

## **Laudon/Traver E-commerce 2018**

### **Video Case Questions and Answers**

#### **Case 1.1: The Importance of the Internet for E-commerce**

**1. What are some examples cited in the video as to how a customer might use the Internet on a typical morning?**

Some of the ways a customer might use the Internet on a typical morning include responding to work-related e-mail, purchasing items online, and doing banking transactions and paying bills online.

**2. Why is a company's web presence important for attracting and retaining new customers?**

A company's website is often its most effective way to make a first impression on customers. If the site is fast and easy to use, that's a great way to attract new customers. The reverse is also true – an unappealing site drives customers away.

**3. According to the video, how important are web applications?**

According to research conducted by Forrester for Akamai and IBM, over 90% said web applications were absolutely critical for companies in order for them to be able to win, serve, and retain customers.

#### **Case 1.2: The Growth of the On-Demand Economy**

**1. Why did BloomThat opt to partner with existing delivery services like UPS rather than use local deliverers or florists?**

BloomThat discovered that 60 percent of the time, customers don't even see the delivery person. BloomThat decided that the floral quality was more important than the delivery experience and opted to use best-in-class delivery services instead.

**2. Compared to other on-demand companies, what type of regulatory hurdles does BloomThat face?**

BloomThat has an advantage over companies like Uber in that it faces no significant regulatory hurdles to its business. That allows the company to focus entirely on the user experience.

**3. What level of delivery speed is most important to BloomThat customers, according to Schwab?**

Schwab notes that customers aren't really interested in receiving flowers in 20 minutes or less. Food delivery service users are interested in receiving their food quickly. But BloomThat users simply want to receive their flowers on the same day as their order. BloomThat and many other on-demand companies are likely to tweak their business models in light of what their consumers want and expect, potentially becoming more efficient in the process.

## **Case 2.1: Twitter for Business**

### **1. How have American Express, Morton's Steakhouse, and Burberry's used Twitter?**

American Express let users turn tweets into savings on various types of products, such as HDTVs and smartphones, as well as exclusive tickets to various travel destinations. Morton's Steakhouse responded to a tweet from customer jokingly asking for steak to be delivered to him at an airport by actually delivering one to him. Burberry went backstage at a fashion show with a "Tweet Walk"

### **2. What steps does the video indicate a company should take to get started on Twitter?**

First, create a user handle and profile that reflect the unique identity of the business. Next, use Twitter to monitor trends by watching the tweets of others in the industry, and then when ready, join in by tweeting.

### **3. What are some Twitter features and products that businesses can use that are noted in the video?**

Businesses can quickly help customers who tweet questions by responding with @ replies; create short videos giving a behind-the-scenes look at the business by using Vine; and use retweets to create promotions that attract new business. More advanced tools include Promoted Tweets to reach new customers and Promoted Accounts to grow the company's follower base.

## **Case 2.2: Angel Investing**

### **1. What types of people are angel investors, and how are they different from venture capitalists?**

They are high net worth individuals, typically successful business people, and accredited investors. Whereas venture capitalists are professional investors, angel investors are investing as a hobby, and don't make salaries from investments. They also bring contacts and connections to the table as part of the deal.

### **2. Explain Angel math and the 10X formula.**

Angel math is gambling odds for an angel investor. Out of a portfolio of ten companies with equivalent investments, they will lose their investment in three to four companies. They will stay relatively even in another three to four, and one to two companies will be successful. In order to make their investments in all ten companies back with a profit, those one or two successful companies need to bring the investor ten times their initial investment. This is called the "10X" formula.

### **3. Why is it recommended that a startup exhaust all other forms of investment before turning to angel investors?**

An angel investor brings cash to your company in exchange for equity; whereas friends and family may need less equity. Giving up equity means that you give up some control over your company.

## **Case 2.3: Deals Galore at Groupon**

### **1. What features of contemporary e-commerce does Groupon utilize?**

Groupon utilizes technologies for mobility, personalization, social networking, and location-based services.

### **2. What value does this service provide subscribing merchants? What value does it provide customers?**

Groupon helps introduce new customers to a merchant's products or services, with the hope (not always realized) that these customers will return again. Groupon's heavily discounted vouchers in nearby locations save customers time and money.

### **3. What kinds of businesses are most likely to benefit from using Groupon?**

Groupon works well in local commerce markets in the leisure, recreation/entertainment, food service and retail sectors. Businesses that have high fixed costs, and low variable costs might benefit from the Groupon model. For example, health clubs, music venues, corporate jet rentals, movies, and recorded music all have high fixed costs, but it costs almost nothing to produce one more unit. High margin businesses like jewelry where a 75% discount still results in a profit might also be good candidates.

