business which invariably means better value to consumers at the best price possible, while the producer maximizes his profit. Although not a new subject in the realms of business, it has been stated as a matter of fact that the internet has single-handedly contributed the most to management science in the last 15 years. As such, this research work goes a long way in backing up the fact that managers tend to create a competitive advantage for their businesses when they utilize the internet as a platform for conducting business, whether in isolation or in combination with the conventional methods of doing business.

Keywords: electromagnetic, World Wide Web, eCommerce, eBusiness, eTailers, Spamming.

1. INTRODUCTION

The concept of data communication – transmitting data between two different places, connected via some kind of electromagnetic medium, such as radio or an electrical wire-actually predates the introduction of the first computers [1]. Following commercialization and introduction of privately run internet service providers in the 1980s, and the Internet's expansion for popular use in the 1990s, the internet has had a drastic impact on culture and commerce. This includes the rise of near instant communication by electronic e-mail (e-mail), text based discussion forums, and the World Wide Web.

The theme of this research work rests on the influence of the internet on the way business is done. Gone are the days when business was a face to face situation between buyers and sellers with so many constraints such as timing, location, distance, etc. These days, people virtually do business from the comfort of their homes and millions of success stories abound as a testimony to the fact that the internet is fast emerging as the new platform for doing business [2]. It is therefore pertinent for management of organizations to study the internet, in relation to satisfying the wants and needs of consumers in the ever so competitive market. It is the researcher's view that a study of this nature would help improve the way business is conducted as more can be achieved using less in the least possible time, thereby making room for efficiency and

effectiveness at the same time. Saying organizations in Nigeria are not taking full advantage of the internet, amounts to stating the obvious. With the world fully synchronized and technology advancing on a daily basis, it is imperative that Nigerians pace-up with the rest of the business world by identifying the internet as not just a business tool but a full-fledged business environment where almost all the activities involved in the conventional business environment are present [3]

It is no surprise that all the most successful businesses in the 21st century utilize the internet in part or whole as a platform for their business. This research will be helpful in the following areas:

1. In establishing the internet as a well developed business environment.
2. To assess the extent to which Nigerians, using Benin City as a sample, embrace the internet as a business environment.
3. To find out how Nigerians can further utilize the benefits which the internet provides in doing business.

The major objective of this research is to examine the influence of the internet in the way of doing business today.

The researcher intends to:

1. Discuss the internet as a subject, explaining the major terms an organization might need to familiarize itself with in order to be able to do business on the internet.
2. Discuss the relationship between the internet and business prior to now.
3. Elucidate the importance of the internet, especially as it concerns business.

For the sake of this study, the research will be limited to certain areas of the internet that are related to business administration. This is due to the fact that it is grossly expensive and time consuming to cover all the different areas which are touched by the tentacles of the internet. Some of the following areas are very important to the subject of the internet and have been revolutionized in tremendous ways. They include:

1. Internet as a product of science and technology and its uses in the same field.
2. The use of internet in the field of engineering.
3. The use of the internet in medicine and other life sciences.
4. The use of the internet in government is scratched on the surface as it relates to business but not treated comprehensively. This is due to the fact that governmental factors is one of the most important factors that come to play in the business environment, hence could not be left out of this study.
5. The internet is also a place of interaction these days, as social networking sites, it brings people together from different locations around the world to a common place (though virtual), for the actualization of common purposes.
6. Another important field where the internet plays an indispensable role today is the field of telecommunication and ICT.
7. Non-governmental organizations and other non-profit organizations also utilize the internet as a platform for carrying out their activities.

These and many more are some of the areas that this research will not be majoring at.

Below are some of the definitions of the terms that are related to the internet, some of which would be used in the cause of this study. A lot of them are quite common as they are used in everyday communication, although not necessarily business transactions.

The internet, sometimes called the net, is a worldwide system of networks in which users at any one computer can, if they have permission, get information from any other computer and sometimes talk directly to users at other computers [4].

Electronic Commerce, commonly known as e-commerce or eCommerce, consists of the buying and selling of products or services over electronic systems such as the internet and other computer networks [5].

Electronic Business, commonly referred to as eBusiness or e-business”, may be defined as the application of information and communication technologies (ICT) in support of all the activities of business [6].

Models, When organizations go online, they have to decide which e-business models best suit their goals. A business model is defined as the organization of product, service and information flows, and the source of revenues and benefits for suppliers and customers [7].

