

Does it matter
assignment



**ASSIGN
BUSTER**

Zipcar Answers First of all, it would be best to discuss on rivalry. Zipcar has a competitive advantage over other car rentals due to its innovative way of allowing buyers to rent a car. It is obvious that Zipcar has made a good study on the buying habits of people who rent cars, and they tapped technology to make things more efficient. Its main strength is product differentiation because other rent a car services still follow the traditional process of personal interaction. In Zipcar, buyers have more information that makes them empowered to make quick buying decisions. They need not wait for updates, since they just have to track available cars for rent. In terms of buyers, the buyers can be said to be fragmented since due to the many types of people possibly needing such services. There is no certain defined group that can control the outcome of the pricing. In fact, the buyers depend on the system which cannot be found on other car rental companies so switching costs are not yet a concern. This also minimized the threat of substitutes since the product is very unique. As for the suppliers, the channel of distribution is online. This make selling much easier, since there is no middle man or salesman who can interrupt in the process. As for the threat of new entrants, the costs for a competitor to switch to a similar system are quite risky since Zipcar has already a proven track-record. The reengineering of services would entail not only capitalization but training as well so, unless a new business has strong capitalization, Zipcar would be enjoying its current position.

2. Information technology had always been utilized by companies to gain competitive advantage. In Zipcar's case, it has used IT to create a unique service that most people are used to nowadays (making reservations online). Likewise, it has created synergy by adapting a system that makes things more efficient not only for the customer but for the

business as well. The system presents many ways to cut-costs since it has minimized manpower requirements traditionally needed by car rental services. 3. The network effects includes creating more consumers that value online car rental reservations especially now that Zipcar has been extensively using social networks that lead to the creation of an online community. More people would be clamoring for similar services so more positive feedback make people join the bandwagon. Even the shared experiences of customers are important because they add value by giving the service a more personalized touch. Although the services are mainly virtual, the riding experience of happy customers can generate a very good network effect. 4. The most threatening competition would come from new entrants to the market. As this type of service becomes popular, competitors could develop more advanced technologies.

IT Doesn't Matter 1. My organization spends a sizeable amount in IT because it's necessary. First, customer services support gives us a competitive edge so having a good system would be critical for the operations. Orders, comments and complaints from customer can only be gathered online in a timely manner. Because of IT, the organization can promptly support customers by responding through chat or e-mail. While we do not differ much from other organizations that use the internet to serve their customer, this is still the best communication platform that buyers can access 24/7. It is not a cost but an add-value that is enhanced by good customer relations. 4. Low tech strategy is really appealing since it is not about cutting corners but being more cost-efficient. I think this is viable; in fact, our organization uses an open source mail server where employees can send important communication. At the early stages of the company, we used open-source e-

commerce software that does not require much investment not proprietary rights. The decision to go low-tech depends on the organization's outlook on many factors- costs and productivity. The idea that one has to spend much just to deliver maximum productivity is not popular anymore, as what the material pointed- affordability is one of the plus factors that too much IT has brought into this day. 6. I think Carr's opinion about railroads is valid and presents a good argument. Sample of which are office machines like typewriters that became obsolete after some time. Likewise, the Japanese market for phone cards and Korean internet service providers are good examples. It is just ironic considering that many European countries provide free Wi-Fi to the public even in a forest in Estonia. I do agree too that the implication is more on the macroeconomic level since the consumers benefit most from the competition. Summary Statement: " Does IT Matter?" presents a provoking criticism of how much IT is considered as an over-hype nowadays. Organizations clamor for more complex IT services and products when they can use low-tech solutions that may deliver the same results. Because of the popular belief that more IT application is better, even smart executives fall into such a spending trap. Indeed, the author is sensible and practical when he suggested that companies should take a closer look at risks associated with IT. Likewise, he provides a valuable insight about overspending, which afflicts almost any business nowadays when it comes to IT. Does IT matter? It does, yet people should think critically when investing in technology. It must serve its function and nothing more.