

## 4.4. e-Market Places

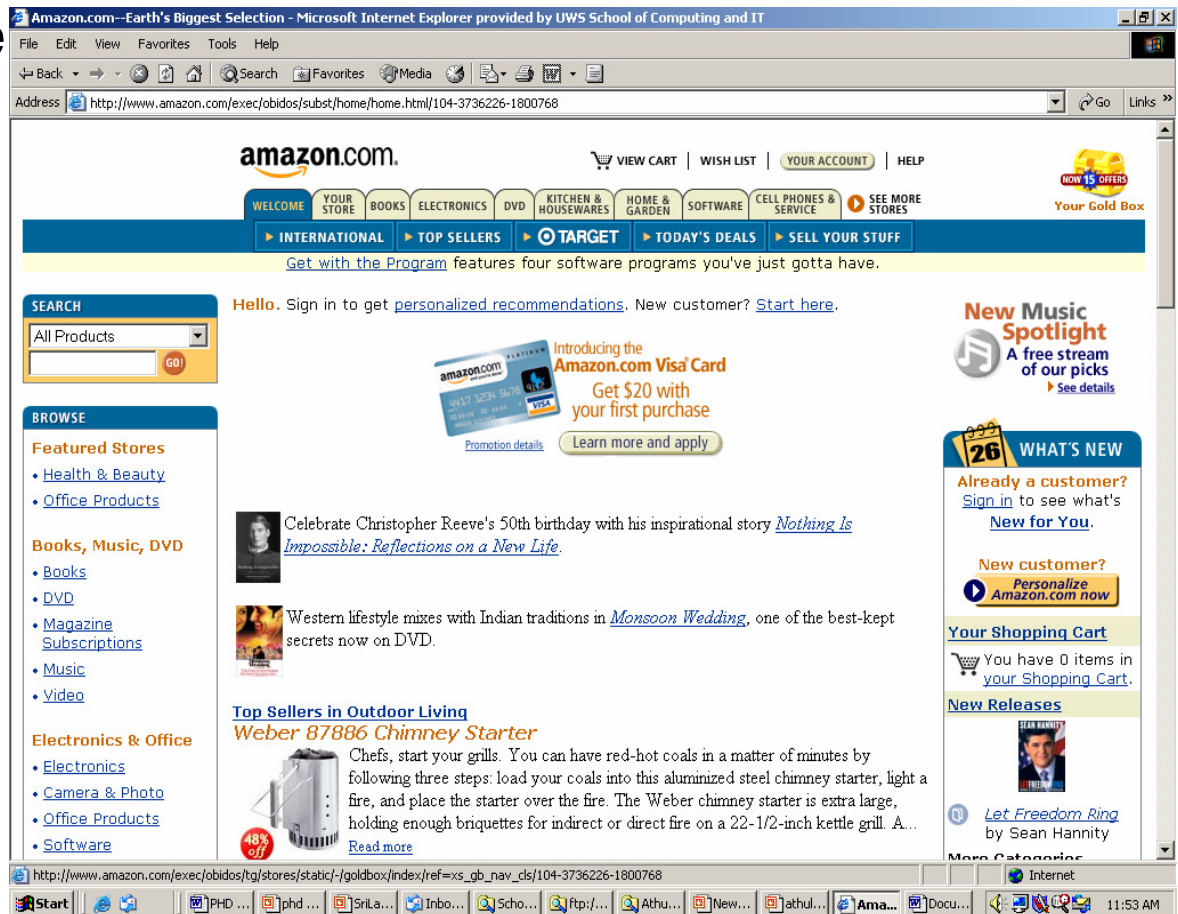
# Market Makers: eMarketplaces – Auctions

- Puts buyer in control
- Establishing a “pure market price”
  - Sell-side auction
  - Buy-side auction
- eBay
  - First C2C marketplace
  - 1 million+ auctions/day



# Amazon.com Web site

- Website offers online viewing of preface, table of contents & back cover
- Easy ordering and fast shipping to anywhere in the world.
- Has diversified to online auctions and other lucrative household items

