How organisations respond to information technology developments

Adapting business processes

As technology expands, organisations are take advantage of ways in which technology can benefit their business. For example when loyalty cards were introduced, Tesco started using them to keep customers returning to their stores by rewarding their customers (who have loyalty cards) with points and prizes, and by doing so, the more customers returning to the store and shopping there meant their sales had increased. Another example is when a customer does online shopping and the supplier sends the customer an email giving them advantages of percentage reductions for the next time they make online purchases. Organisations exploit this type of promotion by setting limited timescales for the online offers making it tempting to customers so they can take advantage of the offers given.

Sales and marketing strategies for global opportunities

The advantage of marketing a business’s products online results in hastier and cheaper worldwide opportunities. Businesses close deals quickly by having their sales representative’s negotiate deals by telephone, email and by conference and video calls (this avoids delays and cost of travel). A different method of online marketing is viral marketing. Viral marketing can be from small videos to images or text messages. An example of viral marketing is when Hotmail used it to promote their website because it allows users to send free emails online. They used a simple tagline to attract users and by doing so they were able to get around 12 million users to sign up to their website to use their free emailing service. Some organisations have been coming up with new methods to re-launch existing products so they can keep up with changing times and take advantage of the latest technology available. An example is the game monopoly, it used to feature paper cash, but as the game developed they changed the paper cash by having players use electronic calculators and debit cards for the game.
Viral marketing mostly works well along with groups that have developed the use of social networks, such as teenagers. Organisations usually make arrangements with other organisations so they can promote each other’s products that they sell within their companies or services on their websites. For example when buying a computer online from one organisation, you would scroll around to look for other peripherals that may go with it, and so you would proceed onto another business’ website in order to find some. This benefits both the customer and the organisations. Another example of online marketing is when you’ve purchased an item from a website and have received a confirmation email from that website. Because you’ve bought from that website they will continue to send you online offers and this could be seen as spam. Organisations use specialist software so they can monitor or log sales. When an organisation decides to monitor their products that are sold to customers, they gain an understanding of the impact the product has on the customers. The organisation would gain enhanced and faster feedback through the ordering process and as a result can adapt the product range to meet the demands of customers. This is called mass customisation. Organisations can use loyalty cards customers use so they can know what a customer would want to buy by tracking their individual purchases. Using specialist software is useful for organisations so they can be able to identify products that consumers would be persuaded to buy, and so organisations can tailor vouchers and offers that are usually sent to customers, guiding and tempting them to buy more products from their company.

Purchasing strategies for automated ordering

As technology has evolved through the years, it has become easier for organisations to communicate with each other through their systems and so automated ordering has become quicker and easier. An example is that large superstores use their systems to keep check of the stock on their shelves so they can keep track of their sales and use EDI for automatic recording before stock runs out. Organisations would have to make some calculations in an attempt to avoid the company’s stock running out at critical times based on the possibility of products selling at peak times. A system that is effective would calculate the optimum level of stock in relation to storage capacity and with the slightest impact of cash flow. Organisations choose ways how they are able to sell their products and services whether it’s through catalogues on the internet or over the phone. They should know and chose which method is more effective.

Customer support processes for online systems

New technology has changed the method in which organisations provide customer support, for example customers can look online on the organisations website how to use a new mobile phone or new gaming device. These new developments have allowed access to customer support by the most efficient ways a customer can use such as going online and typing up a question onto the organisations website through the ‘contact us’ section, being able to send in emails or by simply looking up for an answer on the FAQs page. On the other hand, technological advancements have resulted to using less satisfactory customer services such as using automated telephone systems, and this can be quite frustrating for customers who have to go through with this service in order to get what they want. Using this system can be quite unpopular. Some organisations go for cheaper customer services where they employ their staff to read from a script when dealing with customers, and not replying back with simple answers, but replying back to customers with what is on their scripts. This leads to customers not getting the full customer support they are entitled to.

Financial systems for secure funds transfer

With users using e-banking to for online transactions from their bank accounts, this has made an increase for hackers to steal funds off users, and so software must require security when it comes to transferring funds. A safe way of using a credit card is by using the chip and pin service. Having to insert a personal private pin number instead of signing your signature for things your order is a good way to prevent signature fraud, whereas if you were to give another person your personal pin number that is under your responsibility. Another way organisations have tried to prevent fraudsters accessing online banking accounts is having a security device sent from your bank which would generate a unique number for you to enter in addition to security codes and passwords. Other procedures may include sending the bank a message via a secure system verifying the instructions with the bank. Some customers may see this as a time-consuming method.

Automating manufacturing processes

Businesses in the UK rely highly on sophisticated networked computers. As robots have been introduced into the industry, they are able to carry out jobs that usually employed staff would do. For example the car industry uses robots so they can build cars and be able to spray paint them. Robots are used for extremely unsafe activities such as in radioactive areas and drilling undersea for oil. Apart from robots being used for hazardous activities, robots can also be used with sweet makers to make confectionary as well as being used to pack the products made.

No response

An organisation needs to be able to manage their services in response to IT developments. Organisations need to consider their productivity in relation to meeting demands and how enhancements can be made to boost effectiveness. Not all organisations are ‘early adopters’ and may not respond to developments in IT whether it’s short or long term. In some cases developments are forced upon organisations, for example organisations like NHS like to carry on using their tried and testing systems, even if they may not be as effective. For example very few organisations still use fax machines for important information due to the fact that the content may be sensitive or that sending it through email would be too much of a risk for the organisation.