Case Study for Information Management
資訊管理個案

E-commerce: Digital Markets, Digital Goods
1. Facebook, 2. Amazon vs. Walmart   (Chap. 10)

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TLMXB4B
Thu 8, 9, 10 (15:10-18:00) B508

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2012-11-29

課程大綱 (Syllabus)

週次　日期　內容（Subject/Topics）

1　101/09/13　Introduction to Case Study for
　　　　　　 Information Management

2　101/09/20　Information Systems in Global Business:
　　　　　　　 1. UPS, 2. The National Bank of Kuwait (Chap. 1)

3　101/09/27　Global E-Business and Collaboration:
　　　　　　　 NTUC Income (Chap. 2)

4　101/10/04　Information Systems, Organization, and Strategy:
　　　　　　　 Soundbuzz (Chap. 3)

5　101/10/11　IT Infrastructure and Emerging Technologies:
　　　　　　　 Salesforce.com (Chap. 5)

6　101/10/18　Foundations of Business Intelligence: Lego (Chap. 6)

課程大綱 (Syllabus)

週次　日期　內容（Subject/Topics）

7　101/10/25　Telecommunications, the Internet, and Wireless
　　　　　　　Technology: Google, Apple, and Microsoft (Chap. 7)

8　101/11/01　Securing Information System:
　　　　　　　　1. Facebook,
　　　　　　　　2. European Network and Information Security Agency
　　　　　　　　(ENISA) (Chap. 8)

9　101/11/08　Midterm Report (期中報告)

10　101/11/15　期中考試週

11　101/11/22　Enterprise Application:
　　　　　　　　Border States Industries Inc. (BSE)　(Chap. 9)

12　101/11/29　E-commerce:
　　　　　　　　1. Facebook, 2. Amazon vs. Walmart　(Chap. 10)

課程大綱 (Syllabus)

週次　　日期　　　內容（Subject/Topics）

13　101/12/06　Knowledge Management:
　　　　　　　　Tata Consulting Services (Chap. 11)

14　101/12/13　Enhancing Decision Making: CompStat (Chap. 12)

15　101/12/20　Building Information Systems:
　　　　　　　　Electronic Medical Records (Chap. 13)

16　101/12/27　Managing Projects: JetBlue and WestJet (Chap. 14)

17　102/01/03　Final Report (期末報告)

18　102/01/10　期末考試週

Chap. 10
E-commerce:
Digital Markets,
Digital Goods -
1. Facebook,
2. Amazon vs. Walmart

Case Study 1: Facebook

Facebook: Managing Your Privacy for Their Profit
(Chap. 10)(pp. 416-417)

1. What concepts in this chapter are illustrated in this case?

2. Describe the weaknesses of Facebook's privacy policies and features. What management, organization, and technology factors have contributed to those weaknesses?

3. List and describe some of the options that Facebook managers have in balancing privacy and profitability. How can Facebook better safeguard user privacy? What would be the impact on its profitability and business model?

4. Do you anticipate that Facebook will be successful in developing a business model that monetizes their site traffic? Why or why not?

Case Study 2:
Amazon vs. Walmart:

Which Giant Will Dominate E-commerce? (Chap. 10) (pp. 436-438)

1. What concepts in the chapter are illustrated in this case?

2. Analyze Amazon and Walmart.com using the value chain and competitive forces models.

3. What are the management, organization, and technology factors that have contributed to the success of both Wal-Mart and Amazon?

