Journal of
Capital Market and Securities Law

ISSN: 2582-6905
Volume 5, Issue 2, 2022
DOI (Journal): 10.37591/JCMSL

http://lawjournals.celnet.in/index.php/jcmsl/index

Case Study JCMSL

The Impacts of Information Technology on the Modern Business World

Ankita Sharma[1,*]

Abstract

Information technology (IT) is one of the important factors helping a firm enter a new market since it fosters innovation, and results in new products and services that support the expansion of the business and company. The tremendous advancements are made possible by the internet and IT revolution. The efficiency of the economy in the business sector makes it easier for businesses worldwide to conduct business by facilitating information exchanges via the internet and smart gadgets. This study aims to analyse how IT affects business and economic performance. The empirical results demonstrate how important IT is to company.

Keywords: Business, company, e-commerce (e-business), information technology (IT), organization

INTRODUCTION

Producers act as product sellers in the global economy, and consumers act as product buyers. These two individuals are interdependent; without the other, neither the business nor its success would exist. Consumers need producers to meet their wants in order for them to buy the goods that producers need to sell. When consumers wish to purchase their needs, they go to the marketplace where manufacturers sell their items. Since the beginning of commerce, when technology was not yet advanced, this has happened hundreds or even thousands of times. When technology advances, the business system is impacted. Information technology is developing at such a rapid rate that avoiding it is becoming increasingly difficult. The development of information technology does more than just make people's lives better every day; it also aids in worldwide commerce. Things that once cost a lot of money and took a long time to complete can now be finished quickly.

Information technology (IT) plays a part in how online commerce is conducted, for example, through providing media services like the internet. Customers can choose the products they want on the websites and applications. To support the online company, these transactions also require other technologies, such as telephone communication technology, banks that enable customer payment, media with producers, and transportation agencies like postal service these are technologies that are important too and have an impact on the growth of internet business. Due to its efficiency, economy, and speed for both producers and consumers, internet business is greatly benefited by the facilities provided by IT (Steenhuis & De Bruijn, 2012) [1]. The impact of IT on human life is crucial. Currently, social development and information technology development are progressing together. People who see commercial potential as a result of the development of information technology, such as online business, widely use it. Globally, doing business online will become commonplace. These have evolved fairly nicely and have become main stream. It is straightforward for citizens to find the goods and services they need by using an online retailer. The

***Author for Correspondence**
Ankita Sharma
E-mail: Sharmasimmi161@yahoo.com

[1]Assistant Professor, Faculty of Law, Chandigarh Law College, Jhanjeri, Punjab, India

Received Date: February 04, 2023
Accepted Date: February 07, 2023
Published Date: February 20, 2023

Citation: Ankita Sharma. The Impacts of Information Technology on the Modern Business World. Journal of Capital Market and Securities Law. 2022; 5(2): 17–22p.

prevalence and accessibility of cheap internet connections in some nations have an impact on the expansion of online commerce. Consequently, this is advantageous for the growth of internet business in comparison to physical industry.

Any technology that enables people to generate, modify, store, communicate, and spread information is referred to as information technology. IT combines data, phone, and video communication with high-speed processing. For instance, IT includes current mobile devices like cellphones in addition to personal computers (laptops), phones, televisions, and other electronic household appliances. The development of tools is important and supportive of business operations, but it does not come at a low cost. In addition, facilities and infrastructure from the region or location where the organization is conducting business operations should be used to assist technical improvement [2].

Information technology development has a big impact on many areas of life, but especially the business world. E-business, often known as electronic business, is one of the newest ideas. Businesses and individuals face new opportunities and problems as a result of e-success. Commerce's Globally, changes in business practices are on the rise, and these changes are primarily focused on providing the necessary data and extensive network systems to support faster and more flexible service accessibility.