### **4. Visit Groupon's website and enter your zip code. What kinds of deals are displayed? Would you use Groupon? Why or why not? What kinds of Groupon deals have you used?**

Answers to the question will vary.

### **5. Are there any disadvantages to both customers and merchants in using Groupon Works?**

Yes. The merchant only receives a small percentage of the revenue from a Groupon and may potentially be overwhelmed with customers who are only interested in purchasing products or services that are heavily discounted, and will not return. Customers may be incentivized to purchase on a spur-of-the moment basis and never actually use the Groupon before it expires.

### **Case 3.1 How Freshdesk Uses Amazon Web Services**

#### **1. Why was Freshdesk a good candidate for remote computing services on the cloud?**

Freshdesk is a SaaS customer service company, and already relies on the cloud to perform customer service functions for its clients. As the company grew, it decided to turn to Amazon Web Services to store its data and deploy and manage its customer service software platform.

#### **2. What was Freshdesk's experience working with AWS?**

Freshdesk originally signed up for AWS's Enterprise Support. The experience was very positive. As noted in the video, it was the first time that Krishnenjit Roy, Freshdesk's Director-IT Operations, felt that he was working with a company that was concerned about reducing Freshdesk's cost and optimize efficiency.

#### **3. What made Amazon Redshift and OpsWorks good fits for Freshdesk?**

Redshift was a good choice of data warehouse for Freshdesk because of its scalability and integration with all of the major business intelligence tools on the market today. OpsWorks was the right blend of low cost and just enough customizability for Freshdesk, which wanted to deploy its own customer service applications, but was willing to use many of Amazon's tools to deploy and maintain them.

### **Case 3.2: Compare.com Turns to Microsoft Azure and the Cloud**

#### **1. Why is Compare.com's website critical to their business? How does Compare.com work?**

Compare.com's website is its storefront. It needs to be both available at all times as well as secure for all of the site's visitors and potential customers. Customers enter their details one time on the site, and are able to pick from over 50 insurance companies to get the best deal, saving money in the process.

#### **2. How much did Compare.com save on its infrastructure costs after switching to Azure?**

Compare saved 40 percent on its data management costs nearly immediately.

#### **3. How did Microsoft help Compare.com ease into their transition to Azure?**

Microsoft experts visited with Compare.com management, understood Compare's business model and business needs, and tailored their Azure solution to meet those needs.

### **Case 3.3: Facebook's Data Centers**

#### **1. Why does Facebook's data center specialist argue that "The Internet is not a cloud?"**

The Internet and the Cloud are better described as a series of data centers that can share data, connected by miles of fiber-optic cable.

**2. What are some of the techniques Facebook uses to cool its data centers?**

Cool air from outside is used to regulate the internal temperature; mist distributed by sprinklers controls the humidity in the center, keeping the temperature more stable; and excess warm air is pushed out by fans.

**3. Facebook had over 2 billion users as of June 2017. If Facebook continued to employ engineers at the same rate as stated in the video, how many engineers did Facebook have in June 2017?**

2,000

**Case 3.4: Amazon Echo****1. What functionality does the first-generation Amazon Echo display during the video that introduced it?**

In the video, Amazon Echo exhibits the following functionality: answering questions about the number of tablespoons in 3/4ths of a cup; the ability to hear you from anywhere in a room, creating and adding items to a shopping list, provide news, control lights, setting timers, creating a calendars, getting a traffic report, reordering from your Amazon shopping history, streaming music from Pandora, TuneIn, and iHeartRadio, and Prime Music, the ability to listen to audiobooks from Audible, telling jokes, learning how to decipher an accent, and getting a weather report.

**2. What kind of technology does Amazon Echo use?**

Amazon Echo is connected to Alexa, a cloud-based voice service. It gets information from the cloud.

**3. What might be some privacy concerns involving Echo? Are these well founded? Why or why not?**

Because Amazon stores and manages the data you generate when using Echo, they'll be able to use that information for marketing and advertising efforts, which users might not feel comfortable with. Amazon claims it will be possible to delete queries from user histories.

Answers will vary over the legitimacy of privacy concerns.

**4. Why was releasing a developers' kit for Echo important for Amazon to keep pace with services offered by Apple, Google, and Microsoft?**

The voice-controlled utilities on these other platforms are likely to be supported by app developers. Apple has a long history of its devices gaining functionality via apps, for example. For Echo to gain similar multi-purpose functionality, allowing developers to create apps was a must.

**5. What are some of the smart home devices that Echo Plus can control?**

The Echo Plus can control smart home devices such as smart lights, locks, plugs, and fans.

