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B2BPRICENOW

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B2BPRICENOW.COM

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THE CONCEPT [1]

B2Bpricenow.com is an electronic marketplace site originally conceived as a venue where farmers could market and trade their products more efficiently and at the most competitive prices. The idea was developed in the Philippines, where farmers, located around 7,100 islands, have difficulty on getting reliable information on how much supply is out there and what the going prices are.

By providing relevant market and price information, the site enables the seller to benefit from greater negotiating leverage resulting from awareness of prevailing market prices for their product. In addition, the buyer is able to benefit from opportunities to screen for the lowest costs and the best selection.

Specifically, the site is intended to benefit the users by:

1. Providing timely market and product information
2. Eliminating intermediary costs
3. Expanding market reach
4. Enhancing distribution efficiencies
5. Facilitating delivery of relevant research and other useful information to farmers
6. Reducing transaction costs

The image of farmers--- using a mobile phone to check the prices for their products or using a computer to sell their produce ---is an image that may appear far-fetched to many. And this is understandable given that in a developing country like the Philippines, most individual farmers do not own computers or have Internet access. Internet connectivity in most countries still leaves a lot of room for improvement, particularly in terms of infrastructure and affordability. Even if these issues were resolved, a remaining challenge is to educate and encourage farmers to use the site.

In addition to these challenges, the project was developed after the disillusionment with the Internet bubble had set in. Hence, B2Bpricenow.com was also launched in a very difficult financial environment for start-ups. But the project's design has clear prerequisites: to provide as many services as possible, to be free of charge to the users, and to offer a sustainable business model.

To date, as of the end of April 2003, 1,690 postings totalling nearly 3 billion pesos were made -- and over half of which were done through the mobile phone. A total of 1,397 co-operatives and small and medium-sized enterprises have posted on the site. The site currently offers free upload and download of prices as well as customized pages for members to allow for easy monitoring of relevant prices.

WORKING "OUT OF THE BOX"

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The rationale of the project --- and the sheer necessity of it---was so compelling that the founders seized upon the project's potential and worked outside of the box. Instead of working with individual farmers, the project works with farmers' co-operatives, which have more resources and better access to technology. Instead of waiting for widespread computer usage, we decided to approach it in phases and work with a technology that was already popular in the Philippines: mobile phones – and specifically, SMS short-message-service – the use of which has become a social phenomenon in the Philippines.

Most importantly, however, our various constraints encouraged us to seek partnerships.

THE VALUE OF PARTNERSHIPS

The key to the development of B2Bpricenow.com lies in the partnerships it has forged with stakeholders that share the same goal and have the greatest interest in seeing the project succeed. The project is proud and fortunate to have the following strategic partners:

UNISYS is the sole technical partner of B2Bpricenow.com. As Unisys' flagship project in the Philippines, B2Bpricenow.com is intended to showcase its expertise in the e-commerce field. In exchange for a token equity share, Unisys has undertaken the responsibility for the web and payment gateway design and programming, as well as the upgrading, scaling, administration and maintenance of the site. Unisys is a major IT company that has operations in more than 100 countries. It launched its presence in the Philippines as early as 1929. Recently, Unisys has won several landmark deals in the government such as the computerization of the Land Registration Authority, the Land Transportation Office, The National Statistics Office, and the Department of Foreign Affairs.

The Philippine Rural Reconstruction Movement (PRRM) is the NGO partner of B2Bpricenow.com. Founded on 1952, it is the oldest non-government organization in the country. PRRM is implementing a training program for co-operatives "E-Commerce for Farmers: Hands-on Training Program," an initiative that has benefited from a grant from the World Bank.

Ating Alamin ("Let's Learn") is a popular and long-running radio and television programme for farmers. With 25 years of broadcasting history, Ating Alamin has an extensive database of relevant and practical information pertaining to agricultural crops, livestock, fisheries, and other livelihood projects.

Since the site is available for free and is intended to promote economic development for farmers and small and medium-sized enterprises, B2Bpricenow.com receives significant in-kind support from the Government of the Philippines:

Land Bank of the Philippines is the government universal bank mandated to promote countryside development. The Land Bank has a network of 3,700 co-operatives and 5,400 small and medium sized enterprises. In collaboration with B2Bpricenow.com, it has embarked on an extensive education campaign to its network of co-operatives ("Landbank-B2Bpricenow.com Strategic E-Commerce Program"). In addition, it provides interest-free loans to assist co-operatives in purchasing computers. LandBank accounts for 67% of total formal lending to agricultural households. With 326 branches, Landbank has operations in 90% of the country's total municipalities.

The Department of Agriculture, through the Agribusiness and Marketing Assistance Service (AMAS), has been conducting an "E-Commerce for Farmers" information road show in key cities nation-wide, in conjunction with B2Bpricenow.com. The road shows are intended to inform

Filipino farmers of the benefits of using the internet, not only as a tool to access relevant market data but also as a tool to expand market reach.

The Department of Trade and Industry, has encouraged the expansion of B2Bpricenow's services to cover not only farmers but small and medium-sized enterprises as well. Through the Bureau of Domestic Trade Promotion (BDTP), the Department is tasked to conceptualise, implement, evaluate and monitor plans and programs directed at promoting and developing domestic trade, with a focus on improving efficiency, fairness and balance in the distribution of products and services. It is also mandated to strengthen the domestic base in support of exports, and create awareness of domestic marketing opportunities for new projects, new technologies and investments.

The Polytechnic University of the Philippines (PUP), as head of the Philippine Association of State Universities and Colleges (PASUC), has forged a tripartite agreement with B2bpricenow.com and Landbank for "Trainers' Training." With 118 member institutions throughout the country PASUC has also offered to provide training sites for farmers.

Other institutions and agencies that have forged alliances with B2Bpricenow.com to train, inform, and educate their proponents:

- Department of Agrarian Reform for agrarian reform beneficiaries
- Philippine Chamber of Commerce and Industry (PCCI) for small and medium sized enterprises
- Technology Education Skills Development Authority (TESDA) for women and out-of school youth
- National Confederation of Co-operatives (NATCCO) for NATCCO co-operative members.

SELECTED ACCOMPLISHMENTS

- Recipient of the World Bank's Development Marketplace Award and *info*Dev Award (January 2002).
- Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFM) has endorsed B2Bpricenow.com as the "Official e-marketplace of the Philippines for agriculture and fisheries sector " (February 2003).

FUTURE PLANS

The online payment gateway of B2Bpricenow.com, which is being provided for free by Unisys Philippines, is poised for rollout, pending the readiness of the participating financial institutions. The payment gateway completes our e-marketplace and enables seamless and end-to-end electronic trading transactions.

With the final stages of the electronic payment facility being put in place, B2Bpricenow.com is positioned to play a key role in replicating its model to other countries. Among the most promising developments is a potential partnership with members of the Asia Pacific Rural and Agriculture Credit Association (APRACA), which is the association of agricultural lending institutions in Asia.

The current site and technology infrastructure allows for scaling-up and expansion to other countries. Among the partners needed for replication:

- Agricultural/development bank in the host country
- Non-governmental organization/s focusing on agricultural co-operatives
- Relevant government agencies