Strategic Resources and Sustainable Competitive Advantage for Cellular Mobile Operators

C. Somashekar & K.B.Kiran

Abstract

Intense competition in Indian telecommunication industry has compelled cellular mobile operators (CMOs) to stay ahead of their competitors to continue in business. A CMO, to stay ahead of its competitors for a prolonged period, has to gain sustainable competitive advantage (SCA). Resource based view (RBV) explains that an organization, which possesses strategic resources and exploits them can attain SCA and deliver better value to their customers leading to above average performance. Based on literature review of RBV and SCA, this paper presents a conceptual framework for CMO, in which it identifies intangible resources which are strategic in nature and thereby contribute significantly to create customer value and superior performance. It helps cellular service providers to understand the strategic resources, the attributes of services, and the customer value dimensions to achieve superior strategic, operational and financial performance.

Keywords: Intangible resources, Sustainable competitive advantage, Superior performance

Introduction

Rapid and drastic changes in business environmental factors are posing challenges to the cellular mobile operators (CMO) in India to survive in the market. The CMO industry is experiencing stiff competition with increasing operating costs and decreasing tariff rates. Competitive dynamics in CMO industry is so intense that every participant is striving to gain an advantageous market position. Where new entrants try to gain market share, the existing players lose and some of them find it difficult to survive. To stay, and grow in business and to have an edge over their rivals it is necessary to develop strategic competitiveness. Strategic competitiveness of an organization is defined as its ability to understand changing customer needs and wants, design and develop services that create value to them resulting in superior performance and sustainable growth rate relative to competitors (Gatignon and Xureb, 1997; Hamel and Prahalad 1994; Han et al., 1998; Heywood and Kenley, 2008). In India today every service provider is concentrating on core business of basic voice, leading to decreasing traffic and average revenue per user (ARPU). They need to innovate, and develop those services that add value to the user so that traffic increases and hence revenue. The need of the hour is to identify those resources that try to understand customer needs and wants and translate them into services that generate value to the subscribers. When a CMO implements a value creating strategy due to which customers prefer their services and their competitors are unable to copy it or find it too costly to imitate it creates sustainable competitive advantage (SCA) (Hitt et al., 2006). Customers prefer services from that service provider who delivers them better value in the market. A CMO, to have an edge over others in the market needs to attain competitive advantage by focusing on external as well as internal factors. As (Porter, 1998) explains external factors may contribute to a firm's profitability, but superior returns are being pursued through the internal factors i.e. strategic resources, the firm makes in positioning itself distinct within the industry. A CMO needs to understand and make use of the internal factors which are within their control to attain superior performance. Firms obtain SCA by implementing strategies that exploit their internal strengths, through responding to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses (Barney, 1991).

To understand why some firms outperform others, RBV theory clearly explains that those firms possess unique resources and exploit them to yield the desired end result. The RBV asserts that accumulation of unique and valuable resources is a competitive weapon to attain superior performance (Wernerfelt, 1984; Grant, 1991). The RBV is about identification, development and deployment of key resources continuously to make a CMO distinct from its competitors and to attain sustainable competitive advantage. As business environmental factors change and customer value proposition also changes, a CMO with the strategic resources is competent enough to design and deliver what is value for cellular mobile subscribers. RBV of the firm emphasizes that if a firm persistently earns above average returns, they should have access to highly firm specific and distinct resources as opposed to undifferentiated inputs, which create barriers to imitation (Dierickx and Cool, 1989). Unique characteristics of intangible resources make them causal ambiguity which is difficult for competitors to imitate and hence a potential source of SCA. A CMO which generates SCA leads to superior financial, strategic and operational performance for a prolonged period. Superior performance means above average performance i.e. performance of a firm is greater than the industry average (Bharadwaj et. al., 1993; Barney and Hesterly, 2008). Competitiveness can be characterized as inside out where an organization's internal environment, resources and capabilities are used to account for its competitive position (Rumelt, 1984; Teece, 1984)

Till date empirical research on intangible resources and their impact on organization performance are scarce despite extensive grounded theory in the RBV (Barney, 1991; Villalonga, 2004; Ang & Wight, 2009). (Dodourova, 2003) explains that CMOs lack resources needed to compete effectively in the market place due to discontinuity in technological environment and fast changing business environment. The CMOs are not able to identify which resources they need to develop, and deploy to craft value creating services so that it increases traffic on the network. Specifically those resources that are complex, unobservable and difficult to measure are the ones that need improvement in quantitative investigation with case study work (Lockett et al., 2009). This paper focuses on identifying and studying the intangible resources of cellular mobile service provider and its contribution in understanding customer needs and wants, developing VAS with attributes that drive and deliver customer value to achieve superior performance.

