

E-BUSINESS IN THE DIGITAL AGE (MG250)

Course duration: 54 hours lecture and class time (Over three weeks)

LSE Teaching Department: Department of Management

Lead Faculty: Dr Antonio Cordella

Pre-requisites: A university level introductory course in management, economics, business studies, marketing, information systems or computer science. Students would benefit from some knowledge of elementary business and information technology.

Course Outline:

This course presents an analysis of the management, economics and information systems theories and practices in online business. This is a management information systems course and not a technical course. It is mainly directed at undergraduate students. It focuses on the study of the impact of digital technologies on business strategies and market configurations. Internet-based systems offer new means to operate businesses and to compete in the global marketplace and it is important for future executives and entrepreneurs to understand the economic and managerial implications of these transformations. Students will gain a good understanding of why and how successful companies are taking advantage of e-business, as well as an understanding of the main challenges and risks associated with different e-business models and strategies in a fast changing technological and business environment.

The course covers a broad spectrum of today's management opportunities and risks in online business, including:

- The management and economics of e-business – theoretical background and emerging new business models;
- Strategic management for e-business - competitive advantage online, management of technological and organisational legacies
- Organisational strategy - change management, assimilating e-business into the organisation
- New organisational forms in the e-business context
- Business-to-Business strategies - global supply chain management, electronic markets
- Business-to-Consumer strategies - online consumer behaviour, regional and cultural differences
- E-business environment - legal, ethical and security issues
- Opportunities and risks of deploying social technologies.

The course discusses the main managerial and strategic aspects of online business. It discusses the different e-business practices and challenges in Business-to-Consumer (B2C) and Business-to-Business (B2B); the effects of information and communications technologies on intermediation, value chain redesign and public and private procurement strategies.

The course will discuss the most relevant economic theories needed to understand the impacts of information and communication technologies on business and market configurations. In order to examine e-business systematically, and to remove the last vestiges of hype surrounding the technology, we provide relevant analytical tools in the shape of economic and managerial theories to explain the phenomenon of e-business.

We also analyse the business and organisational implications of the growth of social technologies, such as social networks and blogs, and examine in particular their relevance for commercial applications. In conclusion, we argue towards a direction for e-business strategy development, incorporating the business, organisational and technological aspects in the context of the emerging economic, technological, strategic and social transformations associated with e-business transformations.

By the end of the course, students will be able to:

- explain the growth of e-business to date, both business-to-consumer and business-to-business, using relevant theories from business, management and the social sciences
- examine the interaction between technological trends and the business and social context of e-business, including the diffusion of social networks and Web 2.0 developments
- analyse the theory and practice of innovation within the domain of e-business by presenting innovation models and cases involving e-business technologies
- present relevant theories from business, management and the social sciences that help to explain the development and growth of e-business
- discuss different e-business (business) models and strategies, including global supply chain management and electronic markets

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The course consists of 36 hours of lectures and 19.5 hours of classes. You should expect the course (lectures as well as classes) to be interactive, so come prepared to participate.

Assessment:

There are two forms of assessment in the course: an essay due at the end of week 2, worth 40% of your grade, and a final exam, worth 60% of your grade.

More information about the final exam will be provided later in the course. Previous exams are available on the course Moodle site, along with marking schemes.

You will find a provisional schedule below. Please note that although the course will follow this general format, the exact schedule may differ slightly (for instance lectures may be in a different order).

