
Multi-Channel Interplay in Practice: Bringing Actability to the Local Electronic Marketplace

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Abstract

In this paper, the Local Electronic Marketplace (LEMP) is characterized from the perspective of information systems actability. The LEMP concerns consumer oriented e-commerce activities performed by multi-channel actors (that is, business actors using a physical as well as a digital interface for customer interaction). Actability – a concept for the understanding of IT-based information systems as tools for business action and communication – emphasizes the human actors and their performance of social action by use of the systems. By taking actability and a comprehensive notion of practice as its point-of-departure, the paper shows how a deeper understanding of the interplay between multiple channels in the local electronic marketplace can be reached.

The research is empirically informed by a case study involving a qualitative, exploratory study of 30 Swedish websites with a local focus, and two in-depth studies including 25 interviews with 'LEMP-actors' such as systems designers and retailers. The results show that a key issue for multi-channel settings seems to be found beyond digital transaction cost benefits.

Introduction

In this paper, the Local Electronic Marketplace (LEMP) is characterized from the perspective of information systems actability (Ågerfalk, 1999; Goldkuhl and Ågerfalk, 2002) and a comprehensive notion of practice (Goldkuhl and Röstlinger, 1999) (defined below).

Lessons learned from the short history of e-commerce induce a focus shift from purely digital actors towards hybrid approaches (Steinfeld *et al.*, 2001). The hybrid approach implies a need for understanding how to utilize the complements between different marketing channels. A marketing channel is often considered to be a structure providing the means for all activities necessary to the process of furnishing an end-customer with some product. The channel concerns all actors involved, from manufacturer to end-customer. In this paper, the focus is on the latter phases of such a process. The LEMP structure is Internet-based and concerns consumer-oriented business activities that are performed by actors using a digital (IT-based) as well as a physical channel. The LEMP context implies creating e-business means for local retailers to complement their physical stores.

Since actability is a concept for the understanding of IT-based information systems (ISs) that emphasizes human actors and their performance of social action through these systems, it lends itself well to the exploration of the

LEMP from our perspective. By taking actability as a point-of-departure, the paper shows how a deeper understanding of the interplay between multiple channels in LEMP practices can be reached – to wit: a deeper understanding of the LEMP multi-channel interplay in practice.

Specifically, the aim of the paper is to show how and why the synergies of a multi-channel structure are key success factors for the LEMP. This aim includes elaboration on how the actability of the IT-system, which constitutes the backbone of the LEMP, comprises a basic condition for the understanding and optimal utilization of this structure. A secondary purpose is to show explicitly how actability can be used to gain a better understanding of phenomena, such as the LEMP, that are related to information systems.

The results are empirically informed by two studies. The first involves a qualitative, exploratory study of 30 Swedish websites with a local focus. The latter consists of two LEMP case studies that include interviews with actors such as systems designers and retailers. The major empirical sources are, accordingly, online site content and 25 interviews.

The paper proceeds as follows. Firstly, the adopted research method is described; this includes an outline of the conceptual framework used for the analysis and a case description. Secondly, the hybrid channel structure of the LEMP is characterized as a practice

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for synergies between multiple channels. Thirdly, the interplay between channels that achieves such synergies is discussed from the perspective of information systems actability. Finally, the paper concludes with a discussion about the benefits of viewing the LEMP from the perspective adopted in the paper.

Research Method

The research method adopted in this study can be characterized as an 'explorative qualitative case study approach'. A case study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context, which is especially useful when the boundaries between phenomenon and context are not clearly evident (Yin, 1994). This has certainly been the case in this work, since the focus has been on IT-systems within a LEMP-context, which involves a mixture of traditional business with e-commerce activities. The context also implies an inter-organizational setting that precludes a delineation based on company borders. This intricate issue of delimitation and an absence of a large body of related work are determinants for this study's exploratory nature, cf. (Benbasat *et al.*, 1987).

