

December 2004

Factors Facilitating Successful Adoption Of eMarketplace By SMEs: The Case In Slovenia

Brigita Gajsek
Alpos

Andreja Pucihar
eCommerce Center, Faculty of Organizational Sciences, University of Maribor

Follow this and additional works at: <http://aisel.aisnet.org/bled2004>

Recommended Citation

Gajsek, Brigita and Pucihar, Andreja, "Factors Facilitating Successful Adoption Of eMarketplace By SMEs: The Case In Slovenia" (2004). *BLED 2004 Proceedings*. 18.
<http://aisel.aisnet.org/bled2004/18>

This material is brought to you by the BLED Proceedings at AIS Electronic Library (AISeL). It has been accepted for inclusion in BLED 2004 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

17th Bled eCommerce Conference

eGlobal

Bled, Slovenia, June 21 - 23, 2004

Factors Facilitating Successful Adoption Of eMarketplace By SMEs: The Case In Slovenia

Brigita Gajšek

Alpos, Slovenia
Brigita.Gajsek@Alpos.si

Andreja Pucihar

eCommerce Center, Faculty of Organizational Sciences, University of Maribor, Slovenia
Andreja.Pucihar@FOV.Uni-Mb.si

Abstract

Traditional selling channels are supplemented by new ways of doing business via Internet. One of this new ways is also electronic markets. Doing business on electronic market is not wide spread yet in Slovenia. But on the other hand some companies in Slovenia already have some experiences with eMarketplaces. Sharing of information will help other companies to adopt new selling channels faster. In the paper we present the most important factors for efficient entering eMarketplaces estimated by representatives of 3 big and 15 small and medium sized enterprises. From the seller perspective, company is efficient when it wins and runs business on electronic market with support of Internet intermediary. Searching for new business partners in longer period of time will bring good results only, if it will be support by top management. For successful selling on electronic market its own trade mark and size of the company are not crucial factors. To get the best results it is needed to educate employees, to daily plan activities on electronic market and to acquire quality and safety certificates for products and processes.

Key words: *eMarketplace, eCommerce, supplier, Internet intermediaries, factors, entering*

1 Introduction

Electronic commerce and electronic business are a fundamentally new way of conducting business electronically using the latest technologies, such as the Internet (Emarket Services 2003). Internet does not enable just exchanging of information and buying and selling products. The emphasis shifts towards empowering customers and getting them more deeply involved in companies business. Internal processes in company become

more automated with significantly less paperwork and also more and more connected with processes of business partners.

With the advance in the development of Electronic Commerce technologies, new types of intermediaries were established. These new intermediaries were offering new value added services. New intermediaries attract a lot of new buyers and sellers with new services that support trading process between them (Clarke 2001, 596; Chircu and Kauffman 2000, 7; DeSisto 2000, 4; Chircu and Kauffman 1999; 109; The Economist 1999, Barling and Stark 1998; Zwas 1998). This new ways of doing business describes the eMarketplace, which represents one of the new business models developed in the late nineties. eMarketplace is the result of use of innovative technology in business processes.

eMarketplace is a virtual marketplace where buyers and suppliers meet to exchange information about product and service offerings, and to negotiate and carry out business transactions (Archer and Gebauer 2000). Furthermore, in the age of the Internet and with the emergence of new information and communication technologies, eMarketplace is a Web-based information system, where multiple suppliers and multiple buyers can undertake business transactions via the Internet (Russ 2001, 2). Doing business on the eMarketplace enables sellers to enter new markets, to find new buyers, and to increase sales. On the other side, eMarketplace gives a buyer access to a broader range of products and services offered by sellers. A buyer has the option to quickly compare various offerings by price and performance measures. (DeSisto 2000, 4; Lenz 2000, 2). The eMarketplace uses Internet technologies and standards to distribute product data and to facilitate online transactions (Segev and others 1999, 138).

An organization will enter an eMarketplace only if it will see enough benefits that might be gained with value added services on the eMarketplace. One of the main requirements for successfully doing business on the eMarketplace is the use of eCommerce in daily business and also awareness of opportunities and threats that might be gained by the use of eMarketplace (Pucihar 2002). First of all organization has to examine its own needs, advantages and possible disadvantages of eMarketplace entering and consider also some alternatives. They also have to build trust on the facts and their calculations (Gajšek 2003).

The paper is focused on investigation of factors that SMEs need to consider for efficient entering eMarketplaces. The results of the research that was done by interviews in 15 SMEs and 3 large organizations in Slovenia are presented. The research was limited only on investigation of important factors for SMEs that plan to enter eMarketplace as suppliers.

