

The Electronic Commerce Guide

by

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Abstract

Setting up an EC business is not easy. There are many ideas on how to do it. As with many ideas, there are also many resources dedicated to it. The Electronic Commerce Guide is one of many EC resources on the Web today. This research paper takes an in-depth look at this web site. First, a look at the company who publishes the information is detailed. Next, the services offered are described. Lastly, a comparison to traditional resources is analyzed.

The Electronic Commerce Guide

Electronic commerce, EC, business to business, business to consumer, eCommerce, eBusiness, are just a few of the technological terms used to describe this new concept. "A once obscure concept found only in science fiction, 'cyberspace' has become one of the most exciting trends in business" (Kalakota & Whinston, 1997). Out of the Internet phenomena comes the world of electronic commerce. EC has many definitions. Unfortunately, many definitions tend to lead to differing opinions and ideas about EC.

This myriad of EC techno mumbo jumbo can be quite confusing. For a person looking for a guide or "how to" book is not easy. There are numerous books, web sites, and educational classes, each with their own EC ideology. However, there might be a light at the end of this puzzlement tunnel. I believe The Electronic Commerce Guide, <http://e-comm.internet.com>, is the answer. This site is the ultimate "one-stop shop" for the "how to" guide to the EC world. This research paper takes an in-depth look at this web site. First, a look at the company who publishes the information is detailed. Next, the services offered are described. Lastly, a comparison to traditional resources is analyzed.

Who is Behind the Scene?

The Electronic Commerce Guide is published by internet.com LLC. Internet.com LLC is located in Westport, Connecticut. Mecklermedia Corporation was the original owner. In November 1998, it was acquired by Penton Media, Inc. Penton Media is a diversified business media company specializing in major markets such as electronics, information technology, design/engineering, manufacturing, and aviation.

Internet.com LLC is an Internet Technology Network featuring 53 web sites, 32 listservs, 54 online discussion forums, and 43 email discussion lists. Information consists of real-time news and resources for the Internet industry such as business, e-commerce, finance, International, Internet, and ISP. In addition, they contribute to leading outside resources such as Reuters and ISDEX (internet.com LLC, 1999).

Services Offered

Speed, connectivity, and intangibles are blurring the rules and redefining businesses. The intangible portion has grown significantly. One form of this is intellectual capital. It is believed by some of the leading apologists (i.e. Tom Stewart and Tom Davenport) that the role of knowledge plays a very important part in businesses. The basic notion is the competitiveness of a firm is more than anything a function of what it knows, how it uses what it knows, and how fast it can know something new (Davis & Meyer, 1998).

In this "blurred" economy, information is of utmost importance. It is imperative that a person looking to enter the EC environment has a quality knowledge foundation. The

Electronic Commerce Guide provides this valuable foundation. The Electronic Commerce Guide provides EC information in five main sections. They are what's new, product reviews, opinions & trends, resources, and miscellaneous services. Each section is described in detail with examples.

What's New

When a person first looks at The Electronic Commerce Guide web site, the "what's new" section occupies most of the page. This section gives an overview of the newest EC technologies, which are highlighted in red capital letters that spell "new". For example, on Saturday, May 8, 1999, the new items are as follows: CyberCash Cash Register 3, Payment Solutions, In Search of the next Amazon.com, E-commerce Security Threats are Legion, and Getting a Merchant Account. Each of these items is categorized according to their section. For instance, Getting a Merchant Account is categorized under the "library" section.

CyberCash Cash Register 3 is categorized under the "review" section. Clicking on the title, CyberCash Cash Register 3, brings up a two-page synopsis of this new technology. It is even rated, which in this case was given five stars. Cash Register 3 is a payment solution to manage transactions (i.e. payment verification and authorization capabilities). "CashRegister offloads real-time credit-card transactions to the CyberCash payment servers, which means that you can run an e-commerce service on a relatively modest server and then send the payment transactions to the more powerful CyberCash servers." This web site even highlights how CyberCash can easily be setup on a web server, and is evaluated with pros and cons (Reichard, 1999).

