

Strategic Partnerships and Competitiveness of Business-to-Business E-Marketplaces: Preliminary Evidence from Europe

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INTRODUCTION

Electronic business-to-business (B2B) marketplaces enable the efficient congregation of business partners and exchange of goods and services by serving as an information and coordination hub (Phillips and Meeker 2000). However, they not only support cooperation and partnerships among their members, but also require extensive partnerships themselves to provide these benefits. While marketplace providers should partner with buyers and sellers in order to realize the potential of their business model as intermediaries, they must also form strategic partnerships with service providers. B2B transactions usually represent complex multi-party transaction processes; therefore, marketplace providers act in a complex environment and have to find adequate ways to create value (Eisenhardt and Sull 2001; Sherman and Schultz 1998). One key aspect of this new manner of strategizing and operating that is crucial for B2B marketplaces is the use of partnerships with specialized service providers, e.g. logistics service providers, financial services companies or content providers, and other marketplaces. Thus, the goal of this research is to explore why forming strategic partnerships with specialized service providers is an important means for B2B marketplaces to achieve a strong competitive position.

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A b s t r a c t

Business-to-business (B2B) marketplaces offer the potential of substantial increases in efficiency and transparency in their target industries. We argue that to realize this potential they must form strategic partnerships. While the need to partner with companies in their target industries has been coming to the forefront with the rise of industry-sponsored marketplaces, firms find that there is a further need to partner with other organizations to create more extensive and adaptive service offerings.

The goal of this research is to support the view that forming strategic partnerships with specialized service providers and other marketplaces is an important means for marketplaces to create successful business models and to improve their competitive position. We examine the relevant theory and explore the status of partnering activities of European B2B marketplaces, which we surveyed from April to May 2001. Additionally, we report on a set of in-depth interviews with the management of a number of major B2B marketplaces. The results support our view that partnering skills are critical for B2B marketplaces to improve their competitive position.

Keywords: strategic partnerships, business-to-business marketplaces, service provider, competitiveness

We will discuss theory that results in an explanatory model, which will serve as the foundation of our arguments. We also explore the status of partnership activities of European B2B e-marketplaces through a survey we conducted in April/May 2001. The responses from 248 European B2B marketplaces, as well as the feedback from in-depth interviews with the management of a number of marketplaces and potential customers, support our claim that developing partnership skills and entering into strategic partnerships with specialized service providers and other marketplaces is a source of competitive advantage.

THEORETICAL FOUNDATIONS

Research on Electronic Marketplaces

According to Schmid (1999), electronic markets are media that foster market-based exchanges between agents in all transaction phases. He distinguishes information services, intention services, contracting services and settlement services. These service areas have to be subsumed under the umbrella of a shared context or 'logical space' outlining the roles and protocols of the interacting parties. Similarly, Bakos (1998) discerns three main functions of a market: matching buyers and suppliers, facilitation of transactions and the provision of institutional infrastructure, which contains the context-related services that have been mentioned above. Dai and Kauffman (2001) extend this categorization by three additional tasks: the aggregation of product information; price discovery; and providing procurement and industry-specific expertise.

Specific research on online B2B marketplaces so far has mainly focused on the nature of economic benefits that the marketplaces might offer through, and thereby on, the intermediation of buyers' and sellers' transactions. Typically, the economic benefits of e-marketplaces are explained by a reduction in transaction costs (e.g., Garicano and Kaplan 2000). This can be explained either by a reduction in the costs of the transaction process, through more efficient matching, or through a reduction in product costs, through an aggregation of suppliers that facilitates finding cheaper sources of supply (Kaplan and Sawhney 2000).

However, so far, the questions of how marketplaces have to strategize and operate to bring forth these economic benefits and what role partnerships play in their strategies and operation have rarely been addressed. Subramani and Walden (2000) found proof for their hypothesis that Internet firms such as B2B marketplaces are rewarded by the stock market for announcing e-commerce initiatives. Arguing that Internet firms are relatively young and focus on a single channel, they predict that these firms have less depth (number of partners) and less width (areas of partners) of relationships. Based on incomplete contract theory, they argue that there is a high incentive to invest for new partners as they are likely to be the only partner

in an area or one of a select few. This situation can be used by B2B marketplaces to attract partners with core competencies in those areas where the marketplace management does not have the competencies itself.

Theoretical Foundations of a Partnering View of B2B Marketplaces

Online marketplaces intermediate transaction processes among businesses and create the informational basis that supplements efficient physical value chain processes. The Internet is an enabler of the unbundling of information, which facilitates revolutionary changes in processes (Evans and Wurster 1997). However, the resulting information-based and dynamic relationships demand information hubs that are flexible and dynamic themselves and that support such dynamic and real-time relationships and coordinate the individual participants in the emerging networks (Alberthal 1998).

This perspective is based on the correlation between the dynamics of the environment of a company and its strategy, and has become prominent in strategic literature in recent years (Brown and Eisenhardt 1998; Lawrence and Lorsch 1967). In this sense, marketplaces as organizations face unpredictable change. They must avoid static structures that are difficult to change and build adaptability skills instead. The organizational form has to mirror the dynamics of the market and the products required by the market. Such a strategic flexibility enables organizations to remain viable and successful under a wide range of possible market developments. Therefore, modular product and organization architectures are at the foundation of viable organizations in dynamic environments (Haeckel 1999; Sanchez and Mahoney 2001).