We believe that sharing of interviewed organizations' experiences will help other organizations to become aware of advantages and to adopt new selling channels faster.

2 Problem Definition

Successful companies are wide open. They are working closely with their suppliers to fulfill demands on market. Buyers are not always end users. Material must be as quick as possible bought, transformed and sold "hot" without keeping it in warehouses. Shorter lead times, lower levels of inventories, increased annual sales volume are forcing organizations to continually search new, more appropriate suppliers on global markets.

Price is not the only factor for selecting the winning offer from many competing. Some other decision factors can also be: quality and other certificates of products and services, logistics, packaging, lead time, and others. Buyers usually create decision model which determine decision factors, their weights and priority. Some buyers are looking for suppliers only on selected eMarketplaces. On the other side suppliers are often forced to

compete with their offer on several eMarketplaces. Many suppliers are becoming somehow forced to choose between competing on several eMarketplaces and losing customers.

There are over 1000 eMarketplaces operating in the market today. Suppliers interested in exporting their products and/or services should be aware of these eMarketplaces as potential sources of new customers and as access routes to global supply chains (Lassen and others 2003).

We can find several definitions on eMarketplaces from various authors. B2B eMarketplace is a virtual place where buyers and suppliers meet to exchange information about the product and service offerings and to negotiate and carry out the business transactions, is one of them. An eMarketplace can provide four important mechanisms that cause eMarketplace to add value (Christiaanse and others 2001, 424; Bailey and Bakos 1997, Bakos 1991): aggregating together a large number of buyers and sellers, matching buyers and sellers to negotiate prices on a dynamic and real-time basis, ensuring trust among participants by maintaining neutral position, facilitating market operations by supporting certain transaction phases (catalogue maintaining, auctions, negotiations, contracting, logistics, payments, legal, consulting, ...).

eMarketplaces may be divided into different categories. The classification varies between authors. We may divide eMarketplaces into those controlled by sellers, those controlled by buyers and those controlled by neutral third parties (Berryman and others, 1998). Another classification divides eMarketplaces into horizontal and vertical marketplaces. Horizontal marketplaces address a specific function (e.g. human resources, office supplies) and serve a wide range of industries. Horizontal eMarketplaces tend to be regional-, functional- or process-oriented. Vertical marketplaces are suited to specific industries and focuses on a wide range of functionalities in a specific industry, for example such as chemicals, medical technology, building and construction material, steel, textiles or automotive industry (Baldi and Borgman 2001, 630, Ramsdell 2000).

Seller can offer almost any product or service to buyers on eMarketplace. eMarketplaces are important in industries that are very fragmented, with many buyers and many sellers and where it is difficult to obtain information about companies, products, services, prices. Organizations can profit from fact that eMarketplaces help them find new customers, products, services, and place and receive orders and obtain the best price (eMarket Services 2003).

eMarketplaces are often closed to organizations that are not their members. Sometimes only registration is required to become a member. In other cases new organizations have to be invited by existing members or their registration request goes through a qualification process. Paying Membership fee is not always requested. eMarketplaces may charge their customers with different fees, for example registration fees, percentages of business volume, fees for the service use, fees for the special advertising etc. (Kambil in van Heck 2002, 73; Turban and others. 2002, 284). The kind of fee charged usually varies with the type of user (seller/buyer) and the extent of usage. A membership fee appears to be most commonly used.

Implementation of new additional selling channel can bring organizations advantages and disadvantages in their business. With the eMarketplaces use SMEs have simple, cheaper, faster access to new markets, faster access to new buyers and information, more efficient advertising at lower cost, faster way from inquiry to contract through eMarketplace, trading is possible 24 hours per day and 7 days per week, the name of eMarketplace usually means trade mark. Possible disadvantages that should be mentioned are: on line auctions are often impose to sellers, buyers always reduce prices, there is a question of safety and legal aspect of doing business on eMarketplaces, data exchange is not completely electronically yet in some eMarketplaces, sellers must be able to deliver goods in global market and to support additional selling channel.

Doing business on eMarketplaces in Slovenia is not very widespread yet. There is no “Slovene” B2B eMarketplace in operation yet. But on the other side there are some organizations in Slovenia who have already participated in eMarketplaces worldwide and also some of them already won the business. Usually organizations in Slovenia enter eMarketplace on an important buyer’s request – to compete with other potential suppliers for business. eMarketplaces, Slovene or not, can become a powerful tool for Slovenian or any other SMEs and also large organizations. This can be explained on very simple example. Usually sellers have two opposite groups of business objectives presented in table 1. If company wants to achieve objectives under the column 1 than in real world will be very difficult to simultaneous achieves objectives under the column 2. We can say that eMarketplaces enable organizations to solve this problem. But this does not mean that everything is easier when you are connected to web. It is us much or even more hard to win new business on eMarketplace us on classical way.

