

Homework #4

Due Thursday, May 22 at 3:30 pm.

Send an email to me at `sturnbul@ucsc.edu`. The subject *must* include the phrase “Econ 139A HW #4”, or it will not be counted. The answer to each question is worth **10 homework points** (scoring will be described later; check the course home page). The *most unique, verifiable* answer to each question will be awarded **10 bonus homework points**.

1. Consider an “e-tailing” business, *i.e.*, a business whose only retailing channel is online (at least, was so when it started up).
 - You *may not* use **Amazon.com**.
 - You *may use* **estyle.com**, but that won’t qualify for consideration for “most unique” awards.
 - You *may use* a firm you have proposed as a final report topic without penalty.

Briefly describe the firm’s product line. Briefly explain how it is well-suited to “e-tailing” channels. (This means *assume*—for now—it is well-suited to e-commerce marketing, and explain the advantage in the context of the firm’s product line.)

2. Visit the firm's web site, and **briefly describe features** of its "online store" that are **not available** via other marketing channels, including (but not limited to) **own-brand stores, department stores, and mail-order catalogs**. Include those features that are "generic e-commerce features," but note explicitly any features that (a) it pioneered, (b) are unique, or (c) are unfamiliar but attractive to you.
 - Also give **one feature that is *also* available via another marketing channel**, name that channel, and briefly describe the feature.

Example: Amazon.com's "one-click ordering" is a typical "feature," which may be described as "the fastest imaginable way to order a product, and cannot be reproduced outside of the WWW where the same screen that shows you the product allows you to purchase it with 'one click'."

3. Is “e-tailing” a **sustaining** or a **disruptive** innovation in your case study (questions 1 and 2 of this homework)? What is the importance of the words “in your case study” in this question? (Refer to *The Innovator’s Solution* to answer this part.)
4. Based on your own case study (questions 1–3 of this homework) and the book’s analysis of **estyle.com**, do you think that “e-tailing” is anything more than a way to reduce costs to the consumer and to the vendor of ordering? Refer to specific features in your answer.