

Module 1



Disintermediation (p. 32) Reduction in the use of intermediaries between producers and consumers, for example by investing directly in the securities market rather than through a bank. eBusiness (p. 13) Digital enabling of transactions and processes within a firm, involving information systems under firm's control.

Does not include commercial transactions involving an exchange of value across organizational boundaries. Friction-Free Commerce (p. 33) A market in which there is little differentiation between competing products, so that the customer has exceptional choice. Information Asymmetry (p. 14) Deals with the study of decisions in transactions where one party has more or better information than the other. This creates an imbalance of power in transactions, which can sometimes cause the transactions to go awry, a kind of market failure in the worst case. Internet (p. 23) The global communication network that allows almost all computers worldwide to connect and exchange information. Some of the early impetus for such a network came from the U. S. government network Arpanet, starting in the 1960s. Network Effect (p. 33) A phenomenon whereby a good or service becomes more valuable when more people use it. The internet is a good example. Initially, there were few users of the internet, and it was of relatively little value to anyone outside of the military and a few research scientists. Web 2. 0 (p. 19) The second stage of development of the World Wide Web, characterized especially by the change from static web pages to dynamic or user-generated content and the growth of social media. World Wide Web (p. 24) An information system on the Internet that allows documents to be connected to other documents by hypertext links, enabling the user to search for information by moving from one document to another.

Seeding Creating a trial run and handing out the product for free, to gain exposure. eCommerce Digitally enabled commercial transactions between and among organizations and individuals. Ubiquity Marketplace is extended beyond traditional boundaries. It's now "Marketspace", which is shopping anywhere. Global reach Commerce is enabled across cultural and national boundaries seamlessly without modification. Universal standards There is a common, inexpensive, global technology foundation for businesses to use. Information richness We now use video, audio, and text marketing messages to add to the shopping experience. Interactivity Consumers are engaged in dialog that adjusts to the experience of the individual. Information density The costs of processing, storage, and communication have dropped dramatically while currency, accuracy, and timeliness have improved. Info becomes bountiful, cheap, and accurate. Social technology New internet social and business models enable user content creation and distribution. Internet The internet is a worldwide network of computer networks built on common standards created in late 1960's. (Web, e-mail, file transfers)

- o Growth is measured by the number of Internet hosts with domain names

World Wide Web The web is a popular service provided by the internet. Developed in early 1990's, which essentially provides access to web pages. Measure growth by the number of unique URLs

Potential limitations

1. Expensive technology
2. Sophisticated skill set
3. Persistent cultural attraction of physical markets and traditional shopping experiences
4. Persistent global inequality limiting access to telephones and computers
5. Saturation and ceiling effects

Stages of evolution

a. Innovation (1995-2000)

- i. Key concepts developed
- ii. Heavy venture capital investment
- b. Consolidation (2001-2006)
 - i. Emphasis on business-driven approach
- c. Reinvention (2006-Present)
 - i. Extensions of technologies
 - ii. New models based on user-generated content, social networks, services

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