A SYSTEM FOR OPERATING A BUSINESS NETWORK TO PROVIDE REWARD FOR MEMBERS OF THE NETWORK

FIELD OF THE INVENTION

The present invention broadly relates to a system for operating a business network to provide reward for members of the network, and particularly relates to a system for operating a business network to provide reward for members of the network through the marketing and sales of products and services, such as motor vehicle insurance and the like.

BACKGROUND OF INVENTION

A marketing strategy to increase the attractiveness of purchasing a product from a particular source may involve offers of incentives to the purchaser, who refers other individuals to purchase products from that source.

The concept of offering incentives or rewards for referrals is employed by many for various kinds of products and in different industries. Adoption of such concept is often evident in multi-level marketing systems, whereby the outcomes advantageously include a multiplication effect in generating a clients' database within a relatively short period of time, and a rapid dissemination of information on new products.

This marketing strategy is not only applied to tangible products such as in the property business and consumable products, it is also equally applicable to intangible

services, for instance, in the insurance business, which includes but not limited to insurance for motor vehicles.

Motorists in Singapore and in many countries around the world are faced with the unavoidable expense of purchasing insurances for motor vehicles (referred to as "auto insurance"), as legislated by the state or country laws. The primary uses of an auto insurance are to provide protection against losses incurred as a result of traffic accidents and to protect against liabilities that could be incurred in an accident for a third party (at the very minimum), and often for a motorist and a motor vehicle owned.

In Singapore, the purchase of an auto insurance starts upon a vehicle ownership, and is renewed annually. Regardless of whether the motorist obtains quotations for the auto insurance from sources such as a financial institution, an insurer, a bank, a representative brokerage or an independent, the prices vary depending on many different factors.

In many cases, one of such factors is a commission component, which is often already built into the final price quoted. This commission component is either paid out to the referring agent or brokerage, or simply not paid at all.

In order to boost the appeal of purchasing an auto insurance from a particular source, that source may offer incentives, for example token fees, to the motorists, who refers other individuals (such as their friends) to purchase auto insurances.

The conventional procedure of obtaining quotations for auto insurances, and comparing their pricing factors and the incentives offered can prove to be cumbersome, time consuming and inefficient for a purchaser. Although over the years, improvements on products and services such as online access to up-to-date information on auto insurance and online

instant auto insurance quotations or estimates have been sought and implemented, such products and services do not lead to a marketing strategy, which maximizes the benefits of the purchasers and/or optimizes the clients' database, even in a case where the marketing strategy is multi-tiered.

Due to the way marketing strategies are constructed in current marketing systems, a pool of potential purchasers often exhaust prematurely, that is, before each purchaser in that system receives optimum benefits. Potential purchasers become wary of such ineffective marketing systems and tend to back out from the pool; thereby inadvertently result in a reduction of the overall pool size of potential purchasers. With such a drawback, this is a key consideration whereby many marketing systems are shown to be unsuccessful.

Further, for purchasers who are accorded as members to such marketing systems which lack some form of structural organization, each existing member will have maximize his or her efforts in recruiting referrals to build up in order to be successful under such marketing systems. Existing members, who are unable to recruit enough referrals, usually will not be able to sustain in such marketing systems; thereby resulting in difficulties in recruiting new members as there is a lack of reassurance of success.

Therefore, there is a need for an improved system and/or method for multi-tiered marketing, involving a business network to provide reward to address one or more of the problems mentioned above.

SUMMARY OF INVENTION

The present invention is a novel system for operating a business network to provide reward for members of the network comprising a transacting module adapted for allowing members

to conduct transaction and recording reward generated for the system, an allocation module adapted for arranging members into a matrix structure of the business network and distributing the reward to relating members of the matrix structure, and an input module that receives input information from members for processing by the transacting module and the allocation module. The system may be implemented using a processing unit and/or linked to a network domain. The recordation of reward by the transacting module may be in return for each successful transaction by the member or in return for each paid advertisement advertised through the business network.

