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Revision, Application and Evaluation of Electronic Markets in Portugal

Abstract

The electronic markets are information systems used for several different organizational entities, within one or several levels in economic value chains. Electronic markets are considered platforms of commercial transactions between companies or business to business platforms. According to Bakos (1998), play a central role in the economy, facilitating the exchange of information, goods, services, and payments. In the process, they create economic value for buyers, sellers, market intermediaries, and for society at large. The objectives of this paper are: to perform the identification of the current state and evolution of B2B markets in Portugal; characterize the platform features of these markets; and finally, to create a guideline set to support companies that pretend to adhere to these markets.

Keywords

B2B, E-marketplaces in Portugal, E-sourcing, E-procurement, Guidelines to Companies.

1. Introduction

The World Wide Web allows that the major part of business to refocus their operational strategies in the market, causing profound changes in traditional business environment, particularly in the way of relationships between customers and suppliers. Formerly dominant and monopolistic companies, now watch the number of competitors enlarge through a virtual world vast and full of opportunities. Therefore, becomes necessary to face these changes and new market dynamics and adopt new business strategies and new behaviors such as electronic commerce (Saraiva, 2012). E-commerce presents the most diversified models, among them stand out the business to business (B2B) and business to commerce (B2C) (Anacom, 2004). In this work the objective is to study the B2B portuguese platforms and to present some global guidelines for the companies that pretend to enter in this kind of markets.

2. Revision of Electronic Markets

Electronic commerce can be defined has the buying or selling process and the exchange of services and information with the utilization of computer networks such as the internet.

Kalakota et al, 1999, defined electronic commerce using the prospect of an electronic network of data, automated buying and selling online.

Analyzing electronic commerce, we can easily highlight key strengths, weaknesses, opportunities and threats, using a SWOT analysis, as we can see in table 1.

Table 1. Ecommerce SWOT Analysis (Adapted of ANACOM, 2004)

Strengths	Weaknesses
<ul style="list-style-type: none"> Market Overall Reduction of costs and Stocks 	<ul style="list-style-type: none"> People Mentality Lack of Legislation
Opportunities	Threats
<ul style="list-style-type: none"> Expansion into new markets Establishment of new services 	<ul style="list-style-type: none"> Insecurity in transaction Loss of Privacy

2.1. E-Commerce Models

According to Violetta Galant, 2005, we obtain the follow classification, in which, the principals models of electronic commerce are:

- a) B2C - Business to Consumer model;
- b) C2C - Consumer to Consumer model;
- c) C2B - Consumer to Business model;
- d) B2E - Business to Employee model;
- e) B2B - Business to Business model.

a) B2C - Business to Consumer model;

According to (Anacom, 2004; Carvalho e Encantado, 2006), B2C segment is a model characterized by the commercial transactions between commercial organizations and the consumers. The establishment of tis relations can be dynamic and easy, as well sporadic. This model has evolved substantially due largely to the growth of the internet utilization. Compared with the situation of buying in traditional shops, the consumer obtains more information available product, while taking a more pleasant and comfortable experience. In Figure 1 is represented the way of the B2C transaction.

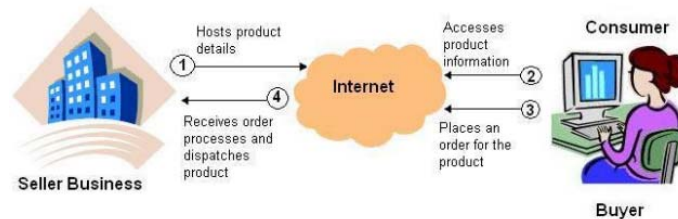


Figure 1. B2C Model, adapted from e-commerce models, 2009

b) C2C - Consumer to Consumer model;

According to (Anacom, 2004; Carvalho & Encantado, 2006), C2C is a model characterized by transactions between consumers, a consumer sells directly to another consumer, e.g., ebay.com platform. Figure 2 represents a commercial transaction between two consumers, in which the Ebay can be the facilitator.