To investigate the LEMP, two websites with a geographically local focus have been examined. Using a qualitative approach was a natural choice since we wanted to understand how the LEMP is structured as well as how different 'LEMP-actors' think about and understand this way of doing business.

The study emphasized website content, aiming particularly at retailers inhabiting the marketplace. The main empirical source is interviews with representatives from the companies hosting the marketplaces as well as from a criteria-based selection of retailers. Selecting respondents based on criteria rather than, for example,

randomly, makes it possible to secure the relevance of the collected data and final results. The criteria include, for example, a requirement that retailers should utilize both a digital and a physical presence; that the digital channel be used for sales interaction (not restricted to presentation) and that the retailers be comparable with respect to size and marketed product types.

A major influence during the early phases of this casework has been the notion of practice (Goldkuhl and Röstlinger, 1999) as it has been used as an illustrative theory for collecting the qualitative data. That is, one presupposition of the study is that the LEMP can be viewed as a practice (defined in Section 3), and that data can be collected on this basis. This standpoint implies viewing the electronic marketplace as the result of actor co-operation effected by a diversity of intentions (Petersson, 2001a). This notion of practice stems from the so-called 'language action' perspective on organizations and information systems (Winograd, 1988).

For the analysis of the collected data, we adopt an approach utilizing an analytic framework based on the concept of information systems actability (Ågerfalk, 1999; Goldkuhl and Ågerfalk, 2002) and the notion of practice (the framework is described in detail below). By using an explicit framework, the analysis becomes focused on certain aspects that are believed to be important (Patton, 1990). This is in contrast to a strictly inductive approach, such as Grounded Theory (Strauss and Corbin, 1998), and favours a reflexive approach in which theory is allowed to evolve as it is being used actively in the research process (Alvesson and Sköldberg, 2000). During such a process, a combination of inductive and deductive approaches becomes possible. Specifically, our approach has been to use the analytic framework deductively to find relevant

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issues in the empirical data, and to explain identified phenomena inductively by use of the framework. Deductively, the data has served mainly to vindicate the usefulness of the actability concept inherent in the framework, and the framework has been used to direct attention to, and to provide explanations for, the occurrence of the phenomena. Inductively, the data has served mainly as a source for identifying phenomena and the framework as a means to understand and classify these.

One of the strengths of the framework, and of its theoretical base, is that it is general enough to be used to explore IS-related phenomena without having to pre-specify in detail the borderlines between phenomena and context, which was a pre-requisite in our case. The generality also means that the framework is scalable in that it can be used to handle the various levels of abstraction that are needed to understand a complex socio-technical phenomenon such as the LEMP. Such scalability is one of the strengths of applying a language action perspective, which has also proved useful in earlier research (Winograd and Flores, 1987; Auramäki *et al.*, 1988; Goldkuhl and Röstlinger, 1999).

Analytic Framework

The first part of the adopted analytic framework is derived from the concept of information systems actability, which has been defined as *'an information*

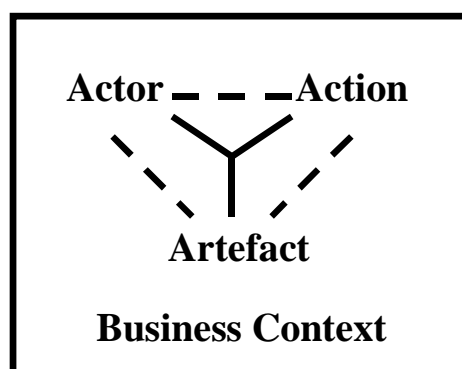
system's ability to perform actions, and to permit, promote and facilitate the performance of actions by users, both through the system and based on information from the system, in some business context' (Goldkuhl and Ågerfalk, 2002). The framework consists of four basic categories: the actor, the action, the artefact, and the business context (see Figure 1).

