4.0 RESULTS AND DISCUSSION

4.1 Survey Methodology

The method that was adopted to carry out the survey was telephone interview method with the aid of a questionnaire. A questionnaire was drawn up comprising of 23 questions, generally open-ended in nature. A sample of the questionnaire is enclosed in Annexure 4.

There were a total of 403 subscribers on the MyBiz.com's directory of clients (see Annexure 3 enclosed). The only problem was that there were no addresses or contact numbers attached to the listing. A random sample of 40 companies or 10% was short listed. This sample was selected from a cross-section of the industry segments available on the web site. From this sample of 40 companies, only 14 or 3.5% of the companies were listed on the yellow pages directory on the Internet and this automatically limited the number of companies that could be contacted. Given this limitation, calls were made to the 14 companies and the interview was carried out over the telephone and the responses were recorded down and tabulated. From the 14 call made, only 9 companies or 64% responded to the calls.

<table>
<thead>
<tr>
<th>1. Number of subscribers listed</th>
<th>403</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Number of subscribers selected</td>
<td>40 (10%)</td>
</tr>
<tr>
<td>3. Number of subscribers listed in the internet yellow pages directory</td>
<td>14</td>
</tr>
<tr>
<td>4. Number of subscribers who responded to calls</td>
<td>9</td>
</tr>
</tbody>
</table>
4.2 Results of the Survey

Needless to say, not all companies that were approached were interested in contributing to the study. However, 50 percent co-operated and allowed to be interviewed. The remaining 50 percent did not want to participate in the survey saying that they were not interested. Of the 50 percent who rejected outright the call for an interview, 14 percent declined on the basis that the employee-in-charge of managing the portal within their organisation had left and 7 percent stated that they had not subscribed to the portal and were surprised to note that the company's name was in the list of subscribers. Therefore the following analysis is based solely on the contribution of the 43 percent of the total sample group. A summary of the responses to the questionnaire is appended in Annexure 5.

Almost all of the subscribers were recruited during the MyBiz.com promotion and were subsequently entitled to free registration. All of them paid yearly annual fees but only 33 percent could give an indicative figure on the paid amount, which was below Ringgit Malaysia Five Thousand. This indicated that although there was an annual service charge, the cost was minimal and it was not a significant cost to the company.

An enlightening aspect, when queried on their perceived benefits of joining MyBiz.com was that almost half said that it was the future making of market trends. This indicated that the companies were aware of the potential benefits that could be derived from B2B portals and realized that future trends in commerce could not exclude E-Commerce. In addition, E-Commerce must exist side by side with their brick and mortar business. About 50 percent of the respondents also stated that they wanted to take advantage of the free registration during the trial run as they perceived it was a new way to increase their customer base and also create export markets for their products.
The infrastructure to access MyBiz.com was easily available within the office facilities of subscribers as the subscribers could connect to existing Internet services in the office and therefore there was no requirement for additional equipment to access the portal. The basic facility required is an online access to the portal to collect and disseminate information. Likewise, only basic training was required to extract information from the portal and vice versa and all of the companies had staff trained to use the MyBiz.com which could be an indication that the companies realised the value of conducting business over the Internet.

Most of the subscribers were not satisfied, as the actual benefits versus perceived benefits from the site were minimal; however 50 percent stated that they will continue their subscription with the MyBiz.com portal.

The main feedback obtained from them on their continued alliance with MyBiz.com was due to positive view of future market trends; as the Internet is definitely an easier method of business communication. Some also had positive hopes because of their own personal Internet exposure on a B2C basis.

