

Instructor's Manual: Chapter 1
INTRODUCTION TO E-COMMERCE

Learning Objectives

After reading this chapter, your students should be able to:

- Understand why it is important to study e-commerce.
- Define e-commerce, understand how e-commerce differs from e-business, identify the primary technological building blocks underlying e-commerce, and recognize major current themes in e-commerce.
- Identify and describe the unique features of e-commerce technology and discuss their business significance.
- Describe the major types of e-commerce.
- Understand the evolution of e-commerce from its early years to today.
- Describe the major themes underlying the study of e-commerce.
- Identify the major academic disciplines contributing to e-commerce.

Key Terms

business-to-business (B2B) e-commerce
business-to-consumer (B2C) e-commerce
consumer-to-consumer (C2C) e-commerce
customization
disintermediation
e-business
e-commerce
first mover
friction-free commerce
information asymmetry
information density
interactivity
Internet
local e-commerce
marketplace
marketspace
mobile e-commerce (m-commerce)
mobile platform
network effect
personalization
reach
richness
social e-commerce
ubiquity
universal standards
Web 2.0
World Wide Web (the Web)

Brief Chapter Outline

Opening Case: Everything on Demand: The “Uberization” of E-commerce

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 - The Difference between E-commerce and E-business
 - Technological Building Blocks Underlying E-commerce: The Internet, Web, and Mobile Platform
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 - Major Trends in E-commerce
- 1.3 Unique Features of E-commerce Technology
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 - Global Reach
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- 1.5 E-commerce: A Brief History
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 - E-commerce 2001–2006: Consolidation
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 - Insight on Business: Rocket Internet*
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- 1.6 Understanding E-commerce: Organizing Themes
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Teaching Suggestions

One of the biggest challenges that instructors face in teaching a course on e-commerce is helping students make sense of a very complex phenomenon that involves considerations of markets, firms, consumer behavior, and technology, among others. E-commerce is continually evolving and has become a thriving marketplace not only for products but also for services and content, such as social networks, user-generated content (video, photos, and blogs), and, of course, entertainment such as movies, TV, video, music, and games. E-commerce is as much a sociological phenomenon as it is a business and technological phenomenon. In addition to the social aspect of e-commerce, two major themes in the text are the full emergence of the mobile platform and the increasing emphasis on local e-commerce. We weave social, mobile, and local topics throughout the text into all chapters, because they are increasingly impacting all aspects of e-commerce.

The opening case, *Everything on Demand: The Uberization of E-commerce*, captures some of these changes in the foundations of e-commerce. Uber is at the forefront of a

new on-demand services business model that is increasingly being used in many different arenas, from transportation, to lodging, to personal services. The case illustrates many of the trends that will be impacting e-commerce over the next few years, including the use of smartphones and tablets for purchasing goods and services, the growth of contract employment, and the disruption of traditional business models. You can also use the case as an introduction to some of the social, legal, and ethical issues facing e-commerce companies, such as the question of whether people who work for a technology platform like Uber are really employees; whether local governments should regulate on-demand service providers to ensure public safety; and the implications of the on-demand business model spreading throughout the economy and labor force. As you discuss the case with your students, you could also pose the following questions to them:

- Have you used Uber or any other on-demand service companies?
- What is the appeal of these companies for users and providers?
- Are there any negative consequences to the use of on-demand services like Uber and Airbnb?

Key Points

We begin the book by addressing an important student concern in Section 1.1: why they should study e-commerce. E-commerce is the fastest growing retail, service, and entertainment channel. Although e-commerce revenues were relatively flat in 2008–2009 during the recession, growth resumed in 2010, and has continued at double-digit rates since then, outpacing traditional retail by a factor of two or three. There are thousands of job opportunities in e-commerce as traditional firms move onto the Web. You should let students know that the e-commerce revolution is still in the beginning phase. They may have missed the very early tumultuous years, but there are many powerful, commercial, and technological forces that will push e-commerce along in the next decades. To emphasize this, you can highlight the bullet points noted in Table 1.1.