In the system, each member may be allocated a weight that may be proportional to frequency of successful transaction through the system and the reward from the system may be allotted to relating members in proportion to their respective weight. The reward may include cash incentives, vouchers, membership points and revenue.

In the system, the input module may comprise a database server for receiving, processing and storing the input information from members. The allocation module may comprise a member allocation module, and a reward allocation module, wherein the reward may be distributed to relating active members. The system may retain a percentage of the reward.

The member allocation module of the system may comprise a database server and a software algorithm that may be stored in the database server for creating the matrix structure which may have a plurality of tiers. The matrix structure may further comprise an up-line, a down-line, and a forced matrix structure for arranging a limited number of down-lines to directly link to the up-line. The number of down-lines to directly link to the up-line may be limited to 2 or 3.

In the system, the active member that joins the system or makes a transaction through the system may have a status, scaled in accordance to a degree of activities of the member over a period of time. The member may be a referred member or a non-referred member. The matrix structure may be a balanced matrix structure.

In the system, the member may receive reward generated by transactions made by the down-lines of the member. The reward may be distributed in accordance to a weight distribution formulation. The member being inactive may be allotted a null weight in the weight distribution formulation. The relating members of the system may be active members placed within a pre-determined number of tiers of the matrix structure.

The present invention is also a method for operating a business network through a system that provides reward for members of the network comprising the steps of providing a transaction module for allowing members to conduct transaction through the system and allowing recordation of reward generated for the system, providing an allocation module that arranges members into a matrix structure of the business network and distributing the reward to relating members of the matrix structure; and providing an input module that receives input information from members for processing by the transacting module.

In this method, the recordation of reward by the transacting module may be in return for each successful transaction by the member or in return for each paid advertisement advertised through the business network. The reward may include cash incentives, vouchers, membership points and revenue.

In the method using the system for operating a business network, each member may be allocated a weight that may be

proportional to frequency of successful transaction through the system and the reward from the system may be allotted to relating members in proportion to their respective weight. The matrix structure may be created by a software algorithm.

The present invention further relates to a method for operating a business network comprising the steps of arranging members of the network into a matrix structure that establishes a network of relating members, providing the network with a range of goods and services for purchase by the members, providing a reward in return for each successful purchase of goods and services transacted by a member, and distributing the reward to relating members of the matrix structure.

In the method for operating a business network, each member may be allocated a weight that may be proportional to frequency of successful transaction and the reward may be allotted to relating members in proportion to their respective weight.

In the method for operating a business network, the reward may be distributed to relating active members. The matrix structure having an initial tier and a succeeding tier may comprise an up-line, a down-line, and a forced matrix structure for arranging a limited number of down-lines to directly link to the up-line. The number of down-lines to directly link to the up-line may be limited to 2 or 3.

In the method for operating a business network, the active member that may join the network or make a transaction may have a status, scaled in accordance to a degree of activities of the member over a period of time. The member, who may be a first member being referred by a second member, may be directly or indirectly linked to the second member in the succeeding tier.

In the method for operating a business network, the member may be a non-referred member, who may be placed in the matrix structure forming a balanced matrix structure. The non-referred member may be placed in the initial tier of the matrix structure.

In the method for operating a business network, the member may receive reward generated by transactions made by the down-lines of the member. The reward may be distributed in accordance to a weight distribution formulation. The member being inactive may be allotted a null weight in the weight distribution formulation.

In the method for operating a business network, the relating members are active members placed within a pre-determined number of tiers of the matrix structure. The method may be carried out in a system. The system may be implemented using a processing unit and/or linked to a network domain. The matrix structure may be created by a software algorithm.

BRIEF DESCRIPTION OF THE DRAWINGS

Embodiments of the invention will be better understood and readily apparent to one of ordinary skill in the art from the following written description, by way of example only, with reference to the accompanying drawings, in which:

Figure 1 shows a flow diagram of an overview of an embodiment for the system;

Figure 2 shows a schematic of a first embodiment of a module 32;

Figure 3 shows an enlargement of a sub-set network 1000 in Figure 2;

Figure 4 shows a schematic of a second embodiment related to a member allocation module 32;

Figure 5 shows a schematic of the first embodiment of Figure 3 in an exemplar balanced state with a new (referred) member; and

Figure 6 shows a schematic of the first embodiment of Figure 3 in an exemplar state with a new (non-referred) member.