Table 1: Sellers Have Two Opposite Groups Of Business Objectives

Objective number	Objectives 1	Objectives 2
1	Reduce stock on material and final products	Increase sales volume
2	Decrease the number of intermediates	Spend less time from inquiry to contract
3	Reach new markets	Have more effective advertising at lower cost

3 Research Methodology

Some organizations in Slovenia already have some experiences with eMarketplaces. Sharing of information will help other organizations to faster adopt new selling channels, become more competitive on global market, raise production etc. This was the main reason for investigation of importance of factors for more efficient entering eMarketplaces. The main objective of the research was to define key factors and to sort them by importance on the basis of interviews.

On the base of prior research, articles, Internet sources, best practices and interviews key factors for efficient entering in eMarketplaces were defined. Entering eMarketplace is efficient when company, in our case supplier, win and conduct the business for the first time. The research was done in autumn 2002 (Gajšek 2003).

The importance of factors for efficient entering eMarketplace was investigated by interviews among:

- 3 large Slovene companies, registered as suppliers on FreeMarkets eMarketplace with experiences of reverse e-auctions,
- 12 SMEs, also registered as suppliers on different eMarketplaces that already placed and received one or more orders or inquiries.

The research sample was relatively small because the use of eMarketplaces is currently not widespread in Slovenia.

SMEs were selected into the research sample only if they fulfilled 5 basic terms for entering eMarketplaces. Basic terms were selected from literature review and case studies

(FreeMarkets Case Studies 2003, eMarketServices Case Studies 2003). SME has to fulfill the following qualifications:

- Internet access and web browser,
- Person who qualified to work with Internet and understands English language,
- SME has its own products and services,
- SME has experiences with exporting,
- Top management approves activities on eMarketplace.

Top Managers, Purchasing Managers, Sales Managers, and IT Managers in all 15 organizations were interviewed by the questionnaire.

In the questionnaire 5 point scale was used to estimate the importance of each factor (from 1-not important at all to 5-very important).

A group of 12 SMEs was carefully selected through parallel project coordinated by Small Business Development Center – SBDC (Špes 2003). Project team was formatted from SBDC - the coordinator, 3 researchers – experts in the eMarketplaces field and 12 SMEs from Slovenia, which fulfilled 5 basic terms.

Project had 2 main objectives. First, to inform and present SMEs benefits and threats of doing business on eMarketplaces. In next step, a group of experts together with the SME's representative carefully selected the most appropriate eMarketplace on the basis of SMEs' requests. Each of 12 SMEs was registered on selected eMarketplaces and started with business activities there.

Persons from 3 large Slovenian companies were interviewed first and they were asked 5 additional questions. We wanted to confirm or disprove five basic terms that companies have to fulfill before/for entering any eMarketplace. After all 12 interviews in 3 large companies 5 basic terms were confirmed.

Afterwards 12 SMEs were selected into project team at SBDC because they fulfilled previously mentioned five basic terms and had the interest to enter eMarketplaces.

4 Factors for Efficient Entering eMarketplace

All interviewed companies fulfilled 5 basic terms. They had Internet access and browser, a person qualified to work with Internet and understands English language, sell their own products and/or services, have experiences with exporting and their top management approves activities on eMarketplace.

Fifteen factors were defined as key ones which could considerably influence on efficient entering eMarketplace. Top Managers, Purchasing Managers, Sales Managers and IT Managers in 15 companies estimated their importance by numbers from 1 (not important at all) to 5 (very important). In the brackets the average number of estimation is presented. In the table 1, the detail estimations of IT managers, purchasing managers, sales managers and top managers are presented.

4.1 Importance of Factors for Efficient Entering eMarketplace

Estimated key factors (with some recommendations for companies) are the following:

