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B2B e-marketplaces: a typology by functionality

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Abstract

Purpose – The purpose of this article is to develop a typology of e-marketplace functionality and then link the typology to the associated value creation potential of differing types of e-marketplaces.

Design/methodology/approach – In-depth interviews with the executives of 50 e-marketplaces, a web/mail-based survey of another 350 e-marketplaces and interviews with several e-marketplace customers were conducted.

Findings – B2B e-marketplaces offer a variety of different value propositions. Leading e-marketplaces have a well-developed strategy for reaching a particular segment of the buying community, based on service needs. Developing e-marketplaces do not demonstrate the same focus. On one hand, only a few e-marketplaces had developed the same winning constellations of services, while on the other hand, most were planning a roll-out of a wide variety of services that would carry them far beyond a focused strategy. The success of this approach seems problematic.

Practical implications – The prudent customer of an e-marketplace should weigh their requirements against the functionality found across the broad set of e-marketplaces as well as against the constellations of functionality (and value creation potential) developed in this research. Only after a careful assessment of needs, can companies make rational decisions about how to effectively use e-marketplaces.

Originality/value – This research employs a strong research method to create a unique typology of e-marketplace functionality. This research also links the typology of e-marketplace functionality to its value creating potential.

Keywords Business-to-business marketing, Electronic commerce, Supply chain management

Paper type Research paper

Introduction

B2B e-marketplaces have been the subject of substantial interest on the part of buyers, suppliers, venture capitalists, and technology providers. Evidence of this strong interest may be found in the rapid growth of e-marketplace product/service offerings leading up to the mid-2000 "dot.com melt-down" (Anonymous, 2001).

Buyers looked to e-marketplaces for more favorable pricing, improved efficiencies in the purchasing process, improved supply market knowledge and visibility, and improved aggregation and control of spend across the firm. Suppliers looked to e-marketplaces to discover new markets and customers for their products. The rapid expansion in the number of e-marketplaces with overlapping service offerings created a clouded picture of

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the e-marketplace landscape (Grieger, 2003). In 2000, a joint research venture between CAPS Research and McKinsey & Company was undertaken with the aim of providing a better understanding of the B2B e-marketplace landscape. This research employed a combination of case study and survey methodologies to examine the broad set of services offered by e-marketplaces and led to the development of a typology that organizes the broad set of e-marketplace service offerings into reoccurring constellations.

E-marketplaces – the literature

There is a recognized need for e-marketplaces to provide value to buyers and suppliers (Reilly, 2000; Memishi, 2001; Eccles, 2001; Frook, 2001). In fact, some have argued that the underlying economics of the e-marketplace are so fundamentally sound that their success is inevitable and that they will necessarily have a significant impact on the economy as a whole (Malone *et al.*, 1989). Others have suggested that the increased complexity of the technology inherent in e-marketplaces and required of e-marketplace participants (buyers and suppliers) leads to an increased chance of business failure (Singh, 1997). Some view the electronic marketplace as a pure efficiency play that is enabled by common trade rules which govern the rights and duties of the participating parties (Lee and Clark, 1996; Coase, 1988). Others have argued that the very notion of the B2B e-marketplace suffers from a fatally flawed value proposition (Wise and Morrison, 2000).

Critical mass

Are there enough suppliers and buyers participating in the e-marketplace to allow it to function? The benefits realized by participants of an e-marketplace are thought to increase as the number of e-marketplace participants increases (Bakos, 1991a). However, as the number of participants increases, the e-marketplace is also in an improved position to impose significant switching costs (Bakos, 1991a) on the e-marketplace participants. It has, however, been difficult for e-marketplaces to achieve and maintain the required critical mass of buyers and suppliers (Grieger, 2003).

Price/cost

Does participation in an e-marketplace lead to reduced cost? E-marketplaces may reduce unit cost (price paid) by allowing buyers to aggregate demand and gain improved economies of scale/scope (Kaplan and Sawhney, 2000; Granot and Sošic, 2005; Christiaanse, 2005), protect participating firms from the opportunistic behavior of others (Bakos, 1998; Kaplan and Sawhney, 2000), reduce overall operating costs (Bakos, 1998, 1991a; Kaplan and Sawhney, 2000; Barrett and Konsynski, 1982), and lower search costs by more efficiently matching buyers and suppliers (Bakos, 1998, 1997; Kaplan and Sawhney, 2000). E-marketplaces are also thought to enable significant improvements in interorganizational interaction and provide specific benefits to participating firms and their supply chains (Lee and Clark, 1996).