Transaction processes usually involve a number of parties apart from buyers and sellers. Companies can benefit by increased efficiency if they can communicate and exchange information electronically (Lefebvre *et al.* 2001). B2B marketplaces can add value by integrating information from all parties involved. Dai and Kauffman (2001) point out that this role of marketplaces as infomediaries (Hagel and Singer 1999) is not solely focused on lowering communications and search costs as was initially expected. They will also have to aim at maintaining and supporting long-term business relationships. In these long-term relationships, the integration of other service partners becomes even more important than in spot purchases, where an important part of the benefits a marketplace can create lies in the information and the search phase of the transaction process. Therefore marketplaces may not only support long-term relationships among buyers and sellers, but must also partner with the other long-term partners of their members in the transaction process (such as financial institutions and logistics companies).

Thus, a key element of a suitable strategic approach for B2B marketplaces to compete successfully is to

possess extensive partnering skills and a well-thought out partnering strategy. This enables them to coordinate their own service modules, as well as those of other marketplaces and those of specialized service providers. All these services should be able to be arranged flexibly, to meet the varying and evolving requirements that a marketplace provider faces from the customer side. Such integration of services seems to be viable in virtual markets due to the opportunities offered by information technology (Amit and Zott 2001).

The paradigm of the resource-based view of the firm and the core competencies approach that is derived from it have implications for the analysis of the competitiveness of B2B marketplaces. Selznick (1957) argues that unique capabilities and competencies determine the competitive position. Competencies are defined as ‘non-tangible, knowledge-based resources that are not easily tradable on factor markets’ (Rasche 1994). While all the services a marketplace might offer could be offered separately, electronic marketplaces have the capability to offer them as integrated bundles (Zarl 2001). While B2B marketplaces have to build up extensive service offerings to create lasting relationships with and substantial benefits for their participating companies (Dai and Kauffman 2001), it is improbable that the market makers will possess all the necessary competencies. For example, Elemica planned to provide 4PL (4th party logistics) services itself before deciding to tap specialist service providers’ competencies for these services. Their strategic rationale was to concentrate on this critical integration task and to foster their competency in partnering for the creation of the service offering. With skills in coordinating and integrating the processes from multiple parties, joint services are likely to be superior to their potential self-reliant service offering (Schmid 1999).

Partnering skills can be viewed as meta-skills (Klein *et al.* 1991) or dynamic capabilities (Teece *et al.* 1997). Klein (Klein *et al.* 1991) defines meta-skills as ‘a special class of skills that are only concerned with the development and deployment of skills’. Partnering skills enable a B2B marketplace to deploy core skills or competencies from partnering organizations in the creation of its service offer.

Thus, building on Schmid (1999), we define B2B marketplaces as media that act as infomediaries between businesses who strive to increase the efficiency of transaction processes among all parties involved by improving communication and information exchange in all phases of the transaction process. Their core competence is the provision of an infrastructure to host extensive services that help to reach these means and to integrate all parties that provide such services.

PROPOSED FRAMEWORK FOR B2B E-MARKET STRATEGIC ALLIANCES

Dai and Kauffman (2001) point out that there are several ways in which marketplaces may create benefits for their

members. They differentiate between increasing efficiency by improving information search and negotiation processes, which enable new relationships, and increasing efficiency by integrating settlement and logistics. This is reflected in four explanations for the use of strategic partners for B2B marketplaces:

1. *Achieving critical mass in participation*: The network effect states that in a network each additional node increases the value of the network to an ever higher degree due to the rising number of potential connections (Kelly 1998). This attracts other new members to marketplaces and results in each member having more companies to interact and transact with. B2B e-markets can increase the benefits the marketplaces can offer by expanding the scope of potential transactions. Partnerships with other marketplaces or with other organizations who have the clout to bring in other participants can substantially increase the number of connected players. Though increasing network size may also have negative effects (Riggins *et al.* 1994), generally network growth helps to stay competitive and even to become dominant (Kauffman and Wang 1999).
2. *Greater service scope*: B2B e-markets partner to increase service scope. The inclusion of speciality services may prompt the marketplace provider to utilize partners, instead of providing the services on its own. The scope of services can range from product catalogues, branding, payment, logistics, ordering and full-scale secure transactions (Timmers 1999).
3. *Greater product scope*: Companies also require a broad scope of products. Marketplaces are often classified as horizontal or vertical marketplaces, trading either operating inputs or manufacturing inputs (Kaplan and Sawhney 2000). They may offer additional value by covering a broad scope of products to serve as a one-stop shop for their members. So B2B e-markets enable companies to procure *both* operating and manufacturing inputs via the same marketplace (Dai and Kauffman 2001). This also requires business partners.
4. *Extension of the informational value chain*: Finally, B2B e-markets partner to increase the potential benefits of information sharing. Information sharing between companies in the supply chain is a major factor in optimizing chain-wide performance (Lee and Whang 1998). Marketplaces connect buyers and sellers at one level of the supply chain as infomediaries. An extension of the informational value chain could enhance the benefits they provide to their members. This could be done by adding more levels of the value chain upstream or downstream or even connecting other related industries (Nambisan 2000). An example is the automotive industry, which is a downstream industry for many chemical companies to a chemical marketplace.

