



MODERN BUSINESS OPERATIONS UNDER THE CONDITIONS OF GREAT INFORMATION MOBILITY

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Abstract:

Investing in modern technologies, which are part of everyday business activities, where economic processes, along with accelerated growth and development, lead to new economic movements, a new approach to living and working, and thus change the accustomed norms and rules, has become an area of major importance. The role of the Internet in the developments of the new era is becoming more and more important. The basic characteristic of the day we live in is based on knowledge, as a dominant factor, so it is vital to consider informational technology from the viewpoint of its influence on economic globalization, as well as the importance of the Internet for the global economic environment. There are certain risks which may arise due to fast and euphoric acceptance of informational economics. However, despite all the risks, we should keep pace with technical and technological achievements of the time we live in.

Key words:

technological achievements,
risks,
informational economics,
modern technologies.

INTRODUCTION

Unlike traditional market, electronic market has a role of the mediator between the buyer and the seller and thus effectively performs the function of servicing the sides engaged into transactions. This type of market uses the Internet technologies and standards in order to distribute the products and perform on-line transactions. Speed, globalized character, improving productivity, reaching new clients and sharing knowledge among organizations and institutions, with the aim of achieving competitive advantage, are characteristics which define modern business operations. Electronic technologies have brought a completely new basis for establishing business relationships among companies; business transactions are more easily performed in this way; purchasing and selling, with reduced costs are also performed with the usage of electronic technologies; finally, a great accessibility of the information important for the modern way of business is enabled. A great challenge for modern companies is the process of equipping themselves to be fully competitive in the global market. Anyhow, the issue of privacy occurs as

a major one, along with the issues of safety and customers' trust. Despite the mentioned issues, there are also some technical challenges and problems, such as: the speed of exploring the data, data storage, the integration of the system for the management of data bases as well as the data safety. Only the companies ready to gain a complete trust of customers and the customers' personal data privacy, can expect to keep their buyers loyal in the forthcoming days. Thus, the establishment of the safety protection system, for both buyers and sellers, becomes a vital precondition for electronic business development, since this is the way for both the sides to develop confidence in electronic business. The world of business will become a world with no borders.

TECHNOLOGY DEVELOPMENT & BUSINESS ENVIRONMENT

New scientific-technological revolution is more and more developing the international share of work, linking national economies in a unified whole via the global market. Contemporary world is characterized by the domi-

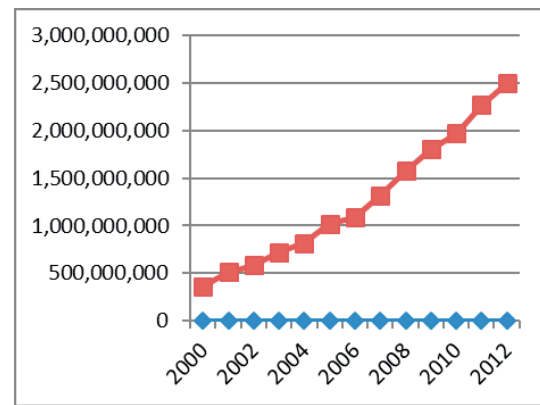


nance of multinational companies, a great impact of the country in economy itself and the globalization of world economy. The main goals of the science and technology development are: information technology, accelerating the process of world economy globalization and the interdependence of the members of world economy, which has different influence on developed and under-developed countries. The globalization process itself is a complex one, full of controversies, dilemmas and unsolved questions. Globalization has penetrated all the pores of life, and thus it now denotes the speedy economy integration, all over the globe, mainly through commerce, financial flows, technology interchange and information network. The crucial elements, on which globalization has influence, are: improved and more efficient transport, communication and information technology, which, altogether, leads to a wider range of production, with lower production costs, speed and distance over which the goods is being transferred, and interchange, on one side, and a complete fulfilment the needs of consumers, from the standpoint of a wider range of offered products and services, on the other side. Computing revolution and the strong development of technology and communications has contributed to a great rate of capital mobility, which enables the development of richer countries and destabilizes developing countries. The very moment the signs of a crisis are noticed, rich countries, thanks to capital mobility, manage to withdraw their capital, which deepens and accelerates the crisis, and it is well-known that capital withdrawing has, for some countries, been the straw that broke the camel's class and provoked major economic crises¹.