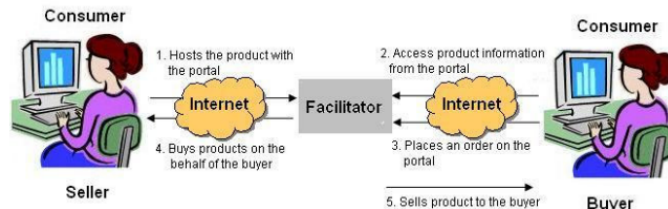


Figure 2. C2C Model, adapted from e-commerce models, 2009

c) C2B - Consumer to Business model;

C2B is a model characterized by the transactions between consumers and commercial entities. In Figure 3 is presented the C2B Model where the consumer provides his products / services to companies, e.g., a blogger that offers his page for advertising (C2B Revolution, 2005; SQA, 2009).

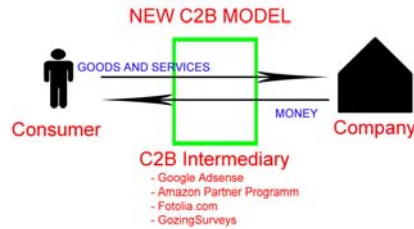


Figure 3. C2B Model, adapted from C2B revolution, 2005

d) B2E - Business to Employee model;

B2E is a model characterized by the relationships between companies and their employees, in which the focus is the employee, consisting on a set of online software applications dedicated to its employees both internal and external, Figure 4 (Margaret Rouse, 2010; C2B Revolution, 2005).

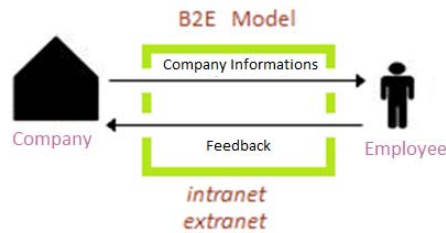


Figure 4. B2E Model, adapted from C2B revolution, 2005

e) B2B – Business to Business Model;

B2B is the model that encompasses all electronic transactions carried out between companies. According to some authors, corresponds to about 90% of all e-commerce and develops in three major areas: e-marketplaces, e-procurement and e-distribution (Anacom, 2004). In Figure 5 is presented a characterization of B2B transaction.

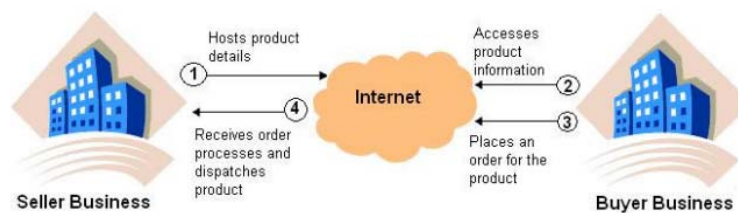


Figure 5. B2B Model, adapted from e-commerce models, 2009

Into the B2B model are considered two types of sub-models, e-marketplaces and e-procurement.

An e-marketplace is a virtual marketplace where suppliers and buyers meet and conduct different types of transactions (Turban et al, 2008). Can be classified as vertical and horizontal. In the vertical market, companies of the same sector of activity are aggregated, and in horizontal market, companies from all sectors of activity are combined (Amaral et al, 2003; Anacom, 2004).

B2B e-procurement includes all activities associated with the process of procuring goods or services necessary for the completion of the production processes and management. Can be classified as e-procurement direct or indirect, depending on the importance that the product/service has to the company operation (Amaral et al, 2003).

2.2. B2B Evolution in Portugal

In Portugal the analysis of the evolution of B2B Markets, requires the resource to different statistical data that allow the perception of their development. So, in Figure 6 are presented different indicators taken from different entities which feature a biggest meaning in the evolution of electronic commerce in Portugal.