DETAILED DESCRIPTION

With reference to the drawings, Figure 1 shows a flow diagram of an overview of an embodiment for a system. In the embodiment, the system comprises an input module 10, a transacting module 20 and an allocation module 30. The system or part of the system may be implemented using a processing unit. The processing unit may be a computer. Alternatively, the system or part of the system may be linked to a network domain. The network domain may be a local area network, a wide area network or the Internet.

Referring to Figure 1, the input module 10 comprises a database server 12 that receives, processes and stores input information relating to a user. An input module includes a module that receives input information from members of the system for processing by a transacting module and an allocation module. The user interacts with the system using client software which is preferably running within a browser application installed on a computer or a mobile device. The client software communicates with the database server 12. Preferably, the database server 12 is Relational Database Management System (RDMS) such as a Microsoft SQL-Server or

Oracle, or other suitable database systems such as Object Database or Object Relational Database systems.

Through the input module 10, the user (or a potential member) joins or signs up to the system by submission of information, preferably including name, national resident identification card number or passport number, address and contact number. Each user's information 14 is stored as a record in the database server 12 that is retrievable, editable and/or capable of being saved. Upon signing-up, the user becomes a member of the system. The submission of information is preferably online submission.

The transacting module 20 allows a member to conduct transaction through the system using a member's transaction information 16 obtained through the input module 10. Upon a successful transaction, a reward 18 is transmitted by the service provider to the system. A reward includes a benefit/gain (monetary or non-monetary) that is distributed to members. The reward 18 preferably includes cash incentives, vouchers, membership points, incentives from transactions (for example, purchase of products) and revenue. Preferably, the revenue arises from third party advertisement placed on the system.

The allocation module 30 is involved in allocation of members and reward 18. The allocation module or part of the allocation module may be implemented using a software program.

Referring to Figure 1, the allocation module 30 is made-up of a member allocation module 32 and a reward allocation module 34. Based on the user's information 14, the member allocation module 32 arranges the members into a matrix structure. A matrix structure includes a form of organizational structure based on horizontal and/or vertical relationships. The reward allocation module 34 distributes

the reward 18 received by the system through the transacting module 20 to relating members of the matrix structure, preferably according to a distribution formulation. Preferably, these relating members are active members. A relating member includes a member in a tier who is linked directly or indirectly to a member in a preceding (upper) tier or in a subsequent (lower) tier in a network arrangement. Up-line(s) and/or down-lines(s) are relating members. An up-line includes a member in a tier who is linked directly or indirectly to a member in a subsequent (lower) tier in a network arrangement, while a down-line includes a member in a tier who is linked directly or indirectly to a member in a preceding (upper) tier in a network arrangement.

The member allocation module 32 comprises a matrix structure having a preferred embodiment as shown in Figure 2, depicting an exemplary multi-tiered network 700 with signed-up members being link-up to one another. The matrix structure is preferably supported by a software algorithm, which is stored in the database server 12 (not shown in Figure 2).

In Figure 2, the matrix structure comprises a group of initial tiered members 100, 102 with no preceding tiers. The network 700 is built-up through successive tiers of members down the network 700, originating from the initial tiered members 100, 102.

In the preferred embodiment, the matrix structure comprises a forced matrix structure. A forced matrix structure is generally a system where there is a limit to the number of referrals any affiliate can directly make. More specifically in this context, it is defined as a system where the number of members (referred or non-referred) in a particular tier of a multi-tiered network, which is directly linked to an existing member in a preceding tier with respect to the particular tier, is limited. In the embodiment, the

number of members in a particular tier that is directly linked to any existing member in a preceding tier within the forced matrix structure is limited to 2. In such a case, the forced matrix structure has a limit *n* of 2 ($n = 2$). In other embodiments, a higher limit *n* is used. The number of initial tiered members 100, 102 is limited but is not constrained by the limit *n* of the forced matrix structure.

