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What drives e-business trends?

With a focus on customer oriented trends and service digitization

Bachelor's thesis within Informatics

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Abstract

In this thesis I am going to investigate the trends within e-business, what it is that drive these trends and why these drivers are of such importance. I chose this subject since I have found it very interesting and useful in my career because of the importance it embraces in today's business world.

The aspect of e-commerce has changed a lot lately to in the beginning of the 1990s be about being present on the Internet with a web site, to being about transactions, meaning to buy or sell through digital media at the end of the 1990s, to today be about being used to make profitability – an era that can be called e-business, because it is now that e-business finally gets its big breakthrough and starts to be recognized as a necessity for companies to survive. As long as e-business has existed so have trends in the same matter. What will be the trends of e-business in the future? Impossible to say of course, but by taking today's major trends into consideration, and to look at what drives these trends might have, will make it possible to get a glimpse of the future of this relatively new business phenomenon called e-business.

To get the best result possible of my thesis I have made a wide literature study in the subject by reading and examine accurate literature and articles as well as carried out interviews with different IT-gurus and other persons that is thought to withhold a lot of information about my chosen subject.

I have focused on two major trends being customer oriented trends and service digitization. Customer oriented trends are trends which have their focus towards customers such as customer service, offering more product choices and to have integrated solutions. Service digitization is the transformation of paper-based transactions into the new integrated multi-channel processes. The driver I have found of most significance and therefore focused on is customers. Customers are important as drivers since they have adopted a new role in the business process. Customers nowadays have found a way to let their voices to be heard. With the help of blogs, social networks and wikis over the Internet they can express their feelings and suggestions about products as well as companies and have so to say gained a more active role as customers to also taking part of the development. This voice of the customers is highly essential to listen to if you as a company want to survive in a business world where customers get more and more power.

After finishing this study I came up with the importance of service, and especially customer service as well of personalization and customization (to personalize the shopping experience for the customer). Another important conclusion is the importance of customers, both as trends to focus on, as well as drivers behind these trends.

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Table of Contents

ACKNOWLEDGEMENTS	II
1 INTRODUCTION.....	1
1.1 BACKGROUND	1
1.2 PROBLEM.....	2
1.2.1 <i>Meta discussion</i>	3
1.2.2 <i>Specification of Problem</i>	4
1.3 PURPOSE.....	4
1.4 DELIMITATIONS.....	4
1.5 DEFINITION OF E-BUSINESS.....	5
1.6 DEFINITION OF TRENDS.....	5
1.7 STAKEHOLDERS.....	6
2 METHOD.....	7
2.1 KNOWLEDGE CHARACTERISTICS.....	7
2.2 METHODOLOGICAL APPROACH	7
2.3 INTERVIEWS	8
2.4 QUALITATIVE VS. QUANTITATIVE	9
2.5 CHOICE OF METHOD.....	9
2.6 ALTERNATIVE COURSE OF ACTION.....	10
2.7 POPULATION AND SAMPLE.....	10
2.8 RELIABILITY AND VALIDITY	11
2.9 DATA COLLECTION	11
2.9.1 <i>Primary</i>	11
2.9.2 <i>Secondary</i>	12
3 FRAME OF REFERENCES.....	13
3.1 THE CUSTOMER ORIENTED TRENDS	13
3.1.1 <i>Customer oriented trends – keep your customers satisfied</i>	13
3.1.1.1 <i>Fast Service</i>	13
3.1.1.2 <i>Self Service</i>	13
3.1.1.3 <i>More Product Choices</i>	14
3.1.1.4 <i>Integrated Solutions</i>	14
3.1.2 <i>Customer service</i>	15
3.1.2.1 <i>Integrated Sales and Service</i>	15
3.1.2.2 <i>Seamless Support</i>	16
3.1.2.3 <i>Increased Process Visibility</i>	16
3.2 SERVICE DIGITATIONS	16
3.2.1 <i>Technology Payoff and ROI Trends</i>	17
3.2.2 <i>Process Configuration and Flexibility Trends</i>	18
3.2.3 <i>Multi-Channel and Cross-Enterprise Trends</i>	18
3.2.4 <i>Improving Application Integration Trends</i>	19
3.2.5 <i>Aligning Inside-Out and Outside-In Process Trends</i>	19
3.3 WHAT DRIVES E-BUSINESS TRENDS?.....	20
3.3.1 <i>E-business trends: It’s all about the customer</i>	21
3.3.2 <i>The role of blogs</i>	21
3.3.3 <i>Open Innovation</i>	22
4 INTERVIEWS.....	24
4.1 COMPREHENSION OF INTERVIEWS MADE IN MEXICO	24
4.2 COMPREHENSION OF INTERVIEW MADE IN SWEDEN.....	26
• ANALYSIS.....	27
○ CUSTOMER ORIENTED TRENDS	27
○ SERVICE DIGITIZATION	28
○ WHAT DRIVES THESE E-BUSINESS TRENDS?.....	30
5 CONCLUSIONS.....	32

6	ENDING DISCUSSION	34
6.1	SUGGESTIONS ON FURTHER RESEARCH	34
7	REFERENCES.....	35
	APPENDIX 1 – INTERVIEW GUIDE	38
	APPENDIX 2 – INTERVIEW 1	39
	APPENDIX 3 – INTERVIEW 2	41
	APPENDIX 4 – INTERVIEW 3	43
	APPENDIX 5 – INTERVIEW 4	45
	APPENDIX 6 – INTERVIEW 5	48

Index of figures

FIGURE 3-1 - HISTORICAL PERSPECTIVE (KALAKOTA & ROBINSON, 2003).	18
FIGURE 3-2 - TRADITIONAL PROCESS DESIGN PERSPECTIVE (KALAKOTA & ROBINSON, 2003).	20

1 Introduction

E-business, today's popular form of business by using old business models with the help of technology to get the most out of customer value and profits, is the future way of doing business. Even though bubbles are bursting and constant threats about security, e-business is increasing to a whole new level, and will most likely keep doing so in the near future. This is my thesis within the Informatics subject. With this thesis I will take up the subject of what trends that, as I find it, are the most important and relevant in e-business today, as well as the most significant drivers for these trends. I will use literature and articles in the subject as well as information gathered from interviews to make this thesis as accurate and complete as possible. To start with I will give a brief background and history to the e-business and its trends followed by my stated problem. In the beginning phase of the thesis I will also give a definition of the phenomenon's e-business and trends, since I feel that this is necessary for my readers to fully understand it. In the appendix part I have included a concept glossary with explanations to words that might be hard to interpret or understand (See appendix 7).

I chose the subject of e-business trends since e-business has become such an important subject in the business world today, and I then found it very interesting to dedicate my thesis to this topic. The most interesting thing about e-business I considered to be what the future of the phenomenon will or might bring; the trends. By knowing about future trends it helps you to seize tomorrow's opportunities before the competition does and to take benefit of them before the environment shifts again. I developed an interest of the trends of e-business when I was taking a course called *E-business Management* at the University of Tecnológico de Monterrey, Campus Guadalajara, Mexico, where I spent my period for studying abroad the fall of 2006. The final decision to choose this subject was also supported by an IT-professor at the university mentioned above, with whom I had a discussion to come up with an interesting subject that could be suitable to dedicate my thesis to. E-business trends are also a topic I as well believe to be something that I can have great value of possessing knowledge of in the future within an eventual job in the IT-sector. E-business today is something that is mostly topical and widely used in the business and IT-world. Considering this and the fact that I also believe that it is not only continued to being widely used in the near future, but also expanded and become even more established as a way for performing business with help of the newest technology, I think that working with this topic will be very interesting and rewarding, both for myself as well as for the readers.

1.1 Background

In the beginning of the 1990s the main aspect of e-commerce was about being present on the Internet, having a website. Companies might not have offered any products or services through the Internet, but they should have a website with at least some information about the company. At the end of 1990s the phase of e-commerce had expanded to not only be about offering a website, but also about transactions, meaning to buy or sell through digital media. Today e-commerce is more focused towards how the Internet can be used to make profitability. Kalakota, Robinson and Tapscott (2001) calls this era *e-business*, because it is now that e-business finally get its big breakthrough and starts to be recognized as a necessity for companies to survive (Kalakota, Robinson & Tapscott, 2001). The e-business probably arose because of the possibilities and benefits it was found to bring along, such as broader and longer reach, greater flexibility and better customer understanding (Webresurs,

2007). The term e-business was first stated by Lou Gerstner CEO of IBM, when the company started to realize the importance of the Internet as more than a web site. They saw Internet as a marketplace where by exploiting the technology making business processes more successful – e-business, according to IBM (Safari, 2007).

The phenomena e-business though can be said to have existed since 1960 on the forerunner to the Internet the ARPANET where electronically transactions is said to taken place. In the 1980s the same kinds of transactions was used over Internet, though in very small scale and only through closed systems like intranet or extranet between companies. In the beginning of the 1990s the e-business could expand thanks to the launch of world wide web and the first web browser which made it possible to build virtual stores on the Internet, where people all over the world could do their shopping, whenever on the day they so desired. Among the first companies to adopt e-business in bigger scale was the American company Amazon who started by selling books on the Internet. Since then the rise of e-business was a fact and more and more companies have put a dot com after their name and starting with e-business (Webresurs, 2007). The e-business hit a wall and stagnated at the beginning of the new millennium when the so-called IT-bubble busted, but have on recent years started to rise again (Cabinet Office, 2005).

As long as e-business has existed so have trends in the same matter. In the 1970s and 1980s the trends most notable was to increase global competition, larger demand for quality and process improvement, shorter product life cycles, and require for a more flexible work force. In the 1990s the most significant trends was the fast appearance of Internet. What will then be the dominating trends for the 21st century? No one can for sure tell, but by taking today's major trends into consideration, and to look at what drives these trends might have, will make it possible to get a glimpse of the future. Having this in mind and by knowing what customers demand from their e-business vendors, then be able to keep up with the, in this business, fast changing trends Kalakota, Robinson & Tapscott, 2001).

1.2 Problem

“Look before, or you’ll fall behind” (Kalakota, Robinson & Tapscott, 2001. p.34).

In today's society managers can no longer afford to think that tomorrow is going to be the same as yesterday. It's important to learn how to spot trends, and how to differ them from fads. Since trends, in differ from fads which are characterized by a fast rise and then a quick disappearance, tend to be global, last around five to ten years, and may advance dramatically; by other words be of such an importance that they can change the whole business (Kalakota, Robinson & Tapscott, 2001).

Trends for e-business which become important in business or even change the whole industry arrives all the time and to be a step ahead of the trends, to know about them before everyone else, makes a great advantage in e-business success. Even though e-commerce has existed for a while, it is first now that one can start to talk about e-business, when Internet is used to make profitability. It has become almost a requirement for companies to establish themselves in the e-business world if they want to survive in the more and more competitive future. Despite the fact that the e-business, as most IT-technology, stagnated at the beginning of the millennium, it shortly became on the rise again to probably be of even greater importance. By keeping this in mind one can find it of great value to know about and be one step ahead of the so often important trends. This as stated earlier becomes more and more important for companies who want to “stay in the game”.

As mentioned above, I found this matter interesting and highly motivating because it has to do with the future way of doing business, a future that we, as soon to be graduating students are going to work within, and by knowing what is to expect from the future you have a great advantage when the new trends, IT-technology and businesses hits us.

To understand what trends are of current interest today, one also have to know what it is that drives these trends, and that is what I am going to investigate with this thesis. There exist a lot of different kinds of trends within e-business, and to take all of these trends into consideration will probably lead to a way to broad thesis that will lack focus. With this in consideration I will focus on the trends that we, after some research find to be the most relevant and most important ones; the customer oriented trend group and service digitization within the e-business. After the literature research and a discussion with my contact person at the Tecnológico de Monterrey I find these trends to be of most value for the future of e-business, since of what I have understood they are the most important and central trends today. By focusing on only these two trends I will also explain the drivers of these trends.

Drivers are similar to trends in the sense that there exist many different factors that are drivers, so I will also in this question focus on, what I after my research find to be the most appropriate and significant; customers. This driver I have found, after the same research and discussion as mentioned earlier, to be topical for the majority of the trends of today's e-business, and thereby also for the ones I have selected. An exception can be made to a few organizational trends such as the ones towards outsourcing or contract manufacturing that the companies' can said to be driving (Kalakota, Robinson & Tapscott, 2001).

1.2.1 Meta discussion

The topic I have chosen to study can not be seen as an obvious problem out of a researchers perspective, you can say that I am trying to define and analyze certain patterns that drives today's e-business to the next level.