Amongst those interviewed, several declined to continue with their subscription to MyBiz.com as they felt that the benefits didn't justify the cost. In addition, some also opined that their type of businesses were not suitable on a B2B concept due to visual inspection required by their business clientele/suppliers prior to purchasing, for example those involved in the furniture industry. Some were satisfied with their present clients while others felt that the renewal cost was high and expensive to maintain as the contribution of revenue from the portal did not justify the cost of subscribing to the facilities of the portal and other relevant cost in the production of the goods or provision of the services and mutual benefits received.
Opinions were sought to improve the existing facilities; and the most prevailing complaint from the clients and suppliers of the existing subscribers of the portal, were they were not members of MyBiz.com and therefore they were not able to utilise the portal for greater efficiency to conduct business with those registered on the portal.

The general consensus was that more promotions are conducted and constant publicity be made by MyBiz.com to recruit new members, especially suppliers of the subscribers, which would indirectly provide more business opportunities to their existing subscribers.

However, upon registering with MyBiz.com, only 17 percent benefited from being a MyBiz.com member. They felt that it was a faster method of processing orders instead of the conventional system. It is interesting to note that this group of companies obtained these benefits from existing customers and did not record any benefits from obtaining new business from the portal.

This further strengthens the argument that companies who are recruited should to some extent complement one another. Finally, it must be noted that only an overall 33 percent had generated business from being a member of MyBiz.com. The reason this could be low was due to the nature of the business involved that is the requirement for evaluation of design, patterns of colours prior to placement of orders and some had indicated that their suppliers and customers were more comfortable with conducting business via the traditional manner.

4.3 Brief illustration of B2B Portals

In understanding the business model of the portal, the publicised marketing strategies of the portals was included to ascertain how the
portals could contribute to realising the business mission and objectives of any of the companies that were actors within the model. A case study approach has been chosen to obtain a better understanding of the B-2-B Electronic Commerce portals chosen which is further divided into relevant areas to accomplish a better understanding of other B-2-B portals in the electronic markets.

Among the many B-2-B portals which are currently available in Malaysia and around the world that would be studied and which were chosen premised on some similarities with MyBiz.com, include asiaEP.com and DagangAsia.com, who target the same group of clientele and the portals' operation base in Malaysia. Other B2B portals are illustrative, to further understand the specific features offered by MyBiz.com versus the features offered in these B2B portals.

(a) asiaEP.com

asiaEP.com, founded in 1996 is an early mover in providing B-2-B Electronic Commerce solutions to Asian SMI/SME manufacturers and is considered a technology enabler who offers SMI/SMEs a way to reach out to a global market through innovative internet solutions. The company has a diverse base of customers from various industries (www.AsiaEP “et al”).

(l) Applications Offered

asiaEP.com applications are expected to help it differentiate against its competitors and provide them with a competitive edge. It offers a multitude of services such as Epxibit which allows its clients to create multiple websites that accommodates different entry points to its customers' websites which will to allow more web exposure and ease of finding its clients' websites. Epnetcast is a service that allows
the automatic updating of its customer website to key search engines and manufacturing coalitions throughout the world, which is done electronically without human intervention. Another application offered is the Epreal, which allows customers to post updates on their websites in real time and is for fast-moving products. EPchat is a secure private chat room for its users using browser-based technology. It also offers an application which allows buyers to have unique access privileges with suppliers for customized product information, pricing and online quotations and also an application which emulates a Virtual Private Network application where clients can use the Internet as a private network for Intranet applications.

(ii) Marketing Strategies

Many companies prefer to build a website, however asiaEP.com rides on key search engines to create exposure for their clients. asiaEP.com offers local SMI/SMEs a platform to reach out to the global market by giving these SMI/SMEs internet presence and more visibility on key search engines. SMI/SMEs pay an average of RM7,000 per annum for asiaEP.com's services. In addition the marketing team at asiaEP.com visits the SMI/SMEs as part of their commitment toward account management, in addition to the usage of local dialects and languages to reach out to the SMI/SMEs.

The manufacturing industries covered are primarily furniture, food and beverage, plastic components, automotive, electrical/electrical components, rubber products and
stationery. The marketing mix helps to position asiaEP.com in meeting its target audience.

