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## Article

### Note from the editor. Introduction: Online markets

economic sociology\_the european electronic newsletter

#### Provided in Cooperation with:

Max Planck Institute for the Study of Societies (MPIfG), Cologne

*Suggested Citation:* Darr, Asaf (2014) : Note from the editor. Introduction: Online markets, economic sociology\_the european electronic newsletter, ISSN 1871-3351, Max Planck Institute for the Study of Societies (MPIfG), Cologne, Vol. 16, Iss. 1, pp. 2-3

This Version is available at:

<https://hdl.handle.net/10419/156041>

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# Note from the editor

## Introduction: Online Markets

The November issue of the European Economic Sociology Newsletter is dedicated to current studies of online markets. The omnipresence of the internet for the past two decades has become infrastructural, penetrating most aspects of our daily life, and transforming the way we design, produce, sell and consume goods and services. Most of us spend a growing amount of time in cyberspace, working, socializing and entertaining ourselves, searching for information and spending money. Sociological research has been attuned to the rise of a “network society” from the early days of the internet (Castells, 2011). Much of the sociological literature about emerging socio-technical configurations involving the internet and the economic sphere has focused on production processes and work organization. Researchers have examined the transformation of the occupational landscape (Damarin, 2006), as well as the nature of work performed in cyberspace (Bailey, Leonardi, and Barley, 2012). Particular attention has been paid to emerging socio-legal structures that facilitate online work in open-source projects (O’Mahony, 2003; David and Shapiro, 2008). Other studies have looked at the disaggregation of work organization (Felstead and Jewson, 2005). Economic sociologists have also made important contributions to the study of our changing society, specifically in the financial sector, by exploring the broad impacts of computer-mediated exchange, the rise of virtual communities of traders, and the proliferation of global online trading (Knorr Cetina and Bruegger, 2002; Sassen, 2005 to name only two examples among many others).

Internet platforms that support online markets provide social actors with new capabilities. Buyers can easily conduct extensive information searches regarding product quality and price, compare prices and make informed purchasing decisions by choosing between an almost unlimited numbers of sellers who distribute globally. Furthermore, sellers and buyers can consult online ratings systems to evaluate the trustworthiness of their exchange partners. The mere distinction between a buyer and a seller is somewhat blurred in online markets, as buyers can more easily than ever switch roles and become sellers by using

exchange platforms such as E-Bay, offer various services through social media, or open up an online store which is ‘open’ 24 hours a day. These capabilities seem to constitute “perfect competition”, in which information asymmetries and market entrance costs are all but absent. However, as some of the examples in the articles in this issue demonstrate, such a view of online markets is misleading, and the mediation of online exchange by various internet platforms allows the exercise of authority and mobilization of interests which are embedded in software and hardware and are thus much harder to recognize and resist.

Online markets are better viewed as a structure of exchange relationships which I suggest should be termed an “allelopticon”, which connotes the Greek idea of “mutual viewing” (see Darr, 2014). More than ever, the social actors in online markets can observe and collect streaming and often self-reported information about their counterparts. The “alleloptic” vision promotes large-scale competition and seemingly lacks central control. However, the online mediators who provide trading platforms and who often correct various market inefficiencies have obtained a central position in online trade. The mediating trading platforms provide lenses through which mutual vision is possible and determine the categories which become the object of mutual viewing and which are used to rate the different market actors. They also collect data about patterns of exchange in different markets, information which can be researched, manipulated and commoditised.

Importantly, online markets are not detached from offline markets; they not only co-exist, but are often mutually supportive and operate within similar local and global business cultures. Some products, such as software, can be designed, produced, sold and consumed online. Other product or service markets involve the combination of exchange in offline and online markets. In still other cases, the internet is simply used to display products, while the actual process of buying and selling is conducted in more traditional ways. The articles in this issue explore different configurations of online and offline markets and compare exchange processes across the two types of economic exchange. The first article, by Wojtek Przepiorka, compares

the inherent challenge of constituting reputation and trust in traditional markets and in online markets. The focus of the article is emerging rating systems in online trade which replace social norms and other mechanisms designed to lubricate economic exchange in offline markets. The second article, by Andreas Schmitz, deals with the trajectories of the partner and dating markets, and points to ways in which offline and online partner markets are intertwined. The article also highlights new research tools and ways of sourcing and analyzing big data which are facilitated by online sites that mediate the exchange. Galit Ailon's description of her current study of independent day traders in the financial sector highlights another aspect of online markets, namely the growing number of amateurs who often work from home and take an active part in this global online trade. The interview with Ilan Talmud focuses on the social organization of the trade of a virtual currency, the Bitcoin, and demonstrates that even here a social infrastructure exists that supports this online market.

In this issue I launch a new section entitled "New Frontiers in Economic Sociology". This section is meant to present our readers with new areas of study for economic sociology. It has long been argued that economic sociology should have more impact on policy-making. In this new section the topic "Economies of Death" is of particular importance, not because it is entirely new (see Barley, 1983), but because recent writings bring together economic sociology and policy-making and provides broad historical background. In the first article Roi Livne presents this area of study and its intertwining with policy-making in the sensitive domain of the economic management of dying. The second article by Pascale Trompette, present a current example of a study of the French funeral market and brings a strong historical and process-based analysis of this domain of economic life. After a short description by Oleg Komlik of an online forum for economic sociologists,

this issue concludes with the book review section, edited by Mark Lutter.

I wish all of you interesting and educational reading,

Asaf Darr

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