Review of Literature

Resource Based View

In strategic management, RBV considers each organization as a pool of resources that act as foundation for crafting and executing strategy. The rationale of strategy is that it produces above average performance through leveraging organizational resources. The RBV emphasizes that the source of a company's competitive advantage comes from the bundle of key resources that the company possesses (Chamberlin, 1935). RBV explains that a firm's competitive advantage is the result of its ability to identify, develop, assemble and exploit an appropriate combination of resources. An organization is defined with RBV as what it can do (Grant, 1993). RBV contends that every firm is unique, dynamic, idiosyncratic, immobile, and inimitable and hence it has to focus internally to earn above average returns. RBV theory identifies intangible resources as those which essentially drive and determine organizational performance (Penrose 1959; Wernerfelt 1984; Prahalad and Hamel 1990; Barney 1991; Teece et.al, 1997 and Lopez, 2007). (Barney, 1991) advocates that in the RBV the firm's management tasks are to identify, develop and deploy the key resources (strategic resources) which are: valuable, rare, inimitable and non substitutable to create superior performance. SCA can be obtained when management of the firm identifies, develops and deploys strategic resources and exploits them at the right opportunity (Fahy, 2000). Mere possession of resources itself will not yield superior performance for long time, it needs to be bundled in right combination and exploited as opportunity arises in market place to attain sustainable competitive advantage. Firms seeking a competitive advantage must demonstrate the ability to alter and control resources in such a way that their full potential is realized (Newbert, 2007). Resources are inputs into a firm's production process, such as capital equipment, the skill of individual employees, patents, finances, and talented managers (Hitt et.al., 2006; Aaker 1989). (Hall, 1992) defines 'resource' as that, which is owned or possessed, and a 'capacity' or 'skill' is something that must be realised. Resources within the RBV are generally broken down into two fundamental categories: 1) Tangible resources and 2) Intangible resources (Hall, 1992; Hitt et al., 2006). Tangible resources are assets that can be seen and quantified to include those factors containing an accounting value as recorded in the firm's balance sheet. (Hall 1992) identifies two tangible resources: a) financial assets and b) physical assets. Tangible resources are necessary in achieving above average returns but they can be openly exchanged in the market. Since tangible resources are easily imitable, they fail to satisfy the condition of valuable, rare, inimitable and non substitutable (VRIN) requirement of strategic resources to gain sustainable competitive advantage. Tangible assets whilst having value for the firm were determined not to fit the construct of "key resources" or "strategic resources", because they were found to be causally explicit and hence imitable because, they did not satisfy the criteria of fundamental to the achievement of SCA (Clulow et.al, 2007). Intangible resources are called as strategic resources that contribute significantly in value generating activity. Intangible resources include assets and capabilities that are typically rooted deeply in the firm's history and have accumulated over time. 'Imitation of these resources by other firms becomes next to impossible' (Dierickx and Cool, 1989) resulting in causal ambiguity. Intangible resources are embedded in unique patterns of routines, it takes a period of time to develop and accumulate hence it is relatively difficult to analyze and imitate (Hitt et.al, 2006).

Strategic Resources

Intangible resources are called 'key resources' or 'strategic resources' which are sources of SCA because it satisfies the unique characteristics VRIN (Clulow et.al, 2007), and are classified as assets and capabilities (Hall, 1992). If the intangible resource is something that the firm “has”, it is an asset. If the intangible resource is something that the firm “does”, it is a capability. Intangible resources that are assets include organization culture, brand name, customer relationship, reputation and networks (Coyne, 1986). Capabilities are the firm's capacity to deploy resources that have been purposely integrated to achieve a desired end state. Firm specific capabilities have been regarded as rather unobservable, path-dependent resources because their accumulation process is characterized by high levels of tacitness and causal ambiguity (Lippman and Rumelt, 1982; Reed and DeFillippi, 1990). RBV literature emphasizes that capabilities are interaction based, they are even more difficult to duplicate due to causal ambiguity and a source of SCA (Collis, 1994). Intangible resources that are skills include organization tacit knowledge or employee know-how (Coyne, 1986). (Hall, 1993; Itami and Roehl, 1987; Michalisin et al., 1997; Clulow et al., 2007) classifies resources like client trust, reputation, networks, and intellectual property as intangible assets and knowledge, organizational culture, skills, management processes, organizational networks and experience as capabilities. (Fahy, 2000) identifies intellectual property, client trust, reputation, network/communication systems, databases as assets, and capabilities are team embodied knowledge, know how, organizational culture, organizational history, learning by doing, managerial skill. The glue binding an organization together capabilities emerge over time through complex interactions among tangible and intangible resources (Hitt et al., 2006). (Gerpott, et al., 2008) identifies seven categories of intangible resources in telecommunication industry like human capital, customer capital, supplier capital, location capital and investor capital which are assets and process capital, and innovation capital are capabilities.