Much of the first chapter is aimed at getting some basic definitions straight. The e-commerce field is filled with language that some students might find confusing. In Section 1.2, we distinguish between e-commerce and e-business to set the focus clearly on commercial transactions over the Internet. We also briefly introduce the Internet, the Web, and the mobile platform as the technological building blocks of e-commerce. Figure 1.3 highlights the growing use of mobile devices to access the Internet, with over 90% of Americans using a mobile device to do so at least some of the time.

The *Insight on Technology* case, *Will Apps Make the Web Irrelevant?* looks at the rise in importance of apps as compared to the Web in the e-commerce landscape. Class discussion questions for this case might include:

- What are the advantages and disadvantages of apps, compared with websites, for mobile users?
- What are the benefits of apps for content owners and creators?
- Will apps eventually make the Web irrelevant? Why or why not?

In Section 1.3, we examine the unique features of e-commerce technology. We use a variation of Table 1.2 throughout the text in various contexts, so it's a good idea to

familiarize students with it. Ask students if they think some dimension is missing from the table, or to compare these features with, say, television.

It's also important for students to understand the differences between the various types of e-commerce, such as B2C and B2B. A short preview of this topic is covered in Section 1.4. Figure 1.9 graphically illustrates the relative size of different types of e-commerce, to help drive home the point that although B2C, and social-mobile-local e-commerce may be the types students are most familiar with, or hear about the most, they are all dwarfed by B2B.

An important distinction in Chapter 1 is the contrast between the early years of e-commerce and e-commerce today. We discuss e-commerce in the context of three stages: an early period of invention, a period of consolidation, and then today's e-commerce, which we refer to as a period of "reinvention." Figure 1.10 places these periods along a timeline, while Table 1.4 describes the key dimensions of each of these periods.

The discussion of the early years of e-commerce and its initial promise in Section 1.5 allows you to introduce some key terms such as *disintermediation*, *friction-free commerce*, *first movers* versus *fast followers*, and *network effects*. These terms appear again and again in later chapters.

The case *Insight on Business: Rocket Internet* provides an interesting look at Rocket Internet, a start-up incubator headquartered in Berlin, Germany. Students might be inspired by some of the companies that have participated in Rocket Internet's boot camp and are significant successes, such as Jabong and Zalando. Class discussion questions for this case might include the following:

- What are the benefits of investing in a company that Rocket Internet has launched?
- Is an incubator the best solution for start-ups to find funding? Why or why not?
- Why is Rocket Internet controversial?

Section 1.6 lays out the organizing themes that we use to understand e-commerce throughout the book: technology, business, and society. The *Insight on Society* case, *Facebook and the Age of Privacy*, in this section touches on each of these themes (the technology of social networks, Facebook's business model), but focuses primarily on some of the societal themes that recur throughout the book. Do consumers in a public marketplace have a legitimate expectation of privacy? Is there anything consumers can do to protect their privacy? Can the Web be designed to better protect privacy? You might point out to students that government and business surveillance of their online behavior is now commonplace. Although some students might say, "So what," you might take this opportunity to ask students if there is any personal information that they would not like anyone to know. If this fails, ask them to close their eyes and think about something they have done that they would not want their parents to know about. Just about everyone has at least one of these memories. Other class discussion questions might include the following:

- Why are social networks interested in collecting user information?

- What types of privacy invasion are described in the case? Which is the most privacy-invading, and why?
- Is e-commerce any different than traditional markets with respect to privacy? Don't merchants always want to know their customers?
- How do you protect your privacy on the Web?

Section 1.7 briefly reviews the various academic disciplines concerned with e-commerce, so that students get a sense of the multidisciplinary nature of the topic.

Section 1.8 is a new section focused on careers in e-commerce. We conclude each chapter of the book with a section that examines a job posting by an Internet/e-commerce company for an entry-level position, giving a brief overview of the company, some details about the position, a list of the qualifications and skills that are typically required, some tips for students about how to prepare for an interview, as well as some possible interview questions and answers. We've designed this section to help your students understand how the concepts they've learned in the chapter can help them find and get a job, as well as provide a good opportunity for a class discussion about possible careers.

