

Digital Business Capability and its Effects on Firm Performance

Dominik Wielgos
University of Mannheim
Christina Kuehl
Reutlingen University

Cite as:

Wielgos Dominik, Kuehl Christina (2019), Digital Business Capability and its Effects on Firm Performance. *Proceedings of the European Marketing Academy*, 48th, (9536)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



Digital Business Capability and its Effects on Firm Performance

Abstract

Digital business transformation forces firms to develop distinctive digital capabilities to gain and sustain competitive advantage. However, despite considerable academic and managerial interest, little research has investigated the nature of a firm-level capability that reflects a superior digital business. Drawing on in-depth interviews and an interdisciplinary literature review, the authors introduce the digital business capability (DBC) concept. Based on survey and archival data, they examine the effects of DBC on firm performance. Remarkably, results reveal that DBC affects return on sales and return on assets directly and indirectly via innovation advantage. Furthermore, the authors investigate external dynamism and internal dynamism as important environmental boundary conditions of the relationship DBC-firm performance.

Keywords: *digital business transformation; dynamic capabilities; strategic marketing*

Track: Marketing Strategy & Theory