(b) DagangAsia.com

(i) Applications Offered

DagangAsia.com also known as Malaysia - International Business Exchange Community is an electronic marketplace. It is a virtual centre and a starting point for businesses to find potential buyers, to source for suppliers, and even go further to develop business relationships as joint venture partners. It can enhance a company's distribution channel as well as to expand company's market reach to foreign market.

DagangAsia.com provides e-Merchant and e-Commerce facilities including virtual store, e-catalogue, online buying and selling services and payment gateway. DagangAsia.com also provides some other services such as banner ads, complete web solution for companies that wish to further enhance their web capabilities, search engine optimization and Internet marketing and branding. Some of the services offered include tenantship, where the e-Merchants will enjoy exclusive services provided by DagangAsia.com.

Just like the above portals, DagangAsia.com attracts buyers and sellers from many different areas of the manufacturing industries and services such as automotive, chemical and plastic, electrical and electronics, computer and internet services, creative services and many others from different countries. Under the financial services provided, one is able
to find foreign banks such as the New York Bank and Westpac Banking Corporation and Compubank, which are real-time banking facilities offered.

It also designates a special section on promotions of the various companies on its portal to increase the company's sales.

However, in comparison to the other portals, DagangAsia.com's portal is relatively simple and straightforward where sellers post their offers and buyers can post their requirements in addition to being able to access directly the website of the respective company through the company's URL which can be accessed through DagangAsia.com's website.

(c) Globalb2b2c.com

The Globalb2b2c.com e-marketplace will revolutionize the way businesses are conducted through a business framework that allows dynamic B2B2C commerce to be conducted through the formation of dynamic collaboration within an online trading community.

Diverse sectors of Malaysian industry, spanning medical services, food processing, hotels, scientific and industrial, can now trade a wide range of protective materials online through an e-marketplace introduced by Globalb2b2c.

The specialty online e-business exchange promises to cut procurement administrative expenses by up to 90 percent, speed
up purchasing cycles, while offering the widest array of "protective solutions" under one site.

"Protective solutions" is a generic term describing products that provide contamination protection to the human body, food or equipment. These include gloves, masks, protective body suits, needles and syringes, washroom hygiene bins and dispensers, antibacterial sprays, aprons, surgical caps and hard-hats.

The B2C service is aimed at heavy consumers such as hospitals, pharmacies, laboratories, hotel chains, airports, factories, and research and development centres, whose participation in this electronic marketplace maximise savings and speeds up bulk purchases.

Since July this year, Globalb2b2c.com's Asian operations have seen transaction turnover exceeding RM82 million, with net revenues of RM1.2 million. It aims to generate an average monthly turnover of RM50 million and net revenues of RM750,000 beginning January 2003 (www.globalb2b2c.com).

(i) **Applications Offered**

Globalb2b2c provides a virtual marketplace for suppliers and distributors under the B2B trading platform. The B2B model aims to provide a neutral platform for suppliers and buyers under a collective marketplace for the protective solutions segment.

In a B2B environment, Globalb2b2c.com will facilitate electronic transactions between buyers and sellers by providing a B2B trading platform and serving as an
Application Service Provider (ASP). ASP is online applications that buyers can rent instead of buy, which includes auctions, exchanges and catalogue aggregation.

Globalb2b2c offers both in a public electronic marketplace or the facilities to build a private business network with the company's partners.

Globalb2b2c.com provides a seamless and integrated virtual storefront to act as a direct marketing channel to end users such as doctors, medical specialists, food caterers, clinics, hospitals and laboratories to procure protective solutions supplies online. The applications provided by the portal are inclusive of e-cataloguing which provides key information, images on the products offered, prices, technical specifications and grading of the products offered. Whereas the procurement and trading services allow buyers to procure quotes and negotiate prices. They also offer online stock ordering as well as online management of the orders and the ancillary support services such as logistics, insurance and financial services. To enhance the usability of the website, online consultation of the products and services are offered.