The most efficient type of mobile computers and tablet PCs now use internet-based computer technology. Due to high population mobility, the world of commerce must be able to provide goods and services immediately in response to consumer demand. The majority of commercial organizations increasingly use the media to overcome obstacles. The majority of commercial organizations are now connecting producers and consumers (seller and buyer) who are conducting transactions via the media Internet in order to solve problems. E-business and e-commerce are well-known terms for online transactions [3]. E-business is cited by many researchers as the primary characteristic of modern international trade.

Through electronic data interchange (EDI), e-mail, electronic bulletin boards, electronic cash transfers, and other network-based technologies, the business model enables the flow of information and paperless commercial activities. The three primary factors that support the e-business include:

1. Growing consumer power, regional trade agreements, and increased competitiveness in the global economy;
2. Social and environmental influences such shifting labour demographics, government deregulatory policies, increased awareness of and demand for moral behaviour, understanding of corporate social responsibility, and political change;
3. Technological considerations including the short product and technology life cycles, frequent developments, information overload, and less risk of the performance impact of technology costs [4–7].

BUSINESS

A person or group of persons engaging in business offers or sells goods or services with the intention of making a profit. Humans' desire to fulfil demands that are impractical for individuals to meet on their own is the origin of business [8, 9]. Consequently, a desire to communicate and support one another arises.

Humans are evolving and have a wide range of demands and interests that are constantly expanding. Therefore, humanity must create a system that gives rewards in order to satisfy people's innate desire to prosper independently. It is not enough to give and receive. Business develops into a well-organized system for obtaining welfare in life [10]. High earnings in any firm are attained by collaboration and well-organized management, thus the company and the business are now closely allied which is a group that works to further the interests of its members [11]. There is a distinct division of labour within a corporation, and the organization is structured. Employees and managers are the organization's implementers and regulators, respectively [12].

Electronic Business (E-commerce)

A business system based on electronic media, similar to radio and television is known as e-business. Since the e-business system is more widely known when the internet is used as an electronic medium, the general public assumes that e-business uses the internet as its medium. With the advent of electronic devices like mobile phones and tablets, e-business development is continuing to change. The wireless nature of internet access on mobile devices like smartphones and tablets encourages the development of new protocols, like the wireless application protocol (WAP), an internet application that works without a cable.

Users can access the internet whenever and wherever they choose using a smartphone or tablet. "The use of electronic networks and associated technologies enable, develop, enhance, change, or construct a business process or business system to provide greater value for current potential clients," says Mohan Sawhney. The definition, in general, demonstrates how electronic and digital technology work as a medium for achieving business processes and systems (exchanges of goods and services) that are significantly better than conventional methods, especially when considered from the advantages that can be felt by those concerned (stakeholders) [13, 14].

Changes in Technology

Technology is developing quickly and in many different ways; it currently permeates many facets of daily life. Technology offers a smoother, more effective, and more comfortable experience.

Today, practically everyone uses technology in some way, be it simple or complex, in their daily lives. Since technology covers such a wide range of topics, it is uncomfortable to categorize it explicitly. The four main areas of technical transformation are the computer sector, the transportation and communication sector, the energy and natural resource sectors, and the new industrial process sectors.

The internal performance of the organization is impacted by technological innovation in the computer industry, particularly in administration. Database systems may quickly and effectively classify business data. Even this technique can be used to track absent workers. Generally speaking, the database system is crucial to the collecting of corporate inventory. Since most major firms now require computer professionals in the disciplines of data collecting, informatics (programming), and of course computer technicians, the sophistication of the computer—which was once thought to reduce the number of employed people—instead increases employment opportunities.

It is due to how crucial having technology resources to support business efforts.

The ability of modern computers to tackle complicated problems is without a doubt advantageous for the productivity of the company's workforce. With a computer, processing different factors that used to take a lot of time to solve manually is now simple and quick. Additionally, the development of a wide range of analytical applications has been helpful [15]. There are many options for businesses to choose from when it comes to applications that meet their demands. Another benefit is safe backup and storage.

