**Task A**

The Importance of the Internet for E-commerce

1. Emails from boss, buying a new set of dishes (shopping on line), and banking transactions (pay bills).
2. It is the first impression to a new customer and subsequent visits will be the main impression ongoing customer has of the business. Easy to navigate, snappy, and full-featured presences are more likely to retain customers.
3. Web applications are crucial to making an effective web presence. They perform commerce activities and are a portal for user interactions. 91% of companies surveyed by Forrester said that web apps are critical to win serve and retain customers

Deals Galore and Groupon

1. Groupon is a mobile platform that features location specific deals to customers, while providing increased customer traffic to businesses. They have a fully featured web application and website to allow for quick searching and on the spot transactions.
2. Connects merchants to new customer populations and provides a platform for them to interact. Provides great value deals and new activities for them to engage in that they might not have known about prior.
3. Restaurants, travel, tourism, and hospitality industries can all leverage and benefit from Groupon. Particularly local businesses with limited clientele and a small advertising footprint are given a chance to make an impression and entice customers to grace them with new business.
4. Most of the deals in Pittsburgh are geared towards restaurants or event tickets. I'm skeptical of Groupon as it is a free service, which means that I must be the product. The amount of information that could be gleaned from my recreational and spending habits could say a lot more about me than I am willing to share. Perhaps I am too comfortable in my own bubble though. I could absolutely use some variety in my life and Groupon looks to be a cost effective way to do that without breaking the bank.
5. There do not appear to be any easily seen drawbacks to the merchant by using GrouponWorks. It is a tailored site to provide business advice for small business owners. If I were to be nit-picky I would say that by using GrouponWorks the small business owner is sacrificing their vision and dreams for the company by accepting the advice of Groupon and becoming more tied to their services. Make no mistake GrouponWorks is designed for Groupon to establish a filial relationship to the business and influence their decisions. Ultimately this could mean requesting more Groupon deals or recommending action plans that may not be wholly in the best interest of the business.

**Task B**

1. In traditional transactions the customer has all senses available when making the purchase. Whether this is good or bad varies on the situation, but in many cases it is a good thing. Being able to use all 5 senses when evaluating the product helps ensure satisfaction. The entire experience is what goes into making the sale happen or not.

For online transactions the experience comes in the form of convenience in customizing and selecting the product. Satisfaction occurs after the order arrives and is generally more a case of “is this what I selected?”. Richness in online transactions is heavily dependent on the web application and how well it is running on the customer’s chosen device. If pictures are in high resolution, demo videos run flawlessly, and color choices or other personalizations render instantly it streamlines the transaction through until the payment is made.

1. Targeting a large market segment would put the community provide up against a wide variety of competitors. They would have better success by targeting a specific group that they know they can provide optimal value for. An honest assessment of their own strengths will be hugely beneficial in determining which niche to target. Larger providers have to appeal to a wider variety of customers, but community providers only need to be successful with a single group to survive long term.