The closing case study, *Puma Goes Omni*, captures some of the changes in the foundations of e-commerce. The case illustrates many of the trends that will be impacting e-commerce over the new few years. These trends include the growing use of social media to sell goods (social e-commerce) as well as the growing importance of the mobile platform, leading to what has come to be known as omni-channel retailing. The case also touches on the issues involved with retailing on a global basis, and the importance of localization and geo-targeting marketing efforts. As you discuss the case with your students, you could also pose the following questions to them:

- How effective do you think Puma's website is as a retail e-commerce site?
- How does Puma use social media to support its business? How does what it does on its Facebook page differ from what it does on its Twitter page and YouTube channel, and vice versa?
- Visit other Puma websites optimized for various countries (by opening the Regions link at the bottom of the home page). How do the various sites differ from one another?

Case Study Questions

1. *What is the purpose of Puma's content management system?*

The purpose of Puma's content management system (CMS) is to ensure consistent branding and navigation are maintained across sub-sites and pages. It allows Puma to roll out local, regional, or global campaigns with ease. The CMS is also integrated with Storefinder, Puma's product inventory manager, and a language translation tool.

2. *Why did Puma build a single centralized website rather than continue with multiple websites serving different countries and regions?*

Puma developed a single, centralized website in order to bring all the separate sites into alignment to develop a single branding message across the globe and give managers the tools they need to concentrate their efforts. Centralizing the websites also allows Puma to better collect customer data, permitting greater customization of their products.

3. *What social media sites does Puma use and what do they contribute to Puma's marketing effort?*

Puma maintains an extensive presence on Facebook, Twitter, Instagram, Pinterest, and YouTube and closely integrates its social strategy with its other marketing channels with an eye to drive the conversation and deepen its engagement with consumers. It uses social media in part to better understand the different regional and sub-brand audiences within more than 120 countries in which it operates. Not all content is suitable for every one of nearly 17 million global Facebook fans. Dedicated sport, country, region, and product category pages were created for each social network. For several years, Puma took a trial-and-error approach, focusing on building its follower base. Today, Puma uses a data-driven approach, geo-targeting posts at the appropriate times of day to maximize fan engagement and generate the right mix of online content to best drive sales. This integration of channels into a cohesive customer acquisition strategy is, in fact, a key element of the emerging world of omni-channel retailing.

End-of-Chapter Questions

1. *What does omni-channel mean in terms of e-commerce presence?*

The term omni-channel signals the evolution of multi-channel or cross-channel retailing to encompass all digital and social technologies. The idea is that customers can examine, access, purchase, and return goods from any channel, and even change channels during the process, and at each step along the way and in each channel, receive timely and relevant product information.

2. *What is the deep Web?*

In addition to this “surface” or “visible” Web, there is also the so-called deep Web that is reportedly 500 to 1,000 times greater than the surface Web. The deep Web contains subscription content, databases (government, corporation, medical, legal, and academic) and other content such as encrypted content that is not routinely identified by search engines such as Google.

3. *What are some of the unique features of e-commerce technology?*

The unique features of e-commerce technology include:

- Ubiquity: It is available just about everywhere and always.
- Global reach: The potential market size is roughly equal to the size of the online population of the world.

- Universal standards: The technical standards of the Internet and, therefore, of conducting e-commerce are shared by all nations in the world.
- Richness: Information that is complex and content-rich can be delivered without sacrificing reach.
- Interactivity: E-commerce technologies allow two-way communication between the merchant and the consumer.
- Information density: The total amount and quality of information available to all market participants is vastly increased and is cheaper to deliver.
- Personalization/Customization: E-commerce technologies enable merchants to target their marketing messages to a person's name, interests, and past purchases. They allow a merchant to change the product or service to suit the purchasing behavior and preferences of a consumer.
- Social technology: User content generation and social network technologies

4. *What are some of the factors driving the growth of social e-commerce?*

The growth of social e-commerce is being driven by a number of factors, including the increasing popularity of social sign-on (signing onto websites using your Facebook or other social network ID), network notification (the sharing of approval or disapproval of products, services, and content via Facebook's Like button or Twitter tweets), online collaborative shopping tools, and social search (recommendations from online trusted friends).

5. *Why is it likely that the Internet and e-commerce are entering a period of closer regulatory oversight?*

Although e-commerce has had a tremendously positive impact on society, it has also eroded privacy, aided the dissemination of false information, enabled widespread security threats, and facilitated the growth of enormous companies that have become effective monopolies. Therefore, the Internet and e-commerce are likely to enter a period of closer regulatory oversight in the coming decades.