(ii) Marketing Strategies
Information on the marketing strategies that are employed by the B2B portal is unavailable.

(d) Commerce One, Inc.
Commerce One (CI) is an electronic marketplace company that was founded in 1994 as DistriVision Development Corporation. The
company was renamed as Commerce One, Inc. in March 1997 and went public in 1999. It is based in Pleaston, California with over 3,500 employees worldwide.

(i) Applications offered

The company's two main software products include BuySite 6.0 e-procurement applications and the MarketSite 3.0 Solution. These solutions create connectivity between buyers and suppliers, and help in the procurement of both indirect goods and services and direct goods. Through its software, services and Global Trading Web of interconnected business communities, CI enables worldwide commerce on the Internet. Among the solutions and services being offered are e-Marketplace solutions, Enterprise Solution, Business Services, Supplier Services and XCBL Developer resources.

Commerce One has developed two distinct e-marketplace solutions namely MarketSet™ and Net Market Maker™. MarketSet is a joint offering developed by Commerce One and SAPMarkets. It's an advanced e-marketplace solution, customizable for supply-chain and manufacturing based customer in industries such as utility, oil and gas. Net Market Maker, on the other hand, is an e-marketplace solution that caters for small and medium-sized enterprises. The two marketplace solutions share the robust infrastructure of the MarketSite™ operating environment. Therefore, MarketSite provides the operating environment needed to connect
buyers, suppliers and service providers, integrate applications from multiple vendors and support e-marketplace interoperability.

Commerce One customers represent a cross section of the most innovative companies regardless of their size, industry and market. Examples of companies and consortiums that have selected Commerce One technology to power their e-marketplaces include Citibank, NTT Communications, Siemens, NetCommerce, Price Waterhouse Coopers, Sterlings Commerce Compaq, Corio, Covinsint, Shell and so on.

Commerce One's sources of revenue stems from the licensing fees of its applications, the professional fees from integrating the B2B portal with the company's website and back end solutions, software maintenance fees, transaction fees received from suppliers for the purchase orders that the suppliers receives through MarketSite and subscription fees from buyers and customers to access MarketSite.

(ii) **Marketing Strategies**

Cl has adopted an attractive strategy as an enabler of Electronic Commerce by utilising highly functional technology to lock its customers and users which enables it to garner multiple end diverse revenue streams. Some of the value added services offered by CI to its customers are auctions, shipping, logistics and payment processing services, which enabled CI to garner transaction based revenues as well.
CI's MarketSite portal solution enables e-Marketplace operators to quickly deploy a highly functional, scaleable e-Marketplace solution. Key functionality of CI's portal solution includes its portal Web interface, which enables secure customer registration and login, a trading partner directory and personalisation features through MyMarketSite starting page. CI's MarketSite solution also enables real-time transaction processing of business documents, e.g. purchase orders between buyers and suppliers, as well as auction services. Besides this, CI also offers content management services, to enable easy publishing of e-catalogue content to the MarketSite utilising XML-based standards. Examples of buyers who have benefited from commerceone.net are Schlumberger and Eastman whereas suppliers who have benefited from this open marketplace are CompUSA and Office Depot.

Amongst CI's notable marketing strategies are the offerings of its application such as its electronic procurement software by leveraging on its relationship with its various partners e.g. where partners like People Soft offers its own branded electronic procurement software based on CI's technology. In addition, CI partners with other software application providers such as Interworld and Intershop and other electronic procurement software such as Rightworks and Solin to enable easy access and linkage to CI's MarketSite portal.

CI also utilises its relationship with ASPs such as Curio to enable SMI to gain cost-effective access to its electronic procurement software. By leveraging on its partners which
are leading telecommunication and financial services, CI has an effective ways to penetrate international markets through its partners who are already well respected companies in their own countries and have their own large customer base, thus enabling CI to leverage on to broaden its customers' market. CI's partners typically purchase CI's application. CI's partners look to resell CI's electronic procurement software solutions to their customers.

