## **Editorial**

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### **Executive summary**

Although some countries in Asia Pacific have made a great stride in the development and applications of Information Systems (IS) in the past three decades, the region as a whole still lags behind the developed nations such as the USA and Europe in terms of businesses using IS as a strategic force. This provides a rich background for IS research on this emerging frontier. In this paper, we provide an overview of the IS research in Asia Pacific, and six papers in this special issue are dedicated to the research for the IT/IS issues in the Asia Pacific region, sponsored by the AIS SIG-ISAP.

#### 2 Introduction

In spite of the decades' phenomenal economic growth and development in the Asia and Pacific region, strategic applications of Information Technology (IT) by organisations are still relatively in the infancy stage (Quan et al., 2005). At the macro level, this region is still dominated by developing and emerging economies such as those of China and India. In addition, the economic development is best characterised as uneven. That is, one part, normally small, of the country is much more developed than the vast rest of the country. This is also true for the overall IT infrastructure. Income distribution is also concentrated in the hands of the minority of the people. At the micro-level, individual firms have, yet, come to fully appreciate the strategic value of IT.

No doubt, this region is vastly different. The social-political constraints, such as the consensus-based and relationship-centric management style, and the significant political and regulatory interference with business and management practices, often render the IT management theories and practices based on the western social and political value systems less potent and sometimes inapplicable (Hu and Li, 2006; Liang et al., 2004). How to effectively deploy and manage IT applications in enterprises and organisations in the region poses tremendous challenges to practitioners and academics alike. The challenges also provide ample opportunities for researchers interested in advancing the existing theories and knowledge accumulated during the last three decades of IS research and practices in the developed countries.

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### 3 IS research in the Asia Pacific region

IS research has experienced tremendous growth in the region. Chau et al. (2005) identify five key drivers for such rapid rise. First, the initiation of the Pacific Asia Conference on Information Systems (PACIS) in 1993 and the founding of the Association of Information Systems (AIS) in 1994 have provided a platform for IS researchers worldwide interested in the region to information exchange and collaboration. Second, the growth of PACIS as a prominent academic conference has made it possible for researchers to both understand the current trend in the IS field in a broader context and identify unique issues and challenges in the region. Between 1993 and 2004, a total of 878 papers has been published in the PACIS proceedings and the authors are among 34 different countries. The top contributing countries are Australia, the USA, Taiwan, Singapore, Hong Kong, Korea, China, Japan and New Zealand. The third driver is the rapidly increasing interactions and collaboration of the regional researcher with IS scholars in North America and Europe, most of whom originally came from Asia Pacific region. Fourth, the gradual shift of looking at IS applications as tools for business process efficiency improvement to strategic assets by organisations in the region fuel the need for IS research. Fifth, the uniqueness of IS adoption models in the region based on the local characteristics provides richness for researchers in terms of new theory development and innovative topics. For example, mobile commerce is much more popular in Asia than in the USA. The often-cited successful example include i-Mode in Japan, Octopus card in Hong Kong, and 3G cellular adoption and penetration in Korea.

Despite the recent growth in IS research in the region, IS as a discipline is relatively young when compared with its North America counterpart. Not until 1998 was IS approved formally by the Chinese government as an independent discipline. There is still not a single academic journal dedicated to the IS field (Ji et al., 2007; Zhang et al., 2006). The combination of great potential for IS research and lacking of formal opportunities in the Asia Pacific region is the motivation of this special issue.

### 4 Papers in the special issue

The papers in the special issue show that research on IS in the Asia Pacific is vibrant and multi-faceted. The topics range from the deployment of CRM in Taiwan to seller's online reputation on eBay, from cultural differences on knowledge communication in virtual communities to a case study on the mobile business value chain in China, and from Korea's mobile communication market experience to an IS project failure in a small Chinese firm.

The paper by Yaobin Lu, Yuanyuan Dong and Bin Wang, a case study on the mobile business value chain in China, may shed lights on why IT adoption model in China is different from that in developed nations. China, a fast-growing developing country, has the largest number of mobile phone users around the world, and its mobile business (m-business) is booming with the rapid development of mobile technologies. By proposing an m-business value chain in China, the authors analyse the participants of the value chain and their roles and examine the information and payment flows in the value chain. China Mobile, the largest mobile network operator in China, is used as a case study to illustrate how the proposed model is used to analyse its operations and service offerings in the value chain. Their results indicate that China Mobile's operations

and service types can be explained by the proposed value chain model. And more importantly, China's m-business value chain is different from that in developed countries. This study adds value to the existing knowledge body on comparative IS research between China and other parts of the world. It also has important implications for the development of future m-business in China.

