



Uncovering the value stream of digital content business from users' viewpoint



Changsu Kim^a, Dan J. Kim^{b,*}

^a Yeungnam University, Gyeongsan, South Korea

^b University of North Texas, Denton, TX, USA

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ABSTRACT

Although digital content (DC) business has been increasingly recognized as one of the core industries in a knowledge-based economy, little is known about its value stream from DC users' perspective. This study suggests a DC value chain framework involving the stream of DC value from DC creation to use from users' perspective, which has three key components of DC-value stream: (1) DC-value creation, (2) DC-value interaction, and (3) DC-value use. Drawing upon the DC value chain framework, we propose a research model exploring the direct relationships between DC-value creation and DC-value interaction and between DC-value interaction and DC-value use. It also explains the moderating role of DC types between DC-value and DC-value interactions. The empirical results of the study indicate that DC-value interactions play an intermediary role between DC creation value and DC use value and that users' perceptions of DC value vary in different types of DC. We discuss theoretical contributions and practical implications along with some avenues for future research.

1. Introduction

The exponential growth of digital content (DC) business in recent years has enabled this business segment to be increasingly recognized as one of the core industries in a knowledge-based economy (Oestreicher-Singer & Zalmanson, 2013). DC business has also received considerable attention as an IT-based business concept that has rapidly supplanted traditional media such as magazines, films, and newspapers (Bradley, Kim, Kim, & Lee, 2012; Meisel, 2008; Smith & Telang, 2009; Tsai, Lee, & Yu, 2008). DC business depends on content providers conducting most of their business activities on online platforms (Feijoo, Maghiros, Abadie, & Gomez-Barroso, 2009; Liu, Kemerer, Slaughter, & Smith, 2012; Oestreicher-Singer & Zalmanson, 2013; Williams, Chatterjee, & Rossi, 2008).

The term “digital content” combines the words “digital” and “content” to encompass digitized information and creative digital products such as e-books, e-journals, e-newspapers, digitized music, online digital games, videos, digital animations, and others (Vaknin, 2009). Various forms of content previously distributed in analog form are increasingly provided in digital format (Hargittai & Walejko, 2008; Oestreicher-Singer & Zalmanson, 2013). For example, books are increasingly distributed in digital form as e-books (Rowley, 2008).

A key difference between DC and traditional content is that the former requires IT-based network infrastructure such as the Internet

and mobile wireless network, whereas the latter is delivered through traditional physical logistics (Bradley et al., 2012; Liu et al., 2012; Williams et al., 2008). Traditional media are delivered through a physical value chain, whereas DC is transferred through a digital value chain based on computer-mediated networks such as the Internet (Barnes, 2002; Bradley et al., 2012; Williams et al., 2008). Evidence of this trend can be seen in DC applications such as animations, music, and movies (Bradley et al., 2012; Hargittai & Walejko, 2008; Meisel, 2008; Smith & Telang, 2009; Stini, Mauve, Heine, & Fitzek, 2006; Williams et al., 2008). DC users are more than just consumers of traditional media; they are actively involved in both the network infrastructure and the platform because of interactive ways in which DC is used (Feijoo et al., 2009; Lai & Turban, 2008). Such involvements influence the manner in which users evaluate DC value (Feijoo et al., 2009; Hargittai & Walejko, 2008; Lai & Turban, 2008).

Although DC applications are thriving and attention to DC value has increased sharply, previous studies have not fully elucidated the DC value stream – i.e., how DC value is transformed from providing DC into establishing the user's content-related experience (Oestreicher-Singer & Zalmanson, 2013; Rowley, 2008; Shi, Rui, & Whinston, 2014). Although a comprehensive understanding of the DC value stream from users' perspective is crucial for the evaluation of DC business value (Oestreicher-Singer & Zalmanson, 2013), few studies have provided systematic and/or empirical analyses of the DC value stream from users'

* Corresponding author.

E-mail addresses: c.kim@ynu.ac.kr (C. Kim), Dan.Kim@unt.edu (D.J. Kim).

Table 1
DC values.

Element	Definition and example	References
Functional value	Perceived utility value derived from practical or technical benefits gained by a user by using a product or service (e.g., getting weather and traffic information from mobile digital content services)	Sheth et al. (1991), Sweeney and Soutar (2001), Yang and Jolly (2006), Wang, Yeh, and Liao (2013)
Emotional value	Perceived value derived from the feeling or affective state obtained by a user through the consumption of a product or service (e.g., enjoying digital games in spare time)	Sheth et al. (1991), Sweeney and Soutar (2001), Yang and Jolly (2006)
Social value	Perceived value derived from the capability of a product or service to enhance a user's social image and social relationships in communities. (e.g., sharing personal digital contents such as photos and personal events for social relationships)	Sheth et al. (1991), Sweeney and Soutar (2001), Yang and Jolly (2006), Chau and Xu (2012)

perspective (Oestreicher-Singer & Zalmanson, 2013; Payne & Holt, 2001; Rowley, 2008; Shi et al., 2014); there is no comprehensive model that clearly explains the DC value stream; and there is no robust theory of how DC value flows through digital business from users' perspective (Meisel, 2008; Oestreicher-Singer & Zalmanson, 2013; Shi et al., 2014; Williams et al., 2008). The present study seeks to fill this gap in the literature by addressing the following research questions: What are the major components of the DC value stream? Are there any DC interactions between DC creation value and DC use value? How is DC value perceived by users? Does the DC value stream vary according to the type of DC? What theoretical and practical implications does the DC value stream have?