4. Compare Wal-Mart's and Amazon's e-commerce business models. Which is stronger? Explain your answer.

5. Where would you prefer to make your Internet purchases? Amazon or Walmart.com? Why?

THE GROWTH OF E-COMMERCE
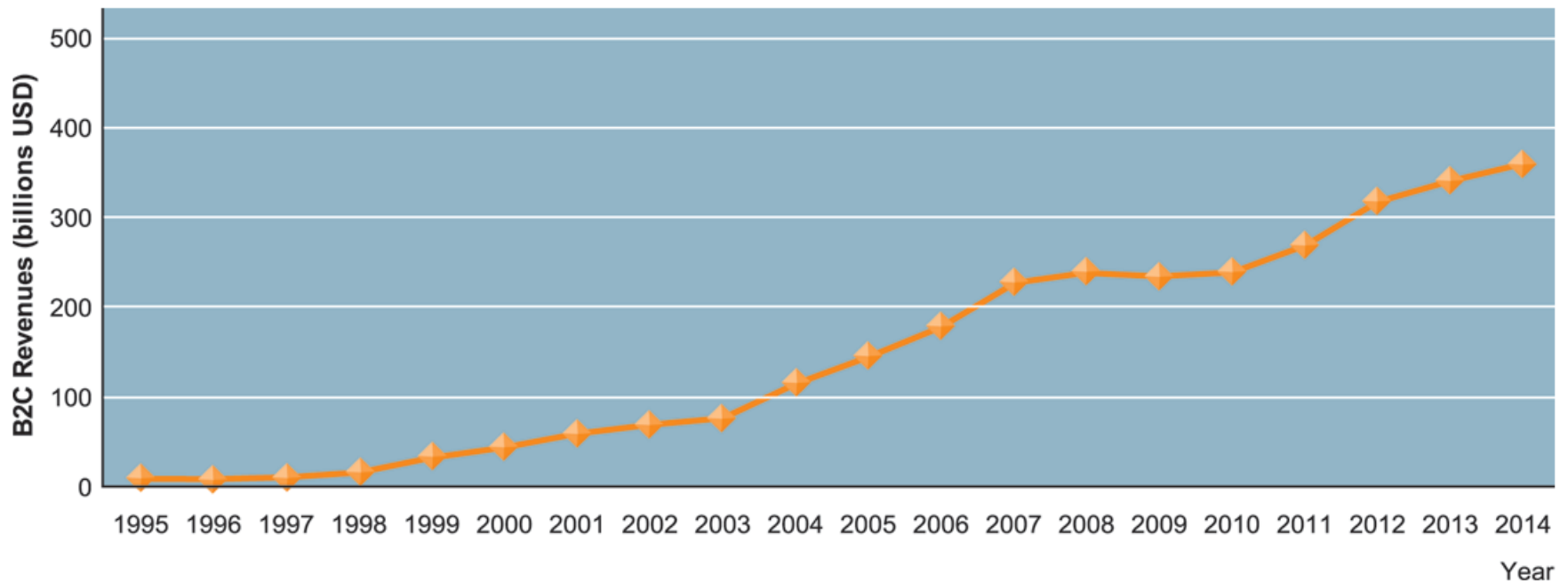
8 Unique Features of E-commerce

1. Ubiquity
2. Global reach
3. Universal standards
4. Richness
5. Interactivity
6. Information density
7. Personalization/Customization
8. Social technology

Source: Kenneth C. Laudon & Jane P. Laudon (2012), Management Information Systems: Managing the Digital Firm, Twelfth Edition, Pearson.
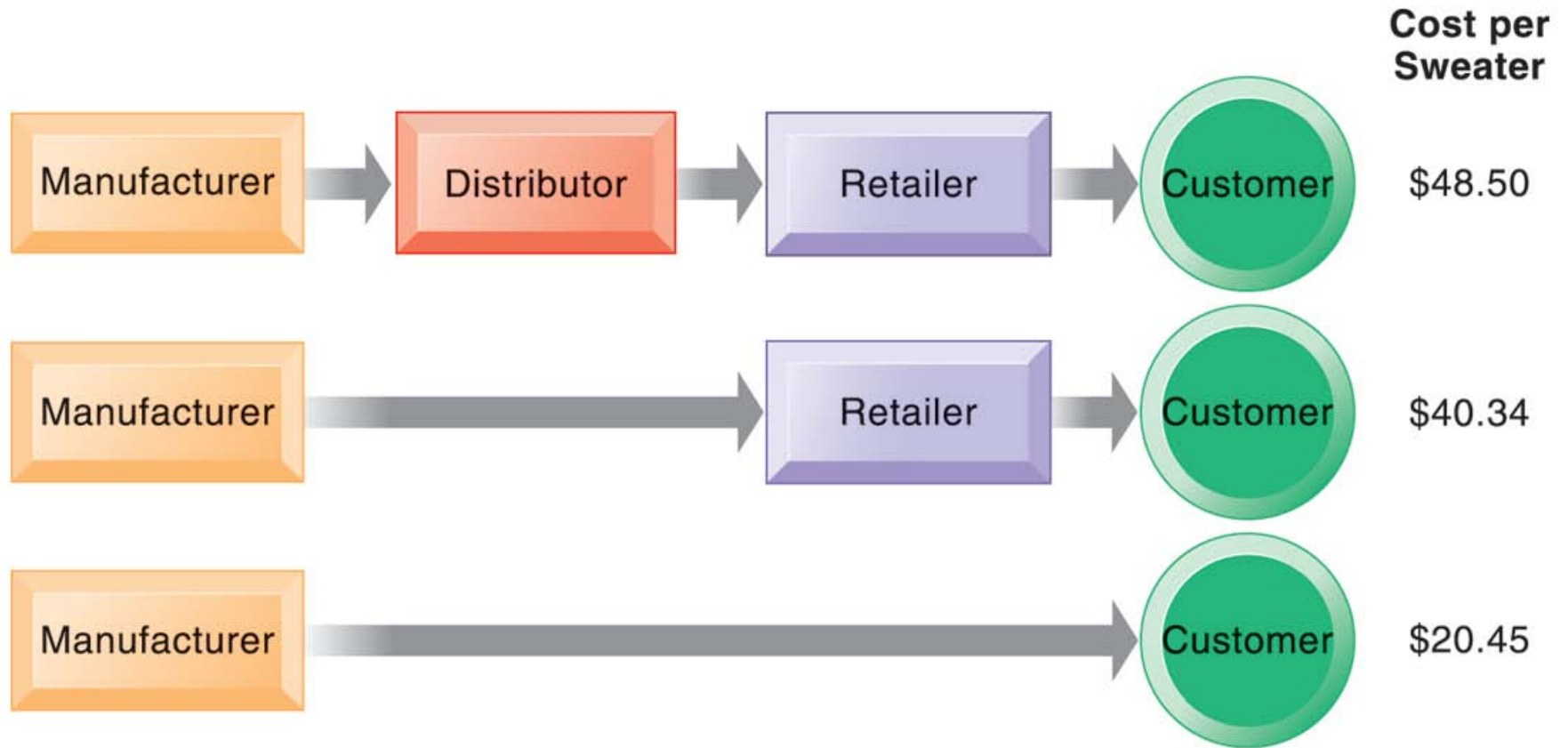
Key concepts in e-commerce

