資訊管理專題
Hot Issues of Information Management
E-commerce:
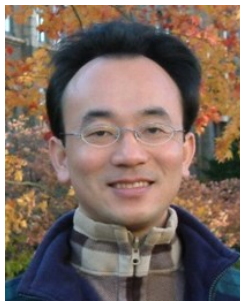# Digital Markets, Digital Goods:
Zagat　(Chap. 10)

1051IM4C10
TLMXB4C (M0842)
Thu 7,8 (14:10-16:00) B709

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2016-12-15

課程大綱 (Syllabus)

週次 (Week)　　日期 (Date)　　內容 (Subject/Topics)

1　2016/09/15　中秋節 (放假一天) (Mid-Autumn Festival)(Day off)

2　2016/09/22　Introduction to Case Study for Information Management Hot Topics

3　2016/09/29　Information Systems in Global Business: UPS (Chap. 1) (pp.53-54)

4　2016/10/06　Information Systems in Global Business: UPS (Chap. 1) (pp.53-54)

5　2016/10/13　Global E-Business and Collaboration: P&G (Chap. 2) (pp.84-85)

6　2016/10/20　Information Systems, Organization, and Strategy: Starbucks　(Chap. 3) (pp.129-130)

課程大綱 (Syllabus)

週次 (Week)　　日期 (Date)　　內容 (Subject/Topics)

7　2016/10/27　Ethical and Social Issues in Information Systems:
　　　　　　　　　Facebook　(Chap. 4) (pp.188-190)

8　2016/11/03　IT Infrastructure and Emerging Technologies:
　　　　　　　　　Amazon and Cloud Computing (Chap. 5) (pp. 234-236)

9　2016/11/10　Foundations of Business Intelligence:
　　　　　　　　　IBM and Big Data (Chap. 6) (pp.261-262)

10　2016/11/17　期中考試週

11　2016/11/24　Midterm Report (期中報告)

12　2016/12/01　Telecommunications, the Internet, and Wireless
　　　　　　　　　Technology: Google, Apple, and Microsoft
　　　　　　　　　(Chap. 7) (pp.318-320)

課程大綱 (Syllabus)

週次　日期　　　內容（Subject/Topics）

13　2016/12/08　Enterprise Applications: Summit and SAP
　　　　　　　　(Chap. 9) (pp.396-398)

14　2016/12/15　E-commerce: Zagat　(Chap. 10) (pp.443-445)

15　2016/12/22　Enhancing Decision Making: Zynga
　　　　　　　　(Chap. 12) (pp.512-514)

16　2016/12/29　Final Report I (期末報告 I)

17　2017/01/05　Final Report II (期末報告 II)

18　2017/01/12　期末考試週

Management Information Systems:
Managing the Digital Firm

1 | **Organization, Management, and the Networked Enterprise**

2 | **Information Technology Infrastructure**

3 | **Key System Applications for the Digital Age**

4 | **Building and Managing Systems**

Chap. 10
E-commerce:
Digital Markets, Digital Goods:
Zagat

Case Study:
E-commerce: Zagat (Chap. 10) (pp.443-445)
To Pay or Not to Pay: Zagat's Dilemma

1. Evaluate Zagat using the competitive forces and value chain models.

2. Compare Zagat's and Yelp's e-commerce business models. How have those models affected each company's Web strategy?

3. Why was Zagat's content well suited for the Web and for the mobile digital platform?

4. Do you think Zagat's decision to use a pay wall for its Web site was a mistake? Why or why not?

5. Will Zagat's acquisition by Google make it more competitive? Explain your answer.

Overview of Fundamental MIS Concepts

Business Model

8 Key Partners	6 Key Activities	2 Value Proposition	4 Customer Relationships	1 Customer Segments
	7 Key Resources		3 Channels	

9 Cost Structure

5 Revenue Streams

Source: Alexander Osterwalder & Yves Pigneur, Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers, Wiley, 2010.
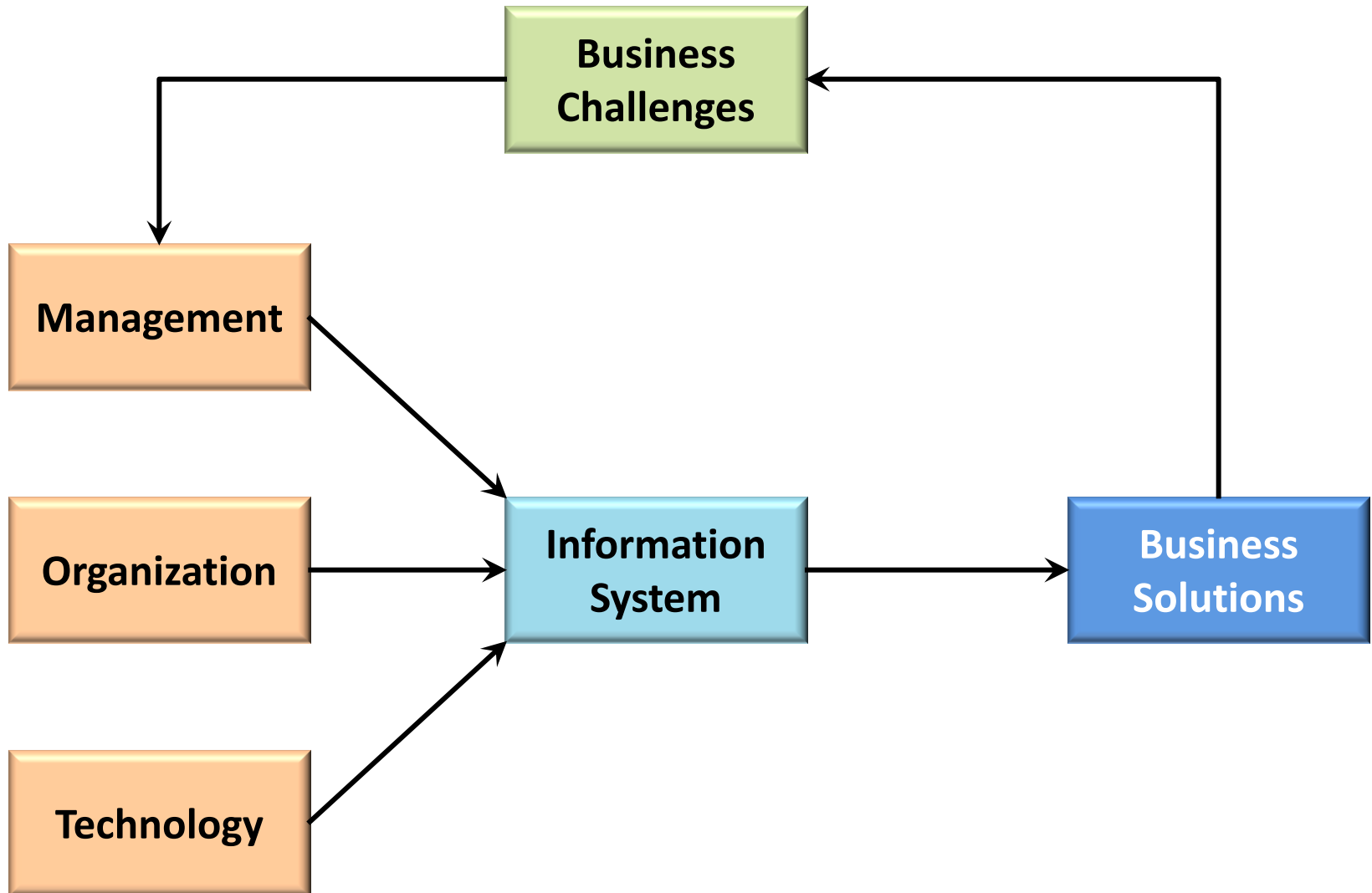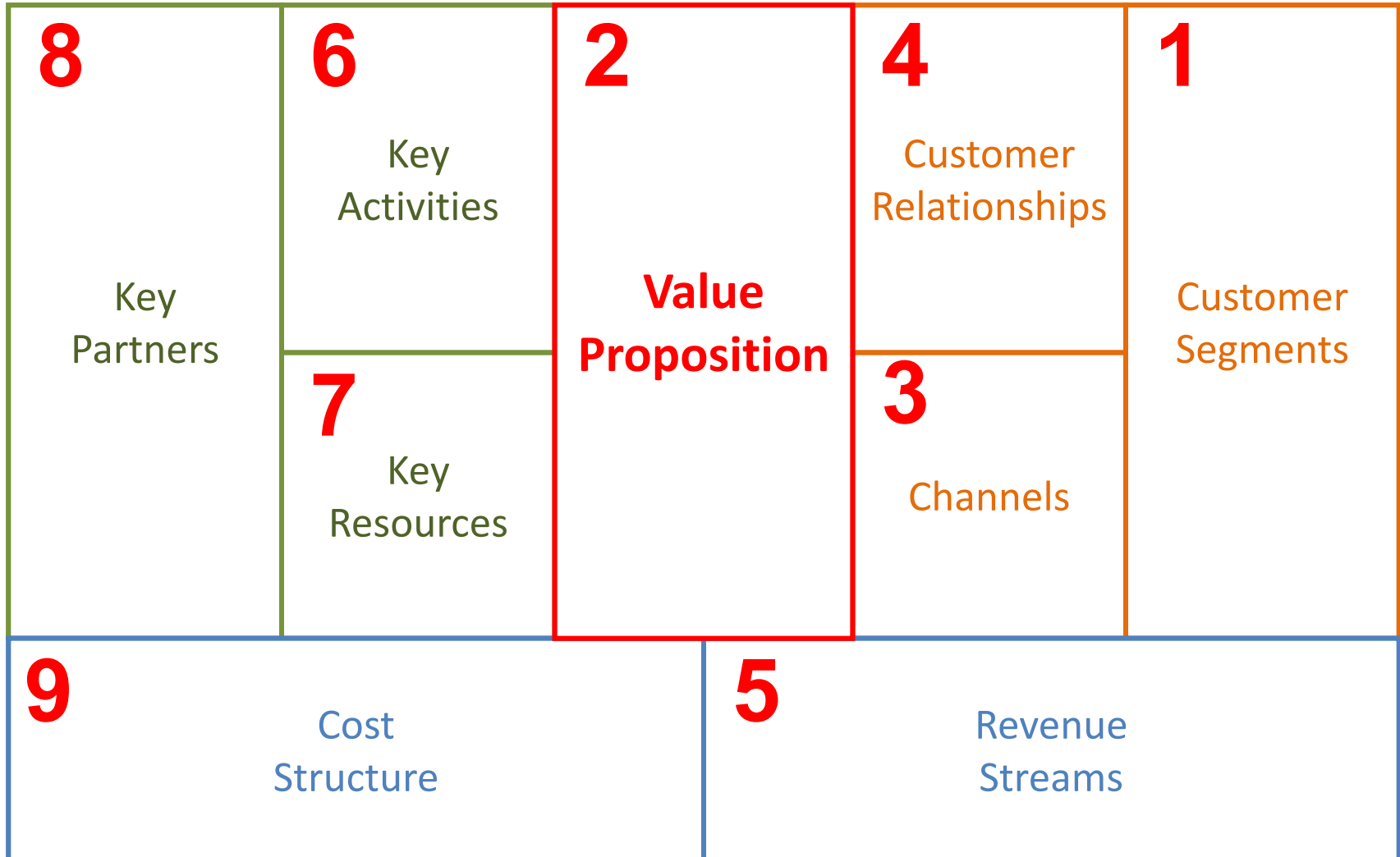
The Growth of E-Commerce
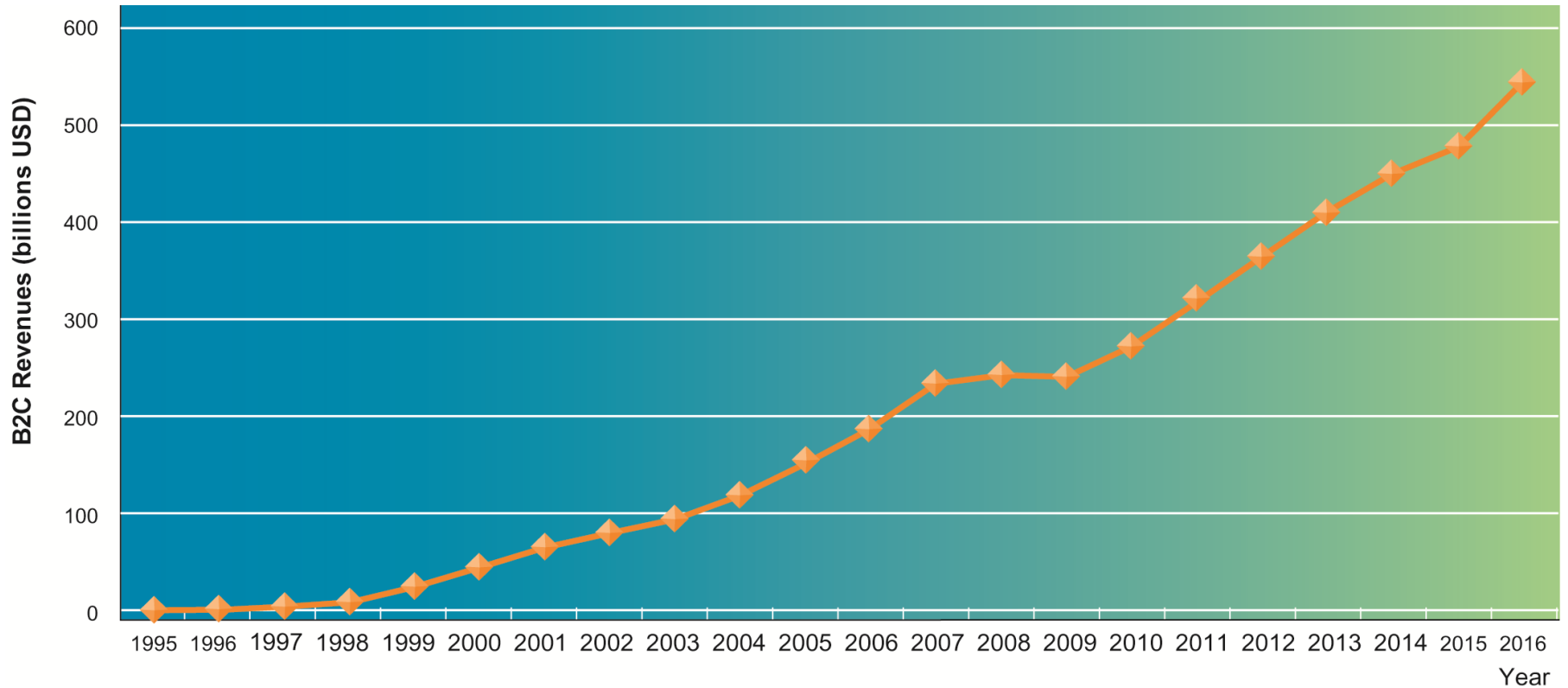
8 Unique Features of E-commerce

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

Ubiquity

- Internet/Web technology available everywhere: work, home, and so on, anytime.

- Effect:
  - Marketplace removed from temporal, geographic locations to become "marketspace"
  - Enhanced customer convenience and reduced shopping costs

- Reduces transaction costs
  - Costs of participating in market

Global reach

- The technology reaches across national boundaries, around Earth

- Effect:
  - Commerce enabled across cultural and national boundaries seamlessly and without modification.
  - Marketspace includes, potentially, billions of consumers and millions of businesses worldwide.

Universal standards

- One set of technology standards:
Internet standards

- Effect:
  - Disparate computer systems easily communicate with one another
  - Lower market entry costs—costs merchants must pay to bring goods to market
  - Lower consumers' search costs—effort required to find suitable products

Richness

- Supports video, audio, and text messages
- Effect:
  - Possible to deliver rich messages with text, audio, and video simultaneously to large numbers of people.
  - Video, audio, and text marketing messages can be integrated into single marketing message and consumer experience.

Interactivity

- The technology works through interaction with the user.

- Effect:
  - Consumers engaged in dialog that dynamically adjusts experience to the individual.
  - Consumer becomes co-participant in process of delivering goods to market.

Information density

- Large increases in information density—the total amount and quality of information available to all market participants

- Effect:
  - Greater price transparency
  - Greater cost transparency
  - Enables merchants to engage in price discrimination

Personalization/Customization

- Technology permits modification of messages, goods

- Effect:

  – Personalized messages can be sent to individuals as well as groups.

  – Products and services can be customized to individual preferences.

Social technology

- The technology promotes user content generation and social networking

- Effect:
  - New Internet social and business models enable user content creation and distribution, support social networks
  - Many-to-many model

Effect of the Internet on the marketplace

- Reduces information asymmetry
- Offers greater flexibility and efficiency because of:
  - Reduced search costs and transaction costs
  - Lower menu costs
  - Greater price discrimination
  - Dynamic pricing
- May reduce or increase switching costs
- May delay gratification: effects dependent on product
- Increased market segmentation
- Stronger network effects
- More disintermediation

The Benefits of Disintermediation to the Consumer

Source: Kenneth C. Laudon & Jane P. Laudon (2014), Management Information Systems: Managing the Digital Firm, Thirteenth Edition, Pearson.

21
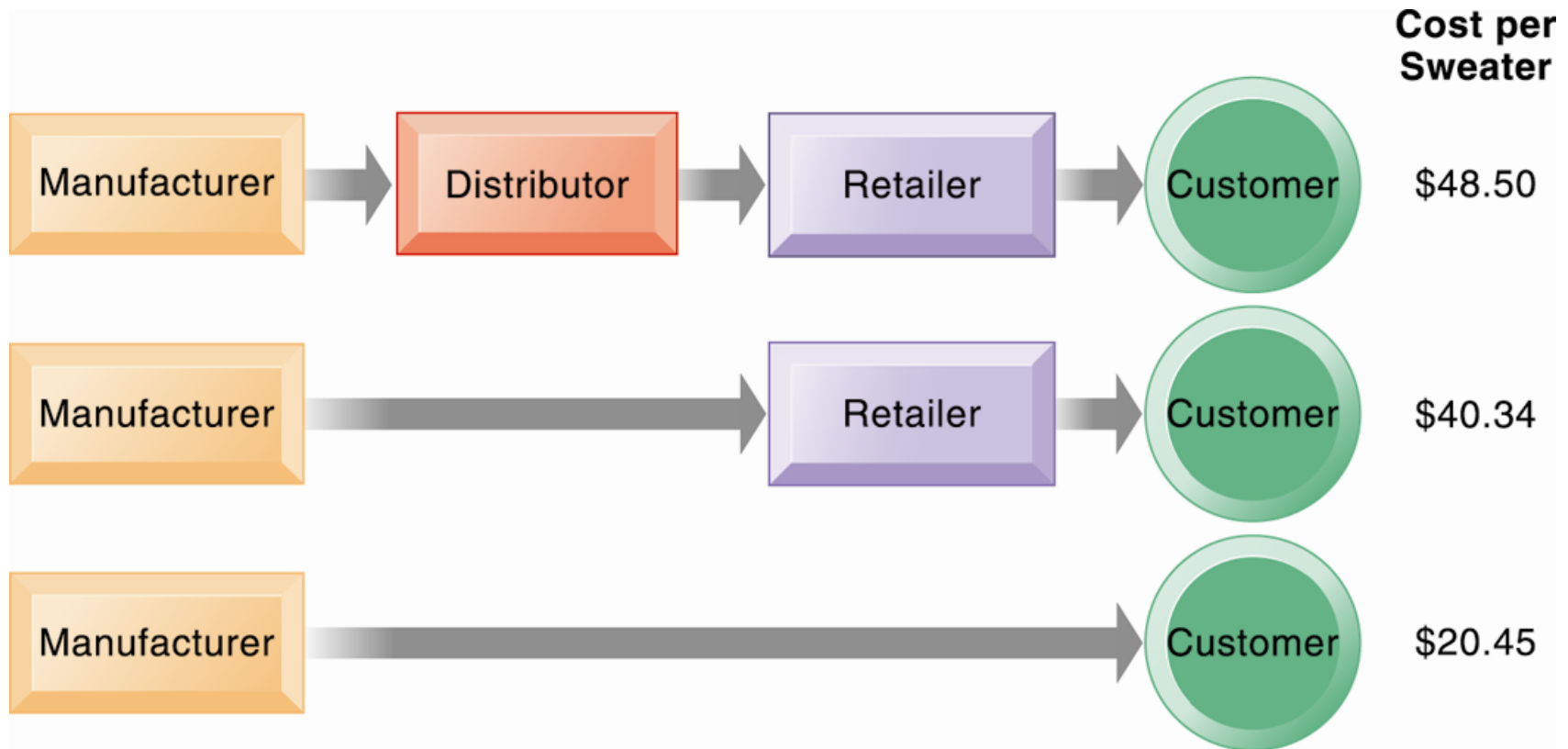
Digital goods

- Goods that can be delivered over a digital network
  - For example: music tracks, video, software, newspapers, books
- Cost of producing first unit is almost entire cost of product
- 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.)

Source: Kenneth C. Laudon & Jane P. Laudon (2014), Management Information Systems: Managing the Digital Firm, Thirteenth Edition, Pearson.

