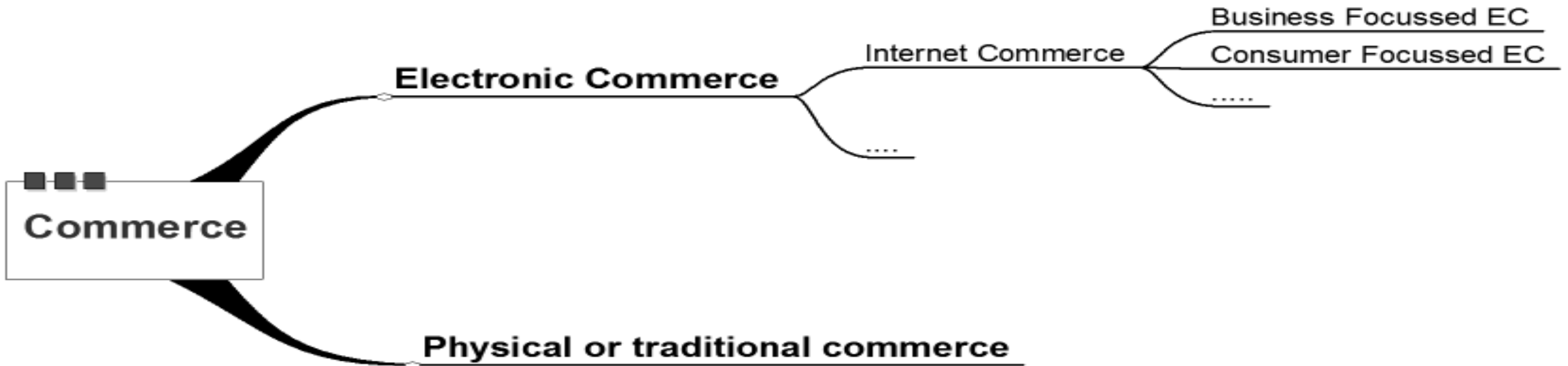


# E-COMMERCE: MARKET PLACE



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# Types of Commerce



# Classification by Transaction Nature

- **Business-to-business (B2B)**

E-commerce model in which all of the participants are businesses or other organizations

- **Business-to-consumer (B2C)**

E-commerce model in which businesses sell to individual buyers

# Classification by Transaction Nature

- **E-tailing**

Online retailing, usually B2C

- **Business-to-business-to-consumer (B2B2C)**

E-commerce model in which a business provides some product or service to a client business that maintains its own customers

# Classification by Transaction Nature

- **Consumer-to-business (C2B)**

E-commerce model in which individuals use the Internet to sell products or services to organizations or individuals who seek sellers to bid on products or services they need

- **Mobile commerce (m-commerce)**

E-commerce transactions and activities conducted on a Mobile.

## ■ To customers:

- Increases Choice of Suppliers.
- Enables buyers to do transaction anytime
- Increased amount of information on demand.
- Allows quick delivery.
- Facilitates competition which leads to more discounted prices.
- Increased price comparison capabilities.
- Simple method to check on order status.
- Customization of products and services.
- Creates virtual communities.

## ■ To society:

- Enables more individuals to work remotely.
- Allows some merchandise to be sold at lower prices benefiting less affluent people.
- Enables people in rural areas to enjoy products and services which otherwise are not available to them.
- Facilitate delivery of public services
- Allows less travelling, resulting in less traffic on the roads, and lower air pollution

## ■ To organisations:

- Expand the marketplace to global markets
- Creates virtual communities.
- Decreases the cost of creating, processing, distributing, storing and retrieving paper-based information.
- Allows reduced inventories.
- Provides customization of products and services.
- Support business process reengineering efforts
- Lower telecommunication cost



## ■ Lack of Trust and User Resistance:

- Customers do not trust
  - Unknown faceless sellers
  - Paperless transactions
  - Electronic money
  - Switching from a physical to a virtual store may be difficult.

## ■ Security and Privacy:

- The Electronic Commerce industry has a very long and difficult task of convincing customers that online transactions and privacy are secure.

