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Is E-Commerce Essential?

By Sandeep Krishnamurthy

Is e-commerce a fad that will soon disappear from the b-school curriculum? Or is it an integral part of the business world that must be addressed in our classrooms? After teaching e-commerce for the past decade, many educators are asking these questions and wondering whether the topic is even still relevant to business. Business school professors are sharply divided on the topic, making it difficult for schools to plan how—or whether—they'll teach e-commerce to the next generation of business students.

As a professor of e-commerce myself, I wanted to get a better idea of how management educators feel about teaching the subject—and what better way to satisfy my curiosity than to ask the educators themselves. I recently sent an informal e-mail survey to a number of business school professors in the U.S., asking them to respond to four open-ended questions.

I was pleasantly surprised when 64 faculty members responded quickly to my query, convincing me that interest in this topic has not faded—on the contrary, it has become increasingly substantial. Furthermore, I think their replies to the following four questions offer all business educators insights into the value of e-commerce and ideas about the best ways to teach it.

Why is e-commerce not a fad? Only two respondents disagreed with this question's assumption, claiming that e-commerce *is* a fad. This minority felt that e-commerce should be taught alongside other forms of commerce or under the umbrella of "marketing." One professor bluntly stated, "I view e-commerce as closely analogous to air conditioning: critically fundamental to modern business but not, in and of itself, very interesting."

The majority of professors who responded to the survey, however, believe that e-commerce is both vitally important and here to stay as an essential classroom topic. "A fad is something that is easily replaced by the next 'big' thing," said one respondent. "I find it a challenge to think what could replace e-commerce. It's not a new style or fashion; it's a way of conducting business."

Other respondents stressed the importance of e-commerce by citing figures. For instance, more than 1 billion people have used the Internet, while Internet retailing has racked up more than \$30 billion in sales. Those numbers suggest that e-business is anything but a fad and that, as a staple of business, its place in the classroom is assured.

Several professors were quick to offer up reasons why any predictions of the death of e-commerce have been greatly exaggerated. For instance, one professor praised e-commerce for offering convenience to customers and consistency to sellers. "A sales force is made up of multiple personalities who may present different and even incompatible images for a company, as well as inconsistent responses to consumer questions. E-commerce allows consumers similar interaction on the Internet with far more consistent presentation in both image and information. And, obviously, e-commerce *can* be more cost-efficient than a sales force, while offering the same benefits."

E-commerce has become a service many consumers demand, another responded commented. "They expect to find basic product information, service information, contact numbers, and investor information on the company Web site 24/7. Many consumers use the Web to supplement their search process and then make their final purchase at a traditional retail store. But without the initial data posted online, a company is at a disadvantage."

Why should MBA students study e-commerce? For more professors, the answer to this question was simple: Because it's something they should learn. The majority felt that because e-commerce is so prevalent in business today, graduates without an e-background would be working under a handicap.

"MBA students should study e-business because it *is* business," one professor wrote. "There is virtually no part of the organization that is not affected by changes in communications and networking technologies. This situation is not likely to change. Employers expect MBAs to have studied e-business and to be familiar with its impact on the firm." An e-business concentration, others noted, also helps working professionals interact with employees in corporate IT/IS areas.

Nonetheless, students themselves are not always convinced of the value of e-commerce. One professor asked a class of undergraduate business majors if the Internet had had a positive or negative effect on business. "I was surprised how many students in the class felt its effects have been negative," the professor commented. "Students, especially non-MIS majors, need to be exposed to the value of e-commerce as it relates to the various functional areas of a business."

What went wrong before? Teachers who understand the errors that were made in the past can help students avoid them in the future. With that in mind, the survey asked respondents to discuss what mistakes companies made during the first wave of e-commerce. These professors pinpointed four major problems:

- Many dot-coms ignored basic business principles and, for that matter, plain common sense.
- Many dot-coms failed due to poor management.
- Some dot-coms focused on technology alone, not on running a business.
- Most dot-commers bought into the hype and were unduly optimistic about the future.

While most respondents believe that e-commerce is an essential part of a business curriculum, they also believe that it cannot be successful unless it is combined with generally accepted business practices. Furthermore, they feel that students need to learn both technological and management skills to be effective managers.

What are the challenges in teaching e-commerce? The respondents who teach e-commerce noted that they are overwhelmed by the challenges it presents. Many find it difficult to find up-to-date cases, and so, must use trade books in their classes. In addition, they must absorb a constant flow of new knowledge and technology, all while trying to stay current with new trends in business at large. Said one, "I know there are useful cases, examples, trends, resources, etc., out there, but I do not have time to keep up. I deal with this by checking many sources and working long hours. I also tell everyone I am not an e-commerce expert, especially when they introduce me as such."

Other professors find their greatest challenge lies in changing their students' attitudes toward technology. "Some students are still stuck in the technology trap; they resist coming to grips with real business issues," one professor said. These students must be taught to understand that "e-commerce is a vast area that requires examination of people, systems, and technology—and the dynamic between them."

For some instructors, the biggest challenge they face is dealing with the wide variety of students who are attracted to an e-commerce course. Students might range from an individual "who's suspicious of the Internet and its role in commerce, to someone who works with IT every day," said one respondent. "If you're creative and use a problem-solving approach, the needs of both groups can be met."

Another respondent identified two distinctly different and incompatible groups who fill the b-school classroom: IS/IT majors who want to learn the technology without all the "management junk," and majors from other disciplines who want to learn management theories unencumbered by "the reality of technology limitations." This respondent has found a way to bring these two disparate groups together: "My solution is to make them work together to produce a Web-based business."

Other students want to dive straight into designing a Web site, said one professor, who described their initial process as, "Fire, aim, ready!" This professor has to bring them back to the realities of business. "I spend a lot of the first week discussing project structure and management. Concept analysis, planning, a budget schedule, and a staffing model come first but are foreign to many of them."

I was surprised to see just how heterogeneous opinions were among these 64 respondents, who showed considerable diversity in their approaches to teaching e-commerce. Some emphasized the technical aspects of the topic, while others emphasized its human factor. The majority agreed, however, that even with its challenges, e-business is an essential part of business today and cannot be ignored in the business school classroom.

Although I may explore this topic with larger, more formal survey in the future, the qualitative feedback I received from this small sampling was compelling. In the end, the near-consensus of respondents to this informal survey reinforced my own opinion on the matter: I believe it is incredibly important that business schools integrate e-commerce into their teaching of other disciplines, such as marketing, strategy, and IS. They must use—and create—up-to-date and balanced cases that present e-commerce histories in business. And most important, they must challenge their students' archaic and often simplistic views of how e-commerce *really* works within a business structure.

Ultimately, we should move beyond debating whether or not e-commerce is a fad to accepting its continued importance to business. Whether they teach e-commerce across the curriculum or as a discipline in itself, business schools need to examine the best way to fit e-commerce models into their classrooms. Only then will graduating MBA students be armed with the crucial technological knowledge they'll need in their professional careers.

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