Sustainable Competitive Advantage

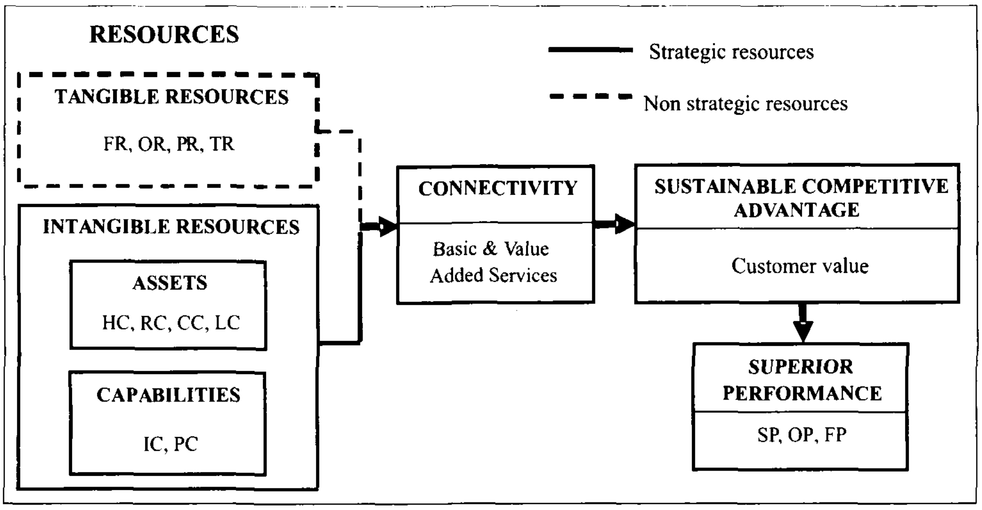
Strategy aims at developing competitive capabilities to forge a series of moves, both in the market place and internally, that makes the company distinct and which rivals can't quite match. This tilts the playing field in the company's favor by giving buyers reason to prefer its products or services and hence create and sustain superior performance. The fundamental basis of above average performance is SCA (Porter, 1985). SCA is attained when a firm implements a strategy with strategic resources, it creates and delivers consistently higher value to customers than its competitors hence customers prefer the services of the firm, resulting in above average performance, and last for longer duration. Firm's abnormal profitability can be defined as the difference between the total profitability of a firm and its competitive or industry –wide profitability (Jacobson, 1988; Peteraf, 1993). A firm's above normal profitability can either be that of the level of profits earned by a firm, which is above or below the average or break-even for a particular industry.

SCA is a function of attribute differentiation, the capability gap, and the most important condition is that existing and potential competitors cannot or will not take actions to close the gap (Coyne, 1986). A competitive advantage is sustained only if it continues to exist after efforts to duplicate that advantage have ceased. The essential requirements for a resource / skill to be a source of SCA are valuable, rare, inimitable, and non substitutable (Barney, 1991). Sustainability is a condition where a firm's competitive advantage resists erosion by competitor behavior, this requires that a firm possesses some barriers that make imitation of the strategy difficult (Porter, 1985). SCA is the product of enjoying both competitive advantage and strategic advantage and it represents a process that meets the competitive needs of the present without compromising the ability of the organization to meet future competitive needs and currently derives the ability to add more value than its competitors. Strategic advantage is used to describe an organization's dynamic and unique resources that determine its competitive renewal (Chaharbaghi and & Lynch 1999). A CMO achieves SCA, the objective of business strategy when an attractive number of buyers prefer its products or services over the offerings of competitors and when the basis for this preference is durable (Thompson et. al, 2005). SCA will produce value to customers, with superior performance in market performance, sales performance, and financial performance which is favorably abnormal (Fahy, 2000). SCA is a key to ensure a sustained, superior long-term performance (Bharadwaj et al., 1993; Lado & Wilson, 1994).

Conceptual Framework

A conceptual framework for CMO, based on theories of RBV and SCA to achieve above average performance is presented in Figure 1. The framework explains that intangible resources are strategic in nature which satisfy the condition of VRIN hence make them causal ambiguity contribute to develop unique value to customers and create gap between the firm and competitors. Unique characteristics of intangible resources make them causal ambiguity which is difficult for competitors to imitate and hence a potential source of SCA. A CMO who possess strategic resources exploits them as opportunity arises can understand attributes of services and customer value dimensions that are required to stand apart in the market, design basic and VAS for which most of the customers prefer their services compared to competitors leading to superior performance. Customers prefer the services of that service provider who understand their needs and wants and deliver better value to them than their competitors which leads to SCA and superior strategic, operational, and financial performance.

