

# The role of the Internet in the Development of the Business Environment

Cătălin DEATCU<sup>1</sup>

<sup>1</sup> ARTIFEX<sup>U</sup> University of Bucharest, Department of Finances-Accounting

Correspondence: Cătălin DEATCU, “ARTIFEX” University of Bucharest, Economu Cezărescu street, no. 47, 6th sector, Bucharest, Romania, E-mail: [secretariat.artifex@gmail.com](mailto:secretariat.artifex@gmail.com)

## Abstract

The Internet is distinguished by the fact that it constitutes an environment where the individualization and direct interaction between organizations and consumers can unfold, which is a practical advantage for both parties. Until recently, presence in the online environment was just an option, today it is seen as a necessity. It can even be said that the emergence and development of the Internet has changed the business model. Quality and quantity are no longer the only references to growing and developing a business. Currently, the visibility of the company and its products on the market is a very important success factor. Also, keeping a continuous and unlimited link between the company and its customers is an effective means of optimizing the relationship between supply and demand for goods and services. The Internet, through its expansion over the past decades, has brought a number of great advantages for all involved in business activities, as well as traders or consumers.

**Key words** Internet, online environment, business model, advantages for traders and consumers

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## Introduction. Literature review

Internet development has seen a significant increase in the world over the last few years. The evolution of this phenomenon has been recognized by the vast majority of researchers in the field, reaching a consensus on the central role that the Internet will play in the evolution of all economic and social activities in the third millennium (Boronat and Pallares, 2010).

The Internet is distinguished by the fact that it constitutes an environment where the individualization and direct interaction between organizations and consumers can unfold, which is a practical advantage for both parties. Until recently, presence in the online environment was just an option, today it is seen as a necessity. It is important to note that in the electronic environment, the consumer has the control over the information he wants to receive, the offers he / she is interested in, the channel used and the price he / she is willing to pay. If a particular source of information does not meet all of its requirements, the consumer has the possibility to continue the research without incurring additional costs. Deatcu (2017) develops on the contemporary trends in online marketing, both from the theoretical and practical viewpoints.

It can even be said that the emergence and development of the Internet has changed the business model. Quality and quantity are no longer the only references to growing and developing a business. Currently, the visibility of the company and its products on the market is a very important success factor. Bickerton, Bickerton & Pardesi (2011) and Orzan & Orzan (2007) are reference works in the field of cyber-marketing.

Also, keeping a continuous and unlimited link between the company and its customers is an effective means of optimizing the relationship between supply and demand for goods and services (Laudon and Traver, 2015).

## 1. Research methodology and data

The popularity that the Internet currently has as a business environment is due to its ability to facilitate the dissemination of information and to provide effective channels for advertising, marketing and even the direct distribution of information goods and services.

For any user of an electronic terminal, regardless of his or her level of training, it is extremely easy to note that Internet businesses have experienced exponential growth in many areas of activity.

It is hard to imagine a modern economy where there is no access to online shopping services. Today's buyers are already accustomed to acquiring or at least informing themselves online about the purchase of a wide range of products and services. Thus, in the contemporary period, we have the opportunity to purchase from cars, books, airline tickets, food, tickets to theater or cinema shows, to medicines and other vitamins, to pay for utility bills online and to perform various operations banking.

A true image of the role the Internet has in influencing the behavior of consumers of goods and services is provided by a study by a specialized company (Nielsen Romania)<sup>1</sup>.

Thus, according to the data provided in the annual buyer trends report, four of the first sources of new product information are available on online platforms (articles on websites, Internet forums, social media posts, active search on the Internet).

## 2. Results and discussions

### 2.1. The role of the Internet in the development of the contemporary economic system

Recommendations from family members and friends were the main source of information when purchasing goods or services, 56% of the Nielsen study subjects claiming to have used such a source are easily noted the momentum of online documentation in establishing consumer behavior in the population.

Thus, 21% of respondents collected information from specialized websites, 17% from specialized Internet forums, 26% turned to available social media (Facebook, Twitter, Google +, Instagram).

