

Value-exchange patterns in business models of intermediaries that offer negotiation services

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1 Introduction

As a result of the diffusion of Internet-technology in mid-90s, the business world met a new disruptive possibility [4][5] to exchange data by computer networks at low cost. As any disruptive technology, computer-based networking has changed business activities and the constellation of businesses significantly. Because many of the equations upon which business models have been built have changed, a rethinking of these models is required. This especially holds for intermediary business functions; existing intermediate parties like travel agencies disappear, while at the same time new types of intermediaries emerge.

Utilization of Internet technology by businesses spawned a new field of research, namely e-business research. Two main streams of e-business research exist [9]. The first stream aims at conceptualizing the principles that form the foundation of a business. The resulting business models describe a business models in general [3][1] in terms of structure and governance of transactions [3], customer value, scope, price revenue sources, connected activities, implementation, capabilities and sustainability [1]. The second stream aims at creating a taxonomy of business models of existing business in a specific domain [10][11][12]. Examples of business models in such a taxonomy are: brokerage, advertising, infomediary, merchant, manufacturer (direct), affiliate, community, subscription and utility [10]; and direct customer, full-service, provider, intermediary, whole of enterprise, shared infrastructure, virtual community, value net integrator and content provider [12].

In this paper, we take a third approach. Our goal is to compose business models from business model fragments that we call patterns in analogy with the areas of design patterns[6] in software engineering and Alexander's patterns[2] in building architecture. As a first step in that direction, we search and identify value-exchange patterns in a number of models of existing businesses.

This document is a library of value-exchange patterns. A value-exchange pattern is a repeatedly occurring fragment in value-based business models. The collection is drawn out of business models of market intermediaries that offer negotiation services. The intermediaries are selected as a result of literature and Internet surveys.

The first part of the document presents the pool of business models from which the library is derived. Businesses are modeled with the *e³value* ontology [8][7], which emphasizes on the values exchanged. Therefore, the patterns identified are called value-exchange patterns.

The second part of the document presents the library. Every pattern is specified in a template describing its name, context, goal, values exchanged and services offered.

2 Value-based business models of intermediaries that offer negotiation services

This section presents 19 business models of 13 intermediaries, which offer negotiation services. These models are organized in 5 groups according to the type of intermediary. The type is decided upon the core business activity of the intermediary. Figure 1 present the classification scheme used. The negotiation intermediaries are divided into conflict resolution intermediaries, intermediaries that offer negotiation support, auctioneers, price discoverers and price comparators. Every type of intermediary is presented by at least one existing business.

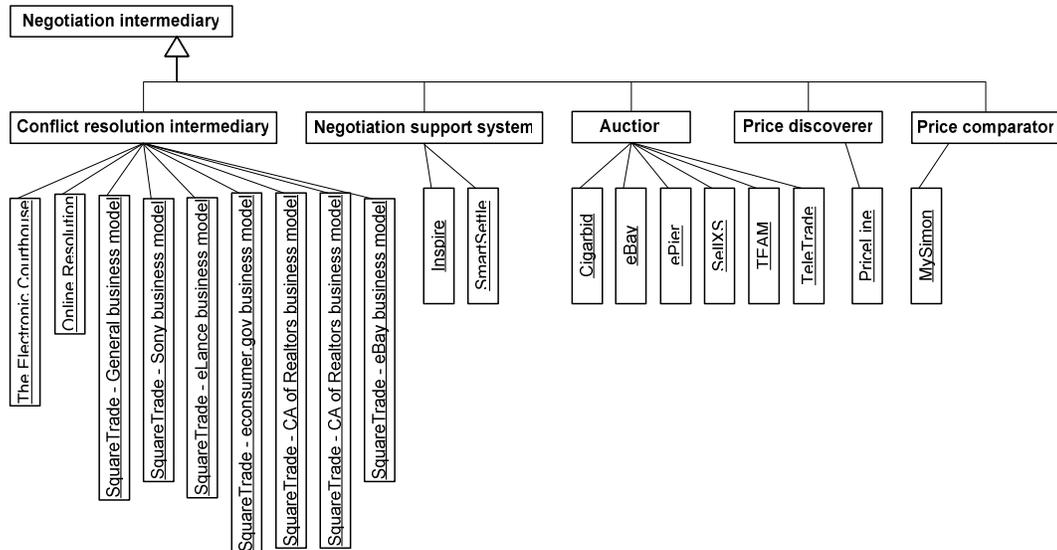


Figure 1: Business models classification

A concise description of every business model is presented in the remainder of the section. Each of them gives a link to the Web page of the business, a textual explanation the model and graphical representation in e3-value terms. The descriptions are grouped as in Figure 1 and follow the same order from left to right.

2.1 Conflict resolution intermediaries

Due to many reasons, businesses disagree and break their relationships. Conflict resolution intermediaries exist to help them to find a settlement. They offer independent mediation to overcome the difficulties in communication caused by mistrust.

2.1.1 The Electronic Courthouse

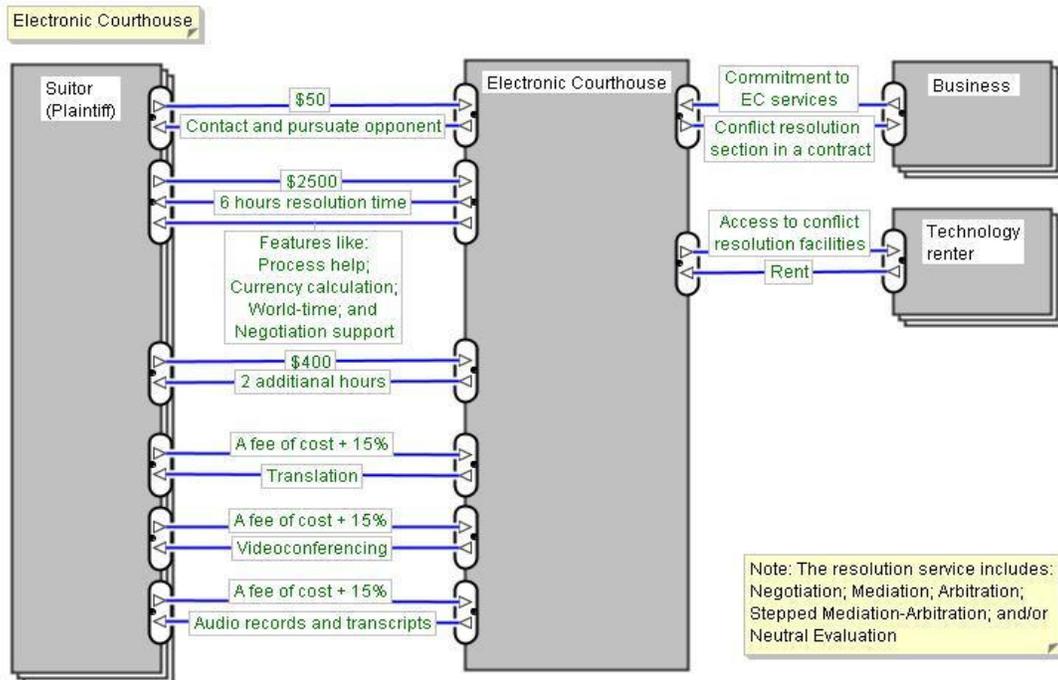
MODEL NAME: Electronic Courthouse

LINK: <http://www.electroniccourthouse.com/>

DESCRIPTION: The Electronic Courthouse provides an online forum for businesses as an alternative to expensive litigation. It allows parties to resolve their commercial disputes fast and remotely. It combines automated information systems and a team of resolution professionals, specializing in, but not limited to, real-estate, insurance, supply chain disputes, breach of contract, sports and entertainment law.

Parties may complete their submissions online, search online legal data base for answers to their legal questions, use translation services, and meet with the other party and their resolution professional in a secure Web-based meeting facility supported by voice conferencing. Parties can choose among several dispute resolution methodologies, including mediation, neutral evaluation, arbitration, or a process agreed to by the parties in a dispute resolution clause in their contract.