Figure 1: Conceptual Framework



TANGIBLE RESOURCES:
Financial Resource (FR)
Organizational Resource (OR)
Physical Resource (PR)
Technological Resource (TR)

ASSETS:
Human Capital(HC), Reputation Capital (RC)
Customer Capital (CC), Location Capital (LC)
CAPABILITIES:
Innovation Capital (IC), Process Capital (PC)

SUPERIOR PERFORMANCE:
Strategic Performance (SP)
Operational Performance (OP)
Financial Perfomance (FP)

Resources

Resources are inputs to a firm 'stocks of available factors that are owned or controlled by the firm' (Amit and Schoemaker, 1993) through which it performs its operations or carries out activities (Amit and Schoemaker, 1993; Black and Boal, 1994; Grant, 1998). Resources within the RBV are generally broken down into two fundamental categories viz. tangible resources and intangible resources. (Hitt et.al, 2006) has classified tangible resources into four types - financial resources (FR), organizational resources (OR), physical resources (PR), technological resources (TR) which are necessary in attaining superior performance but fail to satisfy qualities of strategic resources.

Intangible Resources

Hall (1992; 1993) describes intangible resources as the feedstock of capabilities differentials, which result in SCA and superior firm performance. Intangible resources are divided into assets and capabilities (Hall, 1992). Intangible resources include assets that are non-physical, typically rooted deeply in the firm's history and accumulated over time (Hitt et al., 2006). Assets - are something which a CMO owns like human capital (HC), customer capital (CC), location capital (LC), and reputational capital (RC) (Gerpott, et al., 2008) which are internal and within the control of service provider, which contribute significantly for the performance. (Day, 1994), explains capabilities are "complex bundles of skills and accumulated knowledge, exercised through organizational processes, which enable firms to coordinate activities and make use of their assets". A firm may achieve rents not because it has better resources, but because of the firm's distinctive capabilities (competence) like innovation and process capabilities which make better use of its resources (Mahoney and Pandain, 1992). Innovation capital (IC) and process capital (PC) (Gerpott, et al., 2008) are the capabilities of a CMO 'its ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments' (Teece et.al., 1997). The choice of intangible internal resources was carefully made because they are owned and within the control of a CMO which enables to respond to competitors' action and changing environment by strategy through altering, developing and deploying resources.

Assets

If the intangible resource is something that the firm "has", it is an asset (Hall, 1992) internal intangible assets that contribute for CMO to attain SCA are human capital (HC), customer capital (CC), location capital (LC), and reputational capital (RC) (Coyne, 1986; Hall, 1993; Itami and Roehl, 1987; Michalisin et al., 1997; Clulow et al., 2007; Gerpott, et al. 2008). A service provider, who develops, protects, deploys, and exploits these assets continuously as opportunity arises it creates and delivers distinct value to subscribers and attains SCA.

Human Capital

Human element in CMO is one of the most important intangible assets that contribute significantly in each and every stage. Human capital of a firm refers to inherent employee based knowledge, skills, attitude, experience, motivation, loyalty, decision making capacity, risk taking propensity, wisdom of people and abilities that employees possess and use in their work, firm's culture, working climate and associated with a firm, built up over a period of time, which drive value hence achieves SCA (Schultz, 1961; Hall, 1992; Barney, 1995; Grant 1998; Kamoche, 1999; Marr et al., 2004; Swart, 2006; Gerpott, et al. 2008; Cater and Cater, 2009). (Gerpott, et al. 2008) identifies operational human capital indicators as company and job tenure structures of a firm's employees, employee turnover rates, and job satisfaction levels, special knowledge and skills required to innovate, to design new services and operate complex networks.

Reputational Capital

Reputation is based on perception by stakeholders about an organization developed over a period of time. (Dowling, 2001; Michalisin, et.al, 2000) have proved that reputation is a strategic resource and thereby reputed firms out perform compared to their competitors. Reputation can be exploited for better firm performance; it creates value for stakeholders leading to better performance (Fombrun, 1996). Reputation is feeling good and secured with the firm, and a great deal of respect, credibility, trustworthiness that creates better value which contributes for the firm to earn superior performance. Reputation helps in acquiring new customers, retaining existing ones, charging premium prices, attracting and retaining human resource, access to capital markets, and attracting investors which contribute to the firm to earn above average return through increased market share and profitability (Smith, 2008).

