Impacts of Competitive Uncertainty on Supply Chain Competence and Big Data Analytics Utilization: An Information Processing View

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Impacts of Competitive Uncertainty on Supply Chain Competence and Big Data Analytics Utilization: An Information Processing View

Wei-Hsiu Weng*, National Chengchi University, Taiwan, wengvictor@gmail.com

ABSTRACT
Research advancements in big data analytics have invoked tremendous attention from both academics and industries. Many researchers refer that the adoption and application of big data analytics could lead to performance impact to organizations, and therefore further affect organizational adoption intention of this technology. However, few studies discuss the association between business strategy and big data analytics adoption under uncertainty such as pandemics or disasters. Furthermore, the role of firms’ functional activities such as supply chain operations has seldom been addressed in the adoption considerations of big data analytics under abnormal situations. In this research, empirical data from enterprises were collected and analyzed to assess the impact of competitive strategy uncertainty on big data analytics adoption and the possible effect of supply chain competence in the linkage. The results supported positive effects of strategy practices and supply chain competence on big data analytics utilization. The implications for management decisions are then elaborated.

Keywords: Big data analytics, information processing view, uncertainty, supply chain competence, competitive strategy.

INTRODUCTION
Big data is characterized by scholars and practitioners with three Vs: Volume, or the large amount of data that either consume huge storage or entail of large number of data records; Velocity, which is the frequency or the speed of data generation, data delivery and data change; and Variety, to highlight the property that data are generated from a large variety of sources and formats, and contain multidimensional data fields including structured and unstructured data (Fosso Wamba et al., 2015; Hashem et al., 2015; McAfee & Brynjolfsson, 2012). Big data analytics refers to the methods, algorithms, middleware and systems to discover, retrieve, store, analyze and present big data, in order to generate the fourth V: Value for business. The development of big data analytics is a response to the world of fast accumulating data, such as social media data, electronic commerce data, geographical data, multimedia streaming data, and many others generated from personal and organizational applications (Weng & Lin, 2013, 2014c). Other emerging technologies, such as cloud computing and internet of things, also enhanced the needs of big data analytics (Weng & Lin, 2014a, 2014d, 2015b). For example, with the rapid pace of development in cloud computing, data centers of both public clouds and private clouds are continuing to accumulate enormous volumes of data; as a result, big data analytics and its applications are becoming ever more noticed (Agrawal, Das, & Abbadi, 2011; Hashem et al., 2015).

While the influences of big data analytics on enterprise performance were explored in previous studies (Fosso Wamba et al., 2015), the essential issue of whether firms will adopt big data analytics remains unresolved, and factors associated with enterprise adoption intention of big data analytics have not been comprehensively investigated. Studies of organizational information processing theory (Galbraith, 1974; Tushman & Nadler, 1978) have shown that the uncertainty that firms encounter when formulating and executing business strategy is an important factor for firms’ adoption of innovative information technologies (Koo, Koh, & Nam, 2004; Porter & Millar, 1985; Smith, McKeen, & Singh, 2007). This result leads to the speculation that business strategy pursuit is associated with big data analytics adoption intention. However, so far studies of possible relationships between big data analytics adoption and firms’ business level strategies are rare in the literature.

Furthermore, when facing uncertain situations such as a global pandemic or a financial turmoil, supply chain competence is particularly noticeable as a possible factor for big data analytics adoption for several reasons (Hazen et al., 2014; Waller & Fawcett, 2013). First, the growing data volume in supply chain operations. This is because supply chain activities need to be collaborated with all other trading partners across corporate boundary, and supply chains need to be integrated with value chains of all participating parties (Cheung, Myers, & Mentzer, 2010; Cook, Heiser, & Sengupta, 2011). Second, the increasing data velocity in supply chain operations. Supply chain management is closely integrated with more and more other functions such as production, marketing and information systems (Dong, Xu, & Zhu, 2009; Kozlenkova et al., 2015). For these reasons, this research intends to investigate the linkage between business strategy and big data analytics adoption, and the effect of supply chain competence in this linkage.

The paper begins with a review of the relevant literature about the relationships between business strategy, supply chain competence and big data analytics. Then it proposes a model which links these variables. Following that, the model is tested.

