

Lets Buy It in the Net

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Disposition

- Business idea
- Business model
- Perfect competition
- Communities
- Marketing



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Business Idea



Vision

“To provide the strongest purchasing power in the world and add more value to our customers than any other community on the Internet.”



Business idea

"To Help People Get Together In Order To Create Co-Shopping Power and To Offer Our Members Convenience, Trust, Best Price & Added Value."



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Perfect competition - the definition

- "The most efficient market form possible"
 - Many buyers
 - Many sellers
 - Homogenous goods
 - Perfect information

Source: Macroeconomics
by Dornbusch&Fischer
1998



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Perfect competition - vs co-shopping

- Many buyers

Via the Internet Letsbuyit gathers - all over Europe - thousands of shoppers for a specific product at a specific time



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- **Homogenous goods**
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- **Perfect information**
Letsbuyit will provide the best possible purchase information via third party sources. Letsbuyit also provides up to the minute information about suppliers and prices



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Yet another strange Internet venture ?

- A purchasing cooperative - **not** an Internet retailer
- The business idea is over 100 years old
- The Internet - enabling efficient execution
- Easy to copy - difficult to develop



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Business Model



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Totally Member Driven Business

1) The Member Suggests a Product...

2) LetsBuyIt Responds Immediately Through the Data Mining System...

3) Negotiation With Suppliers...

4) The Co-Buy Starts...



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Co-Shopping

The Product Is Offered On the Site!

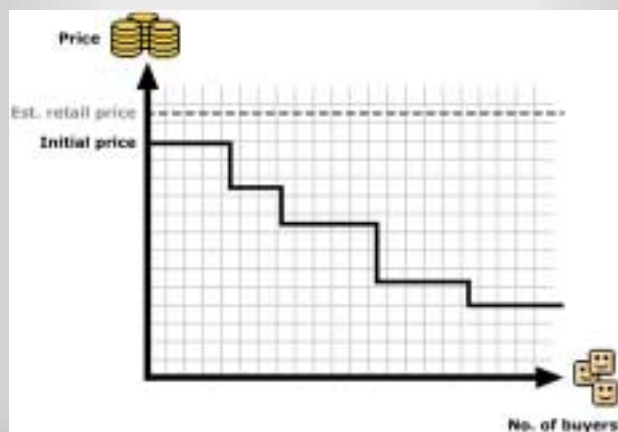
The Member Buys...

The Co-Shop Deal Closes...

The Member Receives...



Co-Shopping Price Model



Co-Shopping Price Model



Traditional value chain



Our value chain



Co-shopping vs auctions

Auction:

- one or a few products
- predetermined products
- buyer against buyer
- successively raising price
- creating one or a few winners

Co-shopping:

- member driven selection
- buyers uniting purchasing power
- successively bringing down price
- the more buyers, the more winners



Communities



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What's in it for communities ?

Increased interaction between community and member and between members = increased loyalty

Communities

- Providing a high value experience to the members
- Understanding member's online behaviour
- Increasing traffic through community website
- Add on revenue on existing customer base

Members

- Low prices
- Wide range of products
- Unique products
- Selection input
- Peace of mind



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Communities

Letsbuyit.com has already established 40 partnerships and set up community sites, examples:

- Kolumbus - telecoms operator and major Finnish ISP
- TV4 - largest national TV channel
- Telenordia - telecoms operator and major ISP
- Ericsson - intranet Zopps
- kvinnor.net - magazine publishing group, Bonnier
- British Telecom - Intranet
- TeleDanmark - telecoms operator and major ISP
- Storebrand - Internet bank Norway
- Duuni.net - major Finnish portal
- Yahoo - In Norway and Sweden
- Redseven - Online Community in Germany
- Etc...





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Marketing challenge Breaking through the invisible barriers

- Letsbuyit.com an relative unknown brand
- Shopping on the Internet
 - Retailer responsibility
 - Product warranties
 - Customer service
- Using credit cards on the Internet
- Deliveries



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