



V-LRN

VIRTUAL LEARNING NETWORK



International Business environment

Block-5

UNIT-20

Electronic Commerce

Virtual Learning Network



Topics to be covered

Introduction

Emerging Directions in International Business

Electronic Commerce

Internet

Internet services

World Wide Web

Electronic Data Interchange

Global Trade Point Networks

Commerce Net

Business Issues

Summary

Introduction

- Rapid developments in computer and Telecommunications technologies.
- The popular World Wide Web have dramatically changed the information exchange process all over the world.
- International electronic commerce is managing this resource with maximum efficiency using the Global Information Infrastructure.



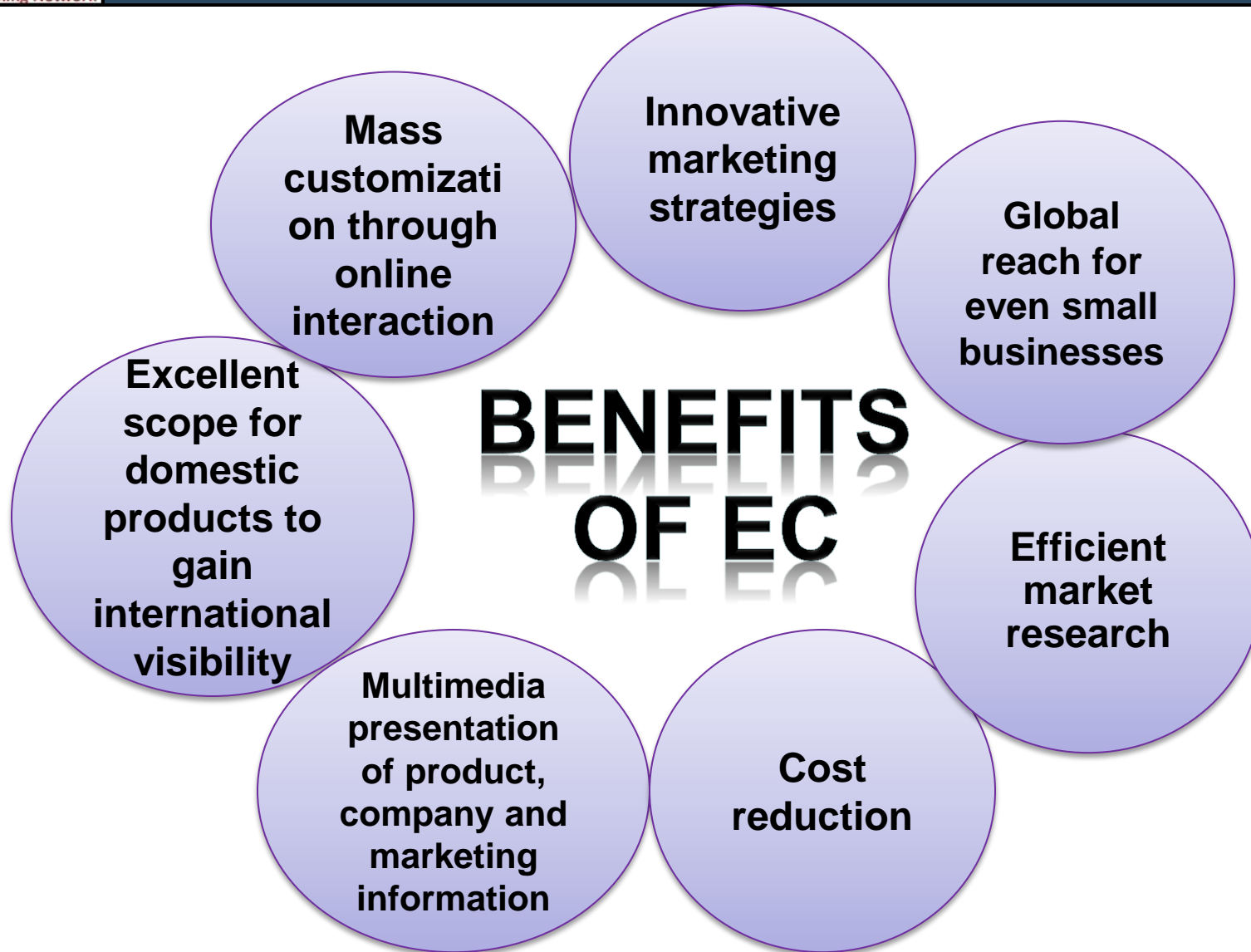
Emerging Directions In International Business

- To handle information efficiently, organizations must possess the appropriate information technology (IT) infrastructure. While self-owned networks may not be within the reach of most companies, they can obtain a minimum level of internetworking through network service providers.
- Global Partnership is an emerging reality. Just-in-time (JIT) Inventory Management, Total Quality Management (TQM), and continuous improvement are some of the important concerns businesses need to address and resolve.

E-commerce

- Using electronic channels based on computer and telecommunications technologies, a lot of business transactions and information interchange can be automated without any constraints on the geographical dispersion of the trading partners.
- In the emerging global electronic marketplace, all companies meet on equal terms. They have access to all information services to communicate. Third parties offer value-added services such as specialized directions, brokering, referral, vendor certification, credit handling, etc.