Thus our conceptual framework underlying this research classifies the reasons for strategic partnerships for B2B marketplaces into four categories (see Figure 1).

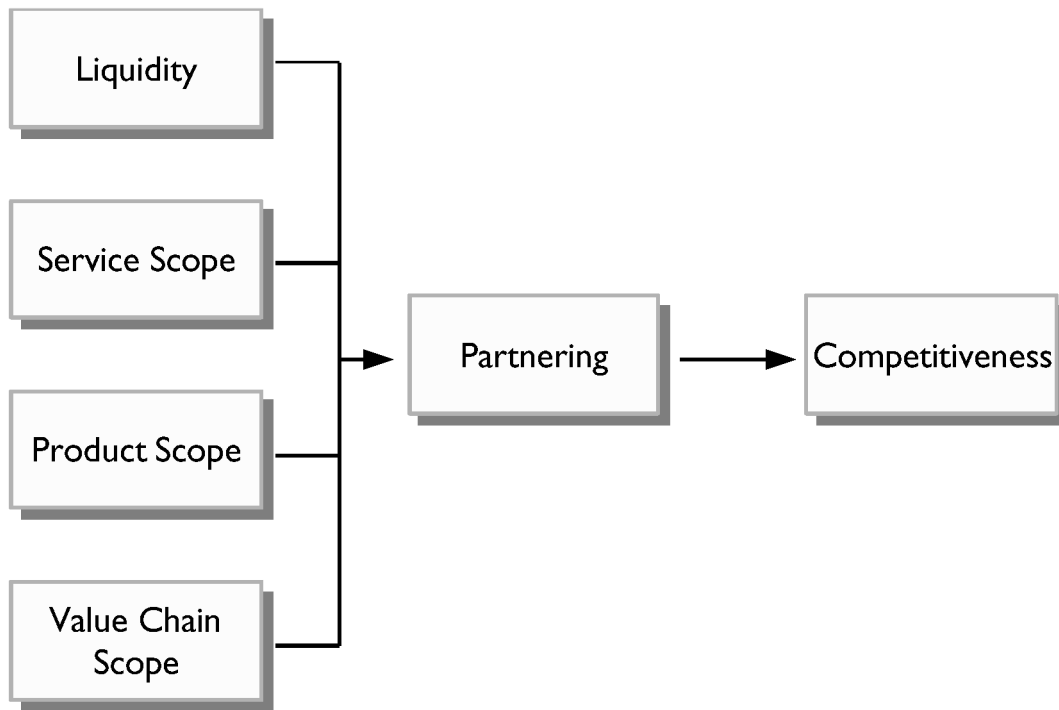


Figure 1. Conceptual Framework

PRELIMINARY EVIDENCE

To gain insights into the significance of partnering in B2B e-markets we conducted in-depth interviews with marketplace providers and marketplace members. To obtain a broader view of the partnering activities of B2B marketplaces, we also carried out a survey among European B2B marketplaces. While the in-depth interviews covered all four reasons to partner, the survey was limited to the topic of using partners to offer a greater service scope.

Interviews and Results

As a first step towards evaluating our argument that partnering activities are an important means to gain competitive advantage, we conducted exploratory interviews with top management members of several European marketplaces, as well as with employees of important potential or actual members of marketplaces and technology providers. Among the companies whose employees we interviewed are cc-chemplor Services GmbH (www.cc-chemplor.com), conextrade AG (www.conextrade.com), the Swisscom marketplace based on Commerce One software, Covisint Europe BV (www.covisint.com), CPGmarket.com SA (www.cpgmarket.com), Elemica GmbH (www.elemica.com), Transora Europe (www.transora.com) on the part of the marketplaces and Bayer AG (www.bayer.de), Robert Bosch GmbH (www.bosch.de), Clariant International Ltd ([\[clariant.com\]\(http://www.clariant.com\)\), DaimlerChrysler AG \(\[www.daimlerchrysler.com\]\(http://www.daimlerchrysler.com\)\), Nestlé SA \(\[www.nestle.ch\]\(http://www.nestle.ch\)\), Siemens AG \(\[www.siemens.de\]\(http://www.siemens.de\)\) and Swiss Post on the part of potential or actual members. Furthermore we interviewed employees from technology providers SAP AG \(\[www.sap.com\]\(http://www.sap.com\)\), Commerce One, Inc. \(\[www.commerceone.com\]\(http://www.commerceone.com\)\) and i2 Technologies, Inc. \(\[www.i2.com\]\(http://www.i2.com\)\).](http://www.</p>
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The interviews yielded the following results:

1. *Achieving critical mass in participation:* Due to the current situation, where a large number of marketplaces compete for customers, the concept of partnering to increase the scope of potential transaction was confirmed by most of those we interviewed. Partnering with key players in an industry, such as CPGmarket.com's close partnership with Nestlé, can bring substantial volume to a marketplace. Also, strategic alliances among marketplaces can increase the scope of potential transactions. An example of this type of partnering is the cooperation between the marketplaces that are members in Commerce One's Global Trading Web. The market connects several marketplaces with a very similar product and service structure, as well as the same technological infrastructure; hence members receive better access to customers or suppliers. This translates into increased liquidity for the marketplaces. Also, instead of cooperating in a loose network, marketplaces can increase liquidity by acquiring competitors. Converge did this when it bought VerticalNet's (www.verticalnet.com) NECX.