4.4 Comparison of MyBiz.com and other B2B portals

The services offered by B2B portals enable business relationships to become more dynamic and enable collaboration between companies and indirectly value can be extracted from the information/transactions, which flow through the B2B portal. Table 4.1 at the end of this chapter provides a comparison of features of MyBiz.com and the selected B2B portals.

In this respect, MyBiz.com offers applications, which are very much similar to those of asiaEP.com and DagangAsia.com which targets at SMIs/SMEs from a diversified base in comparison to other B2B portals.

Most of the electronic marketplaces tend to offer value-added services in order to differentiate themselves and attract higher participation rates. Such services include online payment, financial services, certification services and basic value packages to include web hosting and email services, which are updated by the electronic marketplace service provider. MyBiz.com makes available these fundamental features and is able to offer web hosting, email services and online payment just like the portals that it is being compared to namely asiaEP.com and DagangAsia.com.
The clientele that is registered on MyBiz.com and those registered on DagangAsia.com and asiaEP.com are very similar as they consist of the various manufacturing and services from Malaysia. Nonetheless, it is interesting to note that DagangAsia.com has managed to attract clientele from abroad, amongst others the New York Bank, Westpac Banking Corporation and Compubank who are registered on DagangAsia.com’s website to provide relevant financial services.

Websites such as Covisint.com, a B2B website whose clients are centred on the products and services that are offered in the automotive industry are known as industry-focused websites as opposed to MyBiz.com, which is a B2B portal that expands over many diverse industries. The attractiveness of such a website to be successful in comparison to MyBiz.com is the non-requirement for a large number of clients to be registered on the website.

In the case of MyBiz.com which has clients registered from such diverse industries for example, the automotive and office furniture industries, in order for MyBiz.com to be successful it must be able to be in a position that will attract many suppliers and other business partners and customers of the industries who are registered on MyBiz.com. In this instance, MyBiz.com is similar to many websites such as DagangAsia.com and asiaEP.com as opposed to Covisint.com who are not industry-focused but host tremendously diversified websites from different industries which would require high liquidity to offer value to its customers and increase the confidence of companies to register on their B2B portal.

By virtue of servicing the SMI/SME industries, B2B portals tend to have marketing strategies that increases the profile of the B2B portal to add value to its clientele and therefore B2B portals essentially have one way or another helped the registered companies to advertise their products and
services on the Net with varying degrees of publicity. The method of advertising such as enabling the website to be easily located by search engines in order to generate more sales leads is the most common manner of advertising for B2B websites. Other methods include heavy promotions to their target markets as undertaken by asiaEP.com.

In the case of asiaEP.com, they were an early mover in the Malaysian manufacturing scene and therefore spent time in establishing their portal and building a rapport with the SMI/SMEs by having designated customer sales teams who make regular visitations to the SMI/SMEs and also to the extent of hand-holding the SMI/SMEs. One method of hand-holding is to tie up with local government agencies, which offer grants to the SMI/SMEs in order to be a member of the B2B portal. These are similar strategies employed by MyBiz.com, DagandAsia.com as well as asiaEP.com which offer a competitive edge over other B2B portals especially foreign portals.

As to date, asiaEP.com has established operations outside Malaysia. Realising the potential for enhancing the number of clients registered on its B2B portal, asiaEP.com have expanded their business operations in China and their next target market lie in the Asia Pacific.

