

THE IMPACT OF ELECTRONIC COMMERCE ON THE PRESENT
SOCIETY

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Abstract

With the Internet access growth, the Electronic Commerce (E-commerce) captured the interest of individual consumers and commercial societies everywhere. Many companies were so involved in marketing, branding, raising money and carrying their bags of money to the bank that they forgot that an online business may still be. The discussions are about the creation of a new business model (e-business, e-commerce) through the Internet that radically changes their efficiency by reducing transaction costs. For a business to work, there are certain fundamentals that need to be practiced, even in the magic world online. To be successful online, just like offline, you need a business plan that will eventually lead to profitability.

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1. The electronic commerce: introduction, generalities, evolution

From Adam Smith to our days, commerce has been viewed as a means of exchanging goods for another value. Since the first states appeared, the commerce has been protected by the stick, in the beginning, and by the law, later on. We arrived at the moment when commerce can be traded on computer networks and communication systems.

Electronic commerce or *e-commerce* does not yet have a definition widely accepted. It could mean, in a large sense, any business made on the Internet or, in a small sense, goods sale and services delivered off-line or on-line sale digital products (Coppel, 2000).

In the 1990's the IBM company made popular the *electronic business* term through marketing campaigns. Another related term is *E-Trade*, which refers to the electronic stock transactions. Internet offers a various spectrum

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of use in commercial business and it can involve relations between different partners, like firms, individual consumers and public authorities. E-commerce started with quite limited applications which answered to companies wishing to incorporate their own business systems with the suppliers and distributors' ones through electronic change of information provided by very expensive private networks.

For the first time, technology allows to create a real global market and, at the global level, they try to establish the legislation in this field. Electronic Commerce developed and proceeds to develop very fast at global level, being a true social- economic vector. While some people think that computers are an instrument which dehumanize and reduce the life quality, its impact over other persons determine them to see in the developing of information and communication technology a challenge and a good opportunity.

Any commercial company will be able to be approached by its customers irrespective of their geographic situation and the consumers can obtain products or services at the most convenient price / performance reports launching the command from their work place.

Electronic deliveries are certainly made to the client and they assure at the same time the suppliers' immediate access to the cash generated by the sales performed, while the consumers receive automatically a financial report which permits them to have a latest image of their financial reports.

If in 1998, through electronic commerce, exchanges of about 50 billion dollars were made in the USA, in the next ten years they increased more than ten times.

One of the principal objectives of the year 2010 is to create a unique informational space. Until now, the stress has been laid on the regulatory of the networks and of the content, so that the change of the content market change has become already obvious in the growth of the music online sales and new digital devices.

The transition from the classic distribution of the content way to the online distributions is accompanied by an explosion of a content created by users. The absence of a specific legal frame for the consumers' protection based on high standards of security and on the definition of suppliers' responsibility, and also the most important aspect - the uncertainty of the remedies at their disposition in case of litigation, do not allow consumers and societies in the field to fully exploit the network commercial power.

2. The e-commerce forms

These forms have been diversified in categories like:

- B2B (Business to Business) - is an e-commerce model in which all the participants are companies or other organizations. In Romania B2B field is a very important business, leading to the apparition of the internet in firms at high level. Recent analysis shows that, in Romania, there are more than 1.1 million users which navigate on Internet for their jobs (including schools and universities) and more than 42000 of high level domains registered.

- B2C (Business to Consumer) - is an e-commerce model in which the companies are selling to individual buyers. In Romania, the B2C electronic market is in a forming stage. The consumers are still testing online, but there are a lot of barriers which must be broken before the customers behaviour changes; these things are linked with the problems in the creation of the transactions security the protection of the customers guarantee, the speed of transfer increasing in the network or even to guarantee internet access. Most of the particular users of the Internet have access through their jobs and only about 200000 of people have a personal access. Office of National Statistics in Great Britain sustains that the B2C sales on the world exceed 10 billion dollars in 2001, the market being in high expansion.

- C2B (Customers to business) - this e-commerce model refers to the individuals which use the Internet for selling their products and services to firms and for looking for sellers on auction on-line for the products and services that they need.

- C2C (Consumer to Consumer) - this model refers to the consumers who are selling directly to other consumers. An example in this respect which has an enormous success all over the world is the eBay system.

- E-Government - this form of e-commerce is met in the following forms: B2G (Business to Government), G2B (Government to Business), G2C (Government to Consumer). Here, "government" means the administration of the respective state.