Within this framework, actors (as users) are the humans performing and interpreting action through, and by means of, the artefact (in this case the IS). These three components must be understood as parts of a whole, as depicted by the solid ternary relation in Figure 1. Additionally, there are binary relationships between the actor and the action, the actor and the artefact, and the action and the artefact. These relationships, depicted by the dashed binary relations in Figure 1, signify the existence of properties that are generic, for example, for actors in relation to artefacts (such as general user interface guidelines) regardless of which actions are performed. Furthermore, all these relations must be understood within the particular business context in which the information system is used.

This first part of the analytic framework (Figure 1) has been adopted from Ågerfalk, Karlsson and Hjalmarsson (Ågerfalk *et al.*, 2001), where it was used as a means to understand and discuss Internet-based software artefacts in general. In this work we want to put more focus on the work practice (i.e., the business context) in which software artefacts are used to create a local electronic marketplace. Therefore, we have chosen to extend the framework with a general notion of work practice (Goldkuhl and Röstlinger, 1999). Here a 'practice' is considered to be a 'doing' that is not necessarily limited by company borders. A practice is a performance of actions and is defined as follows: *'A practice means that some actor(s) – based on assignment from some actor(s) –*

Figure 1

Four basic categories of the analytic framework (Ågerfalk *et al.*, 2001)



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makes something in favour of some actor(s), and something against some actor(s), and this action is based on values, rules, knowledge and competence, which are established and continuously changed (Goldkuhl and Röstlinger, 1999).

The core of a practice can be isolated as the part of the 'doing' that involves refining some input into a desired kind of output. This process of transformation is central, but should also, according to the notion of practice, be comprehended as highly dependent on various assignments and social norms. A dominating view on business processes suggests focusing external assignments to create 'customer value'. Internal assignments should, however, also be acknowledged as affecting the result for all practices (commercial as well as non-commercial). So-called 'role assignments' are given horizontally and concern the conditions under which different producers act. Actors benefiting from the final product are called clients. (Goldkuhl and Röstlinger, 1999)

The notion of practice goes well with the concept of information systems actability as they are both founded in a language action perspective (Winograd, 1988) and share many core concepts. The most central of these is that of performance of *action*. Within this context, the term action should be understood as social action, as the human behaviour that attaches meaning, and which is oriented to the behaviour of others (Weber, 1978). People perform actions to accomplish changes in the world (Goldkuhl and Ågerfalk, 2002), that is, to produce results of various kinds. Actions can, at a high level, be classified as either material or communicative. The main result of a material action is a change in the physical world, whereas the main result of a communicative action (or speech act) (Searle, 1969; Habermas, 1984) is a change in socially constructed reality (Goldkuhl and

Ågerfalk, 2002; Berger and Luckmann, 1967; Searle, 1996). When performing a communicative action, a communicator does something to potential interpreters (such as promising or commanding). This 'doing' is more than mere information transfer since information is always related to the intention of the communicator. Usually, the successful performance of a communicative action also requires knowledge of certain social facts already established (Goldkuhl and Ågerfalk, 2002).

An important aspect of communicative action is that of *validity* (Habermas, 1984). In this view a communicator raises certain validity claims presupposed to be accepted by interpreters. Specifically, communicated information should be comprehensible, refer to the true (commonly understood) state of affairs, reflect sincere pragmatic intentions, and be communicated in accordance with accepted social norms (Goldkuhl and Ågerfalk, 2002).

In a practice, communication between producers and clients involves the performance of sequences of actions, in which each party switches between acting as communicator and interpreter of each action, depending on the direction of the communication. For example, a retailer may perform a communicative act of making an offer, directed towards an interpreting customer. The customer may then make a communicative act of accepting the offer and communicating an order to the interpreting retailer, in response to the offer. This order may, in turn, lead to the retailer's material act of delivering the agreed-upon merchandise to the customer.