**Case 4.1: W.L. Gore Expands Using Demandware****1. Describe W.L. Gore's decision in terms of in-house versus outsourcing. Which alternative for building and hosting the site did it choose? Use Figure 4.7 in the text as a reference.**

W.L. Gore chose a mixed approach, using outside firms in tandem with its existing staff to manage the building and hosting needs for its e-commerce sites.

**2. What services did PFSWeb provide to W.L. Gore?**

PFSWeb built the e-commerce site, provided marketing services, ran call centers in the U.S. and Europe, and set up distribution channels for products in the U.S. and Europe.

**3. What made PFSWeb an attractive partner for W.L. Gore?**

One of the key deciding points for W.L. Gore in choosing PFSWeb was the fact that it would implement a Demandware platform, a cloud-based e-commerce platform that allows a company to develop highly customizable, functional e-commerce sites in the cloud rather than build them from scratch. The Demandware platform was attractive to W.L. Gore because of its scalability and capacity to accommodate future growth. PFSWeb's ability to fulfill distribution and other tasks such as maintaining cell centers and managing marketing campaigns were also appealing to W.L. Gore, since it had minimal capability of performing these functions on its own without major restructuring.

**4. How long did the initial implementation and launch of the U.S. site take? Why do you think the European sites took less time to implement?**

The initial implementation and launch of the U.S. site took five months. The European sites likely took less time to implement (two-to-three months) because the initial implementation of the U.S. site also included developing the global platform to support the European sites.

**5. Why do you think W.L. Gore chose to launch its European sites several months after its U.S. site?**

By launching their European sites after the U.S. sites, they were able to confirm the functionality of the e-commerce platform upon which all of the sites were built, making it easier to make changes to the platform in its first few months without affecting all four sites.

**6. How might W.L. Gore use the newfound customer data it now gathers from online purchases?**

W.L. Gore could use purchases to create customized marketing campaigns – customers who buy running apparel would get campaigns focused on running, customers who buy cycling apparel would receive different advertising, and so on.

**Case 4.2 National Kidney Registry Turns to Rackspace for Managed Hosting**

**1. Why did the NKR originally decide to pursue outsourcing its data infrastructure and site hosting?**

The NKR wanted to focus on its main mission of matching donors to recipients. The NKR's time is best spent connecting donors and recipients, not managing its data infrastructure.

**2. What was the first service that the NKR migrated to Rackspace? What services did it migrate to Rackspace after that?**

The first thing that NKR migrated to Rackspace was its e-mail system. Once that proved successful, NKR migrated its database and front-end website to Rackspace as well.

**3. Why are the NKR's security requirements unique?**

Medical data on prospective donors and recipients is extremely sensitive, and legislation such as HIPAA (the Health Insurance Portability and Accountability act) requires that it be secure. A data breach is bad for any organization, but it would have legal ramifications if the NKR allowed its user data to be breached.

**4. How does Rackspace ease security concerns for donors, recipients, and participating hospitals?**

Rackspace is a large organization with a strong reputation and boasts security certificates that attest to its expertise in this area.

**Case 5.1: The Rise of Cyberwarfare**

**1. What are the three classes of cyberattacks and their effects, according to Zertag?**

The three classes of attacks are intellectual property theft, which degrades our economic competitiveness; attacks that disrupt our way of life, such as attacks to our infrastructure; and attacks that threaten the military's ability to defend itself, which could leave us vulnerable to other types of attacks.

**2. What metaphor does Zertag use to describe the idea that online, there are “no safe neighborhoods?” What does she mean?**

Zertag describes an expert that told her that the Internet is like “a street that runs through the best parts of town and the worst parts of town simultaneously.” What she means is that unlike the physical world, where some neighborhoods have a greater concentration of crime than others, criminals mingle online with law-abiding citizens in just about any area, and there is no such thing as a safe space from cybercrime online.

**3. What does Zertag mean when she says that the Internet has a “huge attack surface”? How will the “Internet of Things” exacerbate this issue?**

Zertag is referring to the millions of lines of code to exploit, with thousands of inherent vulnerabilities thanks to unavoidable user error and inability of coders to anticipate all of the potential ways attackers could exploit them. She lists the examples of the Android phone, which has 12 million lines of code, and the Windows operating system, which has 40 million. In each of these cases, there are thousands of inherent vulnerabilities just by virtue of the sheer number of code involved alone. As the Internet of Things grows in size and scope, it will lead to a corresponding increase in attack surface for potential criminals.

