

Chapter 3

E-Commerce Training with Virtual Commerce Simulation

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ABSTRACT

Over the last decade, commerce has experienced several major revolutions in size, structure, and competition. The importance of small and medium enterprises (SMEs) has become more important within this market structure. Electronic Commerce, commonly known as electronic marketing or e-commerce that consists of the buying and selling of products or services over electronic systems, is more profitable and affordable than ever before. However, few SMEs have been taking advantage of e-commerce due to the lack of education and training in new technologies. This paper presents the case study of e-commerce training for SME's with the aid of classical classroom training and "Virtual Commerce," an online commerce game. In Virtual Commerce, every participant owns a company and a certain amount of digital money. They can act as a consumer that purchase from other participant sites and as a supplier for the others. Market conditions, discount rates, and requirements are set by the system operators. This methodology and training has applied to 30 SME's from different sectors. The aim of the project is to lower the costs for the SME's e-commerce training through e-learning and to improve participants' abilities with online simulation.

INTRODUCTION

The use of internet and rapidly altering economical factors change the way of making business and roles of organizations, to survive within that new economical conditions. These conditions make the competition between companies on virtual and e-

environments rather than classical way of making commerce. This new economical conditions or in other words new digital economy rules the world market. The New or Digital Economy is about dynamics, not static efficiency. It is more about new activities and products than about higher productivity. What is really new in the New Economy

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is the proliferation of the use of the Internet, a new level and form of connectivity among multiple heterogeneous ideas and actors, giving rise to a vast new range of combinations (Carlson, 2004). According to new economical conditions changes the way of making business from capital rise and grow to information rise and grow. However future projections showed that companies that will survive from the new economical challenges will be the bricks-and-clicks companies rather than the purely digital or online companies or the classical or offline companies. Bricks-and-clicks are also known as click-and-mortar or clicks-and-bricks, as well as bricks, clicks and flips; flips referring to the product catalogs. The studies about these companies indicates that contrary to the assumptions that early movers in e-commerce do not have a significant advantage in market share, profit margin, or marketing efficiency compared with later entrants. The bricks and clicks combinations in our sample possess higher market share and higher marketing efficiency than do pure-plays (Kuan & Bock, 2007) which means there will be always some space for new players in the market.

SME's can be considered as these new players because they are fast moving and changing structures to the new economical conditions. According to the economists there are major opportunities for new entrepreneurs and small- to medium-sized businesses to flourish in the maturing of e-commerce (Weintraub, 2001). However surveys in several countries show that SMEs have been slower to adopt e-commerce than their larger counterparts, but the rate of Internet usage in SMEs is growing quite rapidly (Damaskopoulos, 2003).

Since the required minimal investment for starting and running an e-commerce web site decreases dramatically over the last few years more SME's transfer their businesses to the internet or continue to act on both sides. Especially after the development and great improvements of the open source software's like OsCommerce, which has attracted a large growing e-commerce community that consists of over 222,900 store

owners and over 5,700 add-ons that are available for free to customize users especially for SME's online stores. (www.osCommerce.com). Also there are other open source software programs can be used by SME's like openoffice: a fully functional office applications, gimp: a very useful graphic deployment and editing tool, NVU: a powerful WYSIWYG HTML editor and many more. Open source software solves the problem on the investment on high licensing fees for starting the e-business on the contrary it becomes with the need for training and education. Since most of these software packages are not widely used widely like the commercial software's SME's needs sufficient training both theoretical and practical information for the management and running of e-commerce sites. These open source applications gives you the tools but if SME's don't know how to use the tools in the appropriate way their e-commerce sites will fail in the near future.

THE STUDY

The aim of this paper is to introduce an already known terminology in different parts of economy simulations like business games and virtual simulations in the field of e-commerce especially for the SME's training. The web-based application present users the real world business scenarios and challenges them to come up with solutions that achieve bottom-line results (Hill, 2009).

The "Virtual Commerce" Simulation Game

The "Virtual Commerce" Simulation Game is a multi-player web based management game developed by Istanbul Commerce University Computer Engineering Department. The game methodology is based on the Angelides and Paul's prototype intelligent gaming-simulation environment and twelve elements which are also used by Hoogeweegen et al. (2006). These elements are:

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