

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 third time for HICSS-36 in 2003. 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, which 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 Kundisch and Dzienziol addresses the issue of financial planning consulting services. The authors present a model to formalize financial problems and solutions under risk as an essential requirement for an IT-based financial planning process. The model aims to increase the quality of the consultation and decision support on the one hand and lower costs due to process improvements on the other hand.

An approach to derive product specifications for investment advisory services is being presented in the paper by Mommsen-Ghosh. Its goal is to make investment advisory services independent products. The approach combines the investment process with general elements of advisory services. The paper focuses on the product specification and gives an outlook on how services modules could be used for pricing.

The value positions for financial institutions in Electronic Bill Presentment and Payment (EBPP) are being addressed by Fairchild. Applying a structural framework the paper focuses on value propositions for banks and the role of banks as trusted third parties (TTP). Case studies are discussed as well.

Karjaluoto, Koivumäki, and Salo examine the current trend in retail banking towards stand-alone, online banking. They present a study conducted in Finland in 2000 which compares different types of bank customers and evaluate their perceptions of technology and delivery channels.

The issue of globalization for banking services is addressed in the paper by Ayad and Verbraeck. The paper presents a case study on payment services for an international bank to develop a new system's architecture for cross border payment.

Mueller and Zimmermann discuss research topics induced by new information and communication technologies 'beyond mobile' on value creation structures, value proposition of products and services, and on customer relations within the insurance industry. They focus on business aspects for insurance industry rather than on technological questions arising.