Payment Solutions, categorized under the "link vault" section, lists many payment solution vendors, in alphabetical order. For example, the Internet Billing Company is one vendor. They provide a complete turnkey billing solution for web sites, products, and services. Clicking on their title transfers a person to their homepage. This is an excellent centralized index of all the payment solution vendors.

The last example is E-commerce Security Threats are Legion, categorized under the "library" section. Clicking on this title transfers a person to the Library. It does not take the person directly to the article. A person needs to scroll down the web site until he/she sees the red "new" letters and the title of the article. Then clicking on the title from this location will take the person directly to the article. The basis of the article is how vulnerable EC web sites can be with security placed into the wrong hands and the faults associated with the latest shopping cart technologies.

Product Reviews

In this section, products are reviewed such as storefront tools, portals, auction software, and payment solutions. There is even a download section. This is where a person can get the software, a general product description, a list of the platforms it runs on, and a rating.

For example, the "product reviews" web site shows a new storefront technology called Micro SiteServer 3.0 Commerce Edition. Below this title, a drop box containing other storefront software titles is listed. In this drop box, click on Complete Merchant. This brings up a two-page synopsis. It details the three different packages that are offered: economy, standard, and platinum. "Complete Merchant, as a storefront builder, is a unique product that fills a middle ground between a hosted online storefront (e.g. Yahoo!Stores) and a more elaborate e-commerce solution done in-house. Because it is a complete online solution, Complete Merchant manages the day-to-day operations of your site, including setup by Complete Merchant personnel" (Reichard, 1999). Again, the pros and cons are listed along with a rating.

In about the middle of the web site page, portal/community sites are reviewed. Jumbomall.com is highlighted. Clicking on the title brings up a one-page synopsis. Jumbomall adds the EC capabilities to an existing web site or offers way to set up an inexpensive EC site. There are various levels of service offered with Jumbomall Retail offering the highest. This is where Jumbomall handles all the transactions, promotions, and authorization of payments. However, it does not warehouse or ship products, if that is the EC business.

At the bottom of the web page is auction software review. Clicking on the OpenSite Auction 4.0 title brings up a brief introduction. "Designed for *any* web site that wants to implement auction capabilities, OpenSite Auction is an exceptional tool, and one to keep an eye on, especially in the up and coming business-to-business auction arena" (Reichard, 1999). The setup, newest features, security, and overall reviews are detailed in this area also.

Opinions & Trends

In this section, there is a mix-n-match of miscellaneous articles from various publications such as CyberAtlas, InternetNews, InternetWorld, etc. In addition, at the bottom of this web page is a Q & A with leading entrepreneurs' area. The latest articles are highlighted with the word "new" in red.

One of the latest articles is Wanted: Human Interaction. Clicking on the title transfers a person to the article on the publication's web site. In a recent survey conducted by NFO Interactive, approximately 35 percent of the online shoppers would like to speak to a customer service representative at the time of the purchase. These online shoppers claim they would buy more if there were sales people to interact with, just as long as it was not with car salesmen. This is definitely a new twist to the EC business model (Wanted: Human Interaction, 1999).

Another article in this section is Online Purchases from Home Top 56 Million. A study conducted by Odyssey L.P. found 47 percent of online households has purchased something in the last six months. The study also found in the last six months, the total

number of online purchases has exceeded 56 million. Odyssey L.P. is an independent market research firm (Online Purchases..., 1999).

Here is another interesting article, Study: AOL is Leading Driver of E-Commerce. Bizrate.com is a distinguished EC researcher. They found AOL is the leading portal in terms of online purchases. In one month, 7.9 percent of the online shoppers cited AOL as the company who referred them to the site from which they made their purchase. The most surprising aspect of the study is television advertising is more likely to generate a first online purchase than any other media. This means that offline advertising is still a major advent in the EC business world (Cox, 1999).

