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Efraim Turban • Judy Whiteside • David King
Jon Outland

Introduction to Electronic Commerce and Social Commerce

Fourth Edition

 Springer

Efraim Turban
University of Hawaii
Kihei, HI, USA

Judy Whiteside
Lang Associates
Charleston, IL, USA

David King
Dataffiti, LLC
Scottsdale, AZ, USA

Jon Outland
Herzing University
Rapid City, SD, USA

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Preface

The global economic crisis of 2009–2014 forced organizations to reduce expenses in an environment of reduced economic activities. One of the most popular cost-reduction activities is conducting more business online. Actually, we are experiencing one of the most important changes to our daily lives—the move to an Internet-based society. Internet World Stats (internetworldstats.com) reported in 2014 that more than 83% of the North American population surf the Internet (Fall 2015). The large number of people on the Internet is one of the major drivers of conducting business online, which is known as electronic commerce, or in its broader scope as e-business.

Electronic commerce (EC) describes the manner in which transactions take place over networks, mostly the Internet. It is the process of electronically buying and selling goods, services, and information. Certain EC applications—such as buying and selling stocks and airline tickets on the Internet—are growing very rapidly, exceeding non-Internet trades. But EC is not just about buying and selling; it is also about electronically communicating, collaborating, and discovering information. It is about e-learning, e-government, e-health, social networks, and much more. Electronic commerce has an impact on a significant portion of the world, including developing countries, affecting businesses, professions, and most importantly people.

WHAT'S NEW IN THIS EDITION?

The following are the major changes in this edition as compared to the third one (by Pearson).

- **Major Updating.** While we did not change the number and names of most of the chapters, we performed a major revision in the content of all chapters.
- **New Coverage** (social media and commerce). This book covers significant amount of social media and social commerce. The topics are covered in all chapters, including the new chapters (7 and 8).
- **New Chapters.** We transferred some of the content of old Chapter 7 (Web 2.0) to Chapter 2 and instead created a new chapter on social commerce marketing. Chapter 8 deals with enterprise-based social media and commerce.
- **New Author.** We welcome Jon Outland who contributed his expertise on social commerce, marketing, and e-marketing to this edition. Jon did the supplemental material for the previous editions.
- **New Tutorial.** A new tutorial (Tutorial B) describes the major EC support technologies including cloud computing, RFID, and EDI.
- **Book Learning Outcomes.** Ten learning outcomes have been added to this preface to help faculty to design the course and students to understand the content.
- **Video Exercises.** Video exercises have been added to most chapters. These exercises require the students to view the videos and answer related questions.

Chapters with Major Changes

- Chapter 1 now includes social networks, media and commerce, sharing economy, social customers, new business models, and other leading-edge topics.
- Chapter 2 has been expanded to include both traditional EC and social media, including augmented reality, virtual reality, and crowdsourcing.
- Chapter 3 has been updated to include some e-marketing topics.
- Chapter 4 contains B2B social commerce and social collaboration.
- Chapter 5 has been expanded to include e-health, robotics, and artificial intelligence applications.
- Chapter 9 includes new coverage of advertising models and strategies.

Chapters with Less Significant Changes

More than 40% of all cases have been replaced and many examples have been added. About 30% of all end-of-chapter material has been updated and/or expanded. Managerial Issues have been updated as are the figures and tables. Duplications have been eliminated and explanations of figures and tables have been made more understandable. New topics have been added to many of the sections to reflect the social media and commerce revolution.

Online Files

The online files are updated and reorganized. The number of online files has been reduced significantly. (They are located at e-commerce-introduction-textbook.com)

FEATURES OF THIS BOOK

Several features are unique to this book.

Managerial Orientation

Electronic commerce can be approached from two major viewpoints: technological and managerial. This text uses the second approach. Most of the presentations are about EC applications and implementation. However, we do recognize the importance of the technology; therefore, we present the essentials of selling and buying mechanisms in Chapter 2 and the essentials of security in Chapter 10. We also provide some detailed technology material in the online files, tutorials on the book's website (e-commerce-introduction-textbook.com). Managerial issues are also provided at the end of each chapter.

Social Media and Commerce Orientation

Given the importance of social media and commerce, we related all major topics in the book to social media, social networks, and social commerce.

Real-World Orientation

Extensive, vivid examples from large corporations, small businesses, governments, and not-for-profit agencies from all over the world make concepts come alive. These examples show students the capabilities of EC, its cost and justification, and the innovative ways real corporations are using EC in their operations. Examples cover both large and small (SME) companies.

Solid Theoretical Background

Throughout the book, we present the theoretical foundations necessary for understanding EC, ranging from consumer behavior to the theory of marketing and competition. Furthermore, we provide website resources, many exercises, and extensive references to supplement the theoretical presentations.

Most Current Cutting-Edge Topics

The book presents the most current topics related to EC, as evidenced by the many 2014–2016 citations. Topics such as Internet of Thing, augmented reality, drones, robotics, supply chain systems, collaborative commerce, mobile commerce, and EC security are presented from the theoretical point of view as well as from the application side.

Integrated Systems

In contrast to other books that highlight isolated Internet-based systems, we emphasize those systems that support the enterprise and supply chain management. Intra- and interorganizational systems are highlighted as are the latest innovations in global EC and in Web-based applications.

Global Perspective

The importance of global competition, partnerships, and trade is increasing rapidly. EC facilitates export and import, the management of multinational companies, and electronic trading around the globe. International examples are provided throughout the book including many from developing countries.

Online Support

More than 40 files are available online to supplement the text material. These include files on generic topics such as data mining and intranets, cases, technically oriented text, and much more.

Links

There are hundreds of links to Internet resources so learners can get more details and further investigate related topics.