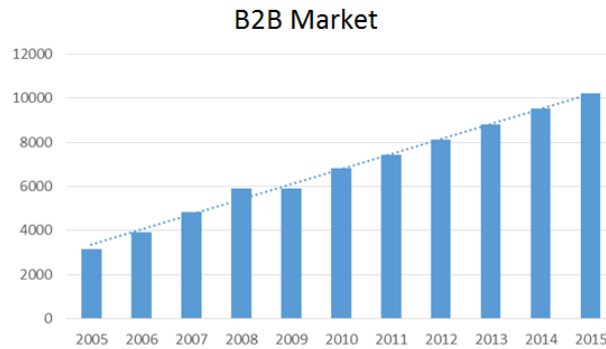


Figure 6. B2B Market Evolution, data treated from IDC, 2011

In Figure 7 is presented the summary about the survey that ACEPI (Association of Electronic Commerce and Interactive Publicity) conducts quarterly about electronic commerce focused in B2B’s markets in Portugal. In this survey are questioned twelve companies on the expectations of evolution of those markets. As we can see, with the exception of 2011 the majority of companies claim that this market will present an evolution in the future.

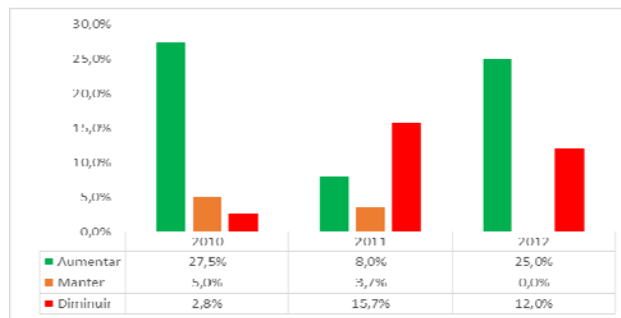


Figure 7. B2B Market Evolution, data treated from ACEPI, 2011

2.3. B2B Platforms in Portugal

In Portugal currently we have four main marketplaces that we can separate in vertical or horizontal market as we can see in table 2.

Table 2. Portugal E-marketplaces

<i>Horizontal</i>	<i>Vertical</i>
Tradecom	Econstroi
ForumB2B	PortugalShoes

2.4. B2B Platforms in the World

According to the internet ranking Alexa.com (see at <http://www.bloghug.com/b2b-marketplaces>), these eight platforms are the ones that daily have more views and transactions:

Alibaba.com	Busytrade.com
EC21.com	Tradekey.com
B2BTradeholding.com	Globalsources.com
Importers.com	Tradeleadusa.com

3. Company Guidelines

In order to accomplish the objectives of this paper a set of guidelines were created that hopefully will be helpful to the companies that want to join the B2B Market in Portugal. The guidelines were divided in three points, first were made a comparison of the e-marketplaces, then were showed the future trends and lastly were made final orientations.

3.1. Comparison of platforms

The platforms considered were the four platforms of Portugal, and the three with the most daily transactions in the world. The categories used for the characterization of the platforms were considered as follows:

- Basic features (see Table 3);
- Advanced features (see Table 4);
- Buying process features (see Table 5);
- Sales process features (see Table 6).

Table 3. Basic Features of B2B Platforms

Basic Features	Platforms						
	National				Foreign		
	T	E	F	PS	A	B	TU
○ Registration of users	S	S	S	WI	S	S	S
○ Logging in and out	S	S	S	WI	S	S	S
○ User data editing	SP	S	S	WI	S	S	S
○ Transfer data via EDI	S	S	S	WI	NS	NS	NS

Table 4. Selling Mechanisms of B2B Platforms

Selling Mechanism	Platforms						
	National				Foreign		
	T	E	F	PS	A	B	TU
○ Catalogs	S	S	S	S	S	S	S
○ Auctions	S	S	S	NS	NS	NS	NS
○ Product promotion in search	NS	NS	NS	NS	S	S	NS
○ Creating personal page to promote products	NS	S	NS	NS	S	S	NS
○ Product advertising through banners	NS	S	NS	NS	S	S	S