- Digital markets reduce
  - Information asymmetry
  - Search costs
  - Transaction costs
  - Menu costs
- Digital markets enable
  - Price discrimination
  - Dynamic pricing
  - Disintermediation

Key concepts in e-commerce

- Digital goods
  - Goods that can be delivered over a digital network
    - E.g. Music tracks, video, software, newspapers, books
  - Cost of producing first unit almost entire cost of product: marginal cost of 2nd unit is about zero
  - Costs of delivery over the Internet very low
  - Marketing costs remain the same; pricing highly variable
  - Industries with digital goods are undergoing revolutionary changes (publishers, record labels, etc.)

THE BENEFITS OF DISINTERMEDIATION TO THE CONSUMER

				Cost per Sweater
Manufacturer	Distributor	Retailer	Customer	$48.50
Manufacturer		Retailer	Customer	$40.34
Manufacturer			Customer	$20.45

Types of e-commerce

- Business-to-consumer (B2C)

- Business-to-business (B2B)

- Consumer-to-consumer (C2C)

- Mobile commerce (m-commerce)

E-commerce business models

- Portal
- E-tailer
- Content Provider
- Transaction Broker
- Market Creator
- Service Provider
- Community Provider

E-commerce revenue models

1. Advertising
2. Sales
3. Subscription
4. Free/Freemium
5. Transaction Fee
6. Affiliate

Web 2.0: Social Networking and the Wisdom of Crowds

- **Most popular Web 2.0 service: social networking**
  - Social networking sites sell banner ads, user preference information, and music, videos and e-books
- **Social shopping sites**
  - Swap shopping ideas with friends (Kaboodle, ThisNext)
- **Wisdom of crowds/crowdsourcing**
  - Large numbers of people can make better decisions about topics and products than a single person
- **Prediction markets:**
  - Peer-to-peer betting markets on specific outcomes (elections, sales figures, designs for new products)

E-commerce marketing

- Internet provides marketers with new ways of identifying and communicating with customers

- Long tail marketing: Ability to reach a large audience inexpensively

- Behavioral targeting: Tracking online behavior of individuals on thousands of Web sites

- Advertising formats include search engine marketing, display ads, rich media, and e-mail

WEB SITE VISITOR TRACKING

Click 1

The shopper clicks on the home page. The store can tell that the shopper arrived from the Yahoo! portal at 2:30 PM (which might help determine staffing for customer service centers) and how long she lingered on the home page (which might indicate trouble navigating the site).