Buyers are thought to benefit from combining reduced supplier search costs with increased price competition to effect an appreciable reduction in the supplier's market power (Bakos, 1991b, 1997).

Supplier identification, selection and post-selection performance

Does a buyer using an e-marketplace have access to more and better suppliers? E-marketplaces may enable a buyer access to an increased number of potential suppliers as well as better information about the supplier's products and services. This knowledge should position the buyer to choose a supplier who more closely matches their needs (Bakos, 1991b). However, given that these suppliers may each offer vastly different levels of performance, the resulting supplier selection decision becomes relatively more complicated (Barua *et al.*, 1997; Albrecht *et al.*, 2005).

Pulling the trigger

Does using an e-marketplace improve our ability to execute a transaction? E-marketplaces may provide the buyer (and supplier) technology-enabled tools designed to improve the performance of buyers and sellers in electronic negotiations (Oliver, 1996; Schoop and Quix, 2001). Further, e-Marketplaces are thought to enable the efficiency (Lee and Clark, 1996; Coase, 1988; Grey *et al.*, 2005) of buyer-supplier processes through such e-enabled processes as e-requisitioning, e-reverse auctions (Emiliani and Stec, 2002), knowledge management and continuous process improvement (Hannon, 2002).

Methodology

Overview

In mid-2000, CAPS Research[1] and McKinsey & Company[2] undertook a comprehensive review of the B2B e-marketplace landscape from the buying company's perspective (Hansen *et al.*, 2001; CAPS, 2000). In-depth interviews with the executives of 50 e-marketplaces, a web/mail-based survey of another 350 e-marketplaces, and interviews with several e-marketplace customers provided insight into the value proposition of these e-marketplaces for buyers.

"E-marketplace" defined

We define an e-marketplace as a (1) neutral (2) web-based location where (3) businesses (4) can conduct buying and selling transactions for goods or services (Malone *et al.*, 1987; Bakos, 1997; Stockdale and Standing, 2002):

- Neutrality refers to the notion that an e-marketplace did not specifically represent a single buyer nor a single supplier and that both buyers and suppliers were able to freely and independently participate in the e-marketplace (Kaplan and Sawhney, 2000). In order to have been included in the research, the e-marketplace must have met the condition of neutrality.
- In order to have been included in the research, the e-marketplace was required to have a web-based portal through which buyers and suppliers could interact.
- In order to have been included in the research, the commerce that was conducted on this e-marketplace must have been specifically in the domain of business-to-business (B2B) e-commerce and specifically not in the domain of business-to-consumer (B2C) or consumer-to-consumer (C2C) e-commerce.
- In order to have been included in the research, the e-marketplace was required to offer transaction processing capabilities. As a direct result, internet/web-based self-described "e-marketplaces" that did not include transaction processing capabilities were excluded from this research. A common example of an excluded "e-marketplace" would be one that offered an online directory of suppliers where buyers could obtain information about potential suppliers, but would then have

to contact the supplier(s) offline to arrange and execute transactions. Another example of an excluded "e-marketplace" would be one that only offered transaction-facilitating services for the primary purpose of e-enabling existing buyer-supplier relationships.

The e-marketplace universe

E-marketplaces were identified for participation in this research project via:

- a literature search;
- an internet search;
- consultation with industry and service sector experts;
- consultation with sourcing and supply management executives; and
- consultation with consultancies and e-marketplace providers.

Over 1,000 firms that characterized themselves as "B2B e-marketplaces" were initially identified. After applying the above definition of e-marketplaces, approximately 400 e-marketplaces remained.

Approximately 50 of these e-marketplaces were identified as leaders in their respective industries/categories and agreed to be interviewed by the research team. These 50 e-marketplaces were selected based on market leadership, industry served, size, volume of transactions, as well as their applicability to a wide range of buyers. Over a four-month period (June-September 2000) the research team visited executives at these 50 e-marketplaces. The team also interviewed executives from several buyer organizations (customers of B2B e-marketplaces) to both better understand their view of the services provided by B2B e-marketplaces and to validate B2B e-marketplace claims with actual buyer experiences. A detailed mail/internet-based survey describing specific service offerings and value creation for buyers was sent to the remaining 350 B2B e-marketplaces. A 17 percent response rate (60 responses) was achieved. This triangulation approach provided a wealth of information about e-marketplaces and their service offerings.

