

Chapter Three Overview

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 - Evolution of the Internet
 - Accessing Internet Information
 - Providing Internet Information
- **SECTION 3.2 - E-BUSINESS**
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 - E-Business Models
 - Organizational Strategies for E-Business
 - Measuring E-Business Success
 - E-Business Benefits and Challenges
 - New Trends in E-Business: E-Government and M-Commerce

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3.1. BUSINESS AND THE INTERNET

Disruptive technology – a new way of doing things that initially does not meet the needs of existing customers
tekniksprång

Sustaining technology – produces an improved product customers are eager to buy
kontinuerlig utveckling

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Disruptive versus Sustaining Technology

Fortune 500 Rank	Company	Expected Returns on New Investment	Expected Returns on Existing Investments
53	Dell Computer	78%	22%
47	Johnson & Johnson	66	34
35	Procter & Gamble	62	38
6	General Electric	60	40

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Disruptive versus Sustaining Technology

Company	Disruptive Technology
Charles Schwab	Online brokerage
Hewlett-Packard	Microprocessor-based computers; ink-jet printers
IBM	Minicomputers; personal computers
Intel	Low-end microprocessors
Intuit	QuickBooks software; TurboTax software; Quicken software
Microsoft	Internet-based computing; operating system software; SQL and Access database software
Oracle	Database software
Quantum	3.5-inch disks
Sony	Transistor-based consumer electronics

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The Internet – Business Disruption

- One of the biggest forces changing business is the Internet
- 3 miljarder användare 2010
- New PARADIGM: Nätet är datorn (Sun Microsystems)
vs
Nätet är hårddisken
- Kuhn: Scientific revolutions

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Evolution of the internet

- The Internet began as an emergency military communications system operated by the Department of Defense (Arpanet)
- Gradually the Internet moved from a military pipeline to a communication tool for scientists to businesses
 - **Internet** – computer networks that pass information from one to another using common computer protocols (TCP, UDP, IP, SNMP,...)
 - **Protocol** – standards that specify the format of data as well as the rules to be followed during transmission

Backbone
Företag/org
ISP

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Evolution of the World Wide Web

- **World Wide Web (WWW)** – a global hypertext system that uses the Internet as its transport mechanism
- **Hypertext transport protocol (HTTP)** – the Internet standard that supports the exchange of information on the WWW
- **File transfer protocol (FTP)**

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Evolution of the World Wide Web

- The Internet makes it possible to perform business in ways not previously imaginable (language-wide reach)
- It can also cause a digital divide
 - **Digital divide** – when those with access to technology have great advantages over those without access to technology

informationsövertag

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Accessing internet information

- Four ways of accessing Internet information
 1. **Intranet** – internalized portion of the Internet, protected from outside access, for employees
 2. **Extranet** – an intranet that is available to strategic allies
 3. **Portal** – Web site that offers a broad array of resources and services (Yahoo, MSN, AOL)
 4. **Kiosk** – publicly accessible computer system that allows interactive information browsing

Känd URL (address)
Sökning (google, altavista, ...)

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Providing internet information

- Three common forms of service providers
 1. **Internet service provider (ISP)** – provides individuals and other companies access to the Internet (Web hosting, Hard-disk storage space, Availability, Support)
 2. **Online service provider (OSP)** – offers an extensive array of unique Web services
 3. **Application service provider (ASP)** – offers access over the Internet to systems and related services that would otherwise have to be located in organizational computers

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3.2. E-BUSINESS

How do e-commerce and e-business differ?

E-commerce – the buying and selling of goods and services over the Internet

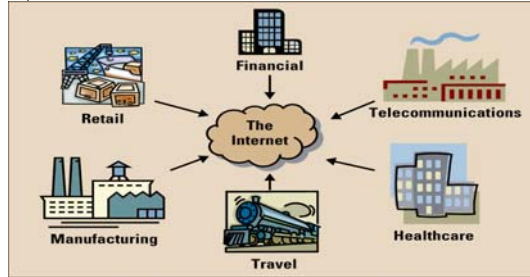
E-business – the conducting of business on the Internet including, not only buying and selling, but also serving customers and collaborating with business partners

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E-business basics

Industries Using E-Business

vilka gör det inte ?



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E-business models

An approach to conducting electronic business on the Internet

	Business	Consumer
Business	B2B	B2C
Consumer	C2B	C2C

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Business-to-Business (B2B)

Electronic marketplace (e-marketplace) – interactive business communities providing a central market where multiple buyers and sellers can engage in e-business activities



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Business-to-Consumer (B2C)

Common B2C e-business models include:

e-shop – a version of a retail store where customers can shop any time without leaving their home

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Consumer-to-Business (C2B)

Kunden anger ett högsta pris för t.ex. en flygresor och ser vilka som nappar.....

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Consumer-to-Consumer (C2C)

Ex

TRADERA – Auktioner

BLOCKET

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Organizational strategies for e-business

Primary business areas taking advantage of e-business include:

Marketing/sales

Financial services

Procurement

Customer service

Intermediaries

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Marketing/Sales

Generating revenue on the Internet

Online ad (banner ad) - box running across a Web page that contains advertisements

Pop-up ad - a small Web page containing an advertisement

Associate program (affiliate program) - businesses generate commissions or royalties

Viral marketing - a technique that induces Web sites or users to pass on a marketing message

Mass customization - gives customers the opportunity to tailor products or services

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Marketing/Sales

Generating revenue on the Internet (cont.)