There is no longer a need to be concerned about missing data because the computer is error-free. The movement of items within a corporation is made easier by advancements in transportation technologies.

There are many services available from the land, the sea, and the majority expressly, like airlines. Given the repercussions of increasing financing and speed at the same rate, the transportation budget is currently one of the things taken into consideration. The benefit of land transportation is lower costs. Large capacities and interisland services are made possible by maritime transportation.

Air travel offers flexibility and speed, but not at the expense of cost and transit capacity.

The most discussed topic is communication, which has become easier to access as the internet network has grown and replaced instruments like the facsimile, telegram, or postal service. E-mail services that are simple, affordable, and enjoyable with a variety of fascinating features are now the top options. Given the growing popularity of the internet among consumers, it is also a potent tool for marketing. Networks also make it easier for staff and the board of directors to communicate. Since informal ties are thought to significantly contribute to the development of relationships, they are now more important than ever. Apart from the internet, TV and radio continue to dominate popular attention. Consumption is used primarily by businesses to advertise.

TV shows are getting better and more diverse, and they increasingly include the interests of several parties. For instance, numerous screens now display automotive events that transportation companies have started.

Although it is rare, technical advancements have made it possible to exchange resources with one another, even if it is occasionally pricey.

The negative effects of environmental contamination are brought on by overuse of technology. There is no denying that more modern tools are constructed of inorganic (chemical) materials than of natural ones (organic). The amount of carbon emissions is huge, especially when it comes to high-tech devices like laptops, automobiles, and air conditioners. However, in the present, researchers are beginning to uncover ways to use cutting-edge technology that is environmentally benign.

Businesses are primarily from Japan and other nations. In order to understand the function of technology in business and businesses, this article aims to ascertain the impact of information technology on global business and economic performance. The researcher explains the methodology used in this paper in the section that follows. Middle section of the paper contains the main findings and discussions about the impacts of technology on businesses, the utilisation of information technology in business, the role of technology in the company/organization, and the impact of technology change on economic transformation. The conclusion and recommendations based on the findings are in the final section of the paper.

RESEARCH METHODOLOGY

The secondary data used in this work was found in sources including Internet World Stats, Digital Market Outlook, and the International Telecommunication Union (ITU). Additional data were found via a literature review and library research. Application of the documentary approach for data collection uses a checklist to gather data from numerous sources due to the importance of different information concerning factors like business, the internet, and ICT. The purpose of the descriptive analysis was to provide more details regarding the effects of IT on business and performance of the economy.

RESULTS AND DISCUSSION

In many businesses and organizations, the information system is important. Its essential parts are hardware, software, brainpower (human resources), and network. Such kinds of equipment can be used to increase and improve work productivity, efficiency, and effectiveness, as well as help the organization reach its goals. With the help of organizational information systems and internet technology have developed into a field of study for specialists and practitioners, creating several economic prospects. Since the internet served as a commercial tool in the 1990s, numerous companies' operations seemed to never end. Virtual stores are accessible around-the-clock for information sharing and transactions. E-business was created as a result of business organizations using information systems and internet technology.

Worldwide, there are 3.9 billion internet users. Asian countries have the most internet users worldwide, according to data from Internet World Stats. Asia has a population of more than 2 billion users of the internet. This data suggests that the majority of Asian businesses use the internet for commercial purposes, including bill payment, money transfer, information exchange, and communication. The second region with the greatest number of internet users is Europe, which had more than 700 million users in 2018 compared to Africa's more than 450 million. There are fewer internet users in the Middle East and Oceania/Australia.

CONCLUSION

Information technology's impact and function have indirectly contributed to the business's success because an organization's requirement for time and cost-efficiency might grow with the help of information technology. Additionally, the more advanced technology has both beneficial and negative effects on the company.

