Information Systems
ISM 3011
Fall 2004
Unit 8A

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Wednesday: Online Unit
(no classes)

• Will be available on the course Web page by Wednesday morning 10:00 a.m.
  http://ruby.fgcu.edu/Courses/mhepp/
• Relevant for the quiz on Monday!

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Assignment for Next Monday

• Chapter 9; self-assessment test; review questions 4, 6, and 7

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An Introduction to Electronic Commerce

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What is E-Commerce?

• Any form of business operations between any two parties using digital communication over open networks, especially the Internet.

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Introduction to Electronic Commerce

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

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Why is E-Commerce so popular?

- Reach
- Common Infrastructure
  - As soon as one is connected to the Internet, one can use all online services
- Speed and Asynchronous communication
- High degree of automation
- Ease-of-use, richness (e.g. images)

Further Advantages

- High degree of automation
- Ease-of-use
- Richness (e.g. images, sounds,...)
- Interactivity
- Personalization

Example

Example (2)

Example (3)

Paper Media Integration

Very Basic Infrastructure
...but: not limited to product information and ordering

Multistage Model for E-commerce

E-Commerce Delivery of Tangible Goods

The Key to Success: Back-end Integration

From “Make” to “Buy”

  - 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)

Prominent Proof: eBay
Reduced Transaction Costs – Increased Market Volume

**eBay:**
- Active Users: 34.1 million
- Gross Merchandise Sales (GMS): $5.6 billion in Q2-03
- Walmart Inc.: $62.1 billion in Q2-03

Do we have a choice?

Next Step: Supply Chain Management

Manufacturing

Thank you!

The slides will be available on the internet at http://ruby.fgcu.edu/courses/mhepp/ (-> CRN80097)