

Chapter 9: The Impact of Technology on Business

I-Summary: This chapter describes how technology has affected business. The telephone was the first important electronic invention. It paved the way for such inventions as the cell phone, PDA, and fax machine. Electronics, and especially computers, have revolutionized business and society. Many businesses now use a digital workflow, which saves time and paper. The term electronic commerce, or e-commerce, refers to business that uses the Internet to reach customers. Consumer marketers operating a virtual business using the Internet are called e-tailers. Many companies have actual stores -- bricks-and-mortar operations -- as well as online stores. These are called “click-and-mortar” stores. Some companies go a step further and sell in three different ways: in stores, by mail, and online. These are called multi-channel retailers. The most popular product consumers buy online is e-tickets for travel. The advantages of buying online include convenience and ease of comparison shopping. Disadvantages to buying online include having to pay shipping charges, having to depend on the store’s description of the product, and having to wait for delivery.

I-Quiz

Quiz yourself to check your understanding. For each question, you will hear four answer choices. After you hear all four answer choices, choose your answer during the pause. Then you will hear the correct answer. Let’s begin.

Question 1

Which term refers to the use of the Internet to conduct business?

- a. e-workforce
- b. e-commerce
- c. technology
- d. innovation

Question 2

The economies of which two countries are based on manufacturing electronics?

- a. Germany and Poland
- b. Malaysia and Indonesia
- c. Japan and Taiwan
- d. Canada and Mexico

Question 3

Which term refers to a business that sells its products from a store in a building?

- a. multi-channel retailer
- b. bricks-and-mortar
- c. convenience
- d. e-tailer

Question 4

Which could be a disadvantage of buying a product online?

- a. It is easy to overspend when shopping online.
- b. You can comparison shop easily.
- c. You can shop any time of day.
- d. Stores will ship products directly to you.

Question 5

Which was the earliest technological innovation that made a huge impact on modern business?

- a. cars
- b. computers
- c. cell phones
- d. telephones

Answer Key

1. The correct answer is B, e-commerce. The term e-commerce is used to describe the direct interaction of businesses and customers over the World Wide Web.

2. The correct answer is C, Japan and Taiwan. In the past 60 years, electronic devices have revolutionized business. Today, the economies of many countries, such as Japan and Taiwan, are based on manufacturing electronics.

3. The correct answer is B, bricks-and-mortar. If a company chooses to sell its products from an actual building, the store and warehouse are referred to as the bricks-and-mortar part of the operation.

4. The correct answer is A, It is easy to overspend when shopping online. Since you are not using cash, it is easy to click and spend online. You could also make a mistake and buy something you didn't mean to on a Web site.

5. The correct answer is D, telephones. Before the telephone, people had to communicate either face-to-face, by letter, or by telegraph, which was expensive. The phone was quick, easy, and relatively cheap.