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# Who Wins and Loses, and How Will E-Markets Affect Rural America?

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# Overview

- Both Winners & Losers
  - ◆ Defining characteristics?
- Thoughts on policy & the rural business environment

# Winners & Losers?

## ■ Access

- ◆ Rural internet penetration 39%,  
up 75% from 12/98-8/00 (DOC)
- ◆ Wireless internet
- ◆ Digital divide?

# Winners & Losers?

## ■ Understanding Market Segments

- ◆ Convenience
- ◆ Relationship
- ◆ Price
- ◆ Information
- ◆ Service & support
- ◆ Product performance

## ■ E-Market or not?

# Winners & Losers?

## ■ Proactive Pricing

- ◆ Transparency threat
- ◆ Price sensitivity
- ◆ Which market mechanism?
  - Set price
  - Negotiation
  - Horizontal interaction

# Winners & Losers?

## ■ Attitude

- ◆ “Human Connectedness”

- ◆ Importance of relationships
  - ◆ Social capital & terms of trade

- ◆ Organizational culture

# Winners & Losers?

## ■ Strategic Fundamentals

- ◆ Best business model still wins
- ◆ Defining (or redefining) product
  - *More Encyclopedia Britannicas?*
- ◆ Will existing value chains fragment?
- ◆ Opportunity - Small firms/farms?

# Thoughts on Policy

## ■ Emerging Frontiers

- ◆ Consumer privacy
- ◆ International law
- ◆ Intellectual property
- ◆ Fraud
- ◆ Taxation
- ◆ Concentration

## ■ US Rural Policy