

Strategic Market Creation: A New Perspective on Marketing and Innovation Management

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As for other strategies and during other time periods, success depends on values, processes, knowledge, relationships, etc., expressing the qualities of the particular context and period of time. The purpose of this book is to address the latter and the notion that the present era calls, in many respects, for new ideas, perspectives, insights, and practices to address and to deal with radical innovation of a firm's market offerings. Behind this proposition, as will be made clear in the book, stand many insightful contributions by researchers from different academic fields and parts of the world. In this book, some of these contributions are referred to, discussed, and/or presented with the aim of encouraging the reader to take part in creating new knowledge about marketing and innovation management.

The idea to produce this book was born two years ago in response to a successful launch of a new Master Programme in Marketing at Copenhagen Business School (CBS), "Strategic Market Creation" (SMC), and to the creation of a double-degree agreement between the Copenhagen SMC programme and the Master of Science in Marketing Management of Bocconi University in Milan. The agreement and the book were made possible by common thoughts and ideas about the directions in which marketing as a field of knowledge is developing in research and in the business world, and consequently has to develop in marketing education. The book is structured around the above-mentioned two ideas or propositions. This means that the book begins with contributions dealing with "Knowledge, Processes, and Capabilities for Market Creation", followed by contributions concerned with "Co-creation of Meaningful Experiences with Customers".

A key issue when dealing with innovation of a firm's market offerings is how to detect new viable business ideas. Owing to the features of this process, it has come to be called the fuzzy front end, or phase, in an innovation process. Thus, this is the phase within which evolving and new technologies and/or latent customers' needs and values are identified and evaluated as to their originality and ability to be converted into a physical product or service with a possibility of becoming a business opportunity. In the literature, a prevalent view, grounded on numerous example cases from the business world, is that radical innovation emanates from knowledge about product and process technology, and implicitly from a capability to detect, develop and deploy such knowledge. In contrast to this view, the stance taken in the marketing literature, and based on numerous studies, is that successful product and service innovation (incremental as well as radical) is the result of insights and ideas about and from customers. Notwithstanding this experience and stance within the two fields, the question of what other perspectives and knowledge areas may be of value in creating original and productive ideas has begun to be asked. In the first part of the book there are three chapters (Chapters 1, 3, and 7) that explicitly deal with arguments and approaches concerning the integration of different perspectives in the fuzzy front end. In Chapter 1 it is product and market knowledge that stands in focus, whereas in Chapter 3 it is creativity studies and consumer insights emanating from a marketing perspective. And in Chapter 7, arguments for linking technology management with a supply chain perspective are made.

The issue of how to detect, or more correctly "where" to create, new business opportunities is also discussed in Chapters 5, 8, 9, and 11. In Chapters 8 and 11 it is suggested that a company look for growth and prosperity within its already existing markets, i.e. within its group of customers and the social and economic arrangement. Chapter 9, on the other hand, encourages companies to approach and create new markets by keeping an eye on the unexpected phenomena that take place within existing markets.

Furthermore, in Chapter 5, the role of trade shows as collective initiatives to realize ideas for renewing industries is discussed. From the viewpoint that new product and service innovation follows a linear sequence of disparate processes and fields of knowledge, starting with idea detection and ending with branding and market entry considerations, among other things, it appears – according to Chapters 2 and 10 – that the possibilities of a successful market launch could be a matter for debate. In Chapter 10, questions relating to the market entry of a new product or service idea are addressed. And, with the contributions in Part II and the presentation in Chapter 2 of ideas and practices about brand management, it becomes clear that the contemporary or recent approaches to branding are not limited to the market launch phase.

A need to discuss how to perceive and manage innovation as a process (incremental as well as radical product and service innovation) is highlighted throughout the book. In Chapters 4 and 6, however, two common issues are focused upon, namely the characteristics of the innovation process and the organization of product, service, and brand innovation processes. Chapter 4 presents a critical reflection on the two existing and dominating views of innovation management. And in Chapter 6, the need to take a critical reflective view of marketing's role (as a particular field of knowledge, set of activities, or function) in the innovation economy is discussed.

Co-creation with customers has been extensively debated in work on product innovation, and the boundaries of innovation have been extended beyond the company to include customers with their resources and skills as an active part of the creative process aimed at creating meaningful individual and collective experiences. The question of co-creation is a common aspect of the contributions in the second part of the book, which considers numerous points of view and addresses different topics. Considering the various roles that companies and customers can play in the creation of consumption experiences, some contributions look in detail at the role of consumer agency in innovation processes (Chapter 12), which at times can produce social transformations (Chapter 17). Other chapters focus to a greater extent on the role and means by which companies seek to manage user involvement in innovation (Chapter 13), and in Chapter 16 the analysis is extended to the role of communities. Furthermore, communities are addressed as creative subjects that act independently or even in opposition to companies (Chapter 14), or even as subjects that companies can create directly (Chapter 15).

The contributions on the topic of co-creation are rich and varied. Without any claim to completeness, we indicate here some of the most important issues. The first question is certainly that of the fundamental role played by the Internet in creating the conditions for a significant involvement of customers in co-creation processes. The issue, which is well argued in Chapters 14 and 16, highlights the power of the Internet, which on the one hand enhances the opportunities for companies to involve customers and on the other hand creates the environment to aggregate consumers in active communities. A second aspect is the change in customer participation, which now extends beyond the role of “prosumer” that was found to be typical of service contexts some time ago. The consumer agency plays an important role in innovation and market creation. It goes well beyond reference to aspects of interaction tied to the production process and the use of products and services to involve the emotions and significances at both an individual (Chapter 12) and social level (Chapters 17 and 14).

A third element concerns the various environments in which co-creation can occur. The most typical context is the new product development process (Chapters 13 and 16), but innovation might also affect other areas more under the control of consumers, such as in the processes of co-creation of their own solutions and experiences (Chapter 12). Finally, there is the role of companies. Some contributions explicitly assume the company point of view, e.g. Chapters 13 and 15. In general, however, all the studies consider the managerial implications that co-creation processes may have for companies with a view to helping understand the changes under way in consumption processes, and assessing these changes in terms of new opportunities for companies to look at innovation from a market creation perspective.