

JOURNAL OF INTERNATIONAL BUSINESS AND ENTREPRENEURSHIP

Special Issue on

*“Contemporary Issues in International
Business and Entrepreneurship”*

Published by

MEDEC, UiTM

(Malaysian Entrepreneurship Development Centre, Universiti Teknologi MARA)

Sponsors

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JOURNAL OF INTERNATIONAL BUSINESS AND ENTREPRENEURSHIP

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PREFACE

Dr. George O. Tasié
Guest Editor

*Special Issue on "Contemporary Issues in International Business
and Entrepreneurship"*

Previously technology, globalisation, and trade liberalisation did not play a dominant role in business environments, but today the approach is totally different. The millennium is characterised by globalised trading system and the predominance of the revolutionary information technologies. This scenario is where the real challenge is for the entrepreneuristic persons and organisations, raising the issue of how entrepreneurs and business organisations respond to the demands of the globalised markets and the fierce competition of business organisation in the so-called "borderless world".

The papers in this special volume of Journal of Business and Entrepreneurship (JIBE) explain some of these challenges by providing in-depth and analytical information on various topics of international business interests. For instance, the article on service quality demonstrates the extent in which customer satisfaction and expectations have become a popular area of academic attention and economic development of society. Other articles also draw on the importance of internationalisation of businesses, such as global marketing, organisational reputation, Swedish entrepreneurship, the impact of currency in business and scores of other thought-provoking research papers.

The articles chosen for this special issue represent and reflect the crucial challenges facing international business and management during the past and present economic crises. Although the current worldwide economic crisis has eased and most of the countries affected are on the way to recovery, we have to recognise the factors contributing to the crisis.

It is hoped that this volume will contribute towards creating an awareness of the need for better business practices and excellent management ideas across the world. I am optimistic that wider readers will benefit largely through reading this particular issue.

Above all, I must record my thanks and profound appreciation to the contributors of articles to this issue, and especially Professor Zafar U. Ahmed for affording me an opportunity to guest edit this special issue. Finally, I wish to thank the JIBE's Editorial Board and the reviewers for the job well done. Without their invaluable contribution, the publication of this special issue would not have been possible.

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George O. Tasie, Ph.D (Manchester), M.Sc (Leicester), M.P.A; B.Sc (Hon) (Liverpool), M.M.S (London), is Head, Department of Management Studies at the University of Brunei Darassulam [UBD], Brunei. His teaching interests are in general management, human resource management, human resource development, organisational behaviour, and international management. His professional work and experience in academia has taken him to the U.S.A, the United Kingdom, Malaysia, Australia, Singapore, the Philippines, Indonesia, Brunei, Vietnam and Nigeria. The publication of one of his books on "Public Sector Administration and Management" was sponsored by the University of Malaysia Sarawak, where he was an associate professor before joining UBD. He has contributed articles to other internationally accredited journals. Dr. Tasie has also written and published books on rural financial planning and management. He has been involved in short courses and consultancy works for a variety of organisations in the U.S.A, U.K, Singapore, Nigeria, Malaysia, Brunei and JASPOC (Joint ASEAN Senior Officers' Course). His current research interests center on business-government relations, training and development and stress management in Southeast Asia.

CREATING VALUE THROUGH RELATIONSHIP BUILDING IN A GLOBALIZED MARKETPLACE

Sanjiv S. Dugal
Matthew H. Roy

Abstract

Information technology has altered our experience of space, time, and the nature of competition across the world. Competitive strategy includes collaboration and involves giving consumers around the world the opportunity to create their own value. To succeed at producing mass-customized products, businesses must have flexibility to enter ever-shifting markets, and maintain the reputation of the virtualness of their products across the planet. Managing reputation and identity become key challenges in the new global order.

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INTRODUCTION

The nature of competition in most economic activities has changed dramatically in the last decade. Driving this change is the fact that interactions and interactants have become multifarious and complex, that is to say, the content as well as the context of competition are no longer invariant and static (Best, 1993; Ohmae, 1985).

