

# How and Why Businesses Invest in Smartness: A Battle or Not?

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### **Abstract**

Businesses invest increasing budgets in the smartness of smart services (i.e., services enabled via smart products). In light of these smartness investments, this study researches (1) the ways in which awareness, connectivity, actuation and dynamism – representing the four characteristics of smartness – can be increased (how), and (2) the motives for these decisions along with the anticipated value propositions for customers (why). A multiple case study revealed that businesses increase awareness, connectivity, actuation and dynamism in inherent (for all customers), optional (upon customers' request) or limited (suboptimal for customers) ways. These increases are driven by respectively competitive, emancipatory or paternalistic motives that aspire various value propositions. Only by managing smartness via inherent increases businesses pave the way for a smartness battle, while optional and limited increases allow them to realize transformative ambitions that foster customer well-being.

**Keywords:** *Smartness; Service; Cases*

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