



BUSINESS WEBINAR

SECTION A: E-COMMERCE REVIEW

AQA Level Business (BUSS4)

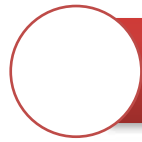
Hosted by Jim Riley

This Session...

- Overview of research bullets
- Key models & theory to revise
- Top case studies to use

Research Bullets





Competitive environment

- Likely to be examiner favourite
- Impact of disruptive technology on market structures & competition
- Key model: Porter's Five Forces
- Other key concepts:
 - Economies of scale
 - Barriers to entry
 - Innovation



Competitive environment

- Examples of markets disrupted by e-commerce:
- Media streaming (Netflix, Amazon Prime, YouTube, Spotify)
- Fashion retailing (ASOS, Net a Porter)
- Recruitment (LinkedIn, Monster)
- Travel (Uber, Airbnb, Trip Advisor)

Functional areas

- Key is effective integration of the functional areas, particularly marketing and operations
- E-commerce technology is now advanced and easily-available, even for smaller firms
- Harder area is to make e-commerce work well in international markets

Functional areas

- Some key concepts:
- Localisation (e.g. Wiggle)
- Omnichannel retailing (e.g. Argos)
- Mass customisation (e.g. Moonpig)
- Supply chain (e.g. Amazon Fresh)

Stakeholder Groups

- Stakeholder group most impacted are customers:
 - Much greater choice & lower transaction costs
 - But need for greater protection
 - Greater bargaining power & social influence
- Suppliers become more important, particularly as part of complex supply chains

Opportunities & threats

- **Another research bullet to focus on!**
Very likely to feature in one (or both) of the essays
- Links very closely with Bullet 1 (impact on competition)
- Be careful: essay title may ask about the **future**: if it does, don't respond by talking about the past

Opportunities & threats

- Key models & concepts
 - Porter Five Forces (threat of new entrants)
 - Product Life Cycle (shortened?)
 - PESTLE (technological)
 - Competitive advantage (who has it?)
- Mobile commerce
 - Now 50%+ of digital commerce
 - The source of future innovation & disruption?

Response to E-commerce growth

- Strategic choice is the key issue with this bullet
 - Does the business have a choice?
 - How is the industry “**business model**” changing with e-commerce developments?
 - Does organisational **culture** and/or **leadership** influence how a business responds?
 - What are the alternatives to responding to e-commerce?

Response to E-commerce growth

- ***Key theories and models:***
- First-mover advantage
- Ansoff matrix
- Business model
- Strategic direction (Porter)

Response to E-commerce growth

- Business slow to respond
- Business that has changed direction to focus on e-commerce
- Business yet to embrace e-commerce
- Business built from the start on e-commerce



Impact on business performance

- This bullet draws on the key firms, industries & theories that underpin Bullet 1 (competition) & Bullet 4 (opps & threats)
- Pick a small number of markets that have been significantly affected by e-commerce
 - Why has this disruption happened?
 - Why have some businesses succeeded and others failed?
 - What competitive advantages do the existing e-commerce market leaders now have?

Key Research Examples Which Cover ALL the Research Bullets



Microsoft



Hybrid Essay Questions

Building on the Six Bullets (1)

Is the rapid pace of development in e-commerce likely to disrupt markets **even more in the future?**

Is e-commerce now the **most important factor** affecting the nature of competition in markets?

Overall should established market leaders treat e-commerce as an **opportunity or a threat?**

Hybrid Essay Questions

Building on the Six Bullets (2)

To what extent is it **inevitable** that the most successful e-commerce businesses **in the future** will be those that are already market leaders?

Is a multichannel approach is the **best way** for businesses to succeed with e-commerce?

Is it now **too late** for businesses without strong e-commerce operations to take advantage of e-commerce opportunities?



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