Class Announcements

- Database Assignment 1 Due 4/28
- (regular) Assignment 3: Due 4/30
- Midterm: 5/5

2 more Access Tutorials

- Thursday, 4/23/15
  - 7:30-9:00pm
- Friday, 4/24/15
  - 4:30-6:00pm
- Both in:
  - Ming Ong PC (Merrill Room 103)

The Benefits of Disintermediation to the Consumer

- Digital goods: Goods that can be delivered over a digital network
  - E.g., music tracks, video, software, newspapers, books
  - Cost of producing first unit almost entire cost of product: marginal cost of producing 2nd unit is about zero
  - Costs of delivery over the Internet very low
  - Marketing costs remain the same; pricing highly variable
  - Industries with digital goods are undergoing revolutionary changes (publishers, record labels, etc.)

Essentials of Management Information Systems
Chapter 9 E-Commerce: Digital Markets, Digital Goods

Key Concepts in E-commerce: Digital Markets and Digital Goods in a Global Marketplace

- Digital goods
  - Business-to-consumer (B2C)
  - Business-to-business (B2B)
  - Consumer-to-consumer (C2C)
  - Mobile commerce (m-commerce)
E-commerce Business Models

- Portal
- E-tailer
- Content provider
- Transaction broker
- Market creator
- Service provider
- Community provider

E-commerce Revenue Models

- Advertising
- Sales
- Subscription
- Free/Freemium
- Transaction fee
- Affiliate

Web 2.0, Social Networking, and the Wisdom of Crowds

- Most popular Web 2.0 service: social networking
- Social networking sites sell banner ads, user preference information, and music, videos and e-books.
- Social shopping sites
- Swap shopping ideas with friends (Kaboodle, ThisNext)
- Wisdom of crowds
- Large numbers of people can make better decisions about topics and products than a single person.
- Prediction markets: peer-to-peer betting markets on specific outcomes (elections, sales figures, designs for new products)

E-commerce Marketing

- Internet provides marketers with new ways of identifying and communicating with customers.
- Long tail marketing:
  - Sell large number of unique items
  - Relatively few of each item sold
- Behavioral targeting: tracking online behavior of individuals on thousands of Web sites.
- Advertising formats include search engine marketing, display ads, rich media, and e-mail.