# Limitations

- Lack of touch and feel online
- Many unresolved legal issues
- Insufficiently large number of sellers and buyers
- Breakdown of human relationships
- Expensive and/or inconvenient accessibility to the Internet
- Different Policies
- Pricing - granularity of price (micro payment), pricing policy

# **E-Marketplaces**

# E-Marketplace

- **An online market, usually B2B, in which buyers and sellers exchange goods or services;**
- **3 types of e-marketplaces**
  - private
  - public
  - consortia

# Transactions: Online Auction

- **Forward auction**

An auction in which a seller entertains bids from buyers. Bidders increase price sequentially

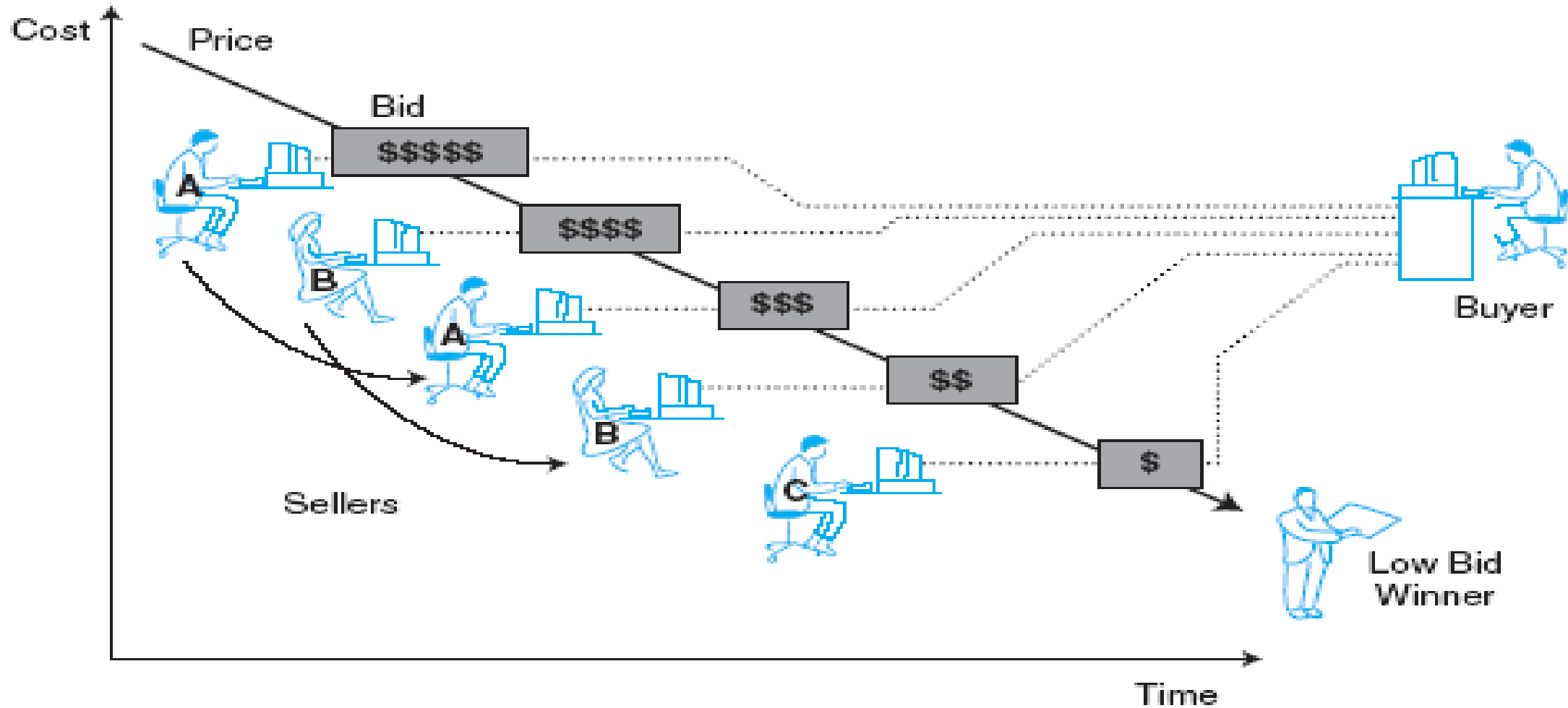
- **Reverse auction (bidding or tendering system)**

Auction in which the buyer places an item for bid (tender) on a request for quote (RFQ) system, potential suppliers bid on the job, with the price reducing sequentially, and the lowest bid wins; primarily a B2B or G2B mechanism

- **“name-your-own-price” model**

Auction model in which a would-be buyer specifies the price (and other terms) he or she is willing to pay to any willing and able seller. It is a C2B model that was pioneered by Priceline.com

# Transactions: Reverse Auction Process



# Agricultural Market Place

- Agriculture is the largest economic sector and remains the greatest opportunity for economic growth and poverty alleviation, besides creating employment.
- Agriculture often appears to be one of the most difficult industries frequently leading to some form of market failure.
- The internet aided by e-commerce is helping boost the income of farmers and transforming the backward agricultural sector into a lucrative modern industry.