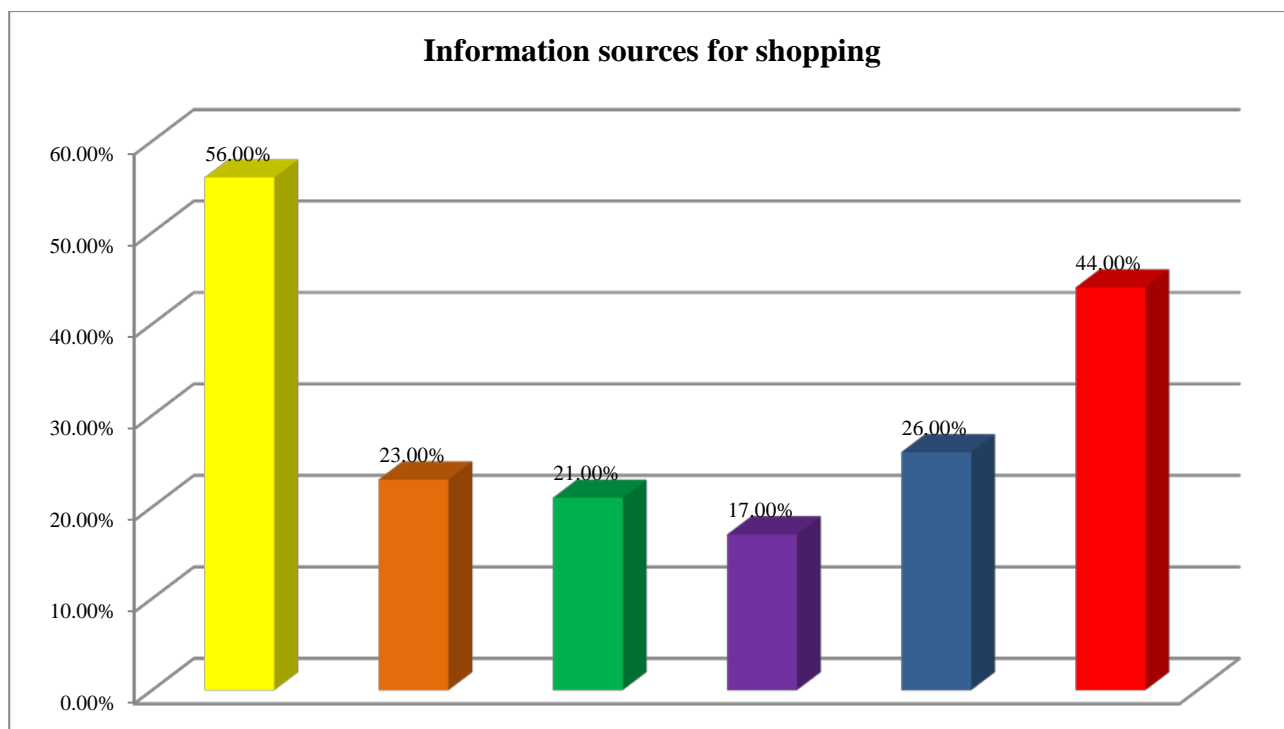
The high percentage of those who are willing to get informed through active searches on the Internet (44%) notes that more and more modern buyers prefer to make a minimum effort and choose products and services acquired on the basis of conscious and verified information from several sources available in the electronic environment.

Such a trend is particularly important for all who want to develop a business, and they need to be aware of the role that the Internet will play in the near future in the development or decline of organizations. Ensuring buyers' access to free, real-life and verifiable sources of information is thus a primary goal for the leadership of any company that wants to impose on the market, regardless of the field in which it operates.

**Table 1. Information sources for shopping in 2017**

Information sources for shopping	2017
Friends and family	56,00%
Experts and professionals	23,00%
Articles on websites	21,00%
Forums on the Internet	17,00%
Social Media Posts	26,00%
Active search on the Internet	44,00%

<sup>1</sup> <http://www.nielsen.com/ro/ro.html>



**Figure no. 1. Information sources for shopping in 2017**

Source: Author's processing

## 2.2. Advantages of using the Internet in commercial activities

As we have previously said, online documentation is a feature of the modern economy, one in which information has become a primordial element.

