Tutorial 5

WMES3314

Instructions

Choose your partner and answer the following questions:

1. What distinguishes an e-commerce business plan from a traditional business plan?
2. What types of business models does eBay use?
3. What is a freemium strategy?
4. Select an e-commerce company. Visit its Web site and describe its business model based on the information you find there. Identify its customer value proposition, its revenue model, the marketspace it operates in, who its main competitors are, any comparative advantages you believe the company possesses, and what its market strategy appears to be. Also try to locate information about the company’s management team and organizational structure. (Check for a page labeled “The Company,” “About Us,” or something similar). (i.e., sector [B2C, B2B, etc.]; industry [retail, services, etc.])

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| Value Proposition | We will provide flexible service that suits customer needs |
| Revenue Model | * Annual basis membership fee * Advertising fee * Service charge |
| Market opportunity | * Marketspace: Application * Size: smartphone users are increase year by year |
| Competitive environment | Direct: runners  Indirect: company that offered delivery service |
| Competitive advantage | That’s what we call our drivers. Not workers. Not contractors. But partners. And we want to give you a way to earn enough to have options in life. We want to make a profit, yes. But never at your expense. |
| Organizational development | Functional organizational structure |
| Market strategy | Southeast Asia  Advertising |
| Management Team | * Great communication skills * Can make the business model work * Great problem-solving skills |

Value proposition- Fix fare

Revenue model-

Marketplace- Apps

Main competitors Uber,Taxi

Competitors advantages to detect vulnerabilities with other services

Market strategy - ads

Mangement team

Organizational structure

PetSmart is a B2C e-tailer. Its main customer value proposition is that it offers the broadest assortment of pet supplies at the lowest prices. PetSmart uses a sales revenue model; it operates in the specialty retail marketspace, and focuses on the pet supplies niche. PetSmart is a leading online pet supply company; many of its original online competitors, such as Pets.com and Petstore.com, have gone out of business. Its main competitors appear to be local pet stores and pet supply catalogs and PetSmart’s main comparative advantage is its brand name. PetSmart uses a “bricks-and-clicks” market strategy; it started as a traditional pet supplies retailer with hundreds of physical “superstores” and leveraged its brand to the online environment. Its marketing strategies include: pricing (low prices); providing interesting content and community on its Web site for its target market; affiliate marketing; and e-mail marketing through free e-mail newsletters. Information about PetSmart’s management team and organizational structure is available if the student follows the “Investor Relations” link from its “About Us” page.

Grab is a B2C e-commerce company, based on Malaysia, Grab has now entered the southeast Asia region. What make customer to use Grab is because the fare is fix, there is no hidden and extra charge for the ride. Also, Grab offered variety type of transport, from GarbTaxi, GrabCar, Grabshare and JustGrab. Grab generally receives a fee from drivers across its various services, such as GrabTaxi, GrabCar, and GrabBike. Drivers deposit credits into an account with GrabTaxi, and the corresponding amount is deducted for every booking they complete. Grab marketspace is on the application, where customer can download it at Google Play and Apple app store. Grab main competitors is Uber and local taxi. But local taxi can be their collaborator using the GrabTaxi. Grab have improved their vulnerabilies such as pickup location and to enhance their booking during peak hour. This problem also faced by the Uber where during the peak hours the fare are increase and there are not many drivers available. Grab have invested in advertising at many hotspot places around Malaysia, they advertise their product at highways, LRT stations and place a sticker on their Grab car. Grab also increase their market strategy by collaborating with the Malaysia government at the newest Sea Games. They have place their driver at the event areas and give promotion during the Sea Games for all the riders. This can attract all the Southeast Asian to use Grab at their country. Grab founder is Anthony Tan and Tan Hooi Ling. Their management team include all member from the southeast Asian country. This strength make Grab become the leading in the market for a hire driver in Southeast Asia.