

# Market places



**A market place** is a virtual environment, in which products and services are provided and consumed. Like in the real world, offers and demands to fulfill ones` needs and interests are brought together in a special trading space.

There are several different forms of market places.

## Different forms of market places

### Online-shop

Even though not fitting exactly into the definition of a market place, the original and well known form is the classical [B2C Online Shop](#). A supplier sells his products and services in his own online-shop. One of the best known online-shops is Amazon for example. It is also one of the oldest online-shops. It runs since 1995.<sup>1)</sup>

Video of "[How is amazon working?](#)"

### Sub-stores

Sub-stores are online retail storefronts, that are open to anyone whether individuals or big corporations with products or services to sell. Usually a host offers web-space for smaller retailers or individuals to build their own online-shops. There are different possibilities to do that:

- The page can be integrated in a foreign website, for example Amazon aStore
- The page is part of a full-blown [e-commerce](#) website by the host, for example Amazon zStores

### Online flea-markets

In contrast to the two described possibilities, Flea-Markets are according to the definition usually a [C2C](#) market place. Consumers make offers to other consumers. The content ranges from the information about a garage sale to job-offers and much more. One example is craigslist with its content of local classifieds and forums that is moderated by a community and has originally started as an eMail list of SF events in 1995.<sup>2)</sup>

Example:

- [Ebay](#)
- [Quoka](#)
- [Sperrmüll.de](#)

## Social-shops

Social-Shops are C2C online portals, that create a [consumer network](#). Consumers get support for searching products and product recommendations from other consumers. Users of these portals have their own profiles and can generate lists with their preferred products. As a member of the community it is possible to share data with other members. The possibility for members to rate the different offers is part of the concept and according to actual studies an important act for consumers in [eCommerce](#) trading situations.<sup>3)</sup>

Examples for social-shops:

- [smatch](#) <sup>4)</sup>
- [zilo](#) <sup>5)</sup>

## Mobile markets

The mobile Internet is growing due to increasing use and the growing interesting range of trade and online marketing. The advertising budgets are also following this trend. In addition, there is an extra boost to the development of the mobile Internet thanks to attractive devices, fast becoming mobile networks and data flats becoming increasingly important.

More information on the development of media use: [PwC media outlook 2010](#)

## Auction-markets

Like in real-life auctions, consumers can bid for the products they want to buy. This is made possible through a special auction software which regulates the various processes in [auction marketplaces](#). Today almost all platforms use the type of an English auction which means, that the price for one item starts low and is bid up by the participants during a fixed period of time. The biggest auction-platform today is eBay. It started in 1995.<sup>6)</sup>

The popularity of eBay is yet still unbroken, although a study from 2006 shows that there can be expected high fake rates of up to 85% in certain product segments.<sup>7)8)</sup>

## Benefits and conclusion

Within the last years, the use of [e-commerce](#) <sup>9)</sup> has increased. Online shopping amounts today an increasing part of the purchase pattern, first of all in the market segments of consumer electronics,

software and toys. Products like clothes and shoes are bought by a majority of internet users, too. But the benefit arises not only because of direct online buying. Even a small regional retailer with a good online presentation can gain increasing profits in his offline sells.<sup>10)</sup>

As shown above, there are several possibilities when running an online business. However, every possibility has its own (dis-)advantages for retailers.<sup>11)</sup> Which option to choose depends on ones` preferences.

## Recommendation

For more information about affiliate programs click here: [Affiliate Programs](#).

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- [E-Procurement](#)

### I

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### O

- [Online Communities](#)

1)

[www.amazon.de](http://www.amazon.de)

2)

[www.craigslist.org](http://www.craigslist.org)

3)

[www.ecc-handel.de/dmc-studie\\_online-shops\\_enttaeuschen.php](http://www.ecc-handel.de/dmc-studie_online-shops_enttaeuschen.php)

4)

[www.smatch.com](http://www.smatch.com)

5)

[www.zilo.com](http://www.zilo.com)

6)

[www.ebay.de](http://www.ebay.de)

7)

[www.innovations-report.de/html/berichte/studien/bericht-68463.html](http://www.innovations-report.de/html/berichte/studien/bericht-68463.html)

8)

[www.marketing-i.bwl.uni-mainz.de/index.php](http://www.marketing-i.bwl.uni-mainz.de/index.php)

9)

<http://www.webagency.de/infopool/e-commerce-knowhow/ak981021.htm>

10)

[www.esales4u.de/2010/gfk-studie-kaufentscheidung-einzelhandel.php](http://www.esales4u.de/2010/gfk-studie-kaufentscheidung-einzelhandel.php)

11)

see Zentes, J./Morschett,D./Schramm-Klein, H. (2007): Strategic Retail Management. Wiesbaden, p.173

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