The following section organizes and describes a set of e-marketplace capabilities in terms of a generic purchasing process. This section sets the stage for a discussion of the five distinctive types of e-marketplaces and then relates each to the value that it creates.

E-marketplace capabilities – a purchaing process orientation

Figure 1 shows a generic purchasing process. This generic purchasing process is used as a means of describing the broad classes of services offered by the 50 e-marketplaces interviewed.

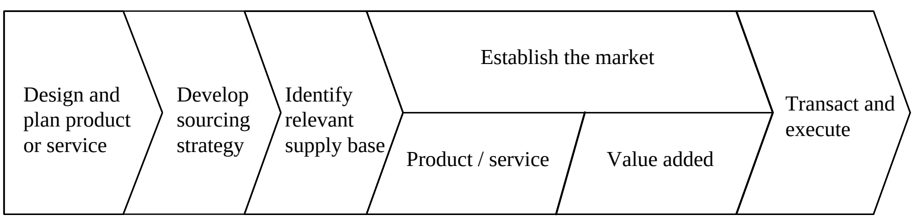

Figure 1.
The purchasing process

Design and plan

The design and plan stage (Figure 2) of the purchasing process relates to supply development and planning for a product or service offering. Services described in this stage of the purchasing process includes the ability to share detailed information needed in support of a product/process/service design. Important issues in the design and plan stage of the purchasing process include whether:

- or not the e-marketplace had an online-catalog that contained all required technical information (price, description, manufacturer details, part numbers and drawings);
- the supplier identification process was efficient (across multiple potential suppliers, attribute-based); and
- any decision support tools were available to aid in the identification of the "best-fit" supplier.

Develop sourcing strategy

The develop sourcing strategy stage (Figure 3) of the purchasing process relates to the creation of an appropriate sourcing strategy for a given product or service. The services that are described in this stage of the purchasing process relate to the ability to:

- capture, aggregate and analyze spend at an appropriate/actionable level of detail; and
- provide reporting and strategy decision support.

An example would include the ability to categorize spend by overall importance and complexity of the supply market (Kraljic, 1983) and make appropriate sourcing strategy recommendations to the buyer based on this categorization.

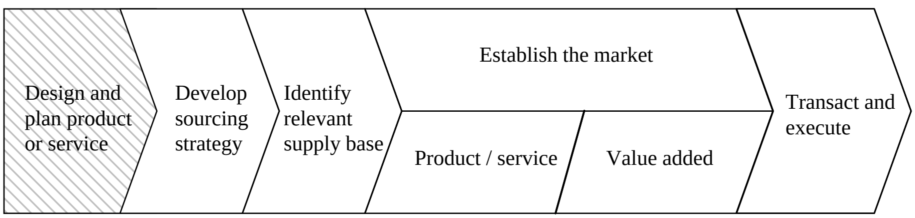

Figure 2.
Design and plan

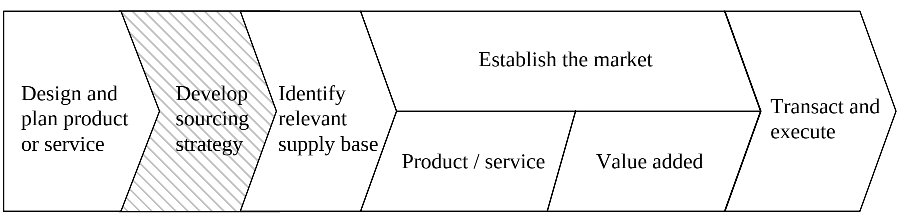

Figure 3.
Develop sourcing strategy

Identify relevant supply base

The identify relevant supply base stage (Figure 4) of the purchasing process relates to the ability of an e-marketplace to identify and manage an appropriate group of suppliers. Suppliers may be identified and pre-qualified by the e-marketplace or the buyer may identify and upload their suppliers to the e-marketplace directly.

Establish the market

The following section describes e-marketplace capabilities in terms of establishing the price for a product and any associated value-added services. The following discussion will first examine the services related to establishing product price followed by a discussion of value added services.