22

Types of E-Commerce

- Three major types of e-commerce
  - Business-to-Consumer (B2C)
    - Example: BarnesandNoble.com
  - Business-to-Business (B2B)
    - Example: ChemConnect
  - Consumer-to-Consumer (C2C)
    - Example: eBay
- E-commerce can be categorized by platform
  - Mobile Commerce (m-commerce)

E-commerce
Business Models

1. E-tailer
2. Transaction broker
3. Market creator
4. Content provider
5. Community provider
6. Portal
7. Service provider

E-commerce
Revenue Models

1. Advertising

2. Sales

3. Subscription

4. Free/Freemium

5. Transaction Fee

6. Affiliate

Understanding Business Model

- **Business Model**
- Revenue Model

- Business Strategy
- Business Strategy and Information System Alignment

Business Model

Value

Business Model

8 Key Partners	6 Key Activities	2 Value Proposition	4 Customer Relationships	1 Customer Segments
	7 Key Resources		3 Channels	
9 Cost Structure			5 Revenue Streams	
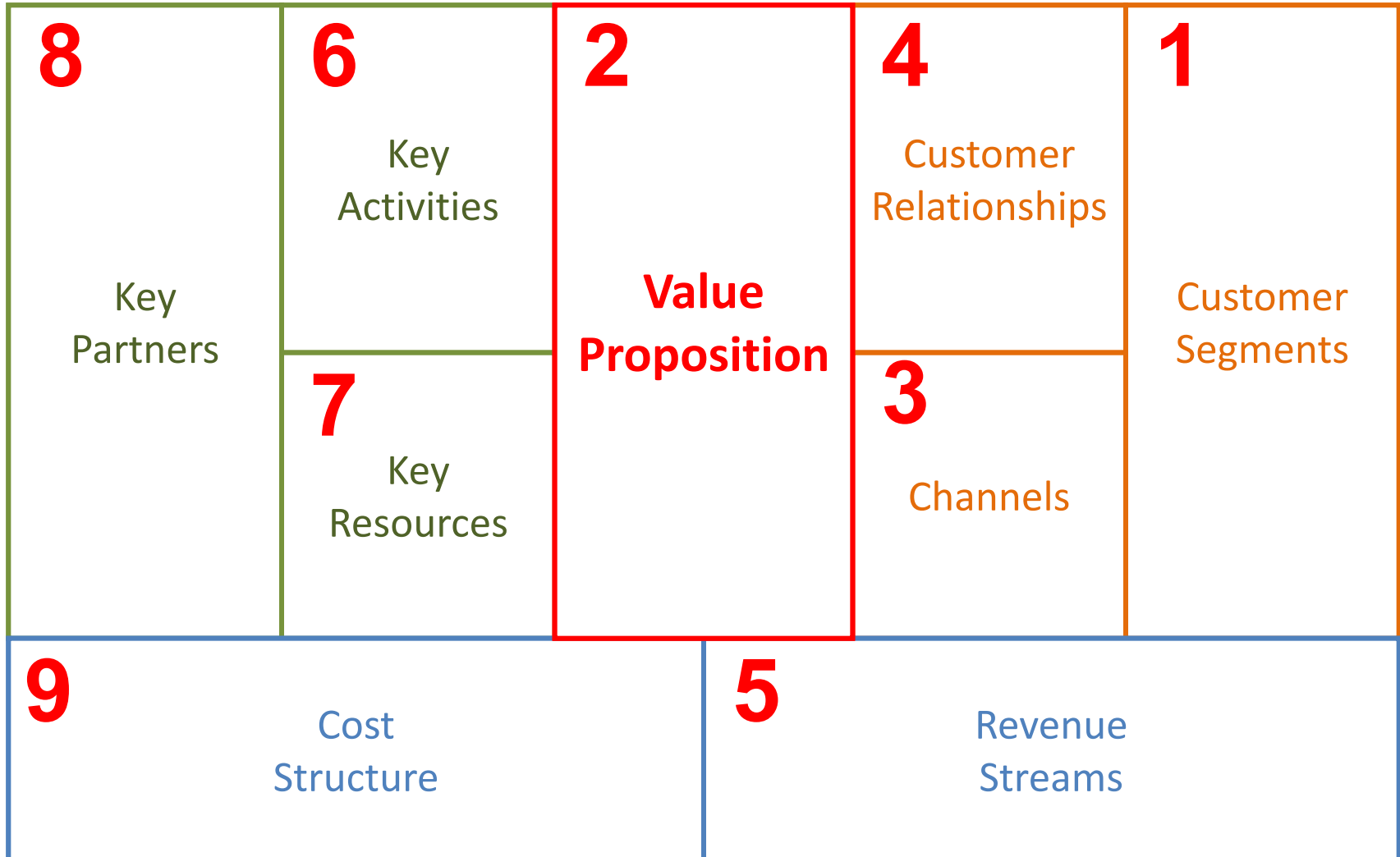
Definition of Business Model

A **business model** describes the **rationale** of how an **organization** **creates**, **delivers**, and **captures** **value**.

Definition of Business Strategy

A **business strategy**
is
a **long term plan of action**
designed to **achieve** **a particular** **goal**
or **set of goals** **or** **objectives**.

Source: (Ostenwalder, Pigneur and Tucci, 2005)

Business

- "the activity of providing goods and services involving financial, commercial and industrial aspects." (WordNet 2.0)

Source: (Ostenwalder, Pigneur and Tucci, 2005)

Model

- "a simplified description and representation of a complex entity or process." (WordNet 2.0)

Business Model

- A business model is a conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm.

- Therefore we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences.

Source: (Ostenwalder, Pigneur and Tucci, 2005)

Occurrences of the Term "Business Model" in Scholarly Reviewed Journals

Year	In Title	In Abstract	In Keywords	in Full Text
2003	30	159	10	667
2002	22	109	2	617
2001	11	100	7	609
2000	16	67	1	491
1999	3	42	1	262
1998	1	19	0	128
1997	1	14	0	66
1996	0	14	0	57
1995	0	4	0	36
1994	0	2	0	18
1993	0	5	0	18
1992	0	2	0	15
1991	0	1	0	10
1990	0	4	0	7

Business Model Concept Hierarchy
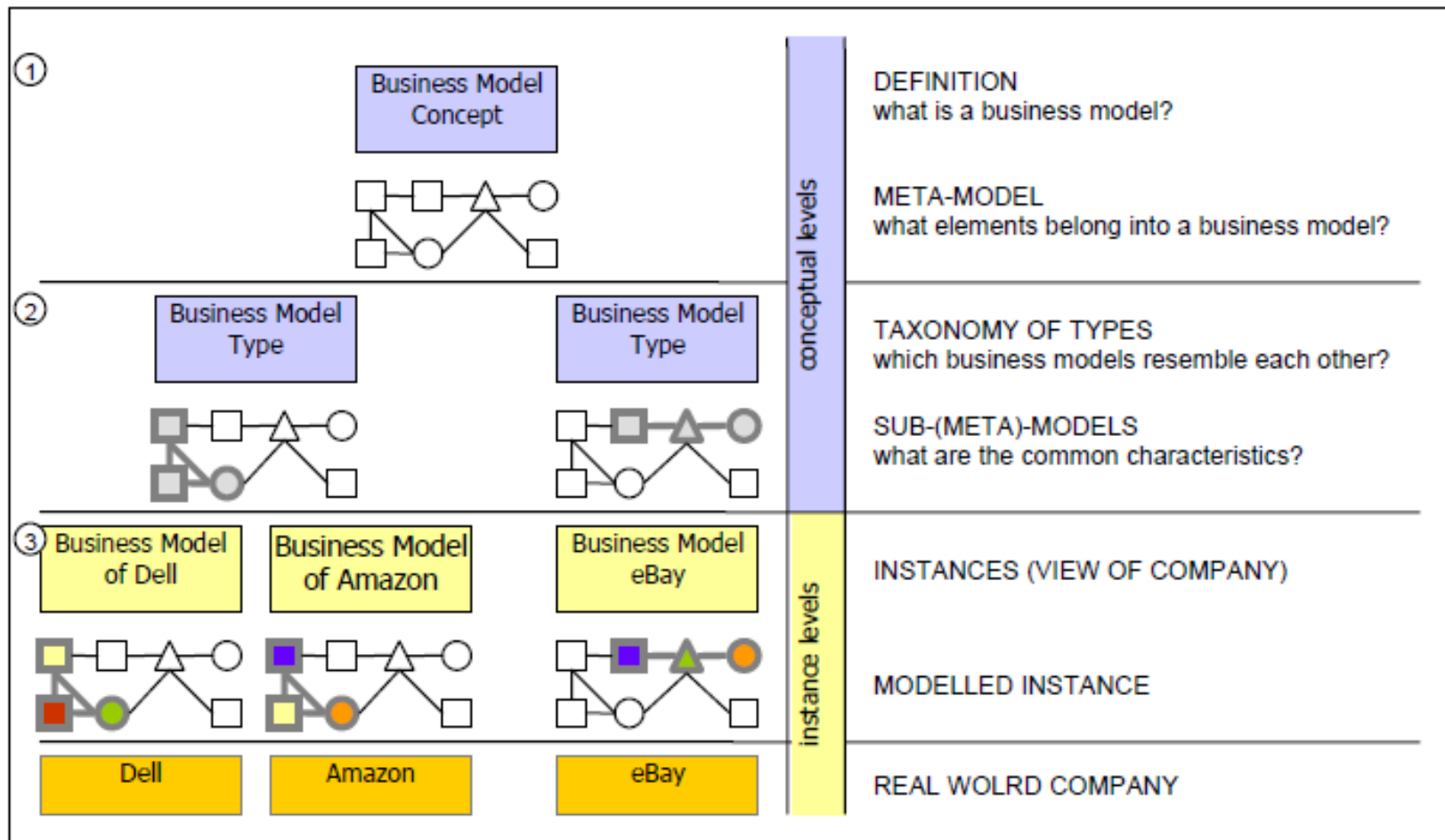
Evolution of the Business Model Concept

activity	define & classify business models	list business model components	describe business model elements	model business model elements	apply business model concept
outcome	definitions & taxonomies	"shopping list" of components	components as building blocks	reference models & ontologies	applications & conceptual tools
authors	Rappa [2001] Timmers [1998]	Linder & Cantrell [2000] Magretta [2002] Amit & Zott [2001]	Afuah & Tucci [2001; 2003] Hamel [2000] Weill & Vitale [2001]	Gordijn [2002] Osterwalder & Pigneur [2002]	

Business Model vs. Business Process Model

- Business Model
  - a view of the firm's logic for creating and commercializing value

- Business process model
  - how a business case is implemented in processes

Business Model vs. Strategy

- Business Models
  - a system that shows how the pieces of a business fit together.
  - an abstraction of a firm's strategy
- Strategy
  - includes competition

Implementing Business Models

Design Business Model	Finance Business Model	Implement Business Model
Management defines and designs a business concept that responds to market circumstances	Management works out a financial structure for the business model (e.g. internal funding, venture capital, stock	The business model is implemented into business structure, business processes and

Source: (Ostenwalder, Pigneur and Tucci, 2005)

The Business Model's Place in the Firm

Source: (Ostenwalder, Pigneur and Tucci, 2005)
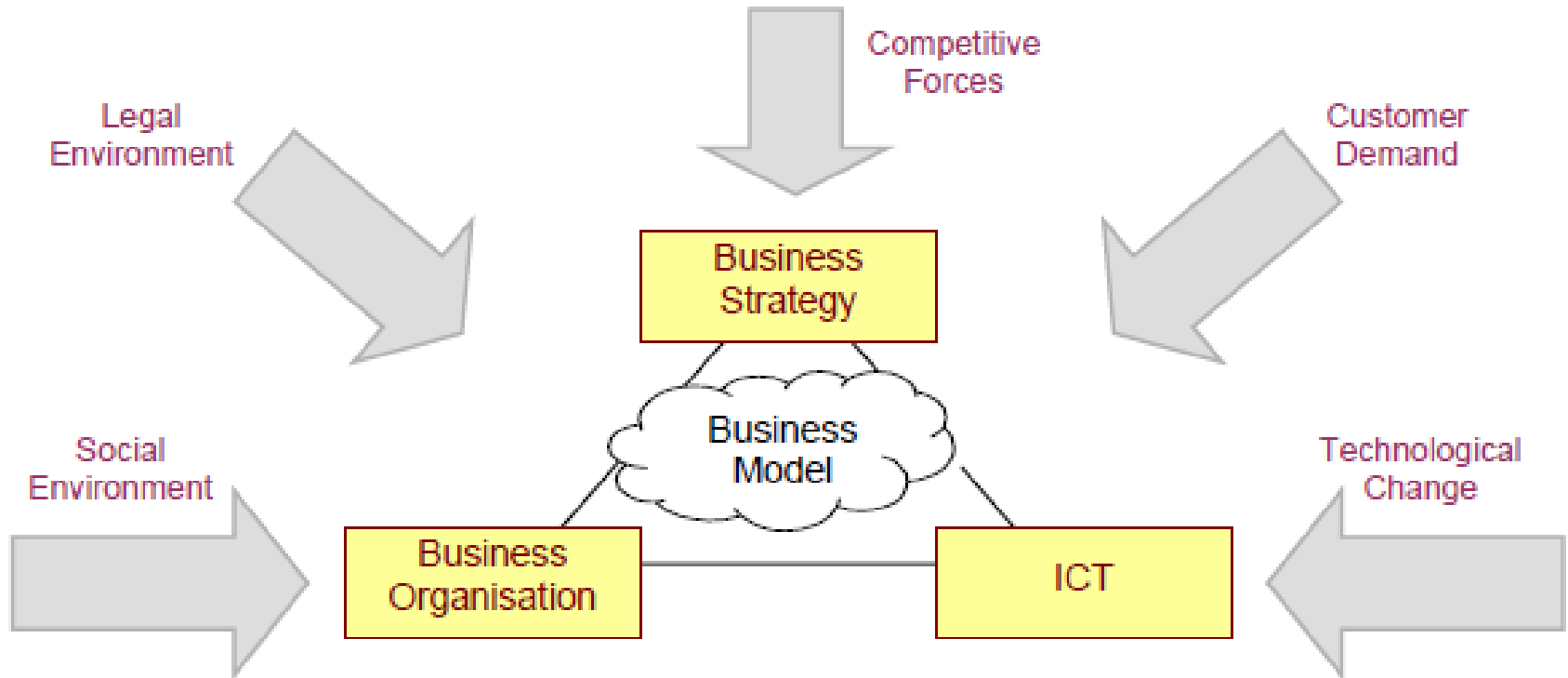
Nine Business Model Building Blocks

Pillar	Business Model Building Block	Description
Product	Value Proposition	Gives an overall view of a company's bundle of products and services.
Customer Interface	Target Customer	Describes the segments of customers a company wants to offer value to.
	Distribution Channel	Describes the various means of the company to get in touch with its customers.
	Relationship	Explains the kind of links a company establishes between itself and its different customer segments.
Infrastructure Management	Value Configuration	Describes the arrangement of activities and resources.
	Core Competency	Outlines the competencies necessary to execute the company's business model.
	Partner Network	Portrays the network of cooperative agreements with other companies necessary to efficiently offer and commercialize value.
Financial Aspects	Cost Structure	Sums up the monetary consequences of the means employed in the business model.
	Revenue Model	Describes the way a company makes money through a variety of revenue flows.

Domains Addressed in Business Models

Business model ontology	Stähler 2001	Weill and Vitale 2001	Petrovic, Kittl et al.	Gordijn 2002	Afuah and Tucci 2003	Tapscott, Ticoll et al. 2000	Linder and Cantrell 2000
Value Proposition	value proposition	Value Proposition, strategic objective	Value Model	Value offering	Customer Value		value proposition
Target Customer		Customer Segments		Market Segment	Scope		
Distribution Channel		Channels	Customer relations model				channel model
Customer Relationship			Customer relations model				commerce relationship
Value Configuration	Architecture		Production Mode	e3-value configuration	connected activities, value configuration	b-webs	commerce process model
Capability		Core competencies, CSF	Resource Model		capabilities		
Partnership	Architecture	e-business schematics		Actors	sustainability (team-up strategy)	b-webs	
Cost Structure				Value exchange	cost structure		
Revenue Model	Revenue Model	Source of revenue	Revenue Model	value exchange	pricing, revenue source		pricing model, revenue model

Source: (Ostenwalder, Pigneur and Tucci, 2005)

Domains Addressed in Business Models (cont.)

Business model ontology	Hamel 2000	Mahadevan 2000	Chesbrough and Rosenbloom 2000	Magretta 2002	Amit and Zott 2001	Applegate and Collura 2001	Maitland and Van de Kar 2002
Value Proposition	Product/market scope	Value stream	Value proposition	What does the customer value?	Transaction component	Product and Services offered	Value proposition, assumed value
Target Customer	Market scope		Market segment	Who is the customer?		Market opportunity	Market segment
Distribution Channel	Fulfillment & support, info & insight			How can we deliver value at an appropriate cost?		Marketing/sales model	
Customer Relationship	Relationship dynamics					Brand and reputation	
Value Configuration	Core processes	Logistical stream	Structure of the value chain		Architectural configuration	Operating model	
Capability	core competencies, strategic assets					Organization and culture, management model)	
Partnership	suppliers, partners, coalitions		Position in the value chain		Transaction component	Partners	Companies involved in creating value
Cost Structure			Cost structure	What is the underlying economic vale?			
Revenue Model	pricing structure	Revenue stream		How do we make money in this business		Benefits to firm and stakeholders	Revenue Model

Source: (Ostenwalder, Pigneur and Tucci, 2005)

Planning, Changing and Implementing Business Models

Business Model — plan, change, implement → New Business
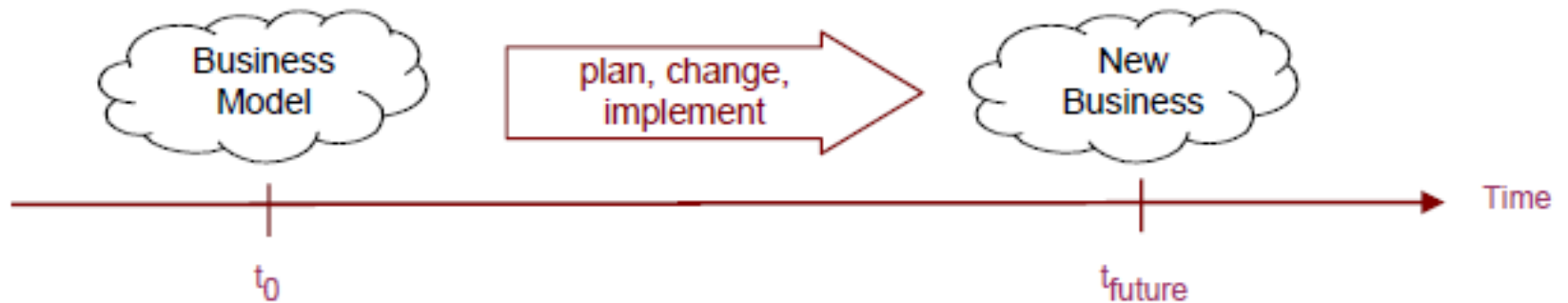
t₀: The management analyzes the current business model's adequacy to environmental pressures and designs a new business model

t_future: The new business model becomes a goal to achieve and guides planning, change and implementation

Business Strategy and Information Systems Alignment

Managers are aware of the use of Information Systems to realize goals, exploit opportunities and obtain competitive advantage

Business ⟶ Business Model ⟵ Information Systems
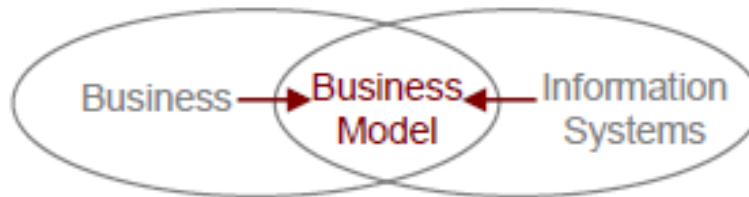
Information Systems support the company's business model and are targeted on areas that are critical to successful business performance

Source: (Ostenwalder, Pigneur and Tucci, 2005)

