



The Experience of the NUOVA BANCA DI CREDITO DI TRIESTE with Electronic Commerce (part 3/3)

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Pecenik Miran was born in Trieste (Italy), in 1956. From 1978 he worked in the Banca di Credito di Trieste - Trzaska Kreditna Banka, in sectors like Edp and organization. Now he is the chief of Information and Communication Technology (and also Webmaster) in the Nuova Banca di Credito di Trieste - Nova trzaska kreditna banka.

In the last two years he published many articles about the Web on italian and canadian newspapers and his work was mentioned in dozens of articles on financial and Internet magazines, on television and on an italian national teletext. Overall he increased the popularity of the bank with over 700 links all around the world.

He spoke in various meetings, organised by the principal italian banking corporates, such Abi, Ipacri and Istinform. In 1996 worked on a questionnaire of the use of Internet in Italy (nowadays the biggest in Italy, with 1700 answers) and had organised the first italian elections on the Web. In 1997 he tested the push technology with a group of 700 people.

When I started my experience, it was customary to hear the following remark: "Internet is useful to have a peek at the Playboy covers ..". From the beginning of 1995, a lot has changed but some very central problems have remained unaddressed, many of which have significant implications for electronic trade.

Let us discuss some of these questions:

- What authority will certify a site that trades on the Net? If I need a license to open a shop or to start up an activity, can I open an electronic business without any kind of control?
- When I open a site on a server located on a "fiscal heaven" do I have to satisfy the legislation of that country even though the pages are accessed and sent from back home?
- Let me also refer to a very "delicate" example. Say I open a virtual shop outside Italy (which is very easy on the Net) and sell valuable information. I get paid with digital cash (e.g. Digicash) which is in turn paid on an account in the USA or in Australia. With these "cyberbucks" I then purchase software via e-mail and book travels using continuously this cyber currency. Throughout these dealings were have I breached the legislation? For what should I fear punishment?

Are these going to be the main hindrances to electronic trade? Or will they be related, once again, to security? Recently, I received an angry e-mail from a user living in the small country of San Marino (who, by the way, was not even a client of our bank) and who had found that 30 USD had been paid out of his credit card number 1234-5678-1234-5678. The e-mail was not encrypted nor protected by any other means and it was therefore entirely accessible. No comment seems to be needed

I wonder: if we have managed to convince people about the security of cash points, will we be able to do the same

with the Internet? Given that the European approach to the computer is different from that of the US, and holding in mind what is going on the other side of the Atlantic, how can we adapt the evolution of the Net to the needs of the European citizens?

In Italy, we lag behind US and Japan, but also the larger European nations both in terms of PCs and expenditures on computers per capita. The constantly fading booms (of PCs, of Internet accesses, of e-cash; of e-commerce) are not perhaps the consequence of a **conservative approach to innovations**?

The risk we face in Italy is to be members of the European Monetary System who are unable to speak the language of the other partners. While other countries invest heavily on technology, we will find ourselves seated in front of our outdated 386 processors, mastering the knowledge available back in 1989. In the USA, 25% of the population browses the Net; in Italy this proportion is estimated between a 0.7% of regular users and an optimistic forecast of 5% (or 5 million users). If we extrapolate from these relatively small numbers the proportion of users who might be ready to enter into electronic trade (admittedly lower than in the States), a few thousands potential customers can be estimated to exist here in Italy.

As a result, at least today, most enterprises can very well say to be on the Net to remain competitive, to be accessible by their partners, but not to sell their products.

Conclusions

After the successful testing of SET (the security standard developed, *inter alia*, by VISA and Mastercard to protect the entry of credit card numbers) an explosion should be expected in the number of banks offering "secure" services and of on-line transactions using credit cards. After a while some firms will probably exit the electronic market for lack of visible results while some banks will reduce their investment on these activities (compare, for example, the case of Barclays and NatWest, which returned rapidly to their "traditional" customers after some success with their "virtual" ones).

All this will be subject to the legislation which is about to be put forward in the European Community. As a result of the **introduction of the Euro** we will have to change many of our forms (i.e. those pages including the entries on the payment of commodities). In the meantime these forms will have to include payments in US dollars, in euros and also in the national currencies. Another potential brake is the fear of the problems connected with the **millennium bomb**. I believe that, once these problems will be solved, electronic commerce will take off and bring along a whole number of dramatic innovations, such as the electronic signature, standards of security and flexibility currently unavailable even in the most sophisticated proprietary networks, an increase in the speed of data transmission, the realization that everybody should be thought how to use the Net, etc.

If these development will be supported by adequate policies to make the life of Net user easier (such as the reduction of telephone charges which was introduced in Italy at the beginning of 1998) then it will be finally possible to witness an evolution of our society whereby the equilibrium between plans and reality, between demand and supply, between division of labor and types of work is not achieved as a result of coincidence, but rather of careful planning.

P.S. I attach a set of instructions on the characteristics of electronic commerce, very much as commonly available for medicines

E-COMMERCE (Electronic Commerce) is a powerful anti-bankruptcy substance without side-effects and with significant curative capacities.

Much unlike more traditional trade practices, E-commerce proved more powerful than any other non-technological financial instrument in all technical tests.

E-commerce is indicated for cash-flow shortages (both of a recurrent and of a one-off nature), especially if associated to enterprise restructuring exercises where it contributes to lessen rigidities and to boost individual creativity and spontaneity.

Unlike other comparable means, E-commerce does not cause dependence; on the contrary, in many enterprises undergoing this treatment it boosted the effectiveness of other treatments, and it even substituted for them.

Content: One tablet of E-Commerce (100g) contains: interneticine (30g), discoveritine (30g), enterprise-bisulfate (15g), technogine (10g), html-cgi-complex (5 g).

Use : E-commerce is indicated for enterprise rheumatoid arthritis which can also coincide, in the most serious cases, with organisational schlerosis. It reduces significantly the significance of all symptoms and it also takes the value of inventories to more sustainable levels.

Directions: It is vital to take the product as often as possible, almost automatically.

Contra-indications: Excessive sensitivity to any of the components of the product.

Side Effects: Prolonged use of the product can generate a feeling of exhaustion, headache and dizziness. Open the windows of your room or, even better, go jogging in the countryside when these symptoms appear.

Warning: During the treatment, especially if prolonged, regularly run antivirus programs. Never use try-and-buy components beyond their expire date. Keep out of the reach of children.