

THE EMERGENCE OF ETHICAL PARADIGMS IN BUSINESS ACTIVITIES IN THE CONTEXT OF THE USE OF INFORMATION TECHNOLOGIES

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ABSTRACT

The studies performed made it possible to establish that there are significant changes in the world economy related to the spreading of information-and-communication technologies. A significant part of the economic processes of enterprises operating in the real sector of the economy is transferred to the electronic environment. In addition, there is a new sector of the economy-e-business, the main feature of which is the use of information-and-communication technologies for interaction with end users and business process management within the enterprise and the emergence of the latest ethical paradigms.

Key words: Ethical Paradigms, Information Security, Offline Business, Online Business, E-Commerce.

JEL Classifications: K21

INTRODUCTION

The main trends in the development of modern society can not be investigated without taking into account the influence of modern information technologies on it. The informatization relates to all spheres of human life, including society, science, art and economics. In the economy, information technologies gain the most rapid development due to the wide use of the Internet by business entities.

Thanks to the development of technologies, the information process is more interactive today. Every Internet user is a source or distributor of information. Moreover, the audience not only receives messages, but also sends them. The current technological period is electronic; it is distinguished by positive and negative sides: on the one hand, it is the availability of any information, on the other hand, the unmanageability of information so rapidly spreading over the network; the development of e-business, on the one hand and the change in the nature of information, on the other hand.

REVIEW OF PREVIOUS STUDIES

The use of artificial intellect in the economy involves the protection of confidential information from unauthorized access, information security of resources, protection against cyber attacks, content analysis, information search in networks according to a given criterion, etc. (Koçoğlu et al., 2017). In the conditions of globalization of the economy, the need for artificial intellect in enterprise management systems and resources, including labour, analytical calculations and forecasting, is increased. At the moment, the use of machine learning and recognition of natural language technologies in advertising, retail and finances is most demanded for business developments in the field of artificial intellect.

In the near future, artificial intellect technology will be used to algorithmize the business, which the result of the close interaction of technology and business and involves the use of artificial intellect, starting from the stage of collection of information to conduct business and advising on specific issues (for example, legal advice) and ending with the adoption of tactical and strategic management decisions (Lindh & Rovira, 2017).

In particular, it is planned to introduce a program agents most demanded for business developments in the field of artificial intellect by 2020. These program agents will not be controlled by human; they will become participants in 5% of economic transactions (World Economic Forum, 2016). Currently, such financial agents are also involved in economic processes, but their feature is that their functioning is controlled by a person. In the near future financial agents that are non-controlled by human will be introduced into the financial system. Banking operations will be carried out and insurance and securities contracts will be concluded with their independent participation. Much of the development in the field of artificial intellect is aimed at development in the field of robotization of management functions, in particular, the creation of “*robots-managers*”.

METHODOLOGY

The historical and logical methods have been applied in the study of the achievements of modern world economic science, related to the definition of features of e-business enterprises and the stages of its evolution, approaches to forecasting the development of e-business. Based on the method of comparative analysis, an assessment has been made of the current state of the legislative environment for the functioning of e-business enterprises in the world.

In the course of studying trends in the development of e-business, SWOT analysis has been applied. SWOT analysis-method of strategic planning, which consists in identification of the factors of the internal and external environment of organization and dividing them into four categories: Strengths, Weaknesses, Opportunities, Threats. The task of SWOT analysis is to provide a structured description of the situation in relation to which it is necessary to make a decision. The conclusions made on its basis are descriptive without recommendations and prioritization (Tetiana et al., 2018).

For a more complete return on the method, the building of action options based on the intersection of fields is also used. For this purpose, various combinations of factors of the external environment and internal properties of the company are considered successively. All possible paired combinations are considered and highlighted those that should be taken into account when developing a strategy.

RESULTS AND DISCUSSIONS

E-business plays an important role in international business and affects all the world markets without exception. According to recent research, the development of e-business will result in a significant increase in the quality of life of people in the first decade of the XXI century. Compared with the previous hundred years, which date back to the twentieth century. (Setiawan et al., 2018) Such components of the information economy as e-government and e-banking open up new opportunities for e-businesses and significantly improve the welfare of citizens.

E-business experts consider the use of information-and-communication and network technologies as the main feature of not only for business, but also for managing it. However, the authors of scientific and scientific-practical publications often equate the concept of “*e-commerce*” and “*e-business*” or use them as different concepts (Tetiana et al., 2018). Example:

1. Amazon.com and eBay.com are considered as the e-business enterprises in its pure form, but if the company has physical stores that sell their goods (for example, nalli.com) together with the web-site, then these enterprises belong to e-commerce.
2. E-businesses include enterprises that use network technologies to improve the management or training of employees, but if enterprises use network technologies to interact with suppliers and consumers, this is e-commerce.

We believe that the content of the concept of “*electronic business*” (e-business) is wider than the content of the concept of “*electronic commerce*” (e-commerce) and applies to enterprises that have both virtual and physical forms of representation.

After conduction of a research using content analysis, we have isolated the common and distinctive features of e-business and e-commerce, as shown in Table 1.