Lastly, in the Q & A leading entrepreneur area, there are two new EC businesses listed. This area is dedicated to special interviews with the CEO of these new businesses. Clicking on the title BigStar's Gutsy Big Step, a lengthy interview is detailed.

BigStar.com sells videos and DVDs. Research indicates that purchasing videos is a \$8 billion industry. "Before brick and mortar video retailers begin leaping head first into the online video retailer market, David Friedensohn and his new New York-based video retail startup BigStar.com are trying to beat these offline competitors to the punch." Personally, I liked David Friedensohn advice as it related to starting an EC business. "The one piece of advice I would give to any new Web entrepreneur is to stay away from "the get rich quick" attitude that pervades this business. Build your business with a firm economic model that leads to profits and prepare for a marathon not a sprint" (Ragas, 1999).

Resources

In the resource section, there are five areas. They are downloads, library, link vault, solutions, and webopedia. Each area servers a particular function.

Downloads.

The download area is a new addition to The Electronic Commerce Guide. Currently, there is access to all the storefront building software. This area allows a person to compare software based on ratings, platforms, prices, etc.

For example, in looking at the list, two main areas can be clicked. The download and product/version transports a person to more web pages. Clicking on "Get It" transfers a person to a table format that lists the company who offers it, where it can be downloaded and purchased, the price, and a summary of the product. Clicking on the "product/version name" takes a person to a brief synopsis of the product.

Library.

The library includes articles, journals, and white papers as it relates to EC topics. This area is broken down into six subsections. They are e-tail, storefront building, security, advertising & marketing, e-money, and e-payment systems.

In the e-tail area, there is an interesting article titled E-commerce: Don't Believe the Hype. Clicking on the title transfers a person to the article on the publication's site. In this case, it is Salon Magazine. The main point of the article is how more online shoppers are becoming dissatisfied with the EC experience. "As Internet shopping becomes an accepted part of the consumer canon, the people doing it become more mainstream and less technologically savvy. As such, they're less forgiving of technological glitches and more expectant of a familiar shopping experience"(Chaplin, 1999).

Another example of the types of information in the library is under e-money. There is an engaging article about Express Lane for E-shoppers. Idealab released its new eWallet software. They claim it will be just as easy as taking out the credit cards. The eWallet is installed on the desktop, which includes the person's name, credit card number, and shipping address. When this person is on a web site and finds something to buy, he/she clicks on eWallet and drags it over the item. Ewallet will automatically go through the checkout line. There is no need for the shopping cart or manually filling in those blank fields (Oakes, 1998).

Link Vault.

The link vault is different from the library. It encompasses more information from a variety of sources. Besides the news and magazines, it includes professional services, newsgroups, consortia, and everything else as it relates to EC on the web.

In the consortia area, there is seven organizations listed. For example, National Industrial Information Infrastructure Protocols (NIIP) Consortium specializes in the development of open software standards. This organization works with the United States government. Clicking on their title transfers a person directly to the organization's web site.

In addition, this area includes an educational center called E-commerce Education. There are online courses, university courses, and even university research projects. There is everything from the introduction of EC to setting up an EC business. This is an excellent area for a "how to" guide to an EC business.

Another area in this link vault is the newsgroups/discussion list. For example, the ECTalk discussion list allows a person to pose a question, interact with EC professionals, post tips and tricks, etc. It is a great way to stay on top of the latest happenings in the EC field.

Lastly, there is a policy and law/regulation area. There are eight sites and organizations listed. The Information Law Web is a site dedicated to helping a person understand his/her rights in this emerging online world.

Solutions.

This area is dedicated to EC questions and answers. If a person poses a question, The Electronic Commerce Guide will find the answer. Solutions list items as it relates to the EC business, whether it is site improvement or storefront building or payment systems.

