# **Electronic Commerce Strategies**

## MGMT S-5010 (Course #32577) Harvard Summer School– Summer 2015 Syllabus

Location: B108 Northwest (Science) Building

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### **Course Background**

When I created a predecessor of this course back in 1995 (as perhaps the second or third one available worldwide), there was tremendous "magic" in the air. People dreamt about millions of dollars that could be cashed in on wild ideas. And some indeed earned those millions. Some earned millions on selling a shaky idea only to see the buyer turn around and make tens of millions on the same idea. And sometimes the buyers were left with nothing. There sure was plenty of excitement; the course had standing-room only crowds, waiting lists, and disappointed students who could not get in due to a lack of chairs.

The landscape in e-commerce has changed since then. In 2000, we saw the "dot com bubble" burst with dramatic loss of wealth in nearly the entire technology sector. It took until this Spring for NASDAQ to recover from its high of 5,132 in March of 2000, 15 years ago. We also have seen mobile technology like tablets and smartphones overtaking laptops in sales and "eye-share." Social networking and cloud computing have become mainstream rather than fringe, creative ideas, pushing word processing and email to the back seat. Venture capital has also increased, not only matching but also surpassing previous levels. It would be an understatement to say that E-Commerce has been re-invigorated once again; it would be fair to say that it is even more central and exciting than ever before.

Another change was the focus of the commerce activity itself. Back in 1996, the course focused on existing firms that experimented with websites. Then Amazon, Yahoo, and EBay grew successfully, showing us the power of a new concept: a "pure play" firm that had no physical store or presence of any kind. Those firms then forced brick and mortar businesses to add a web presence to their capital and operating expenses, to invent another new concept: a "brick and click" business. Following that initiative, social components were integrated into many websites, moving towards "Web 2.0." Shortly after that, mobile phones and tablets suddenly became central. Now some visionary firms have integrated social networks and mobile computing into business as usual. A striking fact is that each of these changes took only a few years to become mainstream.

#### The Focus of the Course

Over the same period, there has been dramatic maturing of the content of E-Commerce courses as well. Back in 1995, those three or four of us designing the first E-Commerce courses spent several weeks teaching students

about HTML, JavaScript, and other low-level tools for building web-pages. Just 20 years later and counting, the list of technologies is longer than ever and *changing constantly*, but powerful packages are now available that avoid the need for developers to see the HTML language very often (if at all). One popular and powerful example is Adobe's Dreamweaver. There is also a trend towards using sites such as WordPress, which employ simplified but still-powerful templates and features. Even Word (since XP) allows you to develop web pages and save them as HTML documents. There are fewer barriers than ever before to publish any of your materials to the world.

The trouble is that many tools require expert knowledge of how to change server operating system settings (especially to open security gates to only the right parties), create forms, and to link to databases. The technology has developed so much that an entire *series* of courses can, and must, be taken to build a sophisticated and unusual on-line business. Meanwhile, the philosophy in this course is that it is more important to have the creative idea, the gem, the golden moment that can support the investment of a lifetime's worth of income, rather than to focus on the mechanics. In other words, a great site will wither and die if it has no strategic business value. The issues of competitive advantage and sustainability of that advantage are more important than the mechanics.

It is no accident that the word "strategies" is in the course title. We will focus on competitive advantage and sustainability in this course rather than the operational mechanics. While we will discuss some of the technologies that can be used in e-commerce, our focus will be technology agnostic.

The development of new businesses has admittedly slowed. Most of the effort is now aimed at helping an existing business looking at new ways to leverage e-commerce, rather than starting new enterprises. Of course, some new e-commerce businesses are created, but new businesses are also created in the physical brick and mortar world, even in mature enterprises like stores, restaurants, and service firms.

All in all, there is both good and bad news. The good news is that much good, interesting, and intellectual content is now available for studying e-commerce. There are interesting strategic models and a plethora of cases involving those in your day-to-day experience like music downloading and those that you probably will never use, such as Baxter's Business-to-Business system.