- Trade mark. Trade mark increases sales probability and sales profit, especially in catalog based purchasing. As at e-auctions participation reputation and price are not the only factors for selecting the winning offer from many competing, trade mark is not so important any more. Also some other very important decision factors can be put on balance: quality and other certificates, logistic, packaging, lead time and others. On eMarketplaces buyers daily receive many offers from sellers. They have no time and interest to reply to all of them. They choose only those who can trust. On many eMarketplaces buyers and sellers who come from countries around the world can apply and receive third-party Authentication and Verification certificate by leading international credit agencies and invest to become a member of trustworthy community. Alibaba eMarketplace Trust Pass is an example of this (Alibaba 2003). All Trust Pass members can view and post feedback information about other Trust Pass members so that a history of credibility can be established on Trust Pass members by Trust Pass members. With Authentication and Verification certificates eMarketplaces endeavor to provide transparency on the identity and legitimacy on trading partners. Companies can appreciate that honest disputes happen between legitimate companies and this is a fact of business life on the many eMarketplaces. For Top Managers trade mark is neither important nor unimportant (3,3). All together estimation of this factor is important (3,8).
- Company's size. This factor could be important, if all sized companies would be registered at the same eMarketplace, established particularly for large companies. After careful selection between many available eMarketplaces, company's size becomes less important factor. There is a large number of eMarketplaces, designed especially for SMEs. All together estimation of importance is neither important nor unimportant (3). The decision was very hard for Top Managers and IT Managers. That can be easily explained. IT Managers do not work directly with buyers and sellers, and Top Managers do not know all the details about every trading channel. Company's size was estimated as at least important factor for efficient entering into eMarketplace.
- Top management supports activities on eMarketplaces. Searching for new business partners on eMarketplaces in longer period of time will bring good results only, if it will be supported by Top Management. All together estimation of this factor is very important (4,6). Individual estimations show that Top Management is well aware of its important role. Top Management has to make final decision if specific company is ready for entering eMarketplace. It has to consider whether the cultural environment within their company is mature for being able to accept changes. If their business is not ready for changes, it could risk losing strategic focus by adding eMarketplace to existing activities (Kjølseth 2004).
- Readiness of company to accept new business partners. eMarketplaces are more suitable for those companies who are continually looking for new, more relevant and advantageous business partners. This means that they are able to or they are willing to replace recent business partners or increase number of business partners. Because of that they are motivated to monitor every activity on eMarketplace. Other companies should join to closed user communities of suppliers and buyers that already have existing business relationships on eMarketplaces. All together estimation of this factor is very important (4,7).
- Global oriented selling process. There is no "Slovene" B2B eMarketplace in operation yet. Described situation can not be excuse for ignoring the phenomena of eMarketplaces. Many companies in Slovenia already operate in global markets and are exposed to global competition. eMarketplaces have global reach and that is something that companies should try to profit of. Companies who are planning

to enter eMarketplaces must have experiences with selling abroad. They have to be able to estimate export costs and exact delivery time for every potential business. All together estimation of this factor is important (4,3).

- Long term membership on eMarketplace. Companies have to plan their activities on eMarketplace for longer period of time, independently to the number of new contracts. Companies should not be disappointed, if there would be no new business agreement in first three months after registration. There is only one rule: companies have to be active and they have to use every offered tool available on eMarketplace which could help them at their promotion and sales increasing. Companies can also easily do bench marketing while comparing their products and services with other suppliers on eMarketplaces. Companies can also get the response from potential customers on eMarketplace. All together estimation of this factor is very important (4,7).
- Careful selection of appropriate eMarketplace. While making the decision about entering any eMarketplace, companies have to examine and define their strategy and their real needs. After that they have to identify the eMarketplaces in their industry and target markets (eMarketServices 2003). There are over hundreds of eMarketplaces operating in the market today, but not all of them are operating efficiently. Some of them are supported by world's biggest and most important companies in specific industries. Suppliers interested in exporting should be aware of this eMarketplaces as potential sources of new customers and as a potential door to access global supply chains. Choosing of eMarketplace without careful consideration of company's needs and careful consideration of eMarketplace's services has no sense because it could lead to distrust in new technologies, additional costs, uninterested employees and after all the company would not achieve expected results. All together estimation of this factor is very important (4,7).
- Company's Web site in English. Web site is frequently used as a marketing and customer support tool. Companies who are selling abroad should have web sites in English and not only in mother's language. Web sites are important source of information for potential business partners. All together estimation of this factor is important (4).
- Company's eCatalogue of products and/or services. eCatalogue is an electronic version of a company's paper catalogue, which describes its products and/or services. Companies do not need to have their own eCatalogues for entering eMarketplace. eMarketplaces can create value also by providing services for eCatalogue maintenance, categorized according to industry standards. By publishing eCatalogues on the Internet, suppliers become accessible to a large number of potential buyers all over the world. A lot of eMarketplaces have catalogues describing the products and services offered by sellers. Some catalogues list product information on a general level, others are very detailed. Some are quite informative while others are more promotional. Some enable to include product's pictures, others do not. Catalogues facilitate the search for products and suppliers in industries with a wide range of products and producers. Another kind of catalogue is eCatalogue enabling on-line ordering system. In this case an order can be placed online for the products listed for sale in the Catalogue (Kjølseth 2004). All together estimation of this factor is important (4).
- Use of faster access to the Internet. One of five basic terms for efficient entering eMarketplace is that company has Internet access and browser. Fast access to the Internet was considered as an important factor because SMEs usually uses phone lines for Internet connection. ISDN and ADSL offer more suitable and stable connection to the Internet. Companies estimated the use of new technology for

faster access to the Internet as important but less important than for example web site in English, company's eCatalogue of products/services, long term membership on eMarketplace and some other factors. Use of faster access to the Internet is the most important factor for Sales department (4,5), because they must quite often exchange information with customers who are usually very demanding.

