**Unit 6: Digital Business**

**Value:**This unit is valued at 25pts.

**Meaning:** Electronic buying and selling of goods.

[**Introduction**](https://bbtnb.cdxauto.ca/mod/page/view.php?id=4)**:**

In 2011 an 8 year old girl racked up a montly bill for $1400.00 simply because she wanted to buy Smurfberries for her iPod game. One could blame the parents for not locking this feature down, but the girl needed to take some blame for her complete lack of digital business knowledge.

Where can you buy safely? Why is Paypal an amazing way to start digital business? Is digital debt real debt? These questions and more can lead you into a world that is terribly hard to teach in school but incredibly important for YOU to learn as soon as possible. In this unit you will explore and report on common pitfalls in early digital business, solutions that make digital business easier, and technology advances that are making the way we buy and sell things even more remarkable.

**The Issues:**

*Paypal and payment protection services*

*Securing your online identity and financial identity*

*Comfort with online purchasing and auctions*

*Returns and purchase issues online*

*Digital debts and currency (exchange rates)*

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**Activity 1: Shopping Carts? (11pts)**

Online sales are BOOMING even more due to Covid-19 and showing only signs of growing. The days of going to a physical store are being challenged by simply clicking on a screen and having the product arrive at your door days/hours later. Let's take a minute to compare the two.

**Answer the following and submit to your teacher.**

1. What are the 2 biggest reasons people still shop at stores?(2)

2. What are the 2 biggest reasons people shop online?(2)

3. If you had the ability which buying experience would you prefer and why?(2)

4. Will online shopping be the only method in 2050 or will people gradually return to stores or strike a balance? Why? (2)

5. Canada Post has been crippled by the lack of letter sending due to social media and emails etc..... They have decided to focus now mainly on digital shopping and delivering the puchased products. Is this a smart business plan change? Why or why not? (2)

6. If something is wrong with your product it is far easier to return it to a physical store. Suggest one way that online shopping could make their return process easier for the buyer and make physical stores even less meaningful. (1)

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**Activity #2: PayPal - Your online shopping buddy (14pts)**

Paypal is a company that was founded by Elon Musk (of Tesla) and it is unfair to talk about them specifically because there are other services out there. However, Paypal is so far ahead of the competition when it comes to its business practice we simply should focus here.

You are going to visit Paypal's website and answer some questions. While answering these questions it is believed you will discover the true value of the service Paypal is offering and how it can help you enter the world of digital business as a buyer and seller in the near future.

**But First. This video will really help.**

[**WATCH VIDEO NOW**](https://www.youtube.com/watch?v=qrnXGb-tJoU) Click on link to watch the video.

1. Visit [Paypal's website](http://www.paypal.com/%22%20%5Co%20%22Paypal) and scroll down to see the information about the service and determine what they do. **IN ONE SENTENCE describe as much as you can about what Paypal does and why it is so popular. (2)**

2. How does Paypal keep you safe while shopping at ALL OF THE ONLINE STORES that are possible to shop at these days? (think about your identity) (2)

3. How does Paypal make money if they aren't charging the buyer? (2)

4. If you buy something from Asia or Russia and it doesn't arrive how does Paypal protect you? (2) May require internet research.

5. If you started a business would you allow payment using Paypal? Why or why not? (2)

6. Visit <https://www.apple.com/ca/apple-pay/> and compare Paypal to "APPLE PAY.” Which do you prefer and why? Give 2 reasons (4)

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**Additonal Digital Business Tips:** Just some tips that can save you money **JUST TIPS TO HELP YOU**

1. Whenever possible use the "TAP" services when paying with credit cards and debit cards to limit the amount of time your card is with others.

2. Remember that banks often charge fees for debit usage that is over a set limit so if you use your debit card a lot you may want to ask about ways to get rid of this extra fee or ask for "Cash Back" at checkout to help pay for future things.

3. When buying online sometimes prices seem too good to be true so be careful of LARGE SHIPPING COSTS designed by the seller to get the real price through trickery.

4. When buying using KIJIJI and other online service make sure buying is done in a PUBLIC PLACE and never send money via mail or other ways to the seller.

5. If you have online subscriptions that renew every year make reminders and notes of the renewal dates so you don't get charged large fees without knowing they are coming.

7. If you have a credit card they often come with large interest rates. Consider getting a "credit line" at the bank and transferring credit card purchases to the credit line ASAP to take advantage of the LOWER INTEREST RATES.

**Example:** If you buy a $400 iPod on credit card the annual interest rate could be 14%. However if you transfer that debt to a credit line with interest rate of 6.5% you are saving 7.5% which could add up to a lot of money saved.