2. *To provide a broader service scope to its members:*

- To provide specific transaction services to its customers, marketplaces should partner with specialists. An example is cc-chemplorer linking up with Portum AG (www.portum.com), a specialist in the execution of auctions, so the market uses the auction expertise of Portum in the chemical industry.
- To provide industry-specific information services (such as industry news or services from industry associations) to its members, marketplaces should partner with content providers and industry associations.
- To provide settlement and fulfilment services to its members, marketplaces and their customers feel that it is also necessary to go to third or fourth party providers, as our example of logistics services at Elemica indicated. Transora, for example, is linking up with Transplace (www.transplace.com), a logistics marketplace (Transora 2001a). This also shows that services that can be offered in cooperation with individual service providers, e.g. a logistics company, can also be offered as a market themselves. If one thinks of the transaction process between buyer and seller on the vertical marketplace as the primary level, logistics can be viewed as a secondary or supporting transaction level to the primary level (Klose *et al.* 1999), which may be handled by a separate marketplace such as Transplace. Besides the frequently mentioned logistics and financial services, trust services are another category of services in this area. For example, conextrade is actively looking for partners in this service area. Also, integration services that help to integrate data and information from all parties involved in a transaction are critical for efficiency. Thus, all marketplaces cooperate with leading systems integrators.

3. *To provide a broader scope of products:* The lines between the often-mentioned categories of vertical and horizontal marketplaces seem to be blurring. Many marketplaces now offer their members a broad portfolio of products, ranging from operating input to manufacturing input. This trend is confirmed by our large-scale survey. However, in this area of development, partnering does not seem as essential.

4. *To connect more levels of the value chain:* A prominent example for this motive for strategic partnering is the linkage between Transora and GlobalNetXchange (www.gnx.com) in the consumer products/retail sector (Transora 2001b). The link-up between these two marketplaces connects the information and communication infrastructure between manufacturers and distributors. A special case of this type is the connection of marketplaces in basic industries, such as the chemical industry, with marketplaces in subsequent downstream industries, such as the tyre and rubber industry. An

example of such a special case is Elemica, a marketplace founded by some of the largest chemicals companies, which has hooked up with RubberNetwork.com, LLC. (www.rubbertnetwork.com), founded by seven of the largest manufacturers in the tyre and rubber industry.

Survey and Results

To examine the partnering activities of B2B marketplaces with regards to the partnering explanation of broadening the service scope on a larger scale, we initiated a survey on European marketplaces.

Methodology and Survey Design. We used several online data sources, reports and our own knowledge of the online B2B marketplace landscape to compile a list of 507 marketplaces from all over Europe as of March 2001. We opted to survey the entire population instead of a random sampling. This also solved one of the major problems of online surveys: A biased or non-representative sample, due to missing centralized directories of users (Miller and Dickson 2001). To determine the appropriate contact persons at the marketplaces to whom to address a questionnaire dealing with strategic issues, we contacted all the marketplaces by phone.

The survey was carried out from April to May 2001 after a pre-test in March. (The questionnaire is accessible under the URL: www.e-markets.ch.) We contacted the respective contact persons by e-mail at the beginning of April and then a second time in late April. We also made telephone calls to motivate them to participate in our survey.

The questionnaire asked the respondents for information about the service offering of the marketplace and its use of partners in providing these services. We also asked about their self-perceived competitiveness in each service area measured on a five-point Likert scale. The 13 service areas that we investigated were grouped into three service categories: information services, transaction services and value-added services. The first two service areas contain services that are elementary to providing the rudimentary matching function of a marketplace. The value-added services category contains services that add more far-reaching services and thereby increase the value proposition that the marketplace generates for its members (Dai and Kauffman 2001). Information services and transaction services can be distinguished by their different position in the transaction process. Information services constitute pre-transaction services before the need for a specific transaction arises. Transaction services subsequently allow firms to have this specific transaction need met by supporting the buyer-supplier matching process.

While the service categories we chose differ from the theoretical concepts by Schmid and Bakos, they fit into the classic theoretical transaction process framework. Information services form the basis of the decision-making process involved in the transaction process. Transaction services

deal with the core market functionality of matching demand and supply. Once intentions are compared and an agreement on a contract has been reached, the value-added services cover the additional services that Bakos and Schmid refer to as facilitation and settlement.

Information services include all services that enable the representation of information among the respective stakeholders of the marketplace. This includes services that make information about companies and products in the targeted industry available (such as the yellow pages, company directories or product tests). Community services enabling the exchange of information among members of the marketplace also fall under information services. Finally, business intelligence services that offer information gained from mining the transaction data of the marketplace belong to the information services group. These services share the characteristics that they all provide information that is not directly related to a single transaction but may be the basis for future transactions.

Services in the transaction services group deal with the task of matching demand and supply through services offering static or dynamic matching mechanisms, or other services such as support services for intelligent agents that assemble price comparisons. They all share the common characteristic that they are directly related to the basic marketplace function of matching demand and supply.

Finally, value-added services are not strictly necessary for the basic matching function of a marketplace, but they can add significant value to the function of a B2B marketplace. Also, they mostly cannot be reduced to one-directional (as most information services) or even bi-directional information flows (as with transaction services), but often contain physical or financial value streams as well. Examples are logistics services, financial services and back-end integration services. Therefore, we consider these services to be inherently of a higher complexity.

