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 disintegration of traditional value chains, at the same time a re-integration, 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 first time for HICSS-34 in 2001. The submitted papers had to run through a strong reviewing process. All papers were sent to four reviewers. The reviewers were scholars and practitioners mainly from Europe and the US working in the field of the financial industry. In total we accepted four papers, three of them will be presented at the conference and published in the proceedings. Two out of the three papers focus on structural changes of the financial industry discussing financial intermediaries from different perspectives.

The paper by Hensmans, van den Bosch, and Volberda, ‘Acting Cooperatively While Being Revolutionary: An Insider-Outsider Cybermediary Theory’, develops an alternative perspective of financial intermediaries. The authors develop a theoretical model for cybermediaries that aim to become core players in the emerging Online financial industry. Thus they contribute to the understanding of how cybermediaries can be successful institutional entrepreneurs.

Holtmann, Lattemann, Strecker, and Weinhardt address in their paper ‘Transforming Financial Markets to Retail Investors - A Comparison of the U.S. and the German Online Brokerage Market -’ the emerging structures in the stock trading markets in Germany and the US from an empirical point of view. They discuss the conditions and the evolution of the two markets and develop strategic alternatives for Online brokerage intermediaries.

The third paper by Pippow and Schoder, ‘The Demand for Stored Value Payment Instruments’, deals with emerging services in the financial industry, namely smart card based payment systems. The authors propose a model founding the potential utilization of stored value cards in microeconomic calculus and provide insight into the crucial parameters determining usage.

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