6. *How does the ubiquity of e-commerce impact consumers?*

From a consumer point of view, ubiquity reduces *transaction costs*—the costs of participating in a market. To transact, it is no longer necessary that you spend time and money traveling to a market. At a broader level, the ubiquity of e-commerce lowers the cognitive energy or the mental effort required to transact in a marketplace.

7. *What impact does the increased interactivity provided by e-commerce technologies have on business?*

Interactivity allows an online merchant to engage a consumer in ways similar to a face-to-face experience. Consumers are engaged in a dialog that dynamically adjusts the experience to the individual, and makes the consumer a co-participant

in the process of delivering goods to the market. Comment features, community forums, and social networks with social sharing functionality such as Like and Share buttons all enable consumers to actively interact with merchants and other users. Somewhat less obvious forms of interactivity include responsive design elements, such as websites that change format depending on what kind of device they are being viewed on, product images that change as a mouse hovers over them, the ability to zoom in or rotate images, forms that notify the user of a problem as they are being filled out, and search boxes that autofill as the user types.

8. *What difficulties are presented in trying to measure the number of web pages in existence?*

There are difficulties present in trying to measure the precise number of Web pages in existence because today's search engines index only a portion of the known universe of Web pages. In addition to the "surface" or "visible" Web, there is also the so-called deep Web that is reportedly 500 to 1,000 times greater than the surface Web. The deep Web contains databases and other content that is not routinely indexed by search engines such as Google. Although the total size of the Web is not known, what is indisputable is that Web content has grown exponentially since 1993.

9. *Why is the mobile platform not just a hardware phenomenon?*

The mobile platform is not just a hardware phenomenon. The introduction of the Apple iPhone in 2007, followed by the Apple iPad in 2010, ushered in a sea-change in the way people interact with the Internet from a software perspective. In the early years of e-commerce, the Web and web browsers were the only game in town. Today, in contrast, more Americans access the Internet via a mobile app than by using a desktop computer and web browser. The list of industries apps have disrupted is wide-ranging: communications, media and entertainment, logistics, education, healthcare, and most recently, with Uber, the taxi industry. Despite not even existing prior to 2008, in 2016, sales of apps are expected to account for over \$59 billion in revenues worldwide, and the app economy is continuing to show robust growth, with estimates of over \$100 billion in revenue by 2020.

10. *What is conversational commerce and how does it relate to social e-commerce and m-commerce?*

Conversational commerce is a variation of social e-commerce that leverages the mobile connection, involving the use of mobile messaging apps such as Facebook Messenger, WhatsApp, Snapchat, Slack, and others as a vehicle for companies to engage with consumers.

11. *Describe the three different stages in the evolution of e-commerce.*

The three stages in the evolution of e-commerce are innovation, consolidation, and reinvention. Invention took place from 1995–2000 and was characterized by excitement and idealistic visions of markets in which quality information was equally available to both buyers and merchants. E-commerce did not fulfill these visions during its early years, however. After 2000, e-commerce entered its second stage of development—consolidation. In this stage, more traditional firms began to use the Web to enhance their existing businesses. Less emphasis was placed on creating new brands. In 2007, though, e-commerce entered its current stage—reinvention—as social networking and Web 2.0 applications reinvigorated e-commerce and encouraged the development of new business models.

12. *Define disintermediation and explain the benefits to Internet users of such a phenomenon. How does disintermediation impact friction-free commerce?*

Disintermediation means the removal of the market middlemen—the distributors, wholesalers, and other intermediaries—between producers and consumers. The predicted benefits to Internet users include the decline of prices for products and services as manufacturers and content originators develop a direct relationship with their customers, and the elimination of payments to these middlemen. Disintermediation of markets would create intense competition. This, along with lowered transaction costs, would eliminate product brands, eventually resulting in the elimination of unfair competitive advantages and extraordinary returns on capital—the vision of friction-free commerce.

