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## E-commerce Changes College Catalogs and Classrooms

There are schools that teach how to grow grass. There are schools that teach how to work in a NASCAR pit crew. So it stands to reason there are schools that teach how to do PR and marketing online.

While university business schools agree that courses in e-commerce and marketing are becoming the hottest classes on campus, they can't agree on how to teach them.

Opinions on campus are diverse. One newly appointed department chair says trade on the Internet is simply about selling more mayonnaise than the next guy. Other professors are concerned an educational focus on e-marketing is too narrow.

Despite those misgivings, most university officials now recognize that their schools must offer some e-commerce curriculum to stay competitive.

Distance learning is getting a shot at George Washington University in the nation's capital, where students can put together their own MBA tracks in e-commerce. GW's course in e-commerce and marketing has just been given the academic rubber stamp for the fall semester.

The class – only recently shedding the “experimental” label – offers students the opportunity to electronically debate the merits of advertising on an online bulletin

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## Middle Man Helps Develop B-to-B Leads Without Pain

When *Bernard Louvat* was helping establish Office Depot in France, he had to develop business relationships with vendors around Europe. Countless hours were spent searching for vendors who could supply the products Office Depot sells. More hours were then invested in comparing the quality and price of each product.

After sitting through yet another “sell-me” meeting with a vendor eager to get his wares into Office Depot, Louvat was at the end of the line. “I couldn't stand the

thought of yet another sales meeting with another vendor. I began thinking, Why isn't there another way to do this? Why can't I simply put out on the Internet a description of the product I want, and later compare prices and quality of the products offered?”

His resulting creation, **BizBuyer.com**, serves as business-to-business middleman, taking one of the most arduous tasks of marketing out of the loop. Much like a virtual sales force, BizBuyer.com aims to

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### CASE STUDY

**Niche site finds the right bait to bring in the users.**

### MARKET RESEARCH

**More swiveling heads are paying attention to TV and the Web.**

### INTERACTIVE ADVISOR

**The alchemist qualities of the Web – turning data into dollars.**

## Bytes

▷ You know the commercial with the tow-truck driver who got rich in e-trading and only drives because he likes helping people? And the one where a kid proclaims his life goal is to be replaced on a whim? Not only are they making us chuckle, these commercials are succeeding in drawing users to online sites. A survey by the NPD Group found that 44 percent of Internet users say they have visited sites because of a mention in an offline media. And smart marketers are taking advantage of all the options. Online marketers spend 44 percent of their ad budgets on offline media, according to Forrester Research. The 47 online marketers in the survey plan to boost that portion to 52 percent. Something to think about when you're watching *Monster.com* and *Discover Brokerage* conquer their markets.

▷ People have better things to do than wait for your Web page download. More than a third of Web users may simply give up trying to buy an item online when they are frustrated by slow speeds, according to *Zona Research*. That could translate into a \$4.35 billion loss in U.S. e-commerce sales each year because of unacceptable download times. Research shows that online vendors need to adhere to the “eight-second rule” to hold onto those sales.

▷ What, isn't their money good? In a study of 50 leading e-commerce sites, only eight sent a follow-up marketing offer to customers who made purchases on their site in the last 30 days, according to *Rubric Inc.* Of these, only two were personalized. And vendors wonder why they have so many problems with customer retention.

▷ The Web has outpaced direct mail as an advertising and promotional tool for small business, and is closing in on newspaper advertising, according to a study from the *Kelsey Group*. More than 17 percent of U.S. businesses involved in local commerce now use the Web. The Yellow Pages remains king with 37.2 percent.

▷ In case it wasn't too easy to spend money online, *FirstNet National* has rolled out what it says is the first Internet-only credit card. The paperless credit card system is designed to handle microtransactions and with Internet-centric security features. Info at [www.firstnetcard.com](http://www.firstnetcard.com).

save vendors time and money in generating qualified leads.

Thanks to an infusion of \$1 million in seed capital from investors, including eBay CEO Meg Whitman, and another \$5 million from @Ventures, the venture-capital arm of leading Internet incubator CMGI, BizBuyer.com was launched in early June.

From now until September, the service is free to buyers and vendors alike. After September, vendors will be charged a set price, which has yet to be determined, but buyers will continue to use the service at no cost.

With business-to-business e-commerce estimated to increase from \$43 billion in 1998 to an estimated \$1.3 trillion in 2003, BizBuyer.com could be perfectly poised to take its share of the expanding Internet market.

## The Inner Workings

Here is how it works: Buyers who visit the site can review buying guides to determine their purchasing needs. Each guide offers information on all available products and services, and comparison tables and information about negotiating rates with vendors.

After reading the guide, buyers can submit requests for proposals from vendors. BizBuyer.com then automatically matches the buyer's request with the appropriate vendors, who can then choose to submit an online bid directly to the buyer for consideration.

Buyers can review all the bids in a comparison table and select the best bid offered. The buyer's name and contact information are protected, unless the buyer asks they be revealed to specific vendors. In addition, the buyer can read the vendor's profile to determine if they want to do business with each vendor, and can also peruse feedback from other buyers who have used the vendor.

"This allows a huge savings of time on both sides of the equation," Louvat says. "It improves the efficiency of the buying process."

BizBuyer.com has several thousand vendors online, primarily Internet service providers and telecommunications providers. But by summer's end, Louvat intends to

have 20 categories online, including insurance, financial services, legal consulting, accounting, human resource services and office products and services.

## Potential Snag?

While intrigued by the concept, Lee Smith, vice president of marketing and business development for market research firm NFO Interactive, isn't sure just how easy it will be for Louvat to reach the small business owners BizBuyer.com was created to serve.

"This is going to take a huge grassroots marketing effort to find the small businesses they are looking for and then target them," Smith says. "This will have to entail real focused marketing initiatives, because in most small businesses, the owners have little time to read trade journals and other things. All their time and energy is devoted to keeping their business afloat."

But Smith says Louvat has managed to get substantial investments from credible sources who know the Internet and have a good handle on what will work and what will not. "As long as they can find a way to market their services to enough small business owners, this thing could take off," Smith says.

Mitch Arnowitz, director of business development for Morino Institute Netpreneur Program, agrees with Smith.

"This is a good idea, with good, strong management and savvy investors," he says. "They have an easy-to-understand idea in the rapidly growing business-to-business sector of the Internet."

The only question Arnowitz has about BizBuyer.com's success is how quickly Louvat can get the message out that BizBuyer.com is open and ready for business. "And how quickly can they develop the necessary relationships, capture mindshare and make a name for themselves?" Arnowitz asks.

"The advantage here, as I see it, is that BizBuyer.com offers information and value that empowers the buyer in a market-driven, or auction-style pricing system," Arnowitz says. "That could really prove to be beneficial to small business owners."

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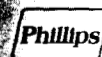
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