For example, The High Price of Selling Digital Content is based on someone asking a question who's goal is setting up a financial EC site and would like to sell financial reports. There is a lengthy answer as it relates to small payment systems when selling digital information. The answer goes through the pitfalls of small payment systems and details how some of the "big boys" are doing it.

Webopedia.

This is the dictionary. It includes the most up-to-date acronyms, definitions, and terms in EC. This area also lists the top 10 EC terms. A person can search easily for any term by typing the word and clicking the "Find" button. For example, the definition of electronic commerce is the following: "Conducting business on-line. This includes, for example, buying and selling products with digital cash and via Electronic Data Interchange (EDI)" (Electronic commerce, 1999). If a person moves his/her mouse over the definition, certain words can be clicked on for further definition. In this case, on-line, digital cash, and electronic data interchange could be clicked on for further clarification. In addition, when a person searches a term, a list of related terms is generated. Also, there is a "more information" area too.

Miscellaneous Services

A few miscellaneous services outline the sides of the web site. These include the discussion forum, e-commerce news, and the newsletter. In the discussion forum, there are numerous discussion links. For example, one is labeled ISP Solutions. An individual would like to know what web-based signup and credit card processing software ISP owners are using. However, the replies to this question have gone unanswered. Replies are based on someone doing research on ISPs since 1994/1995.

The e-commerce news has many articles as it relates to the EC world. This area is updated daily. In addition, a person can search archived EC news.

Lastly, the newsletter is emailed bi-monthly. All a person needs is an email address to signup. The newsletter provides news, product reviews, expert opinions, and resources as it relates to the EC field.

Comparison

When setting up a business, one could go about it in many traditional ways. For instance, one method would be to go ask the business owner how they did it. This does not require library research or help from business organizations. It just requires a good rapport with people and a lot of courage.

Another method is getting involved with business organizations such as the Small Business Administration or Chambers of Commerce. These organizations help a person

start a business. In some instances, as with the Small Business Administration, they will provide a person with a startup kit.

Another traditional method is franchise. In this case, everything is already done as far as how to startup the business. A person invests so much money, and then he/she receives a complete kit on how to setup the business.

Lastly, a person could outsource the whole business. The goal would be to find a company or individual who wants to put forth the effort in building a business. All the setup and worries are performed by someone else.

These four traditional methods seem a little outdated now that the economy is connected. The Internet and especially the World Wide Web has opened the door for endless possibilities of owning a business. Being connected and online far outweigh these traditional methods of setting up shop. Listed below are some of the advantages of using an online resource such as The Electronic Commerce Guide versus the traditional methods:

- Information is centralized.
- Information is up-to-date.
- Ease of interaction with others.
- Ease of searching additional information.
- Ease of navigating through the information.
- Presentation of information is aesthetically pleasing.
- Greater interaction.
- Larger people resource pool.
- Interviews with CEOs.
- Continuous feed of information (i.e. newsletter).

Overall, the traditional methods require a person to dedicate more time to researching, talking with professionals and pulling all the information together. As stated before, knowledge is key in building any business. It is the foundation. Being online and connected helps to streamline this process.

Conclusion

The Electronic Commerce Guide is an excellent resource for anyone who wants to setup an EC business. The web site provides an excellent service of centralizing all the EC information in a format that is easy to navigate and search through. I personally like the fact that they have links to other organizations (i.e. consortiums) that automatically transfer you to the organization's web site. In addition, all the news feeds are automatically fed into one centralized area, which makes it nice to find the information. It does not require me to go from publication web site to publication web site.

In addition, I also like how they will answer any question you may have and post in the resource section under solutions. Their product synopses are also very informative and interesting. The "what's new" section gives a quick glance at what is happening in the EC world. Overall, I felt this is an excellent EC resource web site.

For an individual looking for a "how to" guide to the EC business arena, this is one resource I would recommend. As stated before, the blurred economy consists of speed, connectivity, and intangibles. The intangible value of knowledge (i.e. information) cannot be overstated. Information will play an essential role in your EC endeavor.

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