Globalization marks the beginning of a new age of economic exchange. The industrial era characterized by hierarchical communication and standardized production processes has been replaced by multiple encounters and customized products (Pine, Victor, & Boynton, 1993). Rapid changes in technology and in particular electronic communication are the driving forces behind this change. A basic premise of this paper is that information-technology is changing our concept of time and space, and to be competitive in the new situation rests with the ability to capitalize on a transient information market space. Managers need to re-think fundamental notions of the nature of commodities being produced and consumed; the art of competition; and of managerial norms across the globe.

In Part I, we discuss how electronic communication has developed a global information market space, and what this means for production and consumption. To understand market exchange in a global order, we look at fundamental notions of use-value and exchange-value of information. In Part II we discuss the implications for competition in a global information market space. Finally, in Part III we discuss specific managerial implications in light of the new global order.

I. GLOBAL INFORMATION MARKET SPACE

In the current decade, information technology and telecommunications, have transformed how companies do business, and what kind of business they do. From a geographically defined marketplace, we compete today in a market space with virtually no geographic borders. In a spatial sense this means that we can instantaneously do business with anyone, anywhere on the globe. The concept of “spatial simultaneity” (Harvey, 1990) in which an event occurring in one place has an immediate and

concurrent impact in a multitude of other places, is one of the many sources of global potential. Unfortunately, we often experience the negative effects of this phenomenon – be they computer viruses or bio-terrorism.

A major implication of this time-space compression is that accurate and up-to-date information has become a highly valued commodity. Consequently, globalization of the market has meant a surge in production and consumption of information. The simultaneous increase in demand and supply of information has generated a phenomenal increase in information related goods and services (Casson, 1992) resulting in a global information market space.

Virtual Product

If the market space is predominantly trading in information, then some relevant questions to ask are: “Who produces?”, “What?”, “How?”, “Why and for whom?”. In other words how is the value of information determined? First and foremost we have to understand that businesses are increasingly competing in what is called the post-material product or virtual product. “A virtual product mostly exists even before it is produced. Its concept, design, and manufacture are stored in the minds of cooperating teams, in computers, and in flexible production lines” (Davidow & Malone, 1992, p.4). The competition is over products that start with information, they are produced by information, and they are sold as further information. Most important, it can be made available at any time, in any place, and in any variety (Baudrillard, 1983).

Example

“When Apple replaced the plastic knobs on the old Mac in 1990 with a “control panel” program that would run within the computer’s memory, it allowed the user to adjust monitor settings with the software, rather than with knobs. This change in the design of the Macintosh was not a radical step, but for the industrial designers, it was one of many recent examples indicating that the rules have changed. Here was a case where the traditionally skilled industrial designer, educated in the use of plastics, polymers, metals and wood, and in production techniques such as injection molding, had been replaced by a programmer. The “real” know-how is being replaced by the “virtual” icon.” (Industrial Design, June 1993).

The above example is of a material process in which the product has no physical parts to be produced. The “virtual” object is created with digital technology on a computer and is information based. These objects perform functions that were in the past performed only by real objects. For instance, a software calculator today that exists as a program within a computer’s memory replaces the plastic model.

Information Encounter

The post-material business operation now lies in processing thoughts, analyzing forms and structures that exist in electronic time as well as in electronic market spaces. When we think of a virtual product as the production of information trying to convey some meaning, it is useful to look at this interaction as an encounter. Encounters are the way virtual products and services are manifest in activity (Casson, 1991; Wolinsky, 1987).

To explain value of information as manifest in virtual products, we differentiate the use of information from the exchange of information. We define demand for information as felt-need on account of some use or other for a one-time encounter. One-time encounters are those that are generalizeable and repeatable.

The second aspect of value, the supply of information, is created by effort, skill and successful collaboration among people with specialized information. This takes place through multiple-encounters which are unique and cannot be generalized nor repeated in the same form.