In the preferred embodiment of Figure 2, the network 700 is further made up of a combination of exemplary sub-set networks 800, 900, 1000 containing a plurality of members.

Figure 3 shows an exemplary sub-set network 1000 extracted from the network 700 of Figure 2. A potential member signs up, preferably with payment of a nominal fee, to become a member 200 to the system. The nominal fee is preferably payable annually to maintain the membership.

A status "active member" may be accorded to a membership by the system. The membership may be acquired by signing up as a member to the system; paying a membership fee, a renewal fee or an activating fee; or transferring from an existing membership. Alternatively, the "active member" status may be accorded when the system detects a transaction by a member of the system. Yet in another alternative, the "active member" status may be scaled to provide information on the degree of activity of the member over a period of time, for example, over the period of registration. The information relating to member's status is preferably stored and retrieved through the database server.

In the embodiment, a member identification, referred to as "member ID" is preferably allocated to this member 200. The member ID is preferably generated by the system or is represented by any submitted user's information 14 (not shown in Figure 3) such as the identification number. The member ID preferably serves as a login for the member 200 to access the

system. Preferably, a corresponding password is allocated to the member 200. Preferably, the password is changeable by the member 200. The information 14 (not shown in Figure 3) relating to member ID is stored and retrievable from the database server 12 (not shown in Figure 3).

In the embodiment, the member 200 recruits a new member 210 to the system. During signing up, the new member 210 would indicate the member ID of the member 200. The member allocation module 32 (not shown in Figure 3) allots a placement level for the new member 210 in a subsequent tier succeeding a tier, in which the member 200 resides; thereby rendering the member 210 a referred member of the member 200 by a direct link 250.

In the embodiment, the member 200 recruits another new member 212 to the system. During signing up, the new member 212 would indicate the member ID of the member 200. The member allocation module 32 (not shown in Figure 3) allots a placement level for the new member 212 in the subsequent tier succeeding the tier, in which the member 200 resides; thereby rendering the member 212 a referred member of the member 200 by a direct link 250.

With reference to the preferred embodiment as shown in Figures 2 and 3, the matrix structure based on a forced matrix structure with a limit of $n = 2$ on the number of referred members in a tier that is directly linked to any existing member of the system in a preceding tier is referred to as a 2-node forced matrix structure. In these embodiments, a network 700 (not shown in Figure 3) or a sub-set network 1000 operates on a 2-node forced matrix structure is formed. For example, a 2-node forced matrix structure is composed of members 210, 212 and 200. Yet another 2-node forced matrix structure is composed of members 220, 222 and 210.

In Figure 3, the typical arrangement of the sub-set network 1000 depicts the 2-node forced matrix structure where the member 200 forms a first tiered membership, while the new members 210 and 212 form a second tiered membership. A second tiered member, for example, the member 210 is directly linked to new members 220 and 222 that form a third tiered membership. Subsequent tiers are formed by arranging the placement levels of new members further down the sub-set network 1000.

Alternatively, in an embodiment as shown in Figure 4, a limit *n* on the number of referred members in a tier that is directly linked to any existing member of the system in a preceding tier is 3. In this embodiment, a network or a sub-set network operating on a 3-node forced matrix structure, as seen in Figure 3 is formed. For example, a 3-node forced matrix structure is composed of members 310, 312, 314 and 300. Yet another 3-node forced matrix structure is composed of members 320, 322, 324 and 310.

A member who signs-up to the system is characterized into one of two categories: in the first category, referred members are recruited into becoming members of the system through existing members, referred herein as the recommending members; and in the second category, non-referred members become members on their own without referral from any recommending members.

Allocation of members in a network by a member allocation module is achieved according to the categories.

