Electronic Commerce Research and Applications 1 (2002) 2–19

Electronic
Commerce Research
and Applications

www.elsevier.com/locate/ecra

Delphi study about the future of B2B marketplaces in Germany

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Accepted 10 April 2002

Abstract

Electronic business-to-business (B2B) marketplaces have been one of the most discussed topics in recent times. In the beginning they were seen euphorically, but today many observers are skeptical. In order to dissolve this uncertainty we conducted a Delphi survey after the E-Commerce Hype. The results are used to establish a reliable forecast about the development of electronic B2B marketplaces in Germany by comparing them with theoretical expectations. As theoretically assumed, it is predicted that this phenomenon will play a major role within intercompany coordination in selected areas. It is anticipated that streamlining information processes will be so beneficial for companies that they will not be able to afford not having this new institution.

Keywords: Electronic marketplaces; B2B; Intercompany coordination; Forecast; German Delphi study

1. Problem statement

Due to increasing globalization [1] and outsourcing of non-strategic activities [2], coordination between different firms (intercompany coordination) is getting more complicated and more costly. McKinsey estimates that these coordinating costs represent 35% of total corporate costs [3]. EDI (electronic data interchange), a format for exchanging business information between companies, was supposed to help to manage the activities better. But due to high costs and different standards, EDI was only used by big corporations and was never used commonly for intercompany coordination ([4], p. 100).

A promising and more comprehensive alternative is the electronic business-to-business (B2B) marketplace. Electronic B2B marketplaces are firms, which support business buyers and business suppliers to coordinate intercompany activities with the use of the Internet. By using electronic B2B marketplaces, companies can not only exchange information within existing relations as it is already the case with EDI, they are also able to search more easily for new buyers and suppliers. That means ideally, for example, that only one supplier would have to use the offer of one electronic B2B marketplace in order to reach all his (potential) buyers, which promises huge benefits by reducing transaction costs significantly [5,6].

These benefits were promoted heavily in 1999 and 2000. A revolution was foreseen in business coordi-

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1567-4223/02/$ – see front matter
PII: S1567-4223(02)00003-0

nation [7]. Today, the euphoria has calmed down and turned into skepticism since the alleged savings potential of up to 90% seems hard to realize [8]. Under these circumstances, both companies and electronic B2B marketplaces ask themselves how electronic B2B marketplaces will develop over the coming years and if it is still worth pursuing them. The core goal of the prevailing study is to establish a reliable forecast of the future development of electronic B2B marketplaces in Germany.

In order to achieve this, the paper is divided into two sections. In the first section, we elaborate the expected development of electronic B2B marketplaces from a conceptual and theoretical perspective. In the second section, we analyze the theoretical expectations, and evaluate both if they can be confirmed empirically, and what implications the results of a Delphi survey realized in Germany would have for scholarly work and practitioners.

2. Conceptual background and theoretical expectations

The term electronic B2B marketplace is used in many ways. In order to clarify the meaning, this chapter will demonstrate what is behind the idea of a B2B marketplace and how the Internet will influence the shift towards electronic B2B marketplaces. Based on this understanding, the future of electronic B2B marketplaces will be analyzed in detail from a theoretical point of view.

2.1. The role of electronic B2B marketplaces

Business customers and business suppliers meet in a B2B market to exchange goods and services. In order to make the intercompany coordination between companies more effective and efficient, third parties, who coordinate all activities necessary for the exchange, can help. We will call these B2B marketplaces.

The task of a B2B marketplace is to support or take on intercompany coordination. There are two facets of intercompany coordination in our context, namely transaction and interaction. Transaction is the exchange of produced goods and services as well as all informational, physical and financial activities related to this exchange ([9], p. 1). Interaction only comprises the planning phase for the transformation of goods ([10], p. 8). Traditional B2B marketplaces only take care of transactions. A typical example is a trader ([11], p. 1076) who covers all phases of the transaction, or an organizer of fairs who is typically in charge of the information phase ([12], p. 1235).

With the rise of the Internet, conditions for intercompany coordination have changed, thus creating a new role for electronic B2B marketplaces. This will be analyzed using three appropriate theories (market process, transaction cost and Porter's competitiveness concept).

Market process theory analyzes how quickly companies identify and take advantage of information gaps and the respective effects on the market [13]. Through the Internet, market transparency increases [14], so that the rate of closing gaps rises. What this means for electronic B2B marketplaces is that they no longer have to provide companies with information that is easily accessible (e.g., company data). On the other hand, platforms will also have to support interactions as the need of innovations increases in the future.

Transaction cost theory contains the assumption that transactions should be conducted in a market (e.g., through outsourcing), if these transactions have low specificity and low uncertainty [9]. Usage of the Internet decreases the specificity and allows the description of goods more easily. For example: with Internet and information technology (IT), it is possible to describe even complex products easily or to perform a worldwide search for needed information, with the result that the importance of locations will decrease. Therefore more transactions will be conducted via a market in the future [5,15]. At the same time, uncertainty may grow as individuals struggle to find and process all relevant information due to their bounded rationality [16]. The consequence for electronic B2B marketplaces is that they have to provide additional services to support companies in coping with the information overload.

Porter's competitive advantage theory states that one major advantage is to manage information flows more efficiently [17]. The vertical integration of different value chains is something that the Internet can support particularly well. But the Internet can do more than just streamline existing value chains. The