Example

Consider a patient in an emergency operating room requiring a plastic aorta leading to the heart. The supplier, vendor, and three heart surgeons, located in different parts of the country, collaborate and exchange information to instantaneously develop a prototype of the product. The information manifest in the prototype is a one-time encounter having use-value to the patient. This encounter is generalizeable and repeatable but not exchangeable. The collaboration between the surgeons, supplier and vendor is information created through multiple-encounters and has exchange-value. This exchange is unique and cannot be generalized nor repeated in the same form.

Information-use of One-time Encounters

The first component in the value of information is considering information as data that expresses, that says something to us, and hence is useful. The use-value of information is determined by demand and supply for a one-time encounter. Its market price reflects the value commanded by the one-time encounter in order to be consumed.

What is the information content of a one-time encounter? Of what elements is such an encounter composed and what sorts of material does it contain? The information in one-time encounters are used in a multiplicity of ways: to entice, inform, appeal, communicate and enrich. They can excite passions, express feelings, communicate ideas, explain complex relationships, become objects of aesthetic pleasure, and even tell stories. The elements that fill one-time encounters are a mixture of information that is imaged, thought and felt i.e. the perceptual, emotional, and intellectual (Csikszentmihalyi & Robinson, 1990).

Conceptually, information has use-value as such by the manner it occupies users when they encounter it, and not by the material itself. The essence of the information is a psychic element which lies in the way users attend to it and the manner in which they operate upon it (Baudrillard, 1981).

Example

When a consumer purchases a Ralph Lauren shirt, such a “shirt” is viewed by the consumer in isolation from the operation which produced it. The consumer derives some use through the meaning given to the imagery specified by the shirt. We give meaning to the products we consume through the image which surrounds it. The consumer’s use-value of information signifies both an action and its result. To ignore the individuality of vision (action) is to assume that the product consumed (result) has a universal character. It is to presume that the Ralph Lauren “shirt” is purely representative of other shirts already in existence. This is obviously not so. Thus information as data, expresses something to us, but the act of expressing subsumes individuality of vision, and hence the use-value of information is necessarily determined by the consumer.

Example

Digital technology allows interactive multimedia devices, which offer sound, video, text and graphics and allow the user to manipulate this information in many ways. Consumers can conceive and articulate the finished goods that can be created with today's digital technology. For instance, the touch-sensitive screen in a kiosk can call up digitally stored video clips. The user has complete control over what appears on the screen. The successful businessman must predict the different paths viewers might want to take within the program and be able to give it to them. The assumption is that the customer determines use-value in their encounter; they're in control.

Customized Products

The use-value of one-time encounters are increasingly being created by Human Computer Interface: the hardware and software through which the user interacts with a hypermedia or computer system. Through electronic communication, information in one-time encounters can be linked together with other information to create new kinds of relationships that can be explored interactively by the user. One-time encounters are devices for producing a variety of different ways of looking at a particular subject, theme or product. The consumer increasingly has a choice of "approaches" to the information content of the encounter. These range from pictorial "menus" and catalogues through interactive illustrations and diagrams, to providing sets of image creation, manipulation and processing tools. Consumers can juxtapose different images or one-time encounters to create for themselves a customized product. This customized product can be reproduced exactly, and has use-value to the consumer inasmuch it is not exchangeable.

Example

The Micro Gallery at London's National Gallery is an early example of the mass customizing of a service. Visitors, no longer have to join a group to be taken around the gallery by a guide, but can use the Micro Gallery to explore what is on offer and be given their own unique route around the pictures they have chosen to see. This medium allows the consumer to examine the possible configurations of a product or service, and to describe and specify a particular requirement. This is the individual viewpoint.

For a business to enter the information market space means to provide one-time encounters in the form of electronic information, and create mass customized products. The ideal virtual product or service is one that is produced instantaneously and customized in response to customer demand. For instance, Point of Information (POI) and Point of Sale (POS) are going to lead to mass customization. Today's technology has made it as easy and inexpensive to produce a small quantity of a product as to produce a large quantity. The logic of this process is that very soon the customer will be able to have an individual, tailor-made product for a similar price to that of a mass-produced item (Pine, Victor, & Boynton, 1993). The question of where this is done is going to be one of the most interesting issues of retailing over the next few years.