Figure 5 shows the 2-node forced matrix structure of Figure 3 involving a new referred member 400, based on the first category. In one embodiment, the third tiered recommending member 220 recruits the referred member 400. In this embodiment, the allocation of the referred member 400 to the sub-set network 1000 results in the referred member 400

being allotted a placement in a tier (fourth tiered membership) directly below the third tiered recommending member 220 by a link 450.

In yet another embodiment, the second tiered recommending member 210 recruits the referred member 400. However, in the 2-node forced matrix structure, the second tiered recommending member 210 has reached the limit of $n = 2$ on the number of third tiered members 220, 222 that the second tiered recommending member 210 is allowed to have. A tiered member compensation method is preferably used to allocate the referred member 400 when this limit n of the forced matrix is reached. The referred member 400 being a "spillover" is placed according to the tiered member compensation method.

The method involves placing the referred member 400 below any existing members, for example the member 220, who has not reached his limit and who is linked below the recommending member 210 in the sub-set network 1000. In this arrangement, the recommending member 210 is directly linked via the link 260 to the existing member 220 immediately below it but is indirectly linked via the links 260, 450 to the new referred member 400.

Generally, the tiered member compensation method balances a new referred member within a recommending member's n-node forced matrix structure of a network. A n-node forced matrix structure includes a system where the number of members (referred or non-referred) in a particular tier of a multi-tiered network, which is directly linked to an existing member in a preceding tier with respect to the particular tier, is limited to n. Restricting the limit n of the forced matrix structure allows the network to expand depth wards by increasing the number of succeeding tiers. Generally, the main advantage of doing so would be to ensure that every

active down-lines will continue to generate rewards for active up-lines who qualify for the rewards.

Figure 6 shows the 2-node forced matrix structure of Figure 3 involving a new non-referred member 510, based on the second category. In the placement of the non-referred member 510 to the sub-set network 1000, the priority of a placement involves identifying existing gap in the sub-set network 1000 and to allocate placement of the non-referred member 510 within the gap to create a balanced network. In one embodiment, the gap includes a branch of the sub-set network 1000 having the lowest number of members. Alternatively, in yet another embodiment, the gap includes a branch of a network having only a first tiered member.

As an illustration in Figure 6, the non-referred member 510 is to be placed to the sub-set network 1000. The members 220, 222 have not reached the limit of a forced matrix structure, in this case, 2. The non-referred member 510 is allotted a placement in a tier directly below the member 222 by a link 562 to create a balanced network structure.

In another arrangement involving a non-referred member, when a pre-determined number of initial tiered members allowed in a network have not been met, a non-referred member is allocated in the network to become an initial tiered member.

The two-node or three-node forced matrix structure ensures that the majority of active member will enjoy rewards, through their own referrals, their upline's referrals, other member's referrals, and unreferred member signing up to the system. As a result, a user of the system would be inclined to join the network of the present invention and sign up to the system. There are existing members in the network who will help the new member develop their down-lines and fill up the forced matrix structure in a

balanced manner; thereby optimizing the benefits rewarded to all active members. Further, based on the network characteristic to achieve a balanced structure, unreferred members would have a higher chance to be allotted a placement into a new member's network. This would also reduce any attempts to populate the network or any sub-set network.

In a preferred embodiment, the system of the present invention is used in relation to insurance transactions involving motor vehicles. In other embodiments, the system is used in relation to other types of transactions including for example, advertising, sales and/or purchases of products. These products may include automobiles, consumer products or housing/commercial properties. When the system of the present invention is used in relation to transactions involving insurance, a member for example the member 220 of Figure 3, requests information, namely annual premiums, types of coverage and a general quotation request, relating to different designated insurance providers listed with the system. The information may be requested online upon logging into the member's account of the system.

In the embodiment, the member 220 provides the system with basic information required for working out a general quotation, such information preferably include a driver's age, years of driving experience, quantum of Non Claim Discount (NCD) entitlement, quantum of good driver discount and information preferably relating to the vehicle such as vehicle brand and model, the vehicle year of registration and engine capacity.

Preferably, through the system, qualified personnel provide information and advice relating to annual premiums, types of coverage and a general quotation from the list of service providers as requested by the member 220.

