Chapter IV

Electronic Commerce (EC) Tools in Context: What Are the Implications for Global Electronic Commerce?

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INTRODUCTION

This chapter proposes the idea of electronic commerce (EC) systems as tools that are created within a given context. The implications of this view are discussed regarding implementation of these tools in the business-to-consumer marketplace (B2C) and their impact on consumer activities and B2C processes.

It is argued that EC systems by definition, are artefacts, tools that are made, used, inherited and studied within a cultural context. This context encompasses economic, historical, technical and social values and assumptions that are focused on particular ideas and definitions relating to B2C activities and processes. It is assumed that these ideas and definitions are mostly in evidence in any culture that applies EC systems tools for use. The issue we must face as makers, users, inheritors and scholars of EC tools, however, is that the tool context and inherent in-built values on which this context is based, particularly relating to matters of effective use of EC tools in a B2C marketplace, may not be evident across all cultures. This would make the successful use of EC, in a global sense, a difficult and complex undertaking.

This chapter explains the ramifications of EC tools created within a particular context on global EC systems transfer and diffusion using electronic grocery shopping (EGS) systems as an example of a B2C tool. The problems and issues surrounding EGS transfer and diffusion in B2C relationships, on a global scale, are discussed and implications are highlighted. This chapter then suggests issues for further consideration by organizations considering the implementation of such systems.

INFORMATION TECHNOLOGY AND SYSTEMS TRANSFER AND DIFFUSION

The information technology and systems (ITSs) discipline and its more recent incarnation in various forms of electronic commerce (EC) tools and approaches is a predominantly Western phenomenon. From its earliest development to the personal computers (PCs) and supercomputers of the 1980s and ’90s and the more recent Internet revolution, the ITS discipline has been dominated by and has dominated Western business approaches (Clark and Staunton, 1989; Amor, 2000; Philipson, 2001).

We know that ITSs are used by approximately 20% of the world’s population (Elliot, 1999). As a percentage of the global population, this is not very high, but as the cost of ITS decreases and Internet infrastructure becomes more widely implemented, we are told that more people and diverse cultures will have access to ITS. We are also currently witnessing the rapid globalization of national economies and ITS is seen as a major driver of this process (Larsen and Levine, 1998). The Internet has grown very quickly from the early 1990s when there were 100,000 computers online. There were more than 150 million users online by 1999 and this almost doubled in 2000 to 275.54 million users. It is expected that this number will rise to 700 million by the end of 2001 (Denny, 1999; Nua Internet Surveys, 2000). Underpinning the uptake of ITS, especially in the West, is the assumption that the rest of the world sees the effectiveness and usefulness of the technology in the same light. It is clear that the Internet is now an online marketplace with the ability to facilitate the B2C transactions of a large and growing online population, at least in Western economies.

With the push for globalization, however, comes an increasing disparity between rich and poor nations so that ITSs on the most rudimentary level are still out of reach of many nations and cultures. In the U.S. a personal computer costs approximately one month’s income whereas in Bangladesh it costs more that eight years’ income (Elliot, 1999). In terms of basic telecommunications infrastructure, countries like Tanzania have only three telephone lines to every 1,000 people. Even with ITSs and telecommunications infrastructure in place, literacy and basic computing skills in poorer nations are considered to be a major factor in exclusion from the global economy (Denny, 1999). The new age of globalisation, where
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