

Chapter 18

Value Creation in Information Business based on the Service Field

Michitaka Kosaka

Japan Advanced Institute of Science and Technology, Japan

Haruko Nagaoka

Hitachi Ltd., Japan

Minh Chau Doan

Japan Advanced Institute of Science and Technology, Japan

ABSTRACT

A new value creation approach to the information business is proposed based on the service field concept. The characteristic of value creation is situation dependent and similar to “value in use” in Service Dominant Logic (SDL). Therefore, the service field concept and KIKI model, which are proposed in Chapter 2 of this book, are applied to the information service business. First, the usefulness of the KIKI model and issues with it for information business are discussed. Then, a methodology of managing the KIKI model holistically in service business is proposed by using the Business Dynamic (BD) methodology. Finally, the service field concept is applied to Information Service Mediators (ISMs), and a new service mediator model based on SDL is proposed. The effectiveness of the service field concept is emphasized in this chapter.

1. INTRODUCTION

Service value, which is related to users' satisfaction with provided services, depends on the situation, user characteristics, and user objectives in seeking the service. This is related to a “value in use” concept (Lusch & Vargo, 2006), and it emphasizes

the importance of the relationship between the service itself and its situation. We developed the service field concept (Kosaka, Zhang & Doan, 2011) (Kosaka, Zhang, Dong & Wang, 2012) in order to create service value. According to this concept, service value creation based on the service field can be described in the four steps of the KIKI model (Knowledge sharing related to the service system, Identification of the service

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field, Knowledge creation for a new service idea, Implementation of the service idea).

In this chapter, we apply the service field concept to information service businesses. First, the information field concept is proposed for evaluating the effect of information in decision making. This information field is very similar to the service field. Therefore, it is shown that the KIKI model based on the service field can be applied to create customers' value with information. Then a methodology of managing the KIKI model holistically in service business is proposed by using the Business Dynamic (BD) methodology. Finally, the service field is applied to information service mediators (ISM) and a new business model for ISM is developed. Proposed methodologies are demonstrated to be effective for value co-creation in information business through both a B-to-B collaboration case study and a B-to-C collaboration case study.

Information business has been shifting from product business to service business. Value creation for customers with information is the most important issue for information service providers. Therefore, service approaches such as Service Dominant Logic (SDL) are essential for information business.

2. A CONCEPT OF THE INFORMATION FIELD

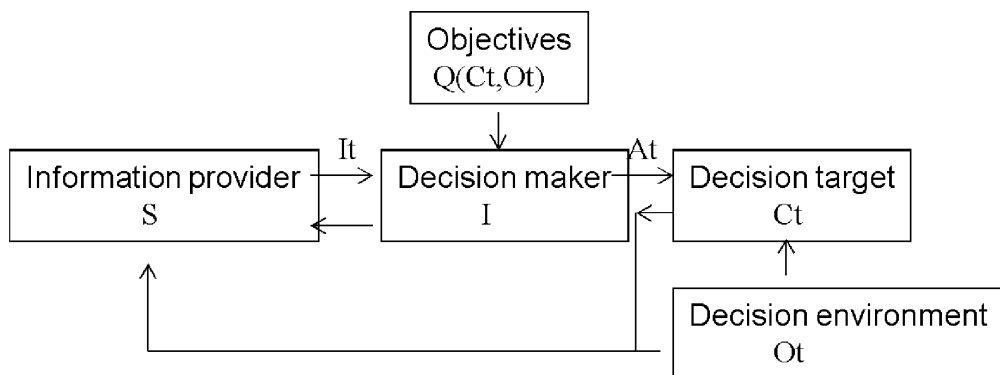
2.1. Information Value based on the Relationship between Information and a Decision Maker

Figure 1 shows the relationship between information and a decision maker. The decision maker has clear objectives for which he utilizes information provided by an information provider. This figure shows that the definition of service can be applied to information service or information system. Both service and information are supporting activities for people or organizations to achieve their objectives. Therefore, the concept of service value creation discussed in Chapter 2 of this edited book can be applied to the value creation using information.

If the provided information considers decision makers' objectives or situations, then suitable information for the decision maker can create value with information effectively, otherwise the value creation with information cannot be expected.

Figure 1 shows the structure of decision making with information. The information provider (S) provides information (It) to the decision maker

Figure 1. Structure of decision making



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