The bad news is that the area is still developing so some of your knowledge will *seem* time-sensitive. You will find that new developments will seem to make some of this material obsolete. Fortunately, the approach we take here will focus on frameworks that will not change as rapidly as the technology. If you become accustomed to applying the strategic frameworks to these real situations, you will see how new technologies do not change *everything* all at once. There are still timeless issues of competitive forces, competitive advantage, value chain, and sustainability that will organize the material, and hopefully will organize your thoughts about the new technologies for many years to come.

#### **Course Approach**

My approach in this course is to combine my own extensive teaching and research materials with that of the best and most up-to-date textbook in the area, and sprinkle in a range of case studies. The result is perhaps a heavy reading load, but our six-week format allows you to become immersed in the material. The text will also serve to supplement the class materials, perhaps providing deeper explanations of any items that I might gloss over. For cases, I will provide specific questions (in the last section of this syllabus) to avoid you having to guess what I am looking for, and I will alternate as best I can your case requirements between group cases and individual cases.

#### **Materials**

**Text:** Laudon, Kenneth C. and Carol Guercio Traver, *E-Commerce: Business, Technology, Society 2014* (11<sup>th</sup> ed). New Jersey: Pearson Education (Prentice-Hall), ISBN-10: 0133507165; ISBN-13: 978-0133507164

**Cases:** See fuller description below, but they are available for purchase at <a href="https://cb.hbsp.harvard.edu/cbmp/access/37039309">https://cb.hbsp.harvard.edu/cbmp/access/37039309</a>
Note: If you need only The NY Times Paywall case, here is the link: <a href="https://cb.hbsp.harvard.edu/cbmp/access/37795559">https://cb.hbsp.harvard.edu/cbmp/access/37795559</a>

Other: In addition, the following readings are required, with numbers mapping to the tentative course schedule:

- Galletta, Dennis "Thinking Strategically about E-Commerce to Achieve Competitive Advantage," Keynote
  presentation for the 17<sup>th</sup> Conference on EDI and E-Commerce, Rachna, Poland, June 2009. Available at
  http://www.pitt.edu/~galletta/research/GallettaKeynote.pdf
- 2. Cummings, Joanne, "How SOA could change the way you buy electricity," *Network World*, October 22, 2007. Available at
  - http://www.computerworld.com.au/article/197196/how\_soa\_could\_change\_way\_buy\_electricity/
- 3. Kay, Russell, "Quickstudy: Cloud Computing," *Computerworld*, August 4, 2008. Available at <a href="http://www.computerworld.com.au/article/255703/quickstudy\_cloud\_computing/">http://www.computerworld.com.au/article/255703/quickstudy\_cloud\_computing/</a>
- 4. Elberse, Anita, "Should you Invest in the Long Tail?" *Harvard Business Review*, July-Aug 2008. (See Canvas site for retrieval information)
- 5. Bonabue, Eric, "Decisions 2.0: The Power of Collective Intelligence," *Sloan Management Review*, vol. 50, no. 2, pp. 45-52. (See Canvas site for retrieval information)
- 6. Loiacono, Eleanor, "Web Accessibility and Corporate America," *Communications of the ACM,* Vol. 47, no. 12, pp. 83-87. (See Canvas site for retrieval information)

#### Student Responsibilities<sup>1</sup>

**Classroom conduct:** Please turn off cell phones and pagers (or set to "silent"). If you need to leave the classroom for any reason, please do so quietly to minimize disruption to the rest of the class. Also, please hold private conversations outside the classroom. If you know you will need to leave prior to the end of the scheduled time for the class session, please let me know before the class begins.