Personalization - occurs when a Web site can fashion offers that are more likely to appeal to that person

Blog - Web site in which items are posted on a regular basis and displayed in reverse chronological order

Real simple syndications (RSS) - a Web feed format used for Web syndication of content

Podcasting - the distribution of audio or video files, such as radio programs or music videos, over the Internet to play on mobile devices

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Marketing/Sales

Generating revenue on the Internet (cont.)

Search engine optimization (SEO) - a set of methods aimed at improving the ranking of a Web site in search engine listings

Spamdexing - uses a variety of deceptive techniques in an attempt to manipulate search engine rankings, whereas *legitimate* SEO focuses on building better sites and using *honest* methods of promotion

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Financial Services

Online consumer payments include:

Financial cybermediary

Electronic check

Credit card

Digital wallet

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Financial Services

Online business payments include:

Electronic data interchange (EDI)

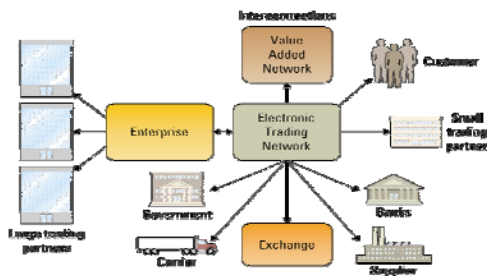
Value-added network (VAN)

Financial EDI (financial electronic data interchange)

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Financial Services

Electronic trading network



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Procurement

Maintenance, repair, and operations (MRO) materials (also called *indirect materials*) – materials necessary for running an organization but do not relate to the company's primary business activities

E-procurement - the B2B purchase and sale of supplies and services over the Internet

Electronic catalog - presents customers with information about goods and services offered for sale, bid, or auction on the Internet

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Customer Service

Customer service is the business process where the most human contact occurs between a buyer and a seller

e-business strategists are finding that customer service via the Web is one of the most challenging and potentially lucrative areas of e-business

The primary issue facing customer service departments using e-business is consumer protection

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Consumer Protection

Issues for Consumer Protection

- Unsolicited goods and communication
- Illegal or harmful goods, services, and content
- Insufficient information about goods or their suppliers
- Invasion of privacy
- Cyberfraud

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Consumer Protection

E-business security

Encryption

Secure socket layer (SSL)

Secure electronic transaction (SET)

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Intermediaries

Intermediaries – agents, software, or businesses that bring buyers and sellers together that provide a trading infrastructure to enhance e-business

Reintermediation – using the Internet to reassemble buyers, sellers, and other partners in a traditional supply chain in new ways

pricerunner, kelkoo, ...

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Measuring e-business success

- Most companies measure the traffic on a Web site as the primary determinant of the Web site's success
- However, a large amount of Web site traffic does not necessarily equate to large sales
- Many organizations with high Web site traffic have low sales volumes

bra information, höga priser ?

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Measuring e-business success

Web site traffic analysis can include:

Cookie
Click-through / click-stream
Banner ad
Interactivity

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Web site metrics

Clickstream data tracks the exact pattern of a consumer's navigation through a Web site

Clickstream data can reveal:

Number of pageviews
Pattern of Web sites visited
Length of stay on a Web site
Date and time visited
Number of customers with shopping carts
Number of abandoned shopping carts

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Web Site Metrics

Web site metrics include:

Visitor metrics
Exposure metrics
Visit metrics
Hit metrics

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E-business benefits and challenges

E-business benefits include:

Highly accessible
Increased customer loyalty (?)
Improved information content
Increased convenience
Increased global reach
Decreased cost

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E-business benefits and challenges

E-business challenges include:

Protecting consumers
Leveraging existing systems
Increasing liability (?)
Providing security
Adhering to taxation rules

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E-business benefits and challenges

There are numerous advantages and limitations in e-business revenue models including:

- Transaction fees (Nordnet, Avanza)
- License fees (internetbank)
- Subscription fees (Aftonbladet Plus)
- Value-added fees
- Advertising fees

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New trends in e-business: e-government and m-commerce

E-government - involves the use of strategies and technologies to transform government(s) by improving the delivery of services and enhancing the quality of interaction between the citizen (consumer) within all branches of government

24-timmarsmyndigheten

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NEW TRENDS IN E-BUSINESS: E-GOVERNMENT AND M-COMMERCE

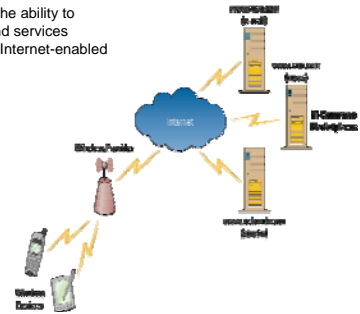
	Business	Consumer	Government
Business	B2B consint.com	B2C dell.com	B2G lockheadmartin.com
Consumer	C2B priceline.com	C2C ebay.com	C2G eGov.com
Government	G2B export.gov skattemyndigheten exportrådet	G2C medicare.gov sjukvårdsinformation skattemyndigheten	G2G disasterhapp.gov

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New trends in e-business: e-government and m-commerce

Mobile commerce - the ability to purchase goods and services through a wireless Internet-enabled device

**MOBILE
LIFE**



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Slutsats

- All informationshantering i samhället förändras
 - Förändringen är teknikdriven
- MEN**
- Framgångsrika tillämpningar kräver en behovsorienterad "affärs"-modell (tjänstemodell)

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Slutsats

- Effektiviseringspotentialen för enkla tillämpningar har minskat
- Nya tekniker öppnar för ny potential
- I övrigt måste IT-projekt bli effektivare

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