Editor's Introduction

Information Technology for Customer Intimacy: A Niche for Research in the Internet Age

In an early article, Treacy and Wiersema argue that information technology (IT) can achieve three kinds of value disciplines: product leadership, operational excellence, and customer intimacy. In the past, we have seen a large amount of research that investigates the first two value disciplines in information systems research. New products armed with advanced IT have redefined many traditional markets. Many papers in information systems have focused on whether the use of IT improves firm's operational efficiency and competitive effectiveness. A well-known perspective is to treat IT as valuable resources, which leads to enhanced organizational capabilities and eventually results in better firm performance. The role of customer intimacy has been under-investigated, though many companies use IT for customer services.

A recent trend of the rapid increase of the Internet-based activities along with the popularity of online social communities may provide an opportunity to examine this new value dimension in depth. Customer relationship may be more important than operational efficiency in certain sectors. That means, enhancing customer intimacy may be more important than productivity improvement.

Customer intimacy is an indicator that shows the relationship closeness between the vendor and the customer. It is an overall assessment of the vendor-customer relationship. In many cultures, if not all, relationship plays an important role in decision making. Empirical research (e.g., Li and Chau, 2009 and Liang, et al. 2009) has also shown the value of relational constructs in attracting consumers.

Customer intimacy can be viewed from two different angles. The original concept is from the supplier's perspective. That is, firms can use information technology to analyze their customers and provide customized products and/or personalized services accordingly. Customer intimacy is considered to be a performance measure of the firm and may be measured by aggregated customer satisfaction level or similar constructs. This supplier's view is insufficient from the theory construction perspective, because we do not know whether the customer really has experienced intimacy after receiving the treatment.

Another view of using customer intimacy in information systems research is to define it as a psychological feeling of the customer. This consumer's perspective of customer intimacy needs

to assess *the level of closeness that the customer feels*. It is this feeling that will lead to favorable attitude and intention to react. A service offered by the suppler for building a better customer relationship won't be effective without creating the customer's feeling of closeness.

Measuring customer relationship is a challenging issue. A simple way is to use *trust* as a surrogate variable. Many studies have shown that trust plays an important role in electronic commerce. In marketing literature, however, trust along is not an adequate measurement of relationship quality. A typical approach is to measure relationship quality by *customer satisfaction*, *trust* and *commitment*. It is proven that higher relationship quality will lead to higher customer loyalty. In this issue, Li and Chau (2009) is an example to show that the relationship quality model can interpret the intention to use online services.

Another line of thought is to assess customer intimacy as a more comprehensive measurement of perceived relationship closeness by the customer. A recent article in marketing also shows that customer intimacy has a strong effect on customer loyalty (Yim, et al, 2008). Intimacy is a generic term that often leads people to think of closer human relationship. In today's world, however, intimacy exists not only between humans but also between human and IT artifacts. A clear indication is that some people may feel more comfortable interacting with their computers than getting along with their friends. In fact, there are many different dimensions associated with the concept of intimacy in social psychology, such as social intimacy, affective intimacy, sexual intimacy, intellectual intimacy and so on. Safety, trust, and process transparency are considered to be major elements in intimate relationships. In marketing, an earlier work adapted the concept to identify five major components of intimacy in advertising: *communication*, *caring*, *comfort*, *trust (conflict resolution)* and *commitment* (Stern, 1997).

The major difference between relationship quality and customer intimacy is that the former includes a post-event measurement (satisfaction), while the later includes process related measurements (communication, caring and comfort). In other words, relationship quality seems to be more suitable for measuring the vendor-customer relationship after the outcome of an event (e.g., purchasing a product) is known because satisfaction with the outcome (i.e.., the purchased product) is an important element, whereas customer intimacy is more appropriate for measuring the process of interaction (e.g., interacting with the vendor). Therefore, intimacy is also defined as *the quality of interaction* in some literature. In any case, either measurement should be better than using *trust* alone.

In the past, a lot of articles have been published in the input side of IT, such as the adoption of technology, particularly at the individual level. Nowadays, we see less and less technology adoption barriers if the technology can solve organizational problems. Therefore, it is time for

the research focus of IS to shift to the *process* and *output* sides or using IT in organizations.   We need much more research to explore how IT can really help firms at the organizational level, what aspects of organizational operations may benefit from the adoption of IT, how and why IT can create values for organizations by strengthening the supply chain or maintaining customers more effectively.

In addition to Li and Chau, we have two additional articles in this issue. The article by Mathrani, Viehland, and Rashid examines the utilization of enterprise systems technology by New Zealand (NZ) organizations and their ability to derive benefits by exploring (a) how ES data are transformed into knowledge, (b) how this knowledge is utilized to achieve benefits within NZ organizations, and (c) critical success factors for this process.   The article by Schroeder, Fan and Lee presents a case study of implementing a business intelligence project in the Hong Kong International Airport. The case highlights the diverse knowledge-based challenges encountered during the implementation of the BI system and its implications for the further development of the project.   It provides useful research insights and can be used as a teaching case too.

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