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using a sample of large Taiwanese companies with global operations. Finally, the findings are presented along with the managerial implications of the study and recommendations for future work.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Big Data Analytics and Information Processing View

Big data analytics is used to store, convert, transmit and analyze large quantities of dynamic, diversified data, which may be structured or unstructured data, for the purpose of business benefit (Borkar, Carey, & Li, 2012; Chen, Chiang, & Storey, 2012). Big Data processing requires tools and techniques that leverage the combination of various IT resources: processing power, memory, storage, network, and end user devices to access the processed outcomes. Efficient analytical tools are developed to process the large amounts of unstructured heterogeneous data collected continuously in various formats such as text, picture, audio, video, log file and others (Babiceanu & Seker, 2016). Current examples of such tools include the Hadoop Distributed File System (HDFS) (Shafar, Rixner, & Cox, 2010), the parallel processing system MapReduce (Glushkova, Jovanovic, & Abelló, 2017), the non-relational database system NoSQL (Stonebraker, 2010), and others. These tools provide processing functionality for big data which are beyond the application scope of traditional data mining and business analytics tools (Gupta & George, 2016).

Studies of organizational information processing theory (Galbraith, 1974; Tushman & Nadler, 1978) have revealed that the uncertainty that firms confront when pursuing and developing business strategy is an important factor for firms’ adoption of innovative information technologies (Koo et al., 2004; Porter & Millar, 1985; Smith et al., 2007). Information processing theory views firms as information processing systems which help firms deal with uncertainty in business decisions and actions. Nowadays, organizations are facing even greater challenge in decision making than before, as the information to be processed is growing rapidly in volume, velocity and variety. This challenge motivated the study and utilization of big data analytics (Bharati & Chaudhury, 2018; Shirish et al., 2018; Wang et al., 2018).

Competitive Uncertainty and Supply Chain Competence

Porter’s framework for business strategy of competition is one of the most widely accepted typology of business competition models (A. Miller & Dess, 1993; Porter, 1980). Porter’s research in industrial economics suggested two fundamental types of generic business level strategies for achieving above average rates of return: cost leadership and differentiation (Porter, 1980, 1985). Porter proposed that to succeed in business, a firm must pursue one or more of these generic business strategies, and that a firm’s strategic choice eventually determines its competitiveness and profitability (D. Miller, 1988). Other scholars argued that the two types of business strategies are not strictly mutual exclusive. Firms adopting cost leadership strategy may seek to deliver distinctive products or services under the main theme of low cost thinking. Firms with differentiation strategy could also attempt low cost operations as long as the uniqueness of products or services is maintained (Hill, 1988; Murray, 1988). Competitive uncertainty triggers firms to adopt contingent and hybrid strategies (Wernerfelt & Karnani, 1987). Competitive uncertainty may be caused by several different types of sources: demand structure, supply structure, competitors and externalities (Wernerfelt & Karnani, 1987). Thus both the supply chain situations of a firm and the external events such as a global pandemic may affect a firm’s strategic posture and sustained competitive advantage (Dreyer & Gronhaug, 2004; K.-J. Wu, Tseng, Chiu, & Lim, 2017).

The successful implementation of the business strategies relies on making right decisions on core functions of a firm, such as human resource management, production, marketing, research and development, sales, information systems, and supply chain management. These functions form a value chain and all have a role in lowering the cost structure and increasing the value of products through differentiation (Porter, 1985). A firm’s ability to acquire superior functional efficiency, including supply chain competence, will determine if its product offering is differentiated from that of its competitors, and if it has a low cost structure simultaneously. Firms that increase the utility consumers get from their offerings through differentiation, while a

Cost leadership strategy is pursued through low cost operations in each segment of supply chain activities, including production scheduling, demand management, sourcing and procurement, inventory management, distribution and delivery (Huan, Sheoran, & Wang, 2004; Lockamy & McCormack, 2004). For differentiation strategy, the principal thinking in these operations are geared towards the design and delivery of distinctive products and services. Differentiation may also eventuate in unique methods or channels of sourcing or delivery, in innovative manufacturing processes or inventory operations in a supply chain (Wagner, Grosse-Ruyken, & Erhun, 2012). Thus, the following two hypotheses are proposed:

H1. Cost efficiency under competitive uncertainty is positively associated with supply chain competence.
H2. Differentiation proficiency under competitive uncertainty is positively associated with supply chain competence.