During my study I have noticed the close connection between the drivers and the trends, the customers themselves are the ones who are the main drivers of trends like customer orientation. Although drivers and trends can be seen as two different subjects I have reached an understanding that the driver and customer oriented trends are so closely connected that I cannot separate them, but must be explained and studied as a whole as they drive each other in a constantly recurring process. While service digitization is another trend the driver to this trend is strongly connected to the customers, it is as I understand one of the most important trends that set a milestone in today's corporate world (Kalakota & Robinson, 2003). Where companies such as GE, Wal-Mart and Intel are well ahead, driving other companies to do the same.

GE integrates around the customer and tries to create an outside-in service rather than the inside-out product view; they build value around how the product is used and anticipates customer's needs through services¹. Also they emphasize a strategy of "easy to do business with" by presenting one face to the customers despite their broad portfolio of products and services (Kalakota & Robinson, 2003). Wal-Mart's customer strategy is the "Every Day Low Price strategy for creating sustainable value and differentiation from the cus-

¹ You can read more about this in the Service Digitization chapter 3.2.

customer's perspective". They have an enterprise application infrastructure; this enables the possibility to integrate business processes into streamlined information flows that is supported by their technological infrastructure. These are all strategies within service digitization trends driven by the customers (Kalakota & Robinson, 2003).

Following this chapter is the specification of problems, I however find it not to be a clear problem but a topic that causes opportunities for companies if well managed. This drives towards a state of discussion around the subject rather than trying to solve an actual problem that would be the case in a normal research study. By this I mean that I am trying to clarify the relevance of e-business with specific trends and drivers as my purpose states.

1.2.2 Specification of Problem

The final problems I am going to investigate are:

What are customer oriented trends?

What is service digitization?

What is it that drives these trends?

Why are these drivers of such importance?

1.3 Purpose

The purpose of this thesis is to create comprehension of what is customer oriented trends as well as service digitization and to clarify the drivers of these trends, and why these drivers are so important within e-business today. This is to get a glimpse of the future within e-business.

1.4 Delimitations

Regarding my time frame I have concentrated my interviews on individuals that I think might give me the necessary and valuable information to get a deeper understanding and good results. I don't focus on an explicit market segment/industry, because I think that when it comes to e-business it does not matter to that big extent if the company studied is in the manufacturing or service sector.

In my opinion IT managers go through the same decision phases when bringing their company online, being it a large or small company, they are still going online meaning some kind of internationalization with what ever that brings. I won't get into any kinds of differences between Mexico and in Sweden, nevertheless I need to remember that when taking that leap into cyberspace national borders are erased, even though it of course still exist differences within the different countries as for example the organizations culture and structure. But often to be successful online this has to be changed as well (Kirchoff & Mendonca 2000).

According to The Oxford English Dictionary (2003) a trend is "a general direction in which something is developing or changing". E-business is here to stay but the question is in what direction it is headed? I can only analyze and see how it's developing and my studies can show me what experts think of the nearest future of e-business as I can build my own beliefs and understanding of that future. But nothing is certain in the online world since it can change very rapidly.

The interview questions are a result of my own curiosity to answer the stated purpose, but also to help me understand where e-business is headed and it might be helpful for businesses who are near to go online. As a set of guidelines to see if you're on the right direction, not as a set of rules.

In previous chapters you can read about my area of focus, I have their mentioned how I chose to delimit my research to some extent. My intensions have not been to incline the research out of a managerial perspective but a more general one although IT-managers might find some information useful in their line of work. Still I would like to accentuate that I am delimiting my research to two specific trends; customer orientation and service digitization with the additional drivers for theses two trends.

1.5 Definition of e-business

The term e-business, as mentioned above, was first used by IBM in 1997, when the company first launched their campaign within the subject. The term e-business replaced the older term e-commerce, since by now selling was no longer the only experience that people could reproduce on the web. E-commerce is now only one aspect of e-business, like e-franchising and e-marketing. E-business can be explained as being about using the convenience, availability and the enormous reach world-wide to improve or develop existing business or to creating new virtual business (Amor, 2000).

A lot of different definitions of e-business exist. Some mean that all financial information that is being transmitted over Internet is being e-business and some say that even when you pay bills over an Internet bank that you are conducting e-business. That is to say there is no clear or true definition of what e-business really is (Webresurs, 2007).

In this thesis I will use the definition of e-business stated by IBM: "a secure flexible and integrated approach to delivering differentiated business value by combining the system and process that run core business operations with the simplicity and reach made possible by Internet technology" (Amor, 2000. p 7). That is to say, e-business is to combine the traditional information systems and its resources with the Internet to connect business systems with the public as customers, suppliers or other stakeholders, so to speak the whole value chain (Amor, 2000). E-business can be accomplished over Internet, intranet, extranet or a combination of these (Timmers, 1999). Since the e-business over Internet is the only form of e-business I have been in contact with and also is the major focus on most of the data collected, this will be the major alignment on this thesis. It is important to make clear that e-business doesn't have to be over the Internet, but by other electronic elements, but without the Internet e-business would never have reached the big scale it now comprises (Timmers, 1999).

1.6 Definition of trends

How will business use the Internet, is it technology that changes businesses and people or the other way around, businesses and people that change the technology? What once thought to be a fad, the Internet, became a trend and then a behavioral revolution within commerce and communications and it still evolves. People over the past generations altered how they preferred and still prefer to do business and interact with each other. So human beings and not technology set the trends. What is a trend then?

The general statement according to The Oxford English Dictionary (2003) a trend is “a general direction in which something is developing or changing” a tendency, so to speak a development in a direction. The process may refer to getting others to follow or copy the trend of their free will (The Oxford English Dictionary, 2003).

1.7 Stakeholders

Stakeholders and people who might find this thesis interesting might be organizations that are conducting some form of e-business or might do so in the future. Especially those organizations that are new to the phenomenon or that are insecure of how to perform it in the best way possible. Even organizations in general since the thesis might give them an idea of the possibilities of e-business as well as why it is important to listen to the different drivers that develop and expand the market of e-business.

2 Method

In the following chapter I will state the methodology and the approach that has been used to summarize the results and the conclusions that are to come further on as well as the knowledge I hope to learn from my study.

2.1 Knowledge characteristics

As stated earlier in the report I want to deepen my knowledge about the chosen topic since I find it to be useful in a future career within the IT-market.

When writing a report on this level one needs to identify what type of knowledge that is to be developed, in order to see the value of the knowledge (Goldkuhl, 1998). According to Goldkuhl (1998) knowledge exists in various forms, being; categorical-, classified-, descriptive-, characteristic-, historical-reconstructive, explanatory-, predictable-, valuable-, normative- knowledge as well as knowledge about criticism and about the possible.

In my report I want to create a comprehension of the e-business trends by answering the questions; “What are customer oriented trends?”, “What is service digitization?”, “What is it that drives these trends?” and “Why are these drivers of such importance?”.

Goldkuhl (1998) suggest that the categorical knowledge is the basic knowledge, a form of knowledge that every other form is based upon. It is the form of knowledge that characterizes definitions, and hence will be used by me in my report when defining customer oriented trends and service digitization, when answering what drivers the trends have, but as well when defining the terms e-business and trends. Additionally the form of descriptive knowledge, defined by Goldkuhl (1998) as knowledge describing some characteristic of a phenomenon within the categorical knowledge form, will be used to further describe the definition of the earlier mentioned questions. The descriptive form of knowledge can be about both qualitative and quantitative knowledge, but in my case this will apply to the qualitative form. The question on why the found driver(s) are of such importance will be answered by explanatory knowledge. Goldkuhl (1998) identify this form of knowledge to be about why something is as it is. It is here interesting to speak about reasons, foundations and motives why a certain phenomenon occurs or act as it does. To some extent even the form normative knowledge, which is identified as knowledge of action, and about rules, guidelines and advices in different situations (Goldkuhl, 1998), can be applied in my report. The reason is that I in the thesis will treat rules and advices that might be important for companies to follow to survive. The whole report can also be seen as being about knowledge about the possible, since this form is about using the knowledge to create comprehension about how the future could become, a kind of innovative knowledge. Hence not what the future will bring based upon already known fact that the predictable knowledge is about (Goldkuhl, 1998). This is something that I do as I try to understand what the future of e-business trends might bring (Goldkuhl, 1998).

2.2 Methodological Approach

There are several ways to conduct this research, but I have mainly concentrated on collecting data and information from literature, articles and interviews to be able to answer the specified questions in the problem statement and try to get a more holistic view of the area studied. According to Holme & Solvang (1997) a method is a tool that is used to solve a problem a way to gather knowledge.

During the course of this thesis information has been gathered and processed from relevant literature, articles both on and of the Internet as well as information from trusted Internet pages. The constant and continues information search of this specific topic is important since it's constantly under development and can change from one day to another. E-business is a relatively new and hot topic in today's business world but also to me as students, and increasing my knowledge about the subject is not only vital for the outcome of this thesis but also for my future benefit.

Besides gathering information from books, articles and the Internet I am going to carry out unstructured respondent interviews with individuals in key positions of businesses that have a presence of e-business or are thinking to take the next leap into this new era of technology. The unstructured respondent interview allows the individual to answer more freely and in that way minimizing my influence of the result (Ejvegård, 1993). I will also interview individuals that have great knowledge of the subject in that matter or that have a past of working with this issue in global or international businesses. This will give me a hint of maybe further information seeking, reliable sources or new methods that could be used to improve the validity of the results and conclusions. I feel that this way of working suits my results and myself the best.

Furthermore the empirical material gathered both from literature and interviews will be analyzed. The entire data set and general notes made about general themes are being reviewed as well.

2.3 Interviews

The interviews will take place partly in Guadalajara, Mexico and Jönköping, Sweden. They will be carried out with the help of open questions or as mentioned earlier with an unstructured respondent interview method where the individual can answer as he or she prefers, usually giving them a chance to respond more relaxed and with honesty. This however might have unexpected consequences and the individual can take the interview in a spin towards an unpredicted direction (Ejvegård, 1993). Another downside is that the interview in this case can become unstructured and the answer can be really personal, but by conducting an open question interview the individual can come with ideas and/or new problems that I did not have in mind that can be useful for my own research. Thus me as interviewer must be well prepared and have a clear purpose with the questions.

Me as interviewer also must know which topic we want to process and study, and in an open interview the questions can come in any order depending on how they best fit in a certain situation. Winter (1979) calls this interview type for an unstructured one, he claims that this can affect the outcome of the result because the interviews are not identical and differ from one another according to the situation. This requires an interaction between the both parties so the most information possible can be gathered at the interview session, however this opens up for further complications as the interviewer unconsciously can affect the outcome of the answer by nodding approving or disapproving during this interaction (Winter, 1979).

During the interviews I can either record the interview subject or take notes, interviews conducted this way however have an inhibited effect on the interviewed individual (Ejvegård, 1993) and to get more honest and relaxed answers it's important to make it clear to the individual that no names will be used and how the report will be used and published. Small notes and reminders is a good way to keep down this stressful situation and then

when the interview is over summarize the result. Regarding the interviews made in Mexico, the culture there is very different to what I am used to in Sweden. In Mexico businesses are run and done differently and the organizational structure often is very strict viewed from top to bottom I will keep it down to taking notes if other methods are not allowed. I am very much aware and have learned then when you are doing business abroad you are a guest and must therefore pay respect to traditions and norms of that specific country.

Anonymity is often a problem when you are using this method because of the number of the individuals that are interviewed. Depending on the size of the business the problem will become more or less active. To avoid this I will try to keep the results on an impersonal level if that is what the individuals or the business wants.

In Mexico I will interview three individuals that either own or work in companies that are well ahead of implementing different strategies or following trends such as customer orientation and/or service digitization. These individuals have all vast knowledge about e-business and have been working with it for many years; hence I found them to be of great value for my research. In Sweden I will interview an individual whom I think have great knowledge within the field of Business Informatics; he might provide me with some what different information because of the cultural differences (Kalakota & Robinson, 2003) but my research is not about finding out or comparing if there are or aren't differences between countries or continents.

Interview one to three are carried out in Mexico at an early stage in the process of the research to regain general knowledge about my topic, to help me obtain a relevant and appropriate focus for my thesis (See Appendix 2-4). Interview four is made as a follow up with an earlier interview object to acquire additional data within the field of customer orientation and service digitization (See Appendix 5). Interview five is made in Sweden and is performed more as a discussion (See Appendix 7).

The final interview questions can be found in Appendix 1.

2.4 Qualitative vs. Quantitative

Holme & Solvang (1997) formulate two ways of carrying out surveys and interviews, a qualitative and quantitative method approach. The qualitative approach is characterized by flexibility; it embraces new knowledge, deeper, broader and new understanding, which is one of the methods strengths. It has low level of standardization and is not as formalized as is the quantitative method.

