The success of the new online mercantile processes which are increasingly common in the Digital Economy – electronic auctions, Internet-based selling and procurement facilitation – are often dependent on the extent to which they can achieve critical mass adoption in their market niches. Technological innovations in isolation from appropriate levels of “installed base” rarely succeed in changing the fundamentals of the marketplace. However, when there are network and bandwagon effects, and when firm choices of technology infrastructures are dependent upon present and future compatibility and vendor sponsorship, the changes that the new technologies have the potential to drive typically present senior managers with greater decision making challenges.

For this book review section of Electronic Markets, we selected books that will guide the thinking of IS and e-commerce researchers and industry professionals in this area. They include:
Bandwagon Effects in High Technology Industries (Rohlfs, 2001) analyzes the many ways in which high technology firms succeed when they take advantage of what economists know well: that the benefits that consumers obtain are typically higher when they consume products and services that are popularly consumed in the marketplace.

Creating and Capturing Value: Perspectives and Cases on Electronic Commerce (Saloner and Spence, 2001) offers a case-based treatment of the leading issues in the economics of electronic commerce, including considerations of network effects, from leading Stanford University economists.

Winners, Losers and Microsoft: Competition and Antitrust in High Technology (Liebowitz and Margolis, 2000) provides an economics and networks effects-based interpretation of Microsoft’s market success and difficulties with charges of unfair market practices.

The Economics of Network Industries (Shy, 2001) rounds out the coverage of this book review section with some additional consideration of the issues, with insights into how they apply to firms and industries with significant interests in e-commerce.

The reviewers are doctoral students who participated in the ongoing "Doctoral Seminar in Economics, IS and Electronic Commerce" at the Carlson School of Management, University of Minnesota, which was first offered in 1999. The interested reader is welcome to visit the most recent Web site for the course at http://ids.csom.umn.edu/8801.

The seminar is a part of the core coverage of Minnesota’s IS Doctoral Program. It is intended to provide the participants with a broad and interdisciplinary appreciation of the directions that researchers who apply the “economics of IS and e-commerce body of knowledge” are taking to understand the leading research problems. As a group, we read over 15 books, in addition to many high quality journal articles from leading publications such as

In the most recent offering of the course, participants were invited to review a book in a brief critical and theory-based essay with a special emphasis on economics perspectives. The instructors then took their essays through three or four rounds of reviews and revisions, and then edited their papers before submitting them to EM. The final products resulted from further selection and editing by EM’s editorial staff.

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