- B2G (Business to Government) - the governments are using e-commerce channels for performing the efficiency of the operations and

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improving the services offered to the customers - citizens. An important interest field for the governments in the business field is the enhancing of Internet and of VAN networks using, for dissemination of information, opportunities, shares received from the sellers/suppliers of goods and services. Between 1980- 1990, some innovational governments began to use B2G, using dial-up system in "bulletin board services" transmission (BBS), which guarantee the online access to the current demand of information, opportunities, consultancy.

- G2B (Government to Business) - is an e-commerce model in which a governmental institution is buying or selling goods, services or information from the judicial persons.

- G2C (Government to Consumer) - is covering government-citizens relations on the informing and public service catering level (e.g., the online payment of taxes).

3. E-commerce and traditional commerce: similitude and differences

E-commerce not only includes the commercial transaction as such, but also all the interactions and changes of information between sellers and buyers, which appear before and after the respective transaction (publicity, technical support for the bought product, delivery, commercial services etc.). So, in the e-commerce case, we meet the same elements like those of the traditional commerce, but with some specific changes, like:

- the product/service (there is a product or service which is material or digital);

- the sale place (in case of commerce through internet, there is a website on the network which present the offered products or services);

- publicity (a manner for attracting people to come to a certain website was developed);

- the selling manner (an online form in the case of commerce through Internet);

- the payment manner (in commerce on the Internet, the e-banking activity evermore applied, a certain manner to charge money - usually a banking account with payments by credit cards. E-banking assumes the existence of a secured page for commands and connection to a bank);

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- the delivery manner (acquiring products on the Internet is realized by post-office messenger or classically - by the buyer's visit to the seller deposit (a physical location).

The e-commerce activities are not different from the activities of traditional commerce: a simple cycle of selling without intermediary, in which only the delivery of the tangible goods can not be executed through electronic proceeds, useful data bases for electronic business, commercial activities realized electronically (the publicity for goods and services, promotional actions, communication between traders, online delivery from software packs, electronic magazines, newspapers and news reports, transfer of assets, commercial auctions, direct marketing, sale services, launching orders, transferring documents of transport, contracting services and others).

With small exceptions, e-commerce does not differ very much from the traditional one, over the appearance of the stages necessary for the achievement of transactions. But there are other aspects which delineate the two forms of the commerce.

At first sight, it is about the sphere of action, or about the coverage of the two forms of commerce. Practiced especially by Small and Medium Enterprises (SMEs), the e-commerce represents an important objective of the Government Strategy for maintaining and developing of the SMEs in 2004-2008 time period. So, the developing of the competitive capacity of the SMEs, like a strategic priority, can be obtained by an e-business promotion and by a sustained support for innovation and the access of SMEs to the new technologies. But, for a high generally using of e-commerce by SMEs, the legislative and standard conditions in this field are necessary. Also in Romania, since 2000 it has been considered that one of the principal objectives belongs to the home commerce is "the preparing of the legislative and normative conditions for a generally high using of e-commerce". But, e-commerce cannot be restricted to a territory, because there are at least two characteristics of e-commerce (because of Internet) like: the market opened at a global level and represented by the network and the partners in an unrestricted number, being known but also unknown. The development of e-commerce was possible because of another important aspect in delineating the traditional commerce system from the electronic one, namely the time of the commercial transactions achievement. Another seemingly important aspect is delimitating the e-commerce by the traditional one referring to the commercial products.

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The firms of electronic commerce sphere are selling: IT (software, hardware, accessories), books, music, financial services, flowers and gifts, entertainment, tourism services, toys, spectacles and travel tickets, information and not so much food-products on account of their perishability.

4. Advantages and disadvantages of commerce markets developing

Online markets are associated with advantages for consumers, but they also carry problems pre-requisites of the regulatory system. Online markets differ in a significant way from the structure of the traditional market in the typology, the customers' potential, the competition between price and the interactions seller-customer, these being significantly different from the same phenomenon of the traditional markets. Their attractiveness is offered by the strong orientation to consumers, hand a lot of products suppliers and services are laid-out at hand, reasonable prices and more information.

An important problem of the online market is more possibility, than in the case of the traditional one, of having a fraudulent and deceptive behaviour, because of the anonymous character of the participants. As follows, near to fair traders, it is very possible to exist false sellers who are cheating the buyers by the help of some attractive sites, aggressive advertisement, the promise of offering "marvellous" products and some unbelievable discount of prices, and finally they don't offer what they have promised or not delivering the merchandise at all. Moreover, the consumers are confronted with a theft of identity through more and more complicated methods.