Within an actability context, information systems should be understood as intended for social action, as *information action systems* (Goldkuhl and Ågerfalk, 2002). For the local electronic marketplace, IT-based information systems enable the concept *per se* and should be acknowledged as

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important tools for business action and communication. Communication through an IS is an example of communicative action where an actor communicates a message to another (or possibly the same) actor. In such communication, the software artefact is a tool, or medium, for the communicative actions performed. Therefore, it is inherently social by nature and so can be regarded as a technically implemented social system (Goldkuhl and Lyytinen, 1982). The most important aspect of an IS is the repertoire of actions that it realizes (its *action potential*). Actions can be performed through the system, based on information from the system, or by the system itself. These three types of action are referred to, respectively, as *interactive action*, *consequential action* and *automatic action*. Note that acknowledging that systems can perform action is not to take a reifying position. Actions performed by information systems are always ultimately derived from rules generated by humans. An information system usually contains an *action memory*, commonly realized through database technology. This memory, which can be used to remember what actions

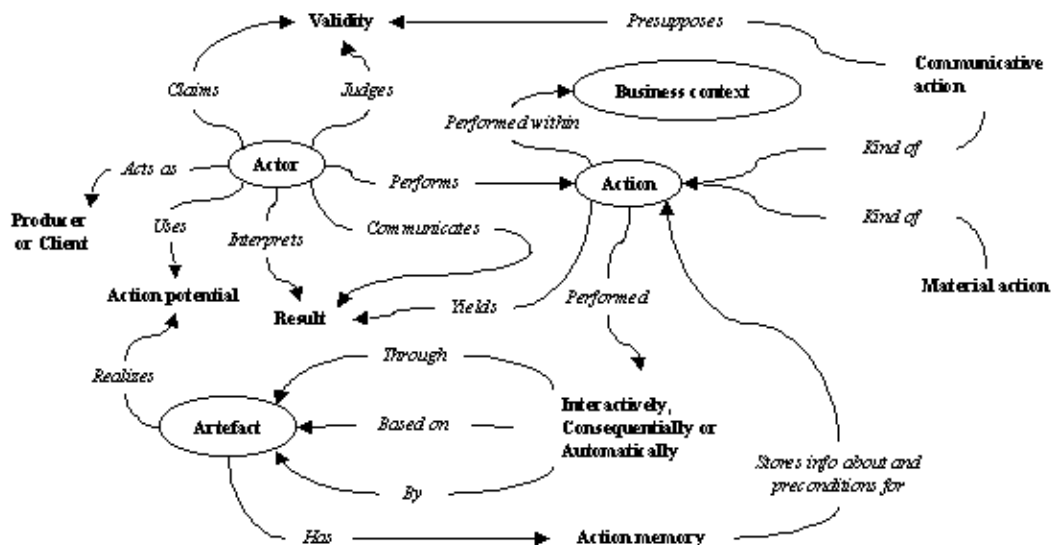
have been performed, also serves as an important prerequisite for action.

The actors participating in the communicative actions performed in relation to an IS constitute its users. Actability theory distinguishes three meta-roles for users, referred to as the *communicator*, the *performer*, and the *interpreter* (Ågerfalk, 2001). The communicator is responsible for the action and the resulting action-relationship established with interpreters. In doing business, it is quite possible that someone else performs actions on behalf of the communicator. This is most evident in the case of automatic action where the artefact itself performs action. One person may also perform an action on commission of another.

All communicative actions must be understood within the context in which they are uttered (Auramäki *et al.*, 1988). Any actor is required to understand the context to be able to participate successfully in communication. When doing business, the context of the communication is a *business context*. This means, among other things, that a basic understanding of the norms and different types of action involved in doing business can be taken for granted.

Figure 2 summarizes this discussion by showing a conceptual map of the

Figure 2
Conceptual overview analytic framework



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analytic framework (the arrows in the figure indicate the intended direction of reading).

Case Description

As indicated above, a case study of two LEMPs with a geographically local focus has been conducted. The objects of study are the Swedish websites Lokaltidningen¹ (LT) and Skaraborg-Online² (SOL), which can both be categorized as local electronic marketplaces (Petersson, 2001a).

