



E– Business And The Second Wave Of The Internet Age

T. R. Herman and Associates, Inc.
<http://www.trhassociates.com>
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The Internet has created the most significant shift in American business practices since the Industrial Revolution. While this transition is today far from complete, we emphasize to our clients that it will significantly touch every business and market in terms of how their customers expect from the services they receive. The business that ignores this transition does so at its own peril.

Despite the impact of the dot-com crash of the late 1990's and the following recession, trends in electronic commerce continue to point towards substantial opportunity growth:

63% of adult Americans use the Internet today. In 2003, an estimated 66 million adult Americans went online on any given day [2].

68 million adult Americans (34% of all adult Americans) log onto the Internet via broadband at either home or work; **fully 48 million adult Americans have home-based broadband Internet service** [3].

87% of American Internet users have access from home [1].

More than 80% of American Internet users have researched a product or service online [1].

63% of all Americans - 79% of Internet users - expect a business to have a website that will provide information about a product or service that they are considering buying [4].

46% of Americans surveyed indicated that they would be more likely to visit a physical store to buy a product if the store provided product information on its website - *even if the product was not available for purchase directly from the website* [4].

E-commerce accounted for over **\$55 billion in American business revenue in 2003**, over \$17.2 billion in the fourth quarter of 2003 alone [2].

The 1990's first wave of Internet capitalization has completed. A second wave, based on different principles and targeted to very different customers, is just beginning. It is no longer possible to profit simply from an Internet presence: the successful 21st century business must understand and appreciate how technology is radically transforming the lives of its customers.

Not Just Technology. Not Just Marketing.

The immediacy of the Internet has effectively merged the disciplines of customer service and marketing for many businesses. To successfully compete in a global marketplace, businesses of the 21st century must leverage newly available technologies in order to keep pace with rapidly changing customer expectations - and promote a marketing vision that attracts new ones:

- Online literature to promote products and services
- Real time transaction processing - purchasing, order tracking, inventory, shipping and billing
- Improved customer support efficiency through the use of online user guides and live chat with CSR's
- Streamlined internal applications, providing your customers with the quality of human support they expect



To help your business achieve this vision, T. R. Herman and Associates provides a wide array of technology marketing services aimed at helping you realize the many benefits of a successful e-business investment:

- Lowering sales and marketing costs
- Improving business marketing exposure through comprehensive branding
- Expanded geographic reach of your company's market
- Development of a strong customer service program
- Improvement in communications with partners and investors
- Collection of customer data for market analysis
- Streamlining information flow within and outside of the company

This second wave of Internet capitalization is rapidly creating powerful new opportunities to reach customers through novel and innovative service programs. By providing both the marketing and technology expertise necessary to leverage your company's strengths, T. R. Herman and Associates helps build a solid foundation for your business success in the 21st century.

Sources:

1. "America's Online Pursuits", Pew Internet and American Life Project, Dec 22 2003
2. United States Department of Commerce, Feb 23 2004
3. "Broadband Penetration on the Upswing", Pew Internet and American Life Project, Apr 19 2004
4. "Counting On The Internet", Pew Internet and American Life Project, Dec 29 2002



T. R. Herman and Associates, Inc.
5617 Cannonade Drive
Wesley Chapel, FL 33544
Toll Free: (866) 425-0005
<http://www.trhassociates.com>

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