
The e-business environment is placing growing emphasis on the digitalization of product and service offerings, creating a set of economic conditions that differ from those characterized by physical products. Suppliers need to compete not only on overall quality but also on “information age strategies” that can prevent them from falling into a competitive trap where they cannot recover their costs. Versioning, confounding, networking, and pricing are needed to compete effectively, but these strategies often give rise to paradoxes from the buyer’s perspective. The thinking manager can use the guidelines offered here to manage their e-business offerings more effectively.