

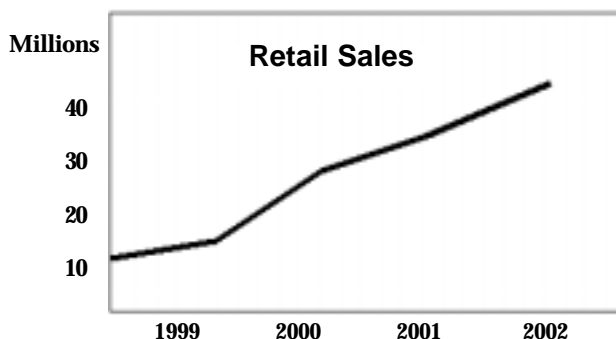
Let's Head to the Virtual Mall

Be a Power Reader

Make Predictions What do you think the title of this article means? What do you think is meant by a “Virtual Mall”? What topics do you think will be presented? Glance through the article and read the headings. Look at the illustrations. Do they give you a clearer idea of what the article covers? Before beginning your reading, write down three topics you think will be covered. When you have finished reading, review your list. Did the author discuss what you expected?

E-Commerce Growth

When was the last time you went shopping? Did you go to a large discount store? Or the mall? Or maybe you headed for your computer? More and more people are shopping online. Buying and selling goods and services over the Internet is called **electronic commerce** (or **e-commerce** for short).



Online sales of retail items have grown in recent years.

Clicks and Mortar

We can place stores into three different categories:

1. Traditional stores. These are actual stores like the ones at the mall. They are sometimes called **bricks-and-mortar stores**. (Mortar is the cement that holds bricks together.) Your local supermarket is probably an example of a bricks-and-mortar store.

- 2. Online stores.** These stores have Web sites where you can see pictures of items and buy them. They do not have a physical store that you can visit.
- 3. Stores that are a combination of the two.** These businesses have both traditional stores and Web sites. Some people call these **clicks-and-mortar** or **clicks-and-bricks stores**. (“Clicks” refers to using a computer mouse.) They have some advantages over online stores. For example, if you buy something at the business’s Web site and want to return it, you can often take it back to your local store.

Advertise, Advertise, Advertise

Stop for a minute and think about how you decide where to shop. Maybe you just go to stores you’ve been to before. Perhaps you ask your friends or parents. You might get ideas from television commercials or magazine ads.

We’re all familiar with the way bricks-and-mortar stores advertise. They put commercials on the radio and television. They place ads in newspapers and magazines. They use billboards beside busy roads. So, what about online stores? Many of them advertise in the same ways as traditional stores, by placing ads in magazines or on television. However, they also may advertise online.

You may have noticed ads that appear across the top of Web pages. These are referred to as **banner ads**. Some of these ads are animated to attract your attention. When you click on the ad, you will be taken to that business's Web site. This is called **clicking through**. Businesses keep close track of the percentage of viewers who click through. After all, they can't sell you anything until they get you to come to their Web site.



Clicking a banner ad will take you to the advertiser's Web site.

One type of ad that many computer users find particularly annoying is the **pop-up ad**. The ad “pops up” on the screen, hiding part of your current window. You have to stop what you're doing and close the window.

Sometimes several businesses will have an agreement to place ads for free on each other's Web sites. For example, a tennis racket manufacturer may place ads on a Web site that sells tennis clothes. The tennis clothes Web site may do the reverse. Neither one pays for these ads. The businesses figure that people who buy tennis equipment are also likely to buy tennis clothes. They hope to increase the sales for both businesses.

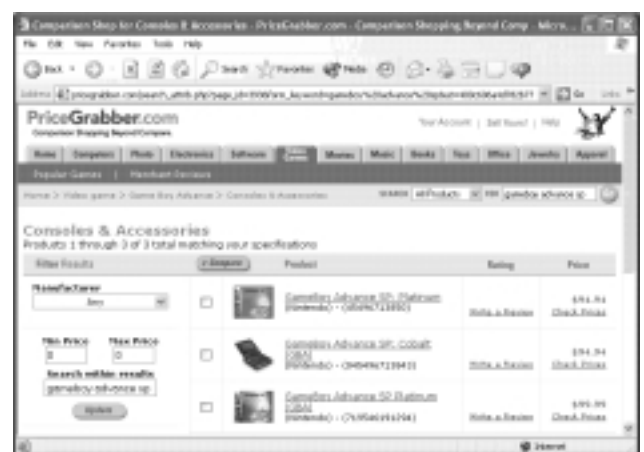
Branding

You may think that branding is something ranchers do to their cattle so that they can say, “This steer is mine.” However, in today's business world branding has a different meaning. **Branding** is the process of making people identify and want to buy your brand of product.

Business people work very hard at making consumers think their brand is worth more than another brand. The people at Abercrombie & Fitch, for example, work hard to make consumers believe that their T-shirts are worth more than the ones sold at the local discount store. Web sites that are interested in branding contain a lot more than just items for sale. They try to persuade consumers that their lives will be better, happier, and more fun if they purchase their products. They want to build brand-loyalty. They want consumers to be willing to go out of their way to purchase their products.

Looking for a Good Buy

One of the things the Web does best is comparison shopping. There are Web sites whose goal is to help you get a good buy. These Web sites are often called **shopping bots** (or **shopbots**). The term “bots” is short for robots. Examples include mySimon, bottomdollar.com, and shopfind.com. To use a shopping bot, just go to the Web site and enter the name of the item you want to buy. Be sure to be precise. Some items come in many different versions, which makes comparison shopping impossible. A list of stores offering the item, along with their prices, will appear. You simply click a button to go to one of the seller's sites.



