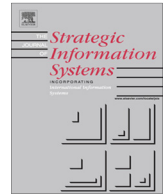


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Performance implications of information-value offering in e-service systems: Examining the resource-based perspective and innovation strategy

Shu-Hui Chuang^{a,*}, Hong-Nan Lin^b

^a Department of Business Administration, Asia University, Taichung, Taiwan

^b Department of Network System, TOKO University, Chiayi, Taiwan

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ABSTRACT

This research examines the performance implications of information-value offering in e-service systems. Specifically, this study introduces both a resource-based perspective that combines technology, human, and business resources to develop an e-service capability, and an innovation strategy that emphasizes service innovation orientation to examine information-value offering. This study also examines how firms bundle e-service capability and service innovation orientation to enhance information-value offering that enhances customer relationships and organizational performance. The results from a survey of 115 financial service firms in Taiwan highlight the importance of how e-service capability and service innovation orientation leads to information-value offering and that this value is shown to positively influence organizational performance by customer relationship performance. The results suggest that researchers and practitioners should pay special attention to the complementary resource-strategy that are needed to successfully implement e-service systems initiatives and that an emphasis on the resource or strategy alone may not be sufficient.

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Introduction

The natural evolution of business environments has driven industries toward new information technology (NIT) environments (Chuang and Lin, 2015). NITs have led to firms worldwide applying e-service (ESV) systems such as tracking online packages, receiving an email notification regarding the order status, and, more recently, mobile banking (Tan et al., 2011). By using ESV systems, customers can save money and time in commercial activities and avoid awkward personal encounters (Meuter et al., 2000). ESV systems are essential for processing service information for developing customer relationships because they improve customer satisfaction (Loukis et al., 2012) and reduce operational expenses while increasing revenues and profitability (Rust et al., 2002). Moreover, such systems enable task completion, problem solving, and value creation for customers by advancing information processing. Although information processing is crucial, the significance of its effect on customer relationship performance depends considerably on information-value offerings (Messner, 2004), in which value refers to the usefulness and timelessness of service information and the knowledge derived therefrom (Mittal and Sheth, 2001; Ulaga and Eggert, 2006; O’Cass and Ngo, 2012). ESV systems provide informational value by integrating information

* Corresponding author at: Department of Business Administration, Asia University, 500, Liufeng Rd., Wufeng, Taichung 41354, Taiwan.
E-mail addresses: joyce@asia.edu.tw (S.-H. Chuang), hn.lin@mail.toko.edu.tw (H.-N. Lin).

from multiple sources and across different functions, by modifying information for efficient access and analysis, and by eliminating data errors and redundancies. However, the value of service information depends on the data input into ESV systems. If the information obtained from multiple internal and external sources does not improve effectiveness in meeting customer requirements, assist them in solving problems, or shorten their time for achieving service requirements, then businesses cannot benefit from using an ESV system (Chen et al., 2006).

A literature review on information systems (ISs) and business management revealed that certain studies have focused on elucidating informational value by focusing on the effect of ESV quality (Benaroch and Appari, 2011), service orientation (Demirkan and Delen, 2013), and resource-based capability (Ngo and O’Cass, 2009). For example, ESV quality is a crucial determinant differentiating ESV offers (e.g., content availability and functionality), deficiencies in service orientation that can lead to a decrease in gathering and sharing service information, and resource-based capabilities that can enable the system to complete tasks and solve problems.

Previous empirical studies (Rivard et al., 2006; Rapp et al., 2010) have examined the complementary role of technological capability as a firm resource and strategy in information processing. For example, a firm’s infrastructure capability tends to emphasize the support of and compatibility with information processing, whereas a firm’s strategy is considered a service-oriented innovation approach to rendering information processing more efficient. The approach guides the organization-wide offering of available information and coordinates action on the basis of that information. These studies have reported two crucial findings. First, firms must employ resource-strategy variables to extract a higher information-value offering; and second, modifications in company resources and strategies are crucial for enhancing the information-value offering. Thus, we adopted two main perspectives from the strategic management literature (Spanos and Lioukas, 2001) to examine information-value offerings in ESV systems: a resource-based perspective that combines technology, human resources, and business resources to develop ESV capability; and an innovation strategy that emphasizes service innovation orientation. The findings of this study may provide insights for practitioners to assist them in mitigating problems they encounter when implementing an ESV system. For example, the lack of ESV capability could lead to various integration and operation problems that inhibit the ESV system’s capability in offering service information effectively. A lack of service innovation increases the difficulty for ESV systems to gather useful, accurate, and timely information from internal and external sources, which would be detrimental to business performance and inevitably lead to inadequate resource allocation for customer service. ESV capability and service innovation orientation are critical in effectively improving information-value offerings. However, few empirical studies have examined ESV capability and service innovation orientation (and their interactions) in the context of information-value offerings in ESV systems. Therefore, by focusing on how efficiently firms create and enhance informational value, the present study examined information-value offerings in ESV systems in advancing the complementarity between ESV capability and service innovation orientation. Specifically, the antecedents and outcomes related to information-value offerings in ESV systems were investigated; thus, our findings are pertinent to the financial service domain. ESV capability, particularly when coupled with a service-orientated innovation strategy, was found to be positively related to information-value offerings, which enhance customer relationships and overall business performance.

Theoretical background

Resource-based perspective

The resource-based view (RBV) perspective suggests that idiosyncratic, immobile, and strategic resources owned or controlled by a firm are considered valuable firm-specific resources (Melville et al., 2004). The notion of the capability of an RBV application in the context of value offerings is a major perspective for creating value offerings (Ngo and O’Cass, 2009). Although capability is consistent with the success of a value offering program, it can be used in an e-business value creation model (Soto-Acosta and Meroño-Cerdan, 2008). Studies in the IS domain have indicated that firm-specific resources and capabilities can improve firm performance (Peppard and Ward, 2004; Melville et al., 2004; Nevo and Wade, 2011). Several ESV application studies have theoretically and empirically examined the relationship between organizational capability and performance (Oliveira et al., 2002; Ordanini and Rubera, 2010; Wu et al., 2011). On the basis of these studies, we developed a relational model of ESV capability support for an ESV system, and integrated information into this system. Certain studies have investigated the RBV of firms and have extended it to business value creation in e-business systems (Hsu, 2013).

A review of several studies (Barney, 1991; Melville et al., 2004; Rapp et al., 2010) shows that firm-specific heterogeneous resources can be classified into three categories: technology, human, and business resources. Technology resource refers to the e-service capability, which comprises hardware, software, database systems, and communication systems to support the e-service systems. The RBV contribute significantly to the field of strategic human resource management and emphasized that human resource represents the firm’s know-how and skills related to e-service systems. Business resource is defined as a business plan to integrate e-service systems projects into the overall business process. Powell and Dent-Micallef (1997) found that business resources contribute to value creation only when combined with complementary human and technology resources; thus, business resources alone do not create value.

This study also follows Wernerfelt (1984) importance of valuable resources, Håkansson and Snehota (1995) assumption that the value of a resource always depends on the type of resource it is combined with, and Chuang and Lin (2015, p. 287) assertion that “technology resources should be developed in combination with complementary resource or capabilities to

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