VALUE-BASED MODEL:



2.1.2 Online Resolution

MODEL NAME: Online Resolution

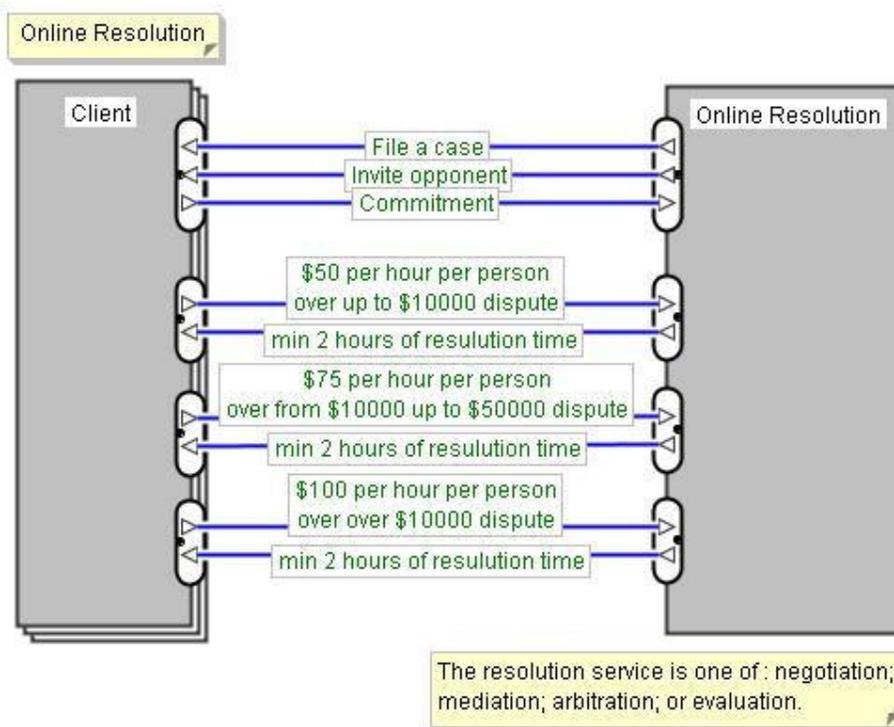
LINK: <http://www.onlineresolution.com/>

DESCRIPTION: Online Resolution brings together an extensive panel of professionals with expertise handling e-commerce disputes, insurance claims, business negotiations, and family conflict.

Online Resolution takes the traditional claims adjusting process and combines it with the dynamic and consensual features of alternate dispute resolution to create a unique resolution option for insurance disputes. Online Resolution brings independent expert adjusters to online. Moreover, Online Resolution adjusters are independent neutrals: they do not represent the insurance company or any party to the dispute. They work with all the parties to uncover the facts and provide a well-reasoned opinion on resolving the case.

Online Resolution provides online four methods for dealing with disputes: negotiation; mediation; expert evaluation; and arbitration. Its services include help to identify suitable cases for online dispute resolution and help to choose the method best suited to a particular dispute. Once a resolution method is selected, online instructions guide in the process of registration and tell what to expect from Online Resolution. Online Resolution will contact the other participant(s) and seek their commitment to the selected online dispute resolution method.

VALUE-BASED MODEL:



2.1.3 SquareTrade - General business model

MODEL NAME: SquareTrade - General business model

LINK: <https://www.squaretrade.com/>

DESCRIPTION: SquareTrade builds trust in transactions and creates a better online trading experience. SquareTrade's services aim to help buyers identify trustworthy sellers they can buy from safely, as well as help good sellers show buyers that they can be trusted.

SquareTrade serves a broad range of marketplaces through partnerships with industry leaders, including eBay, Verisign, PayPal and the California Association of REALTORS.

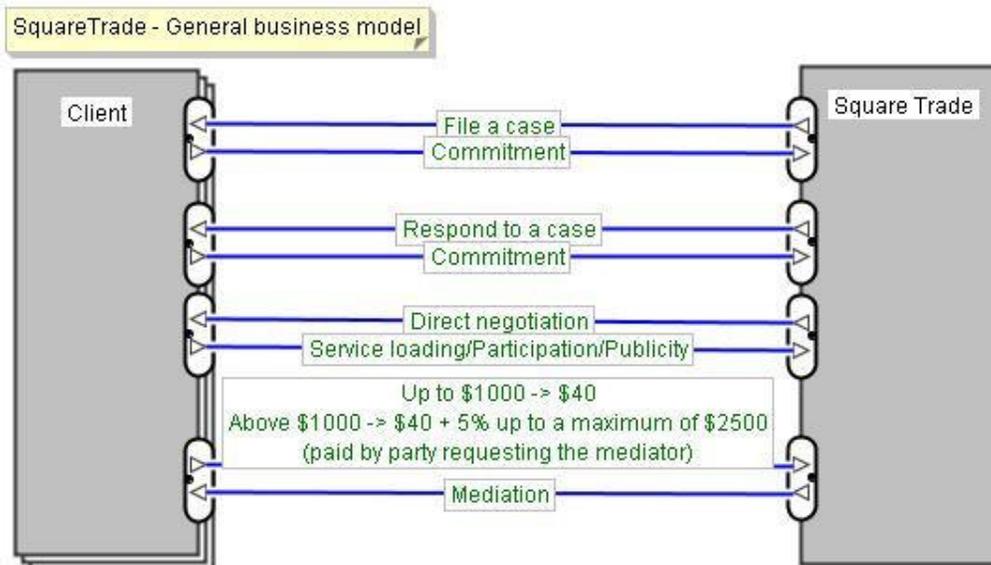
SquareTrade's ODR service has a proven track record of resolving disputes, having resolved over 200,000 disputes in areas ranging from online auctions to traditional home purchases. SquareTrade uses a worldwide network of over 250 professional mediators, and is advised by experts in the fields of consumer protection, cyberlaw, and dispute resolution.

SquareTrade provides with Web-based dispute resolution services that give fast and convenient way for parties anywhere in the world to resolve issues that have arisen over online transactions. During the process of resolution, parties work together to resolve problems within the SquareTrade system, either independently using a direct negotiation service or through mediation. When a case is filed, the other party is notified and given the opportunity to respond. If the other party responds to the case, the case automatically goes into direct negotiation, and the filing party can request a mediator at any time.

SquareTrade has one general business model, which provides with a skeleton for derived business models. This model includes four value exchanges, which correspond to four intermediation services, namely: File a case, Respond to a case, Direct negotiation and Mediation.

SquareTrade has six modifications of the general business model. These differ in the exchange values, in the duration of services or in the added features to a service.

VALUE-BASED MODEL:



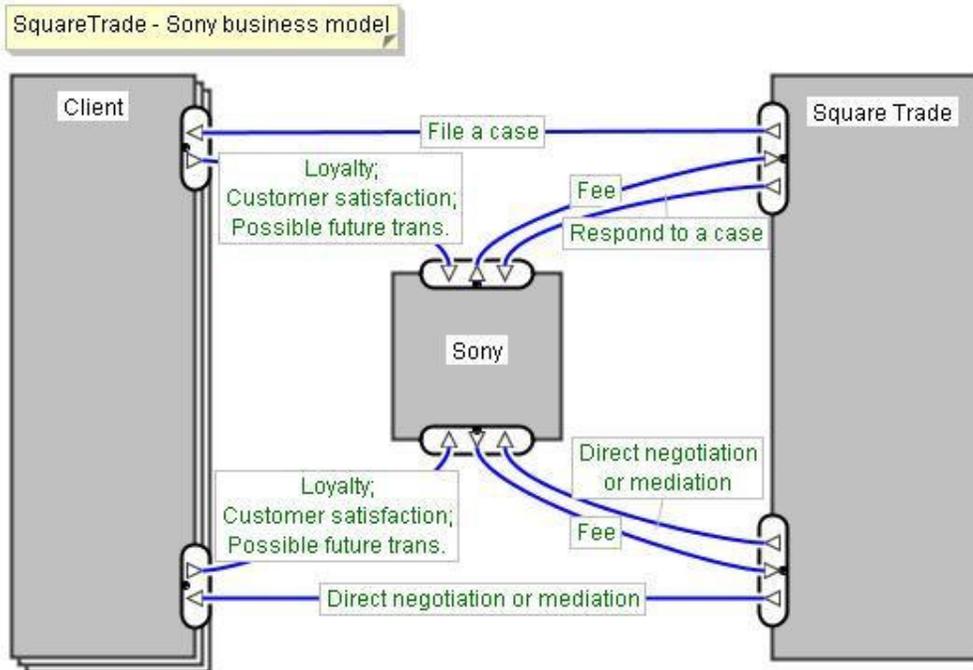
2.1.4 SquareTrade - Sony business model

MODEL NAME: SquareTrade - Sony business model

LINK: <https://www.squaretrade.com/>

DESCRIPTION: In the customized business model for Sony, all services are free of charge for the client. Moreover, the negotiation and mediation services are not time-restricted. Sony has outsourced its business process of client's claims handling. Sony pays fee to SquareTrade to manage the conflicts with its clients.