- Employed IT specialist with knowledge of English language. One of five basic terms for efficient entrance into eMarketplace is that company has employed or hired person who can work with Internet and understands English language. All together estimation of how important is that company has its own skilled person is important (3,7). If company has employed IT specialist with knowledge of English language this leads to higher level of trust and higher availability.
- Trained employees. Companies need to educate and train their employees about eMarketplaces and eCommerce. Only educated and trained employees can properly represent company's interests on eMarketplace. All together estimation about this factor is very important (4,7).
- Quality certificate for product and/or services. Quality certificate is not one of basic terms for efficient entering eMarketplace, but it is becoming more and more important factor for more competitive performance on eMarketplace and increasing possibility of winning of new business. The number of registered suppliers on eMarketplaces increasing daily. Buyers often reduce the number of proposals by eliminating products without quality certificates. All together estimation of this factor is important (3,8).
- Safety certificate for product and/or services. For safety certificate we can write exactly the same words like for quality certificates. All together estimation of this factor is important (4).
- Daily organized work on eMarketplace. Registration only is not enough for getting new business on eMarketplace. Companies have to take daily care for their published data, reviewing of new inquiries, and publishing offers, new products and so on. All together estimation of this factor is very important (4,6).

Table 1: The Detail Estimations Of Factors' Importance

Factors	Average value of importance				
	IT Managers	Purchasing Managers	Sales Managers	Top Management	Average value all together
Trade mark	4	3,7	4,2	3,3	3,8
Large companies are more successful in eMarketplace us	2,7	2,3	1,6	3	2,4
SMEs are more successful in eMarketplace use	3	2,7	2,8	3	2,9
Top management supports activities on eMarketplaces	4,5	4,3	5	5	4,7
Readiness of company to accept new business partners	4	4,6	4,6	5	4,6
Global oriented selling process	4	3	4,6	4,6	4,1
Long term membership on eMarketplace	4,7	4	4,6	5	4,6
Careful selection of appropriate eMarketplace	4,7	5	4,6	4,6	4,7
Company's Web site in English	3,5	3,7	4,6	4,3	4
Company's eCatalogue of products and/or services	3	3,5	4,7	4,6	4
Use of faster access to the Internet	3	3,5	4,6	4,3	3,9
Employed IT specialist with knowledge of English language	3	3,3	4,4	4	3,7
Trained employees	4	3,7	4,4	4,3	4,1
Quality certificate for product	3,7	3,7	4,6	3	3,8
Safety certificate for product	3,8	3,7	4,5	4,0	4
Daily organized work on eMarketplace	4,4	4,7	4,8	4,7	4,6

4.2 Estimated Key Factors By Different Departments

Estimated key factors by different departments are the following:

- *IT Department:* IT Managers believe that it is very important to plan activities on eMarketplace for longer period of time. They think that using eMarketplace is quite similar as implementing new software. Careful selection of appropriate eMarketplace is also very important and it can only be done after examination of real needs, advantages and disadvantages of this step and all other possible alternatives. They estimate availability of eCatalogue (EDIFACT, EANCOM, XML) and use of faster access to the Internet with neither important neither not important. The size of company is not important for more or less efficient entering eMarketplace. It is more important to have qualified salesman who can work independently on eMarketplace than own IT person who works on unqualified salesman directions.

- Sales Department: Very important is active work on eMarketplace. Someone must daily look for new offers and inquiries. That is quite the same as in traditional trading; your eyes must be wide open for every new activity on market, focused on customers. It is also very important that employees are informed about new technologies, eMarketplaces and companies objectives. The size of company is not important for more efficient entering eMarketplace. It is more important to have qualified salesman who can work independently on eMarketplace than own IT person who works on unqualified salesman directions. The reaction on action must be in a second if possible.
- Purchasing Department: Careful selection of appropriate eMarketplace and active daily work are very important factors for efficient purchasing. Right people on right place are important and they must be company's employees and not outsourced outside the company. The size of a company is the less important factor efficient entering eMarketplace.
- Top Management: Companies have to plan their activities on eMarketplace for longer period of time, independently of the number of new contracts. It is also very important that company is open to new customers and also for new technologies. Top Management is well aware of its important role. The size of a company is not crucial factor for success on eMarketplace.

