Chapter 15

Examining the Dynamics of Value Propositions in Digital Books:
A Social Constructivist Perspective

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ABSTRACT

There are conceptual ambiguities around the concept of digital divide and contradictory findings in extant literature. For example, one major disjuncture is the emphasis on inequalities in material access to Information and Communication Technologies (ICTs), which focuses on the technical and infrastructural domains of digital divide. Drawing on a social constructivist paradigmatic perspective, this chapter examines the dynamics of value propositions in digital books. The chapter concludes by calling for a greater and deeper understanding of digital divide, as well as further research on quantitative approaches.

INTRODUCTION

The digital economy, also referred to as a knowledge economy, has brought about a world in which wealth and power increasingly depend on information technology, intellectual property, and control over information flows (Shapiro & Varian, 1999; Carr, 2010; Simmons, 2008; Davenport & Beck, 2001). In one sense, such an economy provides further democratisation in the spread of ideas and resources; in another, it contributes to a "digital

divide" between those with wide access to the internet and those without (Epstein, Nisbet, & Gillespie, 2011; DiMaggio et al., 2004; Cuervo & Menendez, 2006; Page et al., 2010; Bolt & Crawford, 2000). Determining how notions of digital divide influence decision making for organisations is problematic, not least because the concept of digital divide itself is amorphous, evolving, and rooted in consumer and organisational awareness and their level of technological adoption. The concept represents a complex phenomenon that is

at one and the same ubiquitous yet elusive, completely prosaic yet vague, easy to conceptualise, but frustratingly prone to misperceptions. Researchers have defined digital divide in a variety of ways, but with no conceptual framework to link different types of computer-mediated environments or indicate their interaction in influencing effective online marketing strategy. The potential of new media tools, used in an appropriate combination, and a strategy to manage each of these, can create the basis of a sound marketing strategy that integrates offline and online modalities. No study of computer-mediated marketing environments (CMMEs) and its effect on marketing can begin without an accurate (or close) explanation of what the concept of the 'digital divide' implies. While experts and lay people alike have a feel for what it may mean, the term itself appears to defy a very close description to others. This chapter aims to contribute to extant knowledge on digital divide, particularly the impact of digital divide in the bookstores industry and also reinforce academic behaviour related to issues wider than publication, e.g. understanding consumer behaviour in the development of innovative business models in the industry, particularly marketing communications programme to target those segments that are digitally disaffected. This chapter presents a two-stage research design to solicit perspectives on the online marketing challenges confronting marketing executives in the bookstore industry.

CONTEXTULAISING DIGITAL DIVIDE AND DIGITAL BOOKS

There is a raging debate in expert circles about the definition of the digital divide itself, and in this debate lies the key to the conceptual framework for this research. Popular perception seems to point to at least this one common understanding of the digital divide on socio-economic differences (James, 2008). Literature relevant to purchasing behaviour reveals a lack of understanding of individual motivation to purchase digital items, particularly e-books. Even though companies clearly provided an innovative and profitable business model centred on the sales of digital items, the reason that individuals purchase and use digital books remain unclear (Kim, Gupta, & Koh, 2011) and a number of studies have relatedly pointed towards digital divide (Ozuem & Lancaster, 2012; Samuelson, 2002; Kiiski & Pohjola, 2002). Thus, customer value propositions in the digital environments have been approached from many different directions, but we concentrate on the value propositions between value-in-exchange and value-in-use dimensions suggested by Kowalkowski, (2011) and adopt the following point of view. In accordance with the view of Holbrook (2006), Kowalkowski, (2011) provided pragmatic explication that treats 'value-in-use' as a higher-order concept than 'value-in-exchange', while acknowledging that value-in-use deserves at least equal emphasis in any practical definition of the value proposition. Kowalkowski (2011) proposed two bifurcated value creations: value-in-exchange, the negotiated evaluation that buyers and sellers offer and receive among themselves and value-in-use as higher order value propositions. He urged for deeper understanding of value-in-use, aimed at helping firms to craft competitive value propositions, but offers few suggestions on how this might be accomplished. It is demanding to pursue a true service strategy with a comprehensive focus on value-in-use, on account of the time, cost and effort implications, and possibly of conflicting business logic, customer strategies and buyer behaviour. Kowalkowski (2011), in particular, influenced practitioners and researchers to start grappling with customer-provider dyad in networked environments. In a recent study, Jolibert, Muhlbacher, Flores and Dubois (2012) posited that stakeholders evaluate the offer of a potential exchange partner by considering its fairness as well as its equity. They go on to contend that the fairness of an offer is assessed by comparing the benefits to be gained with the sacrifices to be made.

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