Characteristics of the Responding Companies. Of the 507 B2B marketplaces that we contacted, 248 participated in

our survey, resulting in a response rate of 49%. Germany is the country where most marketplaces in Europe have their headquarters. Of the 507 marketplaces that we identified, more than 40% of them are located there. This is also mirrored in the number of German marketplaces in our sample. The other percentages shown in Figure 2 also reflect the proportions in the complete population at the time of our survey.

The marketplaces surveyed serve a wide range of industries: 13% target the consumer goods industry, 11% the raw materials industry (including metals, chemicals, plastics and energy) and 7% the industrial equipment, the electronics and the professional services industry. A number of other industries are the focus industry of between 5% and 6% of the marketplaces surveyed. About 7% are purely horizontal marketplaces with no clear industry focus. (For additional details, the interested reader should see Lenz *et al.* 2001.)

Results of the Survey of European B2B Marketplaces. We have argued that partnering with specialized service providers enables a B2B e-market to gain competitive advantage by offering the members of its marketplace the added benefit of more extensive and adaptable service offerings with higher quality services. To assess this argument we analysed the interview responses from the participating companies.

First of all, the general relevance of partnering skills as seen by the respondents themselves has been investigated. Therefore, among other skills we have been checking the relevance of partnering skills as a strategic asset for market makers. On a 5-point rating scale ranging from 1 ('not at all important'), to 5 ('very important') the respondents rated this skill with 3.64 as the mean and 4 as the median. This indicates that the respondents deem such skills as important for their success, albeit not as a skill of extreme importance. This may be due to the relatively early stages of their development, in which partnering is already important, but not yet crucial, due to the relatively simple services that marketplaces offer at this time.

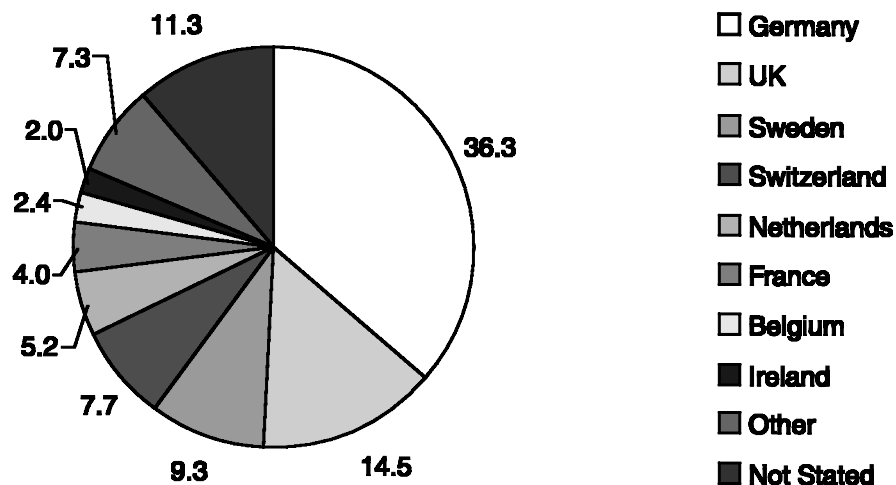


Figure 2. Headquarter Countries of the Participating Marketplaces (n = 248)

This interpretation is supported by the answers to the next survey question, which asked if there is a stronger need for specialized service partners evolves as B2B e-markets move further along the development path towards comprehensive service offerings. Marketplaces mostly started with basic and relatively simple information and transaction services, and are only now in the process of adding more complex value-added service offerings (Dai and Kauffman 2001; Hope *et al.* 2001). This development path has also been confirmed in our interviews. Elemica is a good example. It developed XML documents for the first two service areas in a first step and is now adding further XML documents to offer logistics services and other value-added services. These value-added services are more complex, including physical or financial processes, and therefore prompt more partnering with specialized service providers. Such value-added services and a comprehensive service offering are widely considered critical for the success of B2B marketplaces (Dai and Kauffman 2001; Nenninger and Lawrenz 2001). The results of our survey show that, currently, complex value-added services are not frequently offered, but that many marketplaces plan to add them to their service offering (see Figure 3).

Our survey also shows that when B2B e-markets offer these value-added services, it is very common to partner with specialized service providers (Figure 4).

The survey also permitted us to assess whether B2B e-markets' practice of using partners in a service area is positively correlated with competitiveness in the respective

service area. We not only asked the participants in the survey to state if they use partners in the respective service area, but also how they rate their competitiveness in this service area compared to their competitors. This item was measured on a 5-point scale ranging from 1 ('well below average') to 5 ('well above average'). The answers indicate that partnering with specialized service providers is positively correlated with self-perceived competitiveness in the respective service area. Of the 13 service areas surveyed, in only one did the group offering the service without any partner rate their competitiveness better than the group partnering with specialized service providers. This one service area is 'business intelligence services', an information service that derives information for marketplace members from transaction data. In all other service areas the latter group stated a higher self-assessment of their competitiveness. Figure 5 also shows that the gap between the means is considerably wider in the more complex value-added services areas.

To test the data for significance, an independent samples t-test was performed for each service area. The test allows us to check whether there is a general relevance of partnering strategies for all service areas or if differences in significance exist.

