

***Introduction to the Special Section***

***Moving Towards Chapter Three***

*“Okay, everyone knows that the Net is changing everything...that’s old news. The savvy companies are already asking themselves: what comes next? Chapter Two of the Internet will be about the mass proliferation of e-services.”*

-The Hewlett-Packard Company-

Today, much of the world economy is dominated by the service sector. In the U.S., approximately 78% of the labor force, 73% of the GDP, 45% of an average family’s budget, and 32% of exports are accounted for by services (Bateson and Hoffman, 1999). One of the changes driving service economy growth has been the phenomenal advance in computer technology and the Internet. Sometime around 1996, the commercial obsession with the Internet began (Turban, King, Lee and Viehland, 2004). Thousands of businesses, customers, employees and partners were connected to one another and began conducting business processes together online. Hewlett Packard refers to this period as “Chapter One” of the Internet (Galbreath and Hoffman, 2001), during which the foundation for growth was established by building infrastructure and providing access and capabilities to facilitate further evolution. In this initial chapter of Internet evolution, users were socialized to the processes of:

- Do-it-yourself
- At your desk
- On a PC
- Tapping into Web storefronts
- Using monolithic applications
- Where Information Technology is viewed as an asset

“Chapter Two” of the Internet is now being drafted. In contrast to the monolithic do-it-yourself functionality of early Internet use, the current phase of Internet evolution is about what the Internet can do for customers, via the proliferation of e-services. In comparison to common user expectations during the previous phase of Internet evolution, Chapter Two of the Internet concerns technology working *for* the users, who expect the processes of:

- Do-it-for-me
- While I am living my life
- On PCs, devices, and things
- Through the use of automated e-services
- Using modular e-services
- Where Information Technology is viewed as a service

Essentially, the utility of the Internet is evolving from an asset-based economic model to a service-based model (Pitt, Berthon and Watson, 1999), as Internet functionality evolves to provide on-the-go utility to ever more demanding and sophisticated users. Consequently, e-services have burgeoned in the past few years as major players and small businesses alike rush to engage in this new economic model of e-commerce.

E-services are electronic offerings available via the Internet that complete tasks, solve problems, or conduct transactions. They can be used by both consumers and businesses. E-services offerings can use personal data to simplify aspects of consumers' lives that involve information, or they can simply serve as "functionality for hire" for corporate IT departments (LaMonica, 2001). On the provider side, companies can develop e-services to improve relationships with customers, as well as generate revenue. For customers seeking on-demand functionality, e-services can greatly reduce the cost of IT operations. From this viewpoint, an e-service is any asset that is made available via the Internet that creates new efficiencies and new revenue streams. In an Internet context, the term "asset" can include any software application that is placed on the Internet and made available as an *ap-on-tap*. Short for "application-on-tap," the ap-on-tap concept refers to e-services that are immediately available for rent on the Internet.

E-services generally include both the desired user application *and* the necessary infrastructure to deliver it, so there is also the implication of application support; hence, it may be best to integrate service quality considerations from the marketing literature into the emerging e-services paradigm (Watson, Pitt, and Kavan, 1998). Still, marketers are only now beginning to understand the distinctive nature of service as compared to product offerings, and in the IS field, the assessment of systems and their performance characteristics have generally been made under a product-based conceptualization (Pitt, Watson and Kavan, 1997).

The sheer growth of market opportunities to provide e-services represents an avenue for tremendous growth and expansion, as we come to better understand this emerging business model of networked functionality. However, lest we repeat mistakes of the recent "dot-com" past, it seems prudent to undertake research to better understand the beneficial implications, as well as the limitations of the emerging e-services paradigm. To that end, the e-services minitrack at the 2003 Americas Conference on Information Systems (AMCIS) was established to broadly examine the general topic of e-services from the simultaneous perspectives of both commerce and technology.

This special section represents the two best papers of the nine submitted to the e-services mini-track of the 2003 AMCIS. The first of these papers, "Complementing Self-Serve Technology with Service Relationships: The Customer Perspective" by Ulrike Schultze, explores the extent to which Web-based support affects the tenuous relationship between a customer and a supplier. She looks at a continuum that studies the impact of the Chapter One approach offered by a self-serve technology with the Chapter Two "do it yourself" approach on revenues and relationships. She applies ethnography to study WebGA, a "general agent" in small group health insurance, and its relationships with independent brokers. At one end of the relationship continuum are socially embedded

relationships characterized by the customer's reliance on the service relationship, while at the other end of the continuum are arm's-length relationships characterized by self-serve technology. The challenge is for WebGA, as well as other companies providing e-services, to provide a balance somewhere in between the two ends of the continuum. Schultze offers some helpful insights in how companies can achieve this healthy balance.

The second article, "Web Service for Knowledge Management in E-Marketplaces" by R. Singh, L. Iyer, and A.F. Salam, focuses on the technological aspects of delivering e-services. They develop a "Chapter Two" multi-agent system framework to illustrate how domain-specific knowledge can be made available over heterogeneous information platforms through Web service technology. They define the requirements, components, and architecture needed to provide knowledge services to customers who are interested in making their entire e-supply chain transparent and reducing their cognitive load in increasingly knowledge-rich environments.

Both articles in this special section can help in writing "Chapter Three" of the Internet. In the third chapter, what we know about e-service offerings and infrastructure will need to be refined to provide even greater value to the consumers of e-services.

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## References

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