4.3 Estimated Key Factors By Company's Size

As mentioned before, two groups of companies were interviewed. In the first group 3 large companies with experiences on electronic reverse auctions were interviewed. The usual case in Slovenia is that most large organizations enter the eMarketplace by request of an important large buyer that wanted to achieve the best offer between several suppliers.

In the second group 12 SMEs with much less or practical no experience on electronic reverse auctions were interviewed. SMEs participated at workshop where they were trained and educated by eMarketplaces opportunities, threats and trading mechanisms.

The estimations of both groups were quite the same. We noticed only four little differences in their estimation of factor's importance (table 2).

Table 2: Differently Estimated Factors

Factor	3 large companies	12 SMEs
Careful selection of appropriate eMarketplace	Important	Very important
Readiness of company to accept new business partners	Niether important niether not important	Very important
Company's eCatalogue of products and/or services	Niether important niether not important	Important
Use of faster access to the Internet	Niether important niether not important	Important

SMEs, who have fewer experiences, give more importance to careful selection of appropriate eMarketplace, openness for new business partners, company's own catalogue, and use of faster access to the Internet.

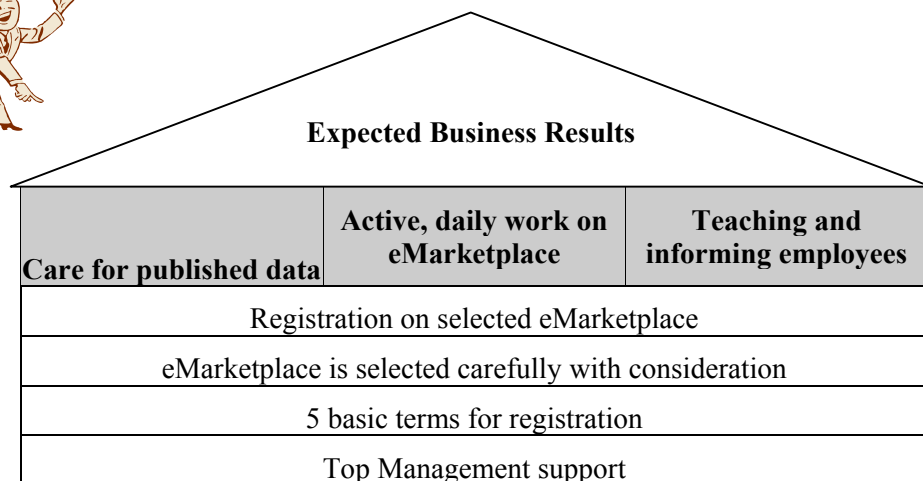
5 Guidelines To Suppliers For Effective Entering To Emarketplace

There are over 1000 B2B eMarketplaces in the marketplace today. The fact, that there is no “Slovene” B2B eMarketplace in operation yet, can not be obstacle for Slovene Companies. Companies have to examine and define their strategy and their real needs. Only with these considerations it is possible to properly estimate and identify suitable eMarketplaces in their industry.

Objectives must be clearly defined before any action. These objectives can be for example: rise of sale for 10% on foreign markets, use at least one new trading channel, and get at least 5 new buyers or suppliers in an automotive industry and so on. eMarketplaces can be the tool to increase the of top management's expectation fulfillment.

Top managers have to support the idea of eMarketplaces use and they should be always available to support their employees, when it is necessary.

If top managers support the idea of eMarketplaces use then everything furthermore is like building a house (picture 1). It is impossible to build the roof before the walls are finished. Without Internet access and browser, trained and skilled person to work with Internet and has the knowledge about English language, without at least one product and experiences with exporting and without top management support it is impossible to start with first brick. After we fulfill these basic requirements eMarketplace must be selected carefully with consideration. Furthermore companies should investigate if their business partners already do transactions on any eMarketplaces, select more than one appropriate eMarketplace and compare their advantages and disadvantages from business perspective. The result should be consensus about the most appropriate eMarketplace. Registration is the next brick. Usually this means only to fulfill the previously prepared e-form. But generally we can say that the procedure depends on selected eMarketplace. Results show that care for published data, active, daily work on eMarketplace, using services offered on eMarketplace, educating, training and informing employees, searching for new business partners are needed for efficient business results.