Establish product price. The establish product price portion of the establishing the market stage (Figure 5) of the purchasing process relates to the ability of an e-marketplace to create a viable market for the products and services offered by e-marketplace suppliers to e-marketplace buyers. The services that are described in this stage of the purchasing process relate to the ability to:

- exchange basic price information (current, historical and buyer-specific pricing);
- enable the purchasing process through e-RFx, e-reverse auctions, e-sealed-bid systems;
- provide basic decision support systems (multi-attribute decision-making); and
- provide any financial hedging vehicles (options or futures).

Value added services. The value added services portion of the establish the market stage (Figure 5) of the purchasing process relates to the ability of an e-marketplace to create a viable market for a variety of additional services. These services might include:

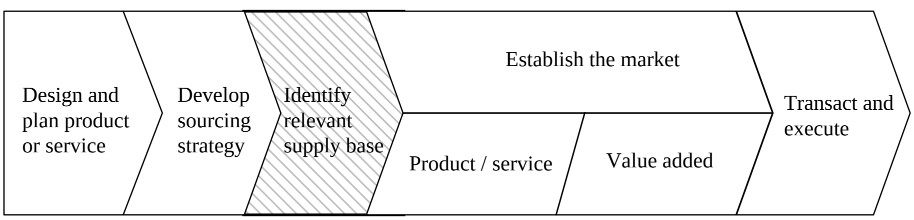

Figure 4.
Identify relevant supply base

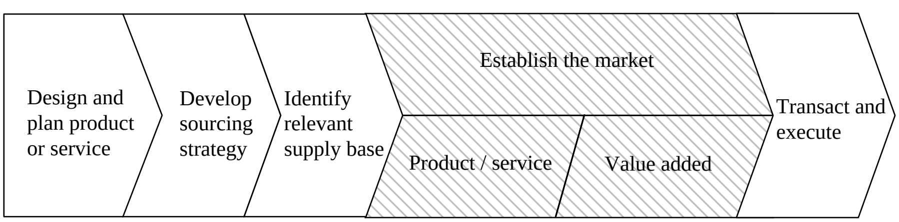

Figure 5.
Establish the market (product/service and value added services)

- training;
- transportation;
- packaging;
- reverse logistics;
- financial;
- warranty;
- maintenance; and so forth.

Transact and execute

The transact and execute stage (Figure 6) of the purchasing process relates to the capability of an e-marketplace to enable electronic transactions to be executed between buyers and suppliers. An example would include the ability of a buyer to send an e-RFx to a group of suppliers, receive responses to the e-RFx from these suppliers, conduct an e-reverse auction, analyze the results of the reverse auction and then award a contract to the selected supplier(s).

A market-leader typology of e-marketplace functionality

The following section extends the general discussion of e-marketplace service offerings by grouping reoccurring service offerings into frequently reoccurring constellations. Each constellation is described in general terms and implications are drawn for the long/short-run value creation potential of each constellation. The constellations were created from the 50 interviews conducted with market-leading B2B e-marketplaces. These constellations represent the best judgment of the research team concerning viable service models by e-marketplaces. Note that both the combination and level of service offerings for each constellation is important if the e-marketplace is to be successful in matching up with the needs of the buyer community.

B2B e-marketplaces maximize value for customers by providing information and capabilities that drive decisions across the purchasing process (Figure 1). Using this framework, the research team identified a typology of five distinct B2B e-marketplace models based on unique constellations of service offerings including:

- project/specification managers;
- supply consolidators;
- liquidity creators;
- aggregators; and
- transaction facilitators.

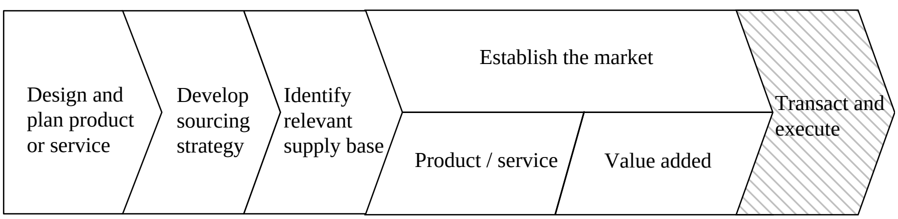

Figure 6.
Transact and execute

In the following section, each B2B e-marketplace model in the typology is described in terms of its unique constellation of service offerings, the business capabilities that it enhances, and the financial impact that it creates. Not all e-marketplace models require commonly touted "liquidity" and "scale" to deliver value.

