

# MISQ Archivist

## Interfirm IT Capability Profiles and Communications for Cocreating Relational Value: Evidence from the Logistics Industry

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### Abstract

This study seeks to identify the means by which information technology helps cocreate relational value in the context of interfirm relationships in the logistics industry—a large and information-intensive industry. We identify a set of IT functionalities—single-location shipping, multilocation shipping, supply chain visibility, and financial settlement—that can be used to manage the flows of physical goods, information, and finances across locations in interfirm logistics processes. Progressively more advanced sets of IT functionalities, when implemented and used in the interfirm relationship to execute logistics processes, are proposed to form four distinct IT capability profiles of increased sophistication. Interfirm IT capability profiles of higher sophistication are proposed to help cocreate greater relational value by facilitating the flows of physical goods, information, and finances across locations in the interfirm logistics process. Besides their direct role in helping cocreate relational value, these interfirm IT capability profiles are proposed to further enhance relational value cocreation when complemented by interfirm communications for business development and IT development.

Our empirical study was situated in one of the world's largest logistics suppliers and over 2,000 of its interfirm relationships with buyers across industries. Integrated data from four archival sources on the IT functionalities implemented and used in interfirm logistics relationships, interfirm communications, relational value (share of wallet and loyalty), and multiple control variables were collected. The results show that the proposed interfirm IT capability profiles and interfirm communications have both a direct and an interaction effect on relational value. Implications for cocreating relational value in interfirm relationships with the aid of IT are discussed.

**Keywords:** Relational value, relational view, share of wallet, interfirm relationships, IT capability profiles, IT functionalities, contract streams, interfirm communications, complementarities, logistics