
VSN TopLine — Wednesday, Oct. 6, 1999

Editor's Note: Welcome to the Inaugural Issue of **VSN TopLine**, the free weekly email bulletin from the editors of **VStoreNews®**. Each week we focus on analysis of one key current event from the world of online retailing and marketing. You receive a concise point of view direct to your email, complete with relevant links to hard news stories.

“zShops Meet Vstores — And More”

VIRTUAL MEGA-RETAILER Amazon.com is proposing to do for online retailing what online community sites like Geocities, iVillage and Tripod have done for personal home pages.

Its new “zShops” service lets retailers, small and large, build their own online shops, using Web-based tools. Amazon provides the merchandise assortment, order fulfillment and even offers credit-card clearing as an optional service. For the modest sum of \$9.99 a month, plus a percentage of each sale, would-be Web merchants can list up to 3,000 items on “zShops,” the area on Amazon’s site devoted to the sellers. Amazon.com offers a selection of several hundred-thousand items which zShop proprietors may “stock” on their “zShelves.”

But Amazon is hardly the only company working to bring the concept of template-driven, do-it-yourself merchandising to the Web. In fact, it’s not even the first.

Vstore.com, actually a two-year old web site founded by Scottsdale, AZ entrepreneur Dan Kennedy, launched a very similar service earlier this summer, which allows consumers to establish virtual stores which purvey merchandise from a comprehensive offering provided through a proprietary “Storefront Wizard”. Vstore operators pay only commissions on the sales. (Note: Vstore.com and VStoreNews have absolutely no affiliation or business ties.)

Now preparing for an October 18 launch is StoreRunner.com, which will leverage a reported \$100 million commitment from CBS/Viacom. The web site is actually already operative, and it describes a simple process whereby existing merchants or new Web-entrepreneurs can use web links and/or “micro-sites” to offer products for sale. The product offerings are indexed on the site, which permits online shoppers to search and compare them and complete their purchases.

Another interesting, if less-well funded, player is Summit Payment Solutions. Founded by a group of former New England banking and real estate executives, it has built a Web-based service offering aimed at small independent retailers who need both online merchandising help and transaction processing. Participants’ stores are aggregated into directory of online catalogs, which consumers browse through.

Amazon’s entry into this emerging DIY merchandising sector will surely focus interest on the idea that anyone with a browser and a dream can be a Web merchant. But these stores aren’t designed to scale up easily and it’s hard to predict whether, even in aggregate, they will account for a significant slice of the online retailing pie.

Web sites referenced in this edition:

www.amazon.com

www.vstore.com

www.storerunner.com

www.summitpayment.com

Best of the Press:

The Industry Standard: "Amazon Asks: Why Shop Anywhere Else?"
<http://www.thestandard.com/articles/display/0,1449,6751,00.html?01>

CNET: "The evolving world of e-tailing"
<http://www.news.com/Perspectives/Column/0,176,355,00.html?st.ne.fd.gif.f>

ZDNet: "Vstore taking e-commerce to the masses"
<http://www.zdnet.com/zdnn/stories/news/0,4586,2302119,00.html>

VSN TopLine — "A Nexgenix Knowledge Business"

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