

DIGITAL SERVITIZATION AMONG SERVICE ECOSYSTEM ACTORS

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Purpose – The aim of this paper is to explore how firms need to make the necessary shifts to transform to digital servitization. Digitization is posing challenges and disturbance to organizations and networks (Ng and Wakenshaw 2017). Technical developments reforms the business market landscapes, making space for what Rapaccini and Visintin (2015) refer to as *digital servitization*. Digital servitization includes different technology-enabled processes grounded in the firms' business model.

Design/Methodology/approach – The paper is a longitudinal in-depth single case study (Yin, 2009) where we follow a multinational company over a period of one and a half year. The case firm is a leading provider of maritime solutions, with operations in several countries. In total, 45 in-depth interviews were conducted.

Findings – For firms to achieve digital transformation and accomplish digital servitization, it requires more than just an incremental change; it entails a series of shifts within the firm and network in the way they are organized and how they create value. As opposite to earlier types of incremental changes, the environment of digitalization is changing exceptionally quick and requires that organizations adopt and adjust rapidly to changes caused by the technology.

Research limitations/implications (if applicable) – The present paper has several limitations that open avenues for future studies. It is a case focuses on a single actor in its network.

Practical implications (if applicable) – The new digital landscape forces firms to rethink the idea of resource integration and value co-creation (Vargo and Lusch 2004; 2008). Indeed, digitalization is enabling and pushing firms to create and use service in order to stay competitive, and thus migrate from the product-centric approaches to (digital) service-oriented approach (Adrodegari and Saccani 2017; Rust and Ming-Hui 2014).

Originality/value – This paper makes three contributions to extend the understanding of digital transformation processes. First, we identify three shifts that the firms and network need to accomplish in their digital transformation and discuss their importance. Second, we highlight the dynamics of the process, arguing that the three shifts are intertwined and necessary to accomplish in the transformation to become digitally servitized. Finally, we shed light on how the transformation requires a change in mindset in the organization from being reactive to creative and change from a mindset of scarcity, certainty and authority to mindset of abundance, discovery and partnership.

Key words digitalization, servitization, service ecosystem

Paper type – Research paper

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