Our Hypothesis in this context is as follows (in null form):

For a given service area there is no difference between the means of the self-perceived competitiveness between the

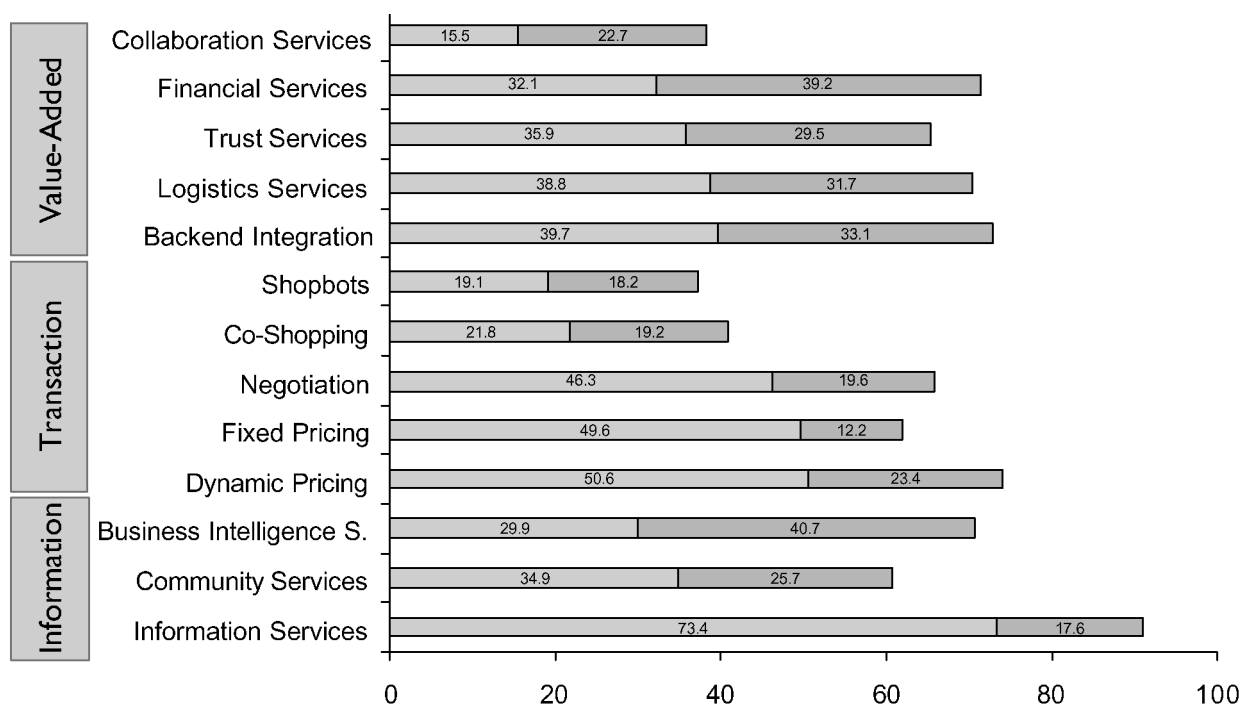


Figure 3. Development Status of European Marketplaces Concerning Different Service Areas (in Per Cent, Left Bar = Current Status, Right Bar = Planned, n = 244)