Customer Capital

Customer capital of a firm is "the knowledge embedded in the marketing channels and customer relationships that an organization develops through the course of conducting business" (Ordonez, 2005). (Swart, 2006) defines customer capital as customer-related knowledge part of a broader "client and network capital", (Sun and Tse, 2009) proves that customers of a service who participate in the network as resources contribute significantly to SCA. Customer capital can be created by "committing the customers to the company's activities" (Hussi, 2004). According to (Katz and Shapiro, 1986) 'there are many products for which utility that a user derives from consumption of good increases with number of other agents consuming the good'. Customer capital consists of market-related variables such as a firm's current customer base, market share, customer satisfaction or brand strength, long-term relationships to contractually or emotionally bonded customers (Gerpott, et al. 2008).

Location Capital

A firm that locates its facilities in a place where over a period of time it turns out to be a valuable prime location then that firm possesses a resource which leads to geographical coverage and connects customers to network always (Hirshliefer, 1980; Ricardo, 1966; Barney, 1991) leading to add and create value to its customer. Selection of location to provide cellular mobile services is critical, it requires signal coverage within the building, every where in the city, geographical location national highways wherever customer goes. If a firm's subscriber gets connected to the network anytime and everywhere this distinguishes the firm from their competitors and acts as a value to customers. Positional differential is a consequence of past actions which have produced a certain advantageous location of facilities which contribute not only to competitive advantage but also to defensible position for which it needs long time for competitor to match (Hall, 1992). According to (Gerpott, et al. 2008) location capital is advantages associated with the spatial prime location of the company. Location advantages often arise from the possibility of exclusively offering telecommunication services in economically highly attractive places.

Capabilities

Capabilities are created by bundling of resources, something that a firm "does", it is a capability. Important functional capabilities differentials are innovative capabilities, tacit knowledge, skills, experience of employees, suppliers, distributors, and other specific capabilities in a company (Foon, 2009). Capability is an ability to innovate or to respond to changing customer needs is key intangible resources which can make all the difference, when it comes to market value (Ulrich and Small wood, 2004). A CMO which possesses Process Capital (PC) and Innovation Capital (IC) (Mahoney and Pandain, 1992; Gerpott, et al., 2008) which are distinct capabilities would be able to perform individual functions more effectively to create and deliver distinct customer value compared to its competitors to achieve superior performance.

Process Capital

Processes are seen as firm's ability to integrate and change resource bases to address changing environments. Process innovation is a critical step in making the services more productive in the market. Process capital can be seen as resources that are acquired, integrated, transformed to or reconfigured to reduce cost and generate activities that create value to customers (Eisenhardt and Martin, 2000; Teece et al., 1997). Process capital resources are knowledge, skills, disposition, and commitment to communication, leadership and the team (Barney, 1991; Habbershon and Williams, 1999). The most important source of value to be derived from intellectual-based assets and capabilities including "process-based capabilities" and skills embedded in individuals/teams with know-how (Clulow et al., 2007). This intangible asset category focuses on the level of sophistication of a firm's internal work sequences such as its quality management. Pertinent indicators include information on a firm's sales network, planning and maintenance, or complaint management processes (Gerpott, et al. 2008). If the operator can provide a cost effective solution to benefit the user, call center traffic will reduce and hence the operational cost. A CMO with process capital gain low operational costs advantage hence SCA, in market with process innovation through improvement in process, routines, information systems, and know how.

Innovation Capital

Innovation is the development and implementation of new ideas by people who over time engage in transactions with others within an institutional order" (VanDenVen, 1986). Innovation Capital is defined as 'the comprehensive set of characteristics of an organization that facilitate and support innovation strategies (Burgelman et al., 1996). Innovation capital is a complementary and interdependent resource clusters created with interaction of resources accumulated over time, and built gradually to create value to customers hence SCA. By implementing innovations firms establish a flow of resources that leads to the creation of stocks of specific assets that other companies will be unable to rapidly replicate (Dierickx and Cool, 1989). The outcome of innovation is the generation of new combinations of assets, of high value, specifically related to that firm (McGrath et al., 1996). In cellular mobile services, innovation in content and process excites employees, delights customers, and builds confidence among investors (Ulrich and Small wood, 2004). Innovation capital deals with a company's R&D capitalization as reflected in a firm's number and quality of patents or other intellectual property rights (Gerpott, et al. 2008).

A CMO with the tangible and the intangible resources design the cellular mobile network in such a way that subscribers get connectivity to the network anywhere at anytime. A CMO with better resources understands tastes and preferences, needs and wants of cellular mobile subscribers (Lane and Lubatkin, 1998) find that tacit knowledge has a higher probability of creating value for the firm via absorptive capacity, such firm innovates and develop new value added services faster than competitors, for which the subscribers prefer and use more and more services from that service provider. A CMO with strong intangible resources capable of developing a network that provides connectivity anywhere at anytime and develop basic and value added services, subscribers prefer to get connectivity and use services from that service provider.

