

**Dear Readers,**

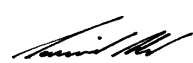
During the last two decades the main focus on IT was on its intra-organizational application. Although various theories and implementation methods have been developed, supporting organizations in realizing and operating information systems has never been a trivial task. The situation is becoming even more complex due to the technological advances during the current decade which are marked by the challenge of applying IT to the support interorganizational relationships.

There are a number of players whose interests have to be taken into account at the interorganizational level, such as suppliers, customers, government agencies and the like. Furthermore, there is a great variety of legal, political, social, economic and technical factors that makes imperative it to structure the factors and search for causal relations. While up to now there has been no general theory covering those aspects an increasing number of researchers are tackling the issue.

In an attempt to identify these problems, the opening section of the present issue contains the first part of contributions from participants of a workshop held in Ross Priory, Scotland last October. The remaining summaries will follow in our next edition. The second section includes a number of other contributions which highlight the topic of electronic commerce from various viewpoints.

We are happy to present to you another double-issue of EM - Electronic Markets and hope you will enjoy reading.

Sincerely,



Rainer Alt



Stefan Zbornik

Editors

## Emerging Electronic Markets: Economic, Social, Technical, Policy and Management Issues

The Department of Management Science, University of Strathclyde and the Institute for Information Management, University of St. Gallen organised a symposium at Ross Priory, Scotland to bring together researchers from various European countries to discuss current issues in the development of electronic markets as well as future perspectives and areas research.

The aim of the workshop was to develop an understanding of electronic markets from different economic and social perspectives and to identify antecedents,

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Prof. Dr. Howard Williams  
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enablers and constraints for the evolution of electronic markets. From a technical perspective the concern was to understand the way standards facilitate the diffusion and adoption of electronic markets. Managerial issues focussed on the strategic rationale of coordination decisions: why are hierarchical configurations, networks or market transactions chosen and how are they combined.

Beat Schmid, University of St. Gallen, started with a visionary statement about the future of electronic markets. By using the analogy of the development of transport infrastructures, he argued that electronic markets will provide a decentralised, federalistic infrastructure for electronic commerce, comparable to a system of streets rather than railroads. With only limited regulations a huge number of pluralistic, interrelated forms of commerce will develop, business and consumer markets will be able to use similar platforms. The development of major new infrastructures pose significant difficulties in forecasting the speed and impact of diffusion. Therefore, analytic research has to be complemented with prospective and even constructive elements.

After this outline of possible developments, Juliet Webster, University of East London, questioned the move to the market hypothesis as well as the forecast that EDI will foster cooperative interorganizational relationships. Using empirical evidence from Ford Europe, she showed that electronic linkages can be used and are used to strengthen and reinforce ex-

isting dependencies and power relations.

Chris Holland, Manchester Business School, pursued this argument further and emphasised the coordination strategy of companies as a key to understanding the impact of IT on industrial organisation. Based on evidence from business markets he put forward the mixed mode proposition which says that companies build interorganisational arrangements that combine different governance forms. Hierarchical and market-like coordination tactics complement each other and combinations of both are designed to benefit from the advantages of close cooperation and reduce dependency at the same time.

Karsten Kärcher, University of Strathclyde, presented a thorough analysis of the European tour operator market and two current trends: on the one hand, the degree of concentration and integration within the value system of the sector is increasing while, on the other hand, small suppliers are engaged in different forms of cooperative arrangements in order to counter the pressure of large suppliers and to gain economies of scale.

Kai Reimers, Bremen University, emphasised the institutional and regulatory pre-conditions for the emergence of electronic markets. He specified rules with respect to products, partners and contracts that are a prerequisite for electronic markets and scrutinised potential benefits for economic actors that invest into development of new institutional regimes.

This mainly institutional line of argument was further pursued by Hans Niggel, Ludwig-Maximilian University of Munich, who focused on the development of standards, in particular the role of EDI standard play as a precursor to the development of electronic markets.

Roger Bons, Erasmus University, is involved in the development of Open EDI, an ISO initiative that aims to reduce the