Picture 1: Requirements For Efficient Entering The Emarketplace

6 Conclusions

Phenomenon, existence and vision of eMarketplaces represent new challenge for companies in Slovenia, especially SMEs. Every challenger is taking its own way to success. As Slovenia became a member of European Union in May 1, 2004, eMarketplaces are becoming more and more attractive trading tool for companies in Slovenia for competing on global market.

Development of companies own eMarketplace is to expensive alternative for most companies in Slovenia. For companies in Slovenia is much more suitable to register and enter existing eMarketplaces. Research showed that for registration on the existing eMarketplace is not needed much more than active work, which also represents cost.

Estimated importance of some factors in this research shows that it is worthy to escort and adopt activities in the field of eBusiness and eCommerce in Slovenia and wider.

Companies own eCatalogue is not the requirement for registration as a supplier on most eMarketplaces. Companies have to have knowledge about the technology needed for making eCatalogue. They should consider about membership and adopting standards of EAN (European Article Numbering) International association. Their mission is to create open, global, cross industry standards based on best business practices. Their implementation enables companies a leading role in supply & demand chain management worldwide. Adopting and integrating EAN.UCC identification and business communications standards lead to visibility of products and services in logistics, supply and administrative processes. This includes all parts of the supply chain: raw materials, manufacturing, wholesale, distribution, retailing and consumers world-wide.

Today it is impossible to blame technology for missed business ideas. Use of new information technologies enables companies to achieve competitive advantage by adopting new business models. Very important for this to happen is top management support.

Entering eMarketplace can be relatively easy and beneficial step to gain new buyers and suppliers for almost any SMEs. As currently in Slovenia no eMarketplace is in operation, companies in Slovenia should fulfill five basic terms for entering eMarketplace abroad. All the rest depends on careful selection of eMarketplace and consideration of key factors. Searching for new business partners in longer period of time will bring good results only if it will be supported by top management. For successful selling on eMarketplaces, own trade mark and size of the company are not crucial factors. To get the best results it is needed to educate employees, to daily plan activities on eMarketplace and to acquire quality and safety certificates.

Just entering eMarketplace is not a guarantee for business success. Company has to be well organized and flexible, has to have attractive products of high quality and has to use e-commerce in daily business with its partners. Only companies that are able to compete on global market can expect good business results from eMarketplaces use.

eMarketplaces will be further developed. They will support more and more Web services that will be tailored to individual needs. There is a need for sharing of information between eMarketplaces. Integration of eMarketplaces to regional B2B eMarketplaces should be considered. The borders of region should be discussed.

References

- Auer, T.; Reponen, T. (1997): »Information System Strategy Formation Embedded into a Continuous Organizational Learning Process«. *Information Resource Management Journal*, 10 (Spring), pg. 32–43.
- Archer, N.; Gebauer, J. (2000): *Managing in the Context of the New Electronic Marketplace*. Proceedings 1st World Congress on the Management of Electronic Commerce, Hamilton, Ontario, Canada, January 19 – 21, 2000.
- Bailey, J.; Bakos, J. Y. (1997): An Exploratory Study of the Emerging Role of Electronic Intermediaries. *International Journal of Electronic Commerce*, 1.3. Spring, pg. 7 – 20.
- Bakos, J. Y. (1991): A Strategic Analysis of Electronic Marketplaces. *MIS Quarterly*, September. Pg: 295-310.
- Baldi, S.; Borgman, H. P. (2001): Consortium-Based B2B e-Marketplaces – A Case Study in the Automotive Industry. 14th Bled Electronic Commerce Conference: e-Everything: e-Commerce, e-Government, e-Household, e-Democracy. Editors: O’Keefe, Bob; Loebbecke, Claudia; Gričar, Jože; Pucihar, Andreja; Lenart, Gregor. Bled, Slovenia, June 25-26, Pg. 629-645.
- Barling, B.; Stark, H. (1998): “Business-to-business electronic commerce: Opening the market”. *Ovum*, June/August/October. <http://www.ovum.com/>.
- Berryman, K.; Harrington, L. F.; Layton-Rodin, D.; Rerolle, V. (1998): »Electronic Commerce: Three emerging strategies«. *The McKinsey Quarterly*, 1998, Number <http://www.mckinseyquarterly.com/electron/elco98.asp>
- Christiaanse, E.; Sinnecker, R.; Mossinkoff, M. (2001): The Impact of B2B Exchanges on Brick and Mortar Intermediaries: The Elemica Case. The Proceedings of the 9th ECIS Conference: Global Co-operation in the New Millenium. Editors: Smithson, Steve; Gričar, Jože; Podlogar, Mateja; Avegerinou, Sofia. Bled, Slovenia, June 27-29, pg. 422-432.
- Chircu A.M. & Kauffman R.J. (1999); »Strategies for Internet Middlemen in the Intermediation/Disintermediation/Reintermediation Cycle«. *Electronic Markets* 8, 2 (May 1999), pg. 109-117.
- Chircu A.M. & Kauffman R.J. (2000): »Reintermediation Strategies in Business-to-Business Electronic Commerce« *Int'l J. of Electronic Markets* 4, 4 (Summer 2000), pg. 7-42
- Clarke, R. (2001): »Towards a Taxonomy of B2B e-Commerce Schemes«. 14th Bled Electronic Commerce Conference. E-Everything: e-Commerce, e-Government, e-Household, e-Democracy. Proceedings Volume 1: Research. Edited by: O’Keefe, Bob; Loebbecke, Claudia; Gričar, Jože; Pucihar, Andreja; Lenart, Gregor. Bled, Slovenia, June 25 – 26, 2001.
- Clarus (2001): eMarket, A Digital Marketplace Framework, <http://www.claruscorp.com>, 22.04.2001,
- DeSisto, R. (2000): »e-Marketplaces: Place your bets or fold your cards«. Gartner Symposium ITXPO 2000, Insight for the connected world. Walt Disney World, Orlando, Florida, USA. Pg. 16-20, October 2000.
- eMarketServices Case Studies (2003): “Recent Cases”, <http://emarketservices.com/cases>, 18.07.2003.
- eMarketServices (2003): “Checklist: Selecting an eMarket”, <http://www.emarketservices.com>, 04.08.2003.

