B2B & B2C E-COMMERCE

ENABLERS - BARRIERS

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Objectives

• Gain an understanding of the dynamics of channel shift from traditional business to e-commerce.

• Identify and prioritize the potential list of enablers and barriers to the channel shift.
Transformation

How has the Internet affected business?

Traditional Economy

Pre-Internet Era

Supply Chain
Product-driven
Supply-Push
Brick-and-Mortar
Slow to change

Networked Economy

Internet Era

Demand Chain
Customer-driven
Demand-Pull
E-commerce
Flexibility/Modularity
Key Influences
What factors have influenced the transformation?

Supply Chain
- Organization & Human Factors
- Marketplace
- Technology
- Finance
- Legal Issues

Demand Chain
- PUSH

PULL
Shifting Channels
How do these key factors affect the logistics and transportation industry?

Business ↔ Company ↔ Consumer

B2B ↔ B2C

Organization & Human Factors
Marketplace
Technology
Finance
Legal Issues

ENABLERS?
BARRIERS?
Enablers or Barriers

Enablers and barriers

- are dynamic in nature
- change overtime
- offer different opportunities and threats
- have different impacts on different companies

Enablers and barriers are interchangeable. Under one set of conditions, enablers can transform into barriers, and barriers can transform into enablers.
B2B – Organization & Human Factors

• Firm characteristics
• Corporate culture
• Management readiness
• Skills availability
• Knowledge Transfer
B2B - Marketplace

Opportunities

- Customized service as business differentiator
- Intermediary role in collaborative network

- Competition & new ecosystems
- Globalization
- Inter-enterprises & partnerships
B2B - Technology

Technological infrastructure

• Legacy systems – digitization?
• Convergence – infrastructure & network
• Integration – intra and inter-enterprise
• Network – access, availability, bandwidth, mobility.

Opportunities

• IT services
• Alliances with IT outsourcing companies
B2B - Finance

Opportunities
- Consulting
- Financing
- Alliances with financial and consulting firms

- Risk assessment
- Investment size
- Past business models
- Scalibility
B2B - Legal Issues

• Privacy

• Security

• Regulations—National

  International
B2C – Human Factors

• Attitude towards technology
• Peers’ behavior
• Demographics (income, ethnic group, age, gender)
• Motivation to use technology
• Consumer psychology
  • Return policies
  • Payment methods
  • Sensory Deprivation Issues
  • Loyalty programs
B2C – Marketplace

- Brand recognition and reputation
- Pricing models
- Timing
- Multiple-channel integration
- Customer service
B2C – Technology

• Network--access, availability, bandwidth, mobility
• Online retailing environment
• Interface

• Website design
  Professional design               Easy to use
  Personalization available         Fast loading
  Good navigational properties      Smart agent
  Minimal or no registration process Real-time help
B2C – Finance

• Investment size
• Cost of access
• Payment methods
• Financing
B2C - Legal Issues

• Privacy
• Security
• Regulations—National
  International
Conclusions

From Value Chain to Value Network

at the Front-end (customization)

Value in Common Infrastructure

in Modularity

in Orchestration

Enablers and barriers are the driving force in the value chain transformation. They can transform the value chain into a value network that is integrated, optimized and customized.
Conclusions (cont.)

Business Model: Distributive Network

• As value network emerges, strategic logistics outsourcing becomes the norm.

• The complex structure of alliances and partnerships in a very competitive environment should be managed carefully.

• In the networked economy, the value is in the network. To capture the most value, logistics and transportation companies will need to become the conductor of the value orchestration.