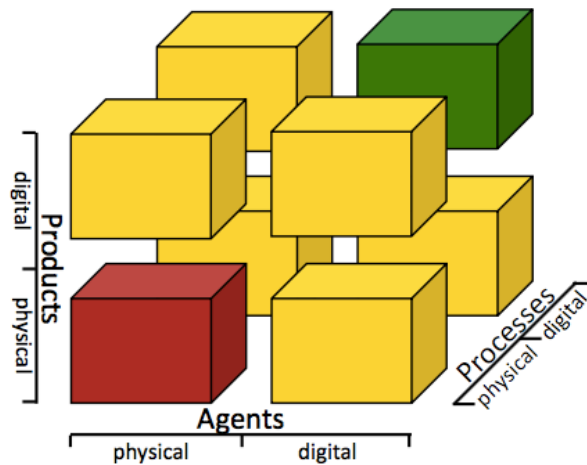


eCommerce- Chapter 01

Dimensions of Digital Value Chains



1. **Traditional**
 - All dimensions are physical
2. **Hybrid**
 - All possible combinations between physical and digital
3. **Pure eCommerce**
 - All dimensions are digital

Definitions

1. **eBusiness**: Internal activities of an enterprise
eCommerce: External activities
2. **eBusiness**: Any activity that is electronically conducted in an organization
eCommerce: External activities (Subset of eBusiness)
3. **eBusiness = eCommerce**
4. **mCommerce** = Limited to mobile telecommunications networks, which are accessed through wireless hand-held devices

Supply Chain

Primary Activities

1. Inbound Logistics
2. Production Process
3. Outbound Logistics
4. Marketing and Sales
5. Service

Secondary Activities

- a. Firm Infrastructure
- b. Human Resource

- Management
- c. Technology development
- d. Procurement

Alternative Supply Chain

1. Market Research
2. New Product development

3. Market Products
4. Produce Materials
5. Produce Products
6. Manage Selling and Fulfilment

From Physical to Digital

1. Visibility

- Companies acquire an ability to see physical operations more effectively through information

2. Mirroring Capability

- Companies Substitute virtual activities for physical ones

3. New Customer Relationships

- Establish space-based relationships with customers
- Five value-adding steps:
 - Gather Information
 - Organise it for the customer
 - Select What's valuable
 - Package it
 - Distribute it
- Each stage allows many new extracts

Customer Journey

1. Attract
2. Engage
3. Increase AOV
4. Purchase
5. Retention
6. Loyalty & Advocacy

Adding Value of Digital Value Chains

1. Information economics

- Determines the value of the information
- Reach
- Range
- Richness

2. Four Ps of Marketing

- Product
- Place
- Price
- Promotion

3. Customer intimacy

- Customers are willing to provide personal data to enhance the customer value

4. Integration intermediaries

- Disintegration of many physically based intermediaries

- Integration of new kinds of information intermediaries

Value Networks

Group of partners that a company works with to deliver a product or a service to its customer

Before

- Suppliers
- Buy-side intermediaries

Centre

- Core value chain activities

After

- Wholesaler
- Distributor
- Retailer
- Customer

Strategic-core value chain partners

- Inbound logistics
- Manufacturing
- Product warehousing

Non-strategic core value chain partners

- Finance
- Human Resources
- Administration

Extras

Disintermediation

Removal of organisation or business process layers responsible for certain intermediary steps in a given supply chain

Reintermediation

Intermediary's role is shifted to one that emphasises value-added services

Horizontal/Vertical marketplace

A market which meets

- a given need of a wide variety of industries
- a particular industry or industry segment

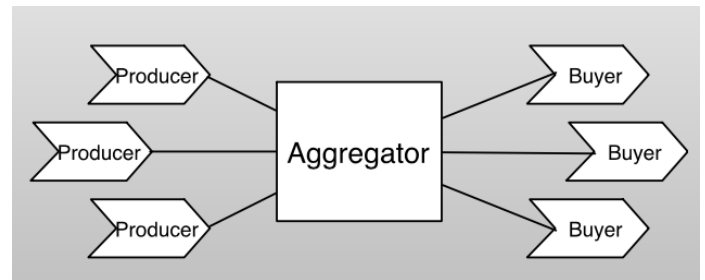
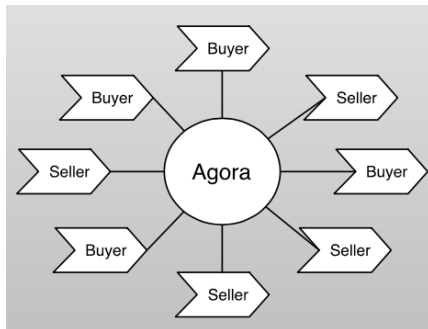
Horizontal/Vertical Integration