Your participation is important in the class. I will expect you to:

- Actively participate in classroom discussions, but not to dominate every conversation. I expect you to contribute regularly but also give others a significant chance as well.
- Ask questions to clarify material that is not understood
- Initiate meaningful discussions to extend analysis on topics of interest that are related to class material
- Please do not initiate loosely-related discussions just to be marked as "participating." Other students would like to stick to the topics in the course as closely as possible.
- Work in groups for several cases and projects. Obtain maximum value from this crucial aspect of this course.
- Come to class; In accordance with Harvard rules, you are expected to attend all classes, missing only rarely.
   There usually are students on a waiting list for the summer program courses, and we give preference to those who will engage in the courses fully. This course has enjoyed roughly 99% attendance over the past four years; don't be the 1% who misses significant material.
- If you cannot come to any single class, please obtain the notes from another student private tutoring will not be available to those who miss class. It is important to note that any announcements in any class session are official and apply to all students registered, not just those who attend that day.
- After class, if you still don't understand a concept, please feel free to email and set up a meeting time. I'm happy to provide extra help when needed. Historically, the concepts have not been very difficult in this course

<sup>&</sup>lt;sup>1</sup> Thanks to my colleague Andy Schwarz for a previous version of this section as well as the next "How to be Successful..."

but the workload is high.

#### How to be Successful in this Course

I want you to be successful, not only in this course, but also in your future career. All of the material and assignments have been designed so that you are prepared for real life! To be successful in this course and your future career, consider a few suggestions:

- 1. Plan. You now have the syllabus for the course that includes all of the important dates. Keep track of the dates and plan your schedule around your work load.
- 2. Prepare. Be ready when you to come to class read the chapters and, print out the slides (if that is your practice), the day before class so that you are not rushed coming to class. Preparing while the semester is going along will make it easier around quiz time.
- 3. As stated above, the workload is high but the material is fairly straightforward. The skill we emphasize in this course is analysis, integration, and generalization of concepts in diverse contexts.
- 4. Ask questions. The only bad question is the one that you did not ask (and then missed on an exam or case).
- 5. Be professional. Think of your instructors in any courses as bosses whom you want to impress be professional with them and they will return the favor. Also, keep up your end of the workload in your groups.
- 6. View this class within the right context. As in your career, don't look for shortcuts failing to learn course material will hurt you when you are looking for a job. Start planning for your success now by treating this course as you would a job.

#### **Class Format**

The usual class plan is to cover a case for about an hour to 90 minutes, then to cover detailed chapter material. The case preparation will cover at a basic level the material that should be read for the class in which the case is due. We will cover more advanced concepts in the "lecture" portion of the class.

#### **Administrative Matters**

Harvard has a well-defined process for many administrative matters. There are specific procedures for students with disabilities (please contact Academic Services at 617-495-0977 or disabilities@dcemail.harvard.edu), religious conflicts, and makeups (we can't do it). Also, taking attendance is required of me, especially during the early classes to allow waitlisted students to take the place of non-attending registered students. Given that you are taking the course for graduate credit and have obviously survived an undergraduate program, suffice it to say that your submitted work must be yours and yours alone unless the assignment is clearly labeled to be from your group. As you most likely know by now, there are severe penalties for academic dishonesty, which includes copying nearly any amount of text from a web site without quotation marks or attribution and any amount of copying from others. If you cite a source, simply use quotation marks around the section you are quoting and then insert an author name and year in parentheses, as well as a list of complete references. If you do this, as the only modestly funny joke goes, "cheating" becomes "research." Because you are all held closely to it, you should be familiar with the academic integrity policy explained in <a href="http://www.summer.harvard.edu/exams-grades-policies/student-responsibilities">http://www.summer.harvard.edu/exams-grades-policies/student-responsibilities</a>.

Writing up cases: Generally in analyzing cases we do not expect your writing to be dramatic or artistic. So you can dispense with the "It was a dark and stormy night" beginning or clever plot development, or integrating all concerns to flow in a story format. The bullets or sentences you hand in should be clear and tied to the questions you are asked. Please label the answers to follow the questions: 1, 2, 3a, 3b, etc. Regarding clarity, if writing is an

issue for you, or you just want some help, the writing center is ready to help during the summer term. See http://isites.harvard.edu/icb/icb.do?keyword=k33202.

