# THE INTERNET, A POSSIBILITY OF DEVELOPMENT IN CLUJ-NAPOCA'S COMPANIES

Janetta SÎRBU, Lecturer, Ph.D. University "Bogdan Vodă" Cluj-Napoca, Romania Nicolae MĂRGINEAN, Lecturer, Ph.D. University "Bogdan Vodă" Cluj-Napoca, Romania Gabriela MĂRIEŞ-LEŞ, Lecturer, Ph.D. Student University "Bogdan Vodă" Cluj-Napoca, Romania

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**Abstract:** The article shows the results of an inquiry done in a series of cluj napoca companies regarding the use of the internet for business purposes. From the questioned companies, 275 in number, more than 76% use the internet for business purposes. Thus, we can strongly say that the Cluj companies are "opened" to the newly developed network, being aware of the opportunities that this can offer.

Many companies have understood that the internet is an exceptional resource of offering services to clients, they can show details about their products, activities, services, etc. if we consider the electronic commerce and virtual business, then the expending possibilities of the companies grow, making competitive advantages for the development strategies, being in a permanent change.

#### 1. Introduction

Each period in the history of human evolution had its own inventions, and together with them their own methods to make businesses, such as: the telegraph, the telephone, the radio, the television-set and the fax. Nowadays, the internet has conditioned and changed the way and characteristics of companies to activate, function and make commercial transactions (e-commerce) and even businesses (e-business – electronic, virtual business).

Different bibliographical sources define the notion of Internet from different points of view, thus:

- The internet is a technological innovation, which has produced a radical transformation in the economical-social organization and in the organization of companies especially. (www.google.ro, Romanian essays);

- The internet is a worldwide network that contains a large amount of information and available resources on the computer. (A.L.Wyatt, 1994, page 12)

- From a technical point of view the internet is a network of other networks. Form an informational point of view, the internet represents a huge archive of documents and resources. From a social point of view it is a huge community. Form an economic point of view it is a global business zone. (B. Eager, 1994, page 32)

- The internet is a revolution, or at least, a part of a revolution. This is the revolution if communications. It is an era in which a huge percentage of our every day activities (fun, schooling, news, financial transactions, commerce and communications) have been developed through electronic communications. (N.G. Barzdoaca, E. N. Bazdoaga, etc. 2002, page11)

- The internet is a huge computer network, which connects through millions of

smaller networks around the world. To the internet network can be connected all types of computers to make information exchanges. (<u>www.google.ro</u>)

- The internet is a somehow lax structure formed though computer connection to be able to put together information and resources. (Linda Bird, 2004, page 5)

- The internet is a technological innovation that produced an enormous transformation in the economical and social organization in general, and in the organization of companies in special. The internet is seen as an imperative transformer: all companies, even though in time and on different terms, they need to use the internet to develop the internal processes as well as their business relationships with the tertiary. As for each innovation there is a plurality of ways of application, there are differences, as well, in the use of internet according to the specific feature of each company. (V. Gandolgi, 2003, page 68)

Since the internet has entered the consumers' house and offices of companies, in public and private institutions, etc. we are in the presence of two markets:

- The first is the real market – that has been characterized by the presence of a surface, a limited one, having visible and tangible products, where a physical commerce is effected, based on the physical selling/ buying relationship

- The second one is the virtual market: immaterial, without territorial limits (without any limits what so ever), based on virtual relationships, having virtual clients (named e-clients or electronic clients or cyber clients), and virtual competitors (named e-competitors, electronic competitors or cyber competitors), etc.

