

Exploring How Firms Cocreate IT Value When Participating in Digital Platforms

TREO Talk Paper

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Abstract

Contemporary environments involve IT investments being made by multiple companies in cooperative, platform-based, and relational arrangements to cocreate value (Grover and Kohli 2012), and evidence is emerging that leading firms are collaborating with multiple partners to access better resources and innovate more than their rivals (Davis 2016). For example, Kranz (2016) suggests that Internet of Things (IoT) is too complex to be tackled by one organization alone, and an essential element of IoT success is the ability for companies to partner with other companies, combining their complementary resources.

Increasing incentives for more firms and users to adopt the platform and join the ecosystem as more users and complementors join (Gawer and Cusumano 2014). For instance, Ceccagnoli et al. (2012) examined whether participation in an ecosystem partnership improves the business performance of small independent software vendors (ISVs) in the software industry and how appropriability mechanisms influence the benefits of partnership. They found that joining a major platform ecosystem is associated with an increase in sales and a greater likelihood of issuing an initial public offering (IPO).

This research is motivated by Grover and Kohli's (2012) Cocreating IT value framework and employs the relational view theory as a theoretical lens and seeks to better understand how firms cocreate IT value when participating in digital platforms. By emphasizing how joint value is created, IT value research can evolve from the largely singular firm perspective and begin examining how companies can work together and create IT value that either organization is unlikely to create on its own. To investigate this important issue, a qualitative approach is employed to uncover the processes of IT value cocreation when firms participate in digital platforms. Using a case study method, three firms (*cloud provider, integrator, customer*) working together in creating an IoT-based solution to cocreate IT value are examined. Semi-structured interviews are conducted with managers and other project stakeholders from participating firms, and review documents about the technical and managerial practices in order to cocreate IT value. Main contributions of this study include extending current understanding on IT value cocreation by analyzing key processes, practices, patterns, and how value is created and transferred between firms.

References

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