

Chapter 4 : The Internet and e-commerce

Internet brings to companies to sell their products or services on-line with ease. Companies can now gain from a global marketplace while reducing drastically the setup, maintenance and operational costs, all this due to the fact that e-commerce is an extremely affordable way of doing business compared to conventional business models. You can have a lucrative online store as an independent business venture or use e-commerce to generate additional revenues to your existing "brick and mortar" business.

Domain names

Generic domain names — problems arising out of unregulated name selection

Within a particular top-level domain, parties are generally free to select an unallocated domain name as their own on a first come, first served basis, resulting in Harris's lament, *all the good ones are taken*. For generic or commonly used names, this may sometimes lead to the use of a domain name which is inaccurate or misleading. This problem can be seen with regard to the ownership or control of domain names for a generic product or service.

By way of illustration, there has been tremendous growth in the number and size of literary festivals around the world in recent years. In this context, currently a generic domain name such as *literary.org* is available to the first literary festival organisation which is able to obtain registration, even if the festival in question is very young or obscure. Some critics would argue that there is greater amenity in reserving such domain names for the use of, for example, a regional or umbrella grouping of festivals. Related issues may also arise in relation to non-commercial domain names.

Unconventional domain names

Due to the rarity of one-word dot-com domain names, many unconventional domain names, domain hacks, have been gaining popularity. They make use of the top-level domain as an integral part of the Web site's title. Two popular domain hack Web sites are *del.icio.us* and *blo.gs*, which spell out "delicious" and "blogs", respectively.

Unconventional domain names are also used to create unconventional email addresses. Non-working examples that spell 'James' are *j@m.es* and *j@mes.com*, which use the domain names *m.es* (of Spain's *.es*) and *mes.com*, respectively.

Domain name confusion

Intercapping is often used to clarify a domain name. However, DNS is case-insensitive, and some names may be misinterpreted when converted to lowercase. For example: Who Represents, a database of artists and agents, chose whorepresents.com; a therapists' network thought therapistfinder.com looked good; and another website operating as of October 2006, is penisland.net a website for Pen Island, a site that claims to be an online pen vendor, but exists primarily as a joke, as it has no products for sale. Other examples include cummingfirst.com, website of the Cumming First United Church in Cumming, GA and powergenitalia.com, a website for an Italian Power Generator company. In such situations, the proper wording can be clarified by use of hyphens. For instance, Experts Exchange, the programmers' site, for a long time used expertsexchange.com, but ultimately changed the name to experts-exchange.com.

Leo Stoller threatened to sue the owners of StealThisEmail.com on the basis that, when read as stealthisemail.com, it infringed on claimed trademark rights to the word "stealth".

Internet Service Provider (ISP)

An **Internet service provider** (abbr. **ISP**, also called **Internet access provider** or **IAP**) is a business or organization that provides to consumers access to the Internet and related services. In the past, most ISPs were run by the phone companies. Now, ISPs can be started by just about any individual or group with sufficient money and expertise. In addition to Internet access via various technologies such as dial-up and DSL, they may provide a combination of services including Internet transit, domain name registration and hosting, web hosting, and colocation.

ISP connection options

ISPs employ a range of technologies to enable consumers to connect to their network. For "home users", the most popular options include dial-up, DSL (typically ADSL), Broadband wireless access, Cable modem, and ISDN (typically BRI). For customers who have more demanding requirements, such as medium-to-large businesses, or other ISPs, DSL (often SHDSL or ADSL), Ethernet, Metro Ethernet, Gigabit Ethernet, Frame Relay, ISDN (BRI or PRI), ATM, satellite Internet access and SONET are more likely. With the increasing popularity of downloading music and online video and the general demand for faster page loads, higher bandwidth connections are becoming more popular.

Developing Websites

There are many tools which will enable you to create clear, effective websites. However, if you are new at the game, it is helpful to

- gain an understanding of effective websites
- fit your concept into a process of design
- have fun creating your website!

Summary of design:

- identify your audience
 - motivate your audience: treat them with respect and provide proactive feedback opportunities
 - establish clear, measurable web site objectives or design purposes
 - acknowledge reactions, effort & success, and built in help for failure to meet expectations
- Content
 - focus and define your website content
 - language should be simple, understandable for a global audience
 - promote scanning content for important concepts
 - build in white space
 - prioritise your information, as with an outline or concept map
- Navigation:
 - simple
 - clear
 - layered (site maps)
 - organized (think "outline")
- Incorporating graphics

