

Value-Co-Creation in the Internet of Things Industry 4.0 and Digital Transformation

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Purpose – The Internet of Things is quickly changing from a technical platform to a complex environment supporting value co-creation (Vargo and Lusch, 2016) by resource integration and service exchange. Therefore, it is necessary to explore the structures and processes in the Internet of Things that can support value-co creation to systematically increase the value created. To promote research on this subject, we present a case study on the transformation of individual heating systems to an integrated solution in the Internet of Things. Using Digital Twins (Glaessgen and Stargel, 2012; Pettey, 2017) the co-creation of value is enabled between the heating systems operating in isolation before. This is achieved by creating a digital image (“Twin”) of the heating system on in the cloud.

Design/Methodology/approach – We used a descriptive evaluation according to Hevner et (2004) for the first evaluation, because this research is part of an ongoing project. In a real-world setting, we investigated the potentials of IoT concerning value co-creation. Therefore, further broader evaluation will be made as a part of further steps in the research project.

Findings - The case study shows that the Internet of Things enables value co-creation in some areas. The first optimization of operation is enabled by implicitly exchanging knowledge on the proper parametrization and control of heating systems. This also impacts the value in use because in the example, the system is providing information, exchanging value through higher reliability (Vargo et al. 2008). Second, the Internet of Things enables the collection of knowledge on factors impacting the reliability of the heating systems. This can be backlinked to the enterprise and the consumers and resulting consequentially here in an increased value in use (Vargo et al., 2008). Coming from our case, we elaborate generalizable aspects for further IoT devices and solutions and stimulate starting point for future investigation of this subject in the context of SDL.

Research implications –The cases study contributes to future research on the impact of the Internet of Things and value co-creation.

Originality/value – Our research addresses the Internet of Things, an area of huge importance for the further advancement of SDL.

Key words – value co-creation, service-dominant-logic, Internet of Things

Paper type – Case Study

References (max 1 page)

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