

Mini-Track: “Competitive Strategy, Information Systems, and Economics”

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Information technology (IT) innovations continue to create pressures for both predicted and unexpected changes in industrial organization, new issues and opportunities in firm-to-firm competition, and unresolved challenges for senior management decisionmakers who are charged with leading their firms in pursuit of high profits. In this mini-track, the emphasis is on the development and the use of theories from competitive strategy and economics. The span of issues covers both the management of information systems (IS) and the IS function within the firm, as well as interorganizational uses of IT and the related managerial issues. Over the years, this mini-track also has come to include research on e-commerce and Internet-based selling, as well as electronic markets, information goods, and e-business issues in other disciplines (e.g., supply chain management, marketing and finance) that are affected by new ITs. A range of theoretical perspectives and methodologies are included in this year’s mini-track that represent the forefront of current research explorations in the IS, as well as contributions that span the fields of Marketing, Strategy, Finance, and Supply Chain Management and Operations. The mini-track consists of a full day of activities—the equivalent of a focused research workshop within the conference—including four sessions and twelve refereed papers.

The first session deals with issues related to product bundling, price competition, channel selection and market segmentation in Internet-based selling. The articles that are included indicate the extent of the current interest within e-commerce research to explore issues at the boundaries of the Marketing and Information Systems, and represent a continuing area of emphasis within this mini-track. All of the papers utilize analytical modeling methodologies and game theory, and reach their conclusions. They reflect the state-of-the-art in conceptualizing approaches to the e-commerce business problems. The range of managerial guidelines and business policy suggestions that are offered illustrate a fine balance between rigor and relevance that the authors have achieved. Such balance is central to the academic-industry dialogue that we encourage.

The second session shifts to another theme: IT value. The papers discuss the social welfare implications of IT ownership, transparency of B2B procurement e-markets, and the real options approach to assessing IT project portfolio investments. These papers represent issues that we see being treated by current research on IT

value. One provides a reading on the value associated with the transparency of a market mechanism for mercantile exchange. A second investigates whether the value of interorganizational financial risk management systems can be sustained in the presence of inappropriate sharing of information. A third illustrates simulation methods for IT project portfolio management that increase the usability of project and portfolio-related options thinking for application in the utility industry.

The coverage of the third session is varied, with two papers that deal with e-commerce issues, and a third that continues the theme of IT value assessment. The authors explore the conditions under which a new entrant in a marketplace can develop a relationship with an existing competitor to take advantage of opportunities to sell at a different level of quality. A second paper takes a contingent valuation approach to assess consumer’s willingness-to-pay for mobile phone number portability across different phone services providers. A third paper explores reasons for why we may observe declines in productivity in firms that adopt new ITs that enable are intended to increase product quality.

The final session further develops the dialogue that this mini-track has encouraged over the years on new sources of theory for understanding phenomena that senior managers seek to understand. The first paper explores agency theory in outsourcing vendor management. A second discusses “poaching,” inappropriate information sharing in interorganizational relationships. Poaching can change the outcomes that are predicted by different theories of interorganizational business relationships. The final paper investigates firm purchases and vendor sales of outsourcing solutions for IT and on-demand computing resources.

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