Peer to Peer Digital Market

John Wensink

MIS300 Information Systems Design and Management

Colorado State University-Global Campus

Nathan Braun

December 8, 2018

Peer to Peer Digital Market

The role of e-commerce in modern global society has grown at an astounding pace. What would it take for myself and a small team of specialists to design an e-commerce platform that is hosted entirely as a peer to peer network on the end user's computer as a software program? I envision an e-Bay or Amazon-style user-interface where people can buy and sell their new and used items, but the difference being there are no sellers fees, and the platform's content is not stored on a server in a traditional sense, but rather locally, encrypted in the end user's hard drive. Another big difference is that this company's profit model will not be based on seller's fees but rather value-added processes that allow large sellers conveniences of scale. Areas of focus must include the organization's business model, market share and competition, as well as issues concerning our customer base. Steady access to revenue is a factor in all emerging businesses, and ours is no different. Our company can provide our users with a suite of services including store templates, bulk shipping, and backup content hosting.

Supply chain management is an area where I think this novel approach to e-commerce will benefit significantly as this will open up a new market to the farthest reaches of society. People who have been discouraged from using the web to sell their products by high sellers fees are our target market. With no overhead cost, a seller is free to market their products at a fair price that is more likely to attract customers, this would be an actual free market economy. Another area of focus must be customer relationship management, or CRM, as it is critical that the end users (buyers and sellers) to whom it is vital that they find the platform streamlined and straightforward to use. So much that it is as convenient and intuitive to use as the current frontrunners in the e-commerce industry. My role in this startup is the owner of the company. It is my responsibility to implement my strategic vision, and lead all aspects of the vision's implementation including the onboarding of technically proficient employees who will excel at designing the highly specialized aspects of electrical, database, and data engineering. I will outsource these areas to the skills of highly talented student colleagues, who have the skills needed to disrupt a multi-billion dollar global industry, and are becoming experts in their respective fields of "eCommerce presence, database systems, security policies, continuity planning, and customer privacy." (CSU-Global, 2018)

**Business Model**

The landscape in today's consumer marketplace is trending broadly towards digitized e-commerce. Websites like Amazon, eBay, and Alibaba make it so easy to shop online that virtually any item can be ordered and shipped to your door with just a few clicks. There are downsides to this traditional type of platform which include high sellers fees, security of information, and difficult-to-use customer support. Our "peer to peer" (P2P), open source model aims to attract market share by addressing these issues. Another issue that is rarely talked about is the push for digital virtual assistants being paired with e-commerce websites and the big data privacy issues that come with it. Devices like Amazon's Echo and Google's Home can make life more convenient for a home shopper but also opens up that shopper to a slew of security considerations by putting a live microphone in any room of your house. Many people have noticed the big data initiatives by the big companies, and a seed of distrust has been sewn. In a locally hosted P2P market the shopper owns all his own data and chooses what gets published and collected. Advertisement revenues would not exist in this marketplace. A core principle of this company is the individuals right to their own data. Any revenue stream must not exploit the digital footprints of our clients for the company's gain. A decentralized hosting environment allows access to other areas of revenue such as large business scaling services as well as optional backup hosting services. Our revenue won't come from ad's or commisions, and our profit model won't be huge like the traditional platforms. Instead, this will be a sustainable e-commerce utility that will allow global access to a unique variety of products sourced at a fair price to all due to the complete lack of overhead fees typically associated with such a platform.

Today, there are several venture capital companies investing in forward-thinking startups that aim to reach the global economy through different web applications, one of which is USV, or Union Square Ventures. USV invests in disruptive companies like Flip, which allows users to get in or out of apartment leases, ShopShops which connects physical businesses with overseas customers, and Dapper, a blockchain based gaming service. Based on USV's Thesis III published in April the investors state they are looking to:

Invest in large networks of engaged users, differentiated by user experience, and defensible through network effects. This post breaks down the components, but the crux of this thesis involved primarily consumer-focused businesses where the value of the service to a user increases as others use it, too. These network effects create defensibility and lead to scale. (USV, 2018)

This is our business model verbatim The more users we are able to attract, the more robust experience the platform will be. I envision a program where consumers are able to shop a global marketplace of uniquely local items that are otherwise highly marked-up or rare to mass import. The sellers using this service will include people from the worldwide community regardless of existing trade relationships. As a business, we must expect our user base to come from countries who are less familiar with the modern global marketplace. It is because of this that ease of use must be a top priority. To that effect, USB's with our software package will be available for mass distribution free of charge, and the software will be freely available on our company website. Our software package will consist of a server side and a client side database management programs both of which are fundamentally open source software.

“The Open Source Definition is the definition propounded by the Open Source Initiative, used to describe which licenses qualify as "Open Source" licenses. Open source licenses must permit non-exclusive commercial exploitation of the licensed work, must make available the work's source code, and must permit the creation of derivative works from the work itself.” (St. Laurent, 2008)

The benefits of doing this project open source are that we can crowdsource development and maintenance out to the highly skilled individuals, making the whole world our development lab. Other benefits to open source software include "lesser hardware costs, higher-quality software, no vendor lock-in, integrated management, lower software costs, and abundant support." (Outsource2india, n.d.) If our platform is widely distributed, and easy to use, "supply chain management" (SCM) will take care of itself. Artisans, farmers, and entrepreneurs across the world will find they have a new market for their goods where none existed before, or the fees to access such a market were too high. A wide variety of locally and globally procured items will become available to shoppers, and the variety of items offered will grow larger with more and more involvement. The key to this is "customer relationship management" (CRM), and this includes both buyers and sellers. The platform must be so simple to use that a farmer in the third world must be able to plug in his USB at an internet cafe and have access to his store on the P2P network, be able to manage his sales and receive payment for his work. There are many aspects of CRM to which critical attention must be paid:

organizations need to focus on three types of knowledge in CRM processes. Firstly, they need to understand the necessities of customers in order to address them. Secondly, the information needs of the customers in their interaction with the organization require knowledge for customers. Thirdly, customers possess knowledge about the products and services they use as well as about how they distinguish the offerings they purchased. This knowledge from customers is valuable as it feeds into measures to enhance products and services (Singh, 2011)

To this end, our business must offer broad CRM support in the form of a self-help community that is modeled after the Community Support webpage for the Ubuntu operating system (Canonical, 2018). Here users from around the globe can ask and answer questions on a broad range of topics. The community has developed into a vast database for knowledge, and with time our company's community will also grow. If our population of users grows large enough, we could disrupt the traditional e-commerce industry that is quickly becoming the preferred medium of international human trade.

References

Canonical. (n.d.). Community support. Retrieved December 9, 2018, from https://www.ubuntu.com/support/community-support

CSU-Global (2018). Module 8: Portfolio Project

Outsource2India. (n.d.). Outsource Services Home. Retrieved December 9, 2018, from https://www.outsource2india.com/software/articles/open-source-software.asp

Singh, Ramjanm. (2011). A Proposed Model for Integration of ERP, CRM, SRM and Supply Chain Management. Retrieved December 9, 2018, from <https://www.researchgate.net/publication/262936402_A_Proposed_Model_for_Integration_of_ERP_CRM_SRM_and_Supply_Chain_Management>

St. Laurent, A. (2008). Understanding Open Source and Free Software Licensing. Retrieved December 9, 2018, from <https://books.google.com/books?id=04jG7TTLujoC&pg=PA4#v=onepage&q&f=false>

USV. (2018, April). USV Thesis 3.0. Retrieved December 9, 2018, from <https://www.usv.com/blog/usv-thesis-30>