**4. What are the five differences between cyberwarfare and traditional warfare, according to Zertag?**

In the video, Zertag explains the five differences between cyberwarfare and traditional warfare. First, the most powerful nations in cyberwarfare are also the most vulnerable. For example, while the U.S. has unmatched offensive capability to carry out cyberwarfare, because our society is one of the most highly networked and technologically advanced, we are the most prominent attack target. Second, the government is no longer capable of carrying out warfare on its own. Telecommunications networks, websites, and private companies must all work together to battle cyberattacks. Third, there is what Zertag calls a “huge attack surface” – a dizzying array of devices and applications for criminals to target. Fourth, in cyberwarfare, victims may not even know they’ve been attacked until months after the initial attacks. Home Depot discovered its attack five months after the fact, for example. And fifth, cyberwarfare is unlike traditional warfare in that there is often no warning before an attack and a lengthy response time before retaliation. In traditional warfare, attacks took months or years to prepare for, and response time could be very quick.



## **Case 5.2: Tech Titans Clash over Future of Mobile Payments**

### **1. What demographic groups are likeliest to adopt mobile payment apps? Which are likelier to be late adopters, if at all?**

Millennials are likeliest to adopt mobile payment apps. In the video, the commentators mention their parents, or baby boomers, as being less likely to use mobile payments. Many older smartphone users have only recently adopted smartphones at all.

### **2. Why might retailers be reluctant or anxious to embrace mobile payment technology?**

First, there is an up-front expense involved in adding new NFC readers. Also, the many options on the market currently are overwhelming for users and retailers alike. In time, as the market winnows options down to a select few, retailers may have an easier time becoming compatible with all of the mobile payment systems consumers are likely to want.

### **3. How might Bitcoin be threat to Apple Pay, Android Pay, or other mobile payment systems?**

If a virtual currency using the blockchain grows in prominence, it's less likely that traditional mobile payment systems will be in a position to capitalize on its growth.

## **Case 6.1: To AdBlock or Not to AdBlock**

### **1. What is the “ethical ad blocker” described in the video?**

The ethical ad blocker blocks any site that is advertising supported completely, allowing “ethical” Internet content consumers to avoid any site that they do not feel comfortable viewing with advertising blocked. This way, these consumers can avoid freeloading and consuming content they have not “paid” for by viewing advertising.

### **2. Why are algorithmic advertising technologies increasingly important to advertisers?**

Algorithmic advertising is intended to overcome the issue of increasing decentralization in the way content consumers get their content, whether it be news, TV, or anything else. In the past, advertisers could run comprehensive TV and print campaigns to generate interest in their products. Now, people consume content at all different times and out of sync from one another. Algorithmic advertising allows advertisers to distribute their messages across a variety of platforms in a highly targeted way.

### **3. Where do you stand on the use of ad blockers?**

Answers will vary. Possible points or suggestions to improve the situation could include: changing the way advertising is perceived by individuals and calling more attention to its role in supporting content creation; improving the quality and relevance of advertising even further; or perhaps by making ad blocking a paid service that returns revenues to content creators, although free alternatives would continue to proliferate.

## **Case 6.2 Pandora's Recommendation System**

### **1. What sets Pandora's recommendation system apart from other sites like Amazon and Netflix?**

Pandora's system focuses more on the attributes of songs than your similarity to other users, without regard to their popularity. Amazon and Netflix compare your preferences with other users who like those same things in order to generate recommendations. This approach favors more popular selections.

### **2. According to the video, how many stations does Pandora allow you to create?**

100

### **3. What is the Music Genome Project? How is the musical "genome" mapped?**

The Music Genome Project is an attempt to classify music by a variety of attributes. Pandora employs a team of 25 trained musicians to manually listen to individual songs and classify them by over 400 different attributes, such as melody, harmony, rhythm, and form

### **4. Why is Pandora a good example of the success of the "Long Tail" on the Web?**

The "Long Tail" describes a distribution of a small group of events with very high amplitude and a much larger group of events with low amplitude. On Pandora, the Music Genome Project system gives listeners a chance to sample many songs and artists from the Long Tail of less popular artists that nevertheless may fit within their preferences perfectly. Pandora is currently the market leader in online music streaming services, indicating that users enjoy the feeling of discovery associated with exploring the Long Tail of the music industry.

## **Case 7.1: Pinterest Users Engage with Sephora**

### **1. What were some of the trends noted in the video that initially tipped Sephora off to the potential of Pinterest?**

Two trends noted by Bridget Dolan, VP of Interactive Media at Sephora, in the video are the "sock bun" and "nail art," both of which were beauty trends that its team discovered via Pinterest.

### **2. How did Sephora integrate Pinterest into its e-commerce presence?**

It included a Pin It button on product pages and also on the "Glossy," which was its content section, powered by Tumblr, on its newly redesigned website. It also added the Pin It button to its mobile applications and e-mail.

