



Contents lists available at ScienceDirect

Industrial Marketing Management



Concerned innovation: The ebb and flow between market and society

Simona D'Antone^{*}, Louise Canning, Elizabeth Franklin-Johnson, Robert Spencer

Kedge Business School, Marseille, Domaine de Luminy, BP 921, 13 288 Marseille, cedex 9, France

ARTICLE INFO

Article history:

Received 17 June 2016

Received in revised form 16 January 2017

Accepted 22 February 2017

Available online xxx

Keywords:

Market innovation

Concerned markets

Marketization

Concerned innovation

Market studies

Cell phones

ABSTRACT

This paper examines concerned market innovations i.e. new market configurations which integrate non-economic values and collective concerns. We focus on a specific example of concerned market innovation: the evolution over a ten-year period of a cell phone take-back scheme in a single European country. Adopting a practical constructivist perspective, we note that in the case of concerned market innovation, market configurations are shaped by non-economic values and collective concerns and that, in turn, non-economic values and collective concerns are shaped by market configurations. The analysis of market practices integrating, and at the same time, performing values and concerns, leads us to the conceptualization of a theoretical model which shows that one of the difficulties of realizing concerned market innovations resides in the distinction between market and society.

© 2017 Elsevier Inc. All rights reserved.

This paper focuses on innovation in which bringing about change is dependent on multiple stakeholders (Chesbrough, 2003), as well as technological and non-technological elements (Xu et al., 2007). While these different contributing factors are recognized in various streams of innovation-related research (including management (Xu et al., 2007)), our interest lies in the network and market studies perspectives associated with industrial marketing research. Looking at the *networked* nature of innovation, researchers note that interactions in business networks enable resource exchange, which sustains both the development and the commercialization of innovation (Chou & Zolkiewski, 2010; Freytag & Young, 2014; Håkansson & Lundgren, 1995; Håkansson & Waluszewski, 2002; La Rocca & Snehot, 2014). Complimentary to this notion of networked innovation, is what might be termed *market* innovation. Using a Market Studies approach, researchers show how the emergence and construction of innovation in markets is a result of interactions not only between organizations, but also between human and non-human elements. Non-human elements include rules, devices, images and practices (Hoholm & Olsen, 2012; Kjellberg, Azimont, & Reid, 2015).

Despite the contributions made by networked and market innovation to understanding innovation beyond the organizational boundaries of individual actors, we note two shortcomings. Firstly, both are based on innovation as driven by economic, as well as self-interest. Secondly, both examine innovation within market perimeters and do not offer

understanding of the relation between market dynamics and broader society.

Such shortcomings are recognized in studies which show that contemporary markets are intensely 'moralized and moralizing entities' (Fourcade & Healy, 2007). This means that values (other than financial) and collective concerns (rather than self-interest) are increasingly taken into account, resulting in the blurring of any neat distinction between what pertains to markets and what pertains to society (Callon, 1998). As Latour (2004) notes, in such contemporary markets, business facts apparently based on impartial evidence or reason are very often hard to separate from underlying partisan motives traditionally ascribed to broader society. Indeed, such motives are the substance of markets, and equally markets contribute to the emergence and acceptance of these motives. Drawing on Latour (2004), Geiger, Harrison, Kjellberg, and Mallard (2014a) propose the notion of *concerned markets*, suggesting that markets do not develop "opposed to" or "embedded in" society, but are themselves a manifestation of society, animated by different values (other than financial) and multiple interests.

We use this notion of concerned markets to overcome the shortcomings of networked and market innovation to realize the overall aim of our study, i.e. to develop understanding of how innovation emerges in contemporary markets. We consider how innovation is shaped by business interactions and societal concerns, as well as the way in which these same concerns are in turn transformed by their integration in the market. Framed by the conceptualizations of concerned markets (Geiger et al., 2014a) and market innovation (Kjellberg et al., 2015), we adopt a practical constructivist perspective (Kjellberg & Helgesson, 2006) whereby phenomena are in a state of continuous evolution and constructed as a result of converging practices.

^{*} Corresponding author.

E-mail addresses: simona.dantone@kedgebs.com (S. D'Antone),

louise.canning@kedgebs.com (L. Canning), elizabeth.franklin-johnson@kedgebs.com (E. Franklin-Johnson), robert.spencer@kedgebs.com (R. Spencer).

The study of such evolution and convergence centers on the examination of innovation in the cell phone market over a ten-year period in one European country. This evolution and convergence results from business interactions as well as the integration of societal concerns into the market. Our analysis of such processes does not separate the industrial from the consumer market space given that multiple actors (e.g. consumer, commercial, public), objects and practices are connected. Efforts to be sustainable are manifest and these determine the reconfiguration of the market to create an innovative circular consumption chain for handsets as a way to integrate societal concerns. Using a longitudinal case analysis of a mundane product-market innovation (cell phones), we provide a better understanding of the dynamics through which sustainable and “concerned” innovations emerge to both qualify new sources of *value* and *values* and, to (re-) organize the market and its interests, thus creating a new market order.

Our findings support previous studies of market innovation, namely that innovation is a phenomenon which spans multiple human and non-human entities. Our empirical work however, extends existing understanding of market innovation emergence and evolution, determining that it also involves values and interests traditionally ascribed to society. We propose a conceptual model depicting processes through which values and collective concerns both contribute to market shaping, and are equally shaped by markets. In doing this, we address an issue raised by Cochoy (2012), that is, we examine not only ‘how society produces market’ but also ‘how market produces society’ (p. 11). This is pertinent for industrial marketing research which has so far mainly focused on how society impacts business without considering the reverse – namely how business affects society. This latter point is an issue of increasing interest in view of efforts to make business more responsible.

