

E-business paper



E-Business Paper Jim Jones ACC/340 Joyce Williams December 3, 2012 ?

Barnes & Noble has functioned well as a brick and mortar store since its inception. The company has developed over the years by adopting new products and keeping up with e-commerce as it has started develop. The company has been able to keep up with changes in the economy due to the development of the internet and e-commerce. We will examine how e-commerce has affected how the world around has changed. E-commerce has taken affect on how supply and demand functions in markets. Price is a bigger point on an online purchase than it is in brick and mortar stores.

It is much easier for customers to search for a product and the cost of them doing their research is greatly decreased. A customer is able to see all or most of the products that are available and are easily able to compare them side-by-side. Many retailers do not have brand recognition. This is due to the somewhat high turn around in the internet business along with newer existence of e-commerce. Online stores may not be able to exist in markets that have high demand products where the consumers want the product now. For this reason, there are not many online markets for perishable products.

This is due to the delay because of shipping needs to occur and the high cost of immediate shipping. There is a lower cost for e-commerce because you have less overhead and you do not need to go through a middle man to get your product. Many internet stores will sell to customers that live nowhere near their physical location. This allows a company to break into a whole new audience that they would not have been able to develop with just one

physical store. A deterrent for using an online store is the time it takes to get a product after it has been ordered.

Most physical items that can be delivered through an online store are also available at a brick and mortar store. Consumers will weigh the opportunity cost of waiting to determine if it is worth the wait. For this reason, some brick and mortar stores can justify higher prices for high demand products. A risk that some businesses run into is their consumers' personal information. There is an extra cost to secure their consumers' information. Information like an address or a consumer's social security number may be stored in the online system so it is important to protect this information.

A large benefit from using a business through e-commerce is that there is a lower distribution cost. This often occurs because certain areas of the supply chain have been removed. The development of the internet has made it much easier to track trends. This means that there are fewer inventories that need to be maintained because we can easily determine when certain products will be bought. Since there is already a delay because of shipping times, it is less of a problem when something is out of stock versus a brick and mortar store. (Lieber, 2011)

Barnes & Noble has been able to keep up with its main competitors Amazon and Google by investing in its Nook e-business and developing an online store for physical books and e-books. Over the second quarter in 2012, Barnes & Nobles' " digital content revenue grew 38 percent during the second quarter, but that was down from a 46 percent increase in the fiscal first quarter. " (Anderson, 2012) Despite the shortcomings of the most recent

fiscal quarter, the overall stock for Barnes & Noble has increased by 11 percent throughout the past year.

Barnes & Nobles' e-business continues to be challenged by the further development of Apple's iPad Mini, new Amazon Kindles and Google's Nexus tablet. Barnes & Noble has done fairly well to keep up with the e-business competition and has only lost 3 percent in revenue from brick and mortar stores. (Anderson, 2012) Where Barnes & Noble falls short is their lack of apps for their tablets. Some of the other tablets are selling better because they are multi-functional whereas the Nook primarily functions to read books and magazines.

Barnes & Noble has done well to keep up with the competition and maintain a viable stronghold in the bookstore industry. ? References Anderson, M. (2012). Barnes & Noble reports net income for 2Q. Retrieved from <http://www.miamiherald.com/2012/11/29/3118537/barnes-noble-reports-net-income.html#storylink=cpy> Lieber, E. , Syverson, C. (2011). Online vs. Offline Competition: Prepared for the Oxford Handbook of the Digital Economy. Retrieved from <http://home.uchicago.edu/syverson/onlinevsoffline.pdf>