### Cases [Individual and Group]

The non-text cases are available on Harvard Publishing's site but it will save you substantially to order them from the Harvard site through this course. The link to buy them at a discount (less than \$20 total) is <a href="https://cb.hbsp.harvard.edu/cbmp/access/37039309">https://cb.hbsp.harvard.edu/cbmp/access/37039309</a>

I use many rather new cases, but some classic ones have valuable lessons as well, and are a little older. Harvard cases are about management approaches, not about the latest trends or developments. Any older cases that you see in this course have been chosen carefully to cover particular issues that they cover extremely well.

In the order in which they are covered, the cases are as follows. *Please refer to the questions to answer for each case analysis that are provided later in this syllabus; do not answer any questions you see in the cases themselves.* 

- Pinterest: A Picture is Worth a Thousand Words, 2015, (Chap 1, pp. 3-6 in the text)
- Lands' End, 2003 (available at the following link: (please inform me if it disappears) <a href="http://www.business.unr.edu/faculty/kuechler/750/landsEnd.pdf">http://www.business.unr.edu/faculty/kuechler/750/landsEnd.pdf</a>.
- iPremier Co. (A) Denial of Service Attack: Graphic Novel version (Austin, Leibrock, & Murray) 6/25/09: #9609092 (Buy from the Harvard link above)
- Orbitz Charts its Mobile Trajectory, 2015, (Chap 4, pp. 240-243 in the text)
- Facebook vs Twitter: Does Social Marketing Work? 2015, (Chaps 2 and 7; pp. 55-58 and 417-419 in the text)
- Amazon.com: Exploiting the Value of Digital Business Infrastructure (Applegate & Collura), 9/5/2000: #9-800-330 (Buy from the Harvard link above)
- The New York Times Paywall, (Kumar, Anand, Gupta, Gee) 1/31/2013: #9-512-077 (Buy from the Harvard link above)
- eBay Evolves, 2015, (Chap 11, pp. 736-738 in the text)
- Uber Revs Up, 2015, (Chap 9, pp. 615-617 in the text)
- Threadless: The Business of Community (Lakhani & Kanji), 6/30/08: #608707 (Buy from the Harvard link above)— it is available on CDROM or Web link if you choose CDROM it must be mailed physically.

I strive to make this course as "paperless" as possible. Of course, having a textbook violates that policy right away. However, if you rent the online version or recycle or resell your text at the end, it will get closer to that goal. Further, the cases and readings outside of the text can all be downloaded and, hopefully, comfortably read from your screen. We strive to never hand out any paper (except for quizzes). Given that there are limitations in the Harvard case downloads (only readable on your current computer or for a limited time), you might want to print them if you wish to keep them forever.

# **Final Course Outline**

	Part 1: Introduction					
1	June 23	Introduction	Chap 1			
		Group Formation	Galletta (2009) <sup>1</sup>			
		Strategic Models	, ,			
2	June 25	e-Commerce Business Models and Concepts	Chaps 2, 3			
		e-Commerce Infrastructure	Cummings <sup>2</sup> and			
		Creative Applications	Kay <sup>3</sup> articles			
		Group adjustments/reformation	,			
	Part 2: Technology Infrastructure for E-Business					
3	June 30	Pinterest case analysis due (individual) (pp. 3-6) – see the last	Chap 3 (continued), Chap			
		section of this syllabus for all case questions!	8 (sec 1 only)			
		E-Commerce Infrastructure				
		Ethical Issues				
3	July 2	Lands End case analysis due (group)	Chap 5			
		E-Commerce Security				
4	July 7	iPremier case analysis due (individual)	Chap 5 (continued)			
		E-Commerce Security				
		Quiz 1				
		Part 3: Business Concepts and Social Issues				
5	July 9	Orbitz case analysis due (group) (text Chap 4 p. 240)	Chap 5 (conclusion)			
		Building an E-Commerce Presence	Chap 4 pt. 1			
6	July 14	Facebook vs Twitter case analysis due (brief class discussion	Chap 4 pt. 2			
		only; nothing written) (text Chaps 2 pg 55; Chap 7 pg. 417)	Chap 6 pg. 1			
		E-Commerce Marketing and Advertising Concepts				
		Failures analysis due (group)				
7	July 16	Amazon case analysis due (individual)	Chap 6 pt. 2			
		E-Commerce Marketing and Advertising Concepts	Loiacono <sup>4</sup>			
	Part 4: E-Commerce in Action					
8	July 21	New York Times case analysis due (group)	Chap 7			
		Social, Mobile, and Local Marketing	Elberse <sup>5</sup>			
		The Long Tail				
		Quiz 2				
9	July 23	<b>Uber</b> case analysis (individual) (text Chap 9 pg. 615)	Chaps 8, 9 pt. 1			
		Ethical, Social, Political Issues				
		Online Retailing and Services				
10	July 28	Threadless case analysis due (group)	Chap 9 pt. 2, Chap 10			
		Crowdsourcing	Bonabeau <sup>6</sup>			
		Online Retailing and Services				
		Online Content and media				
11	July 30	eBay case analysis due (individual) (text Chap 11 pg 736)	Chaps 11, 12			
		Social Networks, Auctions, and Portals				
		B2B, Supply Chain, Collaborative Commerce				
Final	Aug 4	Online Entrepreneurship Project - Presentations (group)				
		Quiz 3				

