

# internet browser

## The Internet as Marketplace

The Internet is emerging as a marketplace. Although online sales represent only a fraction of total retail sales, 1998 sales were projected to exceed \$1 billion. And online sales growth is several times that of conventional retailers. The stock price of an online bookseller, amazon.com, recently soared in anticipation of future sales growth.

Growth seems destined. The number of Web users is predicted to increase from 36 million in 1997 to 102 million in the year 2002. The field of Internet players is increasingly crowded. The number of online hosts—domains—nearly doubled in one year.

The Web's big sellers are items that young, technologically hip buyers will buy electronically, such as computer hardware and software, books and compact discs. Many other products and services are sold, however, and not just to youthful buyers.

For example, anything sold successfully by mail order is a candidate for the Internet, which also offers the convenience of shopping at home. Any target group of potential customers can be found on the Web. One poll reported that Web users mirrored the demographics of the United States population at large. Another poll showed that 25 percent of adults aged 50 to 64 are online.

Services are promoted on the Web, too. Most often touted are Internet-related services, such as Web page design and hosting. But lawyers, architects, interior designers, accountants and many other service providers also have an Internet presence. In a few cases, services are provided directly; for example, stockbrokers who offer electronic trading.

Some commercial sites are business directories created by Internet entrepreneurs who sell listings or advertising space. The value of these listings, like all advertising, depends on getting people to view them. As a result, the rates for Internet advertising are often based on how many visits — or “hits” — the Web site gets.

Lawyer directories can be found on the Internet. The best require no payment for listing and include attorneys comprehensively. They offer the capability to search by name, geographic location or practice area. These include the West Legal Directory, <http://www.wld.com>, and the Martindale-Hubbell Directory, which can be found at two sites: <http://www.martindale.com> and <http://www.lawyers.com>. Other lawyer directories are more limited, either geographically or by practice area. One interesting specialized site is the Cyberspace Bar Association, a group of criminal defense attorneys who share information and referrals. Their site is at <http://www.fiberscape.com/net/cyberbar/index.html>.

The biggest issue for the Internet marketplace is this: Is it safe to order via the Internet? According to *Advertising Age*, 72 percent of adults express concern with the security of online transactions. The principal fear has been that of credit card information theft. In preparing a recent story, however, the editors of *Consumer Reports* were unable to find a single instance in which a credit card number was stolen during an Internet sales transaction.

In an online transaction, buyers can be protected against information theft by third parties when the seller uses a “secure transaction”—that is, an encrypted transfer of your credit card and other purchase information. This doesn't occur while you are browsing the site; it starts when you indicate that you are ready to place an order. A warning box appears, usually with a key symbol in it and a statement that you are proceeding with a secure transaction. You must click to authorize the transaction to proceed. If secure transactions don't make you feel safe, you can often place your order by telephone.

Another consumer concern is loss of control over information about yourself. Companies can compile profiles based on information you provide, and either use this in their marketing or sell it to others. Look for a statement of a privacy policy on the Web site, or for an indication that the business has subscribed to a voluntary privacy standard, such as the privacy seal offered by the Better Business Bureau.

The other risks of online transactions are those inherent in other retail transactions, including price, quality of goods and delivery. The buyer can check the information presented online, such as promised delivery, return policies, warranties and charges for shipping. It is reassuring when the seller has a physical address and provides a toll-free phone or e-mail address for customer service.

The risk remains that the seller will fail to deliver on its promises. The identity of the seller is therefore an important factor. Many companies selling on the Internet are the same retailers we know from store or mail-order sales, while others are new enterprises. Information can be gathered from sites such as the Better Business Bureau, <http://www.bbb.org>. This site offers a searchable database of complaints, but only from a few of its local member organizations. The BBB is also offering a reliability seal, called BBB OnLine, to online businesses which promise to adhere to certain business standards.

In addition to retailer and promotional sites, the Internet has spawned buying services. One fee-based site is a clearinghouse

for travel bargains, such as airline tickets sold by wholesalers. Some sites search retailers' sites for availability and best price on items from computer equipment to used books. Others act as automobile brokers, and offer to locate vehicles at discounted prices.

A few sites provide helpful independent information. For example, one site provides free ratings of a vast library of musical recordings, together with background information about the artist and the music. Others evaluate computer hardware and software. Two sites provide pricing information for vehicles.

Here are some Web marketplace sites to visit:

**<http://www.allmusic.com>** (provides independent ratings of musical recordings)

**<http://www.bibliofind.com>** (locates used and rare books from among many dealers)

**<http://www.compare.net>** (reviews and provides product comparisons for electronics, computers, cars, home appliances, more)

**<http://www.e-town.com>** (provides articles and product information on consumer electronics)

**<http://cnet.com>** (evaluates computer hardware and software)

**<http://www.kbb.com/index.html>** (Kelly Blue Book car price guide)

**<http://www.edmunds.com>** (Edmund's Car Price Guide)

**<http://www.ebay.com>** (online auction of wide variety of goods)

**<http://www.consumerreports.com>** (online home of *Consumer Reports* magazine; detailed information on a fee basis)

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*Do you have questions about the Internet? E-mail them to [sidebar@home.com](mailto:sidebar@home.com).*