Table 5. Buying Process of B2B Platforms

Buying Process	Platforms						
	National				Foreign		
	T	E	F	PS	A	B	TU
o Placing Purchase Orders	NS	S	S	S	S	S	S
o Create Products Requisitions	S	S	S	NS	NS	NS	NS
o Approve Requisition	S	S	S	WI	NS	NS	NS
o Follow Buying Orders	S	S	S	NS	NS	NS	NS
o Receiving Buying Orders	S	S	S	SP	NS	NS	NS
o Manage Orders	S	S	S	WI	NS	NS	NS
o Create and Manage Invoices	S	S	S	WI	NS	NS	NS
o Create Consignment Note	S	S	S	S	NS	NS	NS
o Process Payments Online	S	S	S	S	S	S	S

Table 6. Advanced Features of B2B Platforms

Advanced features	Platforms						
	National				Foreign		
	T	E	F	PS	A	B	TU
o Integrating ERP systems	S	S	S	WI	NS	NS	NS
o Support multi-languages	S	S	S	S	S	S	S
o International Transactions	NS	S	NS	S	S	S	S
o Management of invoices	S	SP	SP	WI	NS	NS	NS
o Authentication of enterprises	NS	S	SP	S	S	S	NS
o Advertising on the platform	NS	S	NS	S	S	S	NS
o Historic site navigation	NS	NS	NS	NS	S	S	NS
o Real-time communication customers / suppliers	NS	NS	NS	NS	S	NS	NS

- | | |
|-------------------|--------------------------|
| Platform Legend: | Characterization Legend: |
| T – Tradecom | S – Supports |
| E – Econstroj | SP – Supports Partially |
| F – ForumB2B | NS – Not Supports |
| PS – PotugalShoes | WI – Without Information |
| A – Alibaba | |
| B – Busytrade | |
| TU – TradeleadUsa | |

3.2. Future Trends

During the development of this study was found a trend that the new platforms offer their customers a range of services for their transactions. Depending on the platform, they can monitor the use of services or just make the creation of them. This type of action, points in the direction of the concept of Broker, an agent that may need to perform of both implicit and explicit function (according to Ávila P. et al, 2002). Were found three platforms:

- The first CentralMais, is used as a manager of making payment for a product or service to the provider;
- In the case of Saphety are just created solutions for buying and selling platform for customers;
- In Gatewit are created solutions for buying and selling platform for customers but they also make the management of suppliers by the platform.

3.3. Final Orientations

The final orientations established are divided into three groups:

1. In what type of market you want to make membership:

- Nacional or Internacional.

Given the stagnation and the lack of information in most Portuguese platforms, in business terms would be more benefic that the insert be made in the foreign platforms due to their higher information transmission, and facility of utilization as well a mixture of world-wide companies.

2. What type of e-marketplace that wants to join:

- Horizontal or Vertical.

In the case that the company chooses a vertical e-marketplace, will make good contacts from other companies within the same industry (especially in international platforms) and increase is know-how; However if the choice relapse in the horizontal e-marketplace, the company will enjoy the globality of the mix companies.

3. What type of functionalities model should be choose:

- Platforms using the future trend of Brooker or traditional one's.

In the end of the study we concluded that is better for the companies to choose platforms with the future trend of Brooker service. Mainly because of the bigger facility and trust in the partner selection process. Functionalities that traditional ones don't have so much developed.

Conclusions

A discrepancy was observed among the data offered by ACEPI, and the lack of response from the platforms acting in Portugal. Various contact approaches with the platforms have been tried but no information has been obtained, which ups a question, if this kind of e-marketplaces in Portugal have availability. Were identified the B2B platforms operating in Portugal, and made the characterization of its features. Additionally, with the intention to guide the entrance of new companies in these platforms, were defined the present B2B trends and some final orientations. As a final remark, the Brooking service in the B2B platforms is emerging now after passer few years since the first scientific research highlights.

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