E-commerce (Contd.)



The Internet

- Internet is simply a collection of interconnected networks. These networks are located within many universities, businesses, libraries, government offices, research institutions, entertainment organizations all over the world. The Internet links these various networks so that people all over the world can share their information.



Internet Services

- **Internet Activities**
 - Accessing and retrieving information
 - Using recreational facilities
 - Transacting business
 - Teleworking
 - Communicating



Internet Services(Contd.)

- E-Mail
- File Transfer Protocol (FTP)
- Gopher
- Telnet
- Wide Area Information Service (WAIS)



WORLD WIDE WEB

- The World Wide Web has become very popular.
- The Web technology is based on a client-server architecture. It has facilitated availability of multimedia information on the Internet.
- Moreover, it permits users to access documents located at different sites, using hyperlinks.
- It can request information stored at different servers located all over the world.
- A server is another programme on the computer terminal where information is stored and is made available to clients requesting such information.

Electronic Data Interchange (EDI)



- EDI is the computer-to-computer exchange of business information among trading partners.
- In a common EDI scenario, purchase orders are sent to suppliers.
- The suppliers send acknowledgement, and follow up by sending shipping documents. The purchaser makes payments through banks on receipt of invoices.

UN/EDIFACT

- EDIFACT defines the syntax rules for the transmission of messages and can be used across industries, across global boundaries and for both government and private sector.
- It is a fusion of European and American national standards.
- It is supported by a set of rigorous messages design procedures, thus ensuring that EDIFACT messages which are endorsed by the United Nations conform fully to the standard and hence are internationally functional.



Value Added Networks (VANs)

- Many business corporations, use proprietary systems or value added networks for EDI with their business associates. In many instances, bigger organizations persuade their smaller trading partners into accepting their proprietary systems.



EDI and The Internet

- While many companies use proprietary systems or value added networks for EDI, very few use the Internet for EDI. The Internet is considered by many to be a long term alternative to VANs. Most organizations already have Internet connectivity and Web servers.
- Thus, it should be easy to start EDI on the Internet without much additional investment, making the Internet a viable solution for small companies wanting to implement EDI.



Global Trade Point Network (GTPN)

The Global Trade Point Network (GTPN) was officially launched by the UNCTAD

The Trade Point programme is key component of this initiative.

The main objective of this initiative is to open international trade to new participants, especially the small and medium sized enterprises (SMEs), by simplifying and harmonizing trade procedures worldwide and by giving traders access to advanced technologies and information networks.



Global Trade Point Network (Contd.)

- **Four Major Objectives Of Programme**
 - Make international trade transactions more efficient by simplifying and standardizing the trade process.
 - Make current and prospective international traders more effective by providing them with easy access to trade information, facilitation of services, information technologies, network, and support training.
 - Promote new commercial partnerships between international traders through the creation of electronic information and communication links.
 - Increase awareness of existing and potential international traders to new trading opportunities and techniques offered by advances in trade information.



Trade Point Networks

- Major services of Trade Point Networks
 - To provide an Electronic Trading Opportunities (ETO) system which would include a list of current world opportunities.
 - Catalog services will be exhibited at the GTPN and their products linked to the ETO Master Index at the UNTPDC Web site.
 - To facilitate Trade Points to create multimedia catalogs for their information, brochures and simple text for full multimedia support.



Electronic Trading Opportunities System

- ETO system is a major Web service under UNTPDC Global Reach Programme.
- The ETO Master Index facilitates access to the system and navigation to all possible locations of ETOs.
- Users can search ETOs to access ETO Visual Catalogs (multimedia), and ETO Visual Special Projects.

Commerce Net

- Commerce Net was formed in U.S to facilitate the use of an Internet-based infrastructure for Electronic commerce (EC) to allow efficient interactions among customers, suppliers and development partners to speed time to market and reduce the costs of doing business.

Commerce Net (Contd.)

- The charter of the Commerce Net is to:
 - Operate an Internet-based Web server to provide information for an open electronic marketplace for inter-business transactions
- Accelerate the mainstream application of EC on the Internet -
 - Enhance existing Internet services and applications, and promote new services
 - Encourage broad participation of companies of all sizes and offer training programme on the a Commerce Net



Business Issues

- **Nature of International Trade Transactions**
 - Documentation for international trade may be a formidable task for small and medium businesses.
 - Different countries have different legal systems as regards legal provisions and resolution of legal disputes.
 - Different languages can also lead to misinterpretation of facts and information when translated from one language to another.



Business Issues (Contd.)

- The major issues are-
 - Technology
 - Regulations and Standards
 - Political and Geopolitical Issues
 - Encryption
 - Security of Data And Information
 - Multi-Cultural Issues

Summary

- The potential for international trade using electronic channels in the wake of the explosive growth of the Internet with its Web component has drawn the attention of both the developing and developed nations.
- Information is the key to trade efficiency. Developing nations have an opportunity to participate in electronic commerce individually and as a consortium.

*Thank
You*