THE INFLUENCE OF THE INTERNET ON THE CONTEMPORARY ECONOMIC ENVIRONMENT

Along with the appearance of globalization, there has come the development of information technology, where the Internet plays an important role. The influence of the Internet on the contemporary economic environment has undergone a real transformation from a mere distant exchange of information to an integrated economic environment. The Internet is being treated as a global computer network which has been developed as the result of a technological trend of the global exchange of information, which has been realized via the open connection of computers all around the globe. Companies are accepting the structure of the globally-integrated network, linked into a network of business operations which enables further performance of its multidimensional strategic goals related to efficiency and innovativeness².

The speed of the Internet users' growth, and especially the Internet growth in the area of economy, has shocked even the most conservative observers and analytics. Then again, the increased number of users has caused some serious problems, like the huge number of uncontrolled messages, insufficient speed of web access, privacy protection, etc.



Pic. 1. The Internet users' growth

The aim of the Internet usage for business purposes is to enlarge the sales or create a positive image of a company or product brand. Among other things, the Internet enables people to communicate among themselves in a direct way and with no physical movement and travelling involved; it also enables the interchange of information, business negotiations, sales and procurement, as well as many other activities to be performed in a simpler and cheaper way. That is why advertising via the Internet does have the strongest influence on the users. A truly skill of a globally-oriented company is estimated through its successful business operations in the global environment, in the centre of which there is a user. The needs of global users can be seen through the fact that, in the global market, there are more and more products, by the notable brands, which are being distributed through global channels and are being globally advertised as well. Each modern company seeks to create as large as possible number of faithful consumers of its products, and this can be achieved through linking the data from various sources, and their changing into useful information, necessary for the company's management, in order to measure the effectiveness of their e-business. The speed and the quality of information exchange, usually mean a bigger profit or even the survival in the market for every single serious business organization.

COMMERCIAL POTENTIAL OF THE INTERNET

Electronic market, based on the Internet, is still in the developing process; however, it is clear that the Internet is leading to a bigger economic effectiveness. Today, the Internet represents one of the most important tools of modern business and it is, at the same time, one of the most impressive instruments the modern technology offers to the contemporary business. The Internet changes the borders among people and organizations and within organizations themselves. In addition, it enables distance work and the cooperation with workers and partners who are situated away from you.

Thanks to a bigger experience in the electronic exchange of data, big companies have seen the need for advertising on the Internet; mid-sized companies, on the other hand, show a stable presence on the Internet, despite the relatively low costs and the huge scope of the Internet, which fits small and mid-sized companies. Many

1 Stankić R., (2008). *Elektronsko poslovanje*, Centar za izdavačku djelatnost, Ekonomski fakultet, Beograd

2 Dicken P., *Global Shift*, (1995). The Guilford Press, New York



small companies only want to provide a public access to their information, regarding the company itself and its products, as well as to improve business communications via the Internet. In spite the fact that the interest and presence of the companies on the Internet is on the increase, there is still a kind of scepticism and somewhat uncomfortable feeling with regard to the Internet potential in the area of business.

Via their presence on the Internet and their usage of e-mail services companies establish the contact with the users, providing them with the post-sale services online, and sending them information on new services and products. One of the Internet characteristics is the availability of information, which is not the same if we take the physical market into account, given the fact that the user does not have the opportunity to fully explore some information, while, on the other hand, in the electronic market, gathering and showing all the information possible is enabled³.