# Agricultural Market Place

- E-Commerce (EC) has resulted in new business relationships and enabled new markets, new business, and new marketing paradigms.
- Marketplaces allow engagement, interact and trade, which was only possible by being physically present at the same place and at the same time.
- E-marketplaces have no time or space limits imposed on the business flow, so anyone, anywhere, anytime can be connected and purchase, sell or exchange whenever they wish to.



# Agricultural Market Place: Benefits

- **Find and conduct new business:**

Marketplaces bring businesses together, contributing to the meeting of new partners and the conduction of new business.

- **Improve liquidity:**

To the wide potential customer base, marketplaces include the ability for businesses to present their entire product catalogues to interested viewers, apart from dynamically responding to requests for bids and quotes, and anchor inventory.

- **Reduce costs of Procurement**

Up to 15% of waste and supplier margin reductions are possible by using B2B e-commerce solutions, whereas search costs and price transparency become achievable goals within this environment.

# Agricultural Market Place: Benefits

- **Lower transaction costs:**

The standardization and automation of the agreement, inquiring, ordering and paying processes help reducing transaction costs.

- **Monitor spending:**

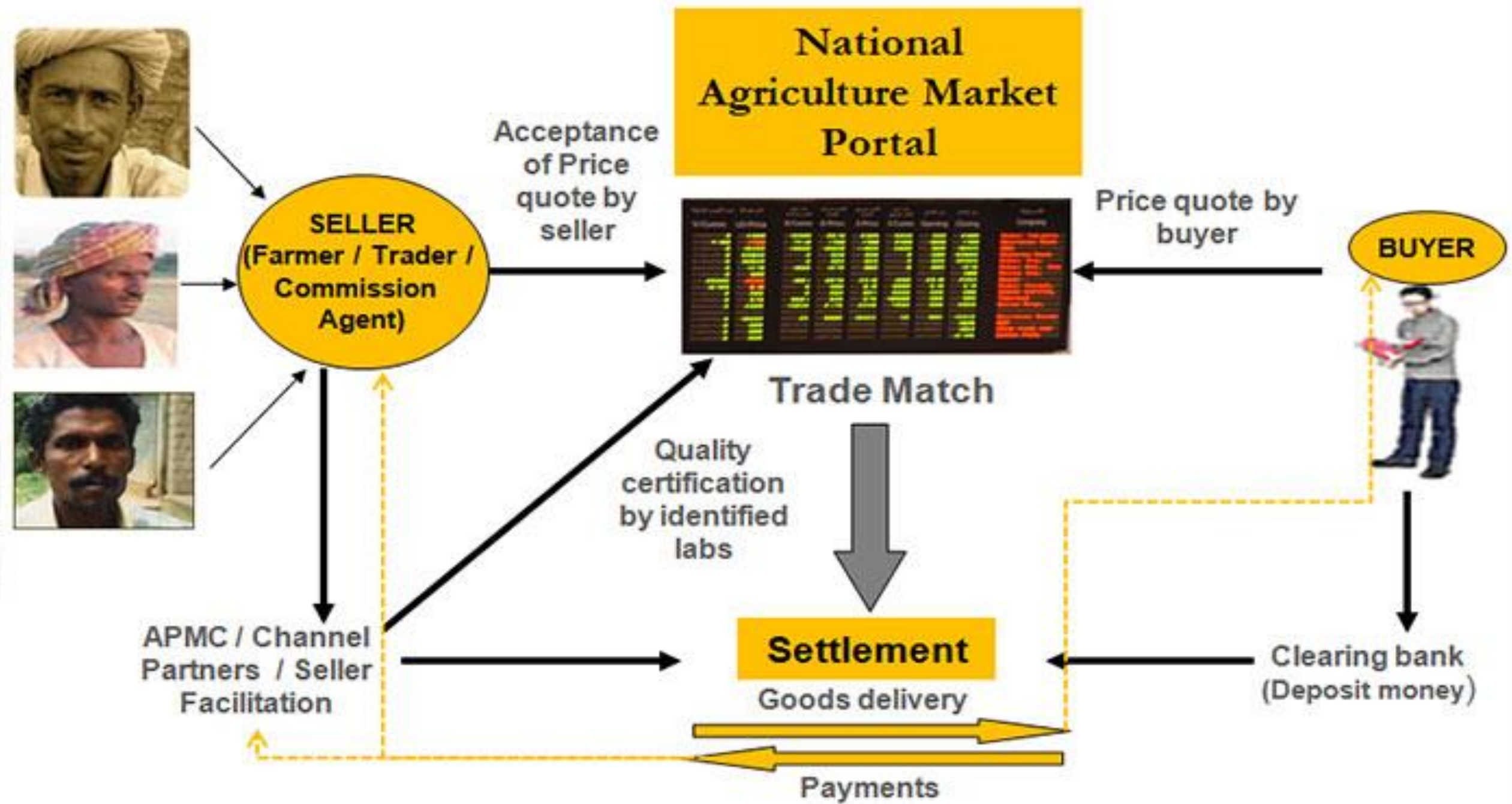
B2B marketplace solutions enable business to gather information about their buying patterns, allowing the improvement of resources and the reduction of corporate spending.

