

2

A STUDY ON 3RD PARTY E-MARKET PLACES IN MALAYSIA

by
Sathivelu. M

Accountant
Associate Member of the
Chartered Institute of Management Accounts,
United Kingdom
1985

Submitted to the Faculty of Business and Accountancy,
University of Malaya, in partial fulfilment
of the requirements for the Degree of
Master of Business Administration

February 2003

Perpustakaan Universiti Malaya



A511702393

ACKNOWLEDGEMENTS

I would like to express my sincere thanks and gratitude to Associate Professor, Dr Ainin Sulaiman for her invaluable guidance, insight into the subject and the support that she gave me during the preparation of this thesis paper. I am especially grateful for the patience she showed to me in preparing this study.

I would like to express my sincere gratitude to Mr Darnailu Neadu, presently the Head of Risk Management, Credit Card Centre of Affin Bank Berhad, who was directly involved in the MyBiz Project in BSN Commercial Bank Berhad, for the tremendous contribution and assistance he provided me in completing this thesis.

My appreciation also goes out to my fellow course mates who, in one way or another, contributed to my completion of this thesis.

Last but not least, I would like to thank my lovely wife, Pooma and my 3 wonderful sons, Devraj, Vighnaraj and Reuben Raj (who by the way, came into the family the middle of my MBA course), for the understanding and patience that they showed during the times when I disappeared a lot from home, to complete the MBA course. I am finally done... .. and I am all yours.

ABSTRACT

The most important part of Electronic Commerce is in Business-to-Business Commerce trading. In recognising the importance of Electronic Commerce, the Malaysian government had created opportunities for Malaysian Small Medium Industries/Enterprises (SMI/SMEs) through the Demonstrator Application Grant Scheme (DAGS) where MyBiz.com B2B portal was established.

This study was to generally examine the various e-business models available in the market, review the business model adopted by MyBiz.com and identify the motivating factors for SMIs/SMEs to become members of e-market models like MyBiz.com.

In comparison to other business models, MyBiz.com has the fundamental requirements for a successful B2B business model, which offered the ability to conduct secured transactions, online payment systems, electronic procurement and web hosting applications for registered members. In addition, MyBiz.com places the MyBiz.com portal on key search engines as well as encourages SMI/SMEs to place the website's name on the company's paraphernalia.

Notwithstanding this, the numerous benefits accruing to SMI/SMEs from the usage of MyBiz.com, the primary enhancement for Mybiz.com is to attract the trading network of its members to utilise MyBiz.com to conduct their transactions.

TABLE OF CONTENT

1.0 INTRODUCTION	1
1.1 Objectives	3
1.2 Limitations	4
1.3 Concepts/Theories	5
1.4 Significance of the Study	6
1.5 Methodology	6
1.6 Chapter Outline	7
2.0 LITERATURE REVIEW	8
2.1 Introduction	8
2.2 E Business Models	8
2.3 Third Party Driven Electronic Marketplace	13
2.4 Supplier Driven Electronic Marketplaces	14
2.5 Buyer Driven Electronic Marketplaces	14
2.6 Value-Chain Integrator	15
2.7 Buyer-driven Electronic Marketplaces	16
2.8 Commodities Business Model	16
2.9 Advertising model	16
2.10 Specialty/unique product/service provider	17
2.11 B2B Exchanges	19
3.0 THE PORTAL - MYBIZ.COM	31
3.1 Introduction	31
3.2 About Hitechniaga Sdn Bhd ("Hitechniaga")	32
3.3 About MyBiz.com Malaysia	33
3.4 Objective of MyBiz.com	33
3.5 Business Model	34

3.6	Current position of MyBiz.com.....	43
4.0	RESULTS AND DISCUSSION	45
4.1	Survey Methodology.....	45
4.2	Results of the Survey	46
4.3	Brief illustration of B2B Portals.....	48
4.4	Comparison of MyBiz.com and other B2B portals.....	58
5.0	CONCLUSION	63
	REFERENCE.....	66
	ANNEXURE.....	68
	LIST OF TABLES	69
	LIST OF FIGURES	70