


Information Systems

ISM 3011

Fall 2003
Unit 8A

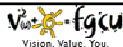
Dr. Martin Hepp 1



Assignment for Next Class

- Read and **prepare** the cases 1, 2, and 3 (p. 358 - 360).

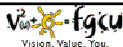
Dr. Martin Hepp 2



Electronic Commerce

Chapter 8

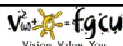
Dr. Martin Hepp 3



Principles and Learning Objectives

- E-commerce is a new way of conducting business, and as with any other new application of technology, it presents both opportunities for improvement and potential problems.
 - Identify the fundamental advantages of e-commerce.
 - Outline a multistage model that describes how e-commerce works.
 - Identify some of the major challenges companies must overcome to succeed in e-commerce.
 - Identify several e-commerce applications.

Dr. Martin Hepp 4



Principles and Learning Objectives

- E-commerce requires the careful planning and **integration** of a number of technology infrastructure components.
 - Outline the key components of technology infrastructure that must be in place for e-commerce to succeed.
 - Discuss the key features of the electronic payments systems needed to support e-commerce.

Dr. Martin Hepp 5




Principles and Learning Objectives

- Users of the new e-commerce technology must take safeguards to protect themselves.
 - Identify the major issues that represent significant threats to the continued growth of e-commerce.
- Organizations must define and execute a strategy to be successful in e-commerce.
 - Outline the key components of a successful e-commerce strategy.

Dr. Martin Hepp 6

Vision. Value. You.

An Introduction to Electronic Commerce



Dr. Martin Hepp

7

Vision. Value. You.

Introduction to Electronic Commerce

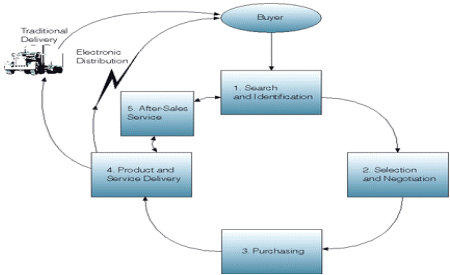
- Business-to-consumer (B2C) e-commerce
- Business-to-business (B2B) e-commerce
- Consumer-to-consumer (C2C) e-commerce

Dr. Martin Hepp

8

Vision. Value. You.

Multistage Model for E-commerce

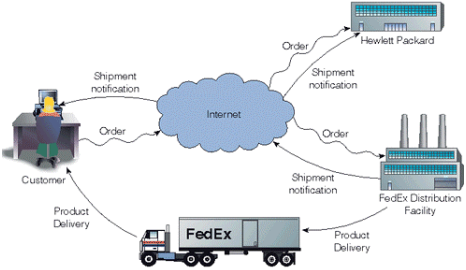


Dr. Martin Hepp

9

Vision. Value. You.

Product and Service Delivery



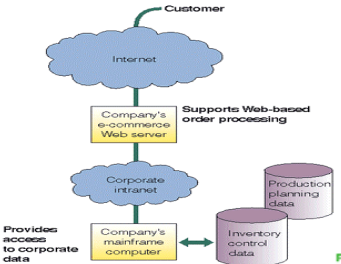
Dr. Martin Hepp

FIGURE 8-2

Product and Information Flow
J-B Products Ordered over the Internet

Vision. Value. You.

The Key to Success:
Back-end Integration



Dr. Martin Hepp

FIGURE 8-4

Web-Based Order Processing
Must Be Linked to Traditional
Back-End Systems

Vision. Value. You.

Next Step: Supply Chain Management

Demand Planning

Analyzing buying patterns

Developing customer demand forecasts

Supply Planning

Strategic planning

Inventory planning

Distribution planning

Procurement planning

Transportation planning

Supply allocation

Demand Fulfillment

Order fulfillment

Backlog management

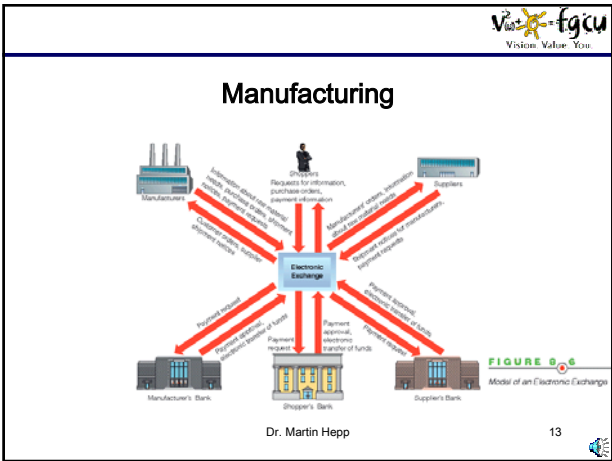
Order promising

Customer verification

Order capture

Dr. Martin Hepp

12



fgcu
Vision. Value. You.

From “Make” to “Buy”

- Malone/Yates/Benjamin (1987!): “Electronic Markets and Electronic Hierarchies”
 - Computer-based trade processes reduce the transaction costs and trigger a shift towards the usage of markets.
- Transaction cost: The cost of using the market mechanism (Coase 1937)

Dr. Martin Hepp

14

fgcu
Vision. Value. You.

Reduced Transaction Costs – Increased Market Volume

The screenshot shows an eBay listing for a 'COMPAQ 281234-001 Li-Ion Battery Evo N600 NEW'. The listing includes details such as 'Starting bid: \$15.00', 'Time left: 6 days 7 hours', and 'Location: Nashville TN'. To the right of the listing, statistics for eBay are provided: 'Active Users: 34.1 million', 'Gross Merchandise Sales (GMS): \$5.6 billion in Q2-03', and 'Walmart Inc.: \$ 62.1 billion in Q2-03'.

Dr. Martin Hepp

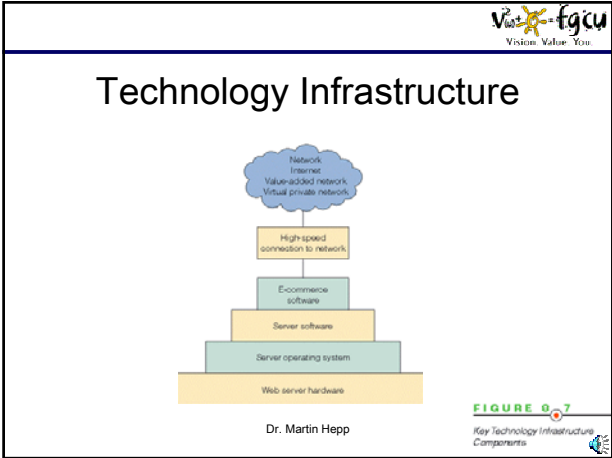
15

fgcu
Vision. Value. You.

Technology Infrastructure

Dr. Martin Hepp

16



fgcu
Vision. Value. You.

Thank you!

Any questions? Please send an e-mail to mhepp@computer.org!

<http://ruby.fgcu.edu/courses/mhepp/>
(-> CRN80999)

Dr. Martin Hepp

18