In comparison to MyBiz.com, the B2B portals have operations in Singapore, which cater for the SMI/SMEs registered in Singapore. The following table compares several features that are common to a B2B portal versus MyBiz.com. The B2B portals that were selected for the comparison are dependent on the extent of publicly available information about the B2B portals.
<table>
<thead>
<tr>
<th>Name and year established</th>
<th>Horizontal/ Vertical</th>
<th>Market focus</th>
<th>Revenue Generating Registered Members (Supplies)</th>
<th>No. of Staff</th>
<th>Total company Revenue (US$)</th>
<th>% of revenue from e-market place</th>
<th>Revenue sources</th>
<th>IDC Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>asiaEP.com (est. 1998)</td>
<td>Horizontal and Vertical</td>
<td>Manufacturing</td>
<td>1844</td>
<td>35</td>
<td>1.3m</td>
<td>65%</td>
<td>E-Marketplace Membership, Web hosting services, custom IT services and advertising services</td>
<td>asiaEP leads in chargeable high value membership services which are based on increased marketing reach for the SMEs via their e-marketplace</td>
</tr>
<tr>
<td>MyBiz.com (est. 2000)</td>
<td>Horizontal</td>
<td>Manufacturing</td>
<td>80</td>
<td>40</td>
<td>TBA</td>
<td>15%</td>
<td>MyBiz.com. main business concentration is in the provisioning of Web solution integration services</td>
<td>MyBiz.com is an early mover which concentrated on building supply chain exchanges for smaller high value private group of clients</td>
</tr>
<tr>
<td>Eceylinco.com - by Ceylinco Consolidated (M) Sdn. Bhd. (est. 2000)</td>
<td>Horizontal</td>
<td>Manufacturing</td>
<td>530</td>
<td>12</td>
<td>0.2m</td>
<td>2%</td>
<td>Membership based on service packages, IT Services, Traditional trading activities</td>
<td>Eceylinco has quite a broad base of activities, but IDC believes that eCeylinco’s focus is in supplementing custom Internet Services for its traditional trading activities among members.</td>
</tr>
<tr>
<td>MnEportal.com (est.2000)</td>
<td>Vertical</td>
<td>Manufacturing and electrical</td>
<td>TBA*</td>
<td>18</td>
<td>TBA</td>
<td>15%</td>
<td>Web solution services and development of private exchanges</td>
<td>MNEPortal is focused on the electronics industry only</td>
</tr>
<tr>
<td>Worldsol.com - owned by Ancom Bhd. (est. 2000)</td>
<td>Vertical</td>
<td>Chemicals - Manufacturing</td>
<td>150</td>
<td>20</td>
<td>1.2m</td>
<td>20%</td>
<td>Web solution services</td>
<td>Worldsol is focused on eDistribution of its own chemicals manufacturing capability</td>
</tr>
<tr>
<td>DagangAsia.com - owned by Webse Technology Sdn. Bhd. (est. 2001)</td>
<td>Horizontal</td>
<td>Manufacturing, Software and System Design, Property, Electronic components, Consulting Services</td>
<td>1200</td>
<td>20</td>
<td>0.85m</td>
<td>10%</td>
<td>Membership and traditional SI business</td>
<td>DagangAsia employs low cost option for SMEs who are willing to have simple web presence</td>
</tr>
<tr>
<td>Tradenex.com – owned by Federal Manufacturer of Malaysia (est. 2001)</td>
<td>Horizontal</td>
<td>Manufacturing</td>
<td>None</td>
<td>TBA*</td>
<td>Government funded</td>
<td>0%</td>
<td>IT services and solutions</td>
<td>FMM’s own portal for its members allow it to tailor specific solutions that are more suited to its members</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------------</td>
<td>---------------</td>
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<td>----------------------------------</td>
</tr>
<tr>
<td>Sibextrade – owned by Sibexlink (est. 2002)</td>
<td>Horizontal</td>
<td>Manufacturing</td>
<td>100</td>
<td>200</td>
<td>TBA*</td>
<td>20%</td>
<td>Membership fees, traditional publishing business, advertising, Web development and e-commerce services</td>
<td>Sibextrade’s partnership with other e-marketplaces worldwide on its portal gives it the impression of increased marketing reach, but its paid membership services are low.</td>
</tr>
</tbody>
</table>

Source: IDC, 2002

Note: TBA* – To be acertained