The quantitative method has a higher degree of formalization and structure. It is often used when measuring variables or the frequency of something occurring over and over again, this is usually used in surveys that are handed out to many participants giving them only the ability to answer the same specific answer, which thereby takes away a lot of the flexibility. It also means that the researcher has more control over the method and not the same nearness as in a face to face interview (Holme & Solvang, 1997).

2.5 Choice of method

My purpose states that I want to grasp a comprehension about two trends that can be spotted out in the corporate world (Kalakota & Robinson, 2003) and also clarify the driver for these specific trends to better understand what the future holds for e-business. Based on

these facts the most suitable method for my research is supported by the qualitative method (Holme & Solvang, 1997).

The choice of conducting the interview, with open and unstructured questions is within the qualitative approach. This will give me a deeper understanding of the data and the subject; this is exactly what I want, to get a deeper understanding of the subject rather than just general information. It will also give me an understanding of what the participants of the interviews think and believe and that might give me clues to approach the subject in a different angle and there is more room for flexibility. A downside is that the flexibility however makes it difficult to compare data from two or more interviews. This means that the answers I get from the interviews will differ depending on the individual giving me the answers because they are allowed to answer as they wish, I can never get the exact same answer. However I am hoping to see the similarities in the results and the main trends will reveal themselves, I also have to remember that there are neither rights nor wrongs in my research.

In my case however I use more broad and open questions with the unstructured respondent method meaning that the participant can answer as he or she likes. To answer my purpose I then have to use the qualitative method since the quantitative does not support my resolution; I am not measuring variables or something that repeats itself the qualitative method is more up to the job.

2.6 Alternative course of action

There are always alternative ways to complete a thesis, in the matter of carrying out the actual work and also how to structure the thesis itself. An alternative report structure for this thesis could have been to instead of making qualitative interviews I could have made a more quantitative questionnaire, and then send it out to more people than the relatively few people of whom I am carrying out an interview with. A quantitative method of this matter would be faster and easier and I could reach out to more people, but this approach also has negative aspects that I feel is of greater loss than the win of the positive ones. By using a quantitative research as a questionnaire I will have less comprehension of the answers and I can't ask follow up questions to an answer that I feel could be of great importance and interest for the thesis. With a qualitative interview I would also increase the chance of acquiring the answers I want, so to speak that the risk of misunderstandings would decrease dramatically since both me and the interview subject could give explanations to answers or questions that one of the parties might misunderstand. With a quantitative research it would also be harder to obtain the thoughts and suggestions from the interview subject in contrast to a qualitative approach where the subject can express himself in the way he feels (Holme & Solvang, 1997).

2.7 Population and sample

Holme & Solvang (1997) utters that everything that is within the area of research is your population, in many cases however the population can be too large and will be too costly and time demanding to study. In this case it is appropriate to narrow down your area of study to a sample and obtain more reliable and valid information for better results. I have limited my study to two specific trends, customer orientation and service digitization within e-business and the drivers to these trends instead of covering the whole scope of e-business trends and drivers, this is my sample.

2.8 Reliability and validity

The goal in every research is of course to reach good results by presenting reliable and valid data. Reliability is a measure of how accurate the gathered information is revised and the validity depends on what I am measuring and if this is clear and in line with the research questions (Holme & Solvang, 1997).

The question is then; how can I keep a high level of reliability and validity in my research? Accuracy is one of the key words here, the ongoing process and development of the research must be revised so mistakes and misunderstandings have none or little chance to occur. The research questions must have relevance to the purpose since they will affect the gathering of the empirical and primary data. To be able to keep a high level of reliability and validity in the research it is necessary to study your own progress with criticism (Holme & Solvang, 1997). If the results can be repetitive, that is if another researcher comes up with the same results as I do in this subject I can consider my research to be reliable and valid.

The trustworthiness and credibility of the report can also be questioned depending on how many interviews I conduct and under what time period since e-business is under constant development and new solutions and ideas approaches all the time. Also because of the structure of the method that's being used meaning that the outcome of the result can be unstructured and am I asking the right questions? The results will tell and during time I will develop a deeper knowledge about e-business, my previous questions might not be as relevant as the ones I have in a later state, meaning that the outcome of the result could have been different and more reliable. This is why as I mentioned earlier in this chapter it is very important to revise and improve the stated purpose with your questions up until the very moment before the interview takes place (Holme & Solvang, 1997). This however supports the open questions during the interviews, because at some cases you will want to revise your questions up until the very last moment depending on the circumstances.

To improve these issues it is important to review several sources from different authors and have a range of substantial data, this is called triangulation (Holme & Solvang, 1997). The results must somehow reflect what you expected and what was meant to be measured. All of this is taking into hand to produce reliable results (Thames Valley University, 2007).

2.9 Data collection

Within data collection I have two types' of methods of data, primary data and secondary data.

2.9.1 Primary

As researchers I am relying on methods for collecting and gathering information. This type of data is when the researchers collect the information themselves by doing interviews, observations or surveys (The owl at Perdue, 2007). My choice was to do interviews, which is a face-to-face discussion with a person or a group representative to your sample or population. Interviews can be structured, semi-structured or unstructured. As you can read in the interview chapter I made the choice to go with the unstructured respondent interview where the interviewee can answer more freely (Ejvegård, 1997).

2.9.2 Secondary

If the data is already collected and published by somebody else and often for a different purpose than yours it is called secondary data, this can be data found in already written papers, magazines, books and on the internet (Thames Valley University, 2007). This information should be treated with care and studied carefully as well so that it represents your study and is a reliable source. In my thesis I have used secondary data collection in forms of Internet sites and different articles, both on and off Internet. I have been thorough in my search of information on the Internet and studied the pages found with deep criticism.

My research consist both of primary and secondary data, the respondent interviews gives me a hint of what managers actually think about the future of e-business while the secondary data reflects the general view.

3 Frame of references

In this section I will present the data gathered from literature and articles that I have studied through out the course of my thesis. I will start with presenting the customer oriented trends followed by service digitization, and then finally treat what drive these trends.

3.1 The Customer Oriented trends

This part will give a comprehension of what is the customer oriented trends, trends with a clear focus towards customers (Kalakota, Robinson & Tapscott, 2001), based on data gathered from different articles and literature. The customer oriented trends can be seen as a group of trends that consist of several trends itself.

3.1.1 Customer oriented trends – keep your customers satisfied

According to Kalakota, Robinson and Tapscott (2001) the customer oriented trends can be divided into a few trends that all has their focus on the customer.

3.1.1.1 Fast Service

Customers strongly dislike delays and to wait for services, and it is therefore essential to serve the customer as fast as possible. To succeed in the business companies have to reduce processing time of every part possible in the selling-buying-process as: search, selection order entry and order fulfillment. A common solution to reduce the process time is to invest in integrated systems as enterprise resource planning (ERP-systems) to integrate the different parts in the business (Kalakota, Robinson & Tapscott, 2001). When talking about e-business it is important to reduce the customers wait for service and all the business processes must be readjusted to reach the best possible customer service. If companies do not do this, the customer will go to a company that fulfills these needs (Kalakota, Robinson & Tapscott, 2001).

3.1.1.2 Self Service

The next trend to focus on within the customer oriented category is Self Service, the new form of customer relationship management that allows customers to gain access to information and carry out purchases on the Internet without interaction with a physical person (SearchCRM, 2007). Customers seek to be able to have access to service 24 hours a day, seven days a week and 365 days a year. With e-business this is possible since the Internet-stores are always opened. The self service also is a great advantage in time savings when customers don't need to go to a physical store to do their purchases. Within e-business it is then important to make self service possible and as easy to use as possible by focus on consumer driven solutions instead of technology driven, by transform and integrate already existing applications, processes and systems (Kalakota, Robinson & Tapscott, 2001).

Self service is also contributing to great savings, Forrester Research, an American independent technology and market research company (Forrester, 2007) have estimated that with the implementation of self service one can cut customer interaction cost with as much as 98 percent per transaction (Rich, 2004). Another more controversial benefit of self service is the possibility of collecting personal information about the customer or possible customer. This can be carried out in numerous ways; by letting the visitor to the web site type in information about himself or by examining the click's and searches made by the visitor (SearchCRM, 2007). One have to remember that self service also demands service,

just by implementing self service wont lead to economic savings and if it is not done right it can have the opposite effect, for example if the web site which is used to replace the phone service is so complex and hard to use the customers will continue to use the phone, or worse, go to another company's web site if it is easier to use (Rich, 2004).

3.1.1.3 More Product Choices

It is according to Kalakota, Robinson and Tapscott (2001) a key to success to offer the customer with as large product selection and options as possible. Here the e-business companies have a huge advantage with unlimited shelf space compared to a normal store with limited space for their products. Since they have no limitation in shelf space they neither have a limitation in products they can offer. E-businesses need to try to offer the customers what they are looking for, with other words try to satisfy their demands. To find out exactly what is demanded by a customer more and more companies are customizing or personalizing the shopping experience for their customers, a phenomenon that will most definitely become even more common in the future. The company keeps track on the customer's earlier purchases and searches and then try to personalize the experience for the customer by for example sending out e-mails when new products similar to what the customer been interested in arrives in stock. This makes the customer come back to that certain company since they know they offer what they are interested in (Kalakota, Robinson & Tapscott, 2001).

It is also claimed however by some that to offer more product choices is a mistake, that it will only make customers confused and regret their purchases. An experiment was made by Columbia University's Sheena S. Iyengar and Stanford's Mark R. Lepper where they exposed customers to two different chocolate retailers, one which offered a great variety of lots of different chocolate whereas the other only offered a limited number of chocolate types. The survey shows that the customers that were exposed to the retailer with the many options where far more disappointed then the ones exposed to the one with a limited offering. This can be understandable since the more choices you have to make, the more choices you have to reject. And for every rejection you make the anxiety of the purchase (buying anxiety) rises which can make you more disappointed at your purchases since you are not sure if you purchased the right product (Trizel, 2006)

3.1.1.4 Integrated Solutions

The following trend with the focus on costumers is integrated solutions. As with the case for self service, integrated solutions is time saving for customers, which, as mentioned above is of great importance for the customers since nowadays people are more and more stressed in their lives and find it hard to have time to carry out all the shopping required. E-business companies need to adopt the strategy to selling more to the customer out of the same website, to make the shopping experience more convenient. By integrating different products on the same web sites, customers will go there since this will make the decision process easier. If all the products demanded by a customer would exist in one web site, they wouldn't need to go to any other web site to perform their shopping, the less web sites to carry out the shopping the better for the customer. With the possibility of all the purchases to be made on one web site, the customer also saves money with the freight, but mostly it's a matter of convenience (Kalakota, Robinson & Tapscott, 2001). A good example of integrated solutions is the earlier mentioned Internet store Amazon.com, which started out by selling books online, but to later also offer CD's, DVD movies, computer software, video games, electronics, cloths, furniture and food (Kaya, 2002)

3.1.2 Customer service

Self service and fast service are not the only kinds of services to focus on. The fast and self services are just parts of *the* service; customer service, the organizations ability to satisfy the customer's needs and wants (Ward, 2007).

Companies might be successful in every marketing strategy in the Internet, but if they don't have any focus on customer service that is worth zero. One have to keep the customers satisfied with good service, otherwise it might cost the company a lot. According to Gehl (2006a) there is an old saying that can be extra important to keep in mind when performing e-business; A happy customer will tell one or two people, an unhappy one will tell ten. By that saying in mind, and the knowledge that in the online world, telling ten people about their unhappy experience might not be the only thing the customers do, they can post comments in blogs, write negative evaluation on a shopping site etcetera, the companies need to be extra careful about not letting the customer service yield. This negative publicity is usually also very hard to get rid of, it stays on the web until (if) the author decides to take it of. To improve the customer service of the company one has to take the following into consideration (Gehl, 2006a).

A good thing might be to have automated e-mails sent out to customer thanking them for their purchase, telling them their product is shipped and/or welcome them to the e-mail list. This follow up can make the customers generate positive feelings about the company. Another thing companies might consider is getting a FAQ page, not only to satisfy the customers with the easy access to answers on problems and thoughts, but also as a way to save time by not needing to answer all question that customers might have. Also put out clear information how to get in contact with the company, such as e-mail address and telephone number. Another important strategy to take into consideration is to personalize the e-mails the company sends out, with names and personal interests. Finally the company might also letting customers filling out surveys about what they miss in the company or just simply ask them what they want (Gehl, 2006a).

3.1.2.1 Integrated Sales and Service

Kalakota, Robinson and Tapscott (2001) also have a lot to say about this phenomenon known as customer service.