Click 2

Click 3

The shopper clicks on blouses, clicks to select a woman's white blouse, then clicks to view the same item in pink. The shopper clicks to select this item in a size 10 in pink and clicks to place it in her shopping cart. This information can help the store determine which sizes and colors are most popular.
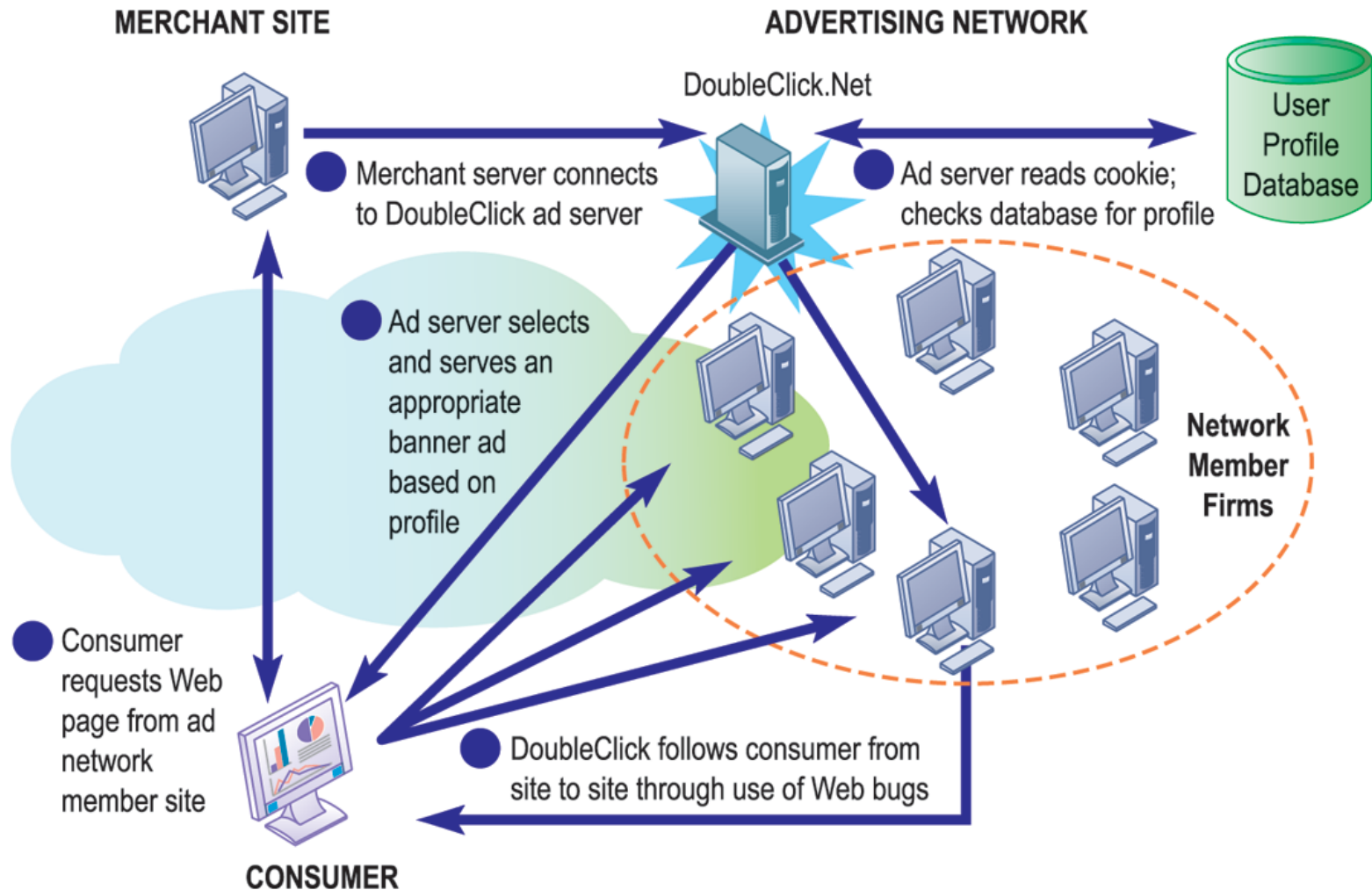
Click 4