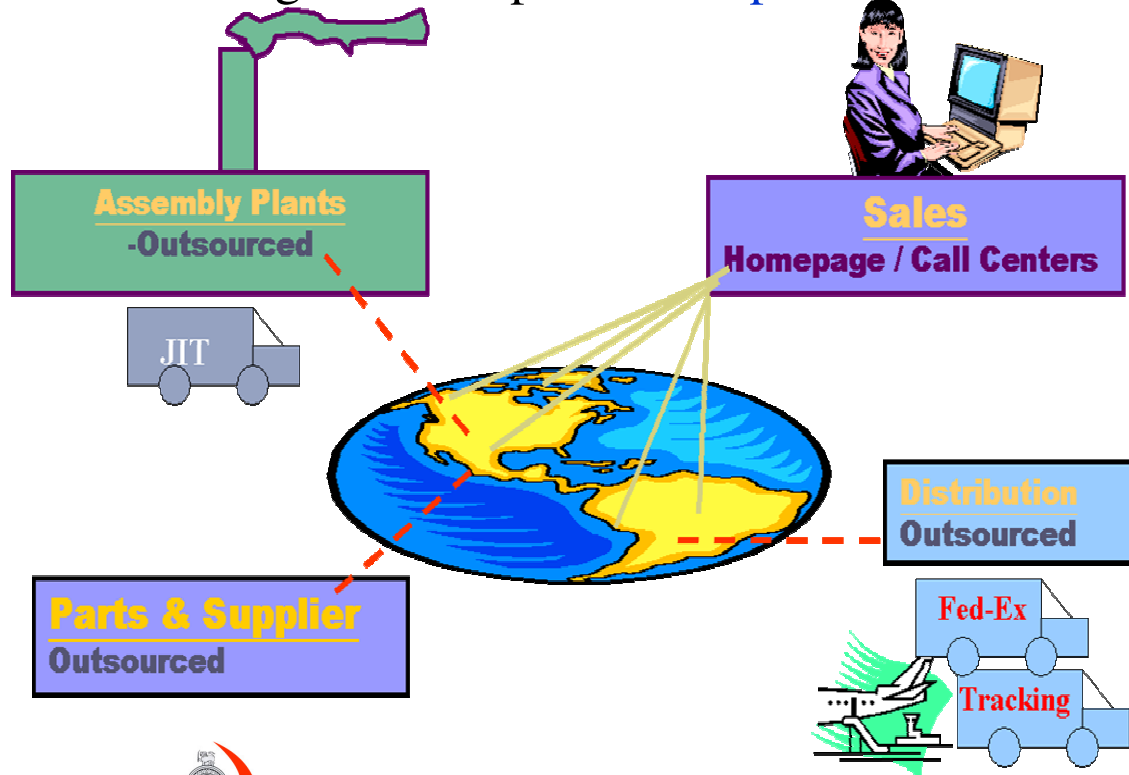


# Example: Amazon.com

- Started in 1995 with 2 employees in a rundown warehouse in Seattle.
- Grow revenue in 3 years to more than \$600 million.
- Beat two giants Barnes & Nobel and Borders Books and Music.
- Payment is received before product is shipped.
- Has created an e-retail infrastructure that meets even needs such as hard-to-find, relatively unpopular, out-of print titles.
- Provides 3<sup>rd</sup> party contents such as author interviews, pre-release information, reviews etc., a valuable part of the book purchase process.

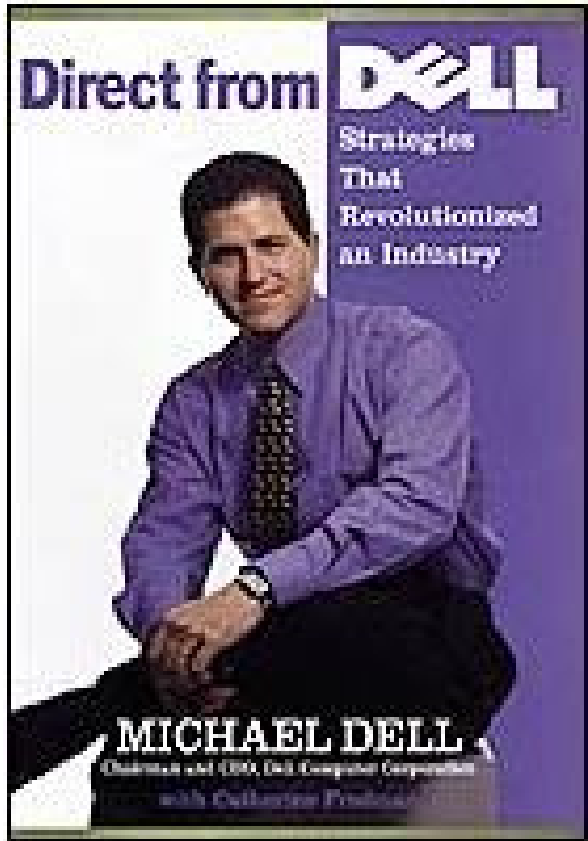
# Example: DELL Computers

- Built on a vision of customer **responsive order fulfillment**.
- Payment is **received** at the **time** of the **order**.
- Uses a **direct Sales** approach with no middleman.
- Organization practices a **proactive** not reactive **approach**



- Dell finds and **hire** the **right professionals**.
- **Retained** all **efficient processes & operations** and **outsourced** the **rest** to suppliers and distributors.

# Origins and Founder



- Michael Dell, born in February 1965, is the chairman and chief executive officer of Dell, the company he founded in 1984 with \$1,000 and an unprecedented idea - to sell computer systems directly to customers.
- Mr. Dell became the youngest CEO of a company ever to earn a ranking on the Fortune 500 and is now the longest-tenured CEO in the computer industry.
- Mr. Dell has been honored many times for his visionary leadership, including in 2003 being named one of the top-ten most powerful people in business by Fortune magazine, the fourth most respected world leader by the Financial Times and the best CEO in the IT hardware industry by Institutional Investor magazine.
- In 2001, he was named chief executive of the year by Chief Executive magazine.