In less than ten years, the internet has passed from an "obscure" technology, used only by the governmental officials and academicians, to what many have named the "future of business". Having a huge and unknown increase in users number, as well as of the information quantity that can be accessed, the internet has became the most rapidly developed branch from the human history. (M. Haig, 2001, page 9)

Due to the internet the fundamental relationships that exist between the company and its clients is modified. There are two phenomena that can explain a "cyber evolution": there is a reverse of powers: firstly- the client has more information and thus can negotiate with the seller; secondly – the seller has a better knowledge of the buyer and can adapt its offer to satisfy the client's need. (F. Brunet, Valerie Arnoux, 2002, page 19)

Together with the increase in using the internet, alongside with the development of the electronic commerce and virtual business, virtual companies have appeared that function as any other physical company, having its own capital, technical means, personnel, methods of organization, relationships with suppliers, partners, markets, etc.

To better know the level of using the internet in Cluj Napoca's companies, an inquiry has been developed in February – May 2007, based on a quiz with a series of questions.

### 2. Working method

The used working method has been the questionnaire which has been structured in two parts (Appendage 1):

- first part of the questionnaire contains data regarding the company: name, field of activity, object of activity, business level, number of personnel, existence of a product catalog, possible belonging to a group of companies, agreement or disagreement of the company to be mentioned after the quiz has been fulfilled.

- second part of the questionnaire contains questions regarding the internet: about the use of the internet in the company's interest, mentioning the year when the internet has been firstly used, if the company has or has not its own web page, motivations that lead to the creation of such a web page (it is well know that a web page leads to improvement of the list of clients and make the company look better in the clients' eyes, bringing more possible clients for the company's products and services, selling products directly to the clients through the use of internet, a direct relationship between client and company, as well as other specifications) why the company has appealed to the use of internet (to access the sites of other companies, to make commercial transactions online, to be part of on-line elicitations, to start up a virtual business, to attend teleconferences, to use the teleshop, to use the cyber bank, on-line financing, to use cyber assistance, to search for information, or others), which are the advantages and disadvantages in using the internet.

## 3. Presentation of results

The questioned companies were in number 275, the answers being given by competent persons: managers, general managers, human resource managers, accounting managers.

The use of the internet for business purposes in the questioned companies was in more than 75%, whereas other companies do not use or are not connected to the internet (table 1).

### Table 1

Table 2

Using the internet for business purposes			
Yes	No	Unconnected	Total
76,7 %	1,1 %	22,2 %	100,0 %
211	3	61	275

Using the internet for business nurness

After operating the results, we can see that in 1991 only 7 companies used the internet, but between 1994-1996, 27 companies have joined them; in 1998 - 5, 6% were connected to the internet, whereas between 2001-2004, 22-29% of the questioned companies have used the internet (Table 2).

The year when the internet was firstly used for business purposes							
Between	Between 1991-1999						
1991	1992	1993	1994	1995	1996	1997	1998
3,3%	2,5%	3,3%	4,3%	4,3%	4,3%	8,2%	5,6%
7	5	7	9	9	9	17	12
Between	2000-2003	5				_	
2000	2001	2002	2003	2004	2005	Total	Total
13,7%	10,3%	10,8%	10,8%	13,7%	4,9%	76,7%	100,0%
						(100%)	
29	22	23	23	29	10	211	275

From the total number of the companies that use the internet for business purposes, 211 of the companies respectively, more than 50% have their own web page (table 3).

	18	
Yes	No	Total
50,8%	25,9%	100,0%
140	71	211

Web page existence

The motifs that have determined the companies to make their own web page, were the followings: 14,3% consider that it is nowadays custom to start up a web page, more than 24% have initiated a web page for the clients to know their companies and to make a good impression, at about 23% are determined to start up a web page so that the clients can have an image of the company's products and services, 24 companies sell their products/ services directly to the clients using their sites, whereas 30 companies were determined to start up a web page to better communicate with the clients (table 4).

## Table 4

I 18		
Specification	Numbers	Percentage (%)
Because it is fashionable	20	14,3
To let our clients discover our company's products and to make a good impression	34	24,3
To get lists of possible clients for our products/ services	32	22,9
For direct selling of the products/ services through the site	24	17,1
To have a direct relationship with the clients	30	21,1
Total	140	100,0

Motifs to start up a web page

There are a lot of motifs for using the internet, but the greatest importance is given to the accessibility of the company's site, between 14, 8-15, 2%, 31-32 companies respectively. Other two reasons: to make commercial transactions on-line and to attend on-line elicitations have influenced 18-19 companies, 16-17 companies respectively. The reasons for using the internet for business purposes have had the same importance in different periods of time: past, present and for the future activities.

