Ajit Kambil and Eric van Heck, respected authorities on electronic markets, argue that online auctions and exchanges will soon be an essential part of business practice. They explain why companies must adopt electronic markets if they hope to compete in the future. In addition, they prove that success lies not in achieving "first-mover" advantage in new markets, but in creating winning strategies to design and use markets to manage the supply chain, connect with customers, increase efficiency, and make decisions.

Based on the authors' ten year study of nearly one hundred successful and failed electronic markets in the United States, Europe, and Asia, the book reveals how market makers are rewriting the rules of commerce. They offer a strategic blueprint for designing, implementing, and profiting from electronic markets.

The authors give insights that provide lessons. The first is that electronic markets are not technological interactions supported by humans, but human interactions supported by technology. Second, cyberspace markets cannot be thin replicas of the traditional market. Instead, they must be rich, complex, and complete as the traditional markets.

Third, for an electronic market to succeed, it must create value for all participants. For instance, it must increase access, lower prices, and lower transaction costs. But beyond that, it must prove itself even better than what now exists.

Fourth, market makers must be sure that the electronic market they create fits into their existing business processes. For example, will the resale market create conflict with current sales channels?

Fifth, it's the creative application of electronic markets that will mark their future success. Market makers must create the rules, the processes, and the infrastructure.

This highly practical guide will help companies create the ultimate market: one that captures the feel and trust of a physical community, but leverages the power and efficiency of technology to benefit all participants.
Myron Leonard is professor of marketing in the College of Business at Western Carolina University. His research interests include marketing education and services marketing.