Competitive Uncertainty and Big Data Analytics Utilization

From the information processing view (Galbraith, 1974), an organization is an imperfect decision-making system due to incomplete knowledge. Therefore, firms seek to systematically progress to support decision-making when facing increased uncertainty. Uncertainty is associated with inadequate information related to decision-making. The competitive information
extracted from big data comprises information of sales and marketing, research and development, manufacturing and production, finance and accounting, human resources, and similar data from the other competitors (Tushman & Nadler, 1978). This information can be acquired and processed by applying big data analytics. Organizing and leveraging these big data analytics from functional operations up the hierarchy and systematically using it to ascertain the competitive situation along with the formation of business strategies involve the essence of the managerial decisions on competition (Mathews, 2016). Furthermore, business strategies of most organizations are frequently a combination of their intended strategies and the emergent strategies (Mintzberg, 1985). Firm leaders need to analyze the process of emergence and to make strategy adjustment when appropriate (Mintzberg & Waters, 1985). For this purpose, big data analytics could also serve as the tool to facilitate the strategic decisions to be accurately aligned with competition changes (Akter et al., 2016; Janssen, van der Voort, & Wahyudi, 2017).

Big data analytics with the 3Vs (Volume + Velocity + Variety) provides a clear picture of product use, showing instantly which features customers prefer or dislike, by means of the increased volume, velocity and variety of data collected from customer responses. An example is the effects of word of mouth created by a large number of online visitors on consumer’s purchase preference for manufacturers and retailers (Wien & Olsen, 2017; Xie et al., 2016). By analyzing and comparing more dimensions of usage patterns, firms can do much precise customer segmentation, by industry, geography, age, income, and even more granular attributes. Decision makers can apply this deeper knowledge to tailor special offers or after-sale service packages, create features for certain segments, and develop more sophisticated pricing strategies that better match price and value at the segment or even the individual customer level (Qi et al., 2016). These price and value analytics further forms the basis for decisions of differentiation and cost structure.

For companies pursuing cost leadership strategy, cost analytics of all levels is more accurately analyzed to maintain a viable leading cost structure. For firms pursuing differentiation strategy, customer preference analytics determines the need to differentiate their products against the need to keep their cost structure under control in order to offer a product at a competitive price (Xie et al., 2016). In summary, we propose the following hypotheses:

H3. Cost efficiency under competitive uncertainty is positively associated with big data analytics utilization intensity.

H4. Differentiation proficiency under competitive uncertainty is positively associated with big data analytics utilization intensity.

**Supply Chain Competence and Big Data Analytics Utilization**

Supply chain operations generate and utilize large-scale heterogeneous data with time-varying nature (Gunasekaran, Patel, & Tirtiroglu, 2001). The timely and accurate flow of information is a necessity for successful supply chain operations (White, Daniel, & Mohdzaïm, 2005). The evolution of big data analytics is expected to transform enterprises’ managerial paradigm, including supply chain management (Waller & Fawcett, 2013). The relationships between supply chain competence and information technology adoption have been widely studied. The findings suggest that IT advancement and IT alignment can facilitate the development of supply chain competence (DeGroot & Marx, 2013; Qinfei & Tarafdar, 2014; Vijayasarathy, 2010; Wu et al., 2006). These results lead to the conjecture of the association between supply chain competence and big data analytics (Schoenherr & Speier-Pero, 2015; Waller & Fawcett, 2013). The possible association between supply chain competence and big data analytics adoption has thus become a crucial topic to both academics and practitioners (Hazen et al., 2014).

The efficiency considerations in supply chain operations mainly centers around time efficiency, cost efficiency and flexibility (Beamom, 1999; Gunasekaran, Patel, & McGaughey, 2004). The time efficiency in supply chain includes reducing lead time, response time and delivery time of products and services. The cost efficiency consideration in supply chain comprises lowering the costs of materials, inventory, distribution and transportation, and information exchange among various sites in supply chain. The flexibility of supply chain is enhanced by instant adjustment to changes from customer requirements, supplier and distributor conditions, and any other possible events such as natural disasters (Beamom, 1999; Gunasekaran et al., 2004).