Business-to-business (B2B), sometimes also called Business-to-Customer (B2C), describes activities of business serving and consumers with products and/or services [8]. An example of a B2C transaction would be a person buying a pair of shoes from a retailer. The transactions that led to the shoes being available for purchase, that is the purchase of the leather, laces, rubber, etc. as well as the sale of the shoe from the shoemaker to the retailer would be considered B2B transactions.

Business-to-employee (B2E) electronic commerce uses an intra-business network which allows companies to provide products and/or services to their employees. Typically, companies use B2E networks to automate employee-related corporate process [9].

Electronic mail, commonly called email or e-mail, is a method of exchanging digital messages across the Internet or other computer networks. Originally, email was transmitted directly from one user to another computer. This required both computers to be online at the same time, an instant messaging. Today’s email systems are based on a store-and-forward model. Email servers accept, forward, deliver and store messages. Users no longer need to be online simultaneously and need only connect briefly, typically to an email server, for as long as it takes to send or receive messages [10].

Spamming

Spam is the use of electronic messaging systems (including most broadcast media, digital delivery systems) to send unsolicited bulk messages indiscriminately. While the most widely recognized form of spam is e-mail, the term is applied to similar abuses in other media: instant messaging spam, Usenet newsgroup spam, Web search engine spam, spam in blogs, wiki spam, online classified ads spam, mobile phone messaging spam. Internet forum spam, junk fax transmissions, social networking spam, television advertising and file sharing network spam [10].

E-mail Bombing

Email bombing is the international sending of large volumes of messages to a target address. The overloading of the target email address can render it unusable and can even cause the mail server to crash [1]

Business-to-Government (B2G) is a derivative of B2B marketing and often referred to as a market definition of public sector marketing which encompasses marketing products and services to various government levels – including Federal, State and Local through integrated marketing communications techniques such as strategic public relations, branding, marcom, advertising, and web-based communications [2]

Government-to-Business (abbreviated G2B) is the online non-commercial interaction between local and central government and the commercial business sector, rather than private individuals (G2C). For example <http://ww.dti.gov.u> is a government web site where businesses can get information and advice on e-business best practice [4]

.An **internet entrepreneur** is an entrepreneur that applies innovation to create new business on the internet. Jimmy Wales, creator of Wikipedia, is an example of an internet entrepreneur [10] Internet entrepreneurs are part of the more general category of digital entrepreneurs. Digital Entrepreneurship takes advantage of computing in general to innovate and create new ventures.

Consumer-to-Consumer (C2C) (or citizen-to-citizen) **electronic commerce** involves the electronically-facilitated transactions between consumers through some third party. A common example is the online auction, in which a consumer posts an item for sale and other consumers bid to purchase it; the third party generally charges a flat fee or commission. The sites are only intermediaries, just there is match consumers. They do not have to check quality of the products being offered [5].

Internet café

An **internet café** or **cybercafé** is a place which provides internet access to the public, usually for a fee. In the past, these businesses usually provide snacks and drinks, hence the café in the name. The fee for using a computer is usually charged as a time-based rate [7].

Internet Marketplace is a fixed-price online marketplace that allows sellers to offer their goods alongside the offerings of the host site [9]

Internet Economy

The internet economy refers to conducting business through markets whose infrastructure is based on the Internet and World-Wide Web. An Internet economy differs from a traditional economy in a number of ways; including communication, market segmentation, distribution costs, and price [10].

2. ORIGIN OF THE INTERNET

The origins of the Internet reach back to the 1960s with both private and United States military research into robust, fault-tolerant, and distributed computer networks. The funding of a new U.S. backbone by the National Science Foundation, as well as private funding for other commercial backbones, led to worldwide participation in the development of new networking technologies, and the merger of many networks. The commercialization of what was by then an international network in the mid 1990s resulted in its popularization and incorporation into virtually every aspect of modern human life. As of 2009, an estimated quarter of Earth's population used the services of the Internet [10].

