

## **Answer on Question #51763, Management, Other**

Note on e-effect on international business.

### **Explanation:**

It can be rightfully said that the Internet is the most vivid manifestation of new information technologies now has become the symbol of the new world, new political and economic decision-making, a symbol of modern human.

The application of global communications in real life and commercial activity resulted in the emergence of new economic and legal categories such as "the economy in real time" (the on-line economy) and "e-commerce" (electronic commerce).

As its development and promotion of the e - commerce market has an increasing impact on individual sectors of the economy and the overall macroeconomic environment.

Almost half of large international companies active on the market of e-business, with the price of their shares are not of paramount importance, since investors are more interested in new business models through the Internet and the ability to use it to enter new markets and their development.

Development of Internet technologies raises the situation to a qualitatively new level. In particular, the development of, for example, e-commerce enables almost completely get rid of the distribution infrastructure. Thus, changes not only in the organizational structure of the company, but the whole direction of its economic activity.

In addition to e-commerce, the development of Internet technologies explicitly promotes the processes of mergers and consolidation of production.

Thus, the use of modern Internet technologies in business is not limited to the creation of Web-site or electronic catalog can be ordered, and involves the use of technology and experience to the deep restructuring ways of doing business with the help of the Internet and related network computer technologies.

The main application of the Internet in the trade area is the creation of virtual stores. Their advantage over real:

- Availability of business organization;
- Global scale;
- Saving time;
- Access to the highest quality products;
- Unlimited profit growth.

One of the most serious problems of e-commerce is a privacy and security of transactions. Internet in some cases reduces both individual and corporate privacy. In many countries legislative regulation of security issues in Internet business every year increases.

International cooperation is necessary to prevent fraud and fraud in the global information space.

The first aspect of the international using of e-commerce is the level of responsibility of management, which is based on an analysis of the extensive literature on internationalization. The importance of exports in the implementation of the chosen strategic allocation of financial and human resources in servicing foreign markets are considered at this stage. For companies not enough just to have a good plan exports: it is first necessary to allocate resources in order to fulfill the task, and it is interconnected and interdependent process.

A second aspect of the international use of e-commerce is the result of practical experience in the commercial use of the Internet. These achievements have identified three basic network functions. In order of difficulty is the availability of information, providing support and information to the client and conduct online transactions. The fourth level is occupied by commercial activities "on the basis of the Internet", which include portal type [www.yahoo.com](http://www.yahoo.com), the determinants of the market such as [Ebay.com](http://Ebay.com). It is crucial to choose the required range of activities related to e-commerce.

The third aspect concerns the dispute in marketing strategy. Supporters of standardization argue that the characteristics of the global market are similar, which allows firms to exploit economies of scale by offering related products and services in all local markets.

Thus, the management of the company should eventually provide specific firms timely preparation for the successful development of foreign markets through the Internet.

Firms with internal resources to internationalize their activities through the Internet are likely to be more competitive than experiencing them lack. First of all, it presents considerable challenges for managers. The government and the legislature can take an active part in the creation and use of new factors in the external business environment and support the internationalization of national enterprises using the Internet.

Effective form of direct investment in e-commerce for all countries is the creation of joint ventures that reduce the cost of development activities and accelerate the introduction of new forms of business; reducing trade barriers and ensuring the flow of foreign investments will allow them to promote the economy forward.

Must be solved problems of data security, privacy, intellectual property, including copyright, database right, patents, trademarks.

Thus, the operation of e-business operates on the traditional economic laws and has some features that enhance the capabilities of modern business:

- Interactive communication with the buyer, convenience sales channels, the ability to instantly respond to the demand, high-speed flow of business processes;

- Cost savings in the transaction and its subsequent maintenance. Major expenses include the cost of the software (as a trading equipment and personnel costs), the cost of promotion on the Internet or other information and communication networks;
- Online access to the market environment, a very rapid opening of the electronic store, lack of coordination and costs of various instances;
- Opportunities to experiment. Due to lower financial risks can be carried out non-traditional marketing activities;
- The quality of the market environment. Electronic customers use the Internet more to pay;
- Globalization. Expansion of areas of potential consumers, regardless of the distance and the tax system of the state;
- Expanding the range of offered products or services is subject to availability of working capital and inventories;
- Complete information on each product or service, describing in detail its technical, marketing and logistics performance.

IT revolution makes economic policy all the more confusing and uncertain.

Traditional measurements for financial market conditions lose their significance, which complicates the risk assessment and decision-making of the project payback period.

Moreover, the difference in the degree of development of countries of new technologies can lead to a strong capital flows and further increase the economic gap between countries, creating even greater difficulties in order to maintain stable and balanced macroeconomic conditions.

IT can greatly complicate the life of central banks. In the long term, the IT revolution can affect the monetary aggregates and their role in the conduct of monetary policy, as well as the stability of the financial system, as financial transactions and digital money are important elements of national economies.

Due to its high efficiency and the widest audience coverage of modern information technology, particularly the Internet, is rapidly changing the "character" of international business. Traditional industries and familiar business processes are experiencing ever-increasing pressure from the side of e-commerce while the flexible and responsive actions of competitors quickly achieve economies and efficiencies of scale. But, despite all the advantages of the Internet, the new economy faced with the following problems: the complexity of protection of privacy (including here include spam - mass mailings advertising without the consent of the recipient), the security of financial transactions, the difficulties in protecting intellectual property rights, the complexity of customer retention, the need to combat electronic fraud.