13. *What is the difference between a PWA and a regular app?*

A PWA combines the best elements of mobile websites and native mobile apps. A PWA functions and feels like a native app, but it does not need to be downloaded from an app store and so does not take up any of the mobile device's memory. Instead, it runs directly in a mobile web browser, but it can load instantly, even in areas of low connectivity. Some people think that a good PWA can ultimately function as a total replacement for a company's mobile website, native app, and even possibly its desktop website. Google hopes that PWAs are at least a partial answer to the problem presented to it by native apps, because the more activity that occurs on native apps, which Google cannot crawl, the less data Google has access to, which impacts its web-based advertising platform.

14. *What is driving the growth of social commerce?*

The growth of social e-commerce is being driven by a number of factors, including the increasing popularity of social sign-on (signing onto websites using your Facebook or other social network ID), network notification (the sharing of approval or disapproval of products, services, and content), online collaborative shopping tools, social search (recommendations from online trusted friends), and the increasing prevalence of integrated social commerce tools such as Buy

buttons, Shopping tabs, marketplace groups, and virtual shops on Facebook, Instagram, Pinterest, YouTube, and other social networks.

15. *Discuss the ways in which the early years of e-commerce can be considered both a success and a failure.*

The early years of e-commerce can be considered a success because of the technological success that occurred as web-enabled transactions grew from thousands to billions. The digital infrastructure proved to be a solid foundation on which to build a viable marketing channel. From a business perspective, the early years of e-commerce were a mixed success with just a tiny percentage of dot-com companies surviving. However, the survivors have benefited from the continued growth in B2C revenues. The early years of e-commerce can also be considered a success in that the transfer of information has been a huge accomplishment as consumers learned to use the Web to procure information about products they wanted to purchase (Internet-influenced commerce).

16. *What are five of the major differences between the early years of e-commerce and today's e-commerce?*

The major differences between the early years of e-commerce (the Invention stage), the period between 2001 and 2006 (the Consolidation stage), and today's e-commerce (the Reinvention stage) are as follows:

- During the Invention stage, e-commerce was primarily technology-driven. During the Consolidation stage, it was primarily business-driven. Today's e-commerce, although still business-driven, is also audience-, customer-, and community-driven.
- During the Invention stage, firms placed an emphasis on revenue growth, quickly achieving high market visibility/market share. During the Consolidation stage, the emphasis was on building profitable firms. Today, audience and social network growth are being emphasized.
- Start-ups during the Invention stage were financed by venture capitalists, while those in the Consolidation stage were primarily financed by traditional methods. Today, start-ups are once again being financed by venture capitalists, albeit with smaller investments. In addition, many large online firms are now entering the market, and acquiring early stage firms via buy-outs.
- During the Invention phase, e-commerce was, for the most part, ungoverned. In the Consolidation stage, there was a rise in the amount of regulation and governmental controls by governments worldwide. Today, there is extensive government regulation and surveillance.
- The Invention stage of e-commerce was characterized by the young entrepreneurial spirit. During the Consolidation stage, e-commerce was primarily dominated by the retail giants. Today, large purely Web-based firms are playing a key role.

- The Invention phase was characterized by an emphasis on deconstructing traditional distribution channels and disintermediating existing channels. During the Consolidation stage, intermediaries strengthened. Today, there is a proliferation of small online intermediaries that are renting the business processes of larger firms.
- “Perfect markets” in which direct market relationships with consumers, the decline of intermediaries, and lower transaction costs resulted in intense competition and the elimination of brands, are being replaced by imperfect markets. Imperfect markets are characterized by a strengthening of brand name importance, increasing information asymmetries, price discrimination, and network effects.
- The early years of e-commerce saw an infusion of pure online businesses that thought they could achieve unassailable first-mover advantages. During the Consolidation period, successful firms used a mixed “bricks-and-clicks” strategy, combining traditional sales channels such as physical stores and printed catalogs with online efforts. Today, there is a return of pure online strategies in new markets, as well as continuing extension of the “bricks and clicks” strategy in traditional retail markets.
- The early years of e-commerce were dominated by the first movers. In the Consolidation stage, e-commerce was dominated by the well-endowed and experienced Fortune 500 and other traditional firms. Today, first-mover advantages are returning in new markets as traditional Web players catch up. Facebook is an excellent example of not-quite-a-first mover, but close enough to build a huge online audience.

