The ends of e-commerce

How intelligent agents could transform customer service and privacy. BY MARK WILLIAMS

The Future of the Electronic Marketplace Edited by Derek Leebaert 392 pages, \$35 MIT Press

ENRY FORD or H.G. Wells could have guessed some of it: how regional roads would evolve into an interstate highway system, the endless spread of the suburbs, the population's urbanization. But could they have predicted the automobile's consequences for, say, sexual mores (with particular reference to teenagers' courting habits), the Middle Eastern geopolitical balance, a Green movement in reaction to the greenhouse effect? Of course they couldn't have.

And it's the same with The Future of the Electronic Marketplace. Most of the book's essayists enthuse about intelligent agents and neural networks in vivid detail. Yet the truth is, nobody knows what will happen when artificial intelligence is injected into our society.

TELEMARKETERS BEWARE

Still, given this proviso, the contributors here-technology executives to the last man (and they're all male)are confronting their industries' transformations, and their essays should have value for Red Herring readers, too. The introduction by editor Derek Leebaert, who cofounded Lingueteq, a developer of systems-integration software, celebrates the liberating potential

of the coming changes, reminding us that presently "there are all too few jobs worth preserving" and that most human talent is wasted. Since few prospects are as appalling as, for instance, coal miners striking to keep their obsolete, life-

shortening jobs, I find his stand both convincing and uplifting. On the other hand, when Mr. Leebaert writes that direct marketing and targeted, interactive advertising will be commonplace by 2003, I wonder where he's coming from. Isn't direct marketing already common?

Targeted, interactive advertising just means that inevitably we'll be screening sales calls from intelligent agents.

"The Once and Future Craftsman Culture," by Les Alberthal (the CEO of EDS), is one of the book's two strongest pieces: a vision of mass customization consummated. What might it mean for a product's design to be perfected in a collaboration between customers and producers that can call upon all of a networked planet's resources? In such a scenario, suggests Mr. Alberthal, "final product designs meet and exceed customers' expectations before production begins"-and, when the product has been built, feedback loops are maintained between producers and users so that all information can be incorporated into the following week's designs.

We can already observe this trend in software. Marimba's Castanet lets companies distribute and administer networked applications so that every

version of a program is the same and up-to-date. Thus product iteration is a thing of the past (and the idea of a magazine called Business 2.0 takes on "the way the future was" quaintness). We can imagine a further twist on Mr. Alberthal's constantly evolving product: just as researchers now model biological evolution in computer simulations, future products may literally evolve across software generations-features

> that customers use will be rewarded by being copied, while unsuccessful features will be expunged automatically.

SECRECY FOR SALE

Marketplace

"Unseen Guardians, Invisible Treasures," by Daniel Geer Jr., a vice president of

the security-software developer CertCo, is the book's other standout entry. Mr. Geer knows of what he summarizessecurity as it concerns e-commerce and identity-and paints a plausible nearfuture class structure of the privacy-rich and privacy-poor: "Biometric devices born of the Human Genome Project...track your location...by sniffing your DNA....Names are the ultimate coin because security technology is merely a way to take actions based on identity." In this future, where privacy is a privilege and not a right, Mr. Geer also foresees a role for agents: "Agency, via pseudonymity, has become an analog of and replacement for privacy...the relative wealth of the individual is measured in the difficulty of finding out what he or she is really up to."

Read it.

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