Click 5

From the shopping cart page, the shopper clicks to close the browser to leave the Web site without purchasing the blouse. This action could indicate the shopper changed her mind or that she had a problem with the Web site's checkout and payment process. Such behavior might signal that the Web site was not well designed.
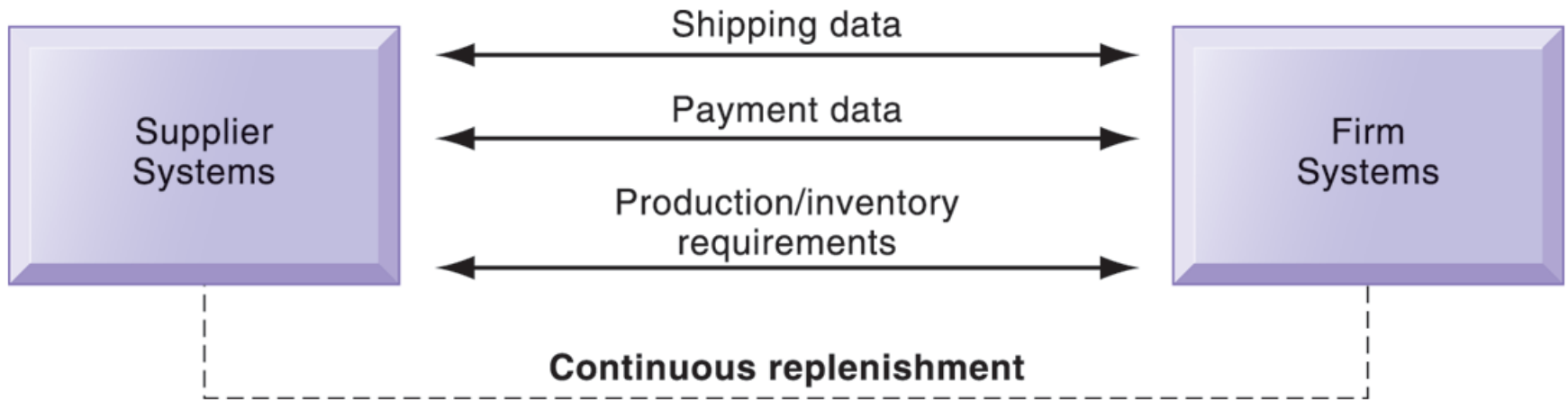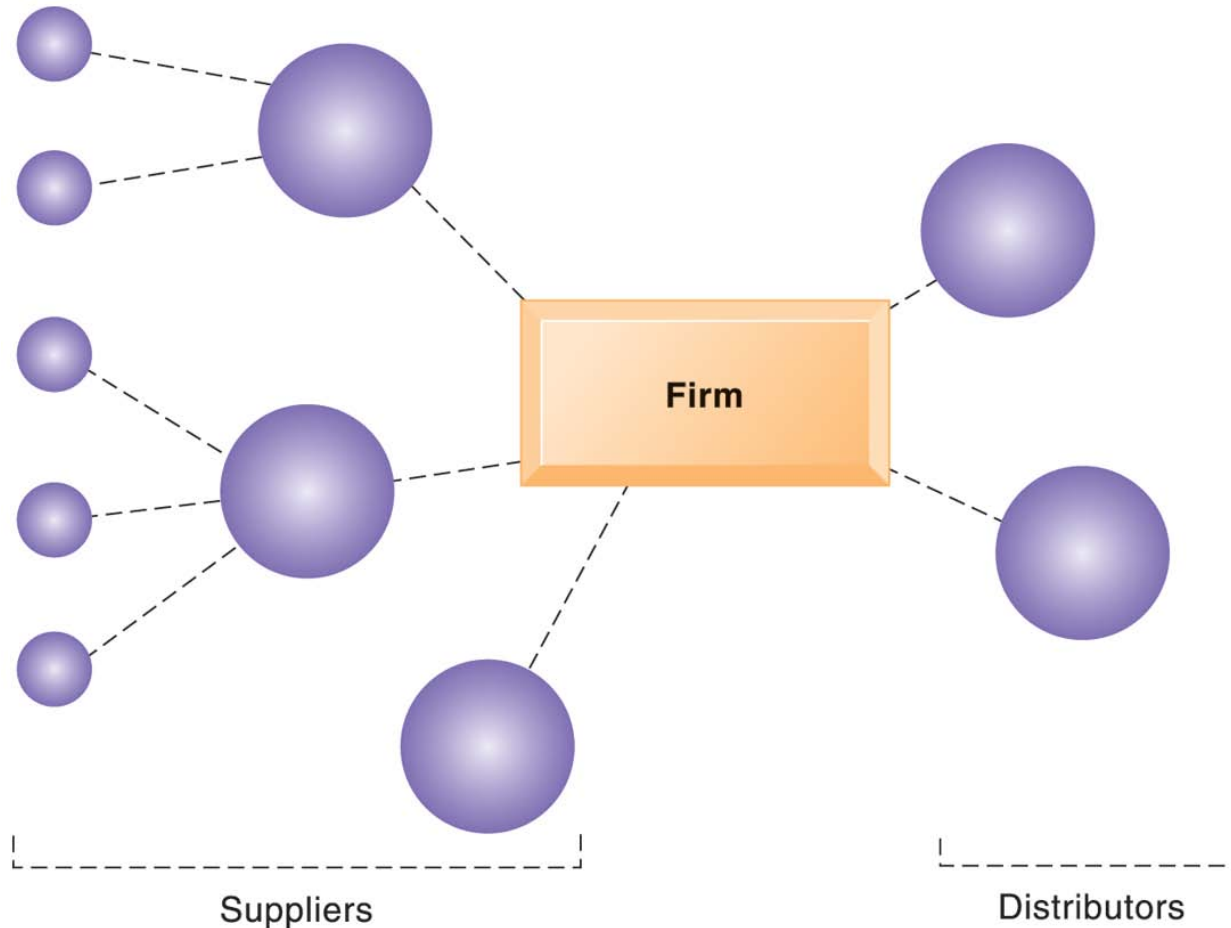
Click 6