Information-exchange in Multiple-Encounters

Information-exchange is the long-lasting component of value of any information that is created. It is creation of information through multiple-encounters. Whereas the market price reflects that what is produced and consumed through one-time encounters, value-of-exchange reflects that what is created. It is that part of value which is irreplaceable and unique.

The exchange-value of multiple-encounters is not simply determined by the interaction, but includes a third aspect that represents all of the perceptual, emotional, intellectual, and communicative factors that went into the exchange. This aspect constitutes the accumulated body of information of the interactants. Thus when we encounter an image, it always occurs against the background of one's accumulated information. Unless the image can be referred to this fund of information, it would be unintelligible. The actual information that we encounter is translated to us in the primary form of image, idea, or emotion. The degree of overlap will determine the extent of the exchange. That is, the greater the overlap, the more exchange-value for the interactants.

Example

For the Coca-Cola commercial to be a successful one-time encounter, viewers must be drawn into the accumulated information of the Coca-Cola image. This depends upon the production of "typical" situations—ones which consumers can easily identify and derive value. "The commercial for Coca-Cola or Alka Seltzer does not say how the consumer can buy the advertised product; it does not

typically announce a phone number to or a place to shop...It is a general reminder or reinforcer, not an urgent appeal to go out and buy". (Schudson, 1984, p.211).

Example

"Ford Motor Company has consolidated management of its European, North American and Asian design operations into a single international network using powerful work stations based on Silicon Graphics Inc. technology linked by Ethernet networking software. The design sites under this "electronic roof" are Dearborn, Michigan; Dunton, England; Cologne, Germany; Turin, Italy; Valencia, California; Hiroshima, Japan and Melbourne, Australia. The network enables a Ford engineer in Dunton, for example, to transmit to Dearborn massive computer files of 3-D drawings of a late-90's sedan. In Michigan, a designer can bring up the drawings on a work station, phone his English colleague and work, simultaneously with that colleague, in making onscreen revisions, even rotating the 3-D images to view them from all sides. A few hours later, the data files might be sent through satellite or fiber-optic circuits to Turin, where a computerized milling machine can turn out a clay or plastic foam model in a matter of hours. Ford is able to exchange local expertise or equipment and put it toward the greater corporate good." (The New York Times, August 29, 1993).

Exchange-value is an abstraction which reflects real value in terms of the "cooperation" and "collaboration" between different members, linked together through electronic communication, to create a unique market space (with its own demand and supply of information). This information market space embodies the collaboration between individuals. It is that "space" which forms a part of a network of relationships.

(Information market) "space is not a thing among other things, nor a product among other products: rather, it subsumes things produced, and encompasses their interrelationships in their coexistence and simultaneity - their (relative) order and/or (relative) disorder. It is the outcome of a sequence and set of operations, and thus cannot be reduced to the rank of a simple object. At the same time there is nothing imagined, unreal or "ideal" about it as compared, for example, with science, representations, ideas or dreams. Itself the outcome of past actions, (information market) space is what permits fresh actions to occur, while suggesting others and

prohibiting yet others. Among these actions, some serve production, others consumption (i.e. the enjoyment of the fruits of production). (Information market) space implies a great diversity of knowledge” (Lefebvre, 1991, p. 73).

The strategic variable in information market space is “division of thought” or the division of intellectual labor as manifest in the form of specialized information, electronically exchanged to form a space. For example women faculty across universities forming a professional relationship. These relationships permit exchange of information and are what creates markets and metamarkets and meta metamarkets of a kind only partly imaginable at present.