- **Increase efficiency:**

Automated procurement processes and workflows allow companies to increase the efficiency of their supply chain.

- **Forecast transactions:**

Marketplaces allow business to analyse their transactions data, enabling sellers to better match their products and services, as well as the time their production schedules, to fit customers' needs.



# Digital Marketing

## What is digital marketing?

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*Digital marketing* can be described as actively promoting products and services using digital distribution channels as an alternative to the more traditional mediums such as television, print and radio

# Digital Marketing

Overwhelmed consumers are becoming adept at tuning out marketing messages

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- E-mail filters to block spam
- Digital video recorders (DVRs) to skip commercials
- Caller ID to screen telemarketers
- Recycling direct mail pieces without opening them

# Digital Marketing

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- Clutter is a major problem for today's marketer
- The cost of selling has almost tripled over the past decade
- Today's consumer has a broken trust with traditional marketing means (broadcast media, print media etc.)

# Digital Marketing

## How does clutter impact marketers?

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- Marketers today must determine ways to effectively cut through the clutter if the firms they represent are to financially thrive
- Today's digital marketers must become more creative and free thinking in their approach to promoting company products and services
- Sports, entertainment and event marketing provide an effective means for cutting through today's marketing clutter

# Digital Marketing Strategies

How are marketers adjusting?

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Digital marketers turn to technology to help reach target consumers

1. Internet marketing
2. Mobile marketing
3. Social marketing
4. Viral marketing



# Digital Marketing

How are marketers adjusting?

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The goal for digital marketers is to focus on **interactive elements**, encouraging consumers to participate in the marketing process.

# Digital Marketing Strategies

## **Consumer-Generated Media (CGM)**

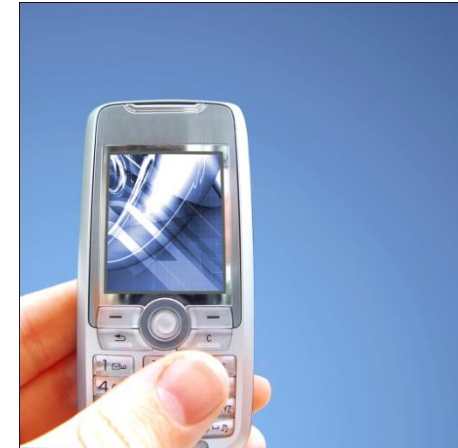
1. Blogs
2. Message boards and forums
3. Social media
4. Discussions and forums on large email portals (Yahoo!, AOL, MSN)
5. Online opinion/review sites and services/ feedback/complaint sites

# Digital Marketing Strategies

## Mobile Marketing

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Mobile marketing refers to two different marketing means: one refers to marketing on or with a mobile device (such as a mobile phone) while the other (more traditional) is meant to describe marketing “on-the-go”



# Digital Marketing Strategies

Apps have recently gained a lot of popularity among consumers

## **“Apps”**

Apps are individual software programs designed to run on the Internet, computer, phone or other electronic device typically designed to increase functionality or ease of use

# Digital Marketing Strategies

## Social Media

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Social media describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, media and to otherwise interact



# Digital Marketing Strategies

## Social Media Platforms

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facebook

flickr

Google+



*Pinterest*



You Tube

*Instagram*

*evite*

Linked in



USTREAM™

# Digital Marketing Strategies

## Viral Marketing

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Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence

Viral marketing is the digital marketer's version of "word-of-mouth" advertising