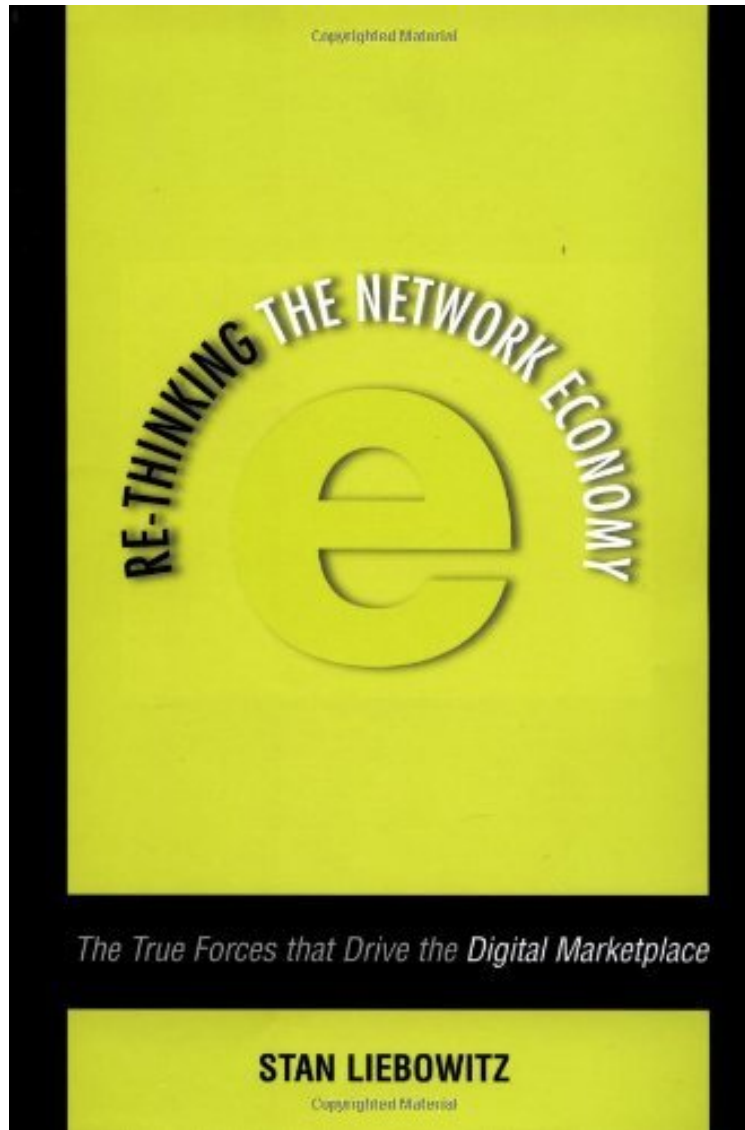


[Ebook free] Re-thinking the Network Economy: The True Forces That Drive the Digital Marketplace

Re-thinking the Network Economy: The True Forces That Drive the Digital Marketplace

Stan Liebowitz

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Stan Liebowitz : Re-thinking the Network Economy: The True Forces That Drive the Digital Marketplace before purchasing it in order to gauge whether or not it would be worth my time, and all praised Re-thinking the Network Economy: The True Forces That Drive the Digital Marketplace:

11 of 12 people found the following review helpful. September 26 Issue of the Economist By Texas50 From Economic Focus Column: IN THE late 1990s, firms bet billions of dollars on a theory that turned out to be wrong. It said that in e-commerce, what mattered most was being first. Don't worry about being best, if that slows you down. Sell your