Connectivity

The ability to connect with targeted customers is strength. A CMO with strategic resources is capable of designing the services in such a way that a subscriber is able to establish connectivity to network always. Characteristics of cellular mobile connectivity include connectivity, accessibility, reachability, portability, localization, personalization and ubiquity (Bernabo et al., 2009). For example a CMO which designs mobile banking service which enables connectivity to provide its subscriber with banking services anywhere at anytime, and as such users will have greater access to information. Benefits of getting connected to a network include an enhanced decision making process and capabilities, and creating user-centric environments (Basole, 2004). Subscribers prefer the services of a CMO who has better complimentary VAS with connectivity which are useful and easy to operate. Customer connectivity may come from dedicated account teams, databases that track preferences, or the involvement of customers. When employees have meaningful exposure to or continuous interaction with subscribers and understand the problems and provide solution by developing new user friendly services that add value, connectivity is enhanced (Ulrich and Small wood, 2004).

Basic and Value Added Services

A CMO that can exploit its resource combinations to effectively attain a differentiation based service development should be able to understand market changes and preferences and respond by quickly developing VAS with enhanced connectivity compared to their competitors. As (Hitt et al., 2001) explains that expert knowledge enhances a firm's ability to offer new products or services or expand into new customer markets. In cellular mobile services, the value of these services is in part determined by attributes not associated with the service itself and these service attributes are essential in the creation of customer value. Sustainable Competitive Advantage is a function of attribute differentiation (Coyne, 1986). (Thorbjørnsen et al., 2007) identifies usefulness, ease of use, network size, compatibility, and complementary service variety as attributes of networked services which are the drivers of customer value for cellular mobile services. The service integrated with multimedia, and Interactive Voice Response (IVR) technology which is easy to operate and ease of use of mobile devices significantly affects fun in using mobile devices (Bruner II & Kumar, 2005), and user friendly. A CMO with the intangible resources designs creatively complimentary variety and compatible new services which facilitate subscriber to operate easily and error free without confusion. Innovative VAS are useful to transact, communicate, access the information, verify, compare, choose, avoid middlemen and take a wise and self centered and non biased decision to the subscribers.

Compatibility between the existing mobile service and the new innovation is essential for consumer evaluation of the service which leads to higher adoption-rate and perceived value of the new service. Compatibility pertains to whether the service is believed to be compatible with other services and on other platforms, and whether the service is consistent with the user's needs and his/her experience with similar services (Thorbjørnsen et al., 2007). Network size is installed base, market share, and size of the user base, where the perceived value increases as the installed base/network size and network strength increases. As network size of a service provider increases and it can increase the number of subscribers and handle that capacity smoothly (Thorbjørnsen et al., 2007). Complement network attributes are defined as services where the perceived value increases with the perceived number and quality of complementary services. The demand for cellular mobile service is indirectly affected by the increased supply of complementary services (Gupta et al., 1999). A service provider with strategic resources can understand the market and attributes that drive customer value, can be utilized to develop new distinct VAS (Hall, 1992) which will maintain, and win market share by creating unique value for subscribers hence SCA for the firm.

Sustainable Competitive Advantage

A CMO, who develops, deploys, and exploits the strategic resources, designs basic and VAS which leverage to create better customer value hence more number of subscribers subscribe leading to

SCA. RBV of a firm is the possession of strategic resources to achieve superior performance through competitive advantage; it emphasizes strategic choice, charging the firm's management with important tasks of identifying, developing and protecting, and deploying the key resources to have competitive advantage (Fahy, 2000). A service provider can attain SCA by continuously updating strategic resources which enables to understand changes and preferences of customers and design services that add value to subscribers. RBV explains that a CMO which continuously develops existing resources and creates new resources and capabilities can respond quickly to changing market conditions to yield SCA (Foon, 2009).

Customer Value

Customer value is relative to the perceived satisfaction obtained among alternative value offerings, it is considered an important factor for determining service attractiveness (Walters & Lancaster, 1999). "Customer value is a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate achieving the customer's goals and purposes in use situations" (Woodruff, 1997). (Lee et al., 2002) explains customer value as a user's overall assessment of the utility of the services when using mobile services, (Day, 1990; Narver and Slater, 1990; Khalifa, 2004) recommends for market driven firms CMOs need to focus on creating and delivering superior customer value to retain existing and grow with new subscribers. (Zeithaml, 1988) defines customer value as the "consumer's overall assessment of the utility of a service based on perception of the utility of a product based on perception of what is received and what is given". (Gale, 1994; Khalifa, 2004) puts it as market perceived quality adjusted for relative price of your product. (Treacy and Wiersima, 1995; Khalifa, 2004) defines customer value as the sum of benefits received minus the costs incurred by customer in acquiring product or service.