Business and IT/IS Alignment
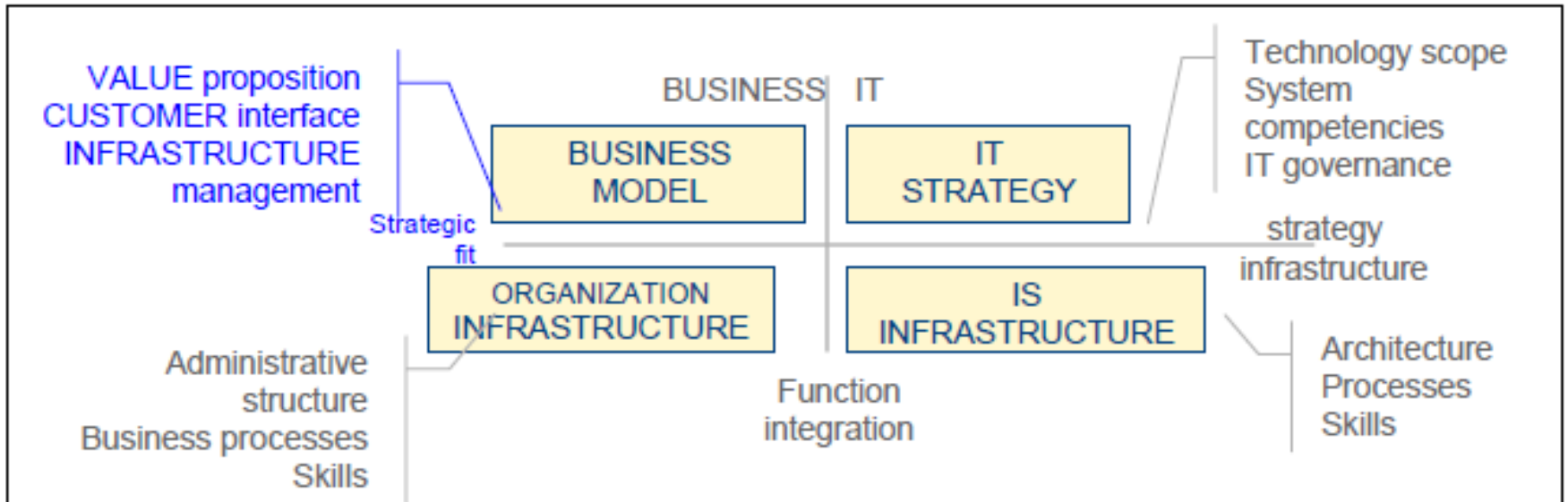
Adapted from [Henderson and Venkatraman 1999]

Business Model Canvas
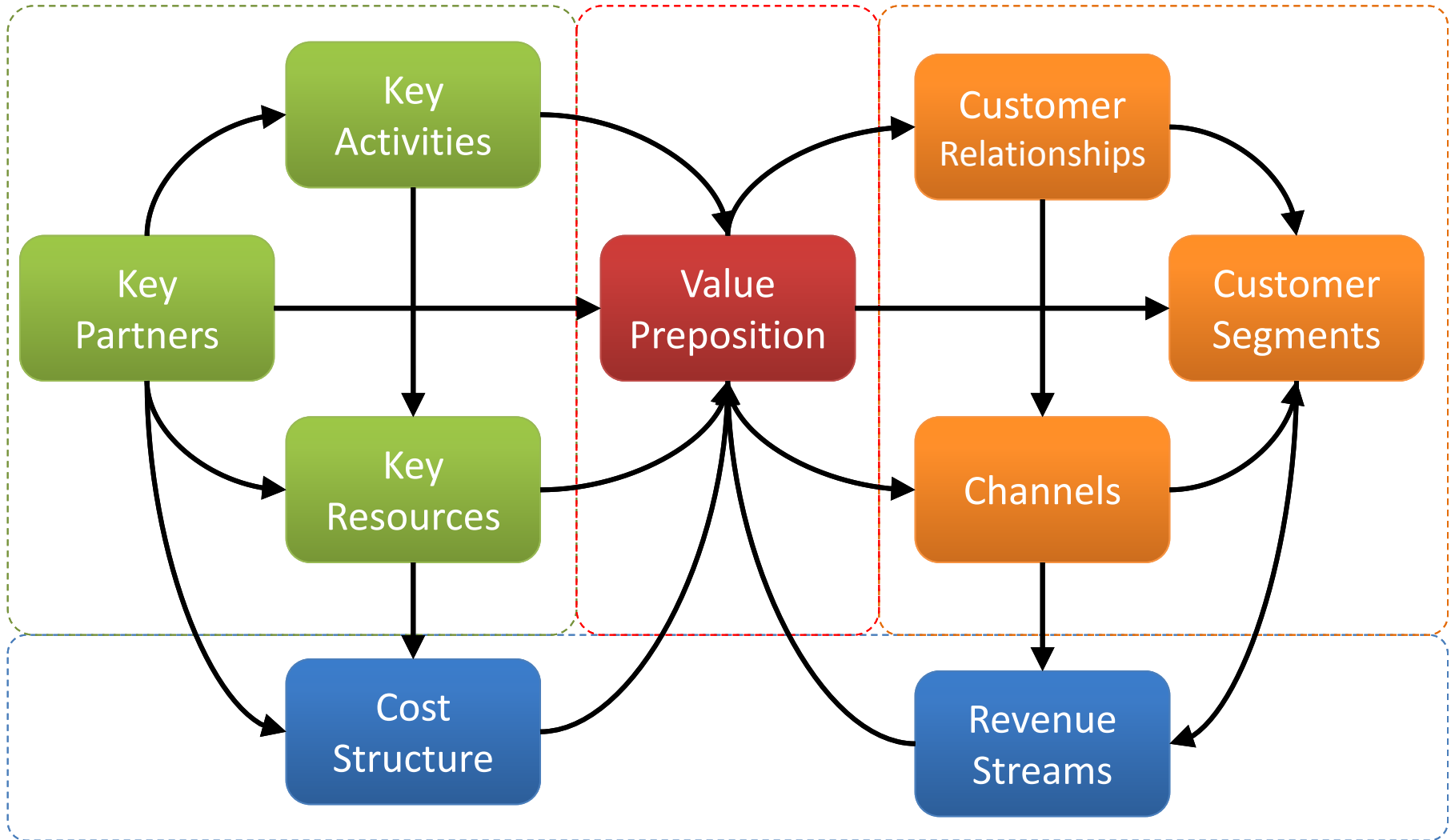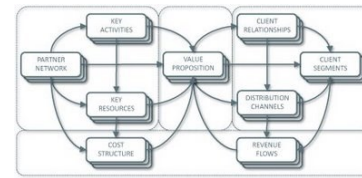
Business Model Canvas
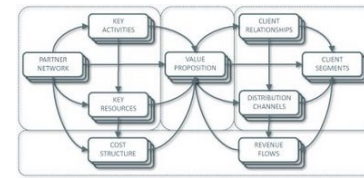
Infrastructure Management

Product

Customer Interface

Financial Aspects

Business Model Canvas Explained

The 9 Building Blocks of Business Model

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
8	**6**	**2**	**4**	**1**
	Key Resources		Channels	
	7		**3**	
Cost Structure		Revenue Streams		
9		**5**		
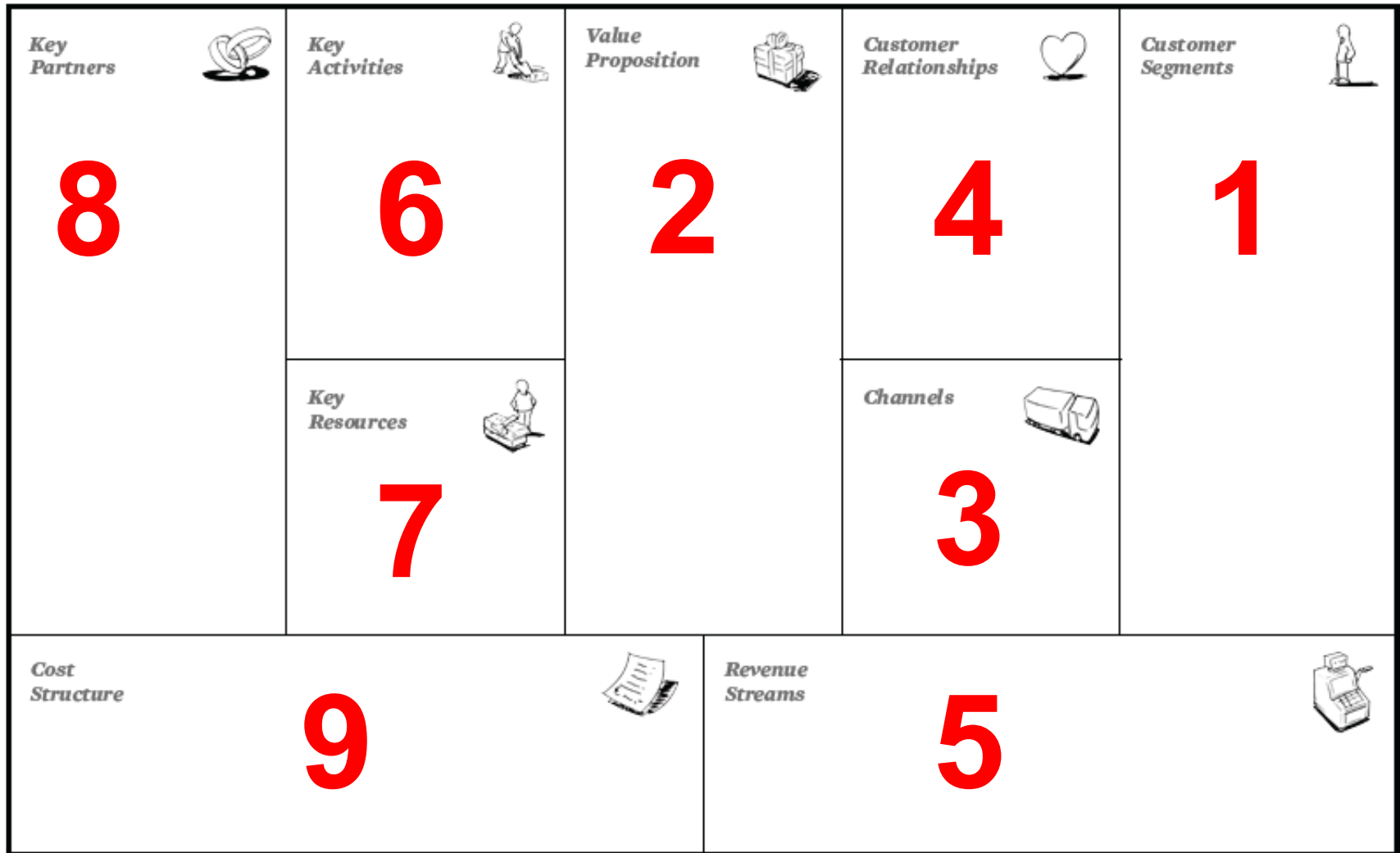
The 9 Building Blocks of Business Model

1. Customer Segments

Defines the different groups of people or organizations an enterprise aims to reach and serve
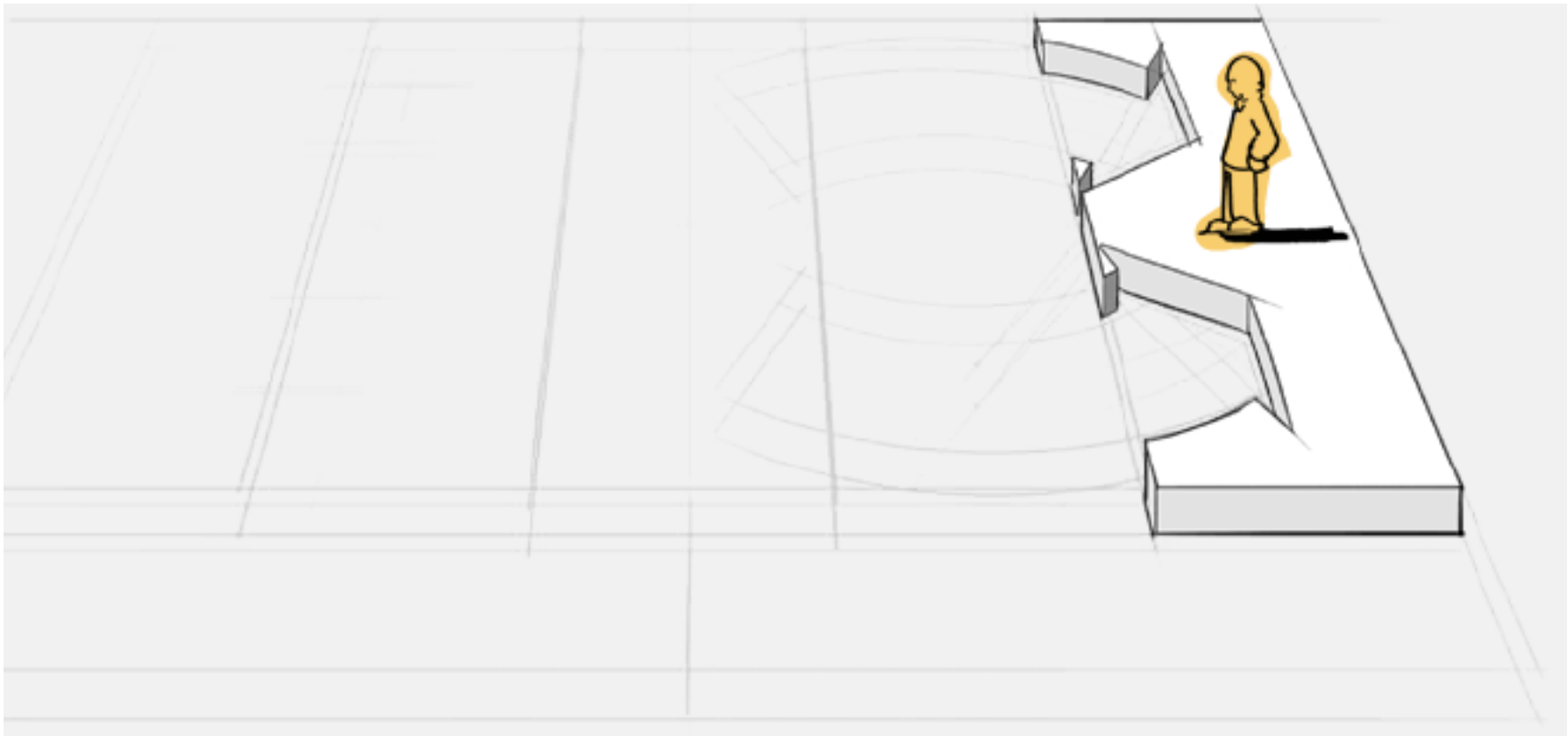
2. Value Propositions

Describes the bundle of products and services that create value for a specific Customer Segment

3. Channels

Describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition
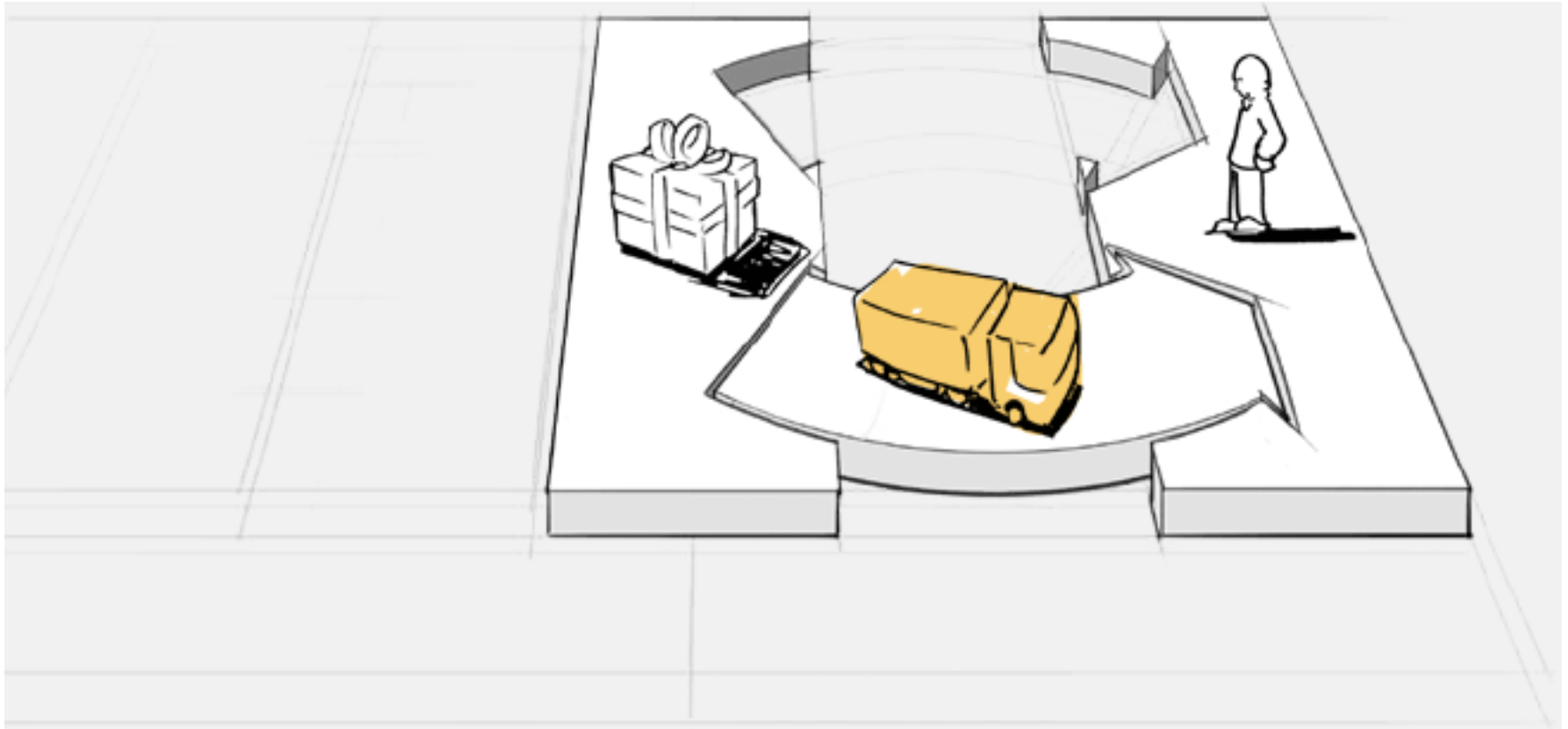
4. Customer Relationships

Describes the types of relationships a company establishes with specific Customer Segments
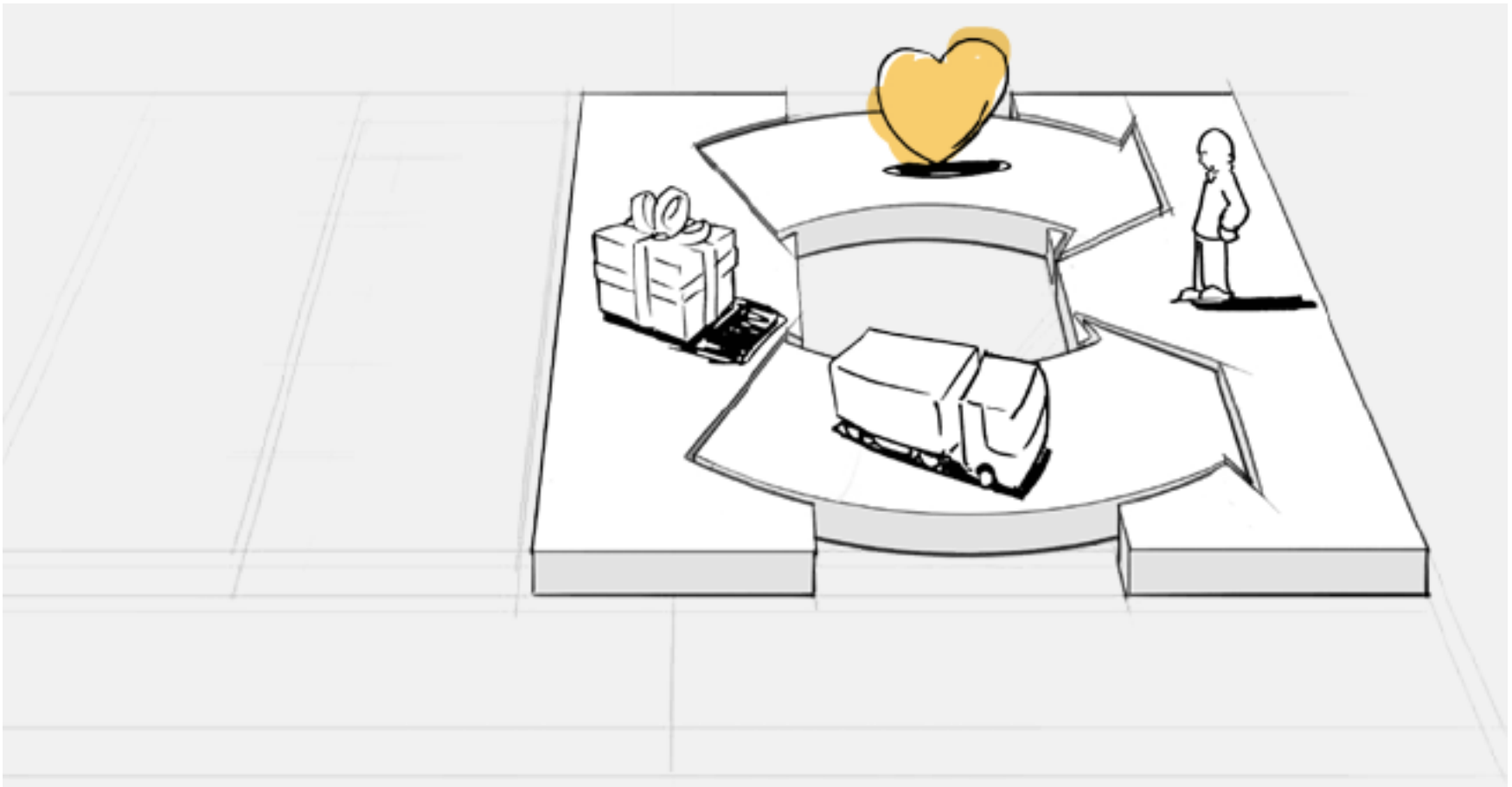
5. Revenue Streams

Represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)
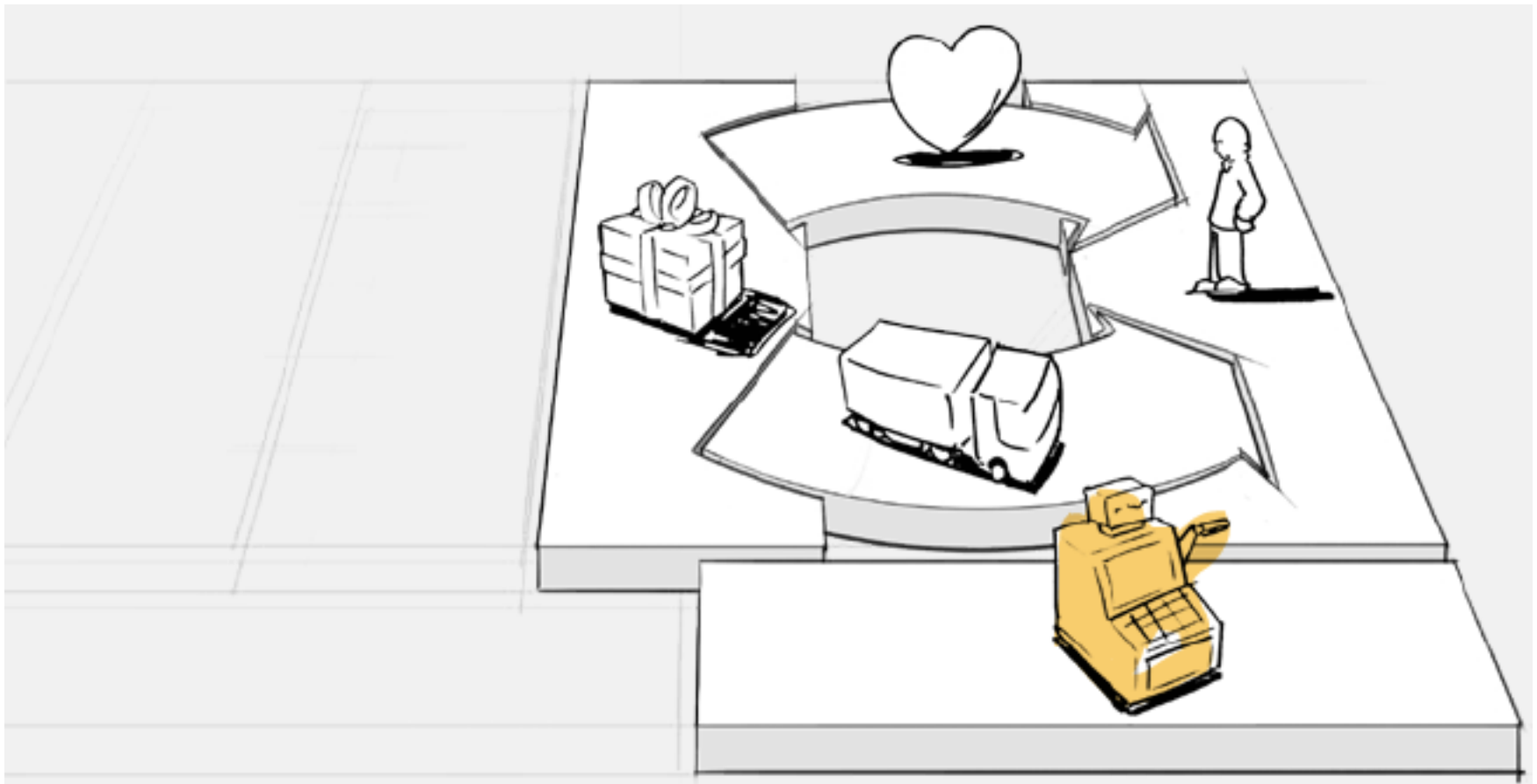
6. Key Resources

Describes the most important assets required to make a business model work
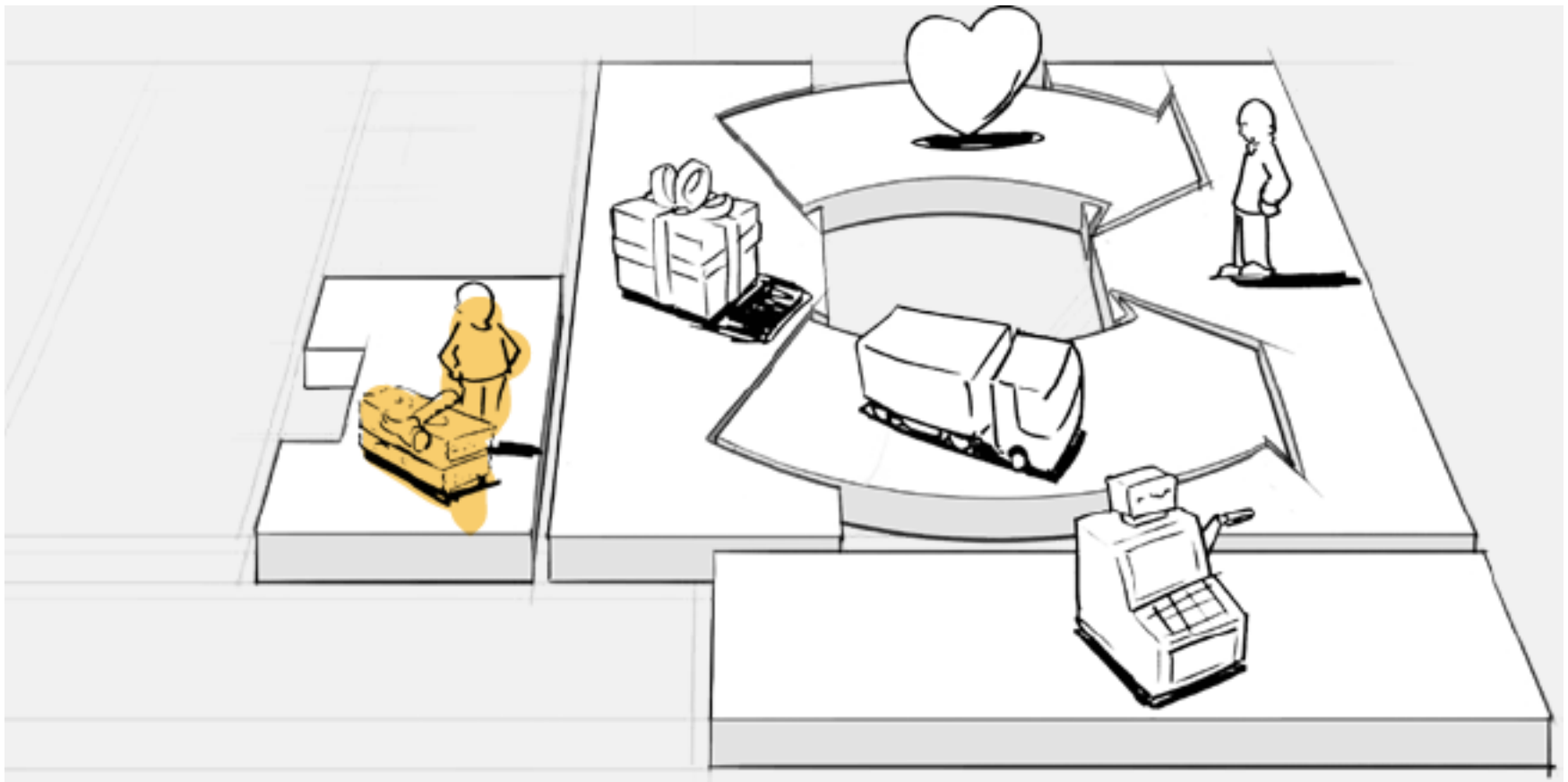
7. Key Activities

Describes the most important things a company must do to make its business model work
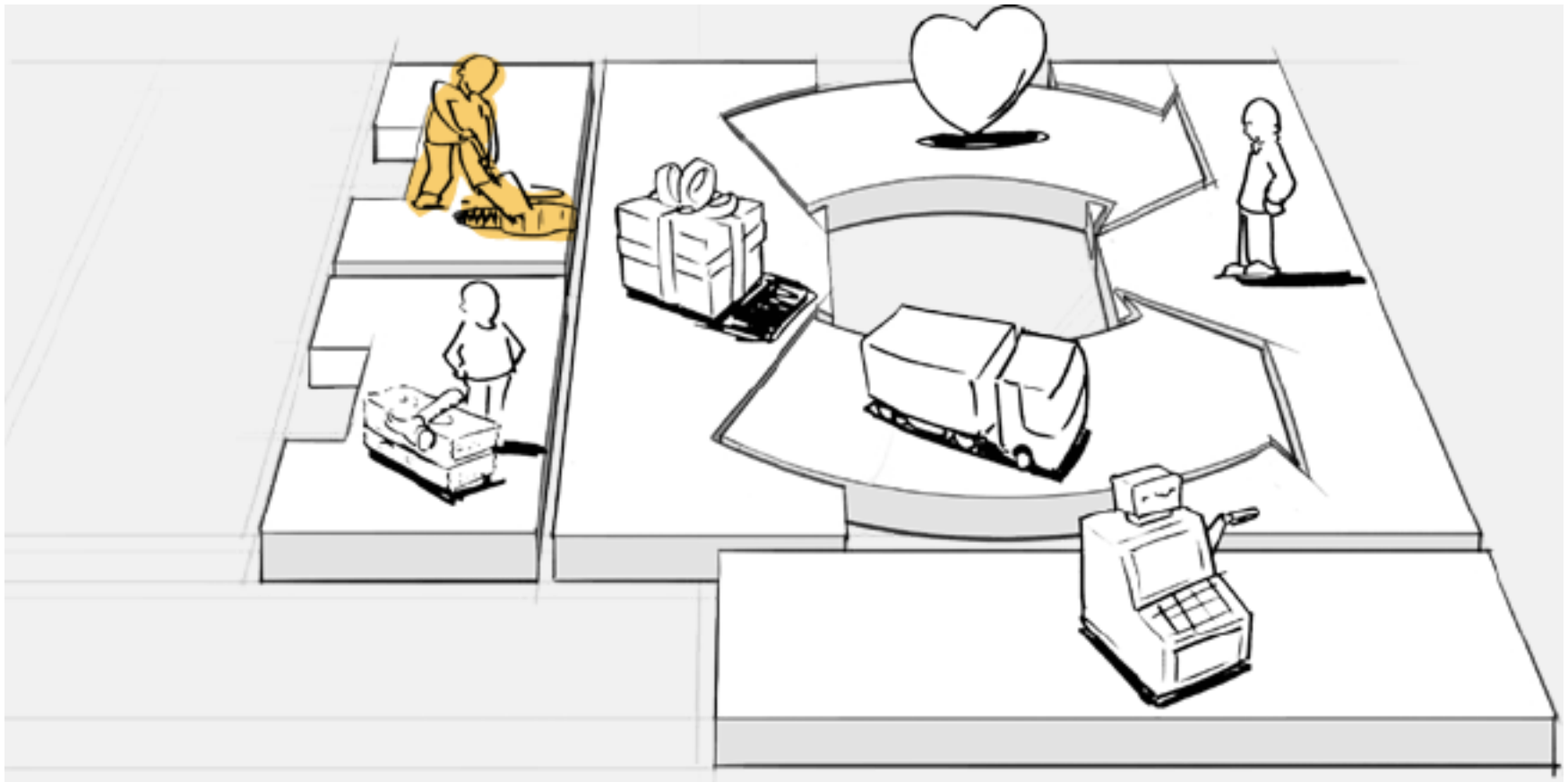
8. Key Partnerships

Describes the network of suppliers and partners that make the business model work
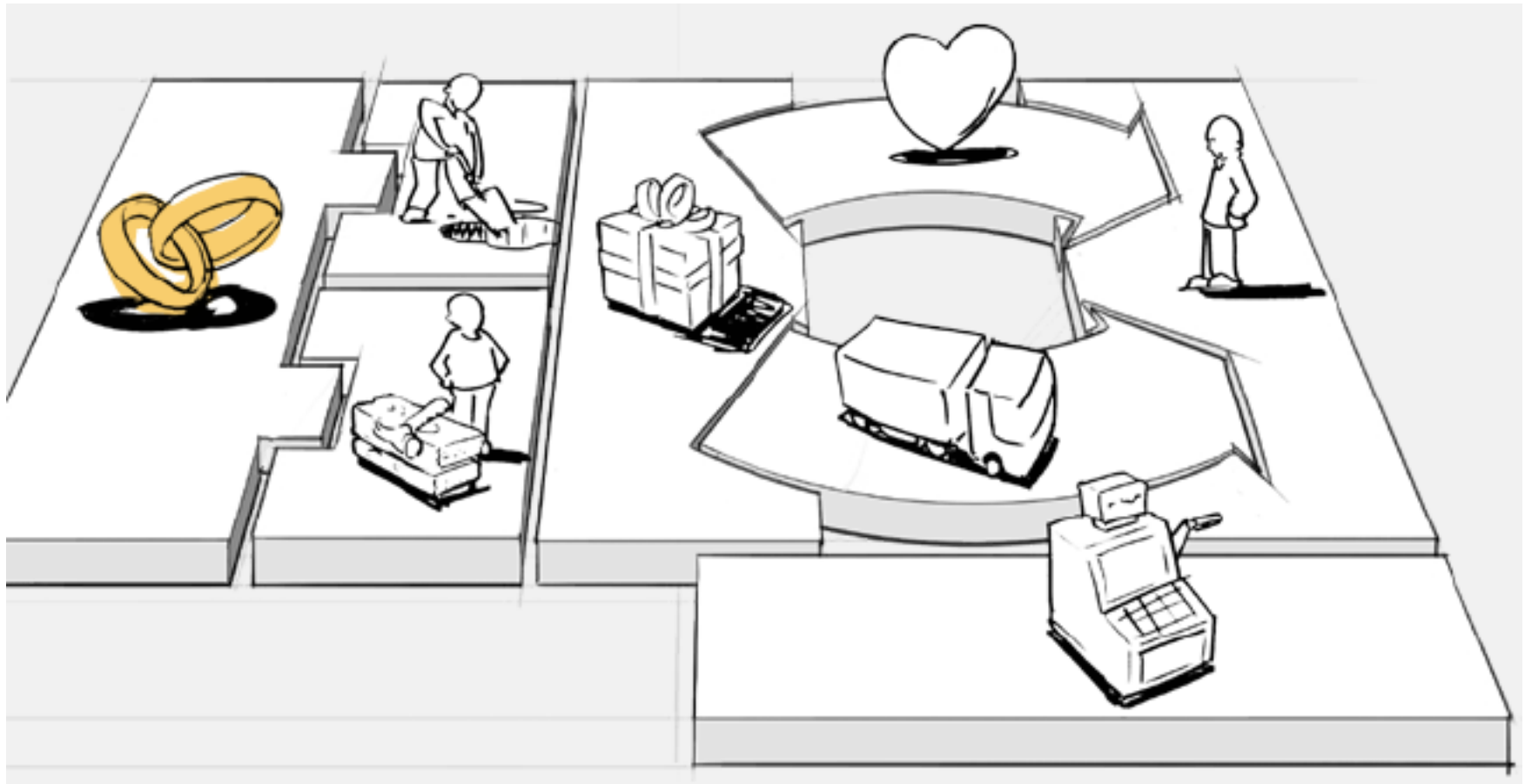
9. Cost Structure

Describes all costs incurred to operate a business model
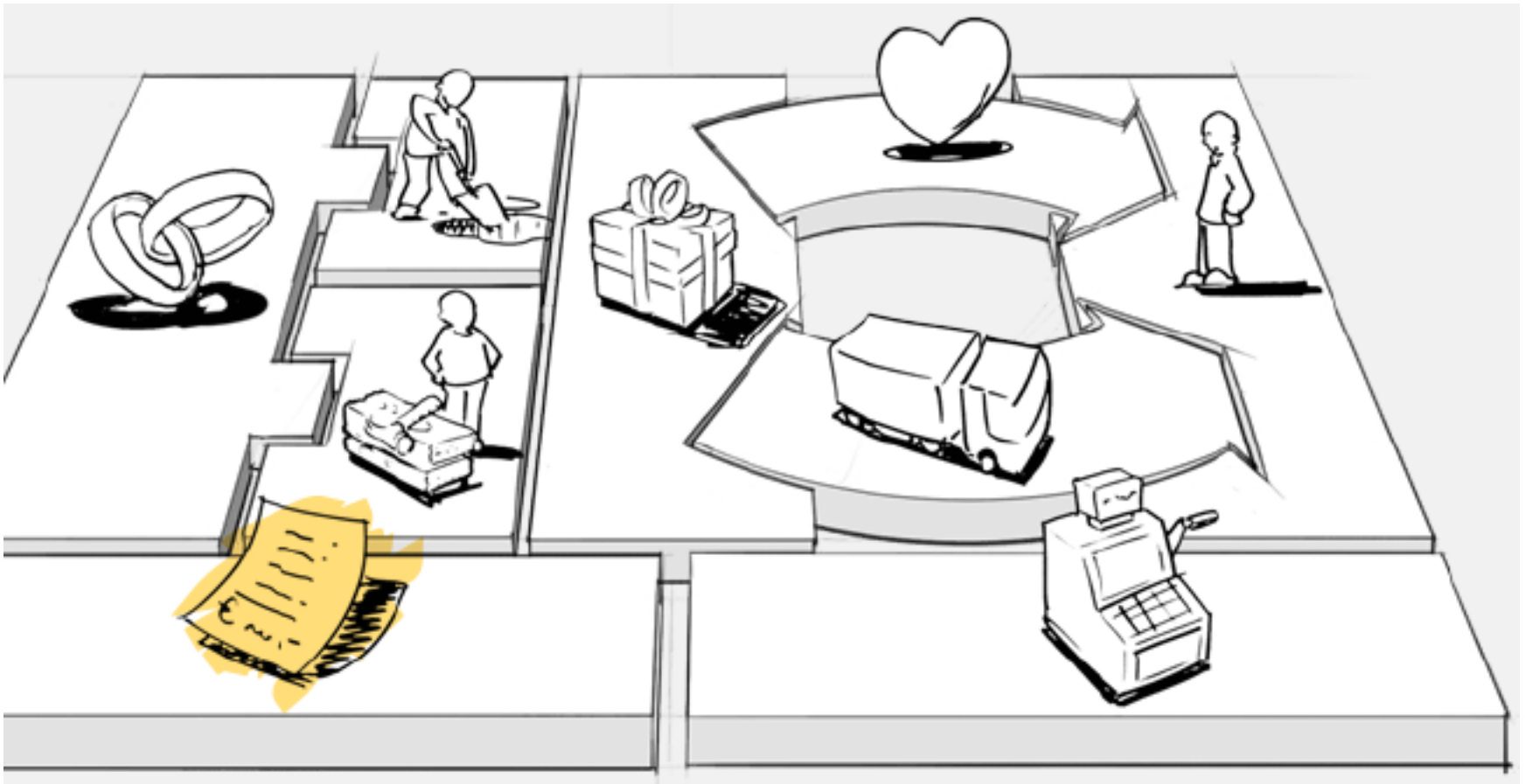
The 9 Building Blocks of Business Model

1. Customer Segments
   – An organization serves one or several Customer Segments.

2. Value Propositions
   – It seeks to solve customer problems and satisfy customer needs with value propositions.

3. Channels
   – Value propositions are delivered to customers through communication, distribution, and sales Channels.

4. Customer Relationships
   – Customer relationships are established and maintained with each Customer Segment.

The 9 Building Blocks of Business Model

5. Revenue Streams

 – Revenue streams result from value propositions successfully offered to customers.

6. Key Resources

 – Key resources are the assets required to offer and deliver the previously described elements…

7. Key Activities

 – …by performing a number of Key Activities.

8. Key Partnerships

 – Some activities are outsourced and some resources are acquired outside the enterprise.

9. Cost Structure

 – The business model elements result in the cost structure.