- eMarket Services (2003): "Introduction to eMarkets", http://www.emarketservices.com/about_emarkets/, July 2003, 03.08.2003.
- EAN International: EAN Recommendations, Common set of data. EAN International, June 1999, stran 24,
- FreeMarkets Case Studies (2003): "Global Supply Management Learning Center", <http://learningcenter.freemarkets.com/content.asp?CategoryId=10>, 18.07.2003,
- Gajšek, Brigita (2003): "eMarkets: experiences from the field", Presentation, <http://www.bledconference.org/2003>, 06.08.2003,
- Kjølseth, Bjørn Borg (2004): "eMarket Basic by eMarket Services", http://www.emarketservices.com/emarket_basics/reports/eMarketBasics20030918.pdf, 12.09.2003,
- Lassen, Helen, Fredsted, Nikolaj, Jacobsen, Martin (2003): "Significant e-Marketplaces", http://www.emarketservices.com/?mainpage=reports_facts/reports/Significantemarkets.htm, May 2003,
- Lenz, C. (2000): »e-Marketplaces: How are they changing your business environment«. Gartner Symposium ITXPO 2000, Insight for the connected world. Walt Disney World, Orlando, Florida, USA. 16-20 october 2000.
- Pucihar, A. (2002): »Model dejavnikov vključevanja organizacije na elektronsko tržnico« (A model of factors influencing on organization's entering eMarketplace). Doctoral disertation. University of Maribor, Faculty of Organizational Sciences, Kranj, Slovenia
- Pucihar, A. (2003): »Model dejavnikov organiziranosti organizacije za uspešno vključevanje na elektronske tržnice«. (Model of organizational factors for successful entering the electronic markets). Organizacija (Kranj), March. 2003, 36, No. 3, pg. 140-151.
- Ramsdell, G. (2000): »The real business of B2B«. <http://mckinseyquarterly.com/electron/rebu00.asp>
- Russ, N. (2001): "E-marketplaces: New Challenges for Enterprise Policy, Competition and Standardisation. eEurope go Digital". Workshop Report, Brussels, 23-24 April.
- Segev, A.; Gebauer, J. and Färber (1999): Internet based Electronic Markets. Electronic Markets, Volume 9, Number 3, pg: 138-146.
- Špes, Brigita (2003): "Directives for effective entering to eMarkets", Master thesis. Faculty of Organizational Sciences, University of Maribor. Kranj, 2003.
- The Economist (1999): "The rise of the infomediary". Str. 351., June, 26. <http://www.economist.com/editorial/freeforall/19990626/su3300.html>
- Turban, Efraim; King, David; Lee, Jae; Warkentin, Merrill; Chung, Michael H. (2002): » Electronic Commerce 2002. A managerial perspective«. Prentice Hall, Pearson Education, Upper Saddle River, New Jersey 07458
- Zwass, V. (1998): "Structure and macro-level impacts of electronic commerce: From technological infrastructure to electronic marketplaces". K. E. Kendall (Ed.), Emerging Information Technologies. Thousand Oaks, CA: Sage Publications. <http://www.mhhe.com/business/mis/zwass/ecpaper.html>