Learning Objectives

Upon completion of this unit, students should be able to:

1. Describe current Internet regulation and its challenges.
2. Discuss how each of the five major regulatory issues affects the future of e-business.
3. Explain how the United States and Europe work together to regulate the Internet.

Unit Summary

Unit I introduced you to the challenges that face senior management daily as they manage their companies while balancing profitability and resources. Online companies must be flexible in their ability to shift resources and content. You learned about how they establish strategies to deal with an environment of constant change. There are six interrelated decision areas to a successful online strategy: market opportunity analysis, business models, customer interface, market communications and branding, implementation, and metrics. The successful manager will understand all of these areas in order to make educated decisions in formulating his/her strategy. The e-commerce manager must also manage the four forces that influence the firm’s strategy – technology, capital, media, and public policy infrastructures. This unit opened the discussion on these topics, which were the basis for the remainder of the course.

In Unit II, you learned that an e-business assesses the key environments that influence a possible opportunity through the process of market opportunity analysis. In addition, you explored the topic of new economy business models and their applications.

Unit III examined in detail the tools managers can use to create competitive advantage using customer interface design. You examined the various aspects of effective website design and how this process is critical to their success as an e-business.

In Unit IV you reviewed and performed a critical analysis of an actual company which expanded their original business to include an online component.

Units V, VI and VII dealt with the implementation process and delved deeper into the four infrastructures which are the basis of a strong business. You looked at various strategies that are used for online implementation and the effect that the use of appropriate metrics can have on that business strategy. Website development, testing, and launching were the focus of Unit VI where you focused on the technology and media infrastructures. Unit VIII dealt with the last two infrastructures: capital and public policy. While a business may have all the other ingredients for success, if it lacks the necessary capital – either human or financial – then it will not succeed. The right people and the right funding are critical to getting a startup up and running.
Finally, you looked at how government regulations impact the e-business strategy. Because the Internet is changing so rapidly, it is extremely hard to regulate. You looked at the most important regulatory issues affecting the Internet today. These include access, taxation, privacy/security, copyright, and free speech.

Looking toward the future of the Internet it is critical that we become aware of the problems that regulation and lack of regulation can have on it over time. The following issues are just a few of the many that will be monitored and evaluated over the coming years. Should governments ensure equal access for all to the Internet? Should governments have access to private e-mails and records of Internet use? How should copyright laws, originally written for offline materials, be applied to the Internet and digitized content? In addition the Internet's lack of physical borders raises the question of whose laws should be applied to certain transactions. If a consumer is sitting at a computer in California, connected to a server in Massachusetts, buying something from a business in Iowa, where does the transaction take place? Whose sales tax should that person pay, if any? Which state laws govern the transaction?

Currently there is no systematic regulation of the Internet – no international body that has absolute authority, and, in most cases, no one national body to oversee it. The Internet is regulated through a combination of local, regional, and national government organizations. The two major challenges the Internet has brought to regulation are the speed with which new technology is introduced and the lack of physical borders. While many Internet companies are afraid of government regulation, which they believe could curb their revenue, they might be affected more if the government does not get involved. No matter what the government does in the next few years, some will like it, others will not, and it will have an effect on how Internet companies are run and how revenue on the Internet is generated.

**Supplemental Reading**


- Click the “My Library” button on the course menu.
- Below the heading “Research Articles”, click the hyperlink for the Business Source Complete database.
- Type the main title, *Regulation and the Internet*, into the first blank search field on the database search screen.
- Type the first author's last name, *Jarvenpaa*, in the second blank search field. Be sure to spell the name correctly or the search will not retrieve the needed article.
- Click “Search” and the article will be displayed.

If you encounter any difficulty accessing the article please contact librarian@columbiasouthern.edu.