Day	Afternoon	Morning	Sample Readings
1	<p>LECTURE 1</p> <p>Introduction</p> <ul style="list-style-type: none"> - Background <p>E-business and competitive positioning</p>	<p>CLASS</p> <p>Introduction</p>	<p>Zott C., Amit R. & Massa L., 2011. The Business Model: Recent Developments and Future Research. <i>Journal of Management</i>, 37(4), pp.1019–1042.</p> <p>Wentzel. A (2000)"Realistic Business Strategies From Unrealistic Microeconomic Theories" Paper delivered at the Economic Society of South Africa's Jubilee Conference on the Economic Empowerment of Southern Africa 13-14 September 2001, Muldersdrift</p>
2	<p>LECTURE 2</p> <p>Technology and e-business:</p> <ul style="list-style-type: none"> - Network Economics Theory 	<p>CLASS</p> <p>Case: Alibaba vs E-bay (group Discussion)</p>	<p>Kauffman R.J., Li T. & van Heck E., 2010. Business Network-Based Value Creation in Electronic Commerce. <i>International Journal of Electronic Commerce</i>, 15(1), pp.113–144.</p> <p>Shapiro, Carl and Varian, Hal R., 1999. <i>Information rules: a strategic guide to the network economy</i>, Boston, Mass: Harvard Business School Press.</p>
3	<p>LECTURE 3</p> <p>Managerial and economic theories of E-business:</p> <ul style="list-style-type: none"> -Competitive advantage -Resource based view of the firm -Resource dependency theory 	<p>CLASS</p> <p>Discussion of reading (group presentation)</p>	<p>Amit, R., & Zott, C. (2001). Value creation in e-business. <i>Strategic management journal</i>, 22(6-7), 493-520.</p> <p>Ordanini, A., & Rubera, G. (2010). How does the application of an IT service innovation affect firm performance? A theoretical framework and empirical analysis on e-commerce. <i>Information & Management</i>, 47(1), 60-67.</p>
4	<p>LECTURE 4</p>	<p>CLASS</p>	<p>Cordella A., 2006. Transaction costs and information systems: does IT add up? <i>Journal of</i></p>

	<p>Managerial and economic theories of E-business:</p> <ul style="list-style-type: none"> -Transaction costs theory 	<p>Discussion of reading (group presentation)</p>	<p>Information Technology, 21(3), pp.195–202.</p> <p>ARNOLD PICOT CHRISTINE BORTENLANGER, 1997. Organization of Electronic Markets: Contributions from the New Institutional Economics. The Information Society, 13(1), pp.107–123.</p>
5	<p>LECTURE 5</p> <p>Business to Consumer</p> <ul style="list-style-type: none"> -Evolution of B2C techniques -Is the High Street dead? -Multichannel shopping -Digital products 	<p>CLASS</p> <p>Discussion of reading (group presentation)</p>	<p>Rigby, D. (2011) The future of shopping. Harvard Business Review, December, 65-76</p> <p>Sull, D. & Turconi, S. (2008) Fast fashion lessons. Business Strategy Review, Summer, 5-11</p> <p>Cusumano, M. (2015) How traditional firms must compete in the sharing economy. Communications of the ACM, Vol.58, No.1, 32-34</p>

Date	Morning	Afternoon	Sample Readings
6	Lecture 6 Applying theory to the real word: - Case presentations and discussion	CLASS	Luis Garicano and Steven N. Kaplan, 2001. The Effects of Business-to-Business E-Commerce on Transaction Costs. The Journal of Industrial Economics, 49(4), pp.463–485
7	Lecture 7 The role of Intermediaries in e-business - Intermediation/dis-intermediation/re-intermediation - Infomediation	CLASS Essay Class	Novak J. & Schwabe G., 2009. Designing for reintermediation in the brick-and-mortar world: Towards the travel agency of the future. Electronic Markets, 19(1), pp.15–29. Tay K.B. & Chelliah J., 2011. Disintermediation of traditional chemical intermediary roles in the Electronic Business-to-Business (e-B2B) exchange world. The Journal of Strategic Information Systems, 20(3), pp.217–231. Koch, H., & Schultze, U. (2011). Stuck in the conflicted middle: a role-theoretic perspective on B2B e-marketplaces. MIS quarterly, 35(1), 123-146.
8	Lecture 8 Supply chain management -SCM processes & problems -Uncertainty – incl. Bullwhip effect -Lean vs. agile supply chains -Technological integration -Organisational integration	CLASS Discussion of reading (group presentation)	Gunasekaran, A., Lai, K.H. & Cheng, T.C.E. (2008) Responsive supply chain: a competitive strategy in a networked economy. Omega, Vol.36, 549-564 Lee, H.L. (2002) Aligning supply chain strategies with product uncertainties. California Management Review, Vol.44, No.3, 105-119 Loebbecke, C. & Palmer, J.W. (2006) RFID in the fashion industry: Kaufhof Department Stores AG and Gerry Weber International AG, fashion manufacturer. MIS Quarterly Executive, Vol.5, No.2, 69-79 Pramatari, K., Evgeniou, T. & Doukidis, G. (2009) Implementation of collaborative e-supply