Quick information and communication are considered as main advantages in using the internet, which has a percentage of over 53%, whereas other types of advantages have a less importance, 0.7-4.4% (table5).

Advantages in using the internet for business purposes			
Specification	Numbers	Percentage (%)	
Quick information on products/ services/ activities	10	3,5	
Quick information, quick communication	147	53,7	
Quick information, quick communication, new clients	4	1,5	
Quick information, quick communication, commodity	7	2,6	
Quick information, quick communication, advertising	12	4,4	
Quick information, quick communication, quick data transfer	6	2,1	
Quick information, reduced cost, privacy	2	0,7	
Quick information, reduced cost, commodity	2	0,7	
Services for on-line reservations, reduced cost	2	0,7	
There are not	19	6,8	
Do not use the internet/ unconnected	64	23,3	

Advantages in using the internet for business purposes

There are a series of disadvantages in using the internet, the most important part being allotted to viruses -14, 9% and to high cost -7, 3% (table 6). There can be seen an important level of "content" companies that use the internet 49, 5%, meaning that they have not seen any kind of discomfort.

Table	6
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Disadvantages in using the internet for business purposes			
Specification	Numbers	Percenta ge (%)	
Viruses	41	14,9	
High cost	20	7,3	
Network problems	5	1,8	
Decreasing confidentiality	2	0,7	
Certain unsafe information	6	2,2	
Data "Breaking"	1	0,3	
There are not	136	49,5	
Do not use the internet/ unconnected	64	23,3	

## Disadvantages in using the internet for business purposes

In the following pages we are presenting the results of some Cluj Napoca's companies, in both fields: production and services: SC EXIMTUR SRL, SC SOMESUL SA, SC STENHOJ SRL, SC ARMATURA SRL, SC NATEX EXTRACTE NATURALE SRL (table 7).

Table 7

# Examples of using the internet for business purposes

S.C. EXIMTUR S.R.L.

SC EXIMTUR was initially founded in 1993, as a private company, and has become one of the best tour-operating agencies in Transylvania and one of the most important Travel Agency in Romania. It is ranged 4 in Romania for selling plane tickets, which constitutes an advantage in their negotiation with the airline companies, in the benefit of their clients.

They have been using the internet since 1994, and have an open web page. The main reasons they have in initiating their own web page are:

- It is fashionable

- So that our client can find out about our company and to make a good impression on them

They used/ are using/will use the internet for:

- To have free access to the other companies' sites

- To search for information regarding holiday plans, booking tickets

They think that the advantages in using the internet are:

- Quick access to information

- Easy access to information

They think that the disadvantages in using the internet are: high costs

# S.C. SOMESUL S.A.

It is one of the most important producers of netting cloths in Romania. It has had its own place in the clothing industry since 1930, starting with a small working shop and becoming nowadays a huge production company. It became a private company in 1995, with 25% of the stocks belonging to an Italian partner at the moment. Form the total production made in Romania, the company exports in countries such as: England, Germany, Italy, France, Suisse, Russia, whereas the other parts it is sold in Romania, in their own shops or using the distribution channel. There are at about 900 employees, with a production level of 1.100.000 items per year.

