

Expanding E-Commerce into E-Ducation

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BACKGROUND

The fall of the Soviet Union created a series of new economic situations in Eastern Europe. Soviet-style Communism quickly gave way to a radical and unbridled form of capitalism that led many outsiders to refer to the region as the “wild East” (Pei, 1994; Brady, 1999; Miller, Grodeland, & Koshechkina, 2001). Over time, business practices began to settle as persons from the former Eastern Bloc focused on Western models of business and finance (Brady, 1999; Mikelonis, 2000; D’Anieri, Kravchuk, & Kuzio, 1999). Such a transition would not be easy, for 75 years of Communist rule left a limited framework upon which individuals could build capitalist-style industries.

As interest in Western business practices grew, so did the degree of online access Eastern Europeans had to ideas and consumers in industrialized nations (IDC Research, 2003; The new geography of the IT industry, 2003). Such access was important, for it allowed persons in these developing nations to connect with the greater global economy and improve the conditions of their businesses and the economies of their regions (Koretz, 2001).

In the summer of 2001, a group of business educators and businesspersons from the United States, Ukraine, and Poland converged in the Ukrainian city of Yalta to participate in two weeklong conferences dedicated to exchanging ideas on business and education. Organized in part by the USAID-sponsored Consortium for the Enhancement of Ukrainian Management Education (CEUME) and the Kyiv Mohyla Business School, the conferences focused on the development of business education programs in Eastern Europe and on helping local businesses become part of the greater global economy. One session within each weeklong conference focused on e-commerce. Participants in these sessions engaged in a dialogue on how the developing economies of the East and the industrialized economies of the West could modify e-commerce perspectives to benefit individuals from both cultures. These discussions included an examination of e-commerce, online education, and connections that could be made between the two. Out of these discussions emerged a hybrid business-education model that used online media to benefit individuals in the developing East and the industrialized West. This article presents the results of those discussions.

AN E-COMMERCE PARTNERSHIP

According to several conference participants from Ukraine, many businesspersons in Ukraine, Poland, and Russia use the Internet to learn about foreign markets. The idea is to gain information about overseas companies in order to work with them as partners or to begin selling products abroad. Unfortunately, as many participants noted, when one is not part of the culture being examined, it can be difficult to conduct Internet-based research effectively. As several participants explained, the situation often becomes one where individuals have the money needed to achieve an e-commerce objective but lack the knowledge required to recognize that end.

At this point, participants from Ukrainian universities noted how this situation was also affecting business education in Eastern Europe. Several individuals indicated that educational institutions in the region often lack funding. As a result, the facilities and equipment available for teaching and research are often insufficient. In most cases, an important source of capital to improve conditions is local businesses, and an obvious means of generating revenue would be to offer training to the employees of these businesses. When it comes to e-commerce, however, local businesses often have better facilities and equipment than those available at nearby universities. The question was then raised, “What do these universities have that can encourage local business investment?” In terms of e-commerce practices, many participants cited that an academic reputation can provide a special kind of access to international markets. The task for these institutions then becomes finding a way to use such a reputation as a means for creating links between East and West. Over the course of the conference sessions, parties from both developing and industrialized nations examined this concept from various perspectives, and a basic model for forging connections began to emerge.

American participants noted that university students in industrialized/Western nations often look for opportunities to study abroad, for courses or credits from overseas institutions can increase a student’s marketability upon graduation. Such study, however, can be costly in terms of transportation, living expenses, and lost employment. These factors often mean that many Western students cannot take advantage of such opportunities. What makes this situation particularly interesting is that

these students have direct access to the markets and the cultures businesspersons in developing nations such as Ukraine, Poland, or Russia wish to study. Moreover, because these students are a part of the related culture, they understand its workings in a way that outsiders cannot. The question then becomes can these two parties (businesspersons in developing nations and students in industrialized nations) be brought together in a way that allows both to achieve their goals? The mechanism for realizing this end can be educational institutions in developing nations. To bring these two parties together, such institutions need to create an Internet-based situation that combines educational objectives with business needs.

The key is for universities in developing nations to devise online international business courses or certificate programs designed for students in industrialized nations. The idea would be that students in industrialized nations could gain credit from universities in other countries without having to leave home. Rather, all class interactions and coursework would take place online. If the online courses being offered are international business, marketing, or finance, then universities in developing nations would have a mechanism for linking the needs of local businesses to those of international students.

In this model, representatives from educational institutions in Eastern Europe would meet with local businesspersons and ask those businesspersons what kinds of Internet-based research they need done to help with their international business plans. Educators can then convert these research activities into assignments that require Western students to perform online research addressing the needs of a particular business. For example, businesspersons in developing nations might be interested in how well their product could compete in a particular overseas market. In response, educational institutions in Eastern Europe might conduct an online marketing class in which Western students perform a market analysis comparing products in their own country to those of a business in a particular developing nation (that of the related educational institution). Students would complete such activities and give the educational institution data that could then be shared with local businesses.

Within this system, all classes become "virtual correspondence courses." Instructors in developing nations would put assignments, lectures, and links to online readings on a password-protected Web site for these international classes. Western students would access the site, read the related materials, do the research, and submit the assignment via e-mail. In such a model, Western students would pay for access to these online classes and would get credit or certificates from reputable institutions in Eastern nations. Thus, the student gains international

instruction for a fraction of the traditional costs, while the university or college in the developing nation gets research it knows is of value to local businesses. The educational institution can then sell this information to local businesses, or local businesses can pay an annual "membership fee" that would allow them to shape online courses and to have access to student projects containing e-commerce data. Educational institutions in developing nations can then use the increased revenue generated by both parties (overseas students and local businesspersons) to improve facilities and equipment or to hire new faculty.

The time limits of the sessions prevented participants from exploring these ideas any further than the basic model presented here. Participants, however, left the sessions with a framework that could be revised to address different kinds of educational and business interactions. While general in scope, this model could easily be modified or refined into a system that could work for the benefit of all involved parties and contribute to the economies of the related nations. For these reasons, the author encourages readers to examine this model and its ideas in order to develop approaches for merging educational activities and business practices.

FUTURE TRENDS

While institutions in developing nations are often limited in the technological options they have, certain trends can facilitate the previously discussed method for building relationships with international partners. Online access is increasing rapidly in many developing nations, and this growth is expected to continue over time (St. Amant, 2004; Reuters, 2002; Pastore, 2004; 11 trends, 2004). This expanding access brings with it the ability to connect with previously untapped markets in these regions (Beyond the digital divide, 2004; Hamm, 2004). The prospects of accessing such markets has prompted companies such as Hewlett-Packard to develop online communication technologies for developing nations and to create inexpensive hubs for online access in countries such as India, Ghana, Brazil, and South Africa (Beyond the digital divide, 2004; Hamm, 2004).

Within this context, the highly educated and technology-friendly citizens of Eastern Europe would make these countries the logical next step for such expansion. In fact, the number of individuals going online in Eastern Europe is expected to climb from 17% to 27% by 2006, and Web-based outsourcing activities are expanding in this region (IDC Research, 2003; The new geography of the IT industry, 2003; Hamm, 2004). Should such activities prove profitable, then other organizations are likely to

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