According to them the customer service has to be integrated with the sales. The companies need to learn and track the customers needs, behaviors and lifestyles, and then use the information to try to satisfy the customer in best way possible. When talking about e-business new organizational models need to be developed to make sales and service more close to each other. Service must not only come after sales, but also before and during the selling is taking place as well as every interaction between company and customers or to-be-customers (Kalakota, Robinson & Tapscott, 2001). Every kind of these interactions is of great importance to the company, and if this interaction is not carried out with most accuracy, the company risks to lose the customer or even to never gain the customer in the first place (Bryce, 2006).

When a customer want to interact with the company it is very important that the possibility of human service is possible, even though mentioned above that self service is of great importance, it is a key to success to also offer the possibility of human service since there is always a risk that a customer can't obtain the help or service he requires when he applying the available self service. If a human service is available the customer can turn for that help instead of giving up that otherwise could have been the option (Bryce, 2006).

3.1.2.2 Seamless Support

Furthermore Kalakota, Robinson and Tapscott (2001) emphasize the importance of Seamless support, to offer easy and solution oriented customer service, considered to be one of the most important trends in business nowadays (Kalakota, Robinson & Tapscott, 2001). Customer support should be friendly and provide comfort and a personal touch to make the customers return to the web site (Webb Consulting, 2007). As mentioned earlier, time is something that is becoming really important for customers, and they won't agree to spend time on mistakes in customer service. Today as more and more companies depend on a third party support it is important to very well coordinate their partners and vendors to keep the customer support as satisfying as possible. Within e-business it is important to integrate customer service application that focuses on the whole customer relationship. Companies should make the customer relationship solutions to not only reach within the company but also to the whole extended enterprise; the vendors and suppliers (Kalakota, Robinson & Tapscott, 2001).

3.1.2.3 Increased Process Visibility

Process visibility, to provide customers with up to date information about the order status, product pricing and product availability is something that is also of great importance for companies that want to stay in business. Offering this kind of service and letting customers have 24 hour access to the information about their order will let them be able to better plan and manage their normal lives (Kalakota, Robinson & Tapscott, 2001). By letting the customers check the order status they will feel more involved, something that might help to increase product satisfaction (Kadyate, 2005). For e-business companies it is a great opportunity to make this kind of service available on the web site, as by letting customers check where in the process their order is and when the product is set to arrive (Kalakota, Robinson & Tapscott, 2001).

It is said that it costs five to ten times as much to obtain new customers as to keeping existing ones. With that statement in mind it is obvious that it is very important for companies to keep their customers, something that apparently is hard since according to Kalakota, Robinson and Tapscott (2001) the companies lose half their customers every five years. One great way of keeping your customers is to stake on customer service, and to do it good (Gehl, 2006a).

3.2 Service digitations

The business trends have been changing through out the years, from an industrial economy, a model based on paper-dominance to a real-time digital information model. The long-term goal is to digitize the business, new sets of rules are at hand but are the organizations paying enough attention? (ebstrategy, 2007). Technology is not solely what e-business revolves around; many of these components are today a commodity. But the ability to act, acquire and interpret the digitized information to provide an outstanding service experience is today's game for top companies.

Service digitization is the transformation of paper-based transactions into the new integrated multi-channel processes; it's an effort to move beyond e-business into a more complex service digitization. It does not center on technology, but rather captures the value through improved performance and productivity. It gives every company the ability and possibility to reallocate their entire resources. Many questions arose since the dot-com bubble burst, such as: Is e-business over? Are we going back to the old way of doing busi-

ness? However the changes and movements set by the Internet are irreversible and the migration from old to new ways of making business is an ongoing open-ended process that will continue. So to remain competitive, companies cannot stay at a certain position all the time but have to rethink their ways of doing business through out the course of time. Customer pressure leaves no other choice to companies, the transitioning into a multi-channel service economy is what's required to stay on top of the game. Offering services like web, mobile and television by the same company is something that is already out there (Kalakota & Robinson, 2003).

Services however can be viewed from many perspectives such as an online process issue "e-services", a technology issue "web services" or viewed from a customer's perspective "value". All these views are pertinent but they need to be tied together, this is done by a framework a service blueprint. Not having a service blueprint may cause companies to make inappropriate decisions that will waste both time and resources. But how can I be sure that the trends are pointing towards services? Well, we can begin by looking in technology magazines or listen to what successful market leaders such as GE, Wal-Mart or Amazon.com has done. You will hear or read buzzwords such as: Enterprise Application Integration, Web Services, Adaptive Supply Chains, xApps, E-Business on Demand, Services on Demand, Business Process Management, Composite Applications, and Real-Time Enterprise (Kalakota & Robinson, 2003). Studying this more thorough you will find that they have one thing in common, they are all part of the services digitization.

Well-designed services are led by five core trends; the drive for service digitization lies in the following (Kalakota & Robinson, 2003):

- Technology Payoff and ROI Trends – Instead of spending more, companies are looking at ways to create more value by decreasing existing technology investments. IT spending is no longer increasing rather it has reached a peak in many companies and it's steadily declining. They don't want to hear about possibilities, visions or innovation; they want results and better execution.
- Process Configuration and Flexibility Trends – Business processes management (BPM) or business process outsourcings (BPO) are technologies that are being used to improve flexibility and reconfiguration of company operational processes.
- Multi-Channel and Cross-Enterprise Trends – this is to satisfy as many customer needs as possible, for example Triple-play.
- Improving Application Integration Trends – In order to create a more transparent real-time business, corporations are consolidating and integrating applications cheaper and quicker then ever before.
- Aligning Inside-Out and Outside-In Process Trends – Companies want to approach the business issues from both perspectives, the traditional and from the customers' point of view.

3.2.1 Technology Payoff and ROI Trends

Technology is only a part of the solution, implementing it doesn't amount to productivity or payoff. Clearly, senior management, IT departments, business users and technology vendors are rethinking and have realized that a change of management, business processes and incentives are keys to bringing value out of IT investments (Kalakota & Robinson,

2003). This is forcing companies to focus their energy on what customers care about, some companies accelerate into digitization and others go back to basics. To understand the current digitization you must know about the background as can be seen in the table below (Kalakota & Robinson, 2003):

Time Period	Focus	Method
1970s	Quality	Total Quality Management, Zero Defects, Statistical Process Control
1980s	Lean Manufacturing	Just-In-Time, Zero Inventory, Kanban, Computer Integrated Manufacturing
Early 1990s	Process Improvement	Vendor Managed Inventory, System Outsourcing, Customer Satisfaction, Enterprise Resource Planning, Lean Thinking
Mid- to Late 1990s	Process Reengineering	Business Process Reengineering, Six Sigma
Late 1990s to 2002	Transaction-Centric— Digitization of Tasks and Simple Processes	E-Commerce, E-Business, Collaborative Commerce (B2B), Customer Relationship Management
2003 onward	Services-Centric— Digitization of Cross- Enterprise Processes	End-to-End Supply Chain Enablement, Business Process Outsourcing, Business Process Management

Figure 3-1 - Historical Perspective (Kalakota & Robinson, 2003).

3.2.2 Process Configuration and Flexibility Trends

Business processes are being reconfigured or outsourced, driven by the constant need to cut costs and gain flexibility. Process flexibility is nothing new, it has been around for quite some time and can be studied by looking at the recent decades of industrial and service development. The Internet has more recently brought forth evidence of process changes; business process outsourcing is one example. Within here you have call centers, billing and claims processing. These jobs are moving to low-wage countries such as China, India and the Philippines as did the manufacturing jobs. If it can be done in a more cost-effective area it will be relocated (Kalakota & Robinson, 2003). To drive productivity higher organizations are reconfiguring processes wherever possible because many end-to-end business processes too often aren't at their peak of performance. The processes with customers, suppliers and employees are not directly linked and remain disjoint. The modern businesses require those processes to be connected and not broken because of the many interfaces information must travel before reaching its goal.

3.2.3 Multi-Channel and Cross-Enterprise Trends

E-business thinking is centered on uni-channel automation and single business unit applications, unfortunately customers think otherwise. They want flexibility, efficient and effective hybrid combinations, as well as new service designs to cover internal and external

boundaries. For instance, when calling an airline, they can offer you internal transactions such as travel reservations and also external services such as hotel reservations and car rentals. Retailers must reconsider; often they have invested a great deal of money in Web sites and digitized end-to-end processes such as order-to-return. But when customer behavior changes and they demand from uni-channel (Websites) to multi-channel (Websites, retail store and call center) the old well crafted uni-channel collapses and is not fit for the new task. There are three interrelated dimensions within process transformation (Kalakota & Robinson, 2003):

- Changing Type of Process Interactions—new multi-channel processes are evolving from traditional uni-channel processes.
- Changing Scope of Process Integration—processes are expanding from business unit-centric to cross-enterprise and inter-enterprise.
- Changing Degree of Process Digitization—processes and transactions are evolving from manual to automate.

3.2.4 Improving Application Integration Trends

The integration of applications has come to a new era; significant changes are taking place under the broad area of service platforms, Web Services and Service Oriented Architectures. To leverage multiple underlying enterprise application components in the corporate world the migration is changing from bottom-up integration to a top-down service integration model (Kalakota & Robinson, 2003). Web Services allow different applications to be integrated into existing system without the need of custom coding. They are not reliant on one vendor or programming language thus allowing businesses sharing data with each other and customers in a secure way keeping IT systems behind a firewall. It helps to solve challenges of multi-channel and cross-enterprise integration. The driver is simple, companies require a standardized way of integrating new information assets without risking to loose multi-million dollar applications, Web Services offers that and more (Kalakota & Robinson, 2003).

3.2.5 Aligning Inside-Out and Outside-In Process Trends

It is hard, but understanding the customer priorities and aligning internal processes accordingly with the recognition that the focus is not on technology but on the customers' priorities is the start of a successful digitization project.

There are two viewpoints of digitization that are battling each other in the real world (Kalakota & Robinson, 2003):

- Customer-Centric—outside-in design of cross-channel and cross-enterprise workflows driven by a superior understanding of what the customer really wants.
- Process-Centric—inside-out design of application integration to support workflows driven by what managers think the customer wants.

Therein lies the problem, balancing between these two issues is difficult because the applications and the infrastructure to support the viewpoints are different. Meaning that significant investments have to be made to rectify the problem (Kalakota & Robinson, 2003). Managers are trying to keep down costs while innovators need more money to satisfy the

customer. One way to avoid this alignment problem is to have a clear focal point; to have a clear focal point is to know what your company is all about. This should be tied with the company's ongoing digitization process and the service blueprint.

The figure shows the different dimensions, one can see that the line of business and IT department care about processes, while the customers care about value. Technology capabilities, customer priorities and business priorities are represented in the convergence of these three, which is "Services". As you might understand not aligning the three carefully can lead to problems (Kalakota & Robinson, 2003).

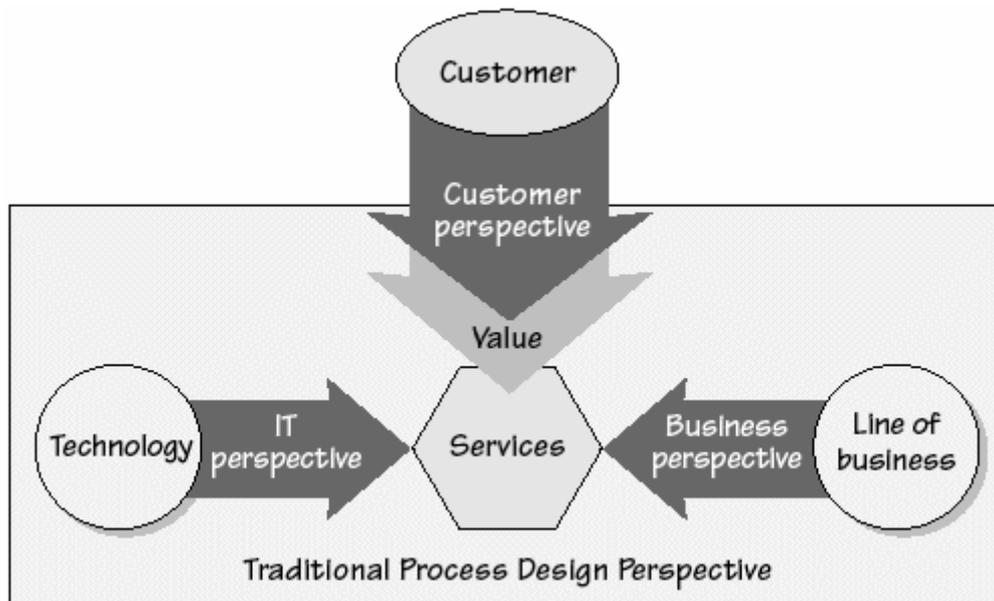


Figure 3-2 - Traditional Process Design Perspective (Kalakota & Robinson, 2003).