Project/specification managers

Project/specification managers primarily (Figure 7) specialize in design and planning support. These B2B e-marketplaces provide tools to plan and manage complex projects/processes for customers. Applications can range from designing a marketing brochure for a pharmaceutical company to optimizing a transportation network between a consumer products manufacturer and multiple retailers. Project/specification managers represented 30 percent of the B2B e-marketplaces interviewed.

Project/specification managers help customers achieve financial results across most dimensions of the purchasing process. They provide collaboration tools to help customers increase speed to market and improve decision-making on product development, ultimately improving potential revenues. They also help reduce the invoice price of purchased goods and services by helping buyers determine what to buy. They generally, however, play a minimal role in actually reducing the price paid. For example, most B2B e-marketplaces in printing help multiple parties evaluate the marketing benefits of different options for a brochure, but they play no role in helping the customer negotiate a reduced price with the printer. Finally, project/specification managers play an important role in helping customers reduce other operating costs. In the printing example, this includes reducing inventory by better matching print schedules to needs, reducing errors and rework caused by poor communications, and reducing transaction costs of ongoing dialogues between marketing and purchasing departments and the printer.

Supply consolidators

Supply consolidators (Figure 8) identify the relevant supply base for a customer and conduct the purchasing transaction. They also help customers design and plan the purchase and establish the terms of purchase. These B2B e-marketplaces bring together product offerings of many suppliers to increase the buyer's options. Supply consolidators provide low cost and easy access to a fragmented base of suppliers that are either difficult to reach off-line or are so numerous that individual online tools are ineffective. This type of e-marketplace provides the resources to identify, and in some

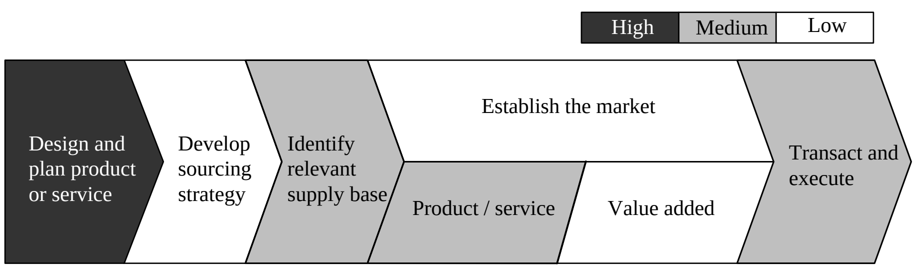

Figure 7.
Project/specification managers

cases, qualify suppliers. Leading e-marketplaces provided in-depth product information and parametric searches across suppliers to identify best options for the buyer. Supply consolidators represented 35 percent of B2B e-marketplaces interviewed.

Supply consolidators generally have little impact on customer revenues, as their service offerings focus less on product development and more on purchasing to support existing products. Like project/specification managers, supply consolidators provide information and tools that help customers reduce overall price by better determining what to buy, not necessarily by lowering the price paid to a particular supplier. For example, a B2B e-marketplace in electronic components helps engineers compare specifications across multiple components to evaluate potential substitutes for an input to a computer. While the B2B e-marketplace may not be directly involved in reducing the price of that component, the information provided helps the engineer make more effective cost-quality trade-offs which, in turn reduces the total invoice cost. Finally, supply consolidators help customers reduce the transaction costs associated with searching through multiple paper-based catalogs, compare parameters across products, and manage accounts with numerous suppliers.