3. SERVICES PROVIDED BY THE INTERNET

Information

Many people use the terms *Internet and World Wide Web*, or just the Web, interchangeably, but the two terms are not synonymous. The World Wide Web is a global set of document, images and other resources, logically interrelated by hyperlinks and referenced with Uniform Resource Identifiers (URIs). URIs allow providers to symbolically identify services and clients to locate and address web servers, file servers, and other databases that store documents and provide resources and access them using the Hypertext Transfer Protocol (HTTP), the primary carrier protocol of the Web. HTTP is only one of the hundreds of communication protocols used on the Internet. Web services may also use HTTP to allow software systems to communicate in order to

share and exchange business logic and data [8] World Wide Web browser software, such as Microsoft's Internet Explorer, Mozilla Firefox, Opera, Apple's Safari, and Google Chrome, let users navigate from one web page to another via hyperlinks embedded in the documents. These documents may also contain any combination of computer data, including graphics, sounds, text, video, multimedia and interactive content including games, office applications and scientific demonstrations. Through keyword-driven Internet research using search engines like Yahoo! And Google, users worldwide have easy, instant access to a vast and diverse amount of online information. Compared to printed encyclopedias and traditional libraries, the World Wide Web has enabled the decentralization of information [4]. Advertising on popular web pages can be lucrative, and e-commerce or the sale of products and services directly via the Web continues to grow.

Electronic commerce, commonly known as **e-commerce** or **eCommerce**, consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks. The amount of trade conducted electronically has grown extraordinarily with widespread Internet usage. The use of commerce is conducted in this way, spurring and drawing on innovations in electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's lifecycle, although it can encompass a wider range of technologies such as e-mail as well [3]

A large percentage of electronic commerce is conducted entirely electronically for virtual items such as access to premium content on a website, but most electronic commerce involves the transportation of physical items in some way. Online retailers are sometimes known as e-tailers and online retail is sometimes known as e-tail. Almost all big retailers have electronic commerce presence on the World Wide Web.

Electronic commerce that is conducted between businesses is referred to as business-to-business or B2B. B2B can be open to all interested parties (e.g. commodity exchange) or limited to specific, pre-qualified participants (private electronic market). Electronic commerce that is conducted between businesses and consumers, on the other hand, is referred to as business-to-consumer or B2C. This is the type of electronic commerce conducted by companies such as Amazon.com. Online shopping is a form of electronic commerce where the buyer is directly online to the seller's computer usually via the internet. There is no intermediary service. The sale and purchase transaction is completed electronically and interactively in real-time such as Amazon.com for new books. If an intermediary is present, then the sale and purchase transaction is called electronic commerce such as eBay.com [10]. Electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of the business transactions.

Business Applications

Some common applications related to electronic commerce are the following:

1. Online banking.
2. Online office suites.
3. Domestic and international payment systems.
4. Shopping cart software.
5. Teleconferencing.
6. Electronic tickets.

Impact on market and retailers

Economists have theorized that e-commerce ought to lead to intensified price competition, as it increased consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies. Generally, larger firms have grown at the expense of smaller ones, as they are able to use economies of scale and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend [6].

Why e-marketplace?

e-Distributor systems are explained as follows:

1. eDistributor and eProcurement can only be used effectively by well-known brands.
2. Small and medium sized business will never build eProcurement of eDistribution systems.
3. Not even all large corporations will have the market power to sustain eDistribution and eProcurement.
4. 56% of B2B ecommerce will be driven through marketplaces [9].

Electronic Business Security

E-Business systems naturally have greater security risks than traditional business systems, therefore it is important for e-business systems to be fully protected against these risks. A far greater number of people have access to e-businesses through the internet than would have access to a traditional business. Customers, suppliers, employees, and numerous other people use any particular e-business system daily and expect their confidential information to stay secure. Hackers are one of the great threats to the security of e-businesses. Some common security concerns for e-Businesses includes keeping business and customer information private and confidential, authenticity of data, and data integrity. Some of the methods of protecting e-business security and keeping information secure include physical security measures as well as data storage, data transmission, anti-virus software, firewalls, and encryption to list a few [7].

4 CONCLUSION

Based on the research carried out, it is clear that conducting business in the 21st century requires a lot more than the cut and nail approach that has hitherto been applied by many organizations prior to now. Over the years, contribution to management sciences has resulted in great transformation that has led to better ways of doing business which invariably means better value to consumers at the best price possible, while the producer maximizes his profit.

Although not a new subject in the realms of business, it has been stated as a matter of fact that the internet has single-handedly contributed the most to management science in the last 15 years. As such, this research goes a long way in backing up the fact that managers tend to create a competitive advantage for their businesses when they utilize the internet as a platform for conducting business, whether in isolation or in combination with the conventional methods of doing business.

The benefits of the internet to modern day business cannot be over emphasized. Firms can simplify as well as broaden their scope of management through better ways of material procurement, sales, marketing, finance, as well as human resources management. Some firms these days do not even have business offices as they operate from cyber space, thereby cutting out all forms of costs that are involved with rent and furnishing of office space.

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