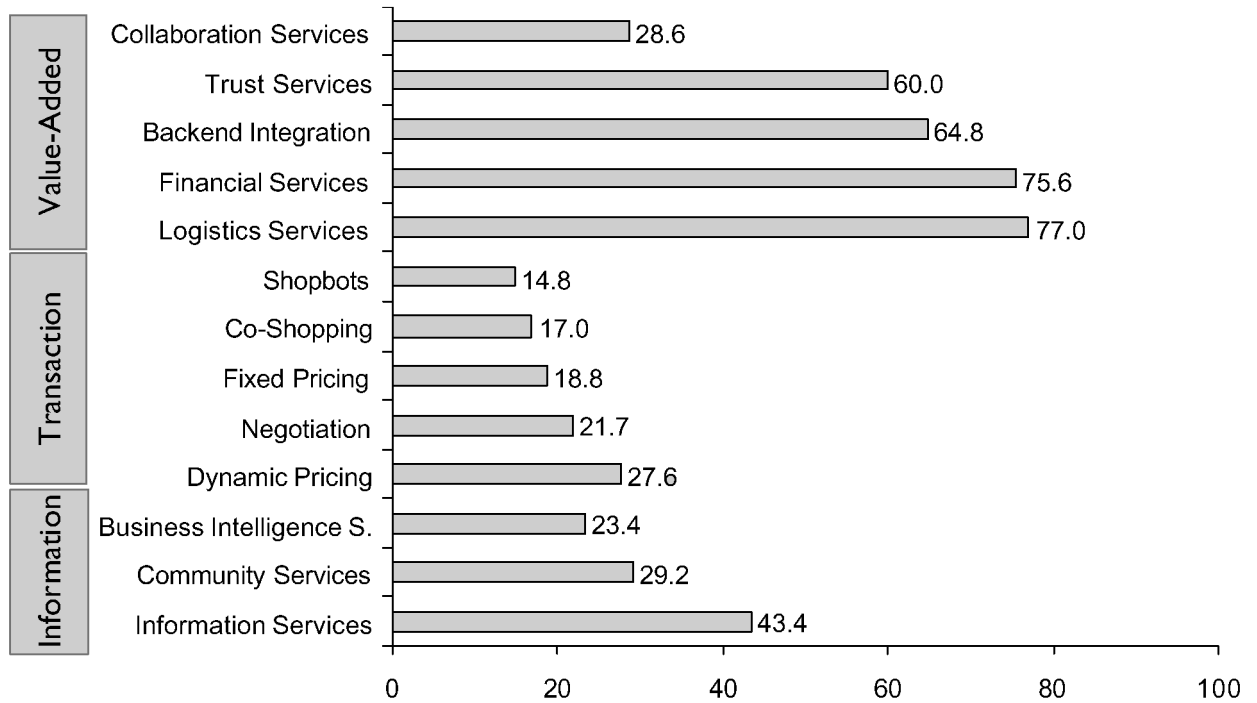


Figure 4. Partnering with Specialized Service Providers in Different Service Areas (in Per Cent, n = 49 to 175)

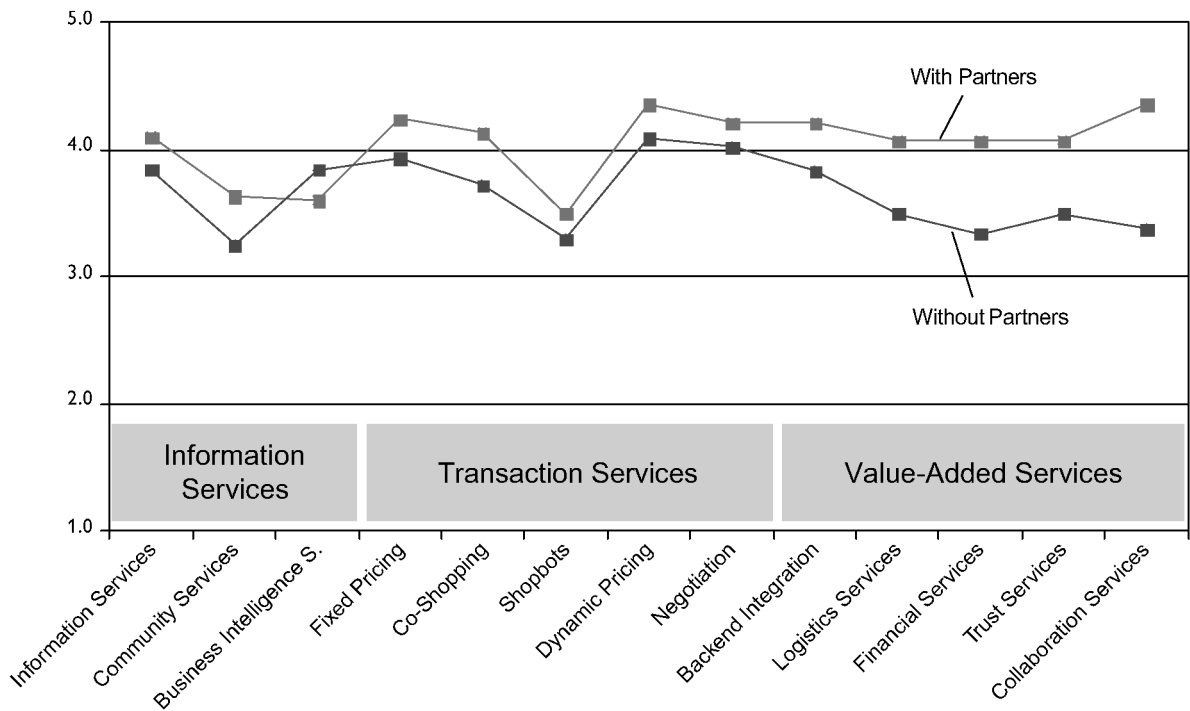


Figure 5. Mean of Self-assessment of Competitiveness in the Respective Service Areas (in Per Cent, n = 49 to 175)

marketplaces that use partners in this service area and those that do not.

The results from running the test on the data are shown in the following tables.

Table 1 shows the means and variances for marketplaces

using partners in the respective service area and those that do not use partners as well as the means difference for all 13 service areas. The spread between the means tends to be wider for value-added services than for other services.

In the first two columns of Table 2 we can see that the F-values of Levene's test for the equality of variances indicates

Table 1. Independent Samples *t*-Test for the Service Areas (a)

	<i>With Partner</i>			<i>Without Partner</i>			<i>Mean Diff</i>
	<i>n</i>	<i>Means</i>	<i>Std Var</i>	<i>n</i>	<i>Means</i>	<i>Std Var</i>	
Information Services	74	4.09	0.879	97	3.85	1.064	0.25
Community Services	27	3.63	1.214	65	3.25	1.090	0.38
Business Intelligence S.	20	3.60	1.231	70	3.84	1.086	-0.24
Fixed Pricing	21	4.24	0.935	88	3.93	1.102	0.31
Co-Shopping	8	4.13	0.835	43	3.72	1.260	0.40
Shopbots	8	3.50	1.195	41	3.29	1.101	0.21
Dynamic Pricing	31	4.35	0.839	80	4.09	1.138	0.27
Negotiation	24	4.21	0.833	84	4.02	1.154	0.18
Backend Integration	67	4.21	0.897	35	3.83	1.071	0.38
Logistics Services	72	4.07	0.861	20	3.50	1.277	0.57
Financial Services	57	4.07	0.997	21	3.33	1.354	0.74
Trust Services	57	4.07	0.722	36	3.50	1.056	0.57
Collaboration Services	14	4.36	0.745	32	3.38	1.277	0.98

