Chapter VI

Personalization of E-Commerce Applications in SMEs: Conclusions from an Empirical Study in Switzerland

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Abstract

Personalization of e-commerce applications is an issue that is gaining increasing importance with the advancing maturity of such systems. There is already e-commerce software on the market offering integrated e-shop and personalization functions. However, the available software is too time-consuming and expensive for SMEs. With this in mind we saw a need to investigate the potential for personalization from the particular angle of SMEs. In addition to some theoretical fundamentals of personalization, this paper presents the results of an empirical study. With the help of a survey, we investigated the application potential for personalization tools
in Swiss companies. The conclusions show that SMEs are (still) skeptical towards e-commerce applications which use personalization. It furthermore becomes clear that the heterogeneity of organizational and technical conditions impedes the development of standardized tools.

Introduction

The paper presents the results of a longitudinal, publicly funded research project about “personalization of e-commerce applications run by SMEs.” The quality of e-commerce applications has been constantly improved over the last few years. Especially the major suppliers run Web sites that are of noticeable usefulness and are reliable enough to assure the customer’s trust (Schubert & Dettling, 2002). This is confirmed by continuously positive growth figures in online business.

Personalization is always targeted at the fulfillment of a special requirement. It can be aimed at people as well as at organizational roles in companies (e.g., a purchasing agent). Personalization — as we understand it — starts AFTER THE LOGIN. The mere speculation about a user on the basis of local cookies on the client PC which has the smack of spying on someone does not fall into the scope of our discussion. Personalization is context sensitive (regarding output for a certain user) and requires learning (by the system). The interface between the customer and the system is called “point of interaction” (POI). Personalization can be an important component for the success of an e-commerce application because it is beneficial to all interested parties (Buxel, 2001).

For the personalization of e-shops there are integrated software packages available, such as, e.g., One-to-One (Broadvision), Dynamo Relationship Commerce Suite (Art Technology Group), Personalization Manager (Net Perceptions) or ADAPTe (ResponseLogic), which already supply the full range of e-commerce applications. These products are expensive applications generally destined for use in large companies. The standardized online shops partially used in SMEs only contain rudimentary tools for the personalization of transactions.

We believe that a separate consideration of these companies is significant because SMEs differ from large corporations in many respects. In the context of the personalization of e-commerce applications the specific features of SMEs become particularly relevant. SMEs are generally characterized by the fact that they have limited resources and often lack the benefits of economies of scale. With regard to using e-commerce applications, above all limited financial resources, poor conceptual knowledge, lacking IT resources and low economies of scale can all have a negative effect. The low economies of scale result primarily from the small size of the company because the usefulness of e-