

## E-business

### Reading part 2

#### Topic: Business models and revenue paths

The reading materials and questions are meant for in-class discussions and a preparation for an online test.

Due to my absences two lectures need to be rescheduled and will take place in the first half of January. Therefore a new date for the online test needs to be set and you will be notified soon.

#### A note to Extramural Students,

**Please do not send me written assignments. Should you have any questions concerning our course, do not hesitate to contact me also via Teams chat.**

Dear Students,

In the previous reading the chapter 1 you had a chance to get familiar with the following issues:

#### Summary

- 1 E-commerce traditionally refers to electronically mediated buying and selling.
- 2 Sell-side e-commerce or digital marketing involves all electronic business transactions between an organisation and its customers, while buy-side e-commerce involves transactions between an organisation and its suppliers. Social commerce encourages customers to interact to support sales goals.
- 3 'Digital business' is a broader term, referring to how technology can benefit all internal business processes and interactions with third parties. This includes buy-side and sell-side e-commerce and the internal value chain.
- 4 Digital marketing involves investment in paid, owned and earned media across the six key digital marketing media channels of search engine marketing, online PR and social media, partnerships, display advertising, email marketing and viral marketing. Inbound marketing describes the use of integrated content, social media and search marketing to influence consumers as they select products, sometimes referred to as the Zero Moment of Truth.
- 5 Web 2.0 is used to refer to web services that facilitate interaction of web users with sites to create user-generated content and encourage behaviours such as community or social network participation, mashups, content rating, use of widgets and tagging.
- 6 The main business drivers for introducing e-commerce and digital business are opportunities for increased revenues and reducing costs, but many other benefits can be identified that improve customer service and corporate image.

- 7 Consumer adoption of the digital technology is limited by lack of imperative, cost of access and security fears. Business adoption tends to be restricted by perceptions of cost, making return on investment difficult to quantify.
- 8 Introducing new technology is not all that is required for success in introducing e-commerce and digital business. Clearly defined objectives, creating the right culture for change, a mix of skills, partnerships and organisational structure are arguably as, if not more, important.

In the chapter 2 we will be especially interested in **categorisation of business models and revenue models**.

! Please note that I'm not asking you to read the whole chapter since we are here particularly interested in selected issues, however, I would recommend it to read the whole chapter 😊

1. Please get yourselves familiar with the basic concepts (marked in yellow in columns the left side of p. 37 such as digital marketplace, multiscreening, path to purchase, online intermediaries, destination site, path to purchase, and pp. 58-62 such as revenue models, CPA, CPC, CPM, digital rights management.
2. Read the introduction on pp. 37-38.
3. Secondly, read a passage about business models on p. 56-58, then go the link to read about particular business models : [Business Models on the Web | Professor Michael Rappa \(digitalenterprise.org\)](#)
4. Referring to prof. Rappa's typology (see the previous point, focus on the blue box Question p. 58 and identify business models for the following companies:
  - <https://www.blablacar.co.uk/>
  - [Online Mortgage Broker | Trussle](#)
  - [Shop Smart with Gift Cards: 10 Sites to Find Discounted Gift Cards \(coupons-verified.com\)](#)

Do these companies follow one model or combine two or more?

What revenue sources can be identified based on the information available on their websites?

In order to answer this question, read the passage about revenue models pp.58- 62

5. **Unilever Case Study** box 2.2 p. 41. Explain Unilever's business model and why it is described as a new revenue model for other companies to follow. What products does the company focus?

As of January 2022 Unilever employed about **149,000 people** worldwide, said it would focus on beauty and wellbeing, personal care, home care, nutrition, and ice cream.

**Also watch** The Rise of Consumer Goods Giant Unilever at <https://www.youtube.com/watch?v=gCNsYWgY7ZE>

And answer the following questions:

What is Unilever's story? How did it start (the first business model?) and why is it considered to be one of the most successful?

What is Unilever's strategy to acquire customers?

What legal issues has Unilever faced?

Why are some of Unilever's operations considered unethical?

What ecological issues has the company faced?

Who is Paul Polman and what was his role in Unilever's history?

**Disclaimer:** This is an interesting content, but the providers are advertising themselves at the very end of this video and this is not the lecturer's intention to promote the services and partners of the content provider.

### Discussion. Building awareness about digital world

Reading part 1 you were asked to watch a short documentary on TikTok's algorithmic manipulation.

Here are some thoughts of the founders of Center for Humane Technology that are worth to reading and contemplating.

## Addressing the TikTok Threat

September 8, 2022

Imagine it's the Cold War. Imagine that the Soviet Union puts itself in a position to influence the television programming of the entire Western world — more than a billion viewers.

While this might sound like science fiction, it's representative of the world we're living in, with TikTok being influenced by the Chinese Communist Party.

TikTok, the flagship app of the Chinese company ByteDance, recently surpassed Google and Facebook as the most popular site on the internet in 2021, and is expected to reach more than 1.8 billion users by the end of 2022.