product at a loss, give it away, pay people to take it: just build your base of customers fast. Why? Because the weird economics of the Internet-network effects, enhanced economies of scale and lock-in-gave a decisive advantage to first-movers. Now that something approaching 100% of the Internet economy's first-movers have gone bust, this theory looks less plausible. Yet the logic once seemed persuasive. Where exactly did Internet economics go wrong? A new book by Stan Liebowitz, a professor of economics at the University of Texas at Dallas, and a long-time sceptic of the view that the Internet changes all the rules, gives the most thorough answer so far. "Re-Thinking the Network Economy" explains what the Internet did change and what it did not, so far as economics is concerned-and it does so in a witty and accessible way. Dr. Liebowitz covers a lot of issues: the exaggerated advantages of Internet retailing over conventional retailing; the false claim that the Internet's lower costs would give Internet firms bigger profits; the inadequacies of the broadcast -television model of advertising revenues; the poorly understood questions of copyright and digital-rights management. It is the best book to date on the fallacies of the e-commerce craze. 7 of 9 people found the following review helpful. Back Cover Blurbs By A Customer Back Cover Blurbs: Absolutely the best book I've read on e-commerce. Liebowitz looks at all the claims made for how "the Internet changes everything" and shows, persuasively, that it changes only a few things. If you want to know how to integrate the Internet into your business or how to judge the future success of Internet-based firms, or if you just want a master economist's understanding of the Internet's impact on the economy, Re-Thinking the Network Economy is the book for you. --David R. Henderson, author of The Joy of Freedom: An Economist's Odyssey, former columnist, Red Herring. Stan Liebowitz's book brings a breath of fresh air to popular Internet debates. This lively and informative discussion exposes many of the Internet-related myths about network externalities, technology lock-in, and first-mover advantage. Managers would do well to understand his point that tried-and-true business strategies continue to apply. Daniel F. Spulber, Elinor Hobbs Distinguished Professor, Kellogg School of Management, Northwestern University. "Prof. Liebowitz's analysis is sharp, reflecting an impressive combination of economic theory, history, and just the right amount of geekiness. Whether you are a businessperson plotting your next move or an individual simply curious about why the dot com bust happened, buy this book. The Internet will still be important. Professor Liebowitz tells us why." Sonia Arrison, Director, Center for Technology Studies, Pacific Research Institute In Rethinking the Networked Economy, Stan Liebowitz dissects the faulty business case that helped fuel the Internet hysteria. The autopsy yields important insights. Liebowitz explains why some businesses suit the Internet economy and some don't, why some industries are winner-take-all contests but most aren't, and why a few industries offer first-mover advantages but most don't. The result is handbook for e-commerce that is grounded in simple but powerful economic reasoning that is fully explained within, and supported by an abundance of real world evidence. -Stephen E. Margolis, Chairman, NC State U Economics. 11 of 11 people found the following review helpful. Why the New Economy Is Old Hat By Patrick "Re-thinking the Network Economy" is an almost deceptively simple book, and that is all to the good for readers. Stan Liebowitz is a highly skilled economist with the ability to make his professional work accessible to interested laymen. Even more interesting to me, as a small businessman, is his intuitive grasp of the entrepreneurial process. His work just has a natural fit to the business world I know, and that is rare among academics, in my experience. Though some of his humor can make a businessman wince at times, say his: "And of course, once computers are taught to bend the truth, they can replace salesmen of all sorts". I once observed a young American woman, on a sunny July day in 1974, practicing her college Italian in one those street bazaars in Florence. I think it must have been written in some Intelligent Woman's Guide to Tourism in Cute Mediterranean Countries, that haggling was expected. When the woman responded to a merchant's price quote with a lower offer, he said in perfect English: "Look lady, it's hot, I'm hungry. If you insist on haggling, come back after lunch, but you're going to pay the price I just gave you anyhow." She bought the dress, but you can find the reason for the merchant's attitude in chapter 4 of this book. Also, I'm old enough to have been attended to, as a child, by a doctor who made house calls. The reasons why doctors no longer do so are to be found in Liebowitz's explanations of the efficiencies of supermarket shopping: Customers prefer to substitute their uncompensated time for the paid time that delivered groceries would necessarily entail. So, why did so many smart people lose billions of dollars trying to make viable businesses out of delivering ice cream, chicken, and orange juice? Liebowitz hazards a few guesses, not all of which are going to sit well with some of his colleagues who gave advice that may have inadvertently encouraged such nonsense. Those of us with first-hand experience of how expensive it is to operate trucks and pay their drivers, who were scratching our heads watching refrigerated trucks drive through our neighborhoods, wondering how this could possibly be a cost effective way for consumers to shop, can have a lot of fun reading about it though. The penultimate chapter, "Copyright and the Internet" has some, perhaps, counterintuitive arguments to make about digital reproduction and transmission of copyright materials. Including a novel explanation (to me) of how charging libraries for photocopying articles from scholarly journals actually increased the importance of those journals to scholars. This seems to me a major lesson to be learned in the current contentious copyright debates. In short, Re-Thinking the Network Economy, packs a lot of useful information into its 224 pages. It's erudite, witty, and might have saved the New Economy, and its investors, tens (and maybe hundreds) of billions of dollars had it been published even five years earlier.

E-commerce certainly isn't going away (despite some dot-com fiascos), and business leaders need to look back and figure out what went wrong. Utilizing traditional economic concepts, *Rethinking the Network Economy* shows how (unlike what was originally assumed) classical business strategy does apply to the Internet. The book demonstrates how tried-and-true formulas such as "supply-and-demand" and "first-mover-wins" relate to e-business, and provides readers with the understanding needed to succeed in the future.

"author analyzes such issues...as how companies can use traditional economic concepts to build a foundation for e-business success. -- *Customer Relationship Management*, September 2002" is an eye-opener on par with a poke from a sharp stick." -- *New Architect*, December 2002" provides an eloquent crash course on Internet advertising... Liebowitz's analysis is useful". -- *Yale Global Online* It is the best book to date on the fallacies of the e-commerce craze. -- *Economist.com*, September 26, 2002 It is the best book to date on the fallacies of the e-commerce craze. -- *Economist.com*, September 26, 2002 *Re-Thinking the Network Economy* will enlighten investors and managers alike. -- *New Architect* December 2002 About the Author Stan Liebowitz (Dallas, TX) is a respected economist and a professor of managerial economics at the University of Texas at Dallas. He is the coauthor of *Winners, Losers* Microsoft.