Alternatively, a software program is integrated into the system, preferably through a transacting module for example the transacting module 20 of Figure 1, to generate the required information requested based on the inputs provided by the member 220. The information is usually provided on request. Alternatively, the information may be generated by the software and may be updated periodically based on updated data provided by each service provider. The updated data may be retrievable and stored in a database server.

In this embodiment, the information relating to annual premiums, types of coverage, quotations and proposed policies of each selected service providers when generated is transmitted to the member 220. The transmission of the information is preferably made through the member 220's personal email account or the information is preferably viewed online from the member 220's system account.

Upon reviewing the information, the member 220 selects the desired policy and applies for the elected policy. The application for the elected policy is preferably made online. After approval of the application, when the purchase of the elected policy made by the member 220 from a service provider is confirmed, the service provider provides a reward for example the reward 18 of Figure 1 to the system. The quantum of the reward 18 provided varies between service providers. The processing of the purchase by the member 220 is carried out by the transacting module 20.

In a preferred embodiment, a percentage of a reward for example the reward 18 of Figure 1 is retained by the system of the present invention as reserve and the balance of the reward is distributed to related active members who are linked to a member for example the member 220. Preferably, these related members are the up-lines of the member 220.

As an illustration shown in Figure 3, for example, the up-lines of the member 220 comprise the member 210 and the member 200. In this example, the members 210, 200 are active members and the percentage of the reward is distributed to the members 210, 200.

In the preferred embodiment, the member 220 receives a reward from making a transaction through the system. The member 220 would also qualify as an active member or alternatively, would result in a weight increment of his or her active membership to receive higher rewards attributable to him or her during reward distribution by the system.

In another example, referring to Figure 3, the member 210 makes a transaction (for example, a purchase from a service provider); thereby generating a reward. The up-line of the member 210 comprises the member 200. The member 200 is an active member and a percentage of the reward is distributed to this member 200. The member 200 receives a reward from making the transaction through the system. The member 200 would also qualify as an active member or alternatively, would result in a weight increment of his or her active membership to receive higher rewards attributable to him or her during reward distribution by the system.

In another embodiment where the system of the present invention is used in relation to insurance transactions such as auto insurance, a member does not receive any reward from his or her own purchase through the system. However, the member would qualify as an active member or alternatively, would result in a weight increment of his or her active membership to receive higher rewards attributable to him or her during reward distribution by the system.

In other embodiments, different distribution alternatives are used, for example, a reward (or a percentage of a reward) is distributed to the active down-lines of a

member or a reward (or a percentage of a reward) is distributed away without the system acquiring any reserve.

As an illustration shown in Figure 3, for example, there are two down-lines for the member 210: one being the member 220, while the other being the member 222. In another example, the down-line for the member 200 comprises the member 210 and the member 220. In yet another example, the down-line for the member 200 comprises the member 210 and the member 222. In each example, based on different distribution alternatives, the reward (or a percentage of the reward) is distributed to the down-lines, who are active.

The distribution of reward to up-lines and/or down-lines of a member is effected evenly. Alternatively, the distribution of reward to up-lines and/or down-lines of a member is effected according to a weighted distribution formulation. Preferably, the weighted distribution formulation includes attributing an up-line or a down-line, allotted a placement in a tier which is proximate to this member, with greater weight. Alternatively, the weighted distributed formulation includes attributing up-lines and/or down-lines with weights according to their frequencies of transacting via the system. Any member that does not transact using the system during a period of registration is an inactive member and is therefore allotted a null weight. This inactive member would not be receiving any reward.

Preferably, accumulated rewards from any such inactive member, if unclaimed, is retained by the system as reserve. Alternatively, such accumulated rewards or a percentage of such accumulated rewards are extracted and divided into proportions to be re-distributed amongst up-lines and /or down-lines, who are active.