Table 2. Independent Samples *t*-Test for the Service Areas (b)

	<i>Independent Samples t-Test</i>				
	<i>Levene's Test</i>				
	<i>F</i>	<i>Sig</i>		<i>t</i>	<i>Sig (2-Tailed)</i>
Information Services	2.871	0.092	pooled	-1.721	0.087
Community Services	1.563	0.215	pooled	-1.486	0.141
Business Intelligence S.	0.332	0.566	pooled	0.915	0.363
Fixed Pricing	0.112	0.739	pooled	-1.335	0.185
Co-Shopping	2.964	0.091	pooled	-0.869	0.389
Shopbots	0.066	0.799	pooled	-0.481	0.633
Dynamic Pricing	1.809	0.181	pooled	-1.187	0.238
Negotiation	0.361	0.549	pooled	-0.731	0.466
Backend Integration	2.062	0.154	pooled	-1.901	0.060
Logistics Services	6.919	0.010	separate	-1.879	0.072
Financial Services	3.167	0.079	pooled	-2.618	0.011
Trust Services	8.209	0.005	separate	-2.847	0.006
Collaboration Services	5.098	0.029	separate	-3.282	0.002

that a pooled-variance *t*-test can be used for all but three services. For logistics, trust and collaboration services the *t*-test must be performed as a separate variance *t*-test where the equal variances in the two groups may not be assumed. The last two columns of Table 2 present the main result of the *t*-test. For those services where the 2-tailed significance is smaller than 0.05, H_0 is rejected on the 95% level. These are financial, trust and collaboration services. For three more services H_0 can be rejected on the 90% level. Those are logistics services, backend integration services and basic information services. All value-added services are among these six services.

Table 3 displays the confidence intervals of the mean for the 95% level and additionally, for those services in which

the result of the *t*-test was not significant on this level, the confidence intervals for the 90% level.

The results confirm our hypothesis for all of the value-added services, as well as for basic information services, on the 90% or 95% level. The differences in the means in the other services are not significant.

CONCLUSION

The results from the expert interviews and the survey indicate that partnering is a core competence for B2B marketplaces that can be helpful in creating competitive advantage. Except for broadening the scope of products,

Table 3. Independent Samples t-Test for the Service Areas (c)

	<i>Independent Samples t-Test</i>				
	<i>95% Confidence Interval</i>		<i>90% Confidence Interval</i>		
	<i>Lower</i>	<i>Upper</i>	<i>Lower</i>	<i>Upper</i>	
Information Services	-0.561	0.38	-0.512	-0.01	reject H ₀
Community Services	-0.896	0.129	-0.812	0.045	
Business Intelligence S.	-0.304	0.822	-0.212	0.73	
Fixed Pricing	-0.847	0.165	-0.765	0.083	
Co-Shopping	-1.339	0.531	-1.184	0.376	
Shopbots	-1.075	0.66	-0.931	0.516	
Dynamic Pricing	-0.714	0.179	-0.641	0.106	
Negotiation	-0.686	0.316	-0.604	0.235	
Backend Integration	-0.777	0.017	-0.713	-0.048	reject H ₀
Logistics Services	-1.195	0.056	-1.088	-0.051	reject H ₀
Financial Services	-1.297	-0.176			reject H ₀
Trust Services	-0.969	-0.169			reject H ₀
Collaboration Services	-1.587	-0.377			reject H ₀

marketplace providers consider partnering as a major strategic option in their development. Expansion of the scope of products seems to be followed by internal development rather than through partnering. An explanation might be that if an infrastructure for supporting transactions for a product type has been created, the expansion towards other product types does not require substantial new skills and competencies. Thus a partner does not offer additional benefit.

Also, for the expansion of the scope of services the results of the survey show that a differentiated analysis regarding the use of partners and its perceived competitive advantage is necessary. When offering complex value-added services, marketplaces seem to benefit from the use of specialized service providers as partners. Basic information services are also improved when provided by established specialists such as news agencies and content providers with specific industry knowledge. While for all but one of the remaining service areas the means regarding their perceived competitiveness of the partnering marketplaces are higher than the means of the non-partnering marketplaces, the difference is not significant.

Our research has shown that partnering in various forms seems to be a crucial element in the strategy of B2B marketplaces. Specialized service providers as well as other marketplaces can be vital partners in the creation of a context-specific service offering. This will require marketplace management to play the role of a coordinator and context generator linking the demand and supply not only of goods but also of supporting services and the respective parties supplying them. The research contributes to the theory of electronic marketplaces by linking research on electronic marketplaces with strategy research on core competencies and growth strategies. It also adds value by

offering a conceptual framework that might be used by marketplace providers in order to develop a strategic concept for their expansion.

As the online B2B marketplace industry is still at a very early stage in its development, especially in Europe, the results of a single survey can only be explorative and preliminary. Further research will be required to underpin the findings generated by the interviews and the survey, especially with regards to other regions such as the USA and Asia and their specifics. Within the European context a longitudinal study could also add further value. Such a study could mainly help to evaluate the overall competitive success of partnering strategies in contrast to the preliminary self-evaluations that served as a measure of competitiveness in this survey.

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