The paper is organized in several sections. Firstly, the theoretical framing for our work is discussed. Secondly, the case of a cell phone return system is presented, one which is designed at the initiative of a European telecoms operator as a way to integrate sustainability concerns into a market innovation. Finally, discussion of the findings is presented along with implications and suggestions for further research.

1. Literature review

The recognition that innovation relies on processes which are internal and external to any single firm and on open systems that connect multiple organizations (Chesbrough, 2003, 2012), has led to alternative notions of innovation (e.g. Freytag & Young, 2014; Xu et al., 2007; Akrich, Callon, & Latour, 2002a, 2002b). These alternatives suggest that in essence, innovation consists of the capacity to create adhesion among different components (technological and non-technological), and among numerous allies (users, intermediaries, etc.) through ongoing processes in which the interest of other actors is sought and which necessitates adaptation among active participants. For example, in adopting an ecosystemic perspective, the Total Innovational Management framework (Xu et al., 2007) focuses on innovation strategies and how these might integrate different technological (i.e. product, process, and portfolio), and non-technological (i.e. market, organization, and institution) elements across time and space. However, in doing so, this framework does not allow for the impact of innovation on the environment in which it is played out. Other theoretical developments pertaining to the marketing research field also emphasize innovation as an on-going, iterative process, but one which shapes both the technology at the center of innovation efforts as well as the environment which evaluates that technology. It is this connection in particular which interests us. This cohesion and shaping of technology and environment that surround innovation and actors are acknowledged in two streams of industrial marketing research, networked innovation and market innovation. We now go on to examine each of these in more detail.

1.1. Networked innovation

Interaction and business network research typically associated with the IMP (Industrial Marketing and Purchasing) approach suggests that an understanding of innovation is only possible by investigating the wide net of actors, activities, resources and ideas (Freytag & Young, 2014) that represent the *networked* space in which innovation is shaped and nurtured. The re-combining of these diverse elements is at the core of the networked notion of innovation, allowing the identification of new opportunities which in turn triggers further change as part of an iterative process. Underlying studies of networked innovation is the observation that firms can access complementary resources and share the risks (and costs) of innovation through network collaboration (Powell, Koput, & Smith-Doerr, 1996).

IMP researchers have identified numerous elements which help to understand the networked nature of innovation. These include the manner in which individual companies progressively shift their innovation logic, exploiting both their internal and external networks (Byggballe & Ingemansson, 2014), crossing national borders (Clausen, 2014), developing the capacity to leverage resources in a network (Ostendorf, Mouzas, & Chakrabarti, 2014), or adopting forms of co-innovation (Dawson, Young, Tu, & Chongyi, 2014) in co-operation with partners who have motives different from their own (Corsaro & Snehota, 2011; Öberg & Shih, 2014).

Other studies have examined the impact of resources, such as knowledge and financial, as well as inter-organizational and interpersonal relationships, on the networked innovation process (Eklinder-Frick, Eriksson, & Hallén, 2014; Filieri, McNally, O'Dwyer, & O'Malley, 2014; La Rocca & Snehota, 2014; Purchase, Olaru, & Denize, 2014). Related to this process is the observation that business networks and the relational forces driving them are crucial to innovation development and commercialization (Aarikka-Stenroos, Sandberg, & Lehtimäki, 2014; Baraldi, Ingemansson, & Launberg, 2014; Håkansson & Waluszewski, 2001).

1.2. Market innovation

Studies of networked innovation associated with IMP research provide understanding of how interactive business networks shape and might equally adapt to innovation. This understanding can, however, be extended by drawing from work in the field of sociology of technology, and more specifically actor-network theory (ANT). Here innovation dynamics are explained by both human and non-human actors (Araujo, 1998; Mattsson, 2003) and innovation takes place beyond the limits of business networks, being viewed as a broader socio-technical transformation (Akrich et al., 2002b). This broader perspective is reflected in the work of the Market Studies group who build on the idea of *market innovation* initially proposed by Schumpeter (1991). Informing the developments posited by this group is the more inclusive notion of ‘market’ which consists of three practices. These practices are i. *exchange*, comprising activities which contribute to the execution of economic exchange; ii. *representation*, involving activities which portray markets and the way in which they work; iii. *normalizing*, made up of those activities which determine normative objectives for actors. These three practices (used to explain what constitutes market) are linked, the connection between them being made through *translation* (Kjellberg & Helgesson, 2006). For example, the emergence of the self-driving car market (Araujo, Mason, & Spring, 2012) requires that: the driverless vehicle be explained to the public and presented as the future standard automobile (*representation*); new regulations be established to address issues such as liability in the case of accidents (*normalizing*); and new business partnerships be allowed to emerge to equip roads with the necessary smart devices and to create new maintenance or cyber-security services (*exchange*). In being made up of these different practices, it is apparent that the market continuously evolves in ongoing fluxes (Kjellberg & Helgesson, 2006, 2007). This evolution involves a larger

Download English Version:

<https://daneshyari.com/en/article/5111068>

Download Persian Version:

<https://daneshyari.com/article/5111068>

[Daneshyari.com](https://daneshyari.com)