Table 1 DIFFERENCES BETWEEN E-COMMERCE AND E-BUSINESS	
E-commerce	E-business
Contents of economic activity	
E-commerce is any transaction made using computer networks that involves the transfer of ownership of a product or service. E-contracts do not always include the cost of a product or service, since e-commerce involves operations associated with the free download of certain software products. E-commerce includes operations that performed using the World Wide Web, internal networks, email and even fax (e.g. Online Shopping).	E-business is a broader concept than e-commerce and includes e-commerce and other businesses that provide online services. E-businesses can only partially carry out their online activities and include inventory management, management of funded risks and human resources, etc. Enterprises can sell their products and services online and at physical points of sale (for example, Real Estate Joint Ventures NJ).
Components	
E-commerce covers two main aspects of online businesses: online shopping and online stores. This division is due to the fact that not all types of goods can be sold online. Individual companies use their web-sites to provide information about products to potential customers, but sell them at physical points of sale (for example, medicines).	E-business can be applied to any kind of business operating in the real economy, because e-business includes all stages of economic activity, such as the process of purchase, process of production, process of implementation, etc.

Table 1
DIFFERENCES BETWEEN E-COMMERCE AND E-BUSINESS

Strategies	
E-commerce and e-business provide for the creation of “ <i>new value chains</i> ” between an online business and an end-user. Network technologies provide for the creation of new ways of interaction between the supplier and the consumer, as well as their intermediaries.	E-business should take into account the potential directions of business development in the vertical and horizontal directions. When developing the e-business development strategy, ways of development of relationships with customers, expansion of the network of supply chains and improvement of the resource management system should be taken into account.

Given the rapid development of e-business, you can confidently state that there are many strengths of the business model under study (Simmert, 2017). The main benefits of e-business are: e-business allows potential consumers to choose and compare goods and services on their own, in the most convenient way and at any time; e-business opportunities allow offering to the customers the widest list of goods and services from all possible; organizational features of the functioning of e-business enterprises can optimize the pricing process (Suder et al., 2017).

However, e-business enterprises have not only strengths but also weaknesses. Thus, based on the SWOT analysis performed by authors, the strengths and weaknesses of the e-business were distinguished (Table 2).

Table 2
STRENGTHS AND WEAKNESSES OF E-BUSINESS

Strengths	Weaknesses
In e-business, you can use access to global markets, which enables companies to expand their customer base as well as product assortment.	Legal uncertainty: The legal framework, which would operate on a planetary scale, has not yet been developed for the e-business. The issue of copyright protection is particularly relevant.
It allows expanding business contacts. Sellers of industrial goods can establish more close relationships with buyers.	Competition for e-businesses goes from global to local.
The availability of information about goods and services in online stores in real time allows buyers to quickly, easily and free of charge receive information about products.	Since there is no personal contact on the Internet, customer loyalty is unstable.
The conclusion of an agreement in electronic mode reduces the operating expenses of an enterprise, which, in turn, allows you to lower the price of goods.	The Internet makes it easy to compare prices, so they will decrease, which will have negative economic consequences for many e-businesses.
E-business allows suppliers to increase their competitiveness by becoming closer to the customer and using different ways to obtain and summarize information about potential customers.	There are many unresolved data protection issues (information security).
The technologies of e-business reduce the time of introduction of products on the market and the process of adaptation of the company to market changes.	The means of identification of a user's person allow controlling people, checking their activity (a unique identification code of a person can be a threat to a person).

Table 2 STRENGTHS AND WEAKNESSES OF E-BUSINESS	
Provides the emergence of new business models in the form of virtual enterprises, virtual agents, etc.	Some segments of the population that do not have access to the Internet remain uncovered.
E-business opens the door to the emergence of completely new products and services.	
The quality of service on the Internet is constantly improving, as the consumer can get new information about the company and products at any convenient time.	

Based on the results of the study of the peculiarities of the development of e-business in the world, we will conclude that e-business is a kind of “*litmus test*” for the domestic economy in general, businesses and consumers, as well as drivers for both positive and negative changes in the domestic economy.

The results of our study are confirmed by the following studies. In the near future, artificial intellect technology will be used to algorithmize the business, which the result of the close interaction of technology and business and involves the use of artificial intellect, starting from the stage of collection of information to conduct business and advising on specific issues (for example, legal advice) and ending with the adoption of tactical and strategic management decisions (Lindh & Rovira, 2017).

CONCLUSIONS

At the same time, most of the negative aspects can be referred to potential areas of development or e-business reserves in the world and related business activities.

E-business is becoming increasingly popular in the economy and is positioned by its supporters as a new business model that will gradually supplant all existing ones. Another group of managers believes that the only difference between e-business and offline business is the use of information-and-communication technologies in the activities of enterprises that do not significantly affect the relationship between the enterprise and consumers. In our opinion, the main difference of e-business from other types of business is the use of new forms of interaction between participants in business operations, different from those prevailing in business in the last century.

It should be noted that websites that are engaged in online business recently began to use similar “*lure titles*” with the purpose to attract the audience. “*Clicks*” leading to advertising websites are accompanied, to some extent, by the statuses and slogans influencing the psychological reference points of the audience. The race for collection of “*likes*” is a normal phenomenon; the question is, by what methods, technologies and social psychological tools creators and distributors of information do these now days. Summarizing, we note that ethical violations in the online press and especially in social media are caused by the speed of the Internet and interactivity. Today, such violations represent a threat not only from the point of view of professional ethics and professionalism, but they are also unlawful and the prospect of solving these problems is illusory. Moreover, the criteria for ethical business activities and self-regulation tools will be ineffective as long as the consuming audience itself does not realize the negative side and the effects of “*nutrition*” with inadequate information.

RECOMMENDATIONS

Based on our research, one may propose the following recommendations. It should be noted that websites that are engaged in online business recently began to use similar “*lure titles*” with the purpose to attract the audience. “*Clicks*” leading to advertising websites are accompanied, to some extent, by the statuses and slogans influencing the psychological reference points of the audience. The race for collection of “*likes*” is a normal phenomenon; the question is, by what methods, technologies and social psychological tools creators and distributors of information do these now days.

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