Lokaltidningen is a Web-based newspaper that has expanded into an electronic marketplace that directs a rural district in Sweden. The site first of all provides news produced by an editorial staff located at a small advertising/Web agency. The site also publishes other kinds of local content (for example, municipal information, an online music archive and organizational activities) produced by different categories of site users. An essential feature is LT's discussion forum, which concerns everyday life and focuses on local themes, such as current events and politics. LT also includes a section that provides an electronic mall of webshops. The mall is inhabited by retailers and based on a shared IT-system developed and maintained by the Web agency. The typical LT retailer is a small company also running a physical store located in the area. These retailers offer products in various categories ranging from home electronics to groceries.

The other marketplace, SOL, is similar in scope and basic ideas to LT. SOL is, however, more of a true joint venture, based on co-operating parties. The site targets another geographical district in central Sweden and is co-ordinated by a small Internet firm. The most prominent partner is Torget.se, a nation-wide electronic marketplace with a consumer focus. The co-operation directs a locally targeted section of the national marketplace that contains an electronic mall of retailers in the same

manner as LT. SOL presents local news feed from another partner and, like LT, the site hosts a discussion forum. The site also hosts a 'search engine' committed to local Internet content.

The Multi Channel Interplay of Local Commerce

When addressing electronic marketplaces in a general sense, there are various definitions in the literature. In Bakos, an electronic marketplace is described as enabled by an interorganizational IS that '*allows the participating buyers and sellers to exchange information about market prices and product offerings; thus it represents an investment in multilateral information sharing*' (Bakos, 1991). An IT-based information system constitutes the backbone of any electronic marketplace. It is also important to note that a particular electronic marketplace does not necessarily offer digital channels for all phases of business activities. The combination with physical channels is, on the contrary, often a prerequisite for the mere existence of an electronic marketplace (Bakos, 1998).

Electronic Marketplaces for Local Commerce

Presenting the concept of the electronic marketplace often involves discussing the needs fulfilled by the marketplace in terms of *functionality* (Bakos, 1998; Turban *et al.*, 2000; Zimmermann, 1997). When it comes to consumer-oriented marketplaces with a geographical focus, it is possible to distinguish the twofold functionality of 'market activity' and 'communication' (Zimmermann, 1997). We believe this dichotomy to be crucial for the understanding of our empirical observations, but maintain that the terminology is somewhat misleading. From our social action perspective, any 'market activity' concerns

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communication between social actors, such as buyers making requests and sellers making offers. Therefore, we choose to express the functionality as a means for 'commercially oriented' *versus* 'non-commercially oriented' communication. Marketplace functionality concerns the facilitation of, for example, supply, demand and pricing (i.e., commercially directed functions), but also of actor communication that is not aimed at doing business (i.e., non-commercially directed functions).

A LEMP is enabled by an Internet-based information system and the targeted user group shares an interest in a specific locale (Petersson, 2001b). This type of electronic marketplace is a publicly available environment including business activities predominantly concerning multi-channel actors practising consumer-oriented commerce. Of course, it is not publicly available in the sense that anyone can do anything. Parts of the marketplace require authentication to enable access, and in this respect, at least, there exists a previous commitment to certain rules governing the LEMP.

Commercially Oriented Communication

Commercially oriented LEMP activities may concern business communication in 'business-to-consumer' as well as 'consumer-to-consumer' relationships. The latter may be realized by a subsystem handling classified advertisements. The business-to-consumer-oriented functionality is often organized according to a mall model (Timmers, 1998; Turban *et al.*, 2000). Retailers exploiting digital channels as an extension of their physical appearance can be categorized as storefront holders (Saarinen and Tuunainen, 1998) adopting a hybrid approach to electronic commerce (Steinfeld *et al.*, 2001). A major idea is the use of both

digital and physical presences with which to interact and meet customer needs.

Several arguments in favour of hybrid solutions instead of exclusively physical or digital presence have been put forward (Steinfeld and Whitten, 1999). The main standpoint stresses possible synergies inherent in the utilization of dual channels. One argument relates to embeddedness and trust. Embeddedness has been discussed as the influence of personal relationships on business interaction (Granovetter, 1985). The argument is that economic rationality is embedded in the social relations of actors, which influences possible trust. The topic of trust is isolated as a critical aspect for the success of electronic commerce relationships (Timmers, 1999). Further arguments relate to increased possibilities in meeting diverse consumer needs and behaviour; exploiting the natural complementarity between virtual and physical capabilities to enhance value for buyers; and utilizing intrinsic knowledge in the local community.