3.3 What drives e-business trends?

To create effective strategies, companies must spot trends quickly. If a trend is not found in its beginning phase, it might be too late to gain advantage of it and if it is found by the competitors first there is a risk of losing a lot of customers to them. There is however always a risk of adopting a trend too quickly, before knowing whether the trend is a trend or just a short lived fad. That is why it's so important to listen to the customers, to create an understanding of a phenomenon that might be a possible trend. By defining trends you will be able to examine consumer behavior, eliminate uncertainty and identify new opportunities. These aspects will all help to stay in business and not fall away, as well as to possible future success in the e-business world (Kalakota, Robinson & Tapscott, 2001).

By examine the drivers for the trends one will get a better picture of why it is of such great importance to keep track on the trends. One will also get a better possibility to adopt them in time and to be able to gain advantage of them instead of experience them as threats and possible benefits for the competitors.

What is it then that drives e-business trends? There are a lot of different trend drivers, for example customer oriented, organizational and enterprise technology trends (Kalakota, Robinson & Tapscott, 2001). As mentioned earlier I will only focus on the customers as trend driver and I will in the following part explain why customers are of such importance.

3.3.1 E-business trends: It's all about the customer

Gehl (2006b) also point out the important roll of customers when it comes to the e-business trends, and suggest that if you want to make an increase in your online business, take great care of your customers.

If a company wants to grow there online business they have to take a look at today's market, where it is and how to reach it. They need to understand how to use the marketing, how to reach out to this market. Today's young Internet users use the Internet to read and create blogs on niche interest sites, look at podcast, being parts of social networks with people who share the same kind of interest and creating their own material such as videos for uploading on the web. Since they only create what they are interested in and are eliminating the rest, one can say that these people create their own individual web experience. If companies want to reach out to this segment, they have to become part of this network and use the same tools and ways to reach them. Write blogs, do a podcast and put out information on sites frequent visited by these segment of possible customers, in other words use virtual marketing. This way will make people help you in your targeting by actually sending your information to other people who they might think share that interest. Since today's young Internet users are members of these social communities mentioned earlier, it is enough to reach one of them with the right message and he/she will spread the word through out the network. Another huge market, twice the size of the Internet is that of mobile phones. And to market yourself through this phenomenon is greatly effective, according to a thesis made for Enpocket Insight, 50 percent more effective than TV and 130 percent more effective on radio marketing. Newly created domains such as .tel and .mobil, might still be at a very early phase, but creating a web site for mobile users with the right message could be a great way of reaching out to the right market (Gehl, 2006b).

This said a company consequently can't just use the Internet as an anonymous sales portal, but have to become members of the networks and communities of their possible buyers, to reach them with their message in a way that capture there interests (Gehl, 2006b).

3.3.2 The role of blogs

Blogs are personal web sites where someone is writing some kind of information, with a reverse chronological order display, free for everybody to read and comment. (Scoble & Israel, 2006) It's a trend that has increased dramatically the last few years and it is now expected that there are more than 70 million blogs online and that everyday 1.5 million posts are made in any of these blogs (Sifry, 2007). Even though many of the blogs get abandoned within a year, the general growth of blogs is the fastest technological grow ever in the history (Scoble & Israel, 2006). A lot of blogs are still made as diaries or politically oriented, but the new bloggers (persons who writes a blog) are writing about business, and that's the kind of blogs that are becoming so important for e-business companies (Scoble & Israel, 2006). Customers nowadays go online to write about their experiences with companies and purchases of their products, giving everybody interested a chance to read and make comments about it. This is something today's companies have to adopt to and also self get into if they want to stay alive in a business which become more and more influent of what other people have to say about it (Scoble & Israel, 2006).

When employees at Microsoft began to write blogs in the beginning of 2000, a lot of customers where very positive that workers at a company as large as Microsoft took time to talk to them, and they where very optimistic about the two way communication possibility. At Microsoft however many employees where at start very negative about the blogging

concept, since as they saw it, it didn't give any return on investment. By time as more and more employees started to put out blogs the attitude somewhat changed and today a lot of the staff at Microsoft agrees that the blogs helped them to create relationships, something they were losing a decade ago. Creating relationships is surely something blogs help out with, but that's not all, or maybe another way of putting it is that blogs also can be seen as a new way of marketing. Scoble & Israel (2006) calls the blogging phenomenon conversational marketing, open source marketing, two way marketing or corner grocery marketing, a new way of marketing that involve the customers on a whole new level. There are a lot of examples on online applications where mouth-to-mouth marketing is used as the major marketing form (ICQ, Skype and Firefox to name a few). One can say that blogging is a new, smarter and more efficient mouth-to-mouth network, which lets people (customers and companies) to listen to what people have to say about products, companies and also give the readers an opportunity to respond. If companies don't include blogs as a part of their integrated marketing plan they will miss a lot of good opportunities and fall behind their competitors who do adopt the blog phenomenon. The blogs help the companies to come closer to customers, and let the customers come closer to the company, a brand or a products etcetera. To, as a company, ignore blogs, is to ignore what the customers of today think and what opinions they have about the company or its products. Something that the majority of today's companies can't afford to ignore (Scoble & Israel, 2006).

There are however also negative aspects about blogging. While giving people the opportunity to post comments about a company or its products, the comments posted might not be good things, it might be negative remarks about a product that affect others not to buy it. Blogging could also be a threat to security if company secrets or other classified information is being posted by a blogger. The blog can also turn into a negative aspect if the blogger turns out to be a "boring" person, if there is not put enough energy into the blogs, they are very likely to have a small interest and therefore quite small meaning. Another big critic of blogs is that it is very time consuming, and one can never be sure that somebody will take their time to read a posted blog, all the time spent on writing a blog can be spent for no reason. To answer some of these critics, one can point out that blogging is free of charge, it will "only" cost you the time to write it, it is a easy and fast way to reach out to people and it is easy to explain and trying to answer negative comments (Scoble & Israel, 2006).

An interesting aspect of the blogs is what the future of this trend will bring, impossible to say off course, but one can have ideas and clues. Scoble & Israel (2006) suggest that the future will bring more niche blog communities, something that already exist to a great extent today, but most likely will increase even more in the future to come. Another upcoming trend with the blog that likely will increase is the blog ads (Scoble & Israel, 2006), to put commercial messages or ads on the blogs, to make money of it (Pavlina, 2006).

Scoble & Israel (2006) means that blogging in business is not a fad, and the relevance the phenomenon has for business can't be denied any more. A blog might just be a tool, but this tool is one of the most powerful tools in present communication, and a tool that help making customers one of the most important drivers for e-business today.

3.3.3 Open Innovation

Earlier in this research I have emphasized the importance of customers as they now have turned into a more active role and in many examples help the companies to create and come up with innovative suggestions to new products or ways of modifying old products.

Chesbrough (2006) calls this open innovation, and further describes it as “open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to markets, as they look to advance their technology.” (Chesbrough, 2006, p. 2). Open innovation is so to speak to use both internal values and suggestions as well as external ones, and even go outside the company as well, an approach that can be compared to open source methodology when speaking about software development. There is however a significant difference between the two phenomenon’s where open source focus basically only on value creation, open innovation takes it to another level and also put the focus on value capture (Chesbrough, 2005).

Chesbrough (2005) differ from what he calls the older closed model of innovation to the newer open model of the same. The closed model is called closed because here projects can only enter in the beginning and exit at the end, by coming out on the market. These projects are also all launched internally from the base of the firm without any external value. This differ from the newer open model of innovation in the matter where projects can be initiated from either an internal or an external force, and new technology, innovations or suggestions can enter into the process at any stage and finally also go in numerous ways out on the market (Chesbrough, 2005).

The open source approach further suggest that external ideas has an equal level of importance as internal ones, which can be understood as it is of the same significance to listen to for example outside customers as it is to listen to internal personal. It is also assumed that even the most competent firms must open up to influence from external sources, such as customers which many times can have great and innovative thought and solutions and just wait to let a company on the market take part of them. (Chesbrough, 2005).

4 Interviews

Under this headline I will present the results from the interviews I have carried out in Mexico and in Sweden. Even though I present the interview separated by the country according to where they were carried out, I am not going to compare them. I only made the dividing so that it will be easier to read the following section. I have made a few interviews with different IT-gurus of whom I have been coming in contact with under the time I spent in Mexico as well as with It-personal in Sweden. I have written this as a comprehension and have summarized the interviews into a whole. The reason I have done this is because the response from the interviewees have been very similar to each other thus confirming the theory in the frame of reference and emphasizing the two trends presented. The complete interviews can be found in Appendix 2 – 6.

4.1 Comprehension of interviews made in Mexico

The major drivers for e-business trends today are the customers. The role of the customer are changing, from being “just” a receiver to an active co-creator, that is to say the customers are no longer just passive recipients to companies’ products or services, but have taken the role of creators by actively keep the companies’ informed about how they want what they want. Today’s customers are interacting within a network of companies and customer communities so that they can satisfy their personal preference, and the value they then obtain is the total sum of all those experiences gained in the network or community. Customers today have a voice in the business environment with blogs and wikis as well as social networks that allows them to express themselves and reach out to a greater mass.

Blogs has also gained a very important role today as customers desire human contact something that today is increasingly rare, and when it does occur it is more and more replaced by people who doesn’t speak the same language (example outsourced call centers in countries such as India). Customers now find ways that give them a chance to express themselves as well as being able to get their voice heard. The customers have found this solution to be e blogs, where they can share all kinds of information, and also be able talk back to the author. One can say that customers have taken the control. Their new way of shopping by comparing everything they are buying with the competitors range is decreasing the company’s margins. This new behavior is making the companies have to change their business model to fit today’s customer behavior. The greater demand from the customers, with customized products, a greater experience and a significantly higher service level are forcing the companies to use all their resources and to use them to the max.

It is very much thanks to the Internet that customers have got this important role as trend drivers. Many times thanks to discussions on web sites such as chat rooms, social networks, message boards and e-mails. Employees and customers, by expressing themselves, have found a way to challenge the long-established hierarchy that distinguishes a lot of today’s marketing groups. The market can be said to be govern by conversations, and within these conversations new ideas arise all the time, much faster than within the companies. These conversations are bringing more power and influence in the marketplace then the older front office PR machine. By listening to the customers the companies’ get new external innovations into the company by commercialize their ideas and to let them help designing new solutions that will improve the way that the companies can satisfy the customers needs.

These trends and drivers are vital and highly essential for companies to survive. If the companies do not adapt to the newest trends and market rules they will not only fall behind, but also might fall out completely from the demanding market we have today. This

requires an understanding of real time adaptation, a key managing rule today. The companies that break the rules imposed by the incumbents and reinvent themselves everyday are the ones who develop and manage to move on. It's a question about challenging themselves all the time. It is not certain that being first in adopting a new trend automatically means success. It is about listening to the customers needs, and trying to do things differently. Creativity is the creation of ideas, innovation is the execution of creativity, and the secret is the execution. Sometimes a bad idea perfectly executed produces better results than a wonderful idea poorly executed.

Customers play a great role in the modern society today, as you have read above they form communities that companies and corporations can benefit from. Many of these companies have seen the opportunities that this brings. Ask yourself this; why would you want to do a costly market research when the customers can give you feedback for free? This feedback is usually better than a market research because the information given are usually completely honest and consist of sincere answers without any pressure from a form that's handed out you that says "fill this out". Just look at Amazon.com and ask yourself how they have become one of the largest online record and bookstores in the world? One of the answers is that they have seen the benefit of customer posting review and such for other customers to read and in this way providing value to other customers. Of course there are technical issues that are needed to take in hand to be able to provide these services. My interviews show that there are certain trends and solutions that drive exactly these possibilities towards a working business.

One of these trends is towards services digitization, which includes technology payoff and ROI trends, process configuration and flexibility trends, process configuration and flexibility trends, multi-channel and cross-enterprise trends, improving application integration trends as well aligning inside-out and outside-in process trends. When speaking about hardware and software the drivers that contribute to a development is cheaper and more powerful hardware. Hardware is only an enabler, like an operating system since the majority of the applications are mostly web enabled and more flexible as well as more integrated, for example SOA and XML. So at any given point in processes flow of an organization we should be able to reach for the information needed or apply a new application/hardware thanks to the flexibility of the platform. Some of my interviewees talk a lot about technical issues. Of course they are important to the company by increasing flexibility and efficiency; however it will not do by only having these components. Kalakota & Robinson (2003) suggests that without innovation and service orientation the technical aspects are not enough even though how modern and complex they might be.