VALUE-BASED MODEL:



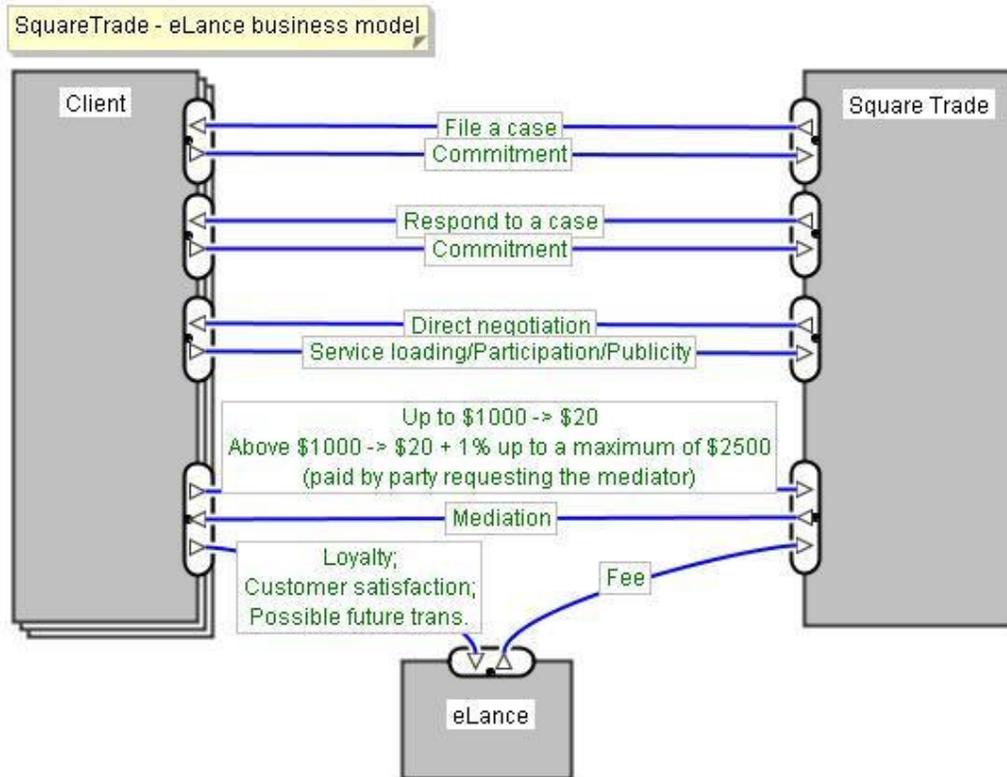
2.1.5 SquareTrade - eLance business model

MODEL NAME: SquareTrade - eLance business model

LINK: <https://www.squaretrade.com/>

DESCRIPTION: In the customized business model for eLance, clients of eLance resolve their conflict interacting with SquareTrade. eLance does not take part in the process; it is transparent for the clients. The conflict resolution is the same as in the General business case with the exception that parties pay less. The difference in price is covered by eLance.

VALUE-BASED MODEL:



2.1.6 SquareTrade - econsumer.gov business model

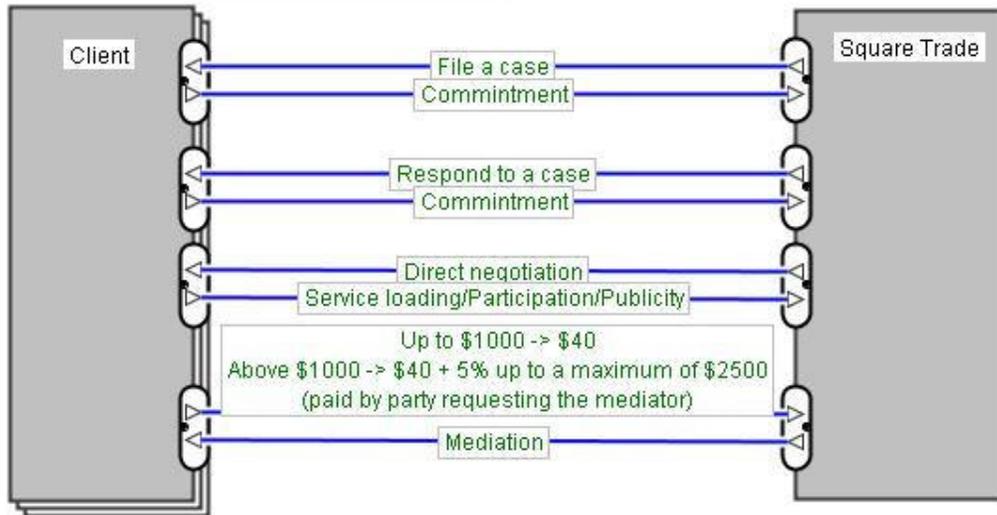
MODEL NAME: SquareTrade - econsumer.gov business model

LINK: <https://www.squaretrade.com/>

DESCRIPTION: The econsumer.gov business model is identical with the General business case.

VALUE-BASED MODEL:

SquareTrade - econsumer.gov business model



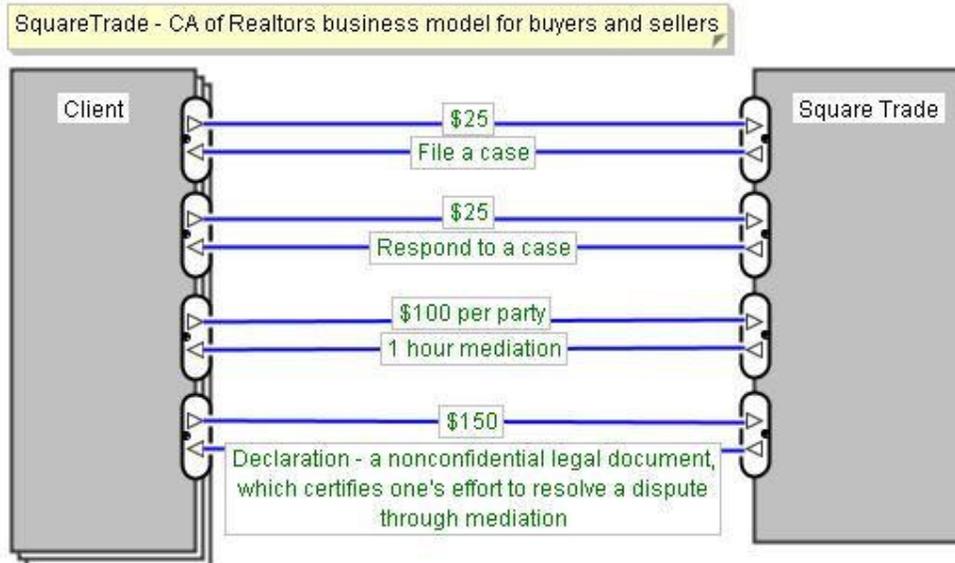
2.1.7 SquareTrade - CA of Realtors business model for buyers and sellers

MODEL NAME: SquareTrade - CA of Realtors business model for buyers and sellers

LINK: <https://www.squaretrade.com/>

DESCRIPTION: In the customized business model for California Association of Realtors, a buyer and a seller of a real estate resolve their conflict through SquareTrade's services. This business model is designed for buyer and sellers. The difference with respect to the General business model is in the fees paid by the clients and in one additional service. Fees are assigned to every service, including filing a case and responding to a case. The additional service offers a legal document certifying the effort of one of the sides to resolve the conflict out side of a courthouse.

VALUE-BASED MODEL:



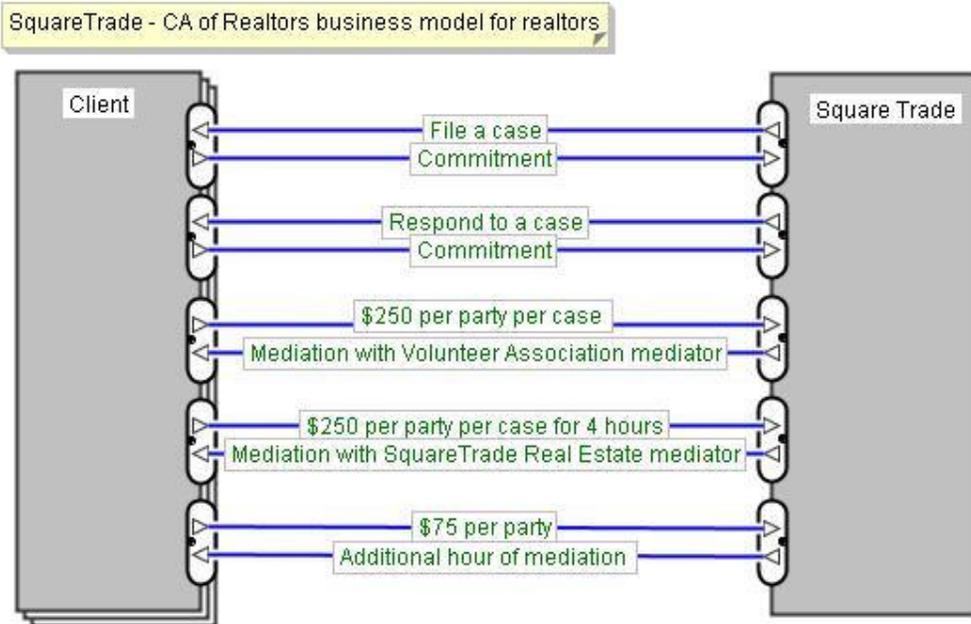
2.1.8 SquareTrade - CA of Realtors business model for realtors

MODEL NAME: SquareTrade - CA of Realtors business model for realtors

LINK: <https://www.squaretrade.com/>

DESCRIPTION: In the customized business model for California Association of Realtors, real-estate agents resolve their conflict through SquareTrade's services. This business model is designed for real-estate agents. The difference with respect to the General business model is in the fees paid by the clients and in the possibility to prolong the process. Another difference is that the not mediated negotiation service is changed to a second type of mediation.