Wealth in the global information market space expands whenever “division of thought” occurs (Harvey, 1990), resulting in new information market space where exchange-value of information is produced. We are thus confronted by an indefinite multitude of spaces, each one piled upon, or perhaps contained within, the next: geographical, economic, demographic, sociological, ecological, political, commercial, national, continental, global (Lefebvre, 1991). The chaos or ephemerality of global markets today lies in the creation of exchange-value which are “spatial categories dominating those of time, while themselves undergoing such mutation that we cannot keep pace” (Jameson, 1984).

II. COMPETITION AS NON-LINEAR NETWORK

Competition in Physical Market Space

In the Fordist mode of production, competition is characterized by notions of linear progress, mass production and mass consumption of tangible products, economies of scale, hierarchical social relations, and specialization of labor (Harvey, 1989). Progress is synonymous with the conquest of physical space (geographical markets) and just-in-time production. For instance, business decisions are based on notions such as gaining market share; market penetration; market differentiation; first-mover advantages; development time for new products, and so on. Time dominates space in that growth and progress are measured linearly over fixed and bounded categories.

Although Fordism leads to efficiency, it also results in rigidity in the face of a transient market on account of vagaries of international trade. Fordism's lack of flexibility led to the onset of "flexible accumulation" (Harvey, 1989) which provided the needed flexibility in labor processes, labor markets, products and patterns of consumption to compete, especially in the international market (Whitaker, 1992). In sharp contrast to Fordism, competition under flexible accumulation is characterized by economies of scope, a geographically dispersed market, and an emphasis on service sector employment instead of manufacturing (Harvey, 1989).

Competition in Information Market Space

Competition under Fordism and flexible accumulation is dominated by the notion of a linear chain of value-added in a predetermined sequence of activities. A business occupies a position in a fixed set of production activities along a value chain, where value is incrementally added till the consumer finally consumes the product.

In information market space, however, we no longer just add value in a predetermined chain of activities, we continually re-invent it (Normann, & Ramirez, 1993). Value is re-invented through encounters between interactants who include suppliers, customers, and other agencies in ever changing configurations under conditions of spatial simultaneity. It is the heightened activity in information encounters, and the concomitant possibilities of market re-creations, all taking place in relatively short periods of time, that constitutes value creation.

With electronic communication the physical organizational world is no longer a collection of separate entities but a network of relationships as manifest in multiple and one-time encounters. Prior to electronic communication, we had organizational divisions with their characteristics, and the mechanisms and forces that interconnected them. With electronic communication, all the characteristics of the divisions flow from their relationships. The Department of Management, for example, is best described under global conditions, by the network of relationships forged by its individual members. In other words the department is defined by its relationships to the rest of the world. These relationships are now multifarious and dynamically changing on account of electronic communications.

The firm as a unit of analysis becomes a part which is a pattern in a network of relationships that is recognizable, because it has a certain stability (Monge, 1987). The stability of the pattern allows us to delineate it as it is impossible to consider the entire interconnectedness. For instance, the aforementioned example of women faculty connected electronically across the United States; if this network were to represent the “voice” of working women in general, the network could very well be said to have stabilized into such a pattern.

Network

By the term network, we refer to an electronic system involving computers as well as cables or wire connections that permit individual businesses to share information. More powerful networks that transfer large quantities of information at great speed will be necessary before business networks become fully global. The future wide area networks (WANs) necessary for large scale, interorganizational and intersite businesses will instantiate and reify the current information market space. To produce globally requires gaining access, however limited, to the network of encounters. Within the network each business may be viewed as a node, a point of intersection or focus, on which converges links or encounters with other businesses in the information market space (Knoke & Kuklinski, 1982).

Businesses operating in information market space take the form of modules, where nodes are joined by a network of links and paths trafficking information or encounters. Each module is typically a specific process or task, like making a given component. Any grouping of business modules, whether connected by a common product, idea or emotion, also takes the form of a network. The modules, which may include outside suppliers and vendors, typically do not interact or come together in the same sequence every time. Rather, the combination of how and when they interact to make a product or provide a service is constantly changing in response to what each customer wants and needs.