Ways of Advertising Companies on the Internet

Companies become virtual entities on the Internet and all the functions do not have to be done at one place but each operation can be performed at any place. Some companies only operate on the Internet and their everyday operations are done through the web. The logic of business, which encompasses the processes of procurement, stocktaking, storage and invoicing can be integrated into the corporative Internet, which is realized as a safety functional network with all the functional characteristics of local networks, mutually connected via the Internet. Suppliers and buyers are given the appropriate levels for accessing the Internet, which enables their connection with the employees via the web.

We can identify a few phases companies have to undergo when entering the business via the Internet: presence on the Internet, marketing on the Internet, communication on the Internet, ordering goods on the Internet, with a classic payment methods and delivery, electronic communications or video conferences⁴. The Internet is significant for contemporary business since it offers a range of conveniences: savings in operating costs, the increase of the company's reputation, a simplified approach to the widest range of products, ensuring a greater quality of services, preparation for future business operations, etc.

Global on-line Advertising on the Internet

Electronic business has appeared as the entailment and improvement of the model of traditional business, but many things have significantly changed, for many reasons, the main of which is the fact that electronic business opens the doors to the global business operations, and that happens thanks to the web pages and advertisements which companies use to enter the market.

The appearance of e-commerce does represent a mere revolution in business, for many reasons some of which are: unsurpassed technological basis composed of modern telecommunications, computing, and information technologies. Before the era of e-commerce, sales and marketing were based on massive unplanned marketing, work force and the skills of direct salespersons. Users used to be perceived as the passive targets of advertising campaigns, captured by geographical and social barriers, and limited to a narrow local circle, in the search of the best price-quality ratio⁵.

At the same time, distance is not a limiting factor, when it comes to the establishment of business relationships, relationships with the end users, as well as creating partnerships with distant suppliers of raw materials, and similar. The Internet has enabled the creation of the global economy, where the market includes a vast database of users linked via these media. The global network enables the creation of communication channels among business partners and their linking, with the aim of performing mutual operations. Thanks to the Internet, time is not a limiting factor in business and cooperation of the partners in business. On-line network provides a continuous communication 24/7, which represents a great advantage in the world separated by time zones. In the digital world, it is simple to gather the data about the buyers, and it is also possible to create rich databases, which can help the process of making some important choices, when necessary.

In the digital economy, products can immediately become available; on the contrary, traditional economy requires a different kind of communication, which includes telephone communications and waiting for responses and delivery. The new economy creates a highly competitive environment, where the emphasis is on the users. It can be concluded that, for the purposes of e-economy, information is a vital part at each and every stage of economic activity. This kind of economy has been created as a result of knowledge, information and communication.

CONCLUSION

Marketing globalization has led to the situation in which the market, in the conditions of high information mobility, is taking different shapes than the ones it used to have. One of the most important tendencies in the development is the openness towards new technologies and the standards which they bring, since on-line business represent a model which is constantly developing and requires, among its innovations, monitoring by the users. One of the advantages is rather cheap information advertising and both the inner and outer integration of a company. We can expect that each company will offer a new, more quality and more attractive solution in the area of marketing, promotion, advertising, as well as additional services and conveniences offered to the users. Globalization and the usage of its advantages provides a more efficient presence in the market; competition can be, in an indirect way, put under control; finally, a more stable

3 Uroš, T., (2005). *Elektronsko poslovanje*, Beogradska poslovna škola, Beograd

4 Vujović S., (2005). *Elektronsko poslovanje i poslovna inteligencija*, Čugura print, Beograd

5 Unković M., Milosavljević M., Stanišić N., (2010). *Savremeno berzansko i elektronsko poslovanje*, Univerzitet Singidunum, Beograd



development is enabled. Disadvantages which appear in the process of globalization mainly refer to the question of data protection from unauthorized access, and the protection of privacy within and out of business organizations. Estimating all the advantages and disadvantages and their mutual relationship, we can conclude that the world is soon to become a borderless area.

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