Business Model

8 Key Partners	6 Key Activities / 7 Key Resources	2 Value Proposition	4 Customer Relationships / 3 Channels	1 Customer Segments

9 Cost Structure 5 Revenue Streams
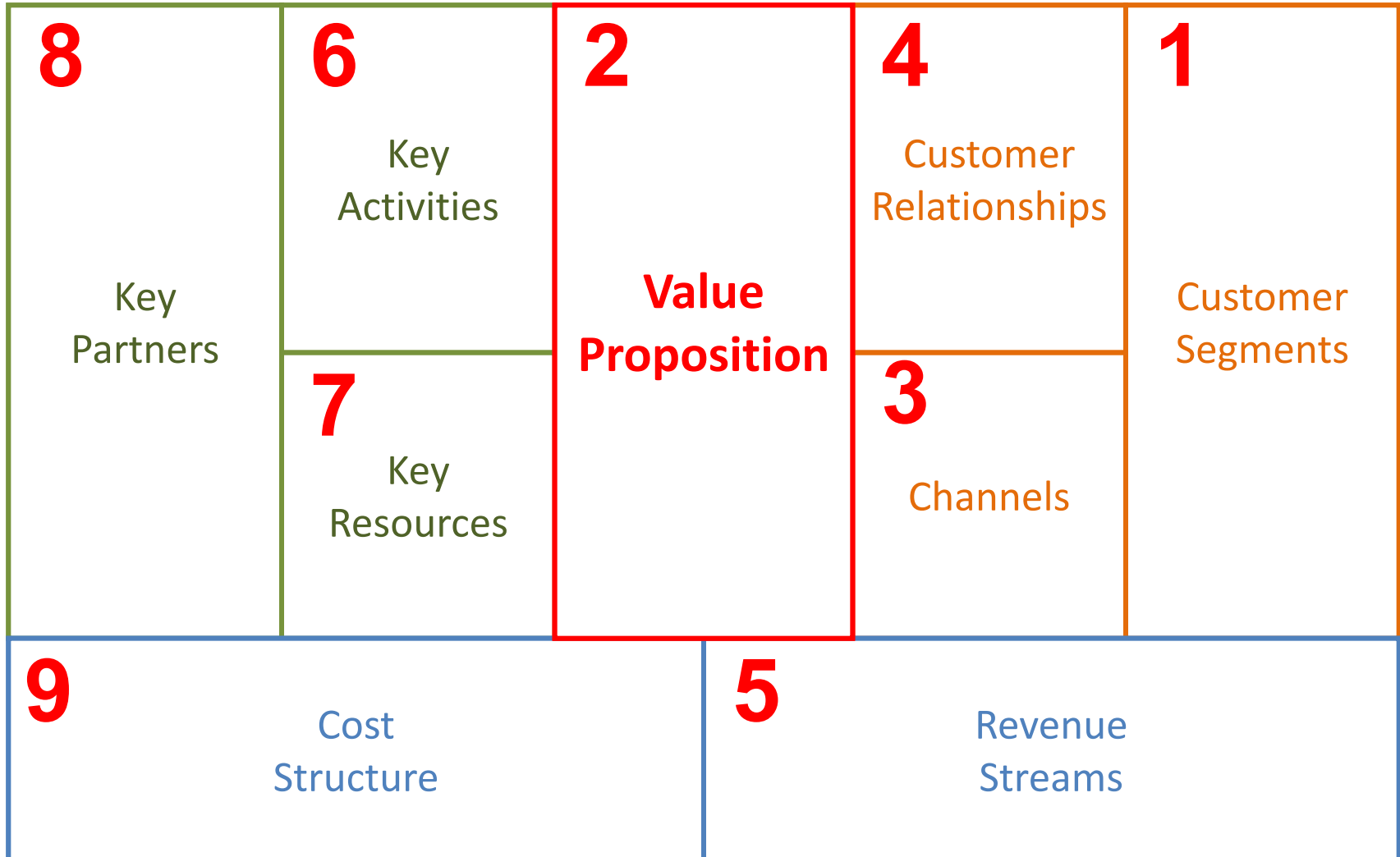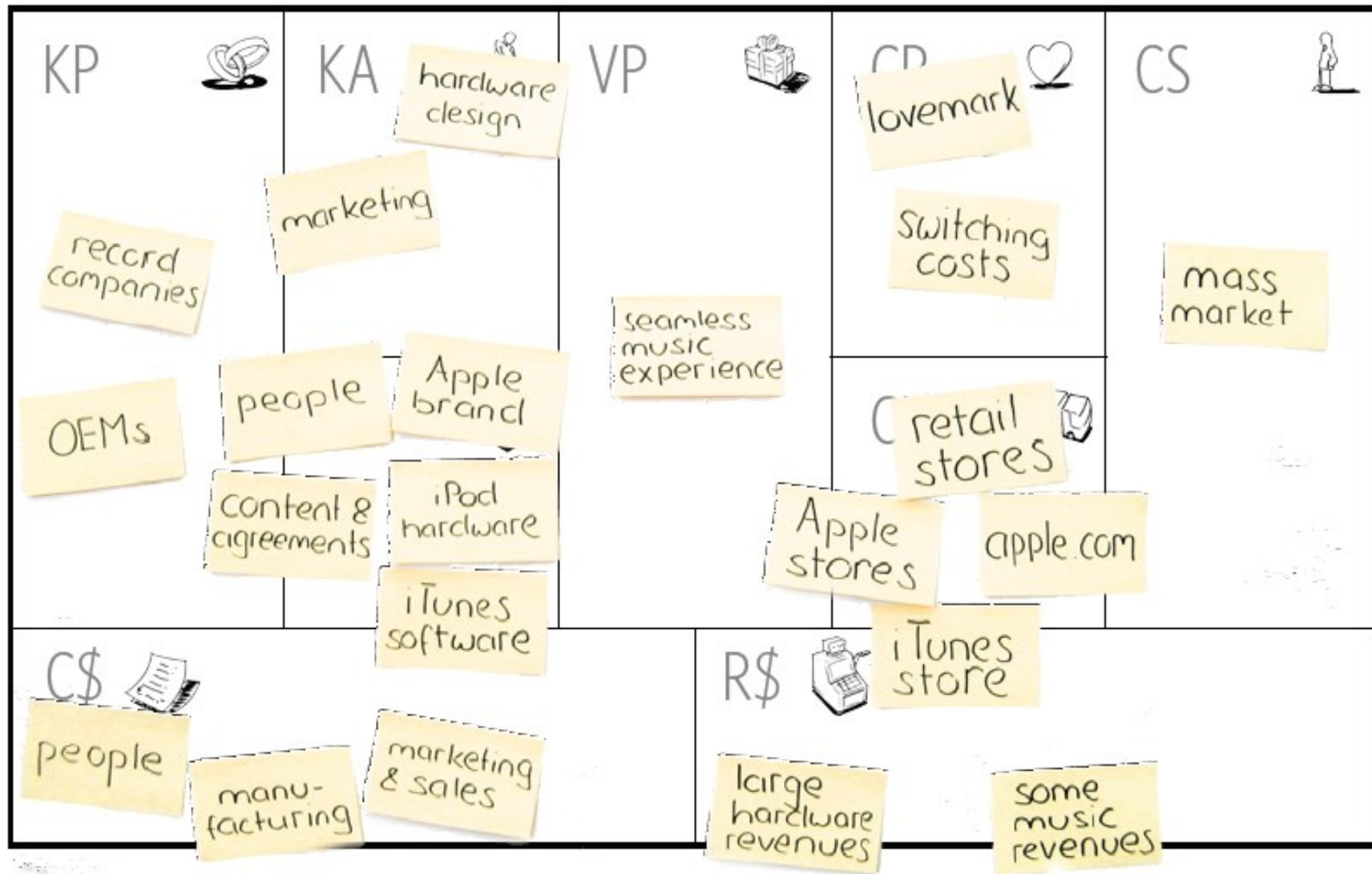
Business Model Generation

Business Model Generation
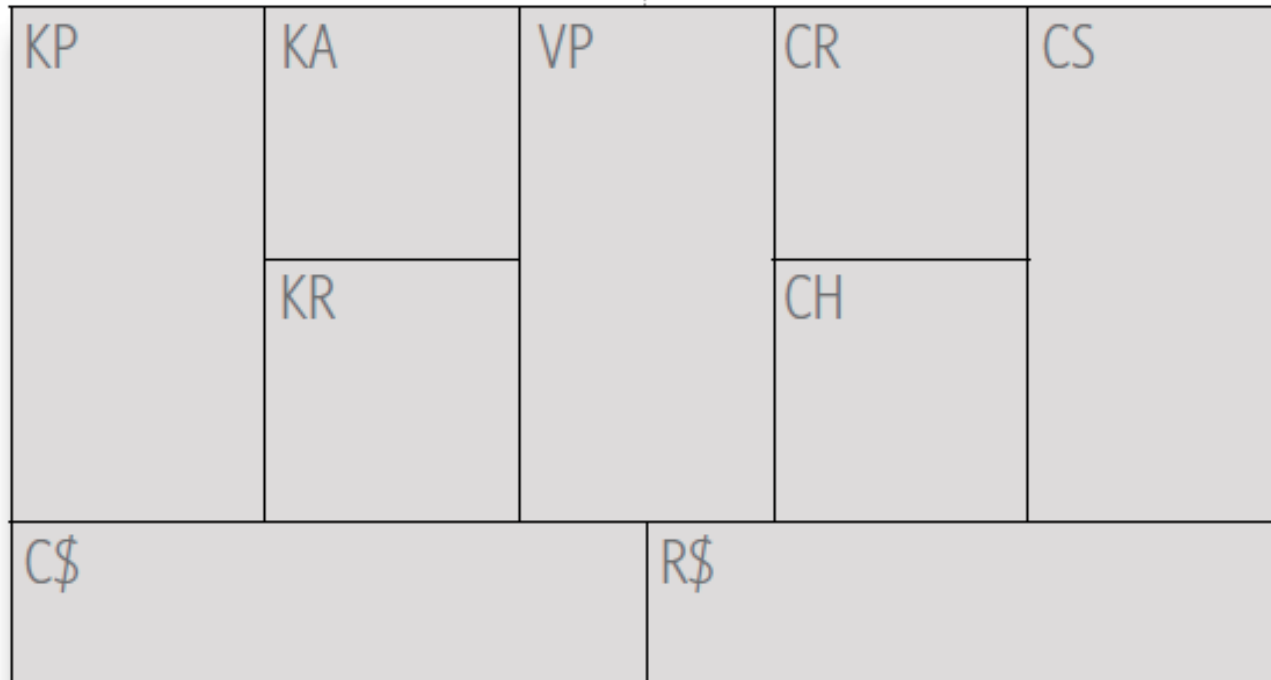
Production and Logistics
Anything beyond content creation is outsourced to readily available service providers.

Differentiation
An entirely different format, business model, and story for the book makes it stand out in a crowded market.

Community
The book is co-created with practitioners from around the world who feel ownership thanks to attribution as contributing co-authors.

Buyers
Paying customers are not only readers, but co-creators and companies that want customized books for their employees and clients.

KP

THE MOVEMENT (DESIGN)

NING PLATFORM

AMAZON.COM

3RD PARTY LOGISTICS COMPANY

PUBLISHERS

KA

CONTENT PRODUCTION

HUB MANAGEMENT

GUERILLA MARKETING AND WORD-OF-MOUTH

LOGISTICS AND SHIPPING

KR

BLOG AND VISIBILITY ON THE WEB

BUSINESS MODEL HUB

POWERFUL METHODOLOGY

VP

VISUAL, PRACTICAL, AND BEAUTIFUL HANDBOOK FOR BUSINESS MODEL INNOVATORS

CO-CREATION OF A POTENTIAL BESTSELLER

PERSONALIZED BOOKS FOR COMPANIES AND THEIR CUSTOMERS

CR

BUSINESSMODELHUB.COM

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HUB MEMBERS

WORD-OF-MOUTH

1) BUSINESSMODEL-GENERATION.COM

2) AMAZON.COM

3) BOOK STORES

INTERMEDIATION THROUGH PUBLISHERS

CS

VISIONARIES, GAME CHANGERS, AND CHALLENGERS

ENTREPRENEURS, EXECUTIVES, CONSULTANTS, ACADEMICS

COMPANIES

C$

DESIGN

CONTENT PRODUCTION

PRINTING

DISTRIBUTION

R$

HUB MEMBERSHIP FEES

ADVANCE & POST-PUBLICATION SALES

FREE GIVE AWAY CANVAS SECTION

FEES FOR CUSTOMIZED VERSIONS

ROYALTIES FROM PUBLISHERS

THE CANVAS OF BUSINESS MODEL GENERATION

Reach
A mix of direct and indirect Channels and a phased approach optimizes reach and margins. The story of the book lends itself well to viral marketing and word-of-mouth promotion.

Revenues
The book was financed through advanced sales and fees paid by co-creators. Additional revenues come from customized versions for companies and their clients.

Facebook – World's leading Social Networking Site (SNS)

Key Partners

Content Partners (TV Shows, Movies, Music, News Articles)

Key Activities

Platform Development

Data Center Operations Mgmt

Key Resources

Facebook Platform

Technology Infrastructure

Value Propositions

Connect with your friends, Discover & Learn, Express yourself

Reach, Relevance, Social Context, Engagement

Personalized and Social Experiences, Social Distribution, Payments

Relationships

Same-side Network Effects

Cross-side Network Effects

Channels

Website, Mobile Apps

Facebook Ads, Facebook Pages

Developer Tools and APIs

Customer Segments

Internet Users

Advertisers and Marketers

Developers

Cost Structure

Data center costs

Marketing and Sales

Research and Development

General and Administrative

Revenue Streams

Free

Ad Revenues

Payment Revenues

www.businessmodelgeneration.com

Twitter Business Model

Key Partners	Key Activities	Value Propositions	Relationships	Customer Segments
Search Vendors	**Platform Development**	Stay connected		Users
Device Vendors		News/Events		Enterprises
Media companies	**Key Resources**	Targeted Marketing	**Channels**	Developers
Mobile Operators	Twitter.com Platform	Twitter Apps	Website, Desktop Apps, Mobile Apps, SMS	
			Twitter API	

Cost Structure	Revenue Streams
Employees Servers	Licensing Data Streams Promoted Accounts Promoted Tweets
	Promoted Trends Analytics

www.businessmodelgeneration.com

Google Business Model

Key Partners

Distribution Partners

Open Handset Alliance

OEMs (for Chrome OS devices)

Key Activities

R&D – Build New Products, Improve Existing products

Manage Massive IT Infrastructure

Key Resources

Datacenters

IPs, Brand

Value Propositions

Web Search, Gmail, Google+

Targeted Ads using Adwords (CPC)

Extend Ad campaigns using Adsense

Display Advertising Mgmt Services

OS and Platforms – Android, Chrome OS

Hosted web-based Google Apps

Relationships

Automation (where possible)

Dedicated Sales for large accounts

Channels

Global Sales and Support Teams

Multi-product Sales force

Customer Segments

Internet Users

Advertisers, Ad Agencies

Google Network Members

Mobile device owners

Developers

Enterprises

Cost Structure

Traffic Acquisition Costs

R&D Costs (mainly personnel)

Data center operations

S&M, G&A

Revenue Streams

Ad Revenues – Google websites

Ad Revenues – Google n/w websites

Enterprise Product Sales

Free

www.businessmodelgeneration.com

Source: http://bmimatters.com/tag/business-model-canvas-examples/

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LinkedIn – World's Largest Professional Network

Key Partners

Equinix (for data center facilities)

Content Providers

Key Activities

Platform Development

Key Resources

LinkedIn Platform

Value Propositions

Manage Professional Identity and Build Professional Network

Identify and Reach the Right Talent

Reach the Target Audience

Access to LinkedIn Database Content via APIs and Widgets

Relationships

Same-side Network Effects

Cross-side Network Effects

Channels

LinkedIn Website, Mobile Apps

Field Sales

Customer Segments

Internet Users

Recruiters

Advertisers and Marketers

Developers

Cost Structure

Web Hosting costs

Marketing and Sales

Product Development

General and Administrative

Revenue Streams

Free Offerings and Premium Subscriptions

Hiring Solutions

Marketing Solutions

www.businessmodelgeneration.com

Source: http://bmimatters.com/tag/business-model-canvas-examples/

Business Model of Banking companies

Key Partners	Key Activities	Value Propositions	Relationships	Customer Segments
Investments partners	Branch Operations	Deposit Products (Lower Interest Rates)	Personal Assistance	Retail and Corporate Customers (Depositors)
Technology vendors	Call center operations		Automation where possible	
Regulatory Agencies	IT Operations	Loan Products (Higher Interest Rates)	**Channels**	Retail and Corporate Customers (Borrowers)
	Key Resources		Bank Branches, ATMs, Call centers, Internet, Mobile Devices	
	Physical and IT Infrastructure			
	Loan Assets			

Cost Structure	Revenue Streams
Interest Expenses Channel Costs	Interest Income Fee Income

www.businessmodelgeneration.com

Source: http://bmimatters.com/tag/business-model-canvas-examples/

VISA – Leader in Global Payments Industry

Key Partners	Key Activities	Value Propositions	Relationships	Customer Segments
	Payments Network Management	Payment Product Platforms for card programs and cashless payments		Financial Institutions (Issuers)
Technology Alliances	Transaction Processing			Financial Institutions (Acquirers)
Commercial Partners	Value-added Services	Convenience, Security, Rewards associated with card payments	**Channels**	Card Holders
	Key Resources		Sponsorships (FIFA World cup, Olympics)	
	Payment Products Platform	Improved Sales, Customer Convenience	TV ads, Tradeshows, Conferences	Merchants
	VISA Brand			

Cost Structure

Personnel | Network, EDP, & Communications | Brand Promotion

Litigations Provision

Revenue Streams

Services Revenues | Data Processing Revenues | International Revenues

www.businessmodelgeneration.com

Source: http://bmimatters.com/tag/business-model-canvas-examples/

The Business Model Canvas

Designed for: Techno Cake
Designed by: Danilo Tič
On: 1.2.2011
Iteration: 01

Key Partners

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MC Miš

Local presenters

Volunteers

Key Activities

Which Key Activities do our Value Propositions require?

Event s Management

Marketing Management

Best presentations

Key Resources

What Key Resources do our Value Propositions require?

Volunteers

Presentation Hall

Value Propositions

What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

Techno cake talks and presentations

Videos about talks and presentations

Advertising Video WWW

Customer Relationships

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

Facebook, Twitter Flickr Video-www

Channels

Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?

Facebook, Twitter Flickr Videos JAPTI, RIC

Customer Segments

For whom are we creating value?
Who are our most important customers?

Geeks IT customers Engineers

IT Companies Mobile operators Banks Insurence Co...

Cost Structure

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

Event s Manag. Costs

Authors' costs

Revenue Streams

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

Advertising fee Videos Logos..

www.businessmodelgeneration.com

Source: http://businessmodelcombo.wordpress.com/2011/02/04/what-would-a-sustainable-techno-cake-business-model-look-like/

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How Airbnb Works?

Insights into

Business Model

&

Revenue Model

Airbnb Business Model Canvas

Key Partners
- Hosts (People who rent their space)
- Guests (People who book spaces)
- Photographers (Freelance)
- Investors
- Payment Processors

Key Activities
- Product Development & Management
- Building Host network and Managing hosts
- Building travelers network and managing guests

Key Resources
- Local Hosts
- Skilled Employees
- Technology

Value Propositions

Hosts
- Hosts can earn money by renting their space.
- Airbnb offers insurance to house owners.
- Free photo shoots for property listings through photographers.

Guests
- Guests can book a homestay instead of hotel.
- Prices are often less as compared to hotels.

Customer Relationships
- Customer Service
- Social Media
- Promostional Offers
- Home Insurance

Channels
- Website
- Mobile App for Android
- Mobile App for iOS

Customer Segments

Hosts
- People who own a house and want to earn extra money.
- People who want to meet new people.

Guests
- People who love to travel.
- People who want to stay comfortably at a cheap price.

Cost Structure
- Technological Set up & running costs
- Salaries to permanent employees
- Payments to freelance photographers

Revenue Streams
- Commission from Hosts upon every booking
- Commission from Guests upon every booking

Business Model Canvas — airbnb — 29 mar - 2012

Key Partners
- Local Photographers
- Main Investors
- YOUNIVERSITY VENTURES
- SEQUOIA CAPITAL
- Y Combinator
- greylock partners.
- Online and international payment
- PayPal
- WESTERN UNION

Key Activities
- Platform development and maintenace
- Community management
- Marketing
- Online and international payment
- Photographers management

Key Resources
- Base of places announced
- Community of travellers and hosts
- Platform
- Brand

Value Proposition
- Great places to stay all around the world for low prices
- Rent out extra place effortlessly for a worldwide audience

Customer Relationships
- Self-service on site with a support team, SMS, iPhone App
- Self-service on site with a support team, SMS, iPhone App

Channels
- Site, Youtube, iPhone App, Blog, Facebook and Twitter
- Site, Youtube, iPhone App, Blog, Facebook and Twitter

Customer Segments
- Travelers that are looking for a good experience with a low price
- People with extra place that want to rent

Cost Structure
- Photographers
- Marketing
- Insurance
- Servers
- Human Resources
- Online and international payment

Revenue Steams
- 6-12% of booking fee
- 3% of each successfully booking

Source: http://www.slideshare.net/ThiagoPaiva/airbnb-12210879

How Uber Works?

Insights into

Business Model

&

Revenue Model

Uber Business Model Canvas

UBER

KEY PARTNERS:
- Drivers with their Cars
- Payment Processors
- Map API Providers
- Investors

KEY ACTIVITIES:
- Product Development & Management
- Marketing & Customer Acquisition
- Hiring Drivers
- Managing Driver Payouts
- Customer Support

KEY RESOURCES:
- Technological Platform
- Skilled Drivers

VALUE PROPOSITION:

CUSTOMERS:
- Minimum Waiting Time.
- Prices Lesser than the Normal Taxi Fares.
- Cashless Ride.
- Can see The ETA and Track The Cab on Map.

