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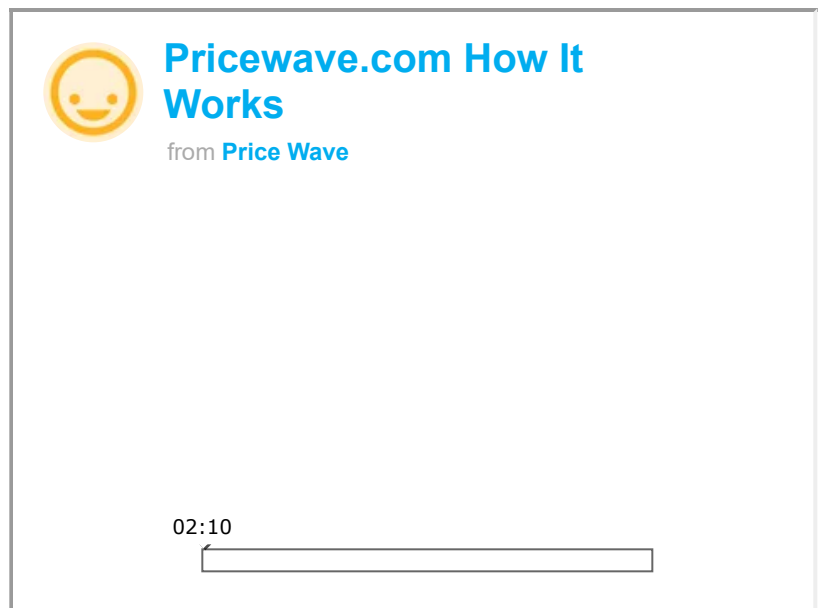
## Group Purchasing

In the off-line world of commerce, discounts are usually available for purchasing large quantities. So, too, e-commerce has spawned the concept of *demand aggregation*, where

in a third party finds individuals or small-to-medium enterprises (SMEs), aggregates their orders to get a large quantity, and then negotiates (or conducts a tender) for the best deal.

Thus, using the concept of group purchasing, a small business or even an individual can get a discount. This model, also known as a “volume-buying model.”

An aggregator is [PriceWave.com](#) for air fares, automobiles, commercial printers, etc. There are several variations of group purchasing, also known as *e-co-ops*. For example, [Accompany.com](#) lists the suggested price of a product and a pre-negotiated discounted price.



Then it invites consumers to place an order and name a price that is lower than the discounted price (but not ridiculously low). The more people who place orders, the lower the posted price moves due to the increased volume

generated during a preset purchasing period. Thus, a buyer may pay a price even lower than their initial bid. If a person participates in such a purchase, they should e-mail or call their friends to buy too, and thus lower the price of the product.

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