
Abstract

Electronic marketplaces facilitate business-to-business electronic commerce. B2B (Business-to-business) e-Commerce (Electronic Commerce) is expanding rapidly, but Independent Internet based Electronic Marketplaces (IBEM) have passed through periods of rapid change. In start-up entrepreneurial ventures such as IBEMs, adaptation is critical than at any other stage in the life cycle and hence the ability to learn and adapt becomes a key competency. The IBEMs operate in highly dynamic environments and an increasing number of them have either expanded their business models beyond market making, merged with other IBEMs, been acquired, or failed outright. The IBEMs offer services such as buyer/supplier and product/services searching, transactions such as procurement, asset disposal etc. In addition to market making they also offer integration services and have entered into alliances thereby offering value added services.

The research uses the resource-based theory as a means of analysing the evolution and adaptation of IBEMs and the linkages with their resources and capabilities. We use three case studies to trace the pattern of evolution of IBEMs as well as identify the variables, which are important. We then use the case survey methodology to understand the evolution of 135 IBEMs across various geographic regions covering 15 industry segments. As the performance of organizations is best understood in dynamic evolutionary terms, the research, by delving into the evolutionary aspects aims to learn more about the relationship between adaptation, resources, external linkages and competitive advantage.

The findings of this study provide insights into various issues that are important to IBEMs in particular and firms operating in highly dynamic environments in general. These include the stages of evolution and the key predictors of firm evolution during the various stages. In addition, the study also addresses the issue of context dependence of IBEMs.