Preparring for the future – how managers perceive, interpret and assess the impact of digital technologies for business

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Abstract
This paper investigates how senior managers interpret and react to the strategic threats and opportunities presented by digital technologies. Strategy studies focus on one type of actor or organizational context. Instead, we considered various firms, roles and expertise. We conducted 20 hours of in-depth, elite interviews with 15 senior managers from client firms, digital marketing agencies and strategy consultants and identified several opportunities related to the data and how they are manipulated, the business uses of digital technologies and broad behavioral changes. However, data quality and quantity limit the value of data granularity and currency. Additionally, we found that the three types of interviewees produce strategy assessments that differ in terms of content, salience and valence. This finding advances the conceptual understanding of the impact of different roles and cognitive frameworks on strategy development and, thus, the need to incorporate the views of third parties in environmental scanning exercises.

1. Introduction
Digital technologies have fuelled the network society, and influenced the dynamics of competition and the behavior of markets [1]. For instance, they have radically transformed how Internet users access information, communicate with each other and experience products and services [2]. In the face of such radical changes in market conditions, it is critical for businesses to rethink how to compete in the market place [3]. This research investigates managers’ perceptions of the business opportunities created by digital technologies, and the barriers that prevent them from taking full advantage of those opportunities.

The next section presents the conceptual framework informing this study. It is a holistic framework for environment scanning that captures managers’ interpretive processes [4], incorporates alternative cognitive dimensions [5] and takes into consideration the context within which the managers operate [6]. Subsequently, the framework is applied in an empirically study designed in order to allow for multiple perspectives to emerge, be compared and contrasted. The analysis of over 20 hours of in-depth, elite interviews reveals how digital technologies impact what data is available for managers, how it accessed and manipulated; how organizations can utilize digital technology and broad behavioral changes. The analysis also reveals that the type of role and expertise impacts on the assessment of threats and opportunities, which has significant implications for the theory and practice of strategy formulation in a turbulent setting.

2. Studying the strategic implications of digital technologies

The popularity and ubiquity of digital technologies has created a ‘step change’ [1, p. 132] in the business eco-system. New conceptual and methodological approaches are needed for strategy formulation in such a dynamic context [7]. The remainder of this section presents such a novel approach.

2.1. Scanning the business environment
The quality of strategic action is directly related to the organization’s ability to actively scan the environment [8]. Scanning behavior tends to vary with the type of environment faced. For instance, high-risk decisions tend to be associated with the use of formal and external sources of information [9]m while scanning frequency increases with the level of perceived uncertainty in the environment [10]. In