DRIVERS:
- Additional Source of Income.
- Flexible Working Schedules and can Work Part Time.
- Easy Payment Procedure.
- Drivers get Paid to be Online, even without can Requests.

CUTOMER RELATIONSHIP:
- Social Media
- Customer Support
- Review, Rating & Feedback System

CHANNELS:
- Websites
- Mobile App for Android
- Mobile App for iOS

CUSTOMER SEGMENTS:

USERS:
- Those who do not own a Car
- Those who do not want to drive themselves to a Party or Function.
- People who like to Travel in Style and want to be Treated as a VIP.
- Those who want a Cost-Efficient Cab at their Doorstep.

DRIVERS:
- People who own a Car and want to Earn Money.
- People who Love to Drive.
- Those who Wish to be called Partners Instead of Drivers.

COST STRUCTURE:
- Technological Infrastructure
- Salaries to Permanent Employees
- Launch Events & Marketing Expenditure

REVENUE STREAMS:
- Car Rides on per Km/Mile basis.
- Surge Pricing
- UberX, Uber Taxi, Uber Black, Uber SUV etc.
- Uber Cargo, Uber Rideshare etc.

Uber Business Model Canvas

The Business Model Canvas

Designed for: **Uber**

Designed by: **Denis Oakley**

On: 27 1 2016

Iteration: 1.0

Key Partners
- Drivers who own cars
- Payment Processors
- Mapping Data Providers
- Local Authorities

Key Activities
- Platform & Alogo Development
- Marketing to balance supply and demand
- Driver Onboarding

Key Resources
- Uber Platform
- Pricing Algorithm
- Routing Algorithm

Value Propositions
- Taxi on Demand
- Cash free
- Easy to order cab and short wait time
- Passengers on Demand
- Easy to make additional money

Customer Relationships
- Highly automated

Channels
- Mobile App
- Social Media Marketing
- PR

Customer Segments
- Passengers
- Drivers

Cost Structure
- Platform Development
- Sales & Marketing
- Salaries
- Driver Payments

Revenue Streams
- Pay per Ride Charges
- Premium Uber Brands
- Surge Pricing

www.businessmodelgeneration.com

www.businessmodel.guru

Source: http://businessmodel.guru/the-uber-business-model-canvas/

Uber

Tap the app, get a ride

Uber is the smartest way to get around. One tap and a car comes directly to you. Your driver knows exactly where to go.

MORE REASONS TO RIDE ›

https://www.uber.com/

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Come up with Killer Startup ideas

U B E R

REDUCE	CREATE
Time to wait	Ease of use
Hassels of paying money	Platform connecting customers&d
Unsure fare & waiting time	Extra Revenues for Drivers

RAISE	ELIMINATE
Chances of getting taxis	Uncertainty of getting taxis
Quality (ratings)	Waving hands to stop taxi
Assurance (Location tracking)	
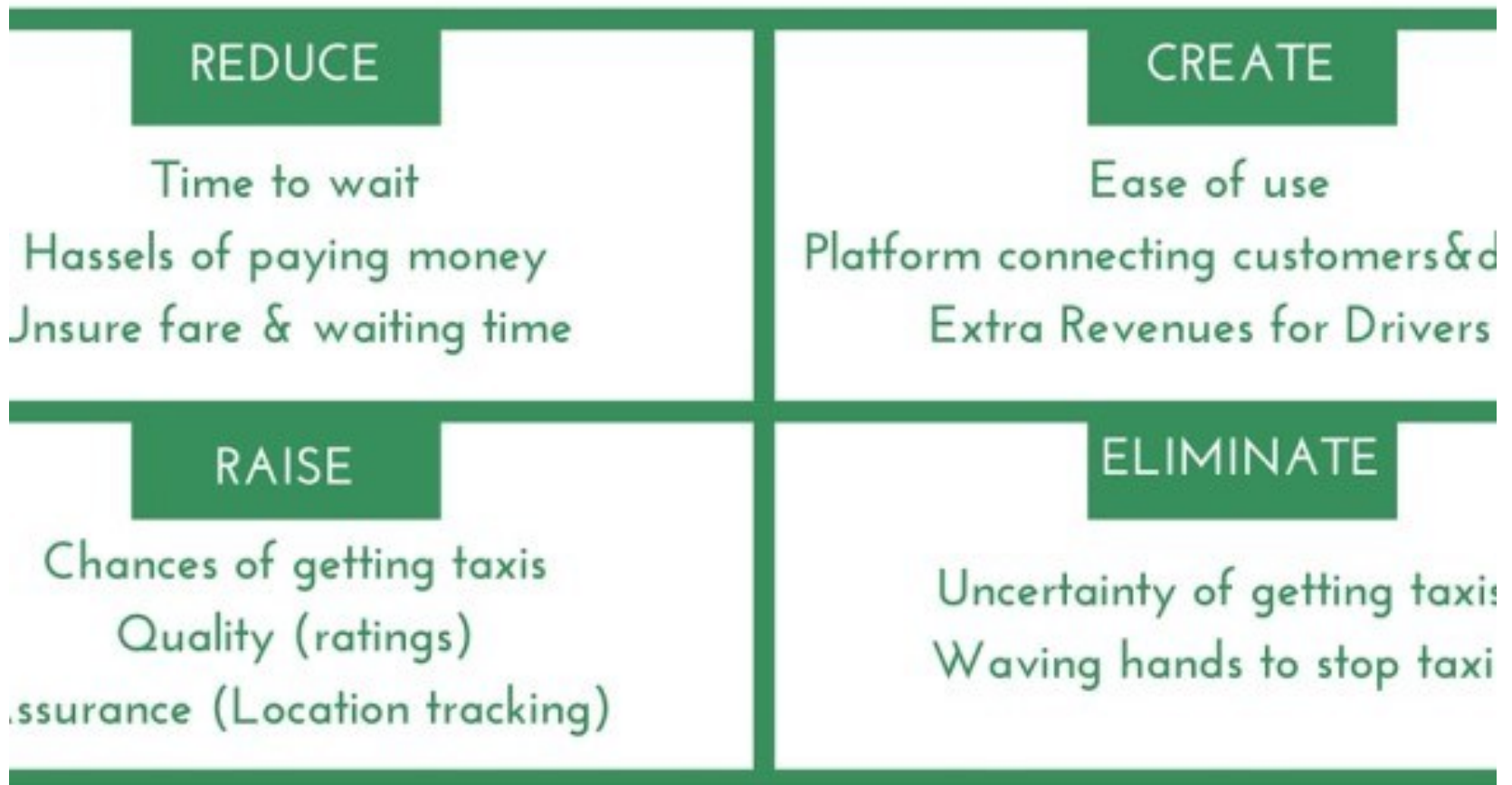
Structure of a **Business Model**

2 What do you offer to the customer

What?

Value proposition

3 How is the value proposition created?

4 How is revenue created?

Revenue model

Who?

Value chain

Value?

How?

1 Who is your target market?
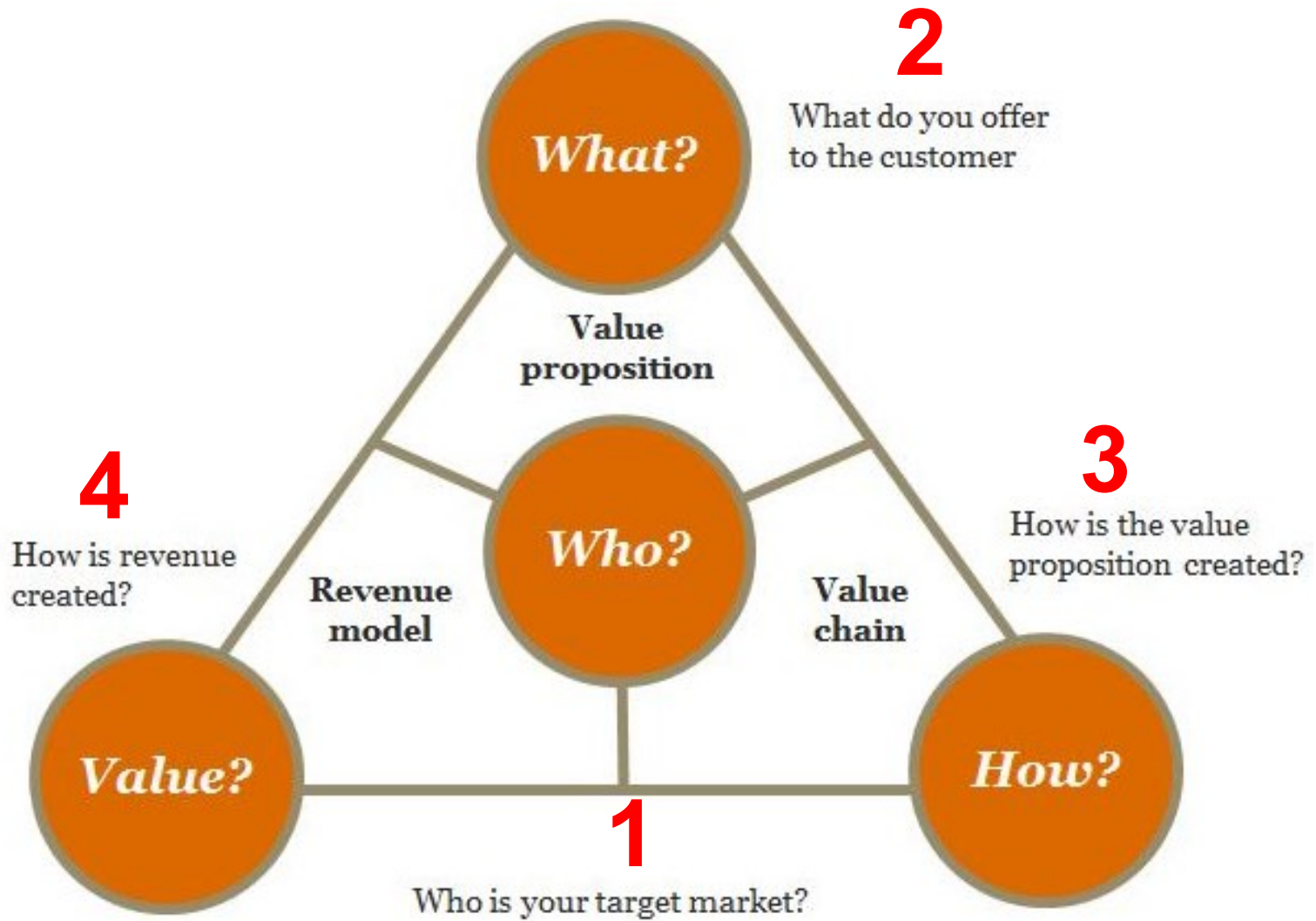
Customer Value

Marketing

"Meeting needs profitably"

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Value

the sum of the tangible and intangible benefits and costs

Value

Total customer benefit

Total customer cost

Customer perceived value
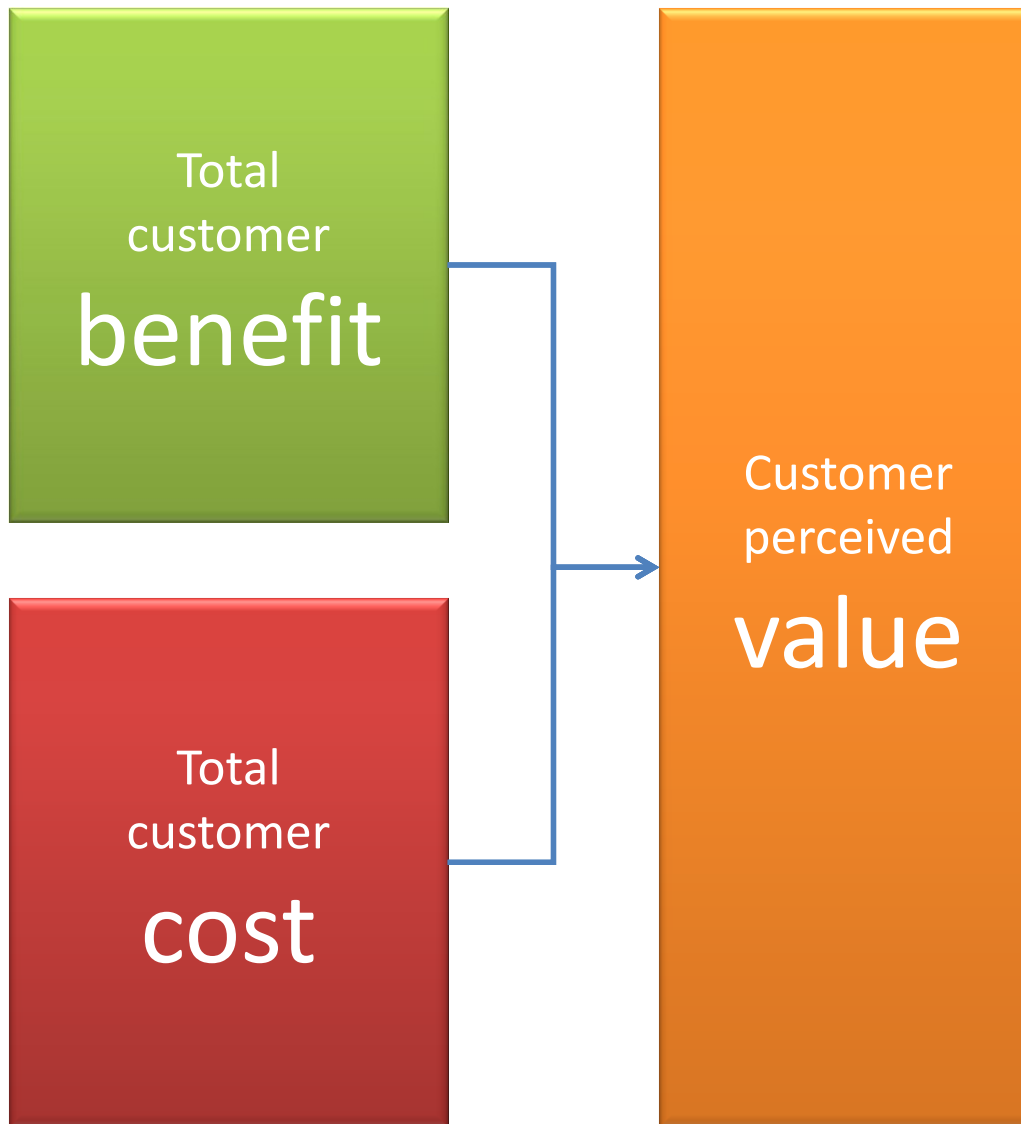
Customer Value Triad

Quality, Service, and Price (qsp)

Quality

Service **Price**
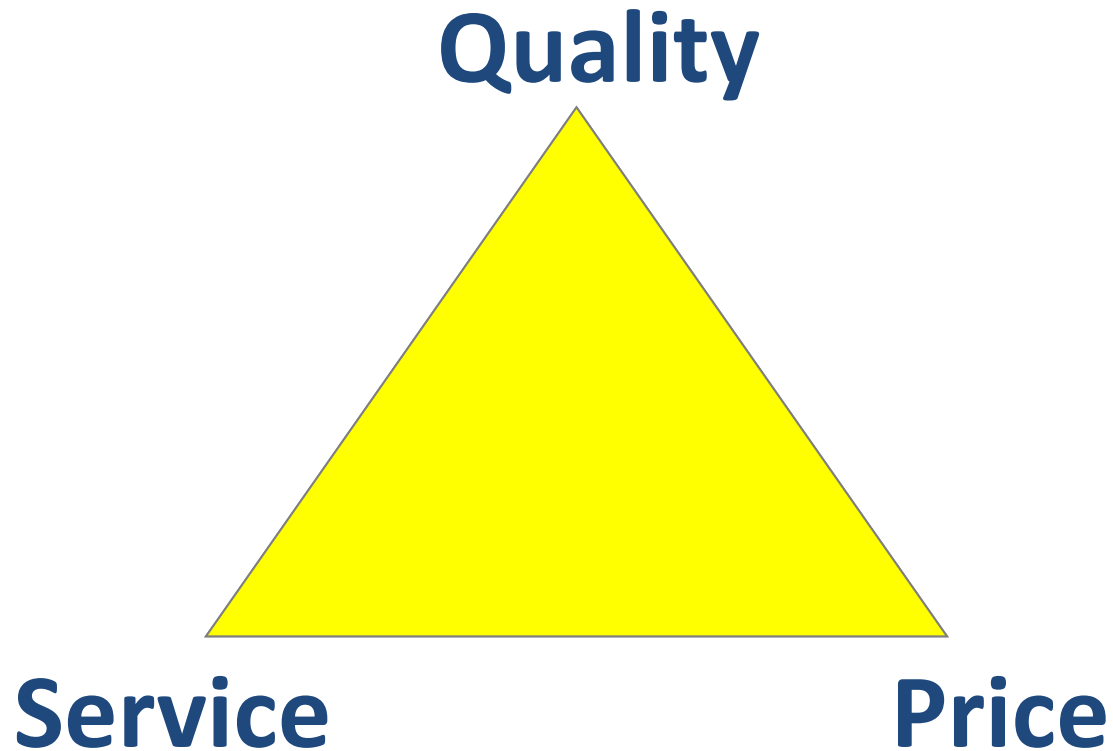
Value and Satisfaction

- Marketing
  - identification, creation, communication, delivery, and monitoring of customer value.

- Satisfaction
  - a person's judgment of a product's perceived performance in relationship to expectations

Building Customer Value, Satisfaction, and Loyalty

Customer Perceived Value

Product benefit
Services benefit
Personnel benefit
Image benefit

Total customer **benefit**

Monetary cost
Time cost
Energy cost
Psychological cost

Total customer **cost**

Customer perceived **value**
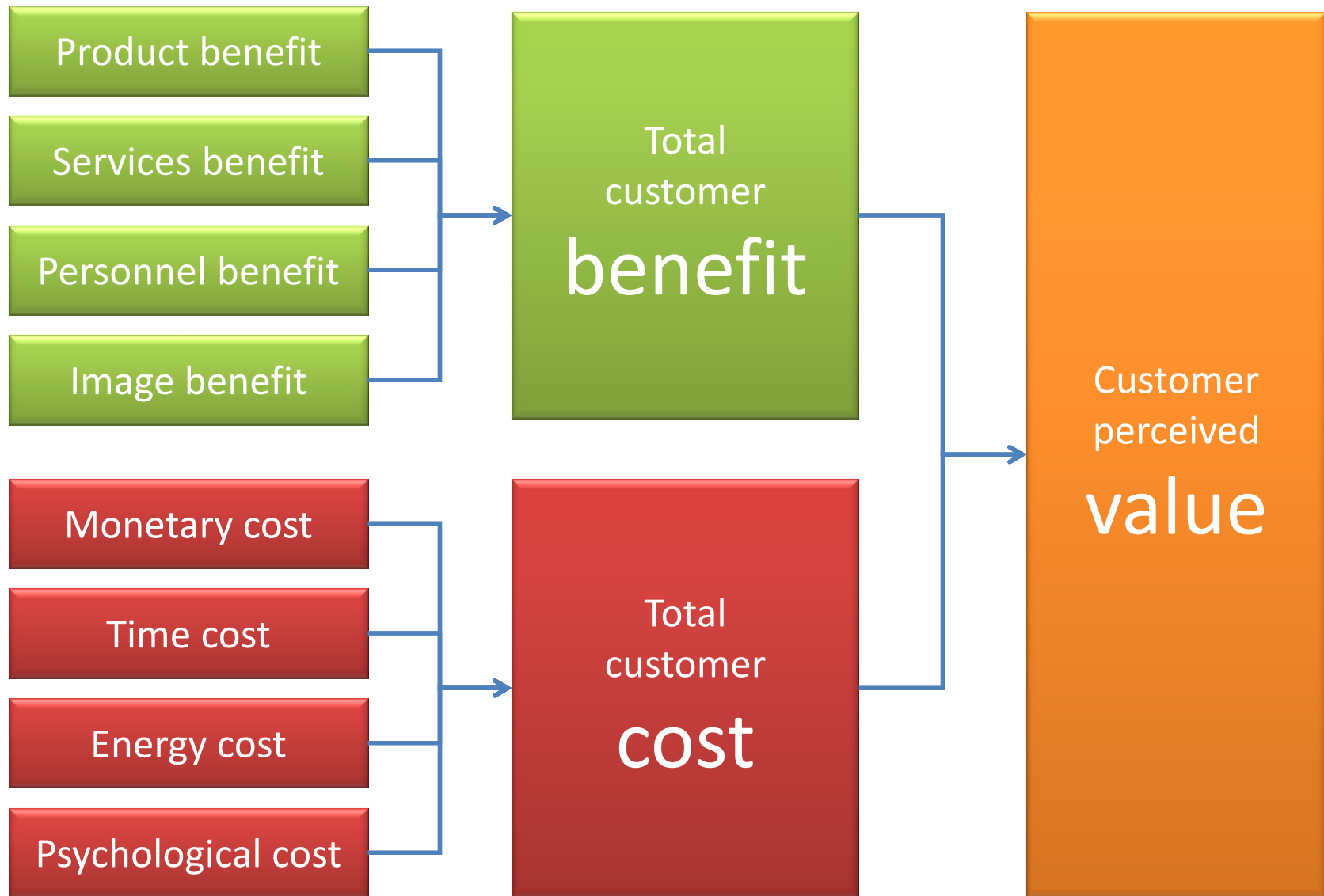
Satisfaction

"a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations"

Loyalty

"a deeply held commitment to rebuy or repatronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior."

