

administrivia

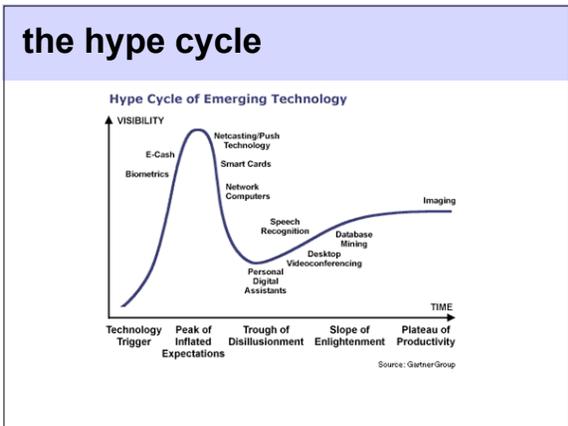
- mistake on my grading guide for SQL
 - give us the papers back and we'll regrade

administrivia

- comments on final
 - the final will be cumulative
 - cover all the material from the class
 - including qualitative methods
- next week review?
 - want to spend most of Tuesday's lecture on case studies
 - can spend some time in review if you like
 - email me topics
 - if I don't hear, I won't do any

ecommerce

- this week's lectures are on ecommerce
 - because it's a major "cultural event"
 - because it draws together many of our concerns
 - markets, economics, communication, data
 - the "coevolution" at the center of the class



two central questions

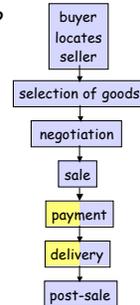
- what is ecommerce?
 - the role of technology?
 - the impact on organizations?
- just how does it change things?
 - a radical idea?
 - brave new world?
 - more of the same?

ecommerce?

- ecommerce – a radical new idea?
- let's think back...

ecommerce?

- ecommerce – a radical new idea?
- let's think back...
 - commerce 5000 years ago



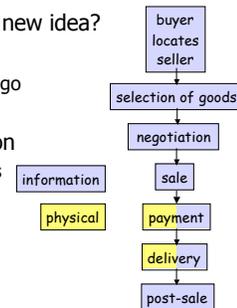
ecommerce?

- ecommerce – a radical new idea?
- let's think back...
 - commerce 5000 years ago



ecommerce?

- ecommerce – a radical new idea?
- let's think back...
 - commerce 5000 years ago
 - not so very different
- commerce & information
 - commercial transactions have always depended on information



two components

- commerce has always depended on information
 - what's different in ecommerce is the *medium*
 - electronic forms of communication and exchange
 - telephone, television, the Internet
- commercial transactions have two components
 - an information component
 - product availability, customer preferences, etc.
 - a physical component
 - exchange of payment and goods, etc.

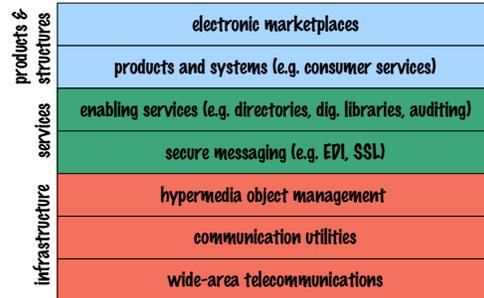
two questions

- two questions for ecommerce
 - *how to improve or transform the information component?*
 - better information
 - more effective use of the information you have
 - *how to manage the physical component?*
 - logistics
 - payment systems
- but ...

ecommerce impacts

- technology and practice co-evolve
 - new forms (e.g. ecommerce) arise out of old
 - new technologies provide new opportunities
 - there are some substantive impacts
- think about this material on three levels
 - those that haven't changed at all
 - e.g. markets, costs, speed
 - changes in mechanism but not in practice
 - e.g. payment systems, disintermediation
 - fundamentally new
 - e.g. demand aggregation, mass customization

a framework (Zwass, 2002)



zwass' framework

- infrastructure
 - technically, ecommerce pre-dated the Internet
 - "EDI" is a term in use since the 1970s
 - culturally, it's a new phenomenon
 - growth in infrastructure and *access to infrastructure*
 - interesting case: mobile ecommerce in Europe
- services
 - importantly, frequently rely on *third parties*
 - e.g. financial services; trusted third parties (TTP) for crypto
- products and structures
 - ecommerce may result in new forms of product
 - but more especially *new marketplaces*

pressures towards ecommerce

- why pursue an online strategy?
 - visibility to more customers
 - reduce costs (inventory, stores, salaries, etc)
 - improved efficiency through electronic processing
 - integrate operations with suppliers
- the important thing about these...

pressures towards ecommerce

- why pursue an online strategy?
 - visibility to more customers
 - reduce costs (inventory, stores, salaries, etc)
 - improved efficiency through electronic processing
 - integrate operations with suppliers
- the important thing about these...
 - ... is that we've seen them all before
 - these are standard arguments for competitiveness
 - e.g. Pearson's three strategies; Bakos and Treacy

efficiency arguments (1)

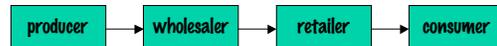
- the context for organizational life
 - the organization's environment changes all the time
 - remember the organism argument
 - much ecommerce is a response to those changes
 - in other words, it's *more of the same*
- efficiency arguments part of first category
 - "things that haven't changed at all"
 - efficiency was always important

ecommerce impacts (2)

- the second level
 - changes in mechanism but not in practice
 - things we were doing before, but can now do in new ways
- two examples
 - “disintermediation”
 - payment systems

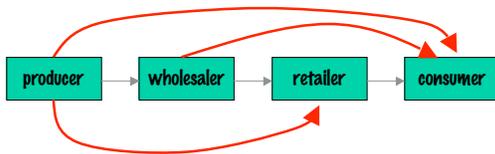
disintermediation

- “disintermediation”
 - “dis-” + “intermediary” + “-ation”
 - non-technically, cutting out the middleman



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disintermediation

- perceived advantages
 - reducing costs
 - building a closer customer relationship
 - and presumably getting more information from them
- the most extreme form
 - bypass yourself!
 - Dell Computer: from production to logistics

disintermediation

- costs and benefits
 - disintermediation in digital libraries?

disintermediation

- disintermediation isn't a new phenomenon
 - producers exploit multiple “channels”
 - direct sales, outlets, major retailers, etc
 - electronic commerce provides a new channel
 - explicit in a “clicks and mortar” approach
 - combines traditional and electronic commerce
- disintermediation is a “level 2” phenomenon
 - not a new mechanism, but conducted in new ways

next time

- more "level 2" impacts
 - payment systems
- "level 3" impacts
 - mass customisation
 - demand aggregation
- overall assessment