Note: All case analyses are due online (PDF format is preferred) by the minute class begins. For each 5 minutes or fraction thereof, 1 point is deducted until the score becomes zero (this occurs in less than a half hour).

### **Grading Scale**

In general, given that cases and projects tend to have high scores, the grading scale will be a little more stringent than usual. If the grades are low, I will curve upwards to achieve a reasonable distribution. The "at worst" guidelines I follow are:

Points	Letter Grade	
95-100	Α	
93-94	A-	
91-92	B+	
87-90	В	
85-86	B-	
83-84	C+	
79-82	С	
77-78	C-	
75-76	D+	
72-74	D	
70-71	D-	
Below 70	F	

The University rules preclude students from handing in extra work or resubmissions to improve assigned grades. Grade changes are only permitted if there is a "clearly documented clerical or computational error" (see the summer program's policies on grades at <a href="http://www.summer.harvard.edu/exams-grades-policies/grades">http://www.summer.harvard.edu/exams-grades-policies/grades</a>). Further, while students may certainly ask for explanations about grades and to review graded papers, the grading policy goes on to state that "repeatedly calling your instructor about a grade or additional points or telling your instructor that you need a certain grade could be considered harassment."

# **Grading and Points**

Element	<b>Points</b>
Five individual cases (5 points each)	25
Four group cases (3 points each)	12
"Failures" Presentation	10
Three quizzes (8 points each)	24
Online Entrepreneurship Project	15
Class attendance and participation	9
Peer evaluations of quality and quantity of your work	5
Total	100

# **Online Entrepreneurship Project [15 points]**

The goal of the final (group) project is to integrate the material in this course into an entrepreneurial endeavor of some kind. Each group should develop **one** of the following:

- 1. Create and develop an idea for a new Internet-based business
- 2. Create and develop an idea for a new Internet-related hardware or software product
- 3. Create and develop an idea for a new Internet-based opportunity for an existing business

The plan should be created as a PowerPoint presentation, not a written document, and should contain the following elements. Cover this in a **15-minute** presentation and the parts you do not plan to cover due to time constraints should be placed in appendices. Time will be called abruptly at 15 minutes and the next group will need to begin. Make use of Chapter 9 in the textbook to get a pretty useful glimpse of various industries. If you have chosen option 3 above, please **only** present **incremental** costs.

#### 1. Context (1 point):

- a. If you are focusing on an existing business, describe it in enough detail for us to understand the context.
- b. Whether it is an existing business or a new business or product, describe the problem you intend to solve for customers or trading partners.

#### 2. The Idea (2 points)

- a. Describe your idea
- b. Describe the technological solution. If a web site, a mock-up of the site would be helpful. Just draw it and insert text boxes with links, buttons, titles, etc. Insert photos where desired. Just let us know what you're thinking about as vividly and quickly as possible.