## The Chinese government doesn't control TikTok, but has influence over it.

What are the implications of this influence, given that China is the main geopolitical rival of the United States?

This week on *Your Undivided Attention*, we bring you a bonus episode about TikTok. Co-hosts Tristan Harris and Aza Raskin explore the nature of the TikTok threat, and how we might address it.

### Major Takeaways

- **TikTok recently surpassed Google and Facebook as the most popular site on the internet in 2021** and is expected to reach more than 1.8 billion users by the end of 2022.

A Pew research study just showed that TikTok is the most popular app for teens in the United States, who now spend more time watching and posting to TikTok than to YouTube.

- TikTok — which is the flagship app of the Chinese company ByteDance — is not controlled by China. ByteDance and the Chinese Communist Party are two distinct entities, often with conflicting motives. However, the Chinese government does sometimes force its tech companies' hands, as exemplified by Chinese tech executives notoriously being abducted. So, **the Chinese government doesn't control TikTok, but has legitimate influence over it.**
- **We can think of the threat posed by TikTok as falling into two categories:**
  - 
  - **1) surveillance and 2) algorithmic manipulation.**

Surveillance refers to American users' sensitive data being accessed by TikTok, and perhaps the Chinese government. For example, privacy researcher Felix Krause's recently [exposed](#) that TikTok can track and capture users' keystrokes in its in-app browser.

Algorithmic manipulation refers to, for example, TikTok's capacity to amplify pro-China sentiments and suppress those that are anti-China. This capacity for selective amplification has been referred to by our colleague Renée DiResta as "ampliganda," and by Center for Humane Technology as "amplifiganda." It's worth noting these two dangers — surveillance through data gathering and algorithmic manipulation — are not unrelated, because data is what powers the TikTok algorithm, which is then used to manipulate our thinking.

- **TikTok runs a 'healthier' version of its app domestically than which it 'exports' to the rest of the world.**

For example, in China, TikTok features educational content and limits use for kids under 14 to 40 minutes per day, with opening and closing hours at 6am and 10pm.

- **TikTok's threat extends to other platforms, because other platforms must mimic its features in order to compete** — a classic multipolar trap which we refer to as "TikTok-ification." For example, Instagram introduced Reels and YouTube introduced YouTube Shorts in order to compete with TikTok's addictive short-form videos.
- While Exxon and Chevron cause oil spills, we can think of TikTok and YouTube as causing polarization spills. The difference is: oil spills don't inherently constrain our government's

capacity to deal with them, whereas **polarization spills directly implicate our capacity for shared sense-making and governance.**

- **Congressional activity against TikTok is picking up.** The commissioner of the Federal Communications Commission Brendan Carr recently wrote a public letter to Apple and Google asking them to remove TikTok from their app stores. In a more powerful move, bipartisan leaders on the Senate Intelligence Committee asked the Federal Trade Commission to investigate TikTok's data practices and corporate governance over concerns that they pose privacy and security risks. President Biden recently made an Executive Order — the *Protecting Americans' Data from Foreign Surveillance Act* — which creates a review process to prevent foreign adversaries from accessing the sensitive data of US citizens. The Executive Order would encompass platforms beyond TikTok, such as those based in Russia.
- **TikTok's response to Congressional activity is also picking up.** For example, TikTok recently made a statement about its commitment to election integrity, and announced its creation of an "Elections Center" to be a hub for authoritative election information

Source and more materials see the link below:

<https://www.humanetech.com/podcast/bonus-addressing-the-tiktok-threat>

Some of what happens on the Chinese Douyin is shown to be blatantly biased: Barred from the platform are videos featuring people with tattoos, physical impairments, who are "ugly or obese" or are older and "have too many wrinkles." In the U.S., posts on TikTok having anything to do with #BLM were "shadowbanned" during George Floyd protests according to activists and the on-screen evidence shown. And when Feroza Aziz, a young Afghani-American content creator, began posting protests about Chinese treatment of the Muslim Uyghurs, she lost her account entirely. When it was eventually restored, she started hosting "eyelash tutorials," during which—curler in hand, and without changing her tone—she would continue voicing outrage about the treatment of the Uyghurs. Eventually TikTok caught up with her, but such is the message of "TikTok, Boom": You can run, but you can't hide from the algorithms.

**Source:** A passage from the review on 'TikTok, Boom' Review: Video Interference by John Anderson, at: <https://www.wsj.com/articles/tiktok-boom-review-independent-lens-pbs-tiktok-douyin-bytedance-shalini-kantayya-deja-foxx-feroza-aziz-11666302770>

## 2. **Watching the film The Social Dilemma.**

The documentary got mixed reviews, but draws attention to risks that concern people's personality, freedom of speech and expression, mental condition and least but not least our tastes, interests and access to true and unbiased presentation of facts.

If you have an access to Netflix platform please watch this documentary the Social Dilemma.

Below there is a review: 'The Social Dilemma' Review: Sharing a Sense of Dismay by Joe Morgenstern at <https://www.wsj.com/articles/the-social-dilemma-review-sharing-a-sense-of-dismay-11599768651>