In another embodiment of the present invention, the distribution of reward to one or more up-lines or down-lines

of a member is limited to a pre-determined number of tiers. Preferably, the distribution is limited to eight tiers. Preferably, the percentage of distributable reward received by up-lines and down-lines is based on a distribution formulation. As illustration shown in Figure 3, for example, the member 220 is in an 8^{th} tier of a network or a sub-set network. The distribution is preferably based on the members 200, 210 in 6^{th} and 7^{th} tiers, respectively, being the two immediate tiers directly preceding the 8^{th}-tiered member 220, each is entitled to preferably 20% of the distributable reward, whilst members in the 1^{st} to 5^{th} tiers (not shown in Figure 3) with respect to the member 220, each is entitled to preferably 10% of the balance. The members receiving reward are active members.

In a further embodiment of the present invention, a quantum of reward gained by a system for distribution to members is increased through advertisements, classifieds and listing of corporate services managed by a management of the system.

The present invention comprises a distribution arrangement which advantageously encourages every member in the system community to actively transact and refer members via the system to increase their respective weight and the generation of reward.

Further, such a network has the attractive point of keeping in your member program not just few best performing members, but all members, which were registered during time. It also motivates active members to increase their activity levels. Newbie members can also see in the advantage of the forced matrix structure and stay in the network, because they can earn rewards even if they are not so successful in recruiting of further new members. Higher possibility of all active members stand to receive rewards faster. Members

having a pre-determined number of down-lines stand to enjoy recurring reward due to what is known as the "incentiveised activity encouragement" built into the system.

It will be appreciated by a person skilled in the art that numerous variations and/or modifications may be made to the present invention as shown in the specific embodiments without departing from the spirit or scope of the invention as broadly described. The present embodiments are, therefore, to be considered in all respects to be illustrative and not restrictive.

WHAT IS CLAIMED IS

1. A system for operating a business network to provide reward for members of the network comprising:

a transacting module adapted for allowing members to conduct transaction through the system and recording reward generated for the system;

an allocation module adapted for arranging members into a matrix structure of the business network and distributing the reward to relating members of the matrix structure; and

an input module that receives input information from members for processing by the transacting module and the allocation module.

2. The system as claimed in claim 1, wherein the system is implemented using a processing unit.

3. The system as claimed in claim 1 or 2, wherein the system is linked to a network domain.

4. The system as claimed in any one of claims 1-3, wherein the recordation of reward by the transacting module is in return for each successful transaction by the member.

5. The system as claimed in any one of claims 1-3, wherein the recordation of reward by the transacting module is in return for each paid advertisement advertised through the business network.

6. The system as claimed in any one of the preceding claims, wherein each member is allocated a weight that is proportional to frequency of successful transaction through the system and the reward from the system is allotted to relating members in proportion to their respective weight.

7. The system as claimed in any one of the preceding claims, wherein the input module comprises a database server for receiving, processing and storing the input information from members.

8. The system as claimed in any one of the preceding claims, wherein the reward includes cash incentives, vouchers, membership points and revenue.

9. The system as claimed in any one of the preceding claims, wherein the allocation module comprises

a member allocation module; and

a reward allocation module, wherein the reward is distributed to relating active members.

10. The system as claimed in any one of the preceding claims, wherein the system retains a percentage of the reward.

11. The system as claimed in claim 9 or 10, wherein the member allocation module comprises

a database server; and

a software algorithm that is stored in the database server for creating the matrix structure.

12. The system as claimed in any one of the preceding claims, wherein the matrix structure having a plurality of tiers comprises

an up-line;

a down-line; and

a forced matrix structure for arranging a limited number of down-lines to directly link to the up-line.

13. The system as claimed in claim 12, wherein the number of down-lines to directly link to the up-line is limited to 2.

14. The system as claimed in claim 12, wherein the limited number of down-lines to directly link to the up-line is limited to 3.

15. The system as claimed in any one of claims 9-14, wherein the active member that joins the system or makes a transaction through the system has a status, scaled in accordance to a degree of activities of the member over a period of time.

