E-Commerce Issues in Australian Manufacturing:  
A Newspaper Medium Perspective

Jing Gao, University of South Australia, Australia

EXECUTIVE SUMMARY

This paper will present evidence to show that there is an absence of informed, broad, media discussion on e-commerce initiatives in Australia. As pointed out by several authors (Gittins, 1995), the newspaper medium is one of the main vehicles through which advisers and policymakers seek to influence society. Thus, this medium takes on the role of a public forum on national issues. However, it was found that newspapers in Australia have failed to provide this role of preparing the manufacturing industries for the impact of new technologies. In this interpretive study, major Australian newspapers were examined for public discussions about e-commerce in manufacturing industries. The PEST (political, economic, social, and technological) framework was used as a lens to subdivide issues, problems, and opportunities identified in the academic e-commerce literature. This lens was then used to examine 103 newspaper articles identified, using the keywords Australian manufacturing and e-commerce in what was believed to be all the major Australian newspapers. It was found that some articles merely reported vendors’ promises of potential cost savings while overlooking the need for investment in technology, training, and maintenance costs; other discussions focused on “users as victims” issues, such as security and privacy. In-depth issues, such as reliability, communication protocols, bandwidth availability, and integration problems were overlooked. In particular, the problem of business strategies was ignored.

Keywords: e-commerce needs; e-commerce problems; manufacturing companies

INTRODUCTION

Background:
E-Commerce is Growing
The rapid growth in e-commerce has been attributed to the presence of the Internet as an integrated distribution, financial, and communications infrastructure (Haley, 2002; Kalakota & Whinston, 1996). E-commerce may transform businesses in ways similar to industrialization, electricity, the telephone, the internal combustion engine, and numerous other infrastructure inventions, and may have great impacts on
our daily lives (Roehl & Standifird, 2001)). This transformation process takes time, but it seems safe to agree with Prasad (2000) that e-commerce is here to stay as one thread in the overall fabric of commerce, as both businesses and individuals are showing signs of appreciating the advantages of using the Web to buy and sell in a global marketplace.

**Many Problems to Overcome**

Adopting e-commerce is a complicated issue and is not a risk-free investment. For example, while acknowledging the benefits of e-commerce, Chen et al. (2001) suggest that there also exists a “dark underbelly” to electronic commerce that is becoming more of a concern as the Internet becomes increasingly competitive and congested. However, Qimei (2000) asserts that the question challenging today’s entrepreneur is not whether to have a Web site but how to win in the Internet competition.

Additionally, there are many problems associated with revising existing business models for the new online environment. For example, Truman (2000) states that managers have not actively incorporated or planned for applications such as Electronic Data Interchange (EDI). Second, management has not considered internal integration as a risk factor during e-commerce implementation. Further, Wright (2001) indicates that information security is significant, as traditional approaches are no longer working or workable in e-commerce business models. To maximize the use of e-commerce, a more thorough understanding of e-commerce problems and opportunities is required. Therefore, there is a need for a leading discussion of e-commerce issues by experts or in the news media.

**Aim of Study**

This researcher starts with an exploration of the leading role of the newspaper medium. With respect to the leading role, the researcher argues that good media leadership may facilitate e-commerce in industries, especially traditional industries such as manufacturing. The Australian manufacturing industry was chosen as the research subject, and the PEST framework was used to analyze the newspaper medium coverage of e-commerce issues in this industry. In total, 103 newspaper articles (from 1999 to 2002) were identified from all Australian newspapers. Based on the findings, this research explored the proposition that newspapers in Australia have failed to take a leading role to provide an in-depth discussion in preparing manufacturing industries for the impact of new technologies. It is thought that the lack of awareness of various e-commerce problems as a result of the poor coverage in the mass media can slow down the e-commerce movement.

**THE NEWSPAPER MEDIUM**

**Leading Discussion**

The newspaper medium has a leading role in informing society. Thompson (2000) suggests that the information individuals use to construct a sense of reality comes from four sources: personal experience, other individuals, social groups and institutions, and the mass media. Individuals in complex post-industrial societies have become especially dependent on the mass media as a resource in the formation of a sense of social reality. According to Stein (1972), “the media furnishes our consciousness with the people, places, and events
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