VALUE-BASED MODEL:



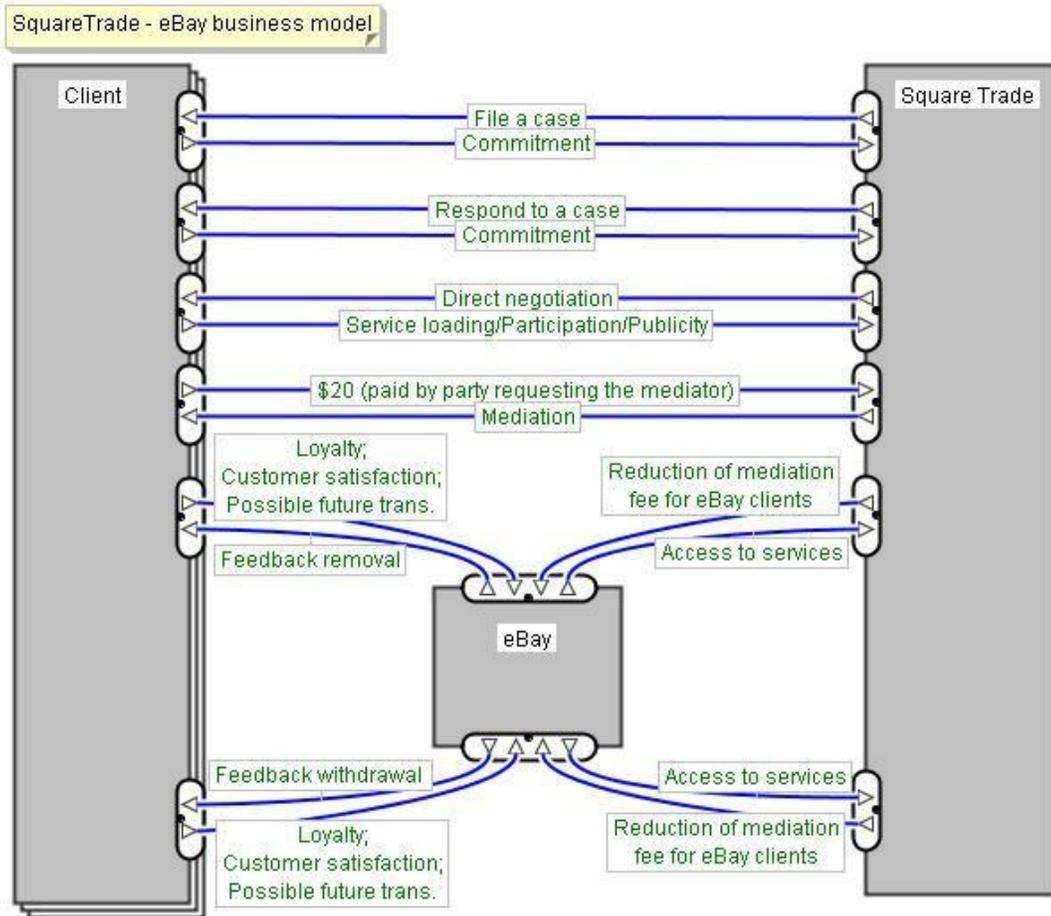
2.1.9 SquareTrade - eBay business model

MODEL NAME: SquareTrade - eBay business model

LINK: <https://www.squaretrade.com/>

DESCRIPTION: In the customized business model for eBay, clients of eBay resolve their conflict interacting with SquareTrade. One of the differences with the General business model is in the fees paid. In the eBay business model the fee is reduced and fixed per conflict resolution. The second difference is in two special features added to the mediation service. These are the possibility for removing or withdrawing of eBay feedbacks. In this way, they are introduced as additional issue in the negotiation process.

VALUE-BASED MODEL:



2.2 Intermediaries that offer decision support

Economic theories see businesses as rational agents, which seek maximum benefits out of every interaction. In a real-life situation, businesses have opposite goals and optimal agreements are difficult to reach. To reduce the complexity, intermediaries offer negotiation support services. These services aid parties in taking informed decisions in the process of negotiation.

2.2.1 SmartSettle

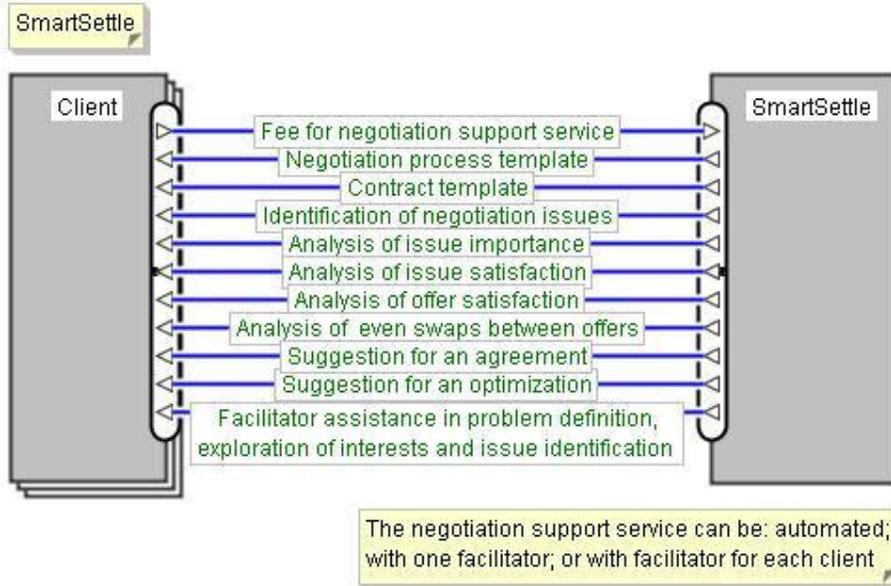
MODEL NAME: SmartSettle

LINK: <http://www.smartsettle.com/>

DESCRIPTION: SmartSettle aims to accelerate the negotiation process for any type of case and put decision-makers in control of a process that finds the best possible solutions. SmartSettle offers services to businesses, which have difficulty reaching a good agreement about certain matters.

After registration, parties may engage a single SmartSettle facilitator or each have their own private facilitator. The facilitator helps parties work together to express their interests and identify issues without making specific demands. The facilitator works independently with each party to elicit their initial confidential preferences. Based on party preferences and concessions made by each party, packages are generated for parties to consider. Preferences are refined as needed with help from the facilitator. Optimization is used to generate improvements to the current tentative solution.

VALUE-BASED MODEL:



2.2.2 Inspire

MODEL NAME: Inspire

LINK: <http://www.interneg.org/inspire/>

DESCRIPTION: Inspire has been developed for teaching and research purposes. It provides with a detailed description of a negotiation case, which gives information about the importance and alternatives of each issue. Inspire provides with services by which offers are constructed and text messages typed. It further offers a rating (score) beside each offer based on preference information and a graph plotting with the history of both sides of the negotiation. Based on the preference information provided, Inspire determines whether an agreement is an optimal one in the sense that no party can improve it without loss to the other side. Inspire can suggest better packages and give the option to continue the negotiation.

VALUE-BASED MODEL:



2.3 Auctioneers

Auctions are market-matching mechanisms applied when there are many businesses interested in a product but only one supplier. Auctions are best applied on products with only one attribute, mainly price. They follow different protocol, e.g. with increment bids, with decrement bids, or with sealed bids.

Auctioneers can apply different mechanisms for revenue generation. For example, fees can be imposed to buyer, fees can be imposed to sellers, or advertisers can pay for promotions. In this section, this difference is not taken into account.

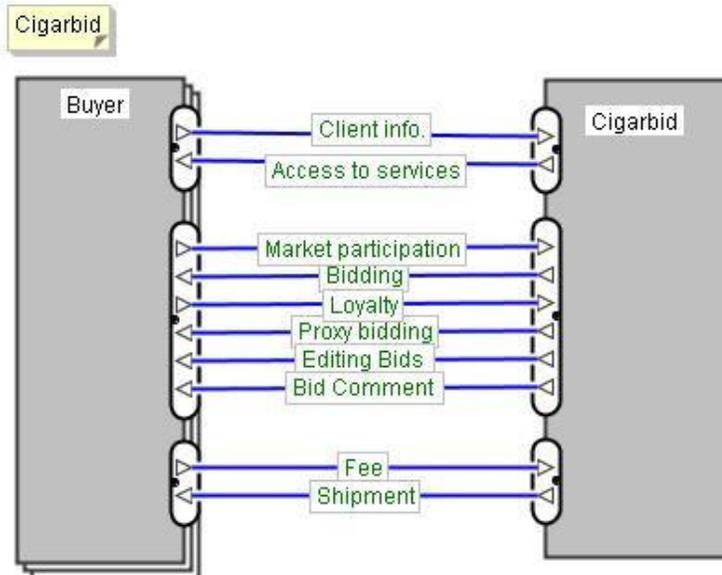
2.3.1 Cigarbid

MODEL NAME: Cigarbid

LINK: <http://www.cigarbid.com/auction/>

DESCRIPTION: CigarBid.com is a cigar auction warehouse. Every day, it provides live auctions on a variety of products, including cigars, merchandise, 5-packs, samplers, humidors and more. All these products are available to bid on 24 hours per day in several types of auction. Auctions allow for proxy bidding and commenting on every bit in natural language messages.

