Business Paradigm Changes from Emerging Information Technologies

JungJoo (JJ) Jahng  
Seoul National University  
jahngj@snu.ac.kr

HaiGen Xuan  
Seoul National University  
xuanhg@snu.ac.kr

Abstract

This talk aims to elaborate the significant business paradigm changes due to the advent of emerging information and communication technologies. The advancement and development of digital technologies enable the connection among people, the connection among things, and the connection between people and things. As a result, businesses that aim to create value through this connection occupy a significant portion in the business world nowadays. For example, Uber does not own any vehicles. Rather they merely provide a digital platform by which demand and supply are linked. Airbnb creates value by making the connection more easy and convenient. Web services and mobile applications made novel connections possible, which can hardly be achieved by traditional businesses.

These emerging digital technologies challenge the conventional business principles and paradigms, providing new ways of creating and capturing economic values. Various new paradigms such as Long-tail principle have emerged, which promotes understanding about why online businesses such as Amazon can gain advantages over the traditional offline businesses. Wikipedia provides great value to its customers by voluntary collaboration and contribution by general people. Moreover, the contents and the live social interaction enabled by online media threaten the market share and customer base of traditional media. Furthermore, growing social desires become a major target of an increasing number of businesses.

In fact, significant disruption takes place across various business sectors and industries seemingly unrelated to make the boundaries and theories within the traditional boundaries vague. With disruptive technologies, firms become even more aggressive to extend their business network by connecting more people and things. As the network and the connection scale increase, there is great opportunity to create value and make profit based on the links, nodes, and structure of the connection. This new world urges firms to focus on connection instead of their manufacturing and sales. How to connect is the main concern the managers should have, and new valuable, rare, unique and inimitable connection will decide the future success of business.

To seek the opportunities and success, business practitioners should pay great attention to the ineffectiveness and inefficiency of current connections built by traditional businesses and technologies. Also, they should creatively find out any novel connections which generate great potential value, and which do not exist but are now possible due to technological development or innovation. Moreover, they should try to develop business models based on the connections so that the connections are extended and strengthened to build up competitive advantages.

Although some emerging perspectives provide novel lenses to look into this hyper-connected world, IS researchers and practitioners are still lack of a strong comprehensive and coherent business paradigm to gain deeper and accurate understanding to further predict and prescribe. The authors hold a strong belief that there is much more that IS researchers can do to contribute to the whole academy, business, and society in this hyper-connected world. Therefore, the authors are fully passionate to talk about this topic in the TREO Talk session to light up an intense high-quality discussion, and it will be greatly appreciated if the great opportunity is offered to get valuable feedbacks within the discussion to get the idea developed. Authors, seeking enthusiastic talented researchers to collaborate, regard the AMCIS 2016 TREO Talk session as a perfect occasion.