The 3Vs capability of big data is desired for efficient supply chain operations. The efficiency in supply chain operations is supported by prompt interchange of status data among parties participating in the supply chain. As the supply chain competence keep enhancing, data volume may grow from more detailed information regarding price, quantity, items sold, time of day, date, customer data, and inventory at more locations and a more dispersed level. Data velocity is also increased because of the frequent updates of sales orders, inventory status and transportation time. Data variety is amplified since the attributes of products, channels of procurement and methods of delivering products and services become more versatile (Robak, Franczyk, & Robak, 2013). These 3Vs of big data are also amplified by joining applications of other emerging technologies such as cloud computing, RFID, and Internet of Things in the supply chain (Angeles, 2005; Atzori, Iera, & Morabito, 2010; Cegielski et al., 2012). Thus, to pursue supply chain competence, firms will intend to adopt big data analytics. Therefore, the hypothesis of this research suggests that:

H5. Supply chain competence is positively associated with big data analytics utilization intensity.
METHOD

Research Framework
Based on our proposed hypotheses, the research framework is illustrated in Figure 1. The main constructs for competitive strategy contingency are cost efficiency and differentiation proficiency. Supply chain competence is the construct for functional operations under uncertainty. Big data utilization intensity is the construct for complex information processing to cope with uncertainty. In addition to the main constructs, control variables of firm size, IT department size, and industry sector are included as these variables may affect firms’ intention to adopt information technologies.

![Research Framework Diagram]

Source: This study. Figure 1: Research framework.

Survey Instrument
The survey instrument was developed using questions derived from the literature on Porter’s competitive strategies, the supply chain competence framework, and big data analytics utilization intensity discussed previously. We operationalized the study variables by using multi-item reflective measures on a 7-point scale (1 – strongly disagree; 7 – strongly agree) (Jarvis, MacKenzie, & Podsakoff, 2003). Table 1 presents the construct and item description.

<table>
<thead>
<tr>
<th>Table 1: Constructs and items used in the survey.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEF:</strong> Cost efficiency under competitive uncertainty</td>
</tr>
<tr>
<td>The construct of cost efficiency under competitive uncertainty (CEF) was measured using four items that reflect the extent to which a firm practices cost efficiency. Cost efficiency refers to the generation of higher margins than those of competitors by achieving lower operation costs.</td>
</tr>
<tr>
<td>CEF1: Operational efficiency</td>
</tr>
<tr>
<td>CEF2: Economy of scale</td>
</tr>
<tr>
<td>CEF3: Learning curve of productivity</td>
</tr>
<tr>
<td>CEF4: Agility and leanness</td>
</tr>
<tr>
<td><strong>DFP:</strong> Differentiation proficiency under competitive uncertainty</td>
</tr>
<tr>
<td>The differentiation proficiency under competitive uncertainty construct (DFP) was measured using four items that reflect the extent to which a firm conduct differentiation. Differentiation entails being unique or distinct from competitors, for example, by providing superior quality, information, prices, distribution channels, and prestige to the customer.</td>
</tr>
<tr>
<td>DFP1: Quality</td>
</tr>
<tr>
<td>DFP2: Innovation</td>
</tr>
<tr>
<td>DFP3: Customization</td>
</tr>
<tr>
<td>DFP4: Marketing intelligence</td>
</tr>
<tr>
<td><strong>SCC:</strong> Supply chain competence</td>
</tr>
</tbody>
</table>
The construct of supply chain competence (SCC) was measured using six items. Respondents rated their strength of supply chain operations. The rating included the measurement of resources, output, and flexibility as the strategic goals of supply chain operations.

SCC1: Lead time
SCC2: Response time
SCC3: Inventory control
SCC4: Flexibility
SCC5: Supply side relationship
SCC6: Demand side relationship

BDA: Big data analytics utilization intensity

The big data analytics utilization intensity construct (BDA) served as the dependent variable and was measured using three items by the subjects’ responses to whether, if given the opportunity, they would adopt big data analytics for their respective firm to cope with uncertainty.

BDA1: Big data analytics utilization for data volume
BDA2: Big data analytics utilization for data velocity
BDA3: Big data analytics utilization for data variety

Control Variables

Firm size, IT department size, and industry sector are employed as control variables, as these factors have been noted in several studies to affect the intention to adopt information technologies.

Source: This study.

Sample and Data Collection

Empirical data for testing the hypothesized relationships were obtained by conducting a survey of large Taiwanese companies. A questionnaire developed in accordance with Table 1 was implemented as the survey instrument. It was pretested in an iterative manner among a sample of 15 executives and managers. The questionnaire items were revised on the basis of the results of the expert interviews and refined through pretesting to establish content validity. The pretesting focused on instrument clarity, question wording, and validity. During the pretesting, members of the testing sample were invited to comment on the questions and wording of the questionnaire. The comments of these respondents then provided a basis for revisions to the construct measures.