17. *How do the Internet and the Web fit into the development of corporate computing?*

The major stages of computer technology are the following Mainframe Computers (1950–1975); Minicomputers (1970–1980); Personal Computers (1980–present); Local Area Networks and Client/Server Computing (1980–present); Enterprise-wide Computing (1990–present); and the Internet and Web/Mobile Platform/Cloud Computing era (1995–present). The Internet, while representing a sharp break from prior corporate computing and communications technologies, is nevertheless just the latest development in the evolution of corporate computing and part of the continuing chain of computer-based innovations in business.

18. *Why is the term “sharing economy” a misnomer?*

The term “sharing economy” is a misnomer because the parties involved in a “sharing economy” business are not sharing anything. For example, Uber drivers are selling their services as drivers and the temporary use of their car. Uber is not in the sharing business either; it charges a hefty fee for every transaction on its platform. Uber is not an example of “peer-to-peer” e-commerce because Uber

transactions involve an online intermediary; a third party that takes a cut of all transactions and arranges for the marketplace to exist in the first place.

19. *What are those who take a technical approach to studying e-commerce interested in?*

Computer scientists are interested in e-commerce as an exemplary application of Internet technology. They are concerned with the development of computer hardware, software, and telecommunications systems, as well as standards, encryption, and database design and operation. Operations management scientists are primarily interested in building mathematical models of business processes and optimizing these processes. They are interested in e-commerce as an opportunity to study how business firms can exploit the Internet to achieve more efficient business operations. The information systems discipline spans the technical and behavioral approaches. Technical groups within the information systems specialty focus on data mining, search engine design, and artificial intelligence.

20. *What have been some of the surprises that have occurred in the evolution of e-commerce?*

From a business perspective, the early years of e-commerce offered many surprises. For one, contrary to economists' hopes, online sales are increasingly concentrated. For instance, according to the *Internet Retailer Top 1000 Report*, in the United States, the top 1000 retailers accounted for almost 90% of all U.S. online retail sales in 2018. No one foresaw that Google and Facebook would dominate the online advertising marketplace, accounting for over 60% of U.S. digital advertising revenues, or that one firm, Amazon, would account for 37% of all U.S. online sales via direct sales and sales by third-party sellers using Amazon's platform, as well as more than 45% of the growth of U.S. e-commerce retail sales in 2018. Further, few predicted the impact of the mobile platform. Few anticipated the rapid growth of social networks or their growing success as advertising platforms based on a more detailed understanding of personal behavior than even Google has achieved. And few, if any, anticipated the emergence of on-demand e-commerce, which enables people to use their mobile devices to order up everything from taxis, to groceries, to laundry service.

Projects

1. *Choose an e-commerce company and assess it in terms of the eight unique features of e-commerce technology described in Table 1.2. Which of the features does the company implement well, and which features poorly, in your opinion? Prepare a short memo to the president of the company you have chosen, detailing your findings and any suggestions for improvement you may have.*

The purpose of this exercise is for students to begin looking at the websites they visit from a critical perspective and to begin analyzing the information they can

find at those sites. Presentations/reports submitted for this project will differ depending on the example selected by students.

In assessing a website in terms of the eight unique features of e-commerce technology, a student might focus on the following:

- Ubiquity: What kinds of m-commerce applications, if any, does the site offer? (Such applications increase ubiquity by making e-commerce available from a wider range of devices.)
- Global reach: Does the website try to reach consumers outside of its host country? If so, how well is this implemented?
- Universal standards: There should not be much variance between websites with respect to this feature of e-commerce technology.
- Richness: Does the website use animated graphics, online video, or streaming media to deliver marketing messages? If so, how effective does the student find these features? Do they aid the consumer's experience, or hinder it?
- Interactivity: In what ways is the website interactive?
- Information density: Students should note what, if any, information (via registration or through other means) a website overtly collects from visitors or users.
- Personalization/customization: In what ways does the website personalize its marketing messages? For instance, is the user greeted by name? Can products and services be customized?
- Social technology: Does the website offer ways for consumers to share opinions and preferences? Is there any capacity for content generated by users?