WEB SITE PERSONALIZATION

HOW AN ADVERTISING NETWORK SUCH AS DOUBLECLICK WORKS

MERCHANT SITE

ADVERTISING NETWORK

DoubleClick.Net

User Profile Database

● Merchant server connects to DoubleClick ad server

● Ad server reads cookie; checks database for profile

● Ad server selects and serves an appropriate banner ad based on profile

Network Member Firms

● Consumer requests Web page from ad network member site

● DoubleClick follows consumer from site to site through use of Web bugs

CONSUMER

ELECTRONIC DATA INTERCHANGE (EDI)

Supplier Systems

Firm Systems

Shipping data

Payment data

Production/inventory requirements

Continuous replenishment

A PRIVATE INDUSTRIAL NETWORK

CONSOLIDATED MOBILE COMMERCE REVENUES
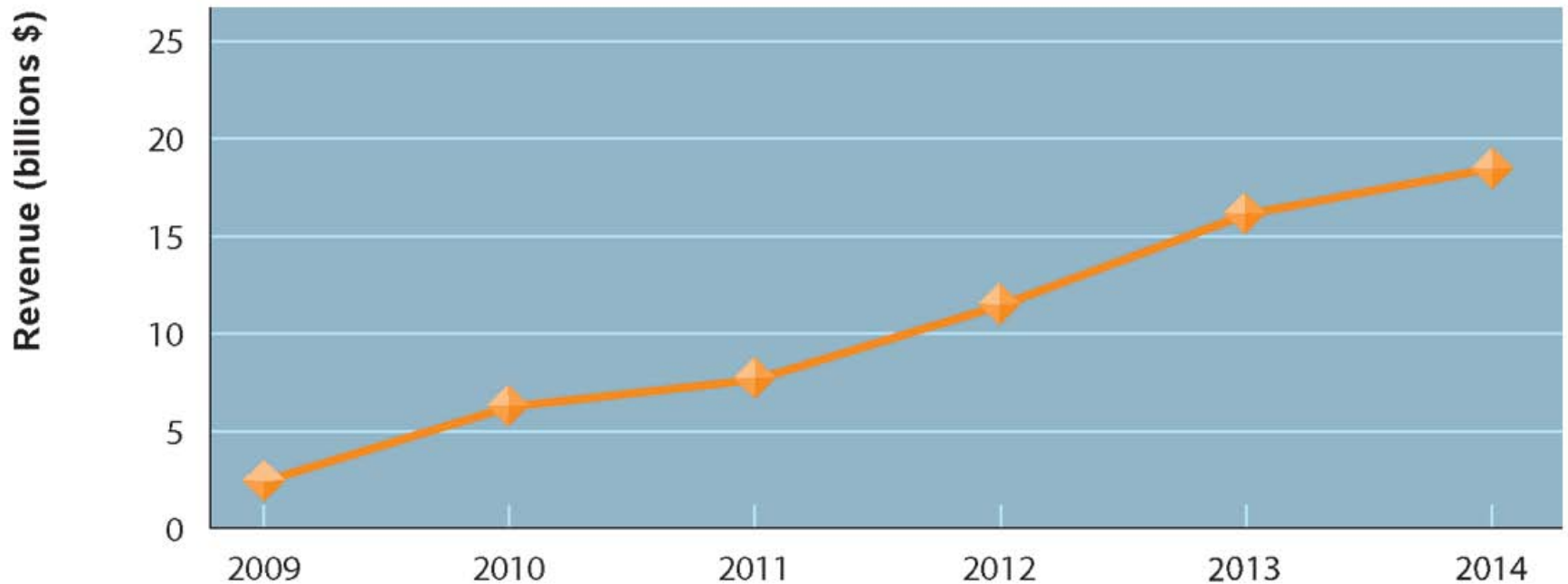
CHOICES IN BUILDING AND HOSTING WEB SITES

BUILDING THE SITE

In-house   Outsource

HOSTING THE SITE

In-house

COMPLETELY IN-HOUSE
Build: In
Host: In

MIXED RESPONSIBILITY
Build: Out
Host: In

Outsource

MIXED RESPONSIBILITY
Build: In
Host: Out

COMPLETELY OUTSOURCED
Build: Out
Host: Out

Source: Kenneth C. Laudon & Jane P. Laudon (2012), Management Information Systems: Managing the Digital Firm, Twelfth Edition, Pearson.

24
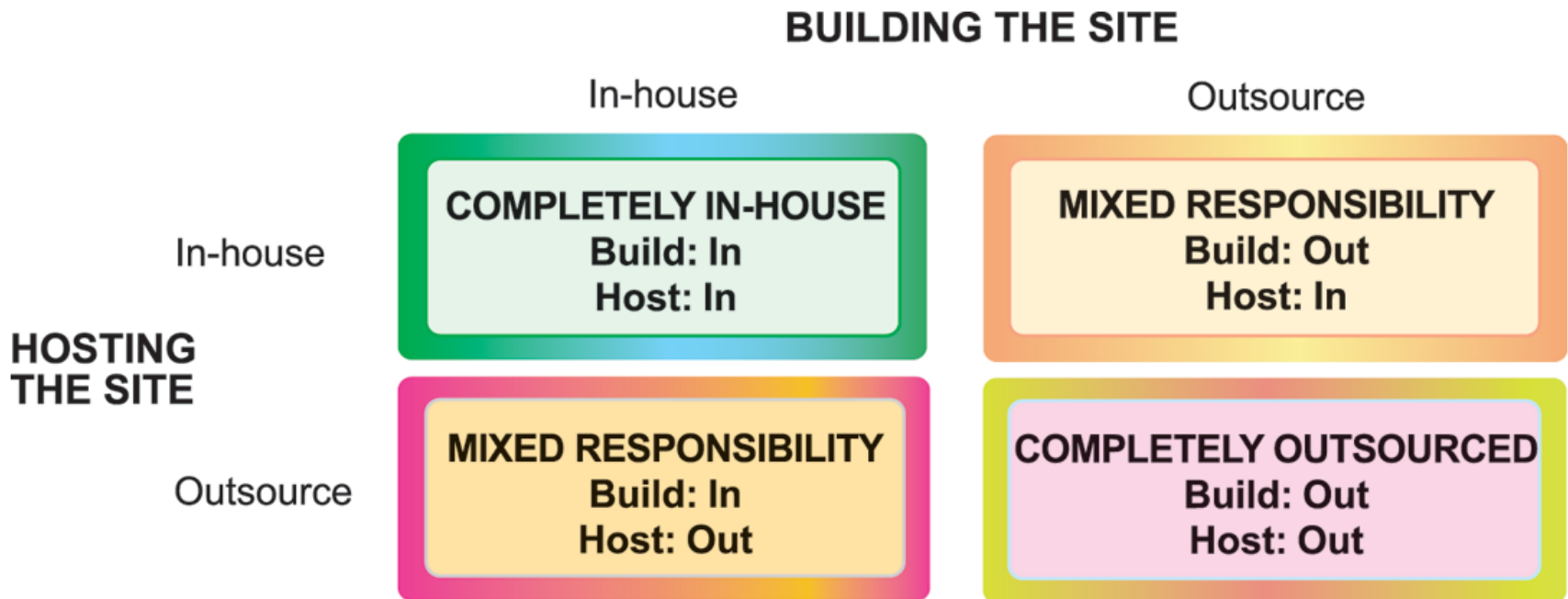
COMPONENTS OF A WEB SITE BUDGET

Source: Kenneth C. Laudon & Jane P. Laudon (2012), Management Information Systems: Managing the Digital Firm, Twelfth Edition, Pearson.

