

My Perspective
as it Relates to June Cluster 1999 DISS 790

by

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Abstract

This paper briefly details the lessons learned in the DISS 790 Electronic Commerce June 1999 Cluster. It summarizes my viewpoints of this cluster as it relates to my background and experience.

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Day One

The first half of the class was spent on random topics. One of these topics was geographic location as it relates to EC. It is becoming more prominent for local businesses to be online. However, for some companies, such as a brick company, what would be the purpose?

The class had quite a bit of discussion as to "why" it would be advantageous to have one. The reasons are as follows:

- Tax write-off for Internet connection

- It is better than "hitting the lottery" - a company may get lucky and expand its business or merge with a larger company

- To sell the company

- To reduce the amount of telephone calls - put information on a web site that is constantly repeated

There were many other reasons, but I found "hitting the lottery" interesting. It is true that you have a much better chance of being seen and being able to expand the business. What I found also intriguing, is how this has related to my research project - Advertising on the Internet.

One of the issues local business' are having when advertising on the WWW is it "is not easy to act locally." For example, a Presbyterian Church in New York City wanted to expand its parish, so they thought the WWW would help. However, the traffic generated more of a national and international interest. Rev. Gregory Kootsona stated they could not support that kind of interest (Ward, 1999). Therefore, creating a presence may not always be the right alternative such as in this case.

In addition, the class enjoyed an open discussion with Karen Fortner, PR for Levenger. She gave a brief history of how the company started on the kitchen table of Steve and Lori Leveen. Levenger is mainly a mail-order business with a store located in Florida. Currently, their target market consists of professionals with two computers and of course, Internet access. Steve pushed the company into having a web presence.

The web site is still evolving. Today, all orders such as credit card payments are done manually. They are looking at linking their ordering system with their web site. This immediately made me think of my Drugstore.com paper, where a little company in Ohio installed Drugstore.com's automatic warehouse system and linked it to their web site. I feel that Levenger is definitely moving in the right direction.

She also briefly talked about advertising. The catalog has been predominately the business model. However, in order to promote the web site, they have used banners and had a link on Barnes and Noble (just for the Ebook). They are looking at

sponsorships/affiliate programs which is now the latest "fad" in online advertising. Overall, I found her open discussion quite enlightening.

Day Two

The Harvard Business Review "Making Business Sense of the Internet" was interesting. We were split up into six groups. Each group interpreted the case study differently. My group came up with the following statement "Do manufacturers need a web presence or does it hurt the distributorships by creating competition within the organization as well as outside."

The basis of this statement was determined by a recent DaimlerChrysler experience. A dealership in Indiana had created a web presence. The web presence was a "big" hit because customers started inquiring and buying vehicles from them. However, other dealerships were very unhappy because it was doing business out of its territory. Consequently, these other dealerships protested to the head of DaimlerChrysler and wanted this dealership's web site eliminated. Through the rumor mill, the Indiana dealership did not have to eliminate their web site. Nevertheless, this situation was an excellent example of pirating the value chain.

Another topic of interest was marketing. One thing that really surprised me was that bad press could be good for business. I had to think about this because I would not buy a product/service if it had poor press. However, it is true the product and/or company can increase business because of bad press. As the example showed in class, consumers may find other uses for the product.

Day Three

Two main issues were discussed the last day of class. They were payment systems and consumer privacy. Many examples of the new electronic cash were given such as digicash, mondex, and many others. I find it surprising that one system has not really taken the lead with micro-payments. It would seem that since the Internet has continued to grow, this would have evolved much quicker than it has. However, it could be that even those developers like getting some things free. It is my opinion that many consumers feel that information should be free and this is why the Internet has grown as quickly as it has.

Lastly, consumer privacy was discussed. Some felt that their privacy could be protected. They will shred every piece of paper that details personal information, will not sign those credit card boxes that take your digital signature, and will even encrypt all their information. However, I feel that my privacy cannot be protected. Yes, there is the risk management side, but I will never be able to conceal myself. There are just too many hard disks that know who I am and where I can be reached.

Overall, this was another great cluster. I enjoyed listening to everyone and their experiences. I particularly liked the business cases where we got into groups. I have thoroughly enjoyed the class. I will be seeing you next cluster!

Reference List

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