			chain initiatives: an initial challenging and final success case from grocery retailing. Journal of Information Technology, Vol.24, 269-281
9	No Lecture today	CLASS Case: RFID (group Discussion)	
10	No lecture today Essay due by 17.00 pm		

Date	Morning	Afternoon	Sample Readings
11	Lecture 9 Marketing and Technology -e-marketing	CLASS Case: Gazelle (group Discussion)	Trainor, K. J., Rapp, A., Beitelspacher, L. S., & Schillewaert, N. (2011). Integrating information technology and marketing: An examination of the drivers and outcomes of e-Marketing capability. <i>Industrial Marketing Management</i> , 40(1), 162-174.
12	Lecture 10 Pricing in e-business -fix pricing -dynamic Pricing -ICTs and pricing policies	CLASS Discussion of reading (group presentation)	Narahari, Y., Raju, C. V. L., Ravikumar, K., & Shah, S. (2005). Dynamic pricing models for electronic business. In <i>Sadhana (Academy Proceedings in Engineering Sciences)</i> (Vol. 30, No. 2-3, pp. 231-256). Indian Academy of Sciences.
13	Lecture 11 Security and Privacy -Nature of information security -Approaches to risk management -Second order security dangers -Security governance -Privacy -Compliance	CLASS Case: Coca Cola around the world (group Discussion)	Denning, T., Kohno, T. & Levy, H.M. (2013) Computer security and the modern home. <i>Communications of the ACM</i> , Vol.56, No.1, 94-103 Hovav, A. & Gray, P. (2014) The ripple effect of an information security breach event: a stakeholder analysis. <i>Communications of the AIS</i> , Vol.34, Article 50, 893-912 Pavlou, P.A. (2011) State of the information privacy literature: where are we now and where should we go? <i>MIS Quarterly</i> , Vol.35, No.4, 977-988 Hsu, C., Backhouse, J. & Silva, L. (2014) Institutionalizing operational risk management: an empirical study. <i>Journal of Information Technology</i> , Vol.29, 59-72
14	Lecture 12 Organisational change and e-business	CLASS Discussion of reading (group	Andriole, S.J. (2010) Business impact of web 2.0 technologies. <i>Communications of the ACM</i> , Vol.53, No.12, 67-79 Child, J. & McGrath, R.G. (2001) Organizations

	<ul style="list-style-type: none"> - Pressures to change - Organisational structure - From bureaucratic hierarchies to new organisational forms - Internal use of mobile & social technologies 	presentation)	<p>unfettered: organizational form in an information intensive economy. Academy of Management Journal, Vol.44, No.6. 1135-1148.</p> <p>Koch, H., Gonzalez, E. & Leidner, D. (2012) Bridging the work/social divide: the emotional response to organisational social networking sites. European Journal of Information Systems, Vol.21, 699-717</p> <p>Mandviwalla, M. & Watson, R. (2014) Generating capital from social media. MIS Quarterly Executive, Vol.13, No.2, 97-113</p>
15	Final Examination		

Credit Transfer: If you are hoping to earn credit by taking this course, please ensure that you confirm it is eligible for credit transfer well in advance of the start date. Please discuss this directly with your home institution or Study Abroad Advisor.

As a guide, our LSE Summer School courses are typically eligible for three credits within the US system and 7.5 ECTS in Europe. Different institutions and countries can, and will, vary. You will receive a digital transcript and a printed certificate following your successful completion of the course in order to make arrangements for transfer of credit.

If you have any queries, please direct them to summer.school@lse.ac.uk