**3. What aspect of Pinterest does Bridget Dolan, VP of Interactive Media at Sephora, note that she finds the most fascinating?**

The idea that not only is Sephora inspiring its clients about products, but also inspiring them about how to create looks: the DIY (do-it-yourself) aspect. Pinterest is not just a robotic product engine; it is more about taking ideas and bringing them to life in a new way that you had not thought about and demystifying it.

**4. What are some of the keys to launching a successful Pinterest marketing campaign?**

Using high quality photos, maintaining an active Pinterest brand page, and using URL links and keywords in each photo are keys to launching a successful Pinterest marketing campaign.

**5. Why is Pinterest an ideal marketing platform for a company like Sephora?**

Sephora is a beauty retailer with many products whose effects can be displayed visually. This makes it an ideal fit for the Pinterest platform, which functions as a kind of online scrapbook.

**6. What are some other examples of industries well suited to Pinterest marketing campaigns?**

In addition to women's beauty and fashion, e-commerce companies are well suited to Pinterest, since the platform allows them to display pictures of their products. Arts and crafts companies are also well suited to Pinterest, and companies in the food industry are also good fits because of their visual component.

## **Case 7.2: The Full Value of Mobile Marketing**

**1. Of the mobile users who clicked on the store locator, what fraction did iProspect estimate entered a physical store?**

iProspect estimated that one in five store locator clicks led to a visit to the store.

**2. What did iProspect determine to be the worth of each individual store locator click? What implications did this have for return on investment?**

The worth of each store locator click was estimated to be \$3.20, showing mobile advertising using a store locator to have a very strong return on investment.

**3. Why did iProspect increase the average order value per visit from its initial amount? What were the amounts?**

Because customers clicking on a store locator already have a demonstrated intent to buy, iProspect believed it was reasonable to assume a higher percentage of these customers would purchase goods. The increase was from \$71 to \$80 dollars per average order.

## **Video Case 8.1: The Right to Be Forgotten**

### **1. What is the Right of Oblivion and how does it differ from the Right to Be Forgotten?**

French and Italian law provide for a Right of Oblivion, under which convicts can block the printing of details regarding their misdeeds after they have paid their debt to society. The Right of Oblivion is much older than the Right to Be Forgotten and is not Internet-specific.

### **2. According to Dr. Victor Mayer-Schoenberger, how has past history in Europe impacted current European attitudes toward personal privacy?**

Personal information collected innocently by European cities in the early 20th century was later used by the Nazis to track people down by religion and ethnicity. Europe's past may have inspired a suspicion toward permanent comprehensive records, engendering a more careful attitude toward the collection and storage of personal data.

### **3. What are the concerns about the potential adoption of the Right to Be Forgotten on a worldwide basis?**

The first concern relates whether the Right to Be Forgotten encroaches on the freedom of speech. The second concern, related to the first, is whether the Right to Be Forgotten may actually become an act of censorship. The third concern is that this may allow the rewriting of history.

### **4. What are some of the apps that the video notes are premised on the notion of impermanence and anonymity?**

Apps mentioned in the video as being premised on the notion of impermanence and anonymity include Snapchat, Yik Yak, Secret, and Whisper.

## **Case 8.2: Facebook Privacy**

### **1. Do people who use Facebook have a legitimate claim to privacy when they themselves are posting information about themselves?**

People post personal information on Facebook in the belief that it will be shared only with their friends or those they choose. This belief is encouraged by Facebook through its public pronouncements on holding data private, but in practice, causing the information to be widely shared. At times in the past, the FTC has explicitly charged Facebook with misleading its users about the privacy of their Facebook information. Given all the instances of Facebook changing its information policies without informing users, and expanding its sharing of personal information, users would be wise not to join or to remove their profiles if they want to preserve their privacy. On the other hand, users who post information and make no effort to control its use, arguably do not have a claim to privacy any more than a speaker in a public forum can make a believable claim to privacy.

**2. How will changing your settings on Facebook help protect your privacy?**

By changing your settings, you can control with whom you share information, how widespread sharing will be, who can contact you, and who can look you up. However, given the frequency with which Facebook changes its privacy policies, this should be actively monitored.

**3. How can you prevent your profile from being indexed by Google or other search engines?**

On the Settings page, in Privacy Settings and Tools/How People Find and Contact You/"Do you want search engines outside of Facebook to link to your profile," deselect the "Allow search engines outside of Facebook link to your profile" check box. In addition, if you have previously used Facebook without adjusting your privacy settings, you can limit the audience for old posts on your Timeline using an option under "Your Activity" in Privacy Settings and Tools. Note however, that if those old posts have already been indexed by Google or other search engines, they may still be viewable if they have been cached by Google, for instance.