VALUE-BASED MODEL:



2.3.2 eBay

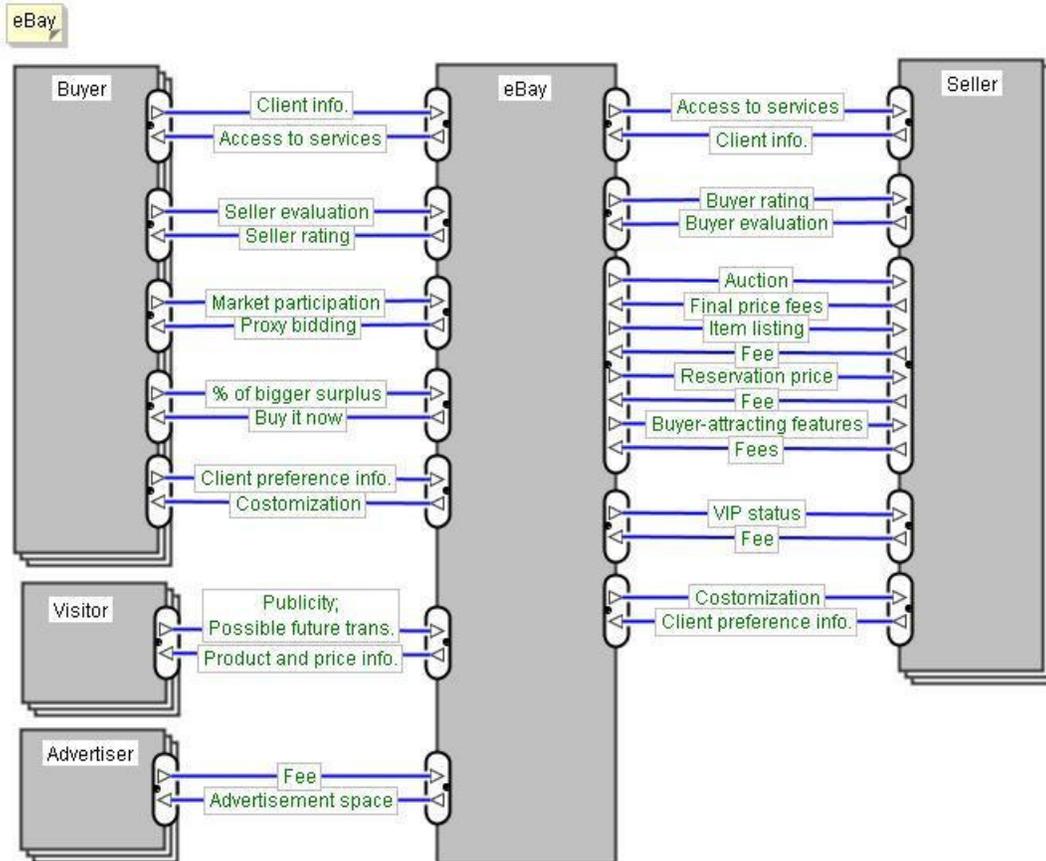
MODEL NAME: eBay

LINK: <http://www.ebay.com/>

DESCRIPTION: eBay is an online marketplace for the sale of goods and services by a diverse community of individuals and businesses. Its community includes tens of millions of registered members from around the world. eBay's mission is to provide a global trading platform where practically anyone can trade practically anything. eBay offers a wide variety of features and services that enable members to buy and sell on the site quickly and conveniently. Buyers have the option to purchase items in auction-style format or items can be purchased at fixed price through a feature called Buy-It-Now. In addition, items at fixed price are also available Half.com, an eBay company.

eBay is dedicated to its community of members, and has numerous services which enhance the trading experience. Our marketplace services include: online payments by PayPal; a wide array of Buyer and Seller tools; and the Developers Program for community members who would like to develop their own solutions.

VALUE-BASED MODEL:



2.3.3 ePier

MODEL NAME: ePier

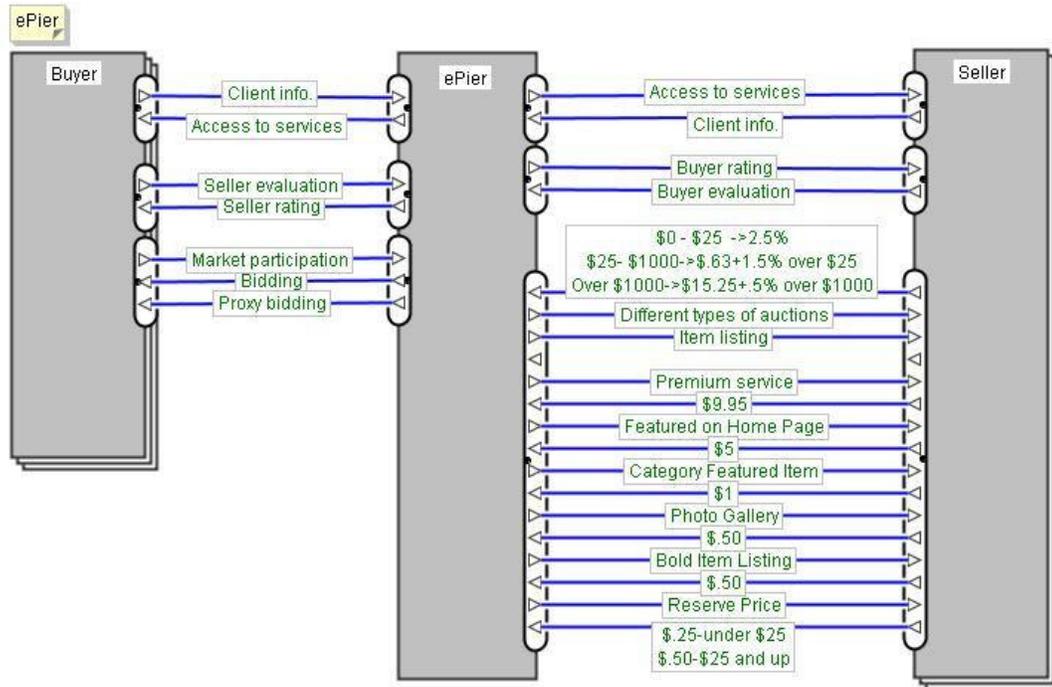
LINK: <http://www.epier.com/>

DESCRIPTION: ePier strives to bring the global community together by providing a safe and dependable forum in which all buyers and sellers may conduct their business. It is committed to providing better quality and service at reasonable costs - making online commerce available to everyone around the world.

ePier places the competitive focus on quality, price, and speed of delivery. Buyers and sellers alike use our site to find each other, negotiate the deal, and even as a platform for the delivery of goods and services.

ePier makes it quick and easy for individuals and businesses to buy and sell their products and services, all without expensive marketing costs! At ePier individuals can buy and sell anything from personal items to automobiles, businesses can sell their products to the global community by setting up their own free business site; and service providers can advertise their services and watch the business roll in.

VALUE-BASED MODEL:



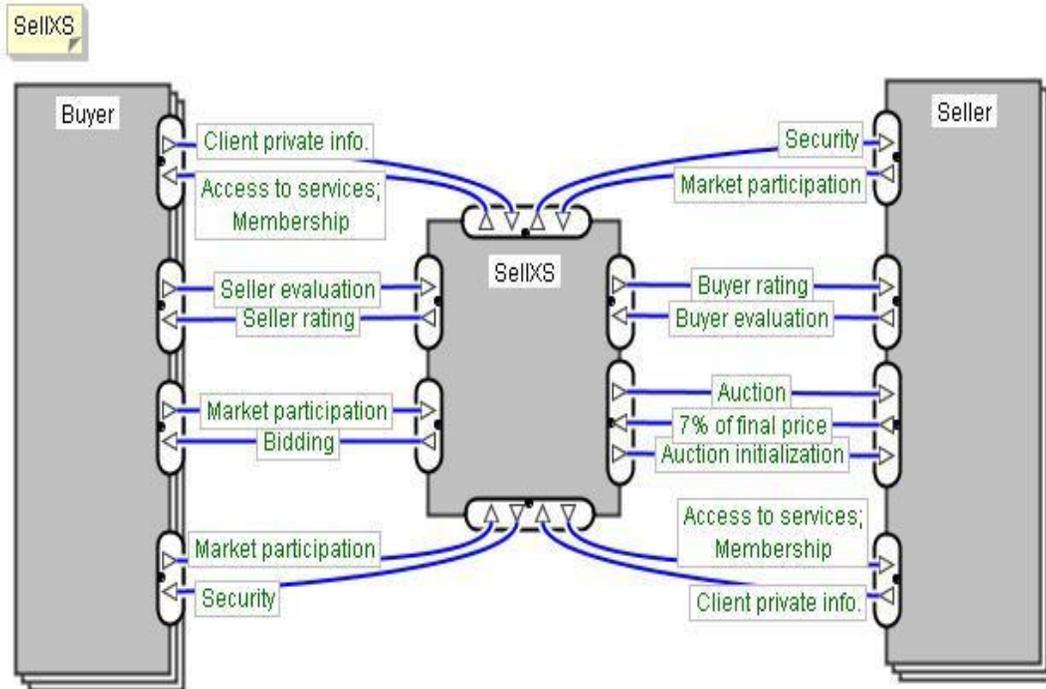
2.3.4 SellXS

MODEL NAME: SellXS

LINK: <http://www.sellxs.com/>

DESCRIPTION: SellXS.com is a business-to-business (B2B) marketplace for auctioning excess inventory in the semiconductor industry. Liquidating this inventory the traditional way is a daunting challenge that requires extensive research and negotiating with multiple suppliers. SellXS.com enables high-tech companies to buy and sell excess inventory on the open market by leveraging dynamic pricing and a highly scalable eBay-style direct trade model to create greater market efficiencies and cost savings than is possible through traditional or online broker models. SellXS.com facilitates direct trade between buyers and sellers.