User-Friendliness

While covering all major EC topics, this book is clear, simple, and well organized. It provides all the basic definitions of terms as well as logical conceptual support. Furthermore, the book is easy to understand and is full of interesting real-world examples and “war stories” that keep readers’ interest at a high level. Relevant review questions are provided at the end of each section, so the reader can pause to review and digest the new material.

ORGANIZATION OF THE BOOK

The book is divided into 12 chapters grouped into 5 parts. Two tutorials are available as online supplements.

BOOK’S LEARNING OUTCOMES

Upon completion of this book, the reader will be able to:

1. Define all types of e-commerce systems and describe their major business and revenue models.
2. Describe all the major mechanisms that are used in e-commerce.
3. Describe all methods of selling products and services online to individual consumers.
4. Understand all online business-to-business activities including procurement, auctions, and collaboration.
5. Describe EC activities other than trading online, such as e-government, e-learning/training, intelligent systems, and e-health.
6. Relate the support services of payment, security, order fulfillment, and so forth to e-commerce implementation.
7. Describe social media and networks, and social models as facilitators of social commerce.
8. Describe the landscape of social commerce applications including social advertising and shopping, enterprise social commerce, social market research, and crowdsourcing.
9. Understand the legal, social, ethical, and business environments within which e-commerce operates.
10. Describe the global aspects of e-commerce as well as its use in SMEs and in developing countries.

HOW THIS BOOK DIFFERS FROM *ELECTRONIC COMMERCE* EIGHTH EDITION (EC 2015) FROM SPRINGER

This book is derived in part from *Electronic Commerce* 8th edition by Efraim Turban et al., Springer 2015, and from the third edition of *Introduction to EC* by Turban et al., Pearson 2013. The major differences as compared to the EC 2015 book are as follows:

- This book is much smaller (450 pages versus 791 pages; 12 chapters vs. 16 chapters).
- This book has two tutorials vs. five in *EC 2015*.
- There are about 25% fewer cases and online files.
- *EC 2015* is designed for one or two semesters; this book is designed for one quarter or semester.

- *EC 2015* is designed mostly for graduate levels. This book is for undergraduate and industry training.
- *EC 2015* has a strong strategy and research orientations with many more references and Internet links.
- In many places, more technical details, examples, and discussions are available in *EC 2015*.
- Several major topics were eliminated in this book or combined (e.g., payments and order fulfillment is one chapter, instead of two).
- This book includes some simplified cases and examples.

PEDAGOGICAL FEATURES AND LEARNING AIDS

The text offers a number of learning aids for the student:

- **Chapter Outlines.** A listing of the main headings (Content) at the beginning of each chapter provides a quick overview of the major topics covered.
- **Learning Outcomes for the Book.** Learning outcomes for the entire book are available in this preface. They can be used for creating course syllabi.
- **Learning Objectives for Each Chapter.** Learning objectives at the beginning of each chapter help students focus their efforts and alert them to the important concepts to be discussed.
- **Opening Cases.** Each chapter opens with a real-world example that illustrates the importance of EC to modern corporations. These cases were carefully chosen to call attention to the major topics covered in the chapters. Following each case, a short section titled “Lesson Learned from the Case” links the important issues in the case to the subject matter of the chapter. Questions to each case are provided at the end of the chapters.
- **EC Application Cases.** In-chapter cases highlight real-world problems encountered by organizations as they develop and implement EC. Questions follow each case to help direct student attention to the implications of the case material.
- **Figures and Tables.** Numerous attractive figures and useful tables extend and supplement the text discussion.
- **Review Questions.** Each section ends with a series of review questions about that section. These questions are intended to help students summarize the concepts introduced and to digest the essentials of each section before moving on to another topic.
- **Glossary and Key Terms.** Each Key Term is defined in the text when it first appears. In addition, an alphabetical list of key terms appears at the end of each chapter. Definitions of all terms are provided in a glossary at the end of the book.
- **Managerial Issues.** At the end of every chapter, we explore some of the special concerns managers face as they adapt to doing business in cyberspace. These issues are framed as questions to maximize readers’ active engagement with them.
- **Chapter Summary.** The chapter summary is linked one-to-one with the learning objectives introduced at the beginning of each chapter.
- **End-of-Chapter Exercises.** Different types of questions measure students’ comprehension and their ability to apply knowledge. Questions for Discussion and Topics for Class Discussion are intended to develop critical-thinking skills. Internet Exercises are challenging assignments that require students to surf the Internet and apply what they have learned. More than 250 hands-on exercises send students to interesting websites to conduct research, investigate an application, download demos, or learn about state-of-the-art technology. The Team Assignments and Projects exercises are challenging group projects designed to foster teamwork.
- **Closing Cases.** Each chapter ends with a real-world case, which is presented in somewhat more depth than the in-chapter EC Application Cases. Questions follow each case relating the case to many of the topics covered in the chapter.

SUPPLEMENTARY MATERIALS

The following support materials are also available.

- **Instructor's Manual.** Written by Jon Outland, the Instructor's Manual includes answers to all review and discussion questions, exercises, and case questions.
- **Test Bank.** Written by Jon Outland is an extensive set of multiple-choice, true/false, and essay questions for each chapter. It is available in Microsoft Word.
- **PowerPoint Lecture Notes.** Created by Judy Whiteside, these are oriented toward text learning objectives.
- **Companion Website.** The book is supported by a Companion Website that includes:
 - Two Tutorials: Tutorial 1 on e-CRM, and Tutorial 2 on major support technologies including cloud computing, RFID, EDI, and extranets.
 - Online files for most chapters.

Efraim Turban
Judy Whiteside
David King
Jon Outland

Kihei, HI
Charleston, IL
Scottsdale, AZ
Rapid City, SD

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