2. *Search the Web for an example of each of the major types of e-commerce described in Section 1.4 and listed in Table 1.3. Create a presentation or written report describing each company (take a screenshot of each, if possible), and explain why it fits into the category of e-commerce to which you have assigned it.*

The purpose of this project is for students to begin looking at the websites they visit from a critical perspective and begin analyzing the information they can find at those sites. Presentations/reports submitted for this project will differ depending on the examples selected by students. Examples might include the following:

- B2C: Any one of a number of B2C companies such as e-tailers, service providers, portals, content providers, and community providers might be selected.
- B2B: Any one of a number of B2B companies such as Elemica (consortia), Grainger (e-distributor), and Inventory Locator Service (ILS) (exchange) could be selected.
- C2C: Leading examples of C2C e-commerce companies include eBay, Craigslist, Etsy, and others that act as an intermediary between consumers seeking to make transactions.

- Social e-commerce: Pinterest, Facebook, Twitter, and Instagram are at the center of social e-commerce.
- M-commerce: Almost all large e-commerce companies now have significant mobile commerce capabilities. Some possibilities students may choose include Amazon, eBay, Orbitz, or any one of a number of others.
- Local e-commerce: Companies that are involved with local e-commerce include Groupon, LivingSocial, Uber, Airbnb, and a host of others.

For each example chosen, the student should describe the features of the company that indicate which category of e-commerce it falls into. For example, if Barnes & Noble is chosen as a representative of B2C e-commerce, the student might describe the features he/she sees available on the home page. They should note that Barnesandnoble.com focuses primarily on the sale of books, music, software, magazines, prints, posters, and related products to individual consumers.

3. *Given the development and history of e-commerce in the years from 1995–2018, what do you predict we will see during the next five years of e-commerce? Describe some of the technological, business, and societal shifts that may occur as the Internet continues to grow and expand. Prepare a brief presentation or written report to explain your vision of what e-commerce will look like in 2023.*

Although each student's answer may differ depending on their personal perspective on e-commerce, here are some possible predictions:

- Technological shifts: The Internet will continue to grow, but at a slower pace. Internet usage, however, will become more focused, targeted, and intense. New client platforms will continue to emerge. Mobile devices such as smartphones and tablets will become much more predominant than traditional desktop computers.
 - Business shifts: Larger traditional firms will come to dominate e-commerce. There will be a greater emphasis on profitability for online ventures. Alternatively, as the costs of creating and running an e-commerce presence decline, more innovative small firms will enter the marketplace and challenge the leaders in e-commerce.
 - Societal shifts: There will be a greater emphasis on regulation and control over the Internet and e-commerce in areas such as taxation, content, and entertainment.
4. *Prepare a brief report or presentation on how companies are using Instagram or another company of your choosing as a social e-commerce platform.*

Student answers will vary depending on the company they choose as the subject of their report or presentation. For example, if a student chooses Instagram, they might note that although currently, users cannot yet click and buy directly from Instagram, there are many tools that enable companies to use it for social commerce, such as LIKEtoKNOW.IT, which integrates Instagram with traditional e-mail marketing; Soldsie, which is a social commerce app that allows businesses

to sell products on Instagram; and Curalate's Like2Buy. Companies such as IKEA, Sephora, Nespresso, Nordstrom, and many retail and fashion brands regularly use Instagram to encourage customers to share photos and videos.

5. *Follow up on events at Uber since July 2018 (when the opening case was prepared). Prepare a short report on your findings.*

Given the substantial number of press reports on Uber, students should be able to find a plethora of information by using the Web to search for articles.

Companion Website, Learning Tracks, and Video Cases

You can also direct your students to the Companion Website for the book, located at e-commerce2020global.com. There they will find a collection of additional projects and exercises for each chapter; links to various technology tutorials; information on how to build a business plan and revenue models; information on careers in e-commerce, and more. Learning Tracks that provide additional coverage of various topics and a collection of video cases that integrate short videos, supporting case study material, and case study questions are also available for download from the book's Online Instructor Resource Center at www.pearsonglobaleditions.com. Learning Tracks and Video Cases for this chapter include:

- Learning Track 1.1 Global E-commerce Europe
- Learning Track 1.2 Global E-commerce China
- Learning Track 1.3 Global E-commerce Latin America
- Video Case 1.1 The Importance of the Internet for E-commerce
- Video Case 1.2 The Growth of the On-Demand Economy