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