They have been using the internet since 1999, but they have not got a web page yet. Reasons for starting up a web page are: so that the possible clients find out about their company and to have a good impression on them

They used/ are using/ will use the internet for:

- to have free access to the other companies sites

- to use the cyber shopping

They think that the advantages in using the internet are: quick access to information, advertising, easiness of work

THEY THINK THAT THE DISADVANTAGES IN USING THE INTERNET ARE: NETWORK BREAKING

# S.C. STENHOJ S.R.L.

The Danish company Stenhoj has been founded in 1917. Nowadays, there are more than 700 employees and 14 individual companies in the group. The group has 6 production factories in Denmark, Germany and Great Britain where are produced the main 4 items of the company: auto elevators, compressors, hydraulic press, washing equipments. In Romania, the group started its production in 1999, having 120 employees and a catalogue for their products.

They have been using the internet since 2001 and have their own web page. Reasons for starting up a web page:

- so that the possible clients find out about our company and to make a good impression

- to get lists of possible clients interested in our products/ services
- to sell products/ services directly through the site

They used/ are using/ will use the internet for:

- to access the site of other companies

- to attend virtual stock markets

They think that the advantages in using the internet are: advertising

Disadvantage: non-professional companies (that offer services through the internet).

## S.C. ARMATURA S.R.L.

The company produces tap articles from non iron mixtures.

They have been using the internet since 1991, and they have their own web page. Reasons for starting up a web page:

- so that possible clients find out about our company and to make a good impression
- to get lists of possible clients for our products and services
- to have direct relationship with our clients

They used/ are using/ will use the internet for:

- to access the other companies sites

- to use the cyber bank
- to search for information regarding all the activities and fields of the company

They think that the advantages in using the internet are: quick information and quick contract.

# S.C. NATEX EXTRACTE NATURALE S.R.L.

It is as a company having its entire capital private. Its main activity is the production of food fragrances, natural concentrates, spices, spice mixtures, and food additives. The company was founded in 1990, to cover a less developed area in Romania, left exclusively for the foreign companies. Having a dynamic management and professional leaders, NATEX has succeeded in getting a spectacular increase level and to compete with the well known foreign companies both on national level as on international one. They have been using the internet since 2001 and have their own web page.

Reasons to start up their own web page are:

- so that possible clients find out about our company and to make a good impression

- to get lists of possible clients for our products and services

They used/ are using/ will use the internet for:

- to access the sites of other companies
- to attend on-line auctions
- to look for information regarding products and services

They think that the advantages of using the internet are: quick access to vast information, quick transmission of data

Disadvantages:

- the possibility of loosing the main idea due to huge flux of data

- uncertainty of information

- disappearance of information.

### 4. Conclusions

The computer has become a natural component of the company's everyday activities, whereas the communication technology and the opportunities given by the internet have transformed the entire society, entering all the life's aspects: economical, social and cultural. The computerized society of the 21<sup>st</sup> century has underlined the global communication and quick access to stocked information anywhere in the world.

Eight to ten years ago, the connection opportunities to the internet were relatively reduced; whereas nowadays, more and more companies use the internet for quick communication, finding information, direct and indirect selling using the e-commerce, even for making businesses, also named e-business.

From the questioned companies, 275 in number, more than 76% use the internet for business purposes. Thus, we can strongly say that the Cluj companies are "opened" to the newly developed network, being aware of the opportunities that this can offer. From the 211 companies, only 140 have their own web page, the main reason being that "the clients can easily find out about the company and the company looks good in their eyes"; this has a percentage of 24,3 from the total given reasons.

2000 and 2004 have been the years when most companies have started using the internet for business purposes, 29 each year respectively. If we are to make a comparison between 1900-1999 and 2000-2005, we can see the great number of companies from the second periods that have been using the internet for business purposes, which only normal.

Both types of companies, production and service companies, have the opportunity (through the internet) of getting the information in its multiple ways of expressing, of easily accessing the sites of other companies to find out information about them (main reason, which has made 32 companies to use the internet), of having virtual advertising and on-line transactions, of getting new clients, etc.

Many companies have understood that the internet is an exceptional resource of offering services to clients, they can show details about their products, activities, services, etc. if we consider the electronic commerce and virtual business, then the expending possibilities of the companies grow, making competitive advantages for the development strategies, being in a permanent change.

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