VALUE-BASED MODEL:



VARIANTS: SYI (SellYourItem) and Romahawk have similar business models.

2.3.5 TEAM

MODEL NAME: TEAM

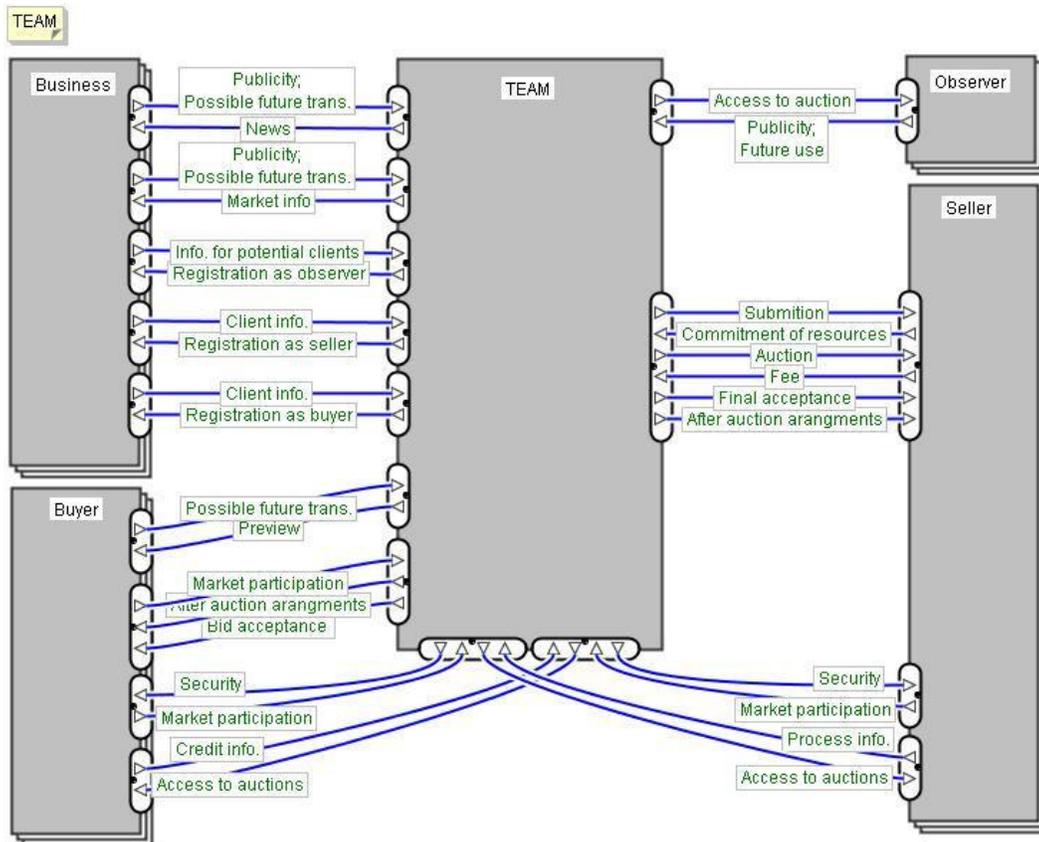
LINK: <http://www.teamauctionsales.com/>

DESCRIPTION: The Electronic Auction Market (TEAM) is an online, interactive marketplace that brings cattle buyers and sellers together through the power of the Internet. TEAM is a real-time cattle auction with multiple sales weekly. Auctions are held both online, and in conjunction with live sales

TEAM sells Finished Cattle, Feeder Cattle and holds Special Sales several times a week. Special Sales are held for marketing agriculture-related products and services. Marketing finished cattle through TEAM gives sellers the advantage of having Western Canadian, Eastern Canadian and American packers all compete for their cattle. This ensures that a weak local market does not necessarily result in weak prices for finished cattle.

Marketing feeder cattle through TEAM gives sellers similar advantages. TEAM provides buyers with the opportunity to bid on quality strings of cattle they would normally not have access to. TEAM provides maximum exposure to cattle being sold, resulting in maximum dollars for the cattle.

VALUE-BASED MODEL:



2.3.6 TeleTrade

MODEL NAME: TeleTrade

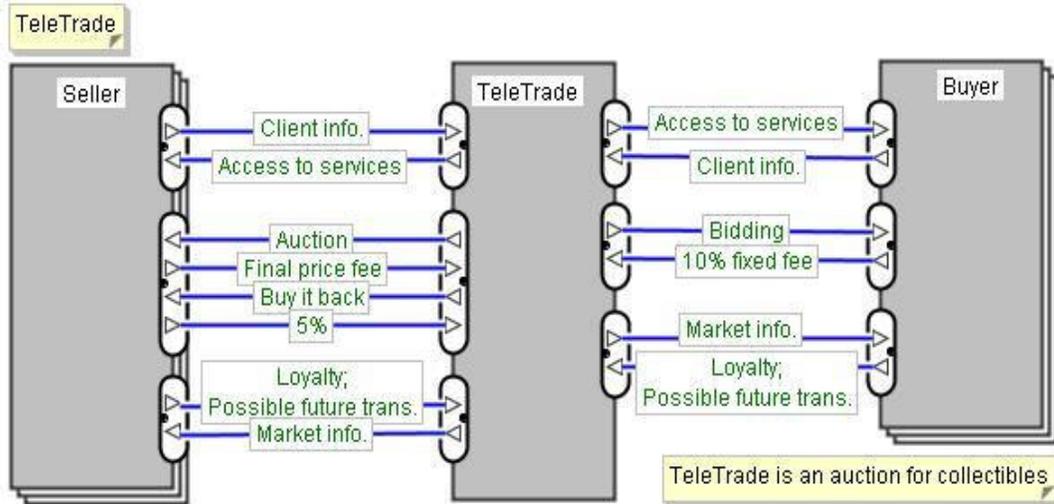
LINK: <http://www.teletrade.com/>

DESCRIPTION: Teletrade features Internet bidding and bidding over our toll-free 800 lines using a touch-tone phone from anywhere in North America. All participants are brought together into one exciting, live auction. Teletrade auctions do not go on for days; they always end the day they start.

Buyers can always depend on Teletrade to deliver exceptional service. We take possession of all lots offered in our auctions, describe each lot accurately, professionally package, fully insure and ship all winning bids, and offer the best on-line images in the industry. Consignors can always count on a "good" check from Teletrade. Generous cash advances are also available.

All services at Teletrade's web site are free. One only pays a fee when one buys or sells an item.

VALUE-BASED MODEL:



2.4 Price discoverers

A price discoverer is an intermediary that searches for products based on price. A price discoverer can employ different mechanisms in its searches. Examples of such searches are: an intermediary searches the Web pages of a number of retailers; an intermediary searches its own database with products and prices; or an intermediary negotiates with suppliers from its contact database.

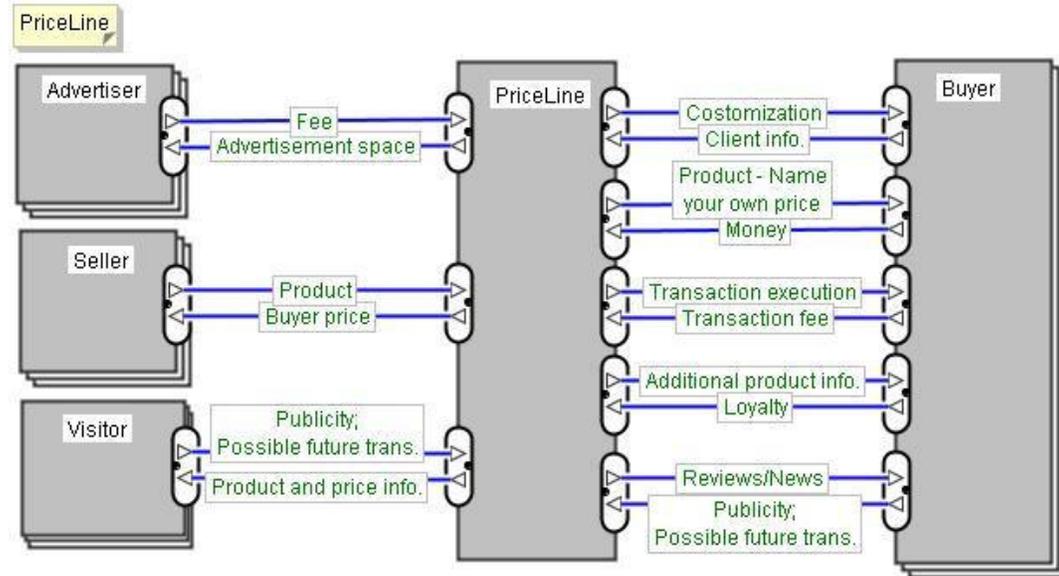
2.4.1 PriceLine

MODEL NAME: PriceLine

LINK: <http://www.priceline.com/>

DESCRIPTION: Priceline's(R) Name Your Own Price(R) reservation system is different from fixed price travel sites. Priceline.com is a buying service where you can save money by naming your own price. Priceline will take an offer for, for example, name-brand hotels and search to see if any will agree to the price asked. Since thousands of hotel rooms go unsold every night, companies would be willing to consider low prices: it makes sense for them. Airline tickets and hotel rooms are just the beginning for this company who provides the lowest prices in the market. Priceline.com offers a broad range of travel services including airline tickets, hotels, rental cars, vacation packages, cruises and more.

