Through the Service Operations Looking Glass:

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Abstract

Business to Business (B2B) emarketplaces is capturing the imagination of business practitioners and scholars, as a myriad of these new entities have been launched over the past decade. B2B emarketplaces leverage the Internet to facilitate commerce among businesses. Unfortunately, a substantial number failed in just a few short years. Although the body of literature surrounding B2B e-commerce has grown considerably over the past few years, much of the extant literature remains theoretical or narrowly focused on specific functional issues. Rigorous empirical work is scant, and we did not find any studies that applied a service operations lens to risk of failure in B2B marketsplaces. In this paper, we subject to empirical scrutiny the failure rates of a sample of nearly one thousand B2B e-marketplaces in an attempt to discern key factors that enhance or decrease the odds of survival. We focus on three critical strategic issues that theory and practice suggest differentiate survivors from failures. Two key factors hypothesized to influence B2B emarketplace survival are drawn from traditional service management literatures. We first classify and examine the nature of the industry (e.g. services versus product-based); and second, consider a schema of the B2B offerings based on their intended functionality (e.g. procurement, collaboration, etc.) In addition, based upon organizational ecology, our empirical model also considers ownership structure (e.g., independent, publicly traded, consortium). Our results offer strong empirical support for the importance of specific industry characteristics, service offering types and ownership structure in increasing the odds of B2B emarketplace success.

Aleda Roth is the W. P. Carey Chair in Supply Chain Management at Arizona State University. Before joining ASU, Aleda was the Mary Farley Lee Distinguished Professor of Operations Management at the University of North Carolina’s Kenan-Flagler Business School, where she served as the chair of the Global Supply Chain Management Concentration in the MBA program. She also held faculty positions at Duke University and Boston University. Aleda’s research is motivated by theoretical and practical explanations of how firms can best deploy their global supply chains, operations and technology strategies for competitive advantage. She published over 125 academic articles and received 39 research awards. Aleda serviced as POMS President and is a Fellow of POMS and DSI. She holds senior editorial positions for Management Science, M&SOM, POM, and JOM. She received her PhD at Ohio State University, where she also earned her BS. Aleda holds MSPH in biostatistics from UNC-Chapel Hill.