In the economic offences chapter, one of the most seriously infringement of the law of property through electronic commerce is the digital traffic which has three typical forms of manifestation like: duplicating, illicit access, the transmission of artistic literary operas of software and technical creations. The computer, as crime instrument, is very powerful. Also, a mistake of the computer program which manage the ATMs of a bank activity can reduce or increase the deposited or withdrawn sum. In New York, only at a bank, 150.000 transactions were effectuated by mistake, which means more than 15.000.000 USD. The theft of a stock of microprocessors, which have a bigger value than their weight in gold, is

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relatively easier to be realized than a transport of a bank attack. The terrorist attacks don't restrict themselves to bomb attack or other conventional arms. John Deutch, ex-manager of C.I.A., said that: "The tomorrow terrorist will be able to produce bigger damages with a keyboard than with a bomb". In 2000, the International Strategic Studies Center from USA reported that 23 nations informationally attacked the American state, and The American Department of Defense declared that their computer system is being subjugated to 60- 80 of informationally attacks daily.

5. The result of e-commerce over the reality of present economy

It is known that more than 80% of the sites are commercial, half of the cars sold in USA are ordered online and the transition at a full digital economy is inevitable in the future. The site www.amazon.com is the biggest virtual bookshop of the world (once quoted at stock exchange for 17 billion dollars, it does not bring any cents for the shareholders).

Peter Drucker underlined the fact that information is not the fuel of Informational Revolution, but e-commerce is, fact that nobody know ten or fifteen years ago. Like in the normal life, where there are a lot of catalogues and advertisements, the buyer gets less products and more image. The principal activity of the commercial websites is the collecting of personal data and it was revealed that about 92% of these data are collecting personal data of users who are putting then together, sorting and using them thereafter. It is expected that the power transfer from the producers to the consumers should be produced on the reduction and even elimination of the sellers' intentions for imposing prices which do not cover the value of the offered products or services.

The organizations and enterprises will necessitate, in a first stage, digital consulting firms able to facilitate the conversation with consumers and relieve the work of the producers for personalized information on the products and services provided. In this manner, the companies will be concerned, for the most part of their resources, with collecting data and making studies referring to the consumers' requirements and preferences.

In a study made by Global Business Dialogue on Electronic Commerce, it is estimated that the whole value of online transactions will hit almost 7000 billion USD annually and it is presented in a report drawn up by Jupiter Research that the number of Internet users, in Europe, will hit

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212 million value users until the year of 2008, from 142 million of value users in 2002.

At present, one of the elements which restricts the development of online business is linked to the distribution, at a global level, of the technologies necessities for the achievement of some transactions; in other words, "Internet will reach only certain parts of the world". People dissatisfied of the quality or performances of one of the products acquired online will be able to lodge acclaim in their country, but the solutions of that claims will be done in conformity with the norms and standards of the sellers country. At this moment, the goods acquired online, which are transferred from a country to another, are custom duties free, this thing means that e-commerce has a preemptive treatment comparing to the traditional commerce. In the conditions that e-commerce will become the principal form of carrying on the international commerce, less for some categories of goods, this fact could have a negative impact over the incomes of the state budget which can register decreases owned to the substitution stage of the traditional commerce with the electronic one. It can be said that at present the biggest part of the global population cannot have access to the new technologies of information, yet. In the most countries of the world, "the old economy'," the economy of chimneys of factory", like A. Toffler says, is dominating not the digital one.

Regarding the evolution of e-commerce (table 1), we can observe that the percentage of turnover of the enterprises obtained from e-commerce through Internet, not only in EU, but also in Romania, it is growing, even if in our country it is much lower than the EU average.

Table 1. The weight of turnover of the enterprises obtained from e-commerce through Internet in UE and Romania

	2004	2005	2006	2007
EU (27 countries)	2.1	2.7	4.0	4.2
Romania	1.3	Data not available	0.4	1.2

Source: Eurostat

6. Conclusion

The development of the informational technologies revolutionized the global commerce, retail trade, redefining the classical principles of marketing. It is remarkable the fact that, in our days, for more and more enterprises from different countries, e-commerce means the increasing of income. This because e-commerce means the unfolding of a business, like a value-producing activity, having as a support the Internet network and using some special software programs. On the global level, e-commerce became a principal component of the economic development politics of the developed countries' governments (Japan, USA, EU countries, and others), and through the measures taken by the countries at the governmental level for establishing some unique regulations regarding the achievement of commercial transactions on electronic support, e-commerce become an essential component of the global commerce.

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