Part B: Impacts on Culture, Economy and Communications

I. Economy: Online Business Activities

■ With the help of the Internet, businesses can be moved from physical stores to the online virtual stores. Customers can also get benefit from Online Shopping.



- To start an online business, you should do the following things:
 - (1) Business Model: You should create a business plan, some options include:
 - Extend your existing "brick-and-mortar" business online
 - Sell products (e.g., mobile phone, camera, etc)
 - Sell services (e.g., E-banking)
 - Sell information (e.g., financial information including stock price)
 - Sell advertising
 - Become a reseller

Consider your competitive advantage. You can emphasize price, quality, service, etc.

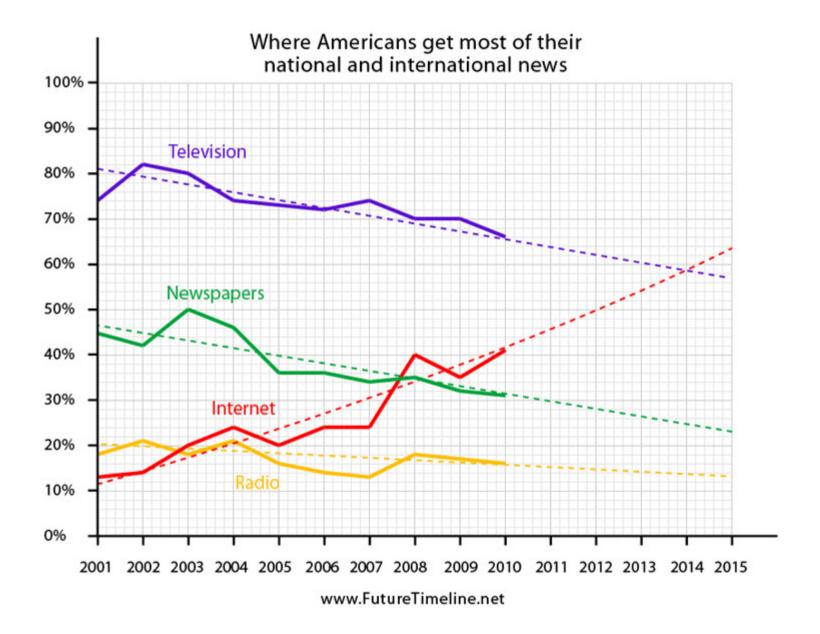
- (2) **Choose a Good Name:** A good name is usually short, easy to remember, and reflects your business in some way. You should get your customers to remember it, spell it correctly, and type it into their Web browsers.
- (3) **Build an Effective Store:** It should be easy to navigate, with a good search function, etc.
- (4) **Reliable Web Hosting:** A good Web host offers uptime guarantees, can handle a lot of traffic, can provide quality supporting services.

- (5) **Marketing:** To guarantee traffic, you have to do some marketing. Online, you can spread the word in a variety of ways:
 - Submit to Search engines
 - Pay for Search-Engine placement
 - Exchange links with other sites
 - Advertise
 - Use e-mail
 - Develop a PR strategy
 - Use promotions
- (6) **Payment Method:** Set up mechanisms to accept credit cards and process orders. You should integrate your online store with accounting, inventory, and fulfillment systems.
- (7) **Continue to Make Improvements:** Good stores are constantly evaluating their performance and trying new approaches. You rearrange merchandise, design new window displays, etc.

II. Impacts on Cultures

- On-line greeting cards, On-line pocket money
- Searching answers on the Internet
- The increasing power of online-forums







(Source: BusinessInsider.com)

III. Examples

Business Model of eBay

- (1) eBay has both streamlined and globalized traditional person-to-person trading with their web interface. This facilitates easy exploration for buyers and enables the sellers to immediately list an item for sale within minutes of registering.
- (2) eBay makes money by charging fees to sellers. When an item is listed on eBay, a nonrefundable insertion fee is charged based on the seller's opening bid on the item.
- (3) Once the auction is completed, a final value fee is charged. This fee generally ranges from 1.25% to 5% of the final sale price.
- (4) At the end of an auction, eBay notifies the buyer via e-mail that he or she has won. eBay also e-mails the seller to report who won and at what price the auction finished. Then the seller and buyer finish the transaction independently of eBay.
- (5) eBay has expanded and developed existing product categories by introducing category-specific bulletin boards and chat rooms, integrating category-specific content, advertising its service in targeted publications and participating in targeted trade shows.

- (6) eBay has also broadened the range of products that it offers to facilitate trading on the site, including payment services, shipping services, authentication, appraisal, vehicle inspection and escrow services.
- (7) Specialty marketplaces have also been added to serve the specialized needs of buyers and sellers (e.g., eBay Motors serves the automotive marketplace, including vehicles, parts, etc).
- (8) eBay uses a system called **PayPal** for sellers to receive online payments securely and quickly. A traditional credit card is not required to use this site because **PayPal** can be linked directly to your bank account.

Examples of a few successful online businesses:

1. Online Bookshop -- Amazon.com: http://www.amazon.com

• Amazon.com is the leading online retailer of products that inform, educate, entertain and inspire. The Amazon group also has online stores in the United States, Germany, France, Japan, Canada, etc.

2. Online Dating -- Dating.com: http://www.dating.com

• Everyday dating.com helps singles find happiness through a safe, fun and effective online dating community. 'dating.com' is a partner of the Relationship Exchange, a growing network of online personals sites that share a common database of millions of singles.