



video case

chapter 1 Introduction to E-commerce

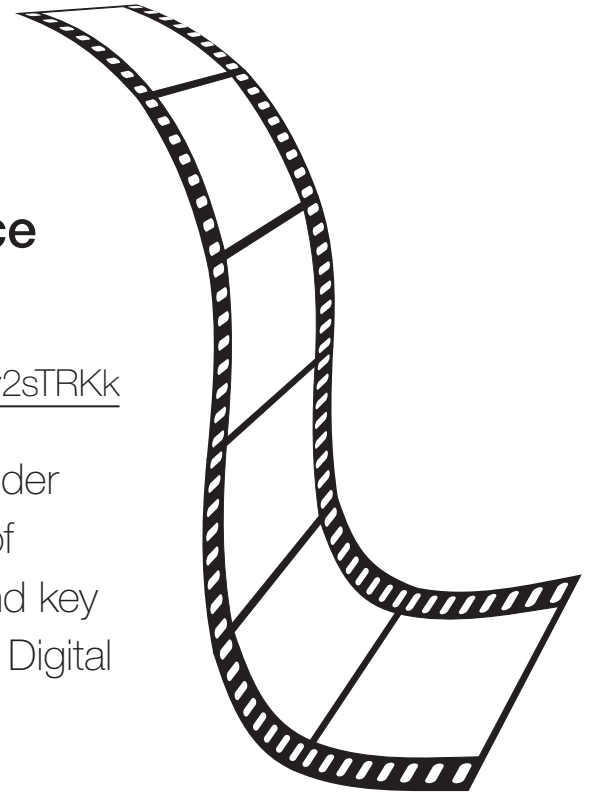
case 1 The Future of E-commerce

**watch the
video at**

<http://www.youtube.com/watch?v=EoaOy2sTRKk>

summary

Gian Fulgoni, Chairman and co-founder of comScore, discusses the future of e-commerce in the United States and key findings from comScore's 2012 U.S. Digital Future in Focus. L=3:49.



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ComScore specializes in analyzing e-commerce data generated by over 2 million Internet users who have given comScore permission to measure their online and offline buying behavior and other activities. This data, along with consumer demographic data, is analyzed and combined with the expertise of comScore industry analysts and predictive analytics to provide custom and industry reports and insights into consumer behavior and advertising effectiveness. In addition to custom products, comScore produces numerous publicly available whitepapers and reports on the state and future of e-commerce.

In this video, the Chairman and co-founder of comScore, Gian Fulgoni, discusses key findings from comScore's 2012 U.S. Digital Future in Focus report. Fulgoni notes spectacular growth in Internet retail spending over 2011 when compared to retail spending in physical stores.

One important trend he notes is the influence of free shipping on Internet purchases: Free shipping has become a norm, and up to 50 percent of shoppers are abandoning online purchases at checkout if they encounter charges for shipping.

A second trend is the influence of smartphones on retail shopping. Smartphones enable consumers to find the lowest price for a product they have found at a physical store and purchase that product from another physical or Internet retailer. Fulgoni discusses the influence this might have on a retailer's physical shopping and inventory locations and how this might bring about smaller, less costly physical stores that are intended primarily as demonstration venues.

video case questions

1. What other current Internet trends do you see as having an effect, negative or positive, on Internet spending? Explain your answer.
2. Fulgoni refers to two major factors that drive consumers to purchase online rather than in physical stores: convenience and lower prices. What other factors would drive a consumer to purchase a product online rather than from, say, the local Walmart? What are the advantages of purchasing at a store?
3. Fulgoni states that the ability of consumers to use smartphones to scan barcodes at physical stores and seek lower prices could radically alter retailers' decisions in locating and designing stores and warehouses. He specifically mentions retailers reducing the size of physical stores, and using these stores more as demonstration venues with less inventory, and placing warehouses in lower rent locations. Explain the rationale behind this. Are there any disadvantages in this solution?

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