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Mini Track: 'The Financial Industry in the Digital Economy'

Mini Track Chair:

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The utilization of information and communication technologies is altering the way we communicate, organize work, and companies do business and create economic values. The financial industry as we know it today is mainly based on ICT means regarding its processes, structures, products, platforms, and channels of interaction. Financial markets with their products and services are nowadays global and mostly determined and shaped by ICT. The financial industry was one of the very first ones to utilize the means of ICT back in the 1960's. Due to the immateriality of the business the industry is predestined to utilize new technologies but is also vulnerable to its effects. Especially in information intensive industries like the financial industry, the fundamental changes of basic business models can be described very clearly and convincingly.

The development of financial services supported by information and communication technologies (ICT) can be assessed from two different perspectives. Electronic commerce, perceived as the utilization of the 'Net' and its services for additional communication, marketing, and sales channels, based on only very moderately changed business models, indicates an evolutionary path of development.

However, alongside with this evolutionary development of electronic commerce lies a more revolutionary path of development. When examining the current appearances within the financial industry, the following developments are perceivable: A general deconstruction of traditional value chains, at the same time a reconstruction, resulting in the emergence of new intermediaries as important elements of emerging value webs, emerging new and reconfigured products, a shift towards customer-oriented, need-driven service bundlings, and emerging, highly sophisticated platforms as well.

This minitrack serves as a forum for the presentation and discussion of challenges, threats, and opportunities of the financial industry in the Digital Economy. It addresses state-of-the-art analysis as well as the discussion and development of new concepts and models in order to prepare the industry for the Digital Economy in an international context covering all sectors of the industry like retail-, investment-, private-banking, brokerage, and insurance services from a

communicative, organizational, business, economic, and managerial viewpoint.

The minitrack was organized within the track 'Internet and the Digital Economy' the second time for HICSS-35 in 2002. The submitted papers had to run through a strong reviewing process. The reviewers were scholars and practitioners mainly from Europe and the US working in the field of the financial industry. In total we accepted six papers, unfortunately only five of them will be presented at the conference and published in the proceedings. The accepted papers reflect the variety of issues and perspectives in this emerging space.

The paper by Dzienziol et al. focuses on pricing-strategies for financial services in a multi channel environment applying a microeconomic model. By considering the combination of financial services and delivery channels as versioned products, the authors model an efficient, profit-maximizing channel pricing strategy also regarding cross-selling effects.

Sciglimpaglia and Ely take a customer-centric perspective on Internet banking and analyze whether measures of banking relationships provide information beyond demographic and financial data that might be employed to distinguish between customers who demand electronic banking products from those who prefer traditional services and delivery channels.

The paper by Grzebiela discusses problems resulting from insurability of Electronic Commerce risks and develops appropriate solutions.

Moormann and Stehling provide in their paper a framework for a systematic examination of B2B Electronic Commerce business models and their position in the portfolio of corporate banking.

The retail Internet banking systems in New Zealand is explored in the paper by Chung and Paynter. The authors examine how banks can enhance their retail banking services through the Internet based on the study of seven banks.

We hope you enjoy the papers and the lively discussions they generate.