The next section discusses relevant studies on DC value stream and proposes a DC value chain framework from users' perspective as a background theory. The third section presents a research model and hypotheses drawing up the DC value chain framework. The fourth section discusses the research methodology of the study including measurement items and data collection procedures, and the fifth section presents the data analyses and results of the study. The final section concludes with a discussion on the findings, implications, and limitations as well as on some avenues for future research.

2. Relevant studies and a DC value chain framework

The DC value stream refers to the whole process of DC value transfer from creation to use in a computer-mediated network (Coughlin, 2003; Meisel, 2008; Rowley, 2008; Shi et al., 2014; Vaknin, 2009; Williams et al., 2008). While DC is generated by DC users themselves (e.g., user generated contents) as a part of DC value stream process, DC providers including users create DC value by providing new resources and capabilities such as content and applications through DC systems and services (Alkemade, 2003). As a part of DC value consumption process, interactivity of digital content is considered as a crucial element of DC value stream (Lai & Turban, 2008; Pagani, 2013; Parameswaran, Stallaert, & Whinston, 2008; Sashi, 2012), whereas traditional media tend to emphasize the accuracy and delivery speed of content when evaluating its value (Feijoo et al., 2009; Hargittai & Walejko, 2008; Parameswaran et al., 2008). At the end of the value delivery process, DC users experience value as a result of DC use. Considering these generation and consumption activities, DC value stream can be seen as three-stage process: (1) creation, (2) interaction, and (3) use.

2.1. DC-value creation

In service marketing, value is defined as an overall assessment of the usefulness of a product or service based on perceptions of what is received and what is given (Aguila-Obra et al., 2007; Zeithaml, 1988). In the context of DC, we conceptualize DC value as a DC user's overall assessment of the usefulness of the DC products and services. The inherent value of DC generated during the DC-value creation stage. Sheth, Newmann, and Gross (1991) evaluated various types of value influencing consumer choice and classified them into five types: functional, social, emotional, conditional, and epistemic. Similarly, Sweeney and

Soutar (2001) divided the user appraisal of value into four categories: functional, emotional, social, and price. Yang and Jolly (2006) recently proposed four types of consumer value based on the intention to use services based on mobile content: functional, emotional, social, and monetary. In the context of DC, functional, emotional and social values have been widely identified in previous studies (Helberger, 2011; Vaknin, 2009).

Functional value refers to practical or technical benefits gained by users from using a product or service (Sheth et al., 1991; Sweeney & Soutar, 2001; Yang & Jolly, 2006). *Emotional value* is about the user's feeling or affective state obtained through the consumption of a product or service (Sheth et al., 1991; Sweeney & Soutar, 2001; Traw, 2003; Yang & Jolly, 2006). For example, emotional value can be induced by using hedonic DC, most notably digital games and music (Yang & Jolly, 2006). The visual design of a DC website expressed through images or colors can also potentially affect the emotional value perceived by DC users (Cyr, Head, Larios, & Pan, 2009). *Social value* refers to the capability of a product or service to enhance a user's social image in accordance with other people's expectations or social norms (Sheth et al., 1991; Sweeney & Soutar, 2001; Yang & Jolly, 2006). The social value of DC plays a key role in elevating a user's social status, enhancing his or her relationship with others (Helberger, 2011; Heymann, Koutrika, & Garcia-Molina, 2007; Lai & Turban, 2008; Nov, 2007; Oestreicher-Singer & Zalmanson, 2013). For example, sharing digital files through the Internet can be seen as a type of social interaction pursued by users to obtain desired digital files (Berente, Hansen, Pike, & Bateman, 2011; Chau & Xu, 2012; Shi et al., 2014). A good example is YouTube, a social networking site that promotes the exchange of various types of DC and thus supports strong connections between members and their own culture (Yang & Jolly, 2006). Table 1 summarizes the definition and example of three major values of DC from users' perspective.

2.2. DC-value interaction

A digital content ecosystem generally has three main entities: DC systems as distribution platforms, contents as core parts of DC business, and members as creators and consumers of DC. Unlike users of traditional content, DC users can interact with the major entities of DC ecosystem over computer-mediated communication networks as a way of using digital content. Therefore, it is important to understand interaction patterns with the major DC entities in DC value stream (Ou, Pavlou, & Davison, 2014). DC-value interaction is encompassing individual communication, responsiveness, participation, information sharing, feedback, and reactive discussion (Chau & Xu, 2012; Feijoo et al., 2009; Ou et al., 2014; Sashi, 2012; Williams et al., 2008). In a broad sense, DC-value interaction can help improve interoperability for users, contents, and systems (Chau & Xu, 2012) and activities involving DC systems, DC contents, and other members (Stini et al., 2006; Williams et al., 2008). From DC users' perspective, DC-value interactions can be classified into three types: (1) interactions between users and systems, (2) interactions between users and contents, and (3) interactions between users (Heymann et al., 2007; Hoffman & Novak,

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