Shopping bots help you get a good buy.

You may be able to find online reviews for an item you are thinking about buying. For example, if you want to buy a notebook computer, you can go to www.pcmagazine.com to read *PC Magazine's* reviews of different notebooks. All kinds of things, including movies, books, and CDs, are reviewed online.

Checking Out

Once you've decided to order something, you generally click a button to select that item. You may have to enter additional information, such as the size and color you want. The item is then placed in your virtual shopping basket (or shopping cart). When you're done shopping, you click Check Out.

If you've purchased items at the Web site before, the site may "remember" your name, address, and even your credit card information. If not, you will need to enter this information. Be sure to check your order carefully at this point. Make certain everything is correct. Some sites charge fairly high shipping fees. Keep an eye on this—you want to be aware how much is being added to your bill for shipping.

Before you enter any credit card information, make certain that you are using a secure site. You can recognize a secure site by the yellow padlock in the lower-right corner. Secure Web sites take extra precautions to make certain that your credit card information is protected from people who might misuse it.



The padlock indicates that this is a secure site.

Bidding High

Sarah wants to buy some ski equipment, but it is very expensive. Her friend Len just purchased some used skis at an **online auction**. It worked out very well—he paid only half the cost of new skis. So Sarah goes online and starts bidding. Most of the items have photographs with them, so Sarah can see what she's bidding on. (However, it isn't the same as actually seeing and touching the items in real life.) The first two times Sarah tries to buy something, other people out-bid her. Someone else is willing to pay more for the skis. But, the third time she ends up as the highest bidder. She gives the money she has saved for the skis to her parents. Her mother then enters her credit card information into the Web site. Most of the money will be given to the skis' seller. The Web site owner keeps a small percentage. Ten days later, the skis are on Sarah's doorstep.



Auction Web sites let you bid on everything from antique cars to Spider-Man comic books.

Online auction sites have grown by leaps and bounds since they first began in the mid-1990s. Some of today's popular auctions include eBay, uBid, and Yahoo! Auctions.

Occasionally problems occur with auction purchases. Sometimes the buyer changes his or her mind and doesn't pay for the item. At other times, the seller never ships the item. While these problems are

rare, they do occur. Most auction sites let both buyers and sellers give feedback ratings to other members. If you are thinking about buying something, check out the seller's feedback rating. Some auction sites, such as eBay, have fraud protection programs that may be able to help you if you have a problem.

Pluses and Minuses

It is important to be aware of the pluses and minuses of online shopping. What do you think the pluses are? Here are some you might consider:

- You get a good selection. So, let's say you collect old-fashioned vinyl records (you know, what people listened to before CDs). Or maybe all your clothes have to be purple. In both cases, you'll probably get a better selection online. This can be especially true if you don't live near a big city.
- It's convenient. Like to shop in your pajamas? Or maybe your shopping hours are from 6 to 8 in the morning. Either way, you can go online at any time, dressed anyway you want (that is, if you're at home).
- It's easier to shop for the best price. Especially if you know the exact item you want, you can use a shopping bot to find a good deal.

Of course, there are some obvious disadvantages to online shopping:

- You don't get to carefully examine and touch what you're buying.
- You have to wait for the item to be shipped to you.
- Usually there are shipping charges.
- If you want to return something, you generally have to mail it back.
- Paying for the item can be more difficult. Usually you will need a credit card. (It's tricky sticking cash into the computer!)
- When you go into a traditional store, you might stumble onto a sale by accident. This is less likely to happen with online shipping.

Some Web sites have come up with unique ideas to attract customers. Land's End's Web site lets you order custom-made jeans. You enter the style you want and your measurements, and they'll send you a pair of jeans made to your standards. It would be hard for a traditional store to offer this kind of special service.

It is important to have a clear understanding of the pluses and minuses of online shopping. Then you will be able to determine when online shopping is the best choice for you. After all, you want to be a smart consumer.



Review Questions

1. What does the term *e-commerce* mean?
2. How is a “clicks-and-mortar” store different from an online store? How did it get this name?
3. What is the purpose of a shopping bot?
4. Why is branding important to many businesses?
5. List three pluses and three minuses of online shopping.



What Do You Think?

1. What is the thing you like most about shopping online? What do you like most about going to a traditional store?
2. Give an example of a situation in which you would prefer to buy an item from a “bricks-and-mortar” store rather than an online store. Explain the reasons for your answer.
3. Imagine that you are going to start an e-commerce Web site. What would your site sell? How would you advertise your Web site?

Glossary

banner ad A rectangular advertisement on a Web site. When you click the ad, you are taken to the advertiser’s Web site.

branding The process of making consumers see a certain brand as having more value than other brands.

bricks-and-mortar store A business with an actual storefront its customers can visit.

clicking through Clicking a button on an online ad to be taken to the advertiser’s Web site.

clicks-and-bricks store See *clicks-and-mortar store*

clicks-and-mortar store A business that has a physical storefront as well as a Web site.

e-commerce Selling goods and services over the Internet. Also called *electronic commerce*.

online auction A Web site on which buyers bid for items being sold. The highest bidder gets the item.

pop-up ad An advertisement that appears on-screen in its own window, hiding part of the window you are currently viewing.

shopping bot A Web site that helps you find the best price for an item. Also called a *shopbot*.

traditional store A business having a physical store that you can visit.