Creating customer value and providing VAS should be based on a deep understanding of the mobile market and insight of potential mobile service consumers (Alkemade, 2003). Thus, for CMO strategic resources contribute significantly in exploring and understanding customer value in VAS in order to successfully commercialize mobile services (Alkemade, 2003). (Sheth et. al., 1991) developed multiple value dimensions for customer value, functional value, conditional value, social value, emotional value, and epistemic value relate specifically to the perceived utility of a choice. (Dodds et al., 1991) argue that buyer's perception of value represent a trade –off between the quality or benefits they received in the product relating to the sacrifice they perceived by paying the price. Customers receive value when the benefits from a product service exceed what it costs to acquire and use it (Horovitz, 2000; Khalifa, 2004).When using cellular mobile services, subscribers are often perceived to save time and money, hence monetary value is also an important value dimension. Hence for the study we consider the following customer value dimensions functional value, social value, emotional value, conditional value, epistemic value, and monetary value (Sheth et al. 1991; Sigala, 2006; Pihlstrom and Brush, 2008) which subscribers consider while assessing value of services.

The functional aspect of mobile service can lead consumers to adopt and utilize the mobile data services. Functional value can be defined as the practical or technical benefits that users can obtain by using a service. Functional value typically relates to factors such as utility, product appearance, durability and price and underlies the performance of the object in key areas including price, reliability and durability (Sweeney & Soutar, 2001). Functional value refers to value derived from effective task fulfillment, ability to do the task easily and instantly with efficiency and effectiveness (Sheth et al., 1991).

Emotional value refers to meeting the psychological needs of product or service users (Sweeney & Soutar, 2001). In cellular mobile services enjoyment and fun are strong motivators to use and adopt the services (Pura, 2005). Emotional value is the most important predictor of behavioral intention to use services in cellular services (Sweeney & Soutar, 2001). Emotional value represents the capacity of a product/service to arouse feelings or affective states, and is measured using a set of feelings toward its object. Emotional value stresses feeling or emotional status, mobile services like SMS, MMS and VAS are capable of changing consumer feelings or emotional states that have emotional value (Sheth et al., 1991).

Social value is obtained when consumers feel they are connected to others by using a product or a service with social group like friends, colleagues, and family. (Sheth et al., 1991) proposed that products have social value if they can link consumers to social groups. . Social value relates to social approval and the enhancement of self-image among other individuals (Sigala, 2006), hence social value influences mobile services adoption and use of services. Regarding social value, consumers are concerned not only with real characteristics but also with their capacity of improving social status such as acceptance by others and positive impression.

Epistemic value of a product/service is that which provide novelty or knowledge, creates curiosity and stimulate subscribers to purchase and use it (Sheth et al., 1991; Duman and Mattila, 2005). Something 'new', 'unusual' or 'fashionable' is valued regardless of other factors, including functional or social value. Consumers buy technology not only for a specific goal or use, but also due to curiosity and novelty seeking. New generation, innovative and distinct cellular mobile VAS are novel, curious, complicated or unique factors generally driven by the epistemic value (Schiffman & Kanuk, 1987; Chang, 2008) which influences the user assessment.

Conditional value is described as the set of situations, occasions or events (anniversaries, birth of a child, accident) faced by customers while using service affects decision. Situational variables influence customer assessments of product/service utility (Sheth et al., 1991, Belk, 1974). Services of a CMO during particular circumstances create impression about the service, if impression is positive, the conditional value is increased (Sheth et al., 1991) and customers try to continue to use from that service provider.

Monetary value is defined as how much a service is satisfactory in regard to cost, time or effort spent in using a product or a service (Sweeney & Soutar, 2001; Bolton & Drew, 1991; Cravens et al., 1988; Yang and Jolly, 2006). Higher the monetary value of particular service provider, customers prefers the services from that firm rather than competitors.

A CMO with intangible resources is capable of understanding connectivity and which attributes drive better customer value and achieve SCA. Hence more number of customers prefers that service provider compared to competitors resulting in superior performance in financial performance, strategic performance and operational performance which is favorably abnormal (Fahy, 2000).