VALUE-BASED MODEL:



2.5 Price comparators

A price comparator is an intermediary that searches for products and presents them sorted by price. A price comparator has a database of registered products and their relatively up-to-date prices. A price comparator does not involve in the later stages of the transaction. It only connects buyers with a chosen by them seller; the rest of the transaction is executed without the price comparator.

2.5.1 MySimon

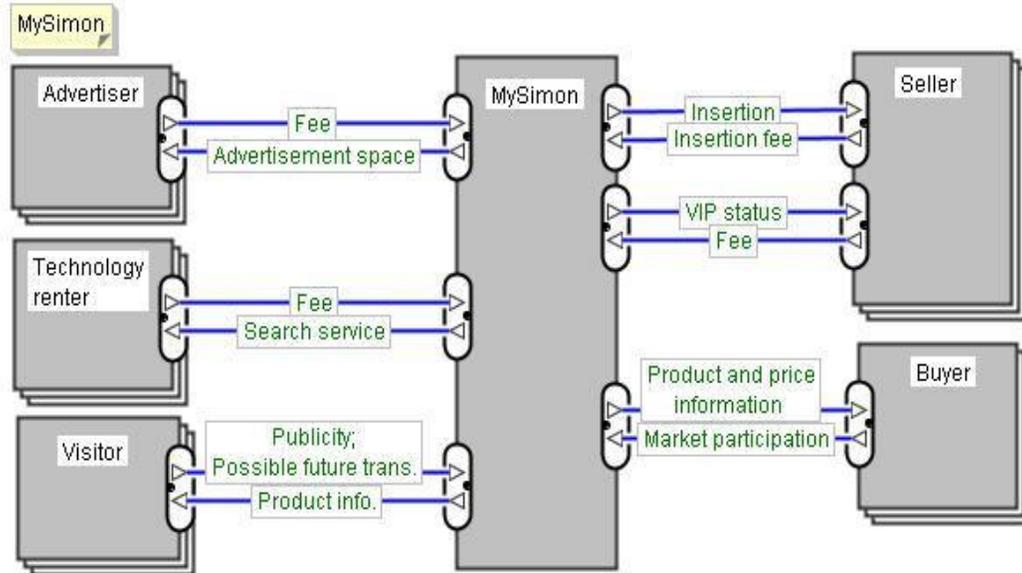
MODEL NAME: MySimon

LINK: <http://www.mysimon.com/>

DESCRIPTION: mySimon is a comparison shopping service on the Internet for products and services. It searches thousands of merchants and list millions of products so that our consumers can compare selections before making a purchase from one of our online merchants.

mySimon is a comparison shopping service. It does not sell or ship anything.

VALUE-BASED MODEL:



3 Value-based patterns

This section presents 10 value-based patterns identified in the business models presented in Section 2. Every pattern is given a description, which is presented in the remainder of the section.

The value pattern description has the following structure:

NAME – presents the name of the pattern.

HEADLINE – presents a short description.

CONTEXT – presents the business context in which the pattern occurred.

GOAL/PROBLEM – presents a goal or a problem of an intermediary in concrete context.

SOLUTION – presents the pattern as a possible solution to the identified problem.

VALUE EXCHANGES – explains the value exchanged in the pattern.

INTERMEDIATION SERVICES – presents possible intermediation services that can deliver the exchanged values.

VALUE-BASED MODEL – presents the pattern as a fragment of e3-value model.

VARIATIONS – presents variations on the pattern.

OCCURRED IN – lists the models in which the pattern occurred.

3.1.1 Advertising

NAME: Advertising

HEADLINE: An intermediary offers broadcasting of a message to many receivers.

CONTEXT: A business, i.e. an advertiser, has a new or unknown product. It is interested in advertising the product to a large number of potential buyers. An intermediary has access to many clients. Moreover, it has a database with client information. GOAL/PROBLEM: An intermediary wants to utilize its access to clients and client information.

SOLUTION: An intermediary can offer an advertisement space and knowledge about viewers to advertisers.

VALUE EXCHANGES: An intermediary broadcasts an advertisement to many receivers in return for a fee.

INTERMEDIATION SERVICES: An intermediary offers *Advertising* service to potential advertisers.

VALUE-BASED MODEL:



VARIATIONS:

OCCURRED IN: eBay, PriceLine and MySimon.

3.1.2 Insourcing

NAME: Insourcing

HEADLINE: An intermediary offers its core service to be executed on behalf of someone else.

CONTEXT: An intermediary, i.e. a service provider, has a specialized service, which is of interest to a business. The business wants to offer the same service to its clients. The business wants to outsource the service because it is not its specialty.

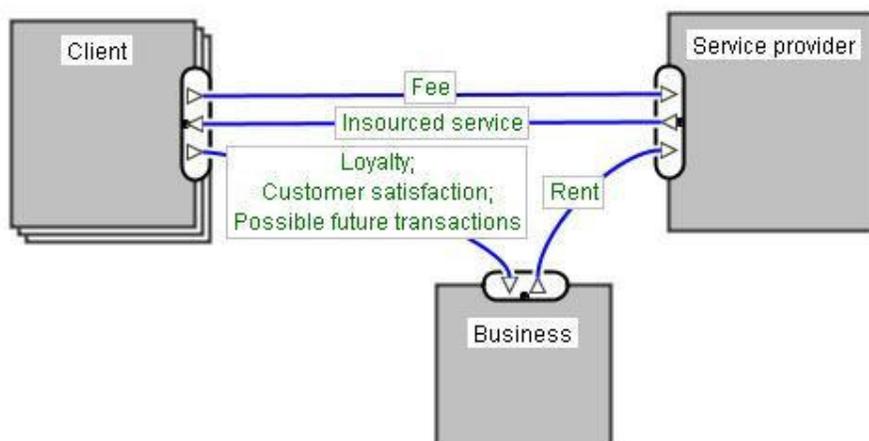
GOAL/PROBLEM: An intermediary wants more business for its core services to better utilize its special knowledge.

SOLUTION: An intermediary can insource its core services, i.e. to execute them on behalf of another business.

VALUE EXCHANGES: An intermediary offers the value of its core services to the client(s) of another business. In return, it receives fees from the client(s) or the business or both. The business wins the loyalty of its clients and possible future transaction.

INTERMEDIATION SERVICES: An intermediary offers its Insourced service to the clients of another business.

VALUE-BASED MODEL:



Name: Insourcing

VARIATIONS:

OCCURRED IN: SquareTrade - Sony business model and SquareTrade - eLance business model

3.1.3 Technology renting

NAME: Technology renting

HEADLINE: An intermediary offers for renting its technology, which it uses produce its core service.

CONTEXT: An intermediary has a special or patented technology, which it uses to produce its core services. The market for its core services is potentially big and other businesses want to offer similar services. The intermediary is willing to rent its technology to other, even to potential competitors.

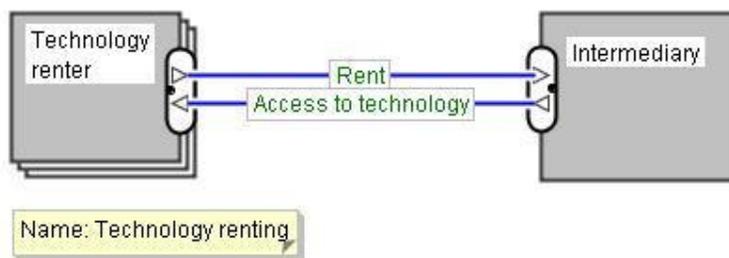
GOAL/PROBLEM: An intermediary wants better utilization of its technology.

SOLUTION: An intermediary can employ its technology for the production of services of other businesses.

VALUE EXCHANGES: An intermediary offers access to its technology in return of a rent.

INTERMEDIATION SERVICES: An intermediary offers access to its technology in a form of business specific service.

VALUE-BASED MODEL:



VARIATIONS:

OCCURRED IN: Electronic Courthouse and MySimon

3.1.4 Market information

NAME: Market information

HEADLINE: An intermediary offers aggregated information about the market. Its business allows it to make statistics of past transactions and current supply and demand.

CONTEXT: An intermediary takes part in the majority of transactions in a particular market. This allows it to aggregate information about the current supply and demand and about past transactions.

GOAL/PROBLEM: An intermediary wants to utilize the market information it has aggregated.

SOLUTION: An intermediary can sell or give the market information to potential future clients.

VALUE EXCHANGES: An intermediary offers market information in return of money, publicity, possible future transactions, or loyalty.