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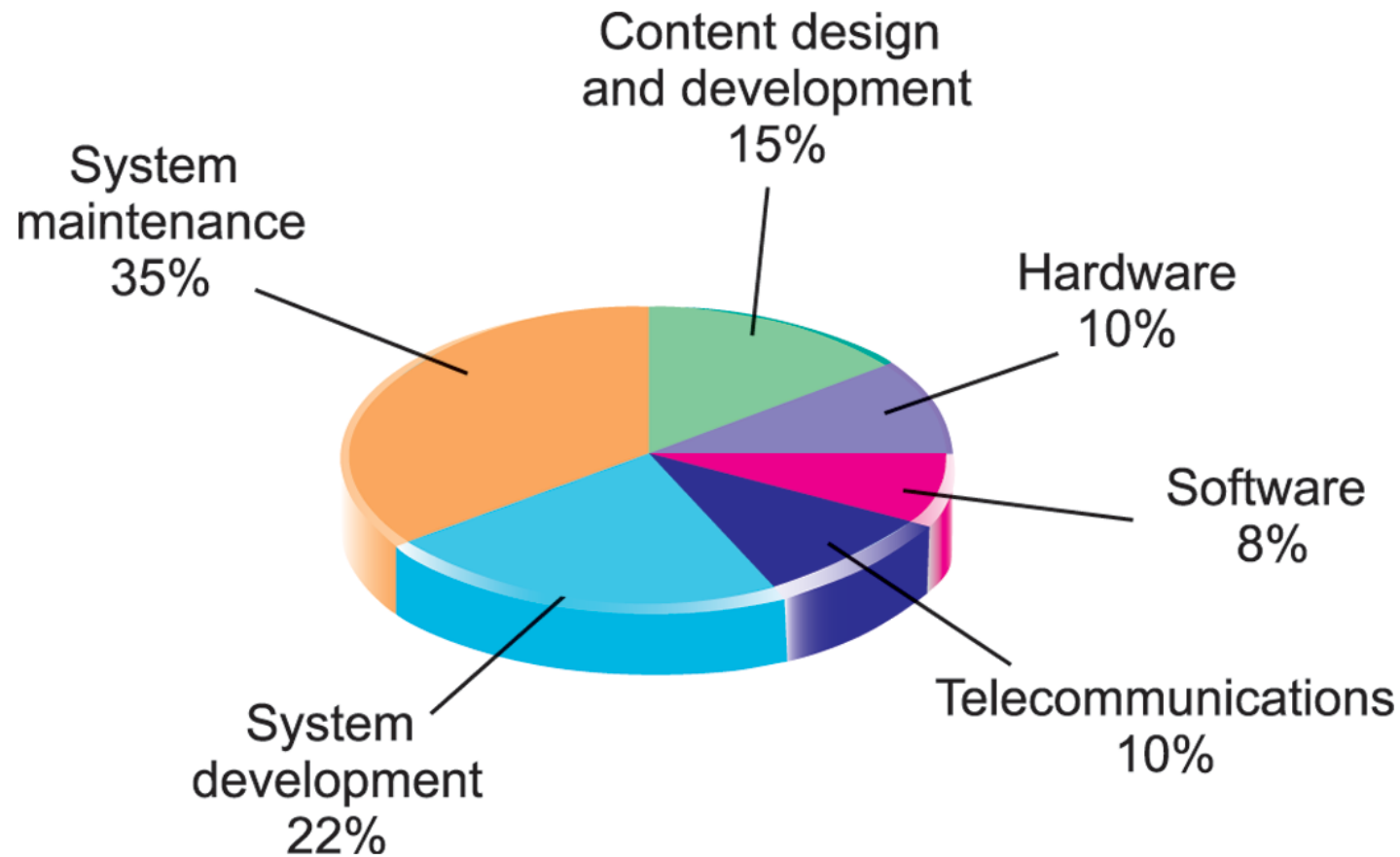
資訊管理個案
(Case Study for Information Management)

1. 請同學於資訊管理個案討論前
應詳細研讀個案，並思考個案研究問題。

2. 請同學於上課前複習相關資訊管理相關
理論，以作為個案分析及擬定管理對策的
依據。

3. 請同學於上課前
先繳交個案研究問題書面報告。

References

- Kenneth C. Laudon & Jane P. Laudon (2012), Management Information Systems: Managing the Digital Firm, Twelfth Edition, Pearson.

- 周宣光　譯 (2011)，
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  第12版，東華書局