A marketing research organization publishes comprehensive data of the 1,000 largest corporations in Taiwan. Most of these companies are public listed corporations with global transactions. After the pretesting and revision, survey invitations and the questionnaires were mailed to these 1,000 companies. Follow-up letters were sent approximately 15 days after the initial mailing. Data were collected through responses from executives and managers of the companies. Data collection was completed in two months. In total, 201 valid questionnaires were obtained, with a valid response rate of 20.1%. We compared respondent and non-respondent firms in terms of industry, size (number of employees) and revenue. These comparisons did not show any significant differences, suggesting no response bias.

RESULTS

Reliability and Validity

To test the hypothesized research model, partial least square - path modeling (PLS-PM) was applied (Ringle, Wende, & Will, 2005). Table 2 reports the quality indicators of the PLS-PM model.

Table 2: Constructs reliability and validity.

<table>
<thead>
<tr>
<th></th>
<th>AVE</th>
<th>CR</th>
<th>CA</th>
<th>VIF</th>
<th>R²</th>
<th>Latent variable correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDA</td>
<td>0.734</td>
<td>0.892</td>
<td>0.819</td>
<td>0.347</td>
<td>(0.857)</td>
<td></td>
</tr>
<tr>
<td>CEF</td>
<td>0.714</td>
<td>0.909</td>
<td>0.867</td>
<td>1.697</td>
<td>0.504</td>
<td>(0.845)</td>
</tr>
<tr>
<td>DFP</td>
<td>0.727</td>
<td>0.914</td>
<td>0.875</td>
<td>2.022</td>
<td>0.507</td>
<td>0.606</td>
</tr>
<tr>
<td>SCC</td>
<td>0.683</td>
<td>0.928</td>
<td>0.907</td>
<td>1.838</td>
<td>0.456</td>
<td>0.502</td>
</tr>
</tbody>
</table>

AVE = average variance extracted, CR = composite reliability, CA = Cronbach's alpha, VIF = variance inflation factor, (…) = square root of AVE

Source: This study.

Composite reliability scores for all indicators are greater than 0.70 and AVE for all scales exceed 0.50. Thus, the test of convergent validity is acceptable (Nunnally & Bernstein, 1994). The Cronbach’s alpha was the assessment of the reliability which was scored as > 0.7. This value indicates that there is a positive internal consistency among latent variables and manifest
variables. The VIF values of exogenous latent variables are all less than 5.0, indicating low collinearity among the variables. Successively R2 has been estimated to verify the quantity of variance of endogenous variables in relation to exogenous variables. The value of R2 results as moderate for all endogenous variables.

**Tests of Hypotheses**

Test results are shown in Figure 2. All of the hypotheses in the research model are tested significant, providing sufficient support to the hypotheses.

![Image of figure 2](image_url)

**Source:** This study.

Figure 2: Results of research model.

Table 3 shows the significance test results of the partial effects in the PLS model using bootstrapping. The VAF (variance accounted for) value for the indirect effect DFP → SCC → BDA is between 0.2 and 0.8, which indicate the partial mediation effect of SCC in the link (Hair et al., 2016; Preacher & Hayes, 2008).

<table>
<thead>
<tr>
<th>Path</th>
<th>Effect type</th>
<th>Effect</th>
<th>t value</th>
<th>p value</th>
<th>* level</th>
<th>VAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEF → BDA</td>
<td>Total effect</td>
<td>0.312</td>
<td>4.396</td>
<td>0.000</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>DFP → BDA</td>
<td>Total effect</td>
<td>0.318</td>
<td>4.206</td>
<td>0.000</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>CEF → BDA</td>
<td>Effect without SCC</td>
<td>0.319</td>
<td>4.692</td>
<td>0.001</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>DFP → BDA</td>
<td>Effect without SCC</td>
<td>0.325</td>
<td>4.348</td>
<td>0.000</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>CEF → SCC → BDA</td>
<td>Indirect effect</td>
<td>0.059</td>
<td>1.800</td>
<td>0.073</td>
<td>*</td>
<td>0.188</td>
</tr>
<tr>
<td>DFP → SCC → BDA</td>
<td>Indirect effect</td>
<td>0.113</td>
<td>2.267</td>
<td>0.024</td>
<td>*</td>
<td>0.356</td>
</tr>
</tbody>
</table>