#### 3. The Competitive Environment (4 points)

- a. Provide an overview of the industry that is represented most closely or related most strongly to your innovation
- b. Describe the customer base: How large is the market? Describe the market (i.e., what are the customers like?).
- c. Describe that industry with respect to Porter's five competitive forces.
- d. Which of the three competitive strategies are intended? (cost, differentiation, focus)

#### 4. Marketing plan (2 points)

- a. Where will you advertise?
- b. How much will it cost?

#### 5. The business model and finances (3 points)

- a. How will you monetize your efforts? What is your pricing?
- b. Project the potential revenues and/or cost reductions for 5 years
- c. Project your likely costs for 5 years. Make up a spreadsheet that combines the marketing costs from above with salaries, product costs, and the rest of the likely costs for 5 years. If you have problems trying to estimate the technologies, use any of the following that you find useful. Your own estimates can override any of these numbers of mine (for example, if you have volunteer developers or will pay only in stock options or something).
  - i. Outsource at \$.75 per transaction, OR
  - ii. Start with two servers plus an additional server for every 500 transactions a day. Each server can be estimated at \$5,000, overhead (operating system, database server, labor,

space, power, etc.) at \$1,000 per server per year. Add labor of a full-time person at \$50,000 the first year then \$120,000 annually after that, plus another full-time person at \$120,000 annually for every five servers.

#### 6. Sustaining the Competitive Advantage (3 points)

- a. Review the barriers you intend to construct (from the sustainability framework).
- b. Point out critical success factors for this endeavor
- c. Point out the likely risks in light of 6a and 6b.

### **Web Startup Failure Presentation**

A web site named "Tech Crunch" has taken over from the book *F'd Companies* and has fortunately done so without as much profanity (except in the blog postings) as in the infamous book. See the site at <a href="http://www.techcrunch.com/tag/deadpool/">http://www.techcrunch.com/tag/deadpool/</a>. While profane, the book was a very quick and often hilarious read. It is amazing to see where people invested millions of dollars, especially in retrospect. You can also use the book as a source if you'd like.

Your group's assignment is to pick one of the firms and become an "expert" about it. You will have time in class up to July 5 to make your choice. No two groups should pick the same firm. Please do not email your choices.

Try to be as complete as possible and check out some of the blog entries and articles written about the firm. Then develop a 10-minute presentation about it. About 6-7 slides might be ideal but you are not held to a specific number. Make a presentation to the class that explains the following:

- 1. Concept (company name, what they tried to provide) (any screenshots you can dig up of logo/website/etc. would be helpful)
- 2. Business model (how they tried to make money)
- 3. Why did it not work? Bring out issues such as financial, market, staffing, etc., as comprehensively as you can.
- 4. What are the changes (at minimum) that you believe would have been necessary to make it survive? No paper-type (narrative) submissions are necessary; just submit the PowerPoint decks. Make it fun!