**Case 8.3: What Net Neutrality Means for You****1. Are you in favor of network neutrality going forward? Why or why not?**

Students can argue that the growth of the Internet, and continuing innovation in new products and services, requires that Internet bandwidth remains very inexpensive, and that ISPs do not impose any additional charges for selected users, or selected services (like Pandora, Netflix, or YouTube) but instead spread the cost over all users, essentially offering a single rate plan for all. Others could argue this is unfair, burdens the light users of the Internet, and is irrational in so far as the resource is not priced according to usage (like the telephone and wireless cellular systems, or like toll highways, and electric utilities).

**2. What is the problem with ISPs, which are private business firms, charging whatever they want to charge and that the market will bear?**

The FCC and industry critics argue that the ISPs (generally cable TV and telephone companies) are effective monopolies and there is no competition for their services in local service areas. Therefore markets do not work well, and consumer choice is non-existent. Also, there are conflicts of interest: the very same ISPs that deliver Internet service, deliver telephone and television service. They may want to restrict Internet telephone service like Skype in order to force consumers to use their cell or land line service. They may want to restrict Netflix in order to build their own video streaming service.

**3. Major cities of the world have adopted “congestion pricing” in which cars pay a toll to enter the core of the city during daylight hours. Congestion pricing is also used to regulate demand by businesses for electricity. During the day when electricity is in high demand, many businesses pay a “demand” fee in addition to the regular charge for electricity. Why is the Internet any different?**

Some argue the Internet is different from highways or other physical assets and resources because supply is practically infinite, and the cost of adding another user whether a heavy user or light user is nearly zero. If resources are not constrained then why impose congestion pricing? Others argue that Internet bandwidth and resources are finite, and that there are real costs involved when adding millions of “heavy hitter” users. One cost is a slow down in the transmission of email, greater Internet latency, and potentially major “brown outs” of the Internet which in fact have occurred when usage peaks (say during presidential nomination ceremonies or the Super Bowl).

**4. If your business model depended for its success on millions of people being able to stream videos on demand (like YouTube or Netflix), would you be in favor of net neutrality or against it?**

At first glance the obvious answer is that you would support net neutrality because it means your customers (who are really heavy users of bandwidth) would not pay extra for consuming your video service. However, you would be running the risk that so many of your customers using your service all at once will result in declines in service and a clogging up of the Internet arteries. By allowing ISPs to charge more for heavy users, they might be willing to develop high bandwidth capacities for your users, making your service more reliable. In this light, Google has switched positions on net neutrality, at first a supporter, and now less supportive and even understanding of the need to develop “differentiated service” which costs more but is a lot faster.

## **Case 9.1 Walmart Takes on Amazon**

**1. What are the three key assets that Walmart can leverage (build on) to compete with Amazon and other online retailers?**

Walmart has the largest physical store footprint in the U.S., the largest private transportation fleet, and the largest retail distribution network, including warehouses.

**2. What is Walmart’s e-commerce strategy?**

Walmart is pursuing an omnichannel strategy, attempting to marry its physical stores and distribution system with best-in-class e-commerce; to build a holistic shopping experience that uses physical stores and online ordering to provide customers what they want, when they want it, at the best possible price.

**3. Why isn't Walmart worried about the channel conflict between its online sales and its store sales?**

Walmart sees its operation as "One Walmart" and it makes no difference if a sale is online completely, or at a physical store.

**4. Why is Walmart in-sourcing the development of its online operation, in part by acquiring technology companies rather than outsourcing development to low-cost countries and other domestic firms?**

In-sourcing allows the company to bring in new skills and capabilities, and then scale them up to Walmart's size. Walmart wants to rebuild the company, the skills of its labor force. It also needs to innovate and build new services. This is not possible by outsourcing.

**5. Why did Walmart acquire Jet.com?**

Jet.com has a workforce with IT and online sales expertise, and an interesting business plan of how it can compete against Amazon.

**6. How does Walmart's fulfillment operation differ from Amazon's?**

Amazon's fulfillment center appears to be more advanced in the use of robotics and drone delivery. Walmart has the largest fleet of trucks in the U.S. which can be used to deliver packages to local stores, and potentially local pick up points. Walmart has hundreds of stores that can be used as pick up points for same day delivery.

**Case 9.2: Etsy: A Marketplace and a Community****1. What is Etsy's business model and revenue model?**

Etsy is a market creator with a transaction fee revenue model. There are no membership fees and sellers pay just 20 cents to list an item.

**2. How important is "community" at Etsy? Visit Etsy's website and describe its community-building features.**

Community is extremely important at Etsy, both for promoting the sales process, for soliciting new ideas, and for bringing the company closer to its sellers and the public. Each item listed includes a personal profile of the shop owner. Etsy's website features a blog, a "featured seller" of the day, and special "community" section where website visitors can share ideas, attend an event in the area, join a streaming workshop, or watch an archived workshop. They can also connect by joining a team with other members of Etsy's marketplace and community, in order to meet people with common interests, and collaborate.