Liquidity creators

Liquidity creators (Figure 9) establish the terms of the purchase. These B2B e-marketplaces create liquid, dynamic markets for commodity products traded between many buyers and sellers. Where most effective, they provide liquidity for products that were previously too low-volume or non-standard to warrant off-line exchanges. Examples include spot markets for electronic components and trucking capacity. They provide suppliers with a ready market for their products and buyers with a steadier source of supply. These B2B e-marketplaces improve industry

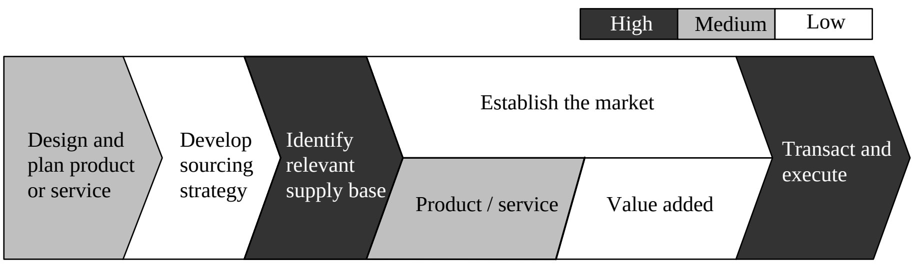

Figure 8.
Supply consolidators

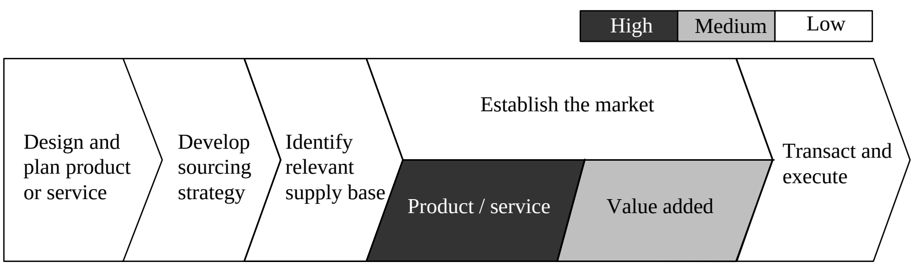

Figure 9.
Liquidity creators

utilization and reduce costly broker networks. Liquidity creators represent 10 percent of B2B e-marketplaces interviewed.

By improving market efficiency, liquidity creators can help customers to both reduce purchase price and decrease lost revenues. To reduce purchase price, liquidity creators provide real-time price transparency across a wide base of suppliers, enabling customers to compare prices more effectively and more efficiently than previously possible. Liquidity creators – particularly those that operate on the spot market – also provide valuable tools for customers to access hard-to-find parts more efficiently. For example, one airline was able to reduce the days of grounded aircraft through more efficient access to repair and replacement parts through a B2B e-marketplace. The more efficient turn-around helped reduce cumulative days of grounded aircraft by more than half, saving over $10 million in lost revenue.

Aggregators

Aggregators (Figure 10) primarily combine demand within and across buying enterprises and then use this combined market power to achieve lower prices from suppliers. Aggregators represented (10 percent) of B2B e-market-places interviewed.

Aggregators are the most focused of all B2B e-marketplace models. The primary role of aggregators is to help customers reduce the price paid on a product or service by combining purchased volume across buyers and increasing competition among suppliers. In general, aggregators do not help buyers determine what to buy nor provide tools that reduce other operating costs. Aggregators have little impact on revenues of the buyer.

Transaction facilitators

Transaction facilitators (Figure 11) primarily transact and execute the actual purchase. These B2B e-marketplaces improve purchase order efficiency and automate back-end

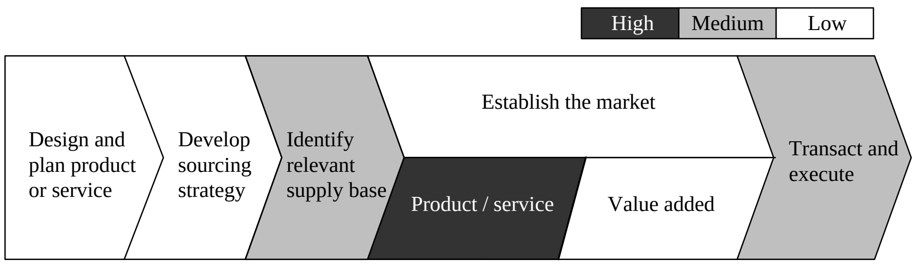

Figure 10.
Aggregators

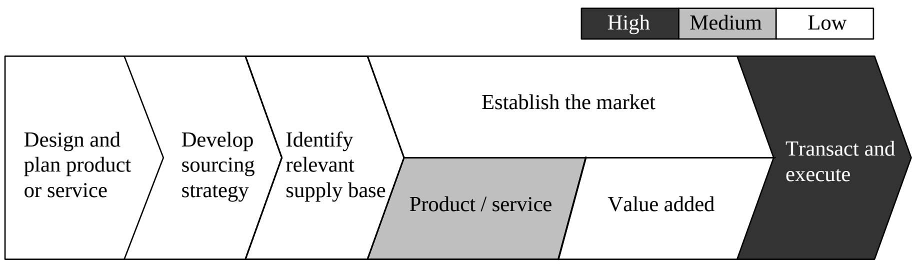

Figure 11.
Transaction facilitators

financial management (payables, receivables) systems. Transaction facilitators represented (15 percent) of B2B e-marketplaces interviewed.

