

Assignment #4

E-Commerce



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**Question 1: Why is heavy equipment amenable to online auction?**

**Reason:**

Due to the reason that during these online auctions customers only have to pictures of the equipment not the physical form that gives the seller advantage of trust and the seller don’t have to be limited to a certain place and time in order to conduct the auction, he can call the auction worldwide and also can continue it for more than a week if he want, enabling him to gather more customers as compare to offline auctions.

**Question 2: Why did Commonwealth generated 20% more revenue with online auction?**

**Reason:**

Due to the reason that they were connecting with a large group of online traders through the internet, nit targeting a small group of people they were able to generate more bids and due to the reason that the auction was not limited to time zone and time limit.

**Question 3: Why do we need intermediary to conduct such an auction?**

**Reason:**

An intermediary can help the seller by managing all the works of auction by itself without the involvement of the seller, it also interacts with the customers, so the seller has not to face the customers allegations if there any exist. Also, the intermediary provides the seller much secure and protected trades which doesn’t involve customers to seller direct interaction.