The Internet, through its expansion over the last decades, has brought a number of great advantages to all involved in business activities. These could be synthesized as such:

*a) benefits to consumers:*

- access to large amounts of information, which allows them to take the purchasing decision based on well-studied technical elements;
- easier identification of desired products or services based on the ability of the Internet network to accumulate, analyze and control large amounts of specialized data on different domains;
- the ability to test certain categories of products or services online;
- access to other consumers' opinions of the results of the practical use of the products or services the buyer intends to acquire;
- the possibility to opt for constant receipt of commercial information disseminated by certain producers or for certain categories of products or services, depending on the purchaser's own interests.

*b) Advantages for manufacturers and sellers*

- provides the ability to transmit a great deal of information, to present and promote the activities, services and products, even business history and philosophy worldwide;
- provides several categories of producers with relatively low cost access to a very high potential market;
- provides an exposure environment for intangible products and services whose presentation in a classic store is more difficult and inadequate;
- allows for direct contact between producers and sellers on the one hand and buyers on the other hand, thus minimizing the costs of making this connection, saving time and making commercial transactions more efficient;
- reducing some of the efforts and tasks of the manufacturer / seller, which are transferred to the buyer who has the opportunity to carry them out directly

- offers the seller the ability to collect and monitor information from customers, primarily linked to their preferences. In this respect, it is worth noting that the Internet facilitates the conduct of marketing research (organizing focus groups, sending emails to reduce the non-response rate) as an alternative to mail research;
  - allows the transmission of advertising or other commercial information only to those customers who have requested or have agreed to receive these messages;
  - provides the use of database information about the number of visitors to a website and the attendance frequency in order to adapt the company's offers and services;
- c) *Operational advantages (valid for both the buyer and the manufacturer / seller)*
- the small percentage of errors;
  - saving time;
  - cost savings due to the use of electronic databases;
  - creating new markets and sales segments;
  - increasing sales;
  - faster entry into a retail outlet;
  - the increased speed of the purchase process.

### 2.3. The main business categories in the electronic environment

The modern economy, especially in developed countries, relies heavily on the work of organizations that act as support for the Internet. In order to ensure the growth of this segment of the business environment, there is a need for little effort to be neglected by economic agents, but also by central and local government, other categories of organizations and the general population. For this segment of economic activity to work at the maximum, it is necessary for all these components of society to realize the particular importance of today's information.

The main categories of business relationships that take place in the online environment and can be related to the concept of e-commerce are the following (Ghilic-Micu, 2012):

- business-to-business (B2B) encompasses those transactions that take place online between two or more trading partners. In this category of business activities are included all actions performed by an organization that uses the Internet to order from suppliers, to receive invoices or to make payments;
- business-to-consumer (B2C) refers to those business relationships that take place between businesses and end-users, which allows it to be cataloged as retail. This type of activity has seen an unprecedented development amid the growing importance of the Internet.
- business-to-administration (B2A) refers to those business relationships that occur between economic organizations and local or central public authorities. This category of e-commerce is in a development phase, but it is also expected to see significant growth in the next period, as the government and its subordinate institutions will make the use of information technology a national priority.
- business-to-employee (B2E) refers to transactions within an organization, intended for employees hired and performed through their own intranet system.
- consumer-to-administration (C2A) is a category of online economic activities at an early stage but will develop as payments made by central or local government to citizens as a result of settlements related to various forms of aid social, will be made predominantly in the electronic environment.

### Conclusions

The Internet is, no doubt, a significant catalyst for the development and progress of business. The worldwide network is continuously in development, is highly accessible and the new technologies are in a continuous expansion, being easy to utilize, user-friendly and available on a variety of platforms. Alike, mobile users and static platforms have full access to all functionalities and information available.

Among the contributions of the Internet to the expansion of business are: access to information, easier decision-making process in the purchasing activities, a set of instruments at the disposition of the entrepreneurs and managers, to promote their own offer and competitive advantage, cost savings in terms of both money and time.

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