Superior Performance

A successful strategy adapts to the CMO's external and internal situation leading to creation of better customer value hence more number of customers prefer the service provider leading to SCA and superior performance. A firm's superior performance depends on its ability to innovate, defend intangible assets, such as knowledge, and use those assets (Teece, 2000). The attainment of SCA can be expected to lead to superior performance measured in conventional terms such as market share and profitability (Bharadwaj et al., 1993). Competence of company's strategy implementation is indicated by its performance: strategic performance, operational performance, and financial performance. RBV explains the role of firm resources and capabilities in creating superior performance or persistent or sustainable abnormal profits. Abnormal profitability can be defined as the total profitability of a firm and its competitive or industry-wide profitability (Jacobson, 1988; Peteraf, 1993). The sustainability of firm abnormal profit is defined as abnormal profitability that persists over a long period of time.

Strategic performance reflects leading indicators of future financial performance and business prospects of a firm. Strategic performance indicators like customer trust, customer satisfaction, customer loyalty and brand equity (Javalgi et al., 2005) shows a company's strength in marketing standing, competitive vitality and future business prospects. Strategic performance indicates a company's competitiveness, and market position are deteriorating, holding steady or improving.

Operational performance indicators like market share, service quality, market effectiveness, innovation, which focuses key operational success factors of a CMO that lead to financial performance (Venkatraman and Ramanujam, 1986).

Financial performance is a measure of how well a firm can use assets from its primary mode of business and generate revenues which indicates financial strength, profitability that reflects the fulfillment of the economic goals which is essential for long term health and ultimate survival of the firm. Financial indicators are sales growth, profitability, ratios such as return on investment, return on sale, return on equity and earnings per share (Venkatraman and Ramanujam, 1986).

Despite this shift in the theory and practice of performance measurement, several authors claim that financial measures still represent an integral part of measuring performance (Bible et al., 2006) and remain the most important group of performance indicators (Bourne, 2005; Henri 2006).

Discussion

A firm with intangible resources is able to enjoy lower contracting and monitoring costs, top employee talent, greater loyalty from consumers and employees, stable revenues, fewer risks of crisis and greater latitude to act by constituents (Fombrun, 1996). These benefits facilitate superior performance. A CMO achieves SCA when an attractive number of buyers prefer its services over the offerings of competitors and when the basis for this preference is durable, (Thompson et.al, 2005). SCA is a function of attribute differentiation, the capability gap, and the most important condition is that existing and potential competitors cannot or will not take actions to close the gap (Coyne, 1986). The RBV contends that key resources with unique characteristics enable the cellular service provider to implement strategies which add value to its customer hence customers prefer services from that provider leading to superior performance for the service provider. A CMO can stay ahead of its competitors and achieve competitiveness from a defensible market position and SCA (Hamel and Prahalad 1994). If a CMO adapts its strategic resources to respond to environmental changes, formulates and implements a strategy that creates value to customers and competitors are unable to duplicate and find it too costly to imitate, it will lead the firm to SCA i.e. superior performance (Barney, 1991). A service provider which leverages its strategic resources it will create and deliver better value, confer SCA resulting in superior performance.

Conclusion

The theoretical framework of RBV emphasizes the importance of firm specific resources and capabilities in conferring SCA which allows a firm to earn above average profits. RBV assumes explicitly and implicitly that every firm is heterogeneous. A CMO which constantly identifies upgrades and deploys strategic resources will be able to design distinct cellular services which deliver better value to its customers and have an edge over their rivalry for a period of time. The causes of competitive advantage are how differences between firms become amplified over time (Dierickx. and Cool, 1989). A CMO with SCA, distinguishes them from their competitors, provides positive economic benefits for a longer period, and is not readily duplicated (Pfeffer, 2005). By studying which CMOs consistently outperform their rivals in the marketplace and their resources, it provides clear understanding of specific resources that contribute to attain SCA.

In cellular mobile services, majority of customers uses attributes of services and customer value dimensions as the key criteria for evaluating and buying services. This paper facilitate CMOs to deliberate on intangible resources, attributes of basic and value added services that drive customer value, its dimensions and its impact on superior performance. Strategic resources contribute in designing cellular services with accessibility, connectivity, reachability, portability, localization, ubiquity and personalization which are characteristics of connectivity. The intangible resources contribute significantly to attain strategic competitiveness to a CMO by introducing new services and improve existing services with attributes such as useful, easy to use, compatible, network size and complimentary service variety. These attributes drives to create distinct value to its customers in terms of functional, social, emotional, conditional, epistemic and monetary value to attain SCA i.e. superior strategic, operational and financial performance and stay ahead of their competitors for a prolonged period.

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About the Authors:

C. Somashekar is an Assistant Professor in Department of Management studies at Siddaganga Institute of Technology, Tumkur. The author can be reached at csomashekhar@gmail.com

K.B.Kiran is a Professor in Department of Humanities, Social Science & Management at National Institution of Technology Karnataka, Surathkal. The author can be reached at Kbheem@nitk.ac.in