

What's So Great About Electronic Commerce?



By now you have read about using the Internet for business in *UniForum Monthly* for a year and a half. And you've seen the topic everywhere else as well—from the IT industry press to general-interest magazines and newspapers, and finally the end of the horse that goes over the fence last: television broadcasts. It's high time that we think about the meaning and consequences of electronic commerce.

This is a broad field, and in kicking off "The Analyst's Couch" I'll have space to focus on only a couple of issues. For example, I won't go into the creative possibilities for online publishing and the new kinds of content and ways of thinking it may generate. Instead, I'll restrict myself to some implications for the way we do business.

What Do You Mean, New?

We sometimes forget that technology is a tool, not a goal. This is never more true than in commerce. To paraphrase a forgotten president, Calvin Coolidge (a man known for his *silences*—where is that virtue when we need it?), the business of business is business. That is, all business communications have the same ultimate content: Buy this.

Buying and selling are always fun-

damentally the same. To devise "a new way of doing business" is of its nature nothing revolutionary. If this assumption is true, we have to narrow our claims for electronic commerce to considerations of its advantages, such as in the traditional areas of advertising and fulfillment.

Is electronic advertising, still in its infancy, likely to be truly different from the print and TV forms? For example, once the security issues are worked out, what will be the great convenience in placing an order over the World Wide Web? In the virtual store, I can view the latest products, including moving parts, as I choose, instead of waiting for the ad to show on TV—if I can outwit the Web designers who put what they want me to see in my path to the object of my desire. I still can't try on that awesome pair of cross-trainers to check their fit, even if I can see the LEDs blink when Shaq goes up for a slam. We're talking old-style delivery mechanisms; UPS has got to love it.

Similarly, an auto dealer's online showroom won't let me search for design weaknesses that will burst forth just after the warranty expires. It's like touting the benefit of having Newt Gingrich in an AOL chat room over watching Bill Clinton on MTV. It would be a new venue, perhaps aimed at a different demographic slice, but access control will remain in effect. We'd end up learning whether he wears briefs or boxers; the level of the discourse will not rise.

A package tracking system would streamline your task a bit. You eliminate the middleman on the other end of the phone call—if you are already online. If you have to boot your system to do it, there's no time saving. More on this wrinkle below.

Online Nation

Electronic commerce is a form of automation, and therefore it primarily will profit the organizations that sell something. It will enable, among others, banks to lay off more tellers and mail order companies to reduce their phone service staffs.

The corollary is that companies will have to hire new Web specialists (though many fewer total people). What we are used to calling IS will manage this electronic process, probably as part of the business units that evolve in reengineered organizations. If you are an IS professional, your job may become a support function not only for marketing but for actual sales. How does this notion grab you? CIOs say they are counting on a new generation of employees to embrace this job description.

As noted above, ordering over the Net will remove for consumers the step of dictating your order and collateral information to someone on the other end of the phone call. Or rather it will replace that human interface with a mechanical one, probably something like a form to fill in that you finish by clicking on a Go or Send button (much more seductively named, of course). Many people will prefer this, given the sometimes messy behavioral conflicts of dealing with that customer service rep. (Put aside the thought that you'll deal with a technical service rep when the transaction fails.)

The important point is that electronic commerce is predicated upon thorough dependence on computer use. Supposedly this is the thing it is supposed to stimulate. If you can buy stuff, you'll want to go online instead of going to the mall (you see how this demographic skews to the older and the socially inept).

Assuming this prophecy comes true, we are left with the furtherance of two questionable "values" already much in evidence today: speed and convenience.

By Jeffrey Bartlett

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These are benefits for business purposes, but are they good for people? Critics of Internet fever, such as Clifford Stoll and Stephen Talbott (see the review in "Open Books," page 64), perceive the trend toward an online nation as furthering dehumanization and isolation, the reduction of active citizens to passive consumers. The PC "revolution," whose proponents promised increased access to democratic processes, is 15 years old, and we seem to have a less egalitarian society than when it began.

If it doesn't change fundamental issues, why the big noise over electronic commerce? Well, capitalism is by definition restless, ever searching for new markets and new means of making money. Not many observers doubt that there's gold in those virtual hills. This opportunity alone is enough to make business on the Net a rich lode of strategies and tactics for profit (and of topics for the press and analysts). But let's not mistake it for something else. ■■

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Did something in this column press one of your hot buttons? Then let us hear what you think by sending a response to pubs@uniforum.org. We'll consider it for publication in "Letters to the Editor."

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