VAF = variance accounted for
*p < 0.1, **p < 0.01, ***p < 0.001

**Source:** This study.

The effects of paths in the research model are summarized in Table 4.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>path</th>
<th>Effect from test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>CEF → SCC</td>
<td>Direct effect supported</td>
</tr>
<tr>
<td>H2</td>
<td>DFP → SCC</td>
<td>Direct effect supported</td>
</tr>
<tr>
<td>H3</td>
<td>CEF → BDA</td>
<td>Direct effect supported</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Partial mediation of SCC not supported</td>
</tr>
<tr>
<td>H4</td>
<td>DFP → BDA</td>
<td>Direct effect supported</td>
</tr>
</tbody>
</table>

**Source:** This study.
DISCUSSION AND CONCLUSIONS

This study investigated the impact of a firm’s competitive strategy practices on big data analytics adoption, and tested the possible mediating role of supply chain competence. The results validated our hypotheses that both cost efficiency and differentiation proficiency are positively associated with supply chain competence. Competitive strategy practices concern the competitive positioning, market segmentation and industry environment of a company (Porter, 1980). To survive, grow and sustain, a firm needs to constantly monitor its internal and external status for possible changes. Thus the formulation and execution of a business strategy rely heavily on the collection, extraction, analyze, interpretation and prediction on internal and external status data of a company, in order to make accurate managerial decisions (Claver-Cortés, Pertusa-Ortega, & Molina-Azorín, 2012; McAfee & Brynjolfsson, 2012). Since the supply chain unit of a firm is the operation unit which interact with internal and external partners, its role is critical for competitive strategy practices.

The results also indicate that both cost efficiency and differentiation proficiency are positively associated with big data analytics utilization. For enterprises, big data analytics adoption may facilitate and enhance information processing and exchange. Big data analytics can undertake real-time and high-complexity analytics of vast amounts of operational data, to help enterprises perform strategic decision-making within critical timeframe (Bryant, Katz, & Lazowska, 2008). The 3Vs capability of big data analytics is well aligned for responding to the changes of competitive environment (McAfee & Brynjolfsson, 2012; Waller & Fawcett, 2013). Therefore, big data analytics adoption in a firm is expected to produce significant results concerning competitive strategy practices.

The next critical observation is that the direct effect of supply chain competence on big data analytics adoption intention was positive and significant. This suggests that supply chain competence has direct impacts on big data utilization. From the information processing view (Galbraith, 1974; Tushman & Nadler, 1978), this finding indicates that the perceived complexity and uncertainty for supply chain operations are significant for firms (Waller & Fawcett, 2013), and the information requirement involved may impel firms for big data analytics adoption. A managerial implication here is that a supply chain operation unit of a firm is good at understanding the outside environment because of its participation and collaboration with the other organizations in the supply chain. Therefore, a supply chain operation unit in a firm becomes critical for a firm to make its strategic decisions fit with its surroundings, including technology adoption decisions. This is particularly critical for uncertain situations such as a disastrous pandemic. As the data volume, data velocity, and data variety in supply chain operations continue advancing under uncertainty, the intensity of big data analytics utilization may also keep growing. The supply chain competence is therefore a significant predictor for big data analytics utilization.

Moreover, our empirical results indicate that the link between a firm’s differentiation practice and its big data analytics use was partially mediated by the supply chain competence of the firm. This result is not observed for cost efficiency practice. In other words, the link between differentiation and big data analytics adoption is not only direct, but also indirect. This finding suggests that the supply chain management department of a firm may play a key role in the use of big data analytics for differentiation practices. This result provides a valuable reference for firms making management decision on adopting innovative information technologies. This also demonstrates that the complexity of a multi-faceted differentiation practice is more complicated for firms to perform than a cost efficiency practice, and thus required stronger supports of supply chain operations with big data analytics capability.

Further research efforts which focus on collecting more empirical evidences for assessing and validating firm data are recommended to extend the present study. Such research is suggested to address how other emerging technologies relate to business strategies and functional operations. For example, emerging technologies such as internet of things (IoT) (Weng & Lin, 2015a) and augmented reality (AR) (Weng & Lin, 2014d) have received inadequate attention from strategic considerations and technology adoption theories (Weng & Lin, 2014b, 2014d, 2015b). In addition, special attention could be focused on data collected in various sub-industries or specific contexts over an extended period of time. The analysis of such data may enable conclusions to be drawn about more generalized relationships among business level strategies, functional level strategies, and innovative technology adoption.

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