**3. Visit the Help page on Etsy's website and do a search on SEO to learn about search engine optimization. What tips does Etsy offer to sellers about this topic?**

Etsy's Help section offers a variety of information about SEO. Best practices for improving Etsy shop SEO include having a great product, selecting the best possible keywords, Shop title, Shop Section names, item titles and descriptions. It also suggests linking your Etsy shop to your personal blog and networking with other sites to get them to feature your listings.

### **Case 10.1: YouTube: Secrets of Successful YouTube Content Creators**

**1. What are Koval's "ten fundamentals" of top YouTube Creators.**

The ten fundamentals of top YouTube Creators are shareability, conversation, interactivity, consistency, targeting, sustainability, discoverability, accessibility, collaboration, and inspiration.

**2. List some ways that YouTube content differs from traditional TV and movie content using the ten fundamentals.**

YouTube content differs from much traditional TV and movie content in its interactivity with the audience made possible by the online platform and specific features of YouTube. While most traditional TV content relies on shareability (telling your friends about your favorite show), consistency (knowing what type of show you'll get week to week), and sustainability (a show that maintains quality and energy throughout its run), it's rare to see a great deal of interactivity, with entire episodes of content being created from a single user's comment or suggestions. Similarly, conversation, where content creators can talk directly to the audience, and even name individual users, is much more possible on YouTube than in traditional TV. Collaboration between different channels and content creators is also arguably more common on YouTube than on traditional TV shows, although some shows have featured cross-over episodes in the past.

**3. What three levels of targeting does Koval describe and how are they different?**

Koval describes breaking down targeting efforts by the channel level, the series level, and the individual video level. When creating a channel, creators need to target their intended audience right off the bat. Will the audience be gamers? Sports fans? Pop culture fans? Fashion and beauty enthusiasts? Targeting at the series level involves taking a particular subset or series within a larger channel and focusing on an audience for that specific series. And sometimes, an individual video will have a unique target compared to the other videos within a channel.

**4. What is the difference between "trending topics" and "evergreen topics?" Which fundamental deals with these ideas?**

The discoverability of a video is connected to whether topics in the video are trending or evergreen topics. Trending topics pertain to more recent events that are in the news currently, and are experiencing a major spike in user interest. The Oscars, the Super Bowl, a presidential election, and



other sudden occurrences are trending topics. Creating a video addressing these sorts of trending topics can help boost your channel. Evergreen topics are, like evergreen trees, persistent over time. A video showing how to tie a tie is a good example.

## **Video Case 10.2: Vox Media**

### **1. How does James Bankoff, Chief Executive Officer and Chairman of Vox, describe Vox Media?**

Bankoff describes Vox Media as a company that creates high-quality large media brands for a new generation of consumers that prefer to consume their content digitally. He likens Vox Media to magazine companies such as Time Inc. and Conde Nast, and cable companies like USA Networks, Disney and Comcast. Vox is similarly creating new media titles such as Verge, Vox and SB Nation in the same way, in a digital medium.

### **2. What does Bankoff say Vox Media's approach is to digital media?**

Bankoff notes that Vox Media takes a verticalized approach, with a number of individual brands, such as SBNation, which enables it to command more authority within the topic, rather than being another generalized portal. Each brand has a distinct voice, which he believes is critical.

### **3. What does Bankoff think about the issue of trust and quality with respect to online content as it relates to Vox Media?**

Bankoff feels that all of Vox Media's various brands must be rooted in quality and authority. In the past, there was a period where a lot of web content could not be trusted and Vox is focused on bringing back that trust. In doing so, it enables "blue chip" advertisers to trust Vox Media, and therefore willing to spend to advertise on its sites.

### **4. According to Bankoff, how does Vox Media intend to grow?**

**It may acquire certain properties, but it primarily intends to grow by increasing traffic to its existing sites, and grow properties from the ground up, such as Vox.com, its general news site.**

### **5. What is the difference between Vox Media and Vox (Vox.com)?**

Vox Media is a content company that manages a portfolio of several hundred sites focusing on high quality content in specific vertical markets, including Vox.com. Vox.com is a news outlet covering current events and politics.

### **6. How does Matthew Yglesias say that he is hoping to achieve at Vox.com?**

For Yglesias, success would be creating the single greatest resource available for people to understand the issues that are in the news.