Nature of Competition

Related to the analogy of the network and its components is a rejection of linearity as a metaphor for describing the nature of competition.

- Competition through a network renders an interplay of simultaneous and apparently contradictory situations possible. Alliances replace self-reliance as businesses stake claims in information market space. For instance two businesses may compete in one market space and collaborate in another market space (Casson, 1992). The relationships are multiple, non-linear, and non-causal. A network links together a wide range of often contradictory observations, interpretations, categories, businesses and cultures.
- A network is non-hierarchical and non-linear. It has no top or bottom. Businesses are no longer winners or losers, leaders or followers. Rather a business is interconnected and becomes more competitive with an increase in plurality of connections that increase the possible encounters between the components of the network.
- The increase in plurality of connections for a business implies accessing more market spaces in a boundless information market space. The psychologist/guru Timothy Leary, interviewed by David Gale in 1991 eloquently put it: “What we are talking about is electronic real estate, a whole electronic reality. The problem we have is to organize the great continents of data that will soon become available. All the movies, all the TV, all libraries, all recordable knowledge...These are the vast natural crude oil reserves waiting to be tapped. In the 15th century we explored the planet, now we must prepare once more to chart, colonize and open up a whole new world of data. Software becomes the maps and guides into that terrain.”
- Information is distributed throughout the network; it is not localized in a specific magnet memory core or in a particular business. Information is distributed among the inter-connections (encounters) between people in businesses.

Competitive Strategy

Intrinsic to the nature of competition is the creation of value. If there is little value to what a business produces, then it is not competitive. Our basic contention is that interactants in information market space do not consume value but create value in ever changing configurations of encounters.

Table 1 : Constructing Competition In Physical and Electronic Space

Competition in Physical Space	Competition in Electronic Space
● Sequential value-added	● Complex constellations of value creating activities
● Stable relationships with suppliers, vendors and customers	● Changing relationships
● Vertical Integration	● Co-production and collaboration
● Standardized product	● Customized product
● Common organizational mission, goals and objectives	● Encouraging differences and pluralism
● Self-reliance	● Alliances
● Strategic variable is division of labor	● Division of thought
● System moving toward equilibrium	● Disequilibrium and chaotic

Competitive strategy is viewed as the art of creating value by “fitting” a firm’s internal competencies to its external opportunities. When the overall character of the market place has changed to a situation of decentered and fragmented encounters, competition takes on rapidly shifting and fundamentally novel forms. Strategy in such a situation is to provide choices having use-value to interactants by an ever-improving fit between a firm’s information base (i.e. its competencies) and the exchange-value creating activities of its relationships and alliances (i.e. its opportunities). In other words, to be competitive a firm must provide customers the choice to re-invent value to their individual customized requirements. In order to do so, firm must manage the creation of information market space through its encounters with outside agencies.

It is in this market space that information exchange takes place and the firm generates choices having use-value to the customer. To provide customized products having use-value, firms need to master the art of presenting choices. Indeed the presentation

of information is perhaps the most critical aspect of competition. In any interaction, it is essential that firm is able to differentiate, in the minds of the consumers, the “virtualness” of their products (Harvey, p. 287). To manage this virtualness, the firm has to enter a series of information transactions (relationships and alliances like between S1 and S2 through which to extend, refine, and coordinate its acquaintance with the world. For the business to succeed in this enterprise, it must be continually alert for information—for insights and meanings—that were hitherto unknown to it; and it must just as continually absorb this new material into its fabric, so that it can be retained and used in the future.

III. FLEXIBILITY AND REPUTATION AS COMPETITIVE NORMS

Finally, how do we actually understand the value of information in operational terms? To answer that we have to understand the concept of value reflects current norms and attitudes to economic questions. For instance in a barter economy value is identified with the morally right price. In a market economy value is the competitive market price, determined by demand and supply. In a socialist economy, value is the social price determined by a central authority. In a society where exchange is increasingly taking place in digital electronic space, value will be identified with flexibility and reputation.

