

"A man is
great by
deeds, not by
birth"

-Chanakya

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INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Case Study

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Drafting an ecommerce strategy

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Please contact the corresponding authors if you would like to access the full case.

Drafting an ecommerce strategy

Abstract:

The case discusses the dilemma faced by a tea manufacturer venturing in to ecommerce selling. He is confused about whether to choose a one party platform (1P) or a third party (3P) platform. In 1P marketplace, the brand sells its product to the online platforms and the online platforms sells the products with different prices. Here the control over the product is lost once the brand sells it to the online platforms. While in the case of 3P marketplace, the brands will have the control over the products and its prices and sells the products directly to the customers through the online platforms by paying a fee for using such platforms. The key difference between the two is that the title of the goods are transferred in 1P marketplace while that does not happen in 3P marketplace. The brands have the control over setting the prices and promotional activities of the products online in 3P platforms while in 1P platforms all these are done by the online websites. The case helps in understanding the difference between such platforms. The platforms are inherently different and marketing outcomes by engaging in these platforms are also different. The case also helps the instructors to discuss when to choose which platform. The case is useful either in teaching a general ecommerce class or an advanced class that discussed ecommerce strategy. In a general ecommerce class the instructor can focus on the difference between the platforms and discuss how these differences affect marketing outcomes. In a class on ecommerce strategy the faculty can focus on when to choose these platforms. Different conditions that influence this choice are explained in the teaching note and would be insightful to the students.

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