Ja-Shen Chen and Russell K.H. Ching, 'The effects of Information and Communication Technology on Customer Relationship Management and customer lock-in' seek to identify derived benefits from CRM use. They examine the effects of three elements of CRM, market orientation, mass customisation and IT investment, on CRM performance and their impacts on customer lock-in. They propose a model for reaping benefits from CRM use. In addition, they study the mediating effects of CRM performance and partnership quality. They conducted a survey of Taiwan's 1,000 largest companies and their results show that the three CRM elements (market orientation, IT investment and mass customisation) benefit from ICT and have positive relationships with CRM performance and partnership quality. While a positive relationship exists between CRM performance and customer lock-in, none between partnership quality and customer lock-in. The findings indicate that CRM performance mediates the effects of marketing orientation, IT investment and mass customisation on customer network effect. This suggests that when these elements are focused on profitability and cost measures, a business can repeat its benefits. Surprisingly, partnership quality does not appear to influence customer lock-in.

Zhangxi Lin, Dahui Li and Wayne Huang in their paper, 'Traders beware: an examination of the distribution of eBay seller's online reputation', examine how traders' reputations are distributed and how the distribution of reputation scores helps a trader to evaluate trading risk. This has not been done before in the previous online reputation studies. This research is based on online reputation scores and negative comments collected from eBay.com. It is composed of two interrelated studies. The first study is devoted to find the best-of-fit distribution functions for sellers' reputation scores and the six-month negative feedback rates. Lognormal distribution is found a better fit than power law distribution for both sellers' reputation scores and the six-month negative feedback rates. In addition, the 80/20 law is applicable to online transaction volumes as well as negative feedback scores. The second study examines the sources for buyers' complaints. It reveals that most complaints from buyers are not due to online fraud and it is possible that buyers bear more responsibility for online disputes than sellers. Their results suggest that not only both large and small sellers have the same average proportionate growth rates, but both trustworthy and un-trustworthy sellers have the same average proportionate growth rates. The growth rates of both reputation and trading risk are time invariant. Also, optimum size does not exist for reputation score or trading risk. They suggest that improving communication between sellers and buyers and providing dispute resolution services are the keys to minimise online disputes.

Keng Siau, Fiona Fui-Hoon Nah and Min Ling study the effects of cultural differences on communication of knowledge in virtual communities. Realising a paucity of current research steam that investigates the effect of cultural differences on knowledge sharing (knowledge acquisition and knowledge dissemination) in virtual communities, the authors ask the following questions. Are there differences between different cultures in virtual communities? What is the effect of national culture on knowledge sharing in the virtual environment? Anchored on Hofstede's dimensions of national culture, this paper explores the influence of American and Chinese cultures on knowledge sharing activities

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in virtual communities. Using the messages posted in the 18 virtual communities on both the US and Chinese Yahoo Websites as the sample, the authors conduct a comparative study. Their findings support the hypotheses that cultural differences influence knowledge sharing activity in virtual community environment. The implication of this work in an emerging field is our understanding of knowledge sharing activity in virtual communities.

There are two research notes in the special issue. The first one is by Sang M. Lee, Jeongil Choi and Sang H. Ahn on the development of the mobile communications service market in Korea. Korea has been one of the leading countries in the world for mobile communications. A review of the experience and lessons learnt may help other countries design their national strategies for the development of the mobile communications. The second note examines why an IS project failed in a small private Chinese company by Wendy Wang, JianPing Peng and Jing Quan. Using the technological frame perspective, the authors identify the key factors for a CRM project failure in a small private Chinese trading company in Guangdong province. Given that Information Technology (IT) adoption by businesses is relatively new in China, much is to learn about how to align IT investments with business strategic goals, business processes, and organisational characteristics to achieve the desired objectives. It is expected that some IT projects would fail. What is important is to learn from the failures and draw implications for the future.

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