INTERMEDIATION SERVICES: An intermediary offers *Market information* service.

VALUE-BASED MODEL:



VARIATIONS:

OCCURRED IN: eBay, TEAM, TeleTrade and PriceLine

3.1.5 Registration

NAME: Registration

HEADLINE: An intermediary offers registration service to anonymous clients. In such a way, the intermediary can keep track of its clients and offer better-targeted services.

CONTEXT: An intermediary is situated in a market with unknown buyer and sellers. It deals with practically anonymous clients.

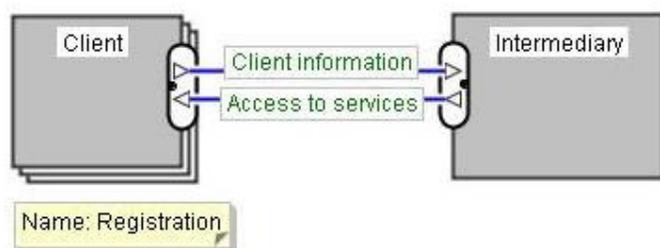
GOAL/PROBLEM: An intermediary wants to know its clients in order to identify them, to keep track of their transactions and to offer them better-targeted services.

SOLUTION: An intermediary requires registration from every new client and identification prior to use of services. The registration requires client information.

VALUE EXCHANGES: An intermediary offers access to its services in return of client information.

INTERMEDIATION SERVICES: An intermediary offers *Registration* service. Prior to services use, the intermediary requires *Identification* service (not shown in the model).

VALUE-BASED MODEL:



VARIATIONS:

OCCURRED IN: Cigarbid, eBay, ePier, SellXS, TEAM and TeleTrade

3.1.6 Personalization-Customization

NAME: Personalization-Customization

HEADLINE: An intermediary offers personalized or customized or both services to its clients.

CONTEXT: An intermediary offers services with many features. Not all or the features are wanted or needed by every client.

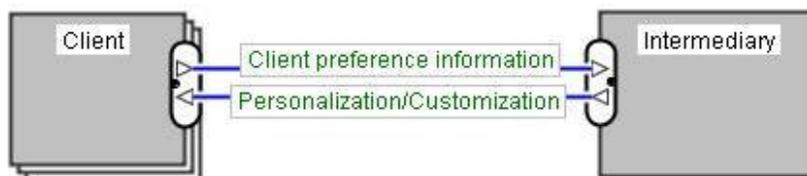
GOAL/PROBLEM: An intermediary wants to find the right product mix for its services. It wants to offers everything its individual clients want but not more than they need.

SOLUTION: An intermediary requires clients' preference information and builds personalized and customized services.

VALUE EXCHANGES: An intermediary offers personalized and customized services in return of additional client information.

INTERMEDIATION SERVICES: An intermediary offers *Personalization* and *Customization* to its service.

VALUE-BASED MODEL:



Name: Personalization-Customization

VARIATIONS:

OCCURRED IN: eBay and PriceLine

3.1.7 Client connection

NAME: Client connection

HEADLINE: An intermediary develops the relationship with its clients.

CONTEXT: An intermediary is situated in a market with many competitors and loosely connected clients.

GOAL/PROBLEM: An intermediary wants to build stronger relationship with its clients. It wants to give additional value to its client to keep them closer. It wants a better image than its competitors have.

SOLUTION: An intermediary can offer additional services with which to remind of itself and its services.

VALUE EXCHANGES: An intermediary offers interesting to clients information such as product reviews, market news or recommendations in return of possible future transaction and publicity.

INTERMEDIATION SERVICES: An intermediary can offer *Newsletter* service or *On-site information board*.

VALUE-BASED MODEL:



Name: Client connection

VARIATIONS:

OCCURRED IN: TEAM and PriceLine

3.1.8 Core service extension

NAME: Core service extension

HEADLINE: An intermediary offers core service modified with many feature to achieve greater customer satisfaction.

CONTEXT: An intermediary is situated in a market with many competitors that offer the same service.

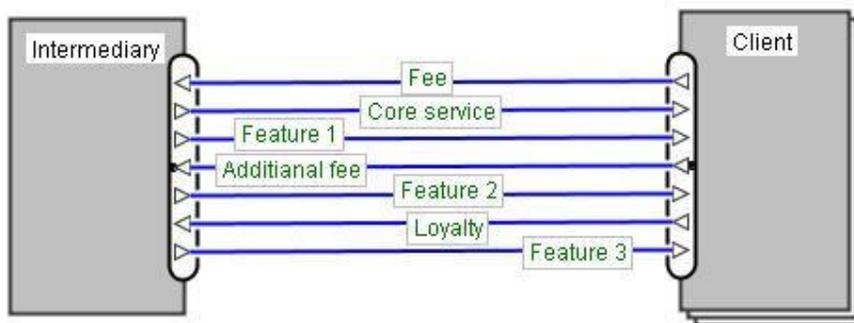
GOAL/PROBLEM: An intermediary wants to diversify its service from the competitors' one.

SOLUTION: An intermediary can extend its core service by adding extra features to it.

VALUE EXCHANGES: An intermediary offers additional value in a form features in return of fees or loyalty.

INTERMEDIATION SERVICES: An intermediary can offer extending *Features* to the core service.

VALUE-BASED MODEL:



Name: Core service extension

VARIATIONS: In a market with fierce competition, adding feature can be the only way to attract clients. Then the value that intermediaries get in market participation.

OCCURRED IN: Electronic Courthouse, SmartSettle, Inspire, Cigarbid, eBay, ePier, SellXS, TEAM and TeleTrade

3.1.9 Screening

NAME: Screening

HEADLINE: An intermediary filters market participants to guarantee some level of security.

CONTEXT: An intermediary is situated in a market with big transactions and opportunistic businesses. Businesses need additional protection.

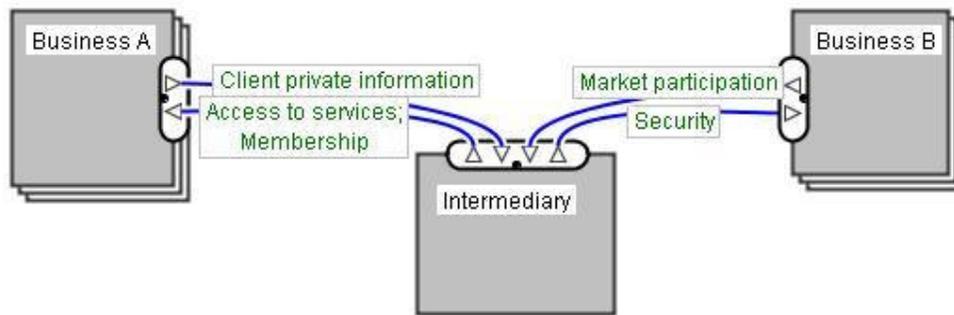
GOAL/PROBLEM: An intermediary faces low participation because market participant feel vulnerable.

SOLUTION: An intermediary can screen the potential clients and allow access to services only to the credible ones.

VALUE EXCHANGES: An intermediary offers access to services, e.g. in a form of membership, to one group of businesses and security to the second. In return, it gets private client information from the first group and market participation from the second.

INTERMEDIATION SERVICES: An intermediary offers *Registration* and *Screening* services to the two groups of businesses.

VALUE-BASED MODEL:



Name: Screening

VARIATIONS:

OCCURRED IN: SellXS and TEAM

3.1.10 Rating

NAME: Rating

HEADLINE: An intermediary offers means to clients to evaluate each other.

CONTEXT: An intermediary is situated in a market with many and potentially opportunistic businesses. Businesses need means to measure credibility.

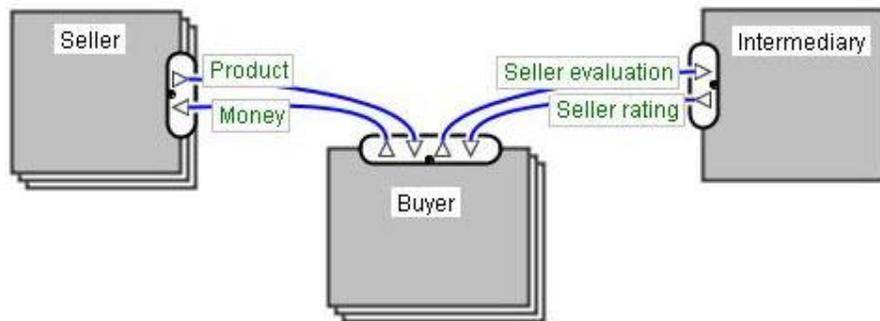
GOAL/PROBLEM: An intermediary wants an evaluation mechanism for its clients but has no means to perform it.

SOLUTION: An intermediary can provide with mechanism such that clients can evaluate each other.

VALUE EXCHANGES: An intermediary offers a possibility to clients to rate their partners in a particular transaction. In return, clients receive an accumulated rating number of past evaluations.

INTERMEDIATION SERVICES: An intermediary offers *Feedback* and *Rating* services.

VALUE-BASED MODEL:



Name: Rating

VARIATIONS:

OCCURRED IN: eBay, ePier and SellXS

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