16. The system as claimed in any one of claims 12-15, wherein the member is a referred member.

17. The system as claimed in any one of claims 12-15, wherein the member is a non-referred member.

18. The system as claimed in any one of the preceding claims, wherein the matrix structure is a balanced matrix structure.

19. The system as claimed in any one of claims 12-18, wherein the member receives reward generated by transactions made by the down-lines of the member.

20. The system as claimed in any one of the preceding claims, wherein the reward is distributed in accordance to a weight distribution formulation.

21. The system as claimed in any one of the preceding claims, wherein the member being inactive is allotted a null weight in the weight distribution formulation.

22. The system as claimed in any one of the preceding claims, wherein the relating members are active members placed within a pre-determined number of tiers of the matrix structure.

23. A method for operating a business network through a system that provides reward for members of the network comprising the steps of:

providing a transacting module for allowing members to conduct transaction through the system and allowing recordation of reward generated for the system;

providing an allocation module that arranges members into a matrix structure of the business network and distributing the reward to relating members of the matrix structure; and

providing an input module that receives input information from members for processing by the transacting module.

24. The method as claimed in claim 23, wherein the recordation of reward by the transacting module is in return for each successful transaction by the member.

25. The method as claimed in claim 23, wherein the recordation of reward by the transacting module is in return for each paid advertisement advertised through the business network.

26. The method as claimed in any one of claims 23-25, wherein the reward includes cash incentives, vouchers, membership points and revenue.

27. The method as claimed in any one of claims 23-26, wherein each member is allocated a weight that is proportional to frequency of successful transaction through the system and the reward from the system is allotted to relating members in proportion to their respective weight.

28. The method as claimed in any one of claims 23-27, wherein the matrix structure is created by a software algorithm.

29. A method for operating a business network comprising the steps of:

arranging members of the network into a matrix structure that establishes a network of relating members;

providing the network with a range of goods and services for purchase by the members;

providing a reward in return for each successful purchase of goods and services transacted by a member; and

distributing the reward to relating members of the matrix structure.

30. The method as claimed in claim 29, wherein each member is allocated a weight that is proportional to frequency of successful transaction and the reward is allotted to relating members in proportion to their respective weight.

31. The method as claimed in claim 29 or 30, wherein the reward is distributed to relating active members.

32. The method as claimed in any one of claims 29-31, wherein the matrix structure having an initial tier and a succeeding tier comprises

an up-line;

a down-line; and

a forced matrix structure for arranging a limited number of down-lines to directly link to the up-line.

33. The method as claimed in claim 32, wherein the number of down-lines to directly link to the up-line is limited to 2.

34. The method as claimed in claim 32, wherein the limited number of down-lines to directly link to the up-line is limited to 3.

35. The method as claimed in any one of claims 29-34, wherein the active member that joins the network or makes a transaction has a status, scaled in accordance to a degree of activities of the member over a period of time.

36. The method as claimed in any one of claims 29-35, wherein the member is a first member being referred by a second member, the first member is directly or indirectly linked to the second member in the succeeding tier.

37. The method as claimed in any one of claims 29-35, wherein the member is a non-referred member, the non-referred member is placed in the matrix structure forming a balanced matrix structure.

38. The method as claimed in claim 37, wherein the non-referred member is placed in the initial tier of the matrix structure.

39. The method as claimed in any one of claims 29-38, wherein the member receives reward generated by transactions made by the down-lines of the member.

40. The method as claimed in any one of claims 29-39, wherein the reward is distributed in accordance to a weight distribution formulation.

41. The method as claimed in any one of claims 29-40, wherein the member being inactive is allotted a null weight in the weight distribution formulation.

42. The method as claimed in any one of claims 29-41, wherein the relating members are active members placed within a pre-determined number of tiers of the matrix structure.

43. The method as claimed in any one of claims 29-42, wherein the method is carried out in a system.

44. The system as claimed in claim 43, wherein the system is implemented using a processing unit.

45. The system as claimed in claim 43 or 44, wherein the system is linked to a network domain.

46. The method as claimed in any one of claims 43-45, wherein the matrix structure is created by a software algorithm.