Transaction facilitators generally focus on reducing complex, paper-based transactions between buyers and sellers. When tailored to a specific industry/type of purchase, these tools can be invaluable in reducing transaction costs, dispute costs resulting from errors, and other operating costs. In general, transaction facilitators provide limited functionality in selecting products or improving market efficiency, and therefore have little financial impact.

Linking the e-marketplace typology to value creation

The value propositions of the five constellations developed from the interviews were each judged to be different, with project specification managers delivering the most value and transaction facilitators delivering the least. The rationale for this judgment is straightforward – project specifications managers have the most impact on the sourcing decisions. Thus, they have the most impact on cost, design, time to market, and other variables that influence overall company performance. It is well established that design decisions determine roughly 70 percent of the eventual total cost of a purchased item (Nevins and Whitney, 1989). Transaction facilitators, in contrast, only influence the efficiency of transactions. Whatever the value of transaction efficiency is, it cannot be as great as the value created in getting a new product to market on time and on budget. In between fall supply consolidators, liquidity creators, and aggregators. These three B2B e-marketplace models all have the potential to influence the purchase price of products and services. The value of this influence is unlikely to be more important than design decisions, but certainly has higher potential than transaction efficiency.

It is important to note that the service offerings of project specification managers are costly to develop because of integration and domain knowledge acquisition costs and may not produce an immediate cash flow for the e-marketplace. Service offerings by supply consolidators, liquidity creators and aggregators may be more easily developed, resulting in the e-marketplace becoming liquid more quickly. As a result, it is important that buyers and suppliers evaluate potential e-marketplaces with a cautions eye towards not only the short-term value that they deliver today, but also the long-term value that they may deliver and the associated risk from attempting to deliver this long-term value.

The next section examines e-marketplaces that are developing (not market leaders) and compares these e-marketplaces to the e-marketplace leaders.

Do the developing e-markets match the market leaders?

Current services

It is helpful to think of e-marketplaces as outsourcing opportunities for the buying firms. For example, companies can do their own strategic sourcing or engage an e-marketplace to assist them in the effort. Potential customers of e-marketplaces typically do not want to outsource the whole purchasing process, but are looking for help in particular areas that correspond to the five constellations. The five constellations are mixes of services in the various quantities that are needed to meet a particular need. It is important for e-marketplaces to decide which of these market niches they are trying to serve and to focus their service offerings accordingly.

Providing too many or too few services could be just as fatal as not providing the right mix of services.

Recall that the five constellations were derived from interviews with e-marketplaces that were judged to be leaders in delivering value to their customers. Of these 50 e-marketplaces, 30 are still in business, 12 have been acquired by or merged with another company while only eight have gone completely out of business. This survival rate attests to the market leading positions of these e-marketplaces. Thus, the constellations of these e-markets can serve as benchmarks against which to judge the developing e-marketplaces included in the web/mail survey.

The service offerings of the developing e-marketplaces were examined to determine if they exhibited the same constellations of service offerings as the market-leading e-marketplaces. Several conclusions may be drawn from this analysis. First, only about 33 percent of the developing e-marketplaces offered a constellation of services that matched the market-leaders. The remainder did not reach this benchmark. However, of the first group, 60 percent offered multiple constellations. This suggests that they either:

- were targeting multiple market niches;
- had a lack of focus; or
- had over-developed some services for the niche they were trying to reach.

Targeting multiple niches sounds appealing, but given the challenge of gaining traction with the buying community, specialization may be a more appropriate strategy. Lack of focus suggests the lack of a good business model and a relatively poor allocation of resources. Finally, overdevelopment of services implies unneeded expenditures. All of these factors could be detrimental to the long-run survival of an e-marketplace.