#### PINTEREST: A PICTURE IS WORTH A THOUSAND WORDS (INDIVIDUAL) (TEXT PP. 3-6)

- 1. (One table and bullet points) Describe the extent to which Pinterest addresses Porter's three generic competitive strategies. Use one to five stars (\* = very weak; \*\* = slight; \*\*\* = moderate; \*\*\*\* = strong; \*\*\*\*\* = very strong) for each generic strategy and then briefly state why you believe that to be true. Be specific enough; don't just say "products;" it is meaningless. It would be better to say "great selection of products," and better yet to say "great selection of products because of their use of third party merchants." Note: that example obviously has nothing to do with the particular case.
- 2. (One table and bullet points + one paragraph) Make a quick assessment of the five competitive forces against the industry Pinterest has defined. Evaluate each of Porter's five competitive forces on this industry by labeling each as "H," "M," or "L" for "high" "medium" or "low." Provide a very short bullet point explanation of why you reached this conclusion. Note: you are not only permitted, but encouraged to use + and (as in H- or L+), or even blended ratings like "M to H" or "L to M" if applicable because the world does not fit so neatly into three discrete categories. Provide a few short bullet points to support each assessment. Below the table, provide an overall statement about the competitiveness of that industry based on your analysis (a judgment-based informal "average" is useful but also provide a short paragraph of discussion). In all future cases, when asked about the five competitive forces, use Porter's framework in this way.
- 3. (One table and explanations where needed) Provide a "report card" (using the familiar A to F scale from school, complete with optional plusses and minuses) on Pinterest's responses to each of Porter's five competitive forces. If anything but C, provide a short explanation of what was particularly strong or weak.
- 4. (One to three short paragraphs) Check out TheFancy.com and decide how formidable a foe it could be for Pinterest. Does TheFancy.com envelope Pinterest's features? What extra features does it offer? Provide a report card for TheFancy.com as you did for Pinterest in (3) above.

#### LANDS' END (GROUP) (DOWNLOAD AT http://www.business.unr.edu/faculty/kuechler/750/landsEnd.pdf)

Even if each group member focuses on answering one particular question, please put it all together and have only one group member submit it as one combined document.

- 1. (One table) Before reading the case, determine how much each of your fellow group members would *expect* custom-tailored clothing (shirts and pants) to cost (in terms of retail price), as a percent of the price of mass-produced ready-to-wear clothing. For instance, if a group member believes custom would likely cost twice the amount of ready-to-wear, he or she would use 200%. If the same price, then 100%. At the bottom, provide a rough average for the group.
- 2. (One table) The group should provide a consensus estimate of the impact of custom-tailoring on each of the following cost factors: equipment, labor, inventory, shipping, and advertising. The impact of each should relate to overall costs, on a really rough range from -9 to +9, where -9 would represent much lower cost in the organization's grand scheme of things. 0 would mean overall costs are not appreciably affected. +9 would represent much higher costs. For instance, if a manufacturing firm eliminates all pencils from being purchased by office staff, that change would likely earn a 0, or maybe -1 (if they are really heavy pencil users). If a consulting firm increases its personnel costs by only 10%, that change would likely earn an 8 or 9. Average your estimates at the bottom of your table—the "impact on overall costs" concept provides automatic weighting for a simple average to be meaningful.
- 3. (One paragraph) Based on your answer to #2 above, provide a revised overall estimate to answer #1. That is, state the group's consensus on how much (as a percent of ready-to-wear) you think Lands' End would be expected to charge for custom tailored clothing due to the overall cost factors.
- 4. (One paragraph) How does the estimate in #1 compare to the revised estimate in #3? Explain any differences between those estimates.

- 5. (One paragraph) Does the custom-tailoring program provide competitive advantage for Lands' End? How?
- 6. (One table plus one paragraph) Provide an analysis of the competitive forces for custom-tailored clothing (not just clothing), as before.
- 7. (One table plus one paragraph): Assess the sustainability of the competitive advantage found in Lands' End program. Evaluate each of Piccoli, Feeny, and Ives' sustainability barriers for Lands' End by labeling each as "H" "M" or "L" (with plus/minus or blended ratings as in #2) for Lands' End. Provide a short bullet-point explanation of why you reached this conclusion. In all future cases, when asked about sustainability, use Piccoli et al.'s framework in this way.
- 8. (Short paragraph) What advice would you provide to Lands' End (a) at the time the custom-tailored program was created? (b) at the end of the case? (c) right now? You might know that Lands' End has downplayed the program after discontinuing and resurrecting it. Take a look at their website and see how they are now promoting tailored clothing. Hint: See if you can find it!

#### iPremier (Individual) (Harvard Download)

- 1. Evaluate iPremier's competitive situation. For this one case only, there is no need to go through Porter's forces. Just assess whether iPremier is in a weak or strong competitive situation and explain why.
- 2. Given your answer to (1), should iPremier disclose to customers the potential breach? Why or why not?
- 3. Whether or not you recommend disclosure of some kind to customers, please adopt that position for this question only. Provide a copy of the letter you would write to customers and be prepared to read it aloud in class for us to discuss.