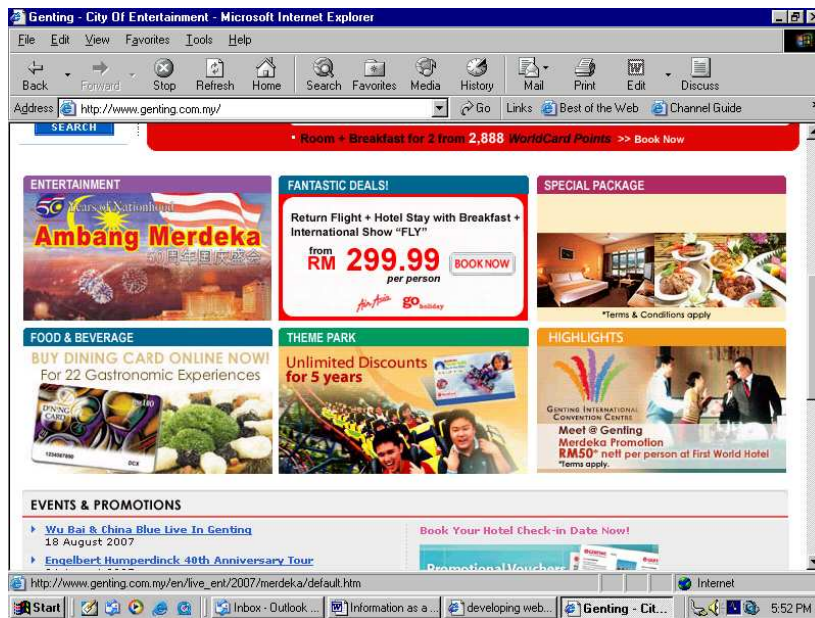
Developing websites begins with its text and structure. After the basic structure is developed, the content should be analysed as to what would benefit from illustration whether line or photographic graphics

Principles:

- choose a background and text colours with high contrast

- use a browser safe palette to be consistent across platform and browser
- format text consistently
- avoid color changes
- avoid italics (hard to read), color changes, and underlining (mistaken for links)
- avoid overly-large text
 - avoid textured backgrounds that make it difficult to read
 - illustrate content with simple, symbiotic, scaled (small), stagnant (non-moving) graphics
 - avoid "dancing dogs": graphics that show off but do nothing for content
 - file formats: compressed (.jpg) photographs, and drawings in (.gif)

Example:



Electronic contract

A contract is a statement of intent that regulates behaviour among organizations and individuals. An electronic contract is its reification in software that can be instantiated as a set of obligations that are fulfilled between parties, refused or waived as future events

occur. Because the contract parties are assumed to be autonomous and self-interested, conflicts will occur, and an appropriate resolution mechanism is required.

An electronic contract can be viewed through transformations that are applied to it during its lifecycle in the electronic marketplace. Further, there is an information viewpoint that shows (document) objects that can be observed at the beginning and termination of each stage. Conceptually, the lifecycle can be split into the three stages of contract drafting, formation, and execution.

Contract drafting phase – Given the contract template model, the drafter role constructs an instance of the template. In this phase the contractual roles, abstract business interactions and contractual situations are specified. Furthermore, if the drafter acts as a regulator, rules and constraints can be added which should be adhered to during the contract execution phase. The template typically has a number of free variables that are agreed upon in the next phase.

Contract formation phase - Participants assume contract roles and negotiate the details of their responsibilities. The negotiable variables of the contract (deadlines, order of actions) become fixed, and concrete business interactions are bound to the abstract ones defined in the template. The relationships between contract parties are created and are captured in the contract statements using the policy expressions that imply obligations and rights of parties.

Contract execution phase –Actual delivery of contract consideration happens. Typically this phase constitutes service or goods delivery, invoicing, bill calculation, presentment and payment. The interactions between the parties may be monitored for their conformance to the terms of the contract

Advertising and Liability

- Web storefronts
- Product information pages
- Electronic billboards, banners and pop-ups
- E-mail to customers and prospects
- Web links from/to other companies' pages
- Listings with search services
- Newsgroup endorsements / reviews

Law

Section 6 . Legal recognition of electronic message

(1) Any information shall not be denied legal effect, validity or enforceability on the ground that it is wholly or partly in an electronic form.

(2) Any information shall not be denied legal effect, validity or enforceability on the ground that the information is not contained in the electronic message that gives rise to such legal effect, but is merely referred to in that electronic message, provided that the information being referred to is accessible to the person against whom the referred information might be used.

Section 7. Formation and validity of contract

(1) In the formation of a contract, the communication of proposals, acceptance of proposals, and revocation of proposals and acceptances or any related communication may be expressed by an electronic message.

(2) A contract shall not be denied legal effect, validity or enforceability on the ground that an electronic message is used in its formation.

Section 8. Writing

Where any law requires information to be in writing, the requirement of the law is fulfilled if the information is contained in an electronic message that is accessible and intelligible so as to be usable for subsequent reference.

Learning Outcomes

- Students should be able to define e-commerce
- Students should be able to be aware of the rights of advertising in the web.
- Students should be able to develop a website.

Basic Reading

1. Greenstin, Marylyn. (2002). Electronic commerce; security, risk management, and control. 2nd Ed. Boston

Revision Questions

1. Identify and explain the types of electronic contract.
2. Explain the term ISP.