A hybrid approach might be realized by different strategies that imply a variation in possible channel complementarities. Retailers can be seen as adopters of two different strategies: the 'mirror strategy' and the 'synergy strategy' (Timmers, 1999). Adopting a mirror strategy here involves resembling the physical operation of the store. The digital channel then presents a mirror image, exhibiting the same products (or a selection of the same set) and the same bargains with no exploitation of possible complementarities. LEMP retailers adopting the synergy strategy handle the two channels in a more intertwined way. This might mean, for example, using the Web for mediating pre-purchase information and after-sales services, whereas the physical store is used for delivery (Petersson, 2001a).

Non-commercially Oriented Communication

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There are two main LEMP features that fulfil the non-commercial function: *community of local interest* and *informational services*. The discussion forums constitute an online community (Preece, 2000) in which the shared purpose for participation is an interest in the particular physical community. The marketplace host often manages the community feature (see below) by raising different issues and themes for discussions to which visitors can contribute. Informatory services fulfil the non-commercial functionality by presenting information not produced by visitors but of interest to the local community. Examples include information on upcoming events, local news and weather forecasts.

Practising Marketplace

It is possible to describe a LEMP by outlining some typical actor categories (Petersson, 2001a). A *host* co-ordinates the LEMP activities, managing the shared marketplace structure. This includes the host as system owner providing access to, developing and maintaining the IS. The *visitor* category consists of site users, the established and prospective customers of the inhabiting retailers. Since the motive for marketplace use is a local interest, a visitor may well be seeking information that is not related to commercial activities.

The *habitant* is the 'tenant' of the marketplace, either as non-profit or commercial actor. The non-profit habitant might be a sports club or another local organization with a need for disseminating information. A retailer also running a physical store within the targeted area is the most typical commercial habitant. From the host's point of view, this kind of habitant is also the main source of revenue. A *content supplier* is an external actor who, in concert with hosts, habitants and visitors, provides site-content; for example, services delivering weather

forecasts or news. The rest of the actors steer the contributions from content suppliers by assignment.

As the LEMP serves other than commercial purposes, it can hardly be delimited by organizational borders. Adopting the notion of practice makes it possible to contextualize the actor categories and their relationships. The *clients* of the LEMP practice are actors benefiting from the use of its products (the result). Clients can be found among visitors, habitants and content suppliers. The LEMP as a product can be understood as a medium in which clients can perform desired actions – literally forming an *action space*. Using the marketplace IS should then be apprehended as utilizing the system's action potential, which spans this space.

Visitor purposes are to become informed, to communicate with fellow visitors and to do business. Commercial marketplace habitants need the marketplace for marketing and sales, whereas non-profit tenants strive for dissemination of information. The third type of marketplace client consists of content suppliers also concerned with marketing.

The *production* of this practice is the process of creating the LEMP's action space – a process that should be understood as a co-production by marketplace hosts, habitants and visitors. The fact that the host serves as system owner accountable for IS functionality does not mean that actions performed by others have no effect on outcomes. The retailers and non-profit habitants design and operate their individual parts of the marketplace. Aspects of visitor use can also be understood as vital activities of production; visitors contribute to and shape, for example, discussion forums and classified ads.

Actable Systems for Interplay

In order to obtain the desired synergies between different channels, it is vital that all actors involved be comfortable

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with each of them and be able to utilize their integration. It is important to make both customers (as visitors) and retailers (as habitants) understand that the business context changes as new channels are introduced, which should be understood as an opportunity rather than an obstacle. The enabling IS is central for the utilization and optimization of the different channels within the LEMP. To understand the role of the IS, we must consider the action space that constitutes the LEMP. Utilizing the IS to achieve the desired synergies between the different channels within the LEMP is therefore to understand the social actions performed through interplaying channels.

