

Week 1 Overview of Digital Business Management

The commercialization of the internet: played a video of how IP addresses work.

Moore's law: the number of transistors on a chip will double roughly every 24 months

Data transmission and National Broadband Network (NBN): Data transmission speed is increasing exponentially. NBN is an upgrade of existing infrastructure to accelerate internet speed in Australia.

Characteristics of e-Business

1. **Ubiquity:** The internet is available everywhere, at all times, from multiple platforms and devices.
2. **Global Reach:** Once your business is on the internet, you have access to all the users of the internet globally. You have a much broader market than if you open your little shop in a city.
3. **Information Richness:** Users expect rich experiences - (clear website, video, sound, etc.)
4. **Interactivity:** A continuous two-way transfer of information between a user and a system. Enhances online experience. Often the website is able to respond to the user's requests.
5. **Customization/Personalization:** Tailoring content to user preferences (IP address indicate where you are from; what you click on; how much time you spend on a page. Users often provide information voluntarily such as age, marital status, income, education.

Main Categories of e-Businesses

- **Business to Consumer (B2C):** Online businesses attempting to reach individual consumers
- **Business to Business (B2B):** Online transactions between businesses, such as between a manufacturer and a distributor, or between a distributor and a retailer. E.g. Salesforce.com
- **Consumer to Consumer (C2C):** Online transactions and exchange between individual consumers E.g. Uber, eBay.com, Gumtree.com, Craigslist.org
- **Government to citizen (G2C):** Online communication between a government and its citizens E.g. medicare.gov.au
- **M-Commerce:** Apps & services accessible from mobile devices. E.g. Location based services, mobile purchases, etc.

Random relevant facts & opinions

90% of internet startups fail; marketing now is mostly digital; No e-businesses existed prior to 1994; Largest E business in the world now is Google, Google used to profit via Ad words, now they do everything; Lecturer thinks Google is successful because of its business model.

Challenges e-Businesses face

- Raising money can be hard (No physical asset the bank can see)
- Raising money doesn't guarantee success (how you make business decisions)
- Technological issues (feasibility, access to talent)
- Business issues (Business structure, business models)
- Regulatory issues (Taxi drivers petition against Uber, threatens existing business models)