Customer Perceived Value, Customer Satisfaction, and Loyalty

CEO CIO CFO

CEO
Strategy and Sales
(Leading)

CIO
Enterprise Technology Integration

CFO-COO
Finance and Operations
(Lagging)

CEO CIO CMO

CEO
Strategy and Sales (Leading)

CIO
Enterprise Technology Integration

CMO
Marketing Communication

CEO CIO CMO

Strategy	**Vision**	
	Mission	
Tactics	**Goals**	
Operations	**Objectives**	
	Tasks	
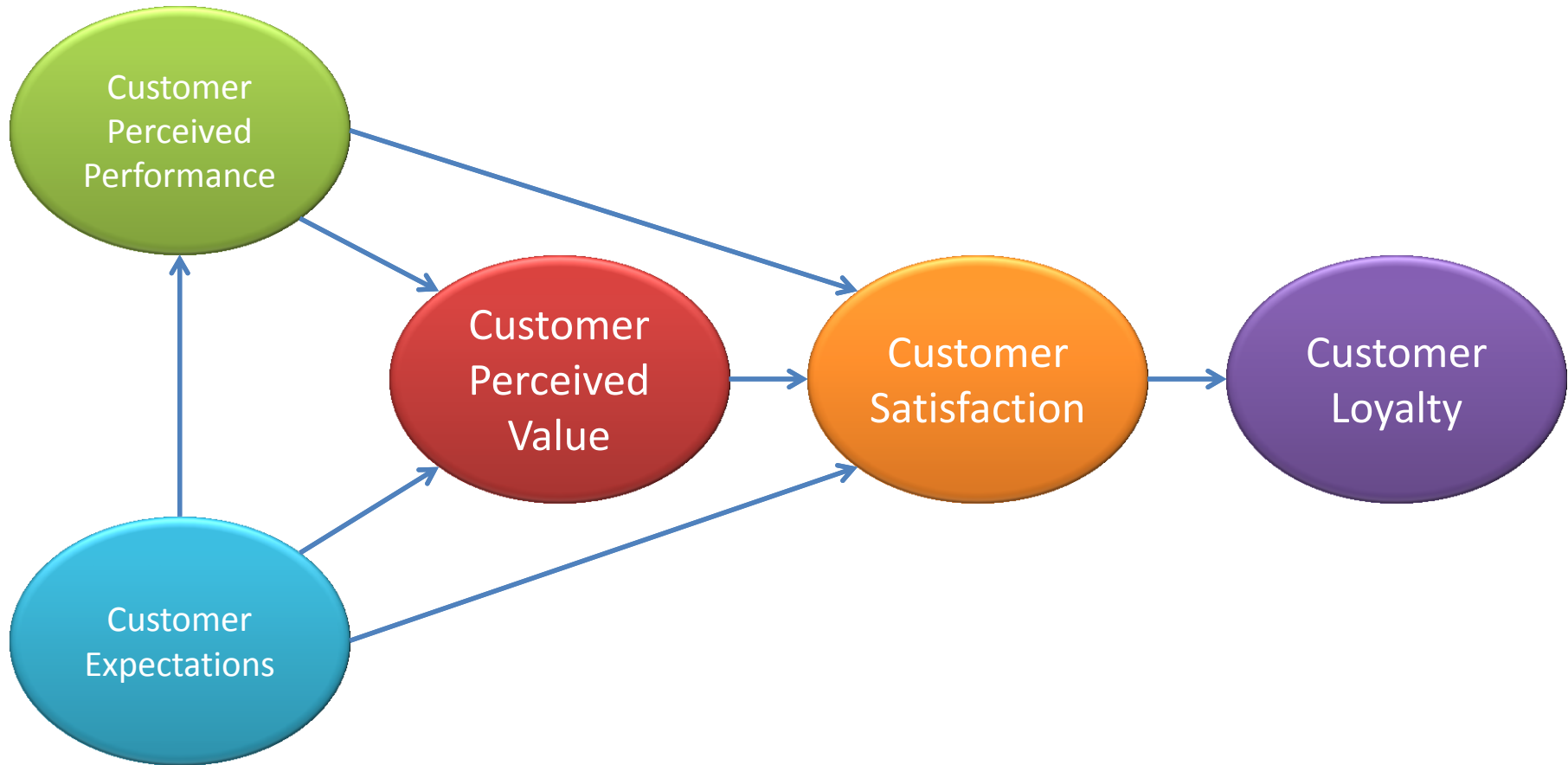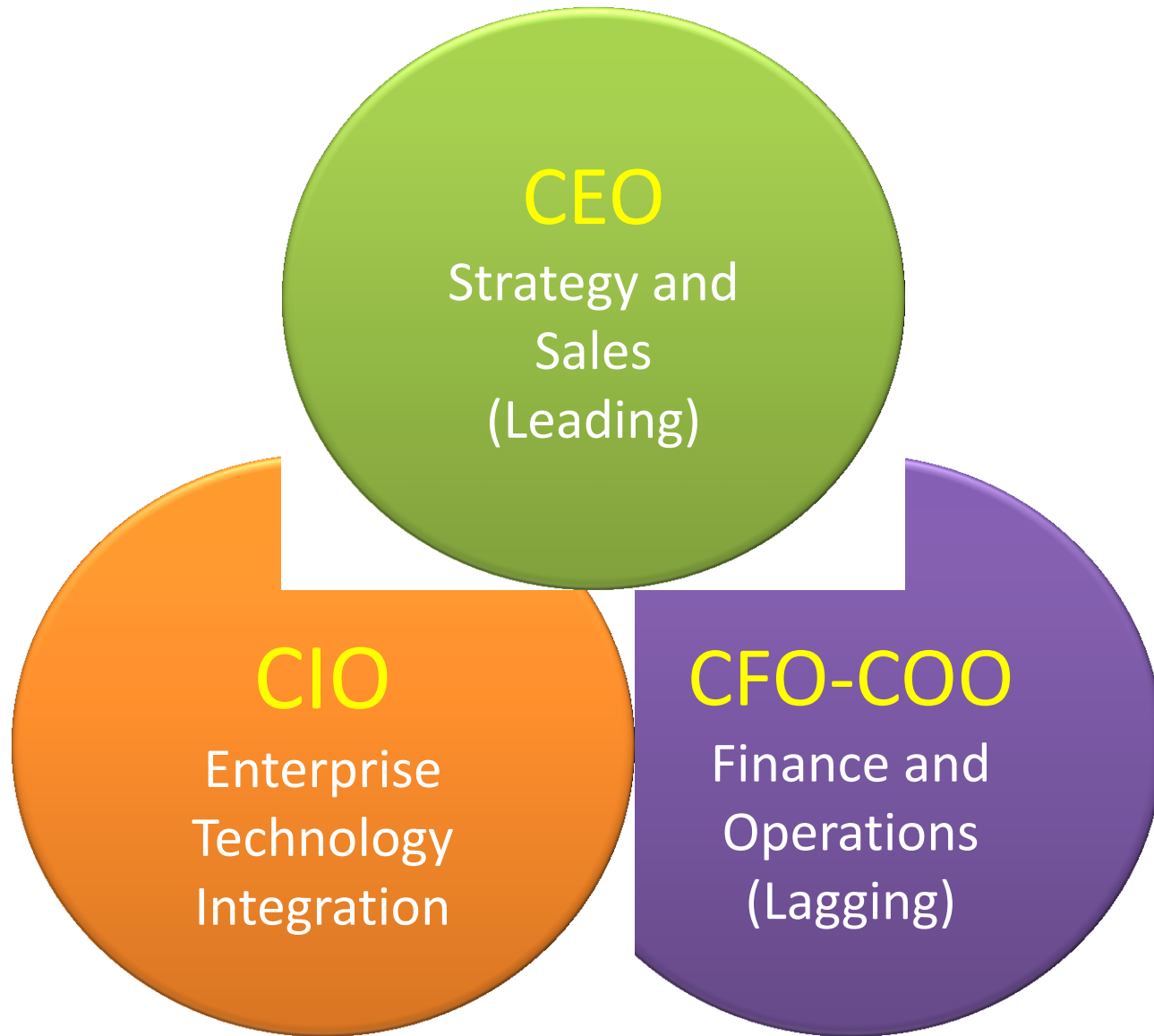
CEO

CIO   CMO
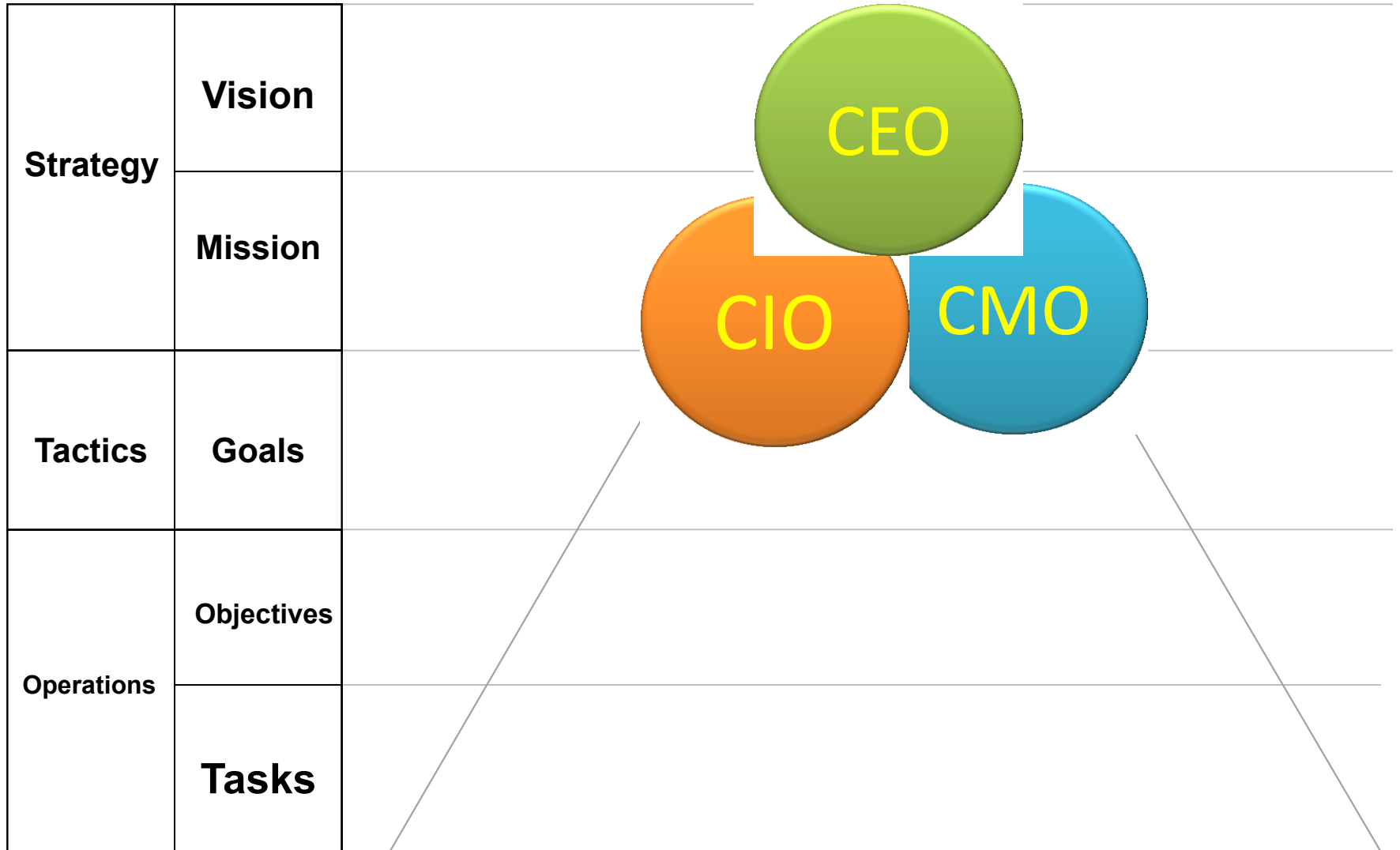
Nothing
is
so practical
as a
good theory

Source: Backer & Saren (2009), Marketing Theory: A Student Text, 2nd Edition, Sage

Social Networking and the Wisdom of Crowds

- Most popular Web 2.0 service: social networking
  - Social shopping sites: Swap shopping ideas with friends
- 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 new ways to identify and communicate with customers.

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

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

- Internet advertising formats
  - Search engine marketing, display ads, rich media, e-mail, and so on

Web Site Personalization

How an Advertising Network Works
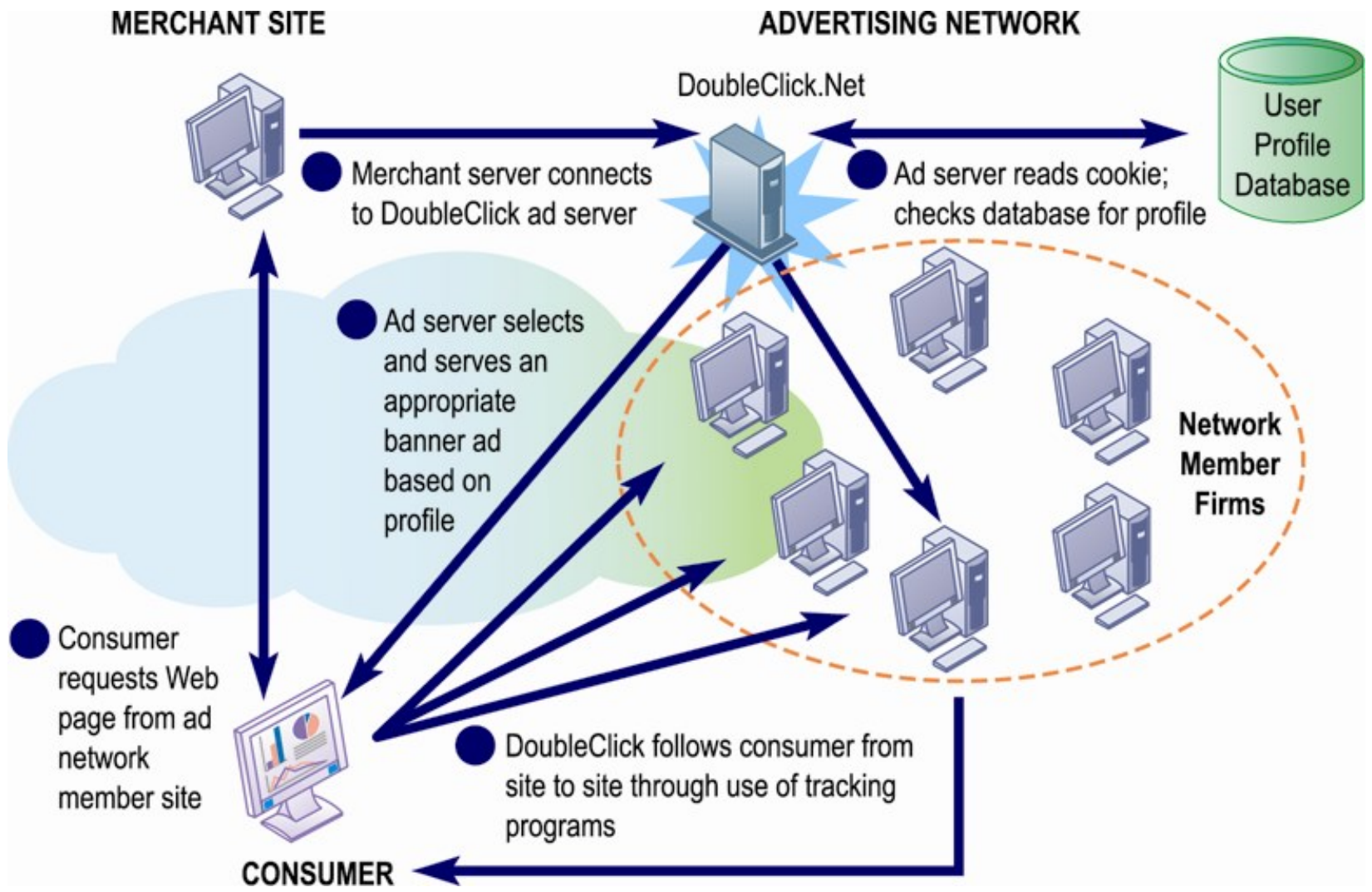
Social E-commerce

- Social e-commerce:
  - Based on digital social graph
    - Mapping of all significant online relationships
- Four features of social e-commerce driving its growth
  - Social sign-on
  - Collaborative shopping
  - Network notification
  - Social search (recommendations)

Social Media Marketing

- Social media:
  - Fastest growing media for branding and marketing
- Social network marketing:
  - Seeks to leverage individuals influence over others in social graph
  - Target is a social network of people sharing interests and advice
  - Facebook's "Like button"
  - Social networks have huge audiences
  - Facebook: 150 million U.S. visitors monthly

B2B E-commerce

- U.S. B2B trade in 2012 is $16 trillion

- U.S. B2B e-commerce in 2012 is $4.1 trillion

- Procurement requires significant overhead costs, which Internet and networking helps automate

- Variety of Internet-enabled technologies used in B2B
  - Electronic data interchange (EDI)
  - Private industrial networks (private exchanges)
  - Net marketplaces
  - Exchanges

Electronic Data Interchange (EDI)

Supplier Systems ←→ Firm Systems

Shipping data

Payment data

Production/inventory requirements

Continuous replenishment

A Private Industrial Network

Suppliers

Distributors
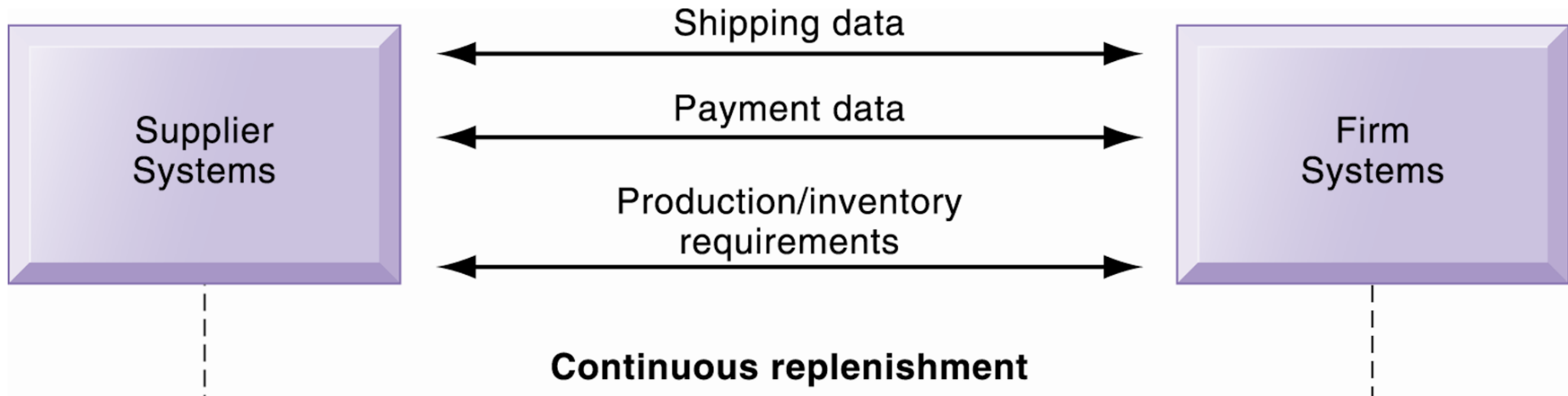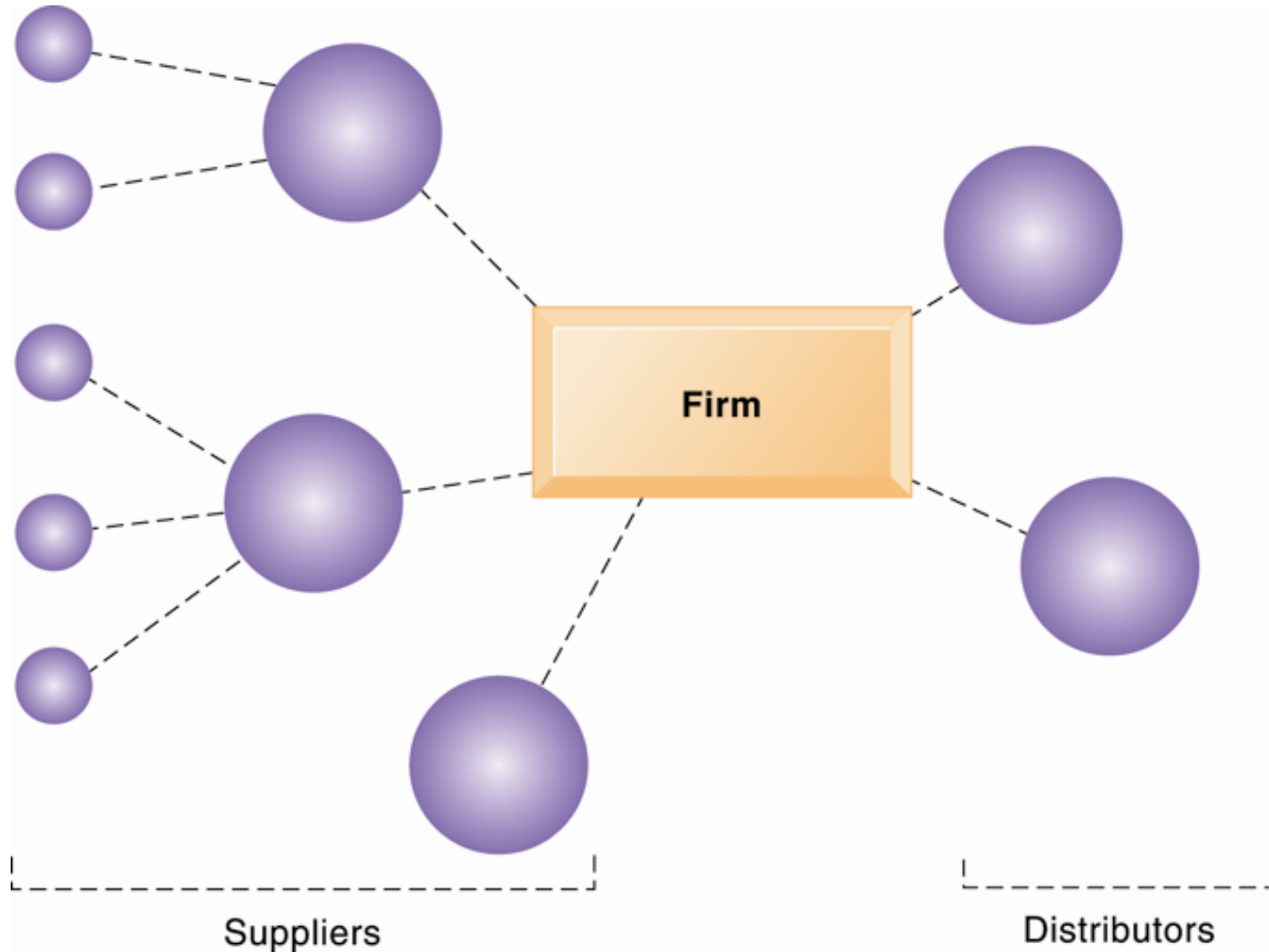
Net Marketplaces (e-hubs)