#### **ORBITZ CHARTS ITS MOBILE TRAJECTORY (GROUP) (TEXT PP. 240-243)**

- 1. Do you use Orbitz? If not, which service do you use most often? What factors lead you to use the travel service that you use most often?
- 2. Analyze the competitive forces against Orbitz
- 3. Analyze the sustainability of Orbitz's competitive advantage
- 4. Given the numbers, why is Orbitz concentrating on the idea of a mobile app? What statistics support their efforts and what opportunities are there for a mobile app?
- 5. Provide recommendations to Orbitz for the next five years.

#### TWEET TWEET/FACEBOOK (CLASS DISCUSSION ONLY) TEXT PP. 55-57; 417-419

- Facebook and Twitter are often discussed in the same sentence in terms of social marketing. Compare the
  business models of Facebook, which is well known and described earlier in the text, and Twitter,
  described here. Compare their revenue methods, prospects, visibility, and in your own opinion, future
  potential. Lacking a set framework for social marketing, there is no set format for your answer, but
  support your assertions.
- 2. Google's traceability of effectiveness is said by some experts to be quite tangible and direct in comparison to that of Facebook. Refute that statement. Also, given this case, pull Twitter into the discussion—how does the cost to an advertiser match the results?
- 3. Does Facebook subsume all of the features of Twitter? Why or why not? If so, why does Twitter continue to survive? If not, what features of Twitter are lacking in Facebook?

#### AMAZON.COM: EXPLOITING THE DIGITAL BUSINESS INFRASTRUCTURE (INDIVIDUAL) (HARVARD DOWNLOAD)

- 1. Analyze the competitive forces as they apply to Amazon's industry.
- 2. Grade Amazon's responses to the competitive forces.
- 3. Evaluate the sustainability of Amazon's competitive advantage as of the date of the case as before.

#### New York Times Paywall (Group) (Harvard Download)

- 1. Is the Paywall working? Why or why not?
- 2. How would you evaluate the current Paywall compared with the two prior ones? Do you think it is appropriately designed compared with the *Financial Times* or *The Wall Street Journal?*
- 3. Why are newspapers in trouble? What is the goal of The New York Times in creating the Paywall?
- 4. Should the New York Times actively manage a transition from print to digital?
- 5. Evaluate the competitive forces against the newspaper industry. Evaluate the standing of the *New York Times* in that industry. To answer this question, grade the way the *New York Times* has responded to those industry forces.
- 6. Does the Paywall seem like a good strategy for newspapers in general?

#### EBAY EVOLVES (INDIVIDUAL) (TEXT PP. 736-738)

- 1. What service does EBay provide? What is the role of customers in providing this service? Think carefully about these questions; they are the essence of EBay's existence and procedures.
- 2. How is EBay's competitive advantage sustained over other auctions? What do you think are the biggest threats to EBay?
- 3. Going forward, should EBay be concerned with growing corporate involvement? "Buy it Now" items?

#### **UBER: REVS UP (INDIVIDUAL) (TEXT PP. 615-617)**

- 1. Have you used Uber before? If not, are you considering it? Explain why you answered as you did.
- 2. Assess how Uber has done in terms of switching cost. Also list and evaluate any other single tactic/strategy it has used to gain competitive advantage.
- 3. Evaluate the sustainability of Uber's competitive advantage.

#### THREADLESS (GROUP) (HARVARD DOWNLOAD)

- 1. What motivates community members to participate? What is Threadless offering to its community members?
- 2. What should be done in the case of the Big Retailer? Why?
- 3. Use your previous work experience or that of family members or friends to suggest one other situation in which the "crowdsourcing" approach might work. How might you leverage or exploit this "crowdsourcing" model in another firm? Please stay away from suggesting something that is too similar, that is, a crowd's submission of product designs. Employing a crowd-based evaluation step as part of what you suggest for a different type of business is absolutely fine; it is likely to be applicable widely.