Action through Multiple Channels

Business actions performed via the physical channel can be based on the digital channel (as consequential action, see above). It is therefore important to align the two channels so that potential synergies might emerge. A good example of this is a SOL retailer in home electronics that uses the physical store primarily to provide the look-and-feel of products, while directing customers to its website for hands-on installation instructions and in-depth product information. The latter provides opportunities for using existing resources by linking to, for example, manufacturers and independent evaluators. The LT case presented habitants dissatisfied with the absence of large-scale sales through the digital channel. These problems could be related to a lack of understanding of the potential for inciting customer actions through information from the IS. These problems might potentially be solved by providing the means for tracing physical in-store actions to website promotions.

The marketplace structure should be utilized to achieve synergies not

only between the different channels, but also by intertwining the commercially directed and the non-commercially oriented functions. Associating tailored commercial information to appropriate discussion forums may be a way to achieve this. Another example is commercially directed adjustment of the online community, such as introducing topics more closely related to retailer offerings (Hagel and Armstrong, 1997). This kind of adjustment was discussed by the LT host but never implemented. The delicate task of controlling the online community is a matter of understanding and considering the social norms of the LEMP business context.

Validity of Communication

In order for communicative actions performed at the LEMP to be successful, it is vital that social facts established within the multi-channel structure are communicated via the IS. This includes correlations between information communicated via the different channels. For example, offers in a physical store may correspond to on-line offers, or commitments made in the physical channel may correspond to those made (and made visible) via the digital channel.

The study came across webshops maintaining out-of-date offers. The habitants behind these offers were sometimes aware of this, but did nothing about it, passing the responsibility to the marketplace host. The validity claims (see above), which imply that information presented via the IS should usually correspond to the actual capacity, range of merchandise, special offers, and so on, were thus not met in this case. The host, on the other hand, referenced the initial agreements stating the retailer's liability.

Interactive, Consequential and Automatic Action

Interactive action refers to action performed through the digital channel. Web-based retailing has shown

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advantages over to its physical analogue from a transaction-cost perspective (Steinfeld and Whitten, 1999), and one way of utilizing the digital channel can be to encourage customers to perform actions interactively rather than via the physical channel. Multi-channel actors can exploit this as well, and there is potential in directing selective offers to the digital channel. For example, LT promotes this direction from physical to digital by offering prices on the Web that are different to those in a physical store, and clearly exposing both prices.

Aligning the digital with the physical presence can allow a webshop to communicate business offers intended for customers to negotiate and eventually accept via the physical. The Web can be a means to get people into the physical store where salespersons better can provide for a customer's individual needs. This situation can also generate additional sales. An activity exemplifying this purpose is LT's visitor competitions, where the prizes are gift cards for use in the physical stores.

The IS's capability of performing automatic actions can be highly utilized within the multi-channel structure of the LEMP. Information about actions (both digital and physical) stored in the action memory can, for example, be used to perform automatic business offers. This is particularly the case in business performed customer-to-customer through classified ads. One example of this is the LT facility whereby a search among private advertisements also generates results from associated webshops.

Utilizing automatic actions would also have been a way to minimize the exposure of out of date offers (as described above). Hosts could, for example, provide automatic IS routines to remove specified information at given points in time, or force retailers to acknowledge the validity of published information at regular intervals.

Utilizing the System

Action Potential

As described above, the functionality of the IS realizes an action potential that spans an action space of the LEMP. For the commercially directed functionality, this encompasses, among other things, a web mall's internal as well as external facilities. We would like to stress that creating these facilities, by designing the IS, is to create conditions for action. Internally, the structure of LT permits a habitant choice in using a standard solution or a tailor-made design. Of course, this means leveraging action space to different extents and accounts for a shift in action potential responsibility. Designing the external LT mall facilities, such as integrating the search results from the classified ads section with retailer offerings, is another example of manipulating the conditions for acting. This IS design as creation of marketplace action space should be acknowledged by the hosts and the marketplace IS designers.