- Single market for many buyers and sellers

- Industry-owned or owned by independent intermediary

- Generate revenue from transaction fees, other services

- Use prices established through negotiation, auction, RFQs, or fixed prices

- May focus on direct or indirect goods

- May be vertical or horizontal marketplaces

A Net Marketplace
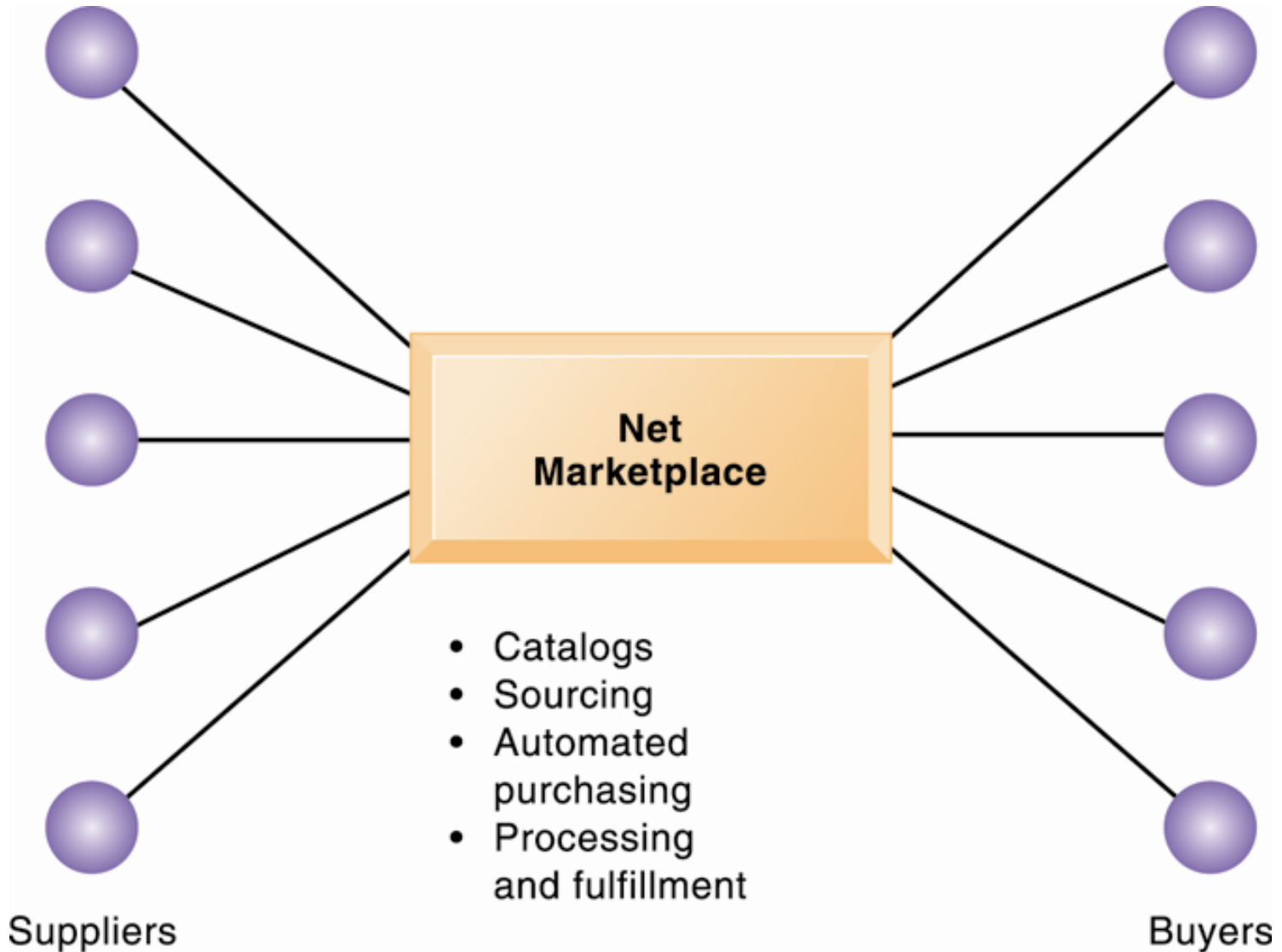
Exchanges

- Independently owned third-party Net marketplaces

- Connect thousands of suppliers and buyers for spot purchasing

- Typically provide vertical markets for direct goods for single industry (food, electronics)

- Proliferated during early years of e-commerce; many have failed

  – Competitive bidding drove prices down and did not offer long-term relationships with buyers or services to make lowering prices worthwhile.

The Mobile Digital Platform and Mobile E-commerce

Source: Kenneth C. Laudon & Jane P. Laudon (2014), Management Information Systems: Managing the Digital Firm, Thirteenth Edition, Pearson.

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M-commerce

- In 2012 is 10% of all e-commerce
- Fastest growing form of e-commerce
  - Some areas growing at 50%
- Four billion mobile phone users worldwide
- Main areas of growth
  - Retail sales at top Mobile 400 (Amazon, eBay, etc.)
  - Sales of digital content (music, TV, etc.)
  - Local search for restaurants, museums, stores

Consolidated Mobile Commerce Revenues
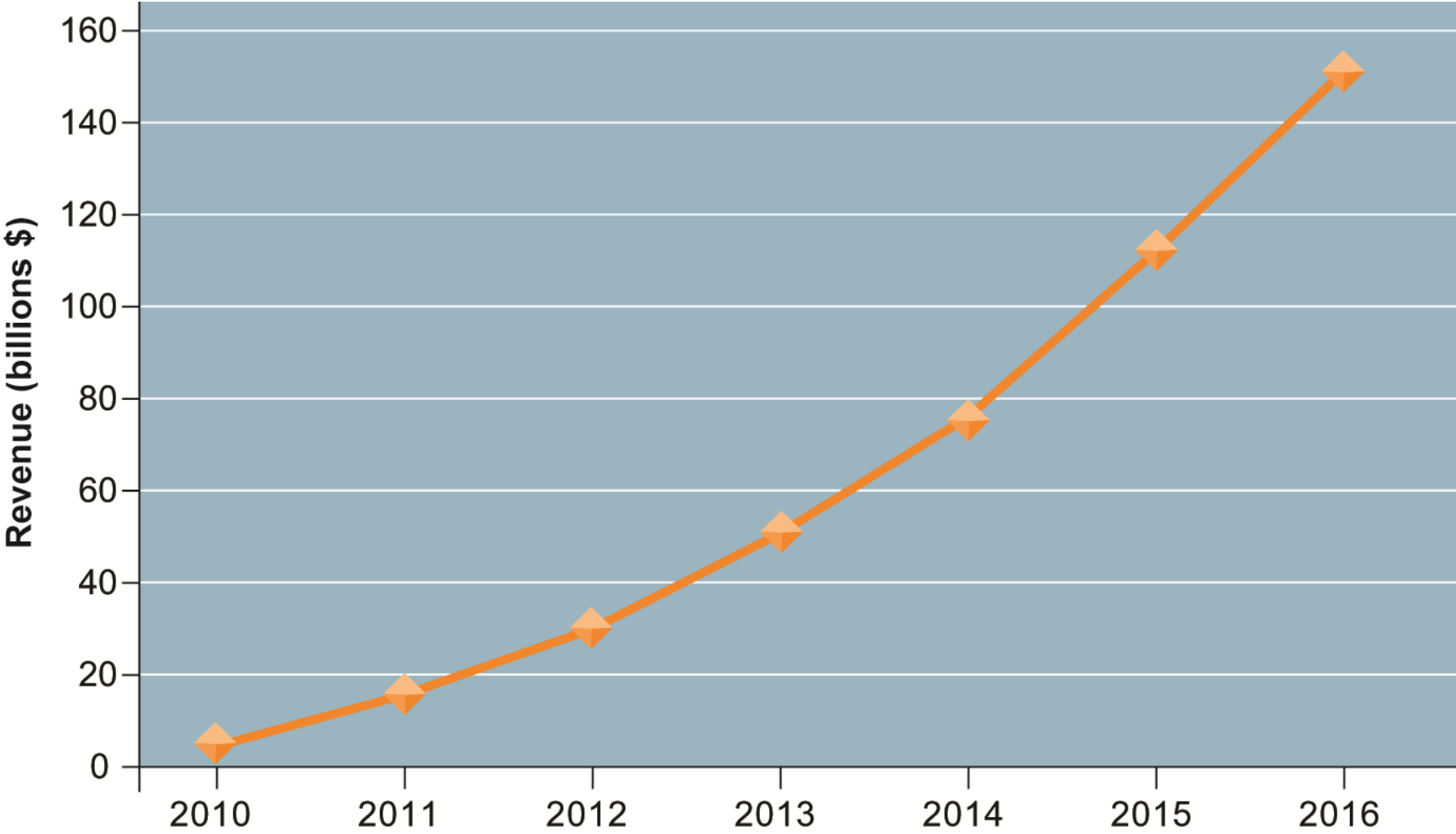
Source: Kenneth C. Laudon & Jane P. Laudon (2014), Management Information Systems: Managing the Digital Firm, Thirteenth Edition, Pearson.

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Location-based services

- Used by 74% of smartphone owners
- Based on GPS map services
- Types
  - Geosocial services
    - Where friends are
  - Geoadvertising
    - What shops are nearby
  - Geoinformation services
    - Price of house you are passing

Other Mobile Commerce Services

- Banks, credit card companies provide account management apps

- Mobile display advertising
  - iAd, AdMob, Facebook

- Games and entertainment
  - Downloadable and streamable services
  - Games
  - Video, short films, movies, TV shows
  - Music and ring tones

Building an E-commerce Web Site

- Pieces of the site-building puzzle

- Assembling a team with the skills required to make decisions about:

  – Technology

  – Site design

  – Social and information policies

  – Hardware, software, and telecommunications infrastructure

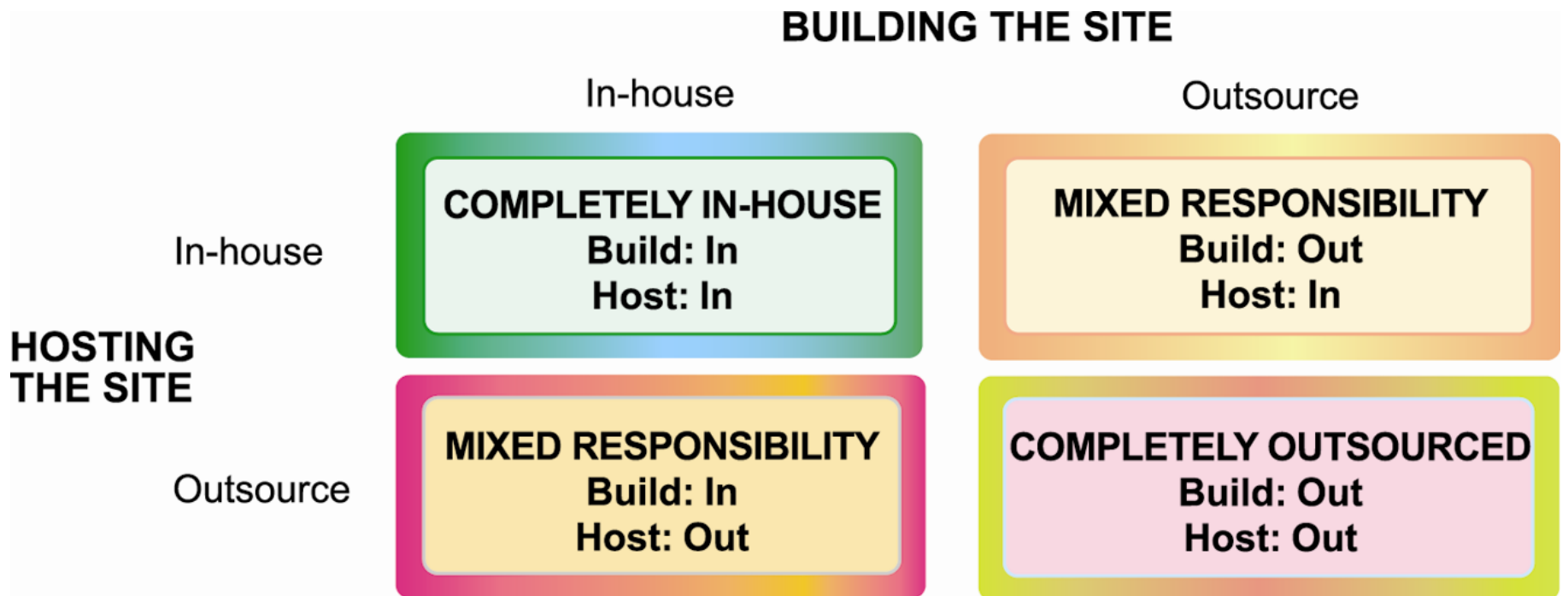- Customer's demands should drive the site's technology and design.

Building an E-commerce Web Site

- Business objectives
  - The capabilities the site should have
    - Business decisions should drive technology
  - Example: execute a transaction payment
- System functionality
  - Technology needed to achieve objective
  - Example: a shopping cart or other payment system
- Information requirement
  - Specific data and processes needed
  - Example: secure credit card clearing, multiple payment options
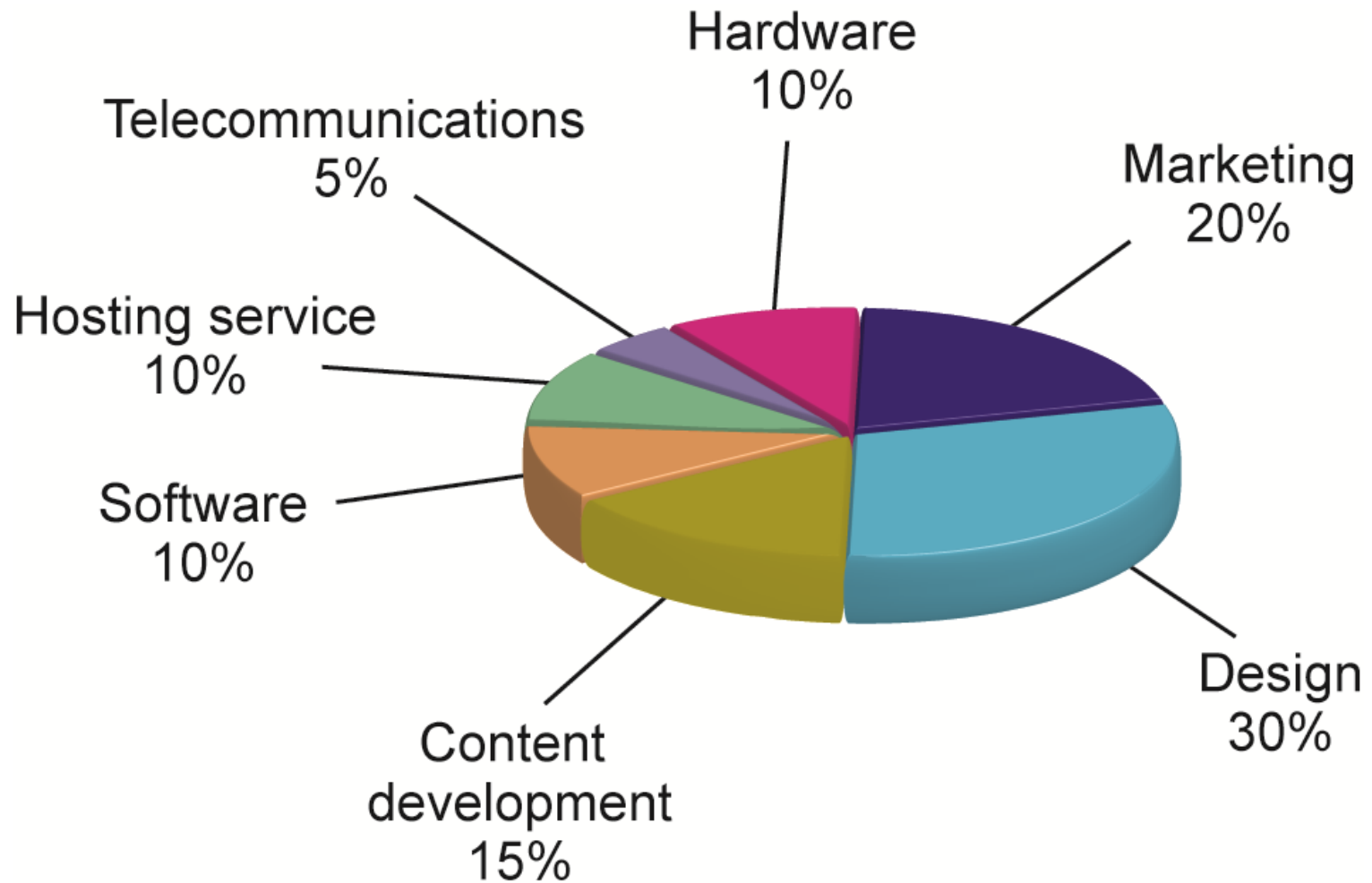
Building an E-commerce Web Site

- Alternatives in building the Web site:
  - Completely in-house
  - Mixed responsibility
  - Completely outsourced
    - Co-location
- Web site budgets
  - Several thousand to millions per year
  - 50% of budget is system maintenance and content creation

Choices in Building and Hosting Web Sites

BUILDING THE SITE

	In-house	Outsource
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

HOSTING THE SITE

Components of a Web Site Budget

Hardware 10%

Telecommunications 5%

Marketing 20%

Hosting service 10%

Software 10%

Design 30%

Content development 15%

Case Study:
Enhancing Decision Making: Zynga (Chap. 12) (pp. 512-514)
Zynga Wins with Business Intelligence

1. It has been said that Zynga is "an analytics company masquerading as a games company." Discuss the implications of this statement.

2. What role does business intelligence play in Zynga's business model?

3. Give examples of three kinds of decisions supported by business intelligence at Zynga.

4. How much of a competitive advantage does business intelligence provide for Zynga? Explain.

5. What problems can business intelligence solve for Zynga? What problems can't it solve?

資訊管理專題
(Hot Issues of Information Management)

1. 請同學於資訊管理專題個案討論前
   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
   先繳交資訊管理專題個案研究問題書面報告。

4. 上課時間地點：
   週四 7,8 (14:10-16:00) B709

References

- Kenneth C. Laudon & Jane P. Laudon (2014), Management Information Systems: Managing the Digital Firm, Thirteenth Edition, Pearson.

- Kenneth C. Laudon & Jane P. Laudon原著，游張松 主編，陳文生 翻譯 (2014)，資訊管理系統，第13版，滄海