### **Case 10.3 ESPN: Sports Broadcasting Evolves**

#### **1. How has ESPN handled the rise of Twitter? How has it incorporated Twitter into SportsCenter?**

A: ESPN has developed the capability to post to social sites like Twitter and Facebook in a few moments after the action takes place on its cable TV feeds. ESPN recognizes it has to provide sports center coverage to whatever devices and services their customers use. ESPN has posted about 70 million items to various over-the-top (non-cable) outlets for video like Netflix, Snapchat, Twitter and Facebook.

#### **2. What has ESPN, originally a cable-only service, done to adjust to the rise in users canceling their cable subscriptions in favor of unbundling services?**

ESPN knows that cable cutting is growing, and viewers of its content are using alternative sources for sports news. It is trying to build an infrastructure that can deliver live sports content to wherever its customers are located (mobile apps) and whatever device or channel they are using. Delivering sports news anytime, anywhere, any platform.

#### **3. What is the most important show on ESPN? What has ESPN done to upgrade it?**

SportsCenter has always been the most important show on ESPN and in 2015 it got a major upgrade, a new 10,000 square foot studio in DC2, the newest and highest-tech building on ESPN's campus in Bristol, Connecticut, featuring a huge collection of screens, cameras, and cables, designed to be live 18 hours a day and helping SportsCenter move at the speed of the Internet.

### **Case 11.1 Instagram**

#### **1. Why was Carousel a good fit for HP's marketing efforts for its Spectre tablet?**

The Spectre has four modes of operation as a convertible netbook, which corresponds with the four frames allowed by the Carousel ad format. The #bendtherules advertisement showcased these four modes of operation in sequence.

#### **2. Why did Toyota view Instagram and Carousel in particular as a good choice to advertise its new vehicle?**

Toyota viewed Instagram as a good fit for its goals of advertising to younger, multi-tasking users. These types of users comprise much of Instagram's user base. The Carousel format allowed them to tell a brief story from image to image using their #keepitwild campaign.

#### **3. What was the nature of Capital One and Uber's partnership on Instagram?**

Capital One cardmembers received discounts on Uber by engaging with advertisements served within the app.

### **Case 11.2: Small Businesses Find a Home on eBay**

- 1. Visit StreetSounds' eBay Storefront. What types of items do you see? Are there any auctions?**

Answers may vary, but StreetSounds is a fixed-price retailer without auctions.

- 2. What is StreetSounds' seller rating? How important is customer service to their success?**

As of this writing, StreetSounds had an amazing 100% positive seller rating, which clearly is why customers continue to come back.

- 3. Look up Selling Manager Pro on eBay's site. Compare the free and paid versions. If you were a seller, which version would you opt for?**

Students answers will vary.

### **Case 12.1 Flextronics**

- 1. How does Mike McNamara, CEO of Elementum, characterize the changing nature of supply chains when compared to twenty years ago?**

Supply chains have changed from slow, manual, and unresponsive to high complexity operations and higher levels of risk.

- 2. What does McNamara believe is the solution to highly complex and risky supply chains that we have today?**

The key is to provide more information, and information on supply chain members and the environment that is real time, mobile, in the cloud, available to all constituents in the supply chain.

- 3. What's different about the Elementum approach to supply chains?**

Previously, supply chain systems were based in individual firms, using proprietary software provided by the major software firms. Elementum's supply chain management system is instead a single cloud based database using software-as-a-service. Mobile apps are also a highlight of the Elementum approach.

- 4. What are the three components of Elementum's software?**

Elementum's software has three components: Transport, Exposure, and Perspective. Each is presented to users as a separate mobile app. *Transport* offers visibility into existing shipments and offers predictive and rules-based alerts to notify managers of any potential delays. *Exposure* is a supply chain risk management product that monitors various external content sources, and then based on an adverse event at a certain location, analyzes how suppliers, suppliers' suppliers, and all actors in the

supply chain might be affected. *Perspective* offers a mobile dashboard with a variety of graphics and charts showing how suppliers are performing.

## **Case 12.2: Mechan Groep Streamlines with Sana Commerce**

### **1. How does Mechan Groep staff fulfill each order as it comes in on Sana Webshop?**

All orders are placed into the SAP system from Sana Webshop and are printed in-house. Staff members at Mechan Groep pick the orders and fulfill the parts from their warehouse.

### **2. What type of clients does Mechan Groep serve? Why is the speed of Sana Webshop important?**

Mechan Groep serves farmers, who often need new parts immediately for critical machinery. The ability for these clients to specify their need for a particular part and to see Mechan Groep's inventory in real-time is critical for them.

### **3. What types of B2B e-commerce companies is Sana best suited for?**

Answers may vary, but Sana is well suited for small to medium sized B2B e-commerce companies, who may lack the resources or expertise to create their own proprietary web store.