Only seven of the 60 developing e-markets reported developing a service offering with exactly the right mix of services (but even these had overdeveloped some services). These e-marketplaces would appear to be the best-positioned for survival. The remaining e-marketplaces did not have service offerings that fit well with buying community needs. To enhance their chance of surviving, these e-marketplaces will have to modify their mix of service offerings.

Future services

The developing e-marketplaces were next examined in the light of the services that they were currently offering as well as the services that they planned to offer over the next year. In the near future, these e-marketplaces could develop constellations of services that would match-up well with the needs of the buying community.

Several conclusions may be drawn from this analysis. First, 35 percent of the developing e-markets would not have developed even one constellation of services within the next year. This does not bode well for their chances of long-term survival. Second, 65 percent of the developing e-marketplaces indicated that they would have at least one constellation of services available within the year. This is nearly double the percentage of the current service offerings. Thus, the growth rate of service offerings appears to be steep. Of the 65 percent, however, 82 percent were planning on having multiple constellations of services. In fact, 30 percent of this group was planning on having all five constellations in place within one year! This surely represents great optimism given the resources needed to implement these services. The previous observations related to the need for focus and conservation of resources apply here as well.

Finally, it is instructive to look at the plans of the seven e-marketplaces that were currently focused on one constellation only. Just one indicated that they were sticking to the market niche that they were in and not developing services for new niches. The other six were planning on developing services to support an additional two to four constellations.

Conclusion

This study demonstrates that B2B e-marketplaces offer a variety of different value propositions to their suppliers and buyers. The results also demonstrate that leading e-marketplaces seem to have a well-developed strategy for reaching a particular segment of the buying community, based on service needs. The overwhelming majority of these e-markets demonstrated staying power, even through the "dot-com" melt-down.

The majority of the developing e-marketplaces do not demonstrate the same focus. On one hand, only a few e-marketplaces had developed the same winning constellations of services, while on the other hand, most were planning a roll-out of a wide variety of services that would carry them far beyond a focused strategy. The success of this approach seems problematic.

Of the developing e-marketplaces, only 32 percent are still in business, a survival rate far lower than the market leaders. About 52 percent are out of business and the remainder disappeared through mergers and acquisitions. It can be argued that the high failure rate is due, in part, to the e-marketplaces lack of focus. Of course, many other factors, such as lack of capital, lack of appropriate pricing models, and competition, undoubtedly contributed to their demise (Ordanini, 2006).

The prudent customer of an e-marketplace should weigh their requirements against the functionality found across the broad set of e-marketplaces as well as against the constellations of functionality (and value creation potential) developed in this research. Only after a careful assessment of needs, can companies make rational decisions about how to effectively use e-marketplaces.

Correspondingly, e-marketplaces should assess the needs of the buying community and decide which of these needs they will attempt to satisfy. Their long-term sustainability and competitiveness depends on matching customer needs and the constellation of services to be provided. It appears the vast majority of B2B e-marketplaces are not selecting a market niche but are developing service offerings to meet a broad range of market needs. The wisdom of this approach is questionable, given the success of the focused leaders.

Future research

In 2000, many e-marketplaces were put to an unexpected and abrupt test of their financial liquidity. Unfortunately, this test of liquidity came at a time when e-marketplaces, regardless of business model, were starved for cash. An exploration of which e-marketplaces failed and why should be conducted. Some might argue that the e-marketplace survivors would likely include those with the greatest value-creating potential. This certainly seems to be the case with the leading 50 e-markets.

Alternatively, others might argue that only those e-marketplaces with less-differentiating/lower long-term value creating capabilities (but generating revenue in the short-term) may have experienced diminished liquidity problems and may have been more likely to survive. The answer to this question will help us to more completely understand the e-marketplace landscape as it exists today.

Notes

1. CAPS Research is a non-profit, independent research organization co-sponsored by Arizona State University's W. P. Carey School of Business and the Institute for Supply Management. Its mission is to help organizations achieve competitive advantage by providing them with leading-edge research to support the evolution of strategic purchasing and supply management. CAPS Research may be found on the internet at www.capsresearch.org
2. McKinsey & Company is a leading consultancy with a variety of specialties including supply chain management. McKinsey & Company may be found on the internet at www.mckinsey.com.

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