In Mexico I found out that a lot of the technical aspects as well as theories proven to be successful where applied in many different kinds of businesses. However I have to declare that the interviewees where directly connected or had some connection to international companies found around the world. What I indicate is that this might affect their way of seeing things, meaning that they follow company procedures or are tainted by the way of doing business online. If this is a fact then I can draw the conclusion that these companies or these individuals certainly to an amount are following theories that I have studied. I am not saying that this is neither right nor wrong but it is a proven fact that they work in today's society by looking at companies as Amzon.com, GE and Wal-Mart (Kalakota & Robinson, 2003).

4.2 Comprehension of interview made in Sweden

It is hard to point out a single driver for the e-business trends and when speaking about drivers on the municipal level the drivers are more in the character of accessibility, to offer people with the access to information and services 24 hours a day. But it is clear that customer have a clear and more active role on the e-business market today. The behavior of the customer has changed to them now being active co-creators, something that the companies gain a lot from. One example is Lego, a company which recently is on the rise again as they lately started to letting customers design Lego models virtually on the Internet and then let other customers order the exact types of Lego pieces and build the model in real life. By letting the customers adopt this role as creators, they get new external thoughts and suggestions into the company, and they get it for free. Another example is Amazon.com where customers post their book reviews on the web site to let other customers be able to see other people's thoughts on a book before purchasing it. This is something that has proved to increase the selling of the books, and this is, to the company's delight done totally free of charge by the customers. The reasons customers help companies in this way without getting any economical compensation, is the same reason that people post blogs, they want to be recognized. It is a social phenomenon, posting something on the Internet or in the case of Lego, putting their own model of Lego on the company's home page is an easy way of being seen or recognized by others with the same interest, they get the chance to "be somebody". This is definitely a big chance for companies and something that most likely will increase with the future.

Another trend on the e-business market today is the customization, to personalize the experience on the web to the customer's interests. Companies more and more start to personalize their web sites, e-mails and commercials etcetera to interest of their customers. Again Amazon is a good example. Doing a few searches or purchase on the Amazon web will lead to a returning visit to the web site will present to you products of your interest or similar to your interest. They also send out mail to their customers when similar products as earlier purchases come in stock. Another way of personalize the web experience for customers is to customize the ads on the Internet to the interests of the customers, something that is occurring with a greater frequency. This personalization or customization can be made possible by cookies sent out by the web site tracking and storing more or less everything one does on the Internet. This is surely an ethic question, whether it is right to keep track on what an individual does on the Internet, or if it insult the human integrity, but it is for sure that it is something that e-business companies gains a lot from.

• Analysis

In the analysis I will compare the frame of references with the empirical framework from the carried out interviews. In this part I will also include personal ideas and reflections that I feel contribute to the value of the analysis. To not lose focus I am going to first treat the customer oriented trends, then followed by the service digitization, and hence finish with the drivers of these two trends.

○ Customer oriented trends

In the frame of references of this study it is clear that customer oriented trends, that is trends with an apparent focus towards customers, have a highly significant importance in the e-business society and world today, more than ever before. Customers have obtained a greater role in this society to become more active participants' rather than just passive receivers. For companies to know this they clearly put the customers into a more important role, and rely more and more on this external force. Even in the carried out interviews, especially the ones completed in Mexico, the focus of customers as an important trend is clear. One interview object highlights that customers today demand an experience that the companies have to satisfy. These experiences are hence satisfied by focusing on different kinds of customer oriented trends. However meanwhile in the empirical findings the focus on the customer oriented trends, are on the different "sub-trends" that this trend has been broken down into – the fast service, self service, more product choices and integrated solutions etcetera. Hence how these so called sub-trends all need to be satisfied and fulfilled to be able to reach a possible desired success. In the interviews on the other hand the focus lays more on the customers' new role in the business world. This new role from before being "just" a receiver to now being an active co-creator, which has resulted in new phenomenon such as blogs (something I will analyze further below). They are interacting with different networks, such as those of companies and other customers in order to satisfy their needs. These are needs they have developed lately about being part of the whole process from beginning to end. One interview object goes as far as saying that customers have taken control in form of their high demand in different kind of experiences and services. This is a statement that me myself can agree on to some extent. The companies have to make big sacrifices in a number of different matters, sacrifices they would never have done if the customers wouldn't have demanded it. Because these are sacrifices that doesn't directly contribute to the profit for the companies, and hence not in their primary interest (however we know that it contribute to the profit indirectly). But this is also a part of a natural development; it is not reasonable that things should always be as they once were, things change. Then the question about why things change erupts, what drives these trends? The answer is again, as in a circle, the customers, and this will as noticed be treated on below.

I think that the difference in the dissimilar focuses is built upon experiences, the differences among them. The authors have found that a series of sub-trends are what builds up the trend as a whole due to this is exactly what the trend is about, when being examined on more carefully. In the interview the different sub-trends are not elucidated on because they decide to see the image as big whole rather than breaking it down, something that is possibly also made due to the time limit. Also the interviewed objects have the idea that this new role of customers are the main subject matter in this case, possibly because this is what they have experienced through different occurrences. The interviews carried out in Sweden are not as clear in the focus on the customer importance as the ones performed in Mexico, but with mentions about other trends that according to the theory can be seen as part of customer oriented trends, the role of the customer is still in the focus, even though indirect.

Among other things the interview in Sweden highlights the importance of customization when it comes to products/services as well as for ads, something that is also truly highlighted in the literature. In the frame of references it can be found that customization is something important for companies in regard to the “sub trend” “more product choices” in the matter of customizing the products/services offered to the specific customer. This is by letting he/she be exposed to a higher level to these products/services they have shown a greater interest for, and hence more likely to purchase again one more time. Something that I also think is of very great importance, and possibly the reason why it is highlighted in this interview. Another “sub trend” being discussed about in the Swedish interview is the one of self support, regarding the possibilities of accessibility this result in (a part of the self service can result in offering people with the access to information and services 24 hours a day). This accessibility is also highlighted in the frame of reference where it is stated as a feature of the customer oriented trends. A phenomenon I found as a necessary must for companies to survive at all today. Of all the sub trends of customer oriented trends these were the only specific ones being highlighted in the interviews, something that hence, as mentioned, maybe can be explained by its great importance and likely expansion in the future. This future expansion is something that is also mentioned in the frame of references.

The interviews carried out in Mexico and in Sweden are otherwise rather similar. Even though the ones from Mexico shows a clearer focus on the customers as important trends, the one from Sweden also make it clear that customers is something very important. Why the fact that the interviews completed in Mexico highlight this phenomenon more is hard to say, but again it all has to do with experiences, and also in this case countries such as Mexico has a different culture then Sweden, and hence may, or even most likely, have different views and points of seeing matters such as this. I am rather concerned that none of the interviews acknowledge the importance of customer service, something that in the frame of reference is pointed out as a phenomenon very important, and something me myself find of especially great significance and as being one of the most important factors. It is the customer service that is the most clearly “sub trend” when speaking about customer oriented trends. It is about keeping customers happy and satisfied both after and before, but also during sales. In other words it is everything in order to keep the actual customer, something that has proven to be slightly difficult. However with good and contributing customer satisfaction the customers have a greater chance to actually stay as customers and pursue purchases from the company even in the future. Good customer service involves many different aspects such as integrated sales and service, seamless support and increased product visibility. These factors can seen to be extra important nowadays with the emergence of blogs etcetera (once again this will be discussed below). In spite of the great importance of customer trends they are not the only important ones. Also the service digitization are of significant importance, and an analysis of this trend will follow below.

○ **Service digitization**

The next important trend to be focused upon in this thesis has been the service digitization, the transformation of paper-based transactions into the new integrated multi-channel processes in an effort to move beyond e-business into a more complex service digitization. Once again both the empirical framework and the carried out interviews demonstrate the importance of the trend. Kalakota suggests that the service digitization is one of the most important trends nowadays, a trend that has set a milestone in the corporate world of today. I agree to a certain degree with this statement, even though I would rather emphasize the importance of customer oriented trends, service digitization is highly linked to this mat-

ter and consequently also very important. Also the integration and the possibility and importance of the same, is something that I think companies once adapted to can't abandon. It is something that makes the everyday life easier and the job being performed more efficient, and hence something a company will most likely want to stick to. However Kalakota, or the frame of reference as a whole for that matter, does not focus at all on the hardware or software, and states that it does not center on technology, but rather captures the value through improved performance and productivity. Hence according to the same it is all about being more efficient in the way of reallocating the resources. Something I agree on fully. Hardware and software are only something that helps to make this relocation possible and hence not the main importance here. To have the right resources on the right place is however that of fully significance. In the interviews performed in Mexico nevertheless hardware and software are treated with. It is suggested that the drivers that contribute to a development is cheaper and more powerful hardware, but also that the very same hardware is only an enabler, and without innovation in the other mentioned aspects the hardware contributes to very little value. This theory aligns with the discussion I conducted above about hardware, as well as software, being nothing but support. Instead of the hardware or software the general focus of the frame of references lays on other things, once again, the way the customers are involved. For example the *Aligning Inside-Out and Outside-In Process Trends* which states that companies should approach the business issues from both the internal and the external perspectives. Whereas the external could, and many times do, signify the customers. Just this "sub trend", the *Aligning Inside-Out and Outside-In Process Trends* is very much focused on also in the interviews, especially in the Swedish one, where it is suggested that customers now days have become active creators through out different processes in the company such as development. Companies encourage customers to do this, and they happily do so, for free. The reason for this "generous" help from the external part is simple; a social phenomenon; they want to be seen, to be "somebody". By contributing in the development process or in the reviews of the finished product/service or any other part of the process, they get to chance to be seen, many times within communities consisting of people who share the same interest, giving them the satisfaction of contribution, and simply be somebody. This is very much linked to the part of the customer oriented trends, and concludes once more with phenomenons such as blogs, which will be analyzed in the following part. The reason why this subject, of the customers' new role evolves all the time I think is because of its great importance. To get the end users opinion and wishes delivered to you, and totally for free, is a great opportunity and advantage. The companies will receive a lot of help in the form of ideas, suggestions and opinions, something that ought to be priceless and highly valuable. With this in mind, as well as what I been reading about in this study, I am very confident that this is something we will see much more of in the future, the possibilities are end-less.

After analyzing these two trends I can see the clearly significance of them both. They are very much linked to each other in many ways, why saying which one are of most importance is rather hard to say. They are just both very vital for the future of e-business. The literature happens to be richer in the topics regarding customer oriented trends then those about service digitization. This doesn't necessarily meant that the literature suggest that one is more important then the other. Service digitization is just a slightly newer phenomenon and hence doesn't appear in the same amount of literature. I think as more and more companies realize the importance of this trend (the one of service digitization) the written documentation about it will expand. I can only assume that just a few years ago not even half the amount of what is present today existed, and with the expansions of this trend, as well as the other one (customer oriented trends) the literature will be develop and largely increase.

○ **What drives these e-business trends?**

As already mentioned it is of great importance to know what factors that is driving these trends, this to be able to better understand the true reason behind the trend and understanding of a phenomenon that might be a possible important future trend. By knowing this, one can easier determine weather the phenomenon will be a trend or just a fad, and it will be easier to comprehend consumer behavior, eliminate uncertainty and identify new opportunities as well as adopt the trend in the right moment, not to late or to early.