Technology has increased our capabilities to create value through multifarious mediums and consequently increased our levels of awareness of the meaning of what we encounter. Medium is the thing through which information is consumed as use-value or experienced as exchange-value. Medium is the translator. There are two kinds of medium:

- One kind of medium is external to that information which is accomplished. It is intrinsic to the physical object (the Ralph Lauren shirt) which represents some information. It is the end product. This medium is usually of a sort others can be substituted for them; the particular medium employed are determined by some extraneous factors like one's budget.
- The other kind of medium is taken up into the consequences produced and remains immanent in them. This is information encountered as images. Our

world is reduced to—or constituted as—images; as value systems and subjective points of view, objects of a possible psychology of world views, but images constructed and verified by science and technology of information.

Flexibility

In information market space, producing virtual products manifest in encounters, the image becomes the commodity itself (Baudrillard, 1981), remotely connected to the actual product being sold. A society which consumes images is interacting in a market which is volatile and ephemeral, based upon changing fashions, production techniques, labor processes, ideas and ideologies, values and established practices. Production and consumption are instantaneous and short-lived, and obsolescence immediate, in ever shifting markets.

The consequence for a business is the acceleration of capital turnover (Harvey, 1990). This means a business has to be highly adaptable and flexible in response to market changes. Flexibility requires having the ability to accommodate seemingly contradictory and conflicting information market spaces. It is having the flexibility to create and maintain different information market spaces that will ensure business success.

Reputation

In a situation where markets are volatile and ephemeral, reputation is a key factor for competitive success. Reputation has traditionally been defined as a positive or negative attribute ascribed to one rival by another based on past behavior (Wilson, 1985). In the literature, reputation has been studied and modeled extensively by economists in situations of multi-period dynamics (Fellner, 1949; Scherer & Ross, 1990; Tirole, 1989). Moreover, the notion of using strategic actions to build a positive reputation has been explored in a variety of contexts, for example, reputation to deter future entry (Milgram & Roberts, 1982); reputation generated price premiums (Shapiro, 1983); and reputation and information distribution (Kreps & Wilson, 1982).

However, under conditions of spatial simultaneity with one-time and multiple encounters manifest in images, it is reputation at the point of interaction that is critical. Interactants when encountering an image, trust that the product will virtually correspond to whatever

the image represents. The consumption of the “image”, for instance, allows the consumer to interpret their own identity, and to signify their identity via the products and services purchased. In such a situation, the reputation of providing virtual products through encounters becomes the critical norm in market information space. For instance when a customer purchases a Polo shirt, he/she trusts that the “shirt” represents the image which Ralph Lauren projects. The customer is purchasing the image, and the company’s reputation provides use-value through that encounter. Consequently, investment in reputation and building customer trust, is tantamount to producing value, and becomes as important as investment in new plant and equipment or new product development.

Additionally, reputation is also critical for collaboration (Williamson, 1985), in order to create exchange-value. Collaboration under conditions of spatial simultaneity is the ability to communicate very rapidly and inexpensively with anyone anywhere. For instance, worldwide, up to four million scientists are thought to be wired into the rapidly expanding maze of interconnected networks, which now number 11,252 and are known as the Internet (Broad, W., New York Times, May 18, 1993). Its as if all the world’s scientists were in one room, and each one of them were seeking collaboration. Only the individuals with proven reputations will be successful in collaborating and creating exchange value or market information space.

CONCLUSION

We exist in a pluralistic world of market information spaces and experience competition as a continual oscillation between belonging to different markets. There is a demise of the idea of self-reliance and competing in a single identifiable market. The globalization of information market space has exploded with a multiplicity of “local” markets—ethnic, sexual, religious, cultural or aesthetic minorities—that finally speak up for themselves. For the consumer, product value is the result of the intersection of a multiplicity of images, interpretations and reconstructions circulated by firms in collaboration with one another. The fact remains that the very logic of information market space requires its continual expansion, and consequently demands that “everything” somehow become the object of one-time and multiple encounters.

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