Mergers, acquisitions or takeovers, of multiple companies involved

- in the same level of a production process
- in different level of a production process

Business Webs

Agora

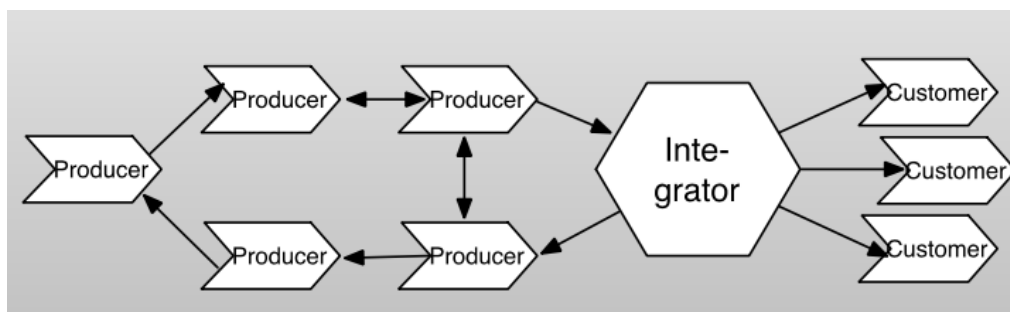


- Electronic marketplace where buyers and seller meet in order to openly negotiate over the goods offered their prices.
- Example: *eBay*

- Digital supermarket.
- Selects suitable products and services from different producers, decides on the appropriate market segments, set prices and supervises the fulfilment of the transaction.
- Example: *Amazon*

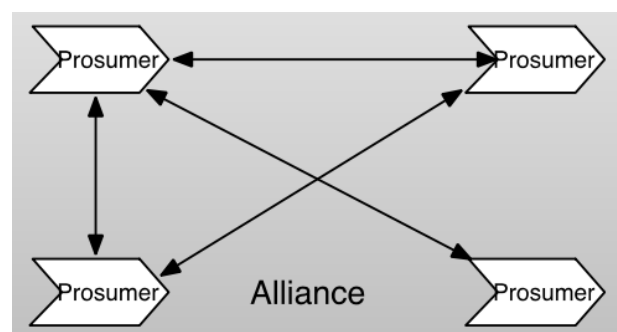
Aggregator

Integrator



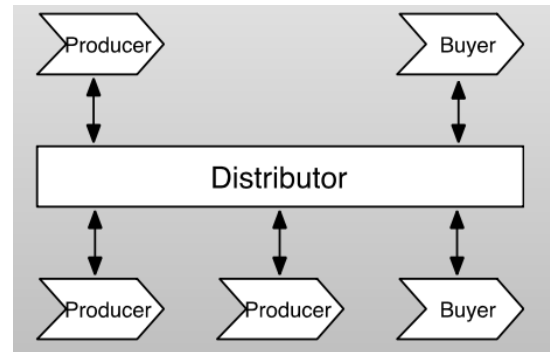
- Shop production
- Includes all the components desired by the customer
- Integrates the value of various actors such as external developers
- Example: *Cisco*

Alliance



- Loosely couple and self-organised partner networks, which pursue a common goal
- Prosumer: Members are consumers and producers
- Example: *Alliance, Linux*

Distributor



- Transfers material product, intangible products and services from the producer to the user.
- Example: *Telekom*

eBusiness Categories

1. B2C [amazon.com](https://www.amazon.com)
2. B2B [salesforce.com](https://www.salesforce.com)
3. B2B2C [liferando.de](https://www.liferando.de)
4. C2B [Google AdSense](https://www.google.com/adsense)
5. C2C [eBay.com](https://www.ebay.com)