This makes it simpler to raise output and money, but on the other hand, much of the job that was previously done by people can be replaced by technology, which is a threat to all workers who are subject matter experts in this area because their position is taken by technology. In general, there are far more enormously beneficial than negative effects of information technology's position in global commerce. The following are some examples of how IT affects business development and economic performance.

Without being aware of time constraints, restrictions, or geographic boundaries, knowledge technology makes it simple to share information and improve online commerce in many regions of the world. Consider an online storefront that companies utilize to offer a variety of goods. Today, a lot of people have advanced degrees in information technology, which aids the growth and development of an internet firm. As a result of the abundance of IT professionals, online businesses can benefit from innovation and system improvement. The technology is being improved to circumvent the potential customer-turning vulnerability of online shopping to credit card skimmers.

However, systems can be kept up, and consumers can once again have confidence in making online purchases by being cognizant of consumer confidentiality. The most widely used platform for companies is online because it is so straightforward. Online businesses can also operate their operations automatically thanks to a system that has been designed to do so. This eliminates the need for constant staff presence to monitor activity and wait for consumers. Due to IT improvements, internet connections are becoming more accessible and affordable, which is beneficial for online enterprises. Therefore, the introduction of the information technology era to the world of business has had a positive effect on the development of the firm since, during this time, a business can operate without regard to space or time. In addition, modern business practices, for instance, doing business online—can be done without incurring significant fees. Additionally, through business activities like the export and import of products and services, the payment of taxes, the exchange of money, the creation of jobs, and other benefits, the excellent performance of the economy is facilitated, which leads to an increase in national income. Therefore, the author advises businesses to enhance their offerings and be creative in how they use information technology because doing so will help them make a supernormal profit, expand, and advance.

REFERENCES

1. De EJ. Technology and economic development: A literature review. International Journal of Innovation and Technology Management (IJITM). Feb 2012; 09(05): 1–11. Online Available from: https://ideas.repec.org/a/wsi/ijitmx/v09y2012i05ns0219877012500332.html.
2. M Deborah. Marginalizing individual privacy on the internet. Boston University Journal of Science & Technology Law. 1999; 5(5): 1–27.
3. Brynjolfsson E, Yang S. Information technology and productivity: A review of the literature. Advances in Computers. 1996; 43: 179–214.
4. M Cronin. Doing more business on the internet: How the electronic highway is transforming American companies. New York: Van Nostrand Reinhold; 1995.

5. B Cornwell, DC Lundgren. Love on the internet: Involvement and misrepresentation in romantic relationships in cyberspace vs. real space. Computers in Human Behavior. 2001; 17(2): 197–211.
6. Dedrick J, Kraemer KL, Xu S. China's Information Revolution, Managing the Economic and Social Transformation; 2004.
7. Bagozzi RP, Yi Y. On the evaluation of structural equation models. Academy of Marking Science. 1988; 16(1): 76–94.
8. Dimovski V, Škerlavaj M. The financial services industry. Journal of Management Information Systems. 2004; 21(1).
9. Gambardella A, Mcgahan AM. Business-model innovation: General purpose technologies and their implications for industry structure. Long Range Planning. Apr 2010; 43(2–3): 262–271. Available at https://doi.org/10.1016/j.lrp(2009).07.009.
10. Šimurina J, Tica J. Historical perspective of the role of technology in economic development. EFZG working paper series. Nov 2006; 29(10): 1–3.
11. Nikoloski K. The role of information technology in the business sector. International Journal of Science and Research. 2014; 3(12): 303–309.
12. Ibid.
13. Gattorna JI, Berger AJ. Supply chain cyber mastery: Building high performance supply chains of the future. London: Gower; 2001.
14. Dimovski V, Skerlaraj M. Communication Technologies as Management Tools: Case of Slovenia. Faculty of Economics: University of Ljubljana; 2004.
15. Gunasekaran A, Nath B. The role of information technology in business process reengineering. International Journal of Production Economics. 1997; 50: 91–104.