By focusing on only the customers as trend drivers, the frame of references suggests that it is of highest importance to be present “where the action is”, that is places or locations where today’s Internet users spend their Internet time; blogs, podcasts and different types of networks (many of these with a possible interest for the products/services the company offers). This is something I am entirely in favor of. To me it can’t be more obvious that it is of great importance to understand where we as “Internet consumers” are doing when we are online. Many of us, probably the majority of the young generation, are as mentioned above present on pages such as youtube, facebook, hi5 etcetera, where hence the companies need to be present as well. It is here that the chance and opportunity to make money is greatest. Not only is this because it is here where the Internet traffic is as biggest, but also because it is in these places, especially in different niche networks one can find the groups of people with a common interest for the offered products or services. One of these “Internet hot spots“ has come to stand out from the rest as the fastest technological grow ever in the history, which suggests its potential; the blogs. Since more and more blogs is about business they (the blogs) have become a great opportunity for companies in different aspects such as, and especially as marketing. It is a new way of marketing where the customers are involved in a whole new level. Even the interviews made in Mexico points on the importance of blogs, since today’s customers’ desire human contact, something they can withhold with these. One interview object points out the fact that we as customers are fed up with mechanical voices telling us how important our call is for them, without still answering it, or when we get an answer it is from a machine who gives us a range of options, but so many times not the ones we want. To me this is so easy to identify with. So many times I have been in these kinds of situations, and to resolve this problem, by adapting a well working customer oriented human contact, is what I think worth gold to the companies. However this human contact is a phenomenon that is getting relatively scares today with the trend of self service. Both the literature and the interviews show upon that with blogs customers get a new way of expressing themselves and to get their voice heard. Again we can see what the interview object mean by saying that customers have taken control, since they now control as much as they actually do. There are so many examples out there today, where blogs and other text written by consumers all around the world get an enormous importance. Good examples to mention can be Amazon where the people grade the C2C (customer 2 customer) seller upon their products and service, pages such as Ciao where people grade and review everything between “heaven and hell”, something that aught to affect the consumers a lot, as well as different blogs popping up everywhere on the Internet where individuals are sharing their experiences with different companies and products/services. Before conducting a purchase of somewhat higher value I always take a look at these phenomenon’s to easily get an honest opinion about the deal, something much more reliable then the descriptions from the companies themselves. A parallel can easily be made to the Aligning Inside-Out and Outside-In Process Trends where this phenomenon also is strongly highlighted. According to the carried out interviews the market can be said to be govern by conversations, and within these conversations new ideas arise all the time, much faster than within the companies. Something the frame of reference also

refers to as open innovation; to not only listen to the internal but also the external part of the companies for ideas and suggestions. Once again a parallel can be made to the customer oriented trends and the Aligning Inside-Out and Outside-In Process Trends, which shows how closely connected these are.

With so much thoughts and theories about the customers importance one can really understand its significance for today's business opportunities and the importance of the companies through out the whole process. The customer just can't continue to be left out for just the final product/service, they need to come in the process way earlier, and I think companies can't afford to miss out on this opportunity any more. There are so much potential in this yet relatively unexplored resource. With so many examples trough out both the frame of reference and almost all made interviews about companies who let customers be a part of the earlier development process, and made a huge success of it, I think that this is surely the future. Certainly we will see more and more companies adapt to these trends in the near future, only the imagination is the limit.

The frame of reference and the interviews of my thesis are relatively similar in most of the aspects, something I find very rewarding to my study, since that show upon the importance of these discussed features. There are always different kinds of focus depending on whom or where you look (the interviews compared to the literature), but in the end they have a very common point of view, for example of the importance of the customers, which strengthen the potency of the thesis. I also find it rather interesting that due to the fact that all the gathered data is slightly similar, they have a different focus. This make the range of the thesis expand and me myself find it very motivating and rewarding. However there are also many different thoughts present among both the frame of reference as well as the empirical framework. The reason for these dissimilarities are most likely, as mentioned, due to different experiences, but also the different focus each part chose to focus on. It is clear that a person with a history of customer relations will have a different point of view and a way of focus then a person researching about the importance of technique in the future e-business. Hence people's education, work and interest can all be reasons for these kinds of differences. The similarities between the interviews and the literature however can also them depend on different aspects. One can be that the interviewed objects all have read the same literature as I have studied for upon this thesis, and hence on the basis have the same thoughts and ideas, but I find it to be of greater possibility that the different similarities exist because the information they present are of very great significance and hence have found its way into different literature and individuals. In contrast to this about similarities and differences it is essential to point out that there is no "right" or "wrong" in questions like these. It is about a possible future, something that no man can fully predict, even though the more you research about it the better you can try to estimate it. This is also exactly what I have tried to do, and after analyzing all the gathered data and information I have come up with a conclusion based upon this that will be presented in the following part.

5 Conclusions

The purpose for this thesis was to create comprehension of what is customer oriented trends as well as service digitization and to clarify the drivers of these trends, and why these drivers are so important within e-business today. Keeping this in mind I have come to following conclusions:

- *Customer oriented trends and Service digitization.* The most important and vital trends of e-business today are customer oriented trends and service digitization, hence I have based the rest of the thesis from this trends. This conclusion was made from studied literature as well as accomplished interviews.
- *Customer oriented trends.* Customer oriented trends are trends with a clear focus on customers. The trend can be said to involve a number of trends being; fast service, self service, more product choices, integrated solutions and customer service which itself can be said to include integrated sales and service, seamless support, increased process visibility.
- *The importance of service.* To meet the customers with best possible service is one of the most important factors regarding customer oriented trends. To offer first class high quality service to your customers will prevent them from being disappointed, which if they are could lead to them spreading negative comments about your products or company, or even lad them to chose to make purchases from a competitor in the future.
- *Importance of personalization.* A great key to success for e-business companies is to personalize or customize the shopping experience for its customers. This can be done by keep track on your customers shopping behavior and then offer similar products of what the customer find interested. The same can be done on ads, banners and all kind of commercials on the web.
- *Service digitization.* Service digitization is another very important trend in e-business today and can be viewed from many perspectives, but overall it is the transformation from the paper-based business model to a fully real-time digital information model. This will help give companies the ability to reallocate their recourses, to capture the value through improved performance, productivity and constant innovation.
- *Right and wrongs.* It is hard to say which trends that is right or wrong. In many times the opinion to do something in a special way is demented by the opposite opinion, for example the suggestion to offer as many product choices as possible is contradicted with the suggestion to only offer a strict limited number of products.
- *Customers as trend drivers.* The most important driver for my chosen trends I have found to be customers. This conclusion is based on my literature research as well as achieved interviews. Customers are of such a great importance as drivers since they have created a way of letting their voices being heard over the Internet. A voice that is being listened to by consumers all over the world and influence them in their purchasing behaviors.
- *The role of customers.* Then role of the customer has grown tremendously lately to now be part of the creation by letting companies know what they want all the time.

This is being done both consciously like with the example of Lego when the company let customers design tomorrow's Lego model or unconsciously by tracking customers' habits on the Internet as for example store information about their shopping habits.

- *The role of blogs.* One of the biggest and most significant trends today that make the customer the most important trend drivers are blogs. It is with such tools as blogs that customer's voices are being heard all over the world. The trend within blogging is to blog about business and this is something that companies can't avoid if they want to survive.
- *Company's survival.* For the companies to survive and expand they need to adapt to and get involved with the new trends as for example the blogs. It is of big importance that companies use this new phenomenon to market their products, since it is one of the most used elements of today.
- A good example can be that of the price comparison site pricerunner where people are allowed to post comments about their experiences. The ones with negative thoughts and bad grading won't attract any customers. This is just what is happening on the blogs today, people post comments about their experience, and this can be seen by anybody interested, and people certainly do listen. Companies also need to let the regular customer in as part of the creation of new products. It is the customers who best know what they want, so listen to them.

6 Ending discussion

In my opinion the work progress has gone well, although I wanted to gather more empirical data by conducting more interviews. The empirical data that has been collected however has been enough to draw certain conclusions relevant to the purpose, it has also helped me to understand the importance of the customer in e-business and I have learned to reflect upon other issues that are connected to the topic. This data was primarily collected in Sweden where I got an additional perspective on the subject of “trend drivers”. Further more it does not align with my purpose but handles areas like sociological needs, personal recognition and integrity. My stated purpose however was under the beginning phase of the thesis not entirely clear and neither where the research questions, this was changed until I where satisfied with the result. After the first interviews had taken place I also got a clearer focus, my initial focus was narrowed down since it would have been to time demanding carrying out the preliminary plans. With more focus on certain aspects of the subject I could concentrate on the trend drivers and two of the trends within e-business to obtain better results.

6.1 Suggestions on further research

During my work with this thesis numerous suggestions for further studies has emerged. One thing that I find to be very interesting would be to further examine the blog phenomenon. Blogs is something relatively new and I have come to the conclusion that its importance in business will grow more and more in the future. To investigate the importance and more interesting the possibilities of the blogs is something I find to be a very rewarding and fascinating research. Even more interesting since blogs are such a new phenomenon which leads to that earlier studies in the subject are rather limited.

Another interesting research for further studies could be to investigate how companies' would need to perform and act regarding customer oriented trends and service digitization, to reach a greater point of success in the e-business industry.

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Appendix 1 – Interview guide

1. What trends have you seen or spotted on the market right now?

- Such as different business-solutions
- Hardware, software
- Internal development of for example (ERP) or hiring consultants
- Service orientation or mainly production
- Focus on clients

2. In what way do you think this affects the company, regarding to size, company board, communication, internationalization, competence etc.?

3. The changes you see now (on the market), can you call this for trends or something that you have to do to survive on the market?

4. Some companies are successful, others go under. In your opinion why do you think this happens? Why do the ones that fail do so?

5. Is it always good to be the first adapting a new trend? Or is it better to wait and see how the other companies are doing?

6. How long do you think these “trends” are going to last?

7. What is the mayor driver for the trends on the market?

Follow up questions

Focusing on Customer orientation and Service digitization;

8. Can you for each one mention some of the drivers for these trends?

9. What are the factors that drive the trends mentioned?

Appendix 2 – Interview 1

1. What trends have you seen or spotted on the market right now?

- Such as different business-solutions

The trends within different business solutions I have found “Organic” ERP-systems, Adaptive Solutions (Real time), customer experience management and Real Time Supply Chain (On demand) Another important trend is the pull vs. push factor in the market place, meaning that the customers pull their ideal specialized experience and supply chain in a real time way as BMW, Starbucks and many other product and service oriented do today.

- Hardware, software

Within hardware and software the Content Technologies focusing on tripe-play service (even quad-play at some occasions), bandwidth, consuming applications video and on demand experiences), Intelligent Architectures, Service Oriented Solutions and Architectures, Organically adaptable and Integrated. More concrete some hardware and software trends today I find RFID, Wi-MAX, Mesh Networks and Cellular Dual Technologies, MPLS and QoS guaranteed Broadband Access, Automated Architectures and Self Defending (Security enabled), SOA-Service Oriented Architectures and Video Experience Solutions (Enterprise and consumer).

- Internal development of for example (ERP) or hiring consultants

My comment on this matter is more related on how both the Internal Developers and Consultants need to understand the Experience enablement through their valuable intervention that is the key element today, so the trend (if any) is finding the right people for in source or outsource this development areas and hiring consultant based on Experience Level Agreement skills and knowledge.

- Service orientation or mainly production

“On demand experience” is the name of the game. Not producing at producers’ will but at the customers’ and consumers’ will. This means going way ahead of the service perspective. Service perspective is a “must have”, is more and more commoditized. Today we produce at consumers and customer’s demands not at producer’s wishes, the paradigm changed and will keep changing based on “real time experiences” that will be more demanding from now on.

- Focus on clients

Focus on individual demands (especially more and more in consumer space). Some examples in the consumer space are “youtube.com, flickr.com, myspace.com”, the question is how this focus translates to the Enterprise level solutions.

2. In what way do you think this affects the company, regarding to size, company board, communication, internationalization, competence etc.?

Keeping an IT investment based on features is not and will never be the best idea. Finding the right operation costs will move companies’ forwards. Companies competing based only in service will be slowly losing market share and customer base.

3. The changes you see now (on the market), can you call this for trends or something that you have to do to survive on the market?

Both concepts apply (present market rules and trends). Companies have to deliver cost-effective experiences. Raised customer expectations are forcing everyone towards the ability to establish higher entrance barriers based on those differentiated experiences. The challenge is to overcome the Service Level Agreement phase and truly move into an experiences scenario where the SLA phase evolves and keeps improving all the time.

4. Some companies are successful, others go under. In your opinion why do you think this happens? Why do the ones that fail, fail?

Most companies focus on internal matters and try to fix the gaps, in the meantime market changes rules one, twice or even more times, once they think they have overcome the internal challenges they find out that market have set new different value expectations from customers and then they go over new gaps keeping fixing again and again. The missed systemic view keeps executives trying to find the correct internal versus external balance focus. Learning the most appropriate recipe in a fast pace environment is key to survive and grow.

5. Is it always good to be the first adapting a new trend? Or is it better to wait and see how the other companies are doing?

In my opinion this is an obsolete thinking. Being an early adopter is not an option today. Future is now. Companies around the world define and redefine strategies and adopt “behavioral patterns” not trends in a faster way. In the past they used to plan once a year, nowadays companies plan even four times per year and adapt as fast as possible (every day). “Trends” are fast paced and companies cannot take a laggard position anymore. Missing two or three market waves (that are separated just months or even weeks) may compromise companies’ existence. Understanding Real Time adaptation is the key managing role today. That’s why the creative and real-time problem solving role is more important today than the “highly” resume based profile in management.

