

The evolution of emerging technologies' value propositions: the case of AR/VR

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Purpose – Value propositions play a fundamental role in service ecosystems (Chandler and Lusch, 2015) as enterprises cannot deliver value but only offer value propositions (Vargo and Lusch, 2016). A value proposition is a promise for value to be created through resource integration based on knowledge and competencies (e.g. Skålén et al., 2015) or a shaper of resources within a service ecosystem (Frow et al., 2014). Almost a decade ago, Ostrom et al. asked “how can a firm change its value proposition?” (2010, p. 8). Also, Lusch et al. (2010) consider it important to gain more knowledge of how firms can revise their value propositions in a constantly changing world. However, we still know relatively little about how value propositions form and evolve over time within a service ecosystem (Frow et al. 2014). The aim of this study is to gain a deeper understanding of how firms' value propositions emerge and evolve when technologies are developed and changed in a service ecosystem.

AR/VR technologies are an example of emerging technology in the process of developing relevant value propositions by actors in a service ecosystem. It has been portrayed as “the next big computing platform” capable of disrupting the way in which business interact with information. These technologies exhibit features that create new ways of creating value and, therefore, demand creating new propositions. However, firms face a challenge of how to communicate the value of the emerging technologies with their inherent uncertainty and not obvious use (Halaweh, 2013).

Design/Methodology/Approach – Content analysis is used to analyze archival information from websites, annual reports, and press releases to explore ecosystem structure and value propositions. Value proposition development is monitored on the basis of changes in hardware and software developers' websites within five years.

Findings – Findings show that firms value propositions regarding AR/VR solutions rarely manifest how and what value is created for specific customers. This suggests developers and other actors within the ecosystem still struggle to make sense of the use of the technology and value created. However, the findings demonstrate that developers adjust their value propositions as a subject to technology advances.

Practical implications – The findings provide insights into the difficulties to pre-define the value of new technology and how firms adjust their value propositions over time.

Originality/value – This contributes to understanding how companies and the innovation ecosystem at large develop and change value propositions for emerging technologies.

Key words (max 5) - Value proposition, AR/VR technologies, emerging technologies

Paper type – Research paper

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