Chapter XIX
Reverse Auctions: A Topology and Synopsis of Current Research Efforts

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ABSTRACT

Online reverse auctions are a relatively new phenomenon in business, although the practice of traditional auctions is centuries old. The online aspect of auctions is an example of a disruptive technology and its impact on the business world. The use of the Internet has changed the face of competition in supply and also changed the way buyers and suppliers interact. This chapter is a topological classification of the current literature on e-procurement auctions with the intent of organizing current and future research in online procurement auctions. Over 200 articles have been abstracted and reviewed. The authors develop three classification frames: content, theory, and methodology. Nineteen content areas are populated, including significant reference to the impact of auctions on the supply chain. In summary, this chapter seeks to increase the topic clarity of current research. The quality of each individual reverse auction paper is not evaluated. However, the classification should stimulate academics to pursue current and new avenues of reverse auction research.

INTRODUCTION

Reverse auctions tout the potential advantages buyers and suppliers can gain by utilizing the efficiencies created via the rapid, expansive growth of B2B transactions and subsequently, a potential for a larger, more open marketplace. However, the adoption of reverse auctions has raised concerns amongst both buyers and suppliers. Reverse auction adopters have been criticized for damaging supplier relationships, excluding ethical considerations, and changing the framework of accepted supply chain management and other tactical and strategic practices.