6. How long do you think these “trends” are going to last?

“Trends” is a word that is changing its meaning in the next two to three years if not already is happening, specially in the business environment, I think trend analysis will describe an old fashioned managing expertise or skill, in the short term reading the “behavioral present” is and will be the new managing skill required. The Internet era has leveraged this new reality.

7. What is the mayor driver for the trends on the market?

- The major driver today is the customers, who today are demanding an experience that is have to be satisfied. But also technology and organizations can be seen as drivers. Different technologies can be drivers in the sense that they enable the experience or improving it, companies in the way that they have punch on the experience for the customer.

Appendix 3 – Interview 2

1. What trends have you seen or spotted on the market right now?

- Such as different business-solutions
- Hardware, software
- Internal development of for example (ERP) or hiring consultants
- Service orientation or mainly production
- Focus on clients

A major trend on the market today is towards the applications that are more service oriented structured in the way they are programmed. Furthermore the ERP's where finally recognized by the industry as the right way to operate, still other applications need to be independent from an ERP in terms of functionality but also to be able to talk with other applications. In the database segment, stronger and flexible data bases with auto recovery functionalities, high speed to have data access and so start to be the next step in this industry. Another thing is the help desk services and the telecom turned to be more a commodity than a strategic part of IT. Servers and Telecomm Security aligned with SOX regulations, ITIL methodologies and some others will be managed in house as we are talking of information, which is the most valuable asset for a company.

2. In what way do you think this affects the company, regarding to size, company board, communication, internationalization, competence etc.?

The more flexible the company the more efficient will be. It will increase it ability to react to market changes, the size of it will remain as we found more constrains in terms of control the company headcount. Infrastructure rationalization will cut costs plus the need of more people doing the same task, so expect changes here and eventually technological firms will emerge to serve different market size.

3. The changes you see now (on the market), can you call this for trends or something that you have to do to survive on the market?

Yes, my opinion is to:

- Outsource the commodity peace
- Keep the security in house
- Align the company processes to something you know it works (ERP)
- The fewer changes to an application the less cost in the future
- Focus your company in your core competences.

4. Some companies are successful, others go under. In your opinion why do you think this happens? Why do the ones that fail, fail?

The ones that fail do so partly because they don't understand the market, their strengths, weaknesses, trends and opportunities, as well as don't making the correct return of investment study.

5. Is it always good to be the first adapting a new trend? Or is it better to wait and see how the other companies are doing?

This will depend of the company strategy and the resources it has to do it. For me there are leaders and followers an example would be Google as the lead and the rest. Then we got Apple with I-tunes, who adopted a trend with huge success faster than its competitors, so there are many chances of being an innovator to identify an opportunity on time or to find a segment in a developed market.

6. How long do you think these "trends" are going to last?

Trends eventually become the norm, so there always new trends as well the old ones as all products or services will satisfy demand, so this is more related to supply and demand.

7. What is the mayor driver for the trends on the market?

Customers always come first, then companies & last technology to satisfy the needs of the customers and companies.

Appendix 4 – Interview 3

1. What trends have you seen or spotted on the market right now?

- Such as different business-solutions

The main trend today is toward services digitization, which includes:

- Technology Payoff and ROI Trends
- Process Configuration and Flexibility Trends
- Multi-Channel and Cross-Enterprise Trends
- Improving Application Integration Trends
- Aligning Inside-Out and Outside-In Process Trends

- Hardware, software

Hardware is becoming cheaper and more powerful. Hardware is only an enabler (as well as the Operating System) because applications are mostly Web enabled. The applications are more flexible and integrated (SOA, XML, etc). Open source is becoming a challenge for proprietary software companies.

- Internal development of for example (ERP) or hiring consultants

Managed services (like security, Web hosting, Application hosting) and centralization data centers are allowing the business to focus on their core competencies. Companies are not building applications from scratch anymore. They want to acquire commercial packages that incorporate industry's best practices and comply with local, national and global regulations and requirements.

- Service orientation or mainly production

Companies are worried about value creation, customer segmentation and innovation. The production is not a success factor but the creation of new business platforms.

- Focus on clients

Customers want to take an active role in developing their own products and services. They are active people who read and publish blogs.

2. In what way do you think this affects the company, regarding to size, company board, communication, internationalization, competence etc.?

Companies are becoming a cluster of nodes in a global ecosystem. They can connect to other nodes and exchange products and services. Information flows via secured communication channels that allow them to be efficient and responsive to market trends and needs.

3. The changes you see now (on the market), can you call this for trends or something that you have to do to survive on the market?

If companies are not able to transform themselves and behave as living systems (inside and outside) they will not survive. The Internet is the proof that networked people and organi-

zations work better in a flexible and self-organized way. If you impose barriers and strict rules (instead of enablers and an underlying pattern to communicate, interact and transact) you will not survive even today to the demanding and ever changing environment.

4. Some companies are successful, others go under. In your opinion why do you think this happens? Why do the ones that fail, fail?

The ones that break the rules imposed by the incumbents, the ones that reinvent themselves everyday are the ones that are moving on. Why Toyota is succeeding and Chrysler is not? Because they have a solid foundation that drives all their actions, they are not pleased with the current situation, they are challenging themselves all the time. Other examples of successful companies are: Zara, Ikea, Google, and etcetera.

5. Is it always good to be the first adapting a new trend? Or is it better to wait and see how the other companies are doing?

Not necessarily being the first means success. The one that listens better to the customers is the one that succeeds. You must ask “why not?” and try to do things in a different way. Creativity is the creation of ideas. Innovation is the execution of creativity. The secret is the execution. Sometimes a not very good idea perfectly executed produces better results than a wonderful idea poorly executed.

6. How long do you think these “trends” are going to last?

Value creation is not at the center of the network anymore but at the edges. That is why being the carrier is not as valuable as being the services provider at the edges of the infrastructure. You can see the telecoms striving for differentiation from competitors.

7. What is the mayor driver for the trends on the market?

Customers now have a voice (blogs and wikis) and form social networks (communities of practice, communities of interest, and communities for fun), witch makes them the most important trend today.

Appendix 5 – Interview 4

Focusing and concentrating on Customer orientation and Service digitization.

1. Can you for each one mention some of the drivers for these trends?
2. What are the factors that drive the trends mentioned?

Customer Orientation (I have put few excerpts that answer the questions above):

- There is an evolving role of the customer, from passive recipient to active co-creator, in the value creation process. Individual customers are interacting with a network of firms and customer communities in order to satisfy their unique preferences, and the value they obtain comes from the sum total of those personal experiences.
- Customers have taken control. Their rampant comparison shopping is eroding your margins. Their renegade behavior is challenging your business models and endangering your intellectual property. Their demanding expectations for customized products, wonderful experiences and high service levels are draining your resources. Customer's insistence on open access is exposing your industry's policies and challenging your inflexible business processes.
- Outside innovation is a process of engaging directly with lead users and passionate customers to harness and commercialize their ideas and to co-design solutions that will better meet their needs.
- We are witnessing the death of "common culture"—and that it's for the best. Why don't we all watch the same TV shows, like we used to? Because not long ago, "we had fewer alternatives to compete for our screen attention,". Smash hits have existed largely because of scarcity: with a finite number of bookstore shelves and theaters and Wal-Mart CD racks, "it's only sensible to fill them with the titles that will sell best." Today, Web sites and online retailers offer seemingly infinite inventory, and the result is the "shattering of the mainstream into a zillion different cultural shards." These "countless niches" are market opportunities for those who cast a wide net and de-emphasize the search for blockbusters.
- The Internet is turning business upside down. There is evidence that thanks to conversations taking place on Web sites and message boards, and in e-mail and chat rooms, employees and customers alike have found voices that undermine the traditional command-and-control hierarchy that organizes most corporate marketing groups. "Markets are conversations" and those conversations are "getting smarter faster than most companies." The lowly customer service rep wields far more power and influence in today's marketplace than the well-oiled front office PR machine.
- Today's consumer craves human contact. We're sick to death of voicemail. Menus of options that never offer the option we need. A deuge of carefully spun "information" designed not to answer our concerns, but to influence our decisions. Mechanical voices telling me our call is important to them, even as they refuse to answer it. We're frustrated in our attempts to reach a live human being, and when we finally do, all too often it's someone who barely speaks our language and only reads from a script. Blogging is informal. It comes from a real person. And it allows the consumer to talk back.

Services Digitization (other excerpts that explain the drivers)

Services digitization is the ongoing transformation of paper-based transactions into new integrated multi-channel processes. Digitization does not center on technology but rather on capturing value through improved productivity and performance. Digitization gives every company the ability to reallocate their resources totally.

The impetus for services digitization lies at the convergence of five trends taking place in business:

- **Technology payoff and ROI:** Companies don't want to hear about innovation, vision, or possibilities anymore. They want results, return on investment (ROI) and better execution. The introspection is forcing companies to refocus their energy on what customers care about. Some are going back to the basics; other are accelerating digitization initiatives to support and streamline business process better. Technology is only part of the solution. Merely implementing technology applications and infrastructure doesn't amount to productivity or payoff. Business processes, change management, and incentives are key to wringing value out of technology investments.
- **Process configuration and flexibility:** Drivers by the constant need to cut costs and gain flexibility, business processes are being reconfigured or outsourced (BPO). Besides outsourcing, organizations are reconfiguring processes wherever possible to drive productivity higher. Connecting and improving broken processes have taken on broader urgency due to the velocity and volatility of modern business.
- **Cross-Enterprise and Multi-Channel Business:** Processes are moving from a single channel to multi-channel focus. In others, processes are moving from department to cross-enterprise. Current e-business thinking is centered on uni-channel automation and single business unit applications. Customers don't think or act this way: they want flexibility. As the business environment changes, so must the underlying processes.
- **Improving Application Integration:** The corporate world is migrating from a bottom-up integration model to a top-down service integration model that leverages multiple underlying enterprise application components. Service platforms are emerging as the foundation on which process digitization will actually occur. In order to build a service platform, companies need to invest in a Services Oriented Architecture (SOA). The underlying foundation for the SOA is the fledgling field of Web Services. Web Services enable different applications to be integrated without the hassle of custom coding. In addition, Web Services are not reliant on one vendor or programming language. They allow businesses to share data with each other and customers while keeping IT systems secure behind a firewall. Web Services and SOA are closely intertwined with process thinking. Without process thinking, Web Services and SOA are not very effective.
- **Aligning Outside-In and Inside-Out:** There are two viewpoints that are battling each other in the real world:
 - **Customer-Centric**—outside-in design of cross-channel and cross-enterprise workflows driven by a superior understanding of what the customer really wants.
 - **Process-Centric**—inside-out design of application integration to support workflows driven by what managers think the customer wants.

While both viewpoints are necessary, the applications and infrastructure need to support them tend to be different. One way to avoid the inside-out and outside-in problems is to have a clear focal point and align the processes accordingly.

Customers care about value. Services represent the convergence of customer priorities, business priorities, and technology capabilities. Not aligning the three carefully can lead to problems. Operationally speaking, creating new services requires an outside-in (external) perspective on customers' interaction with the service and an inside-out (internal) perspective on existing capabilities and applications.

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Appendix 6 – Interview 5

Interview 5 is done as a discussion and hence it is rather difficult to present the interview questions, but we will here present the subject that where discussed during the discussion.

- Drivers on the e-business market
- Customers role as drivers
- Customers new role as creators on the Internet
- Personalization and customization
- Integrity on the Internet

Appendix 7 - Concept glossary

ARPANET – Stands for Advanced Research Projects Agency Network, and is the forerunner to Internet, developed by the department of Defense (Hauben, 1994).

ERP-systems – An ERP-system, or Enterprise Resource Planning system is a software package that integrates all the different parts of an organization with each other and with a common database (Pearlson & Saunders, 2004).

Podcast – A program, for example radio or TV programs that is available on the web for downloading (Apple, 2007).

SOA – Stands for Service Orientated Architecture and is a collection of services that communicate with each other in what could either be a simple data processing or a more complex where two or more services coordinate the data processing (Barry & Associates, Inc, 2007).

Social network - A social structure made of units that are linked together by a relation. The phenomenon has become popular on the Internet and driven by the expressiveness of the members, it has become a popular form of online advertising (Rosenbush, 2005).

Triple-play – The phenomena to offer a combination of TV, broadband, telephone in the same relation (Björe, 2007).

XML - Is short for Extensible Markup Language and is a rather simple and flexible markup language (Quin, 2006) it is used as the most common format for electronic data interchange and different web services (PC Magazine, 2007).

Wikis – A wiki is a web site created in the way that anyone can post or edit already posted data published on the web site. The wikis are easier to manage than HTML, wikis has become an important channel of product advertising (Haley, 2007).