Action Memory

The action memory of the LEMP IS can (and should) be used to store information about actions performed through the IS, that is, via the digital channel, as described above. This is important in order to maintain, for example, customer profiles and to enable direct marketing activities and personalized information supply, as frequently used at LT. To take advantage of the multi-channel structure of the LEMP, the action memory should not be restricted to this 'traditional' purpose. Rather, the action memory provides an opportunity to maintain information about activities performed, in whole or in part, via the physical channel as well. In this way, the digital channel can be optimized according to activities primarily performed via the physical channel, and *vice versa*. This opportunity, however, has not been utilized in the two LEMPs in this study.

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Multi-Channel Actors

Within the concept of actability, there is a key distinction between performers, who perform actions, and communicators – those on whose commission actions are performed (Ågerfalk, 2001). Actors within the multi-channel structure should therefore be aware that they sometimes are only performing, or mediating, someone else's intentions and that sometimes other persons or IT-systems are performing actions on their behalf.

This distinction is a key to understanding that offers made at a website are *performed* by the IS but *communicated* by the retailer running the particular webshop. This notion is clearly applicable in the case of outdated offers, as described above, in which the host should be understood to be responsible for the system's action potential, but not for the actual actions performed. There should however be a mutual interest in maintaining the overall validity. With this understanding it is also clear that a salesperson's actions must not only match actions performed by other salespersons, but actions performed by the different systems involved in the multi-channel structure as well.

Conclusion

In this paper we have discussed the local electronic marketplace (LEMP) as a practice enabling synergies between multiple channels for business interaction. The focus has been on physically established retailers adopting a hybrid approach for doing business with their customers. The hybrid approach has been argued as a favourable business strategy in that it utilizes the strengths of a physical presence integrated with a digital presence. This is of particular interest to a local setting where the proximity of a physical establishment can be a base for e-business trust (Ågerfalk *et al.*, 2000).

The analysis has been based on the concept of information systems actability and the notion of practice. From this theoretical base, we have described the LEMP setting as an action space realized by an enabling IS. We have discussed IS functionality in terms of action potential (as a repertoire of possible actions) that spans the action space constituting an arena for interaction, commercial as well as non-commercial.

The notion of practice has been used as a point of departure for outlining a phenomenon not easily delimited by organizational borders. Since the LEMP relies fundamentally on the IS upon which it is based, the concept of actability has been used to identify important factors for the success of a LEMP.

A key issue for multi-channel settings appears to lie beyond the digital transaction-cost benefits frequently discussed in the literature (Steinfeld and Whitten, 1999). The issue concerns the view of business actions as embedded in a social context as a basis for trust (Granovetter, 1985). We suggest that our approach makes it possible to identify these insights, and potentially makes it possible to implement them in the enabling information systems.

The results show that there is more to gain in terms of synergy between the digital and physical channels related to the LEMP if these are viewed as tools for performing social action; a view promoted by the suggested theoretical base.

It is not satisfactory to restrict the use of the IS to utilize the digital channel in order to improve it by, for example, collecting customer on-line behaviour. An 'actable' system should rather keep track of the history of actions taken in both digital and physical channels. This would give a better basis for optimizing the desired synergies. The impact of IS use becomes untraceable if one neglects actions based on information from the system, even those actions performed

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through the physical channel. Acknowledging this aspect of an IS's potential contributes to the understanding of the LEMP's business context as a whole. We would like to argue that commercially directed communication in a LEMP setting puts claims of validity to its extremes. As much as a multi-channel structure offers the potential for leveraging advantages, it might also increase damage. A bad appearance through one of the channels, of course, mars an overall image.

The benefit of using social action theories (in the form of actability and the notion of practice) as a base for understanding this multi-channel interplay is that it helps to identify the LEMP as a social practice spanning company borders, and provides guidance as to how to design information systems that truly support such a practice.

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Notes

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