


Chapter 10

Open Innovation as a Business Entrepreneurship Strategy: The Consumer as Value Creator in Digital Ecosystems

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ABSTRACT

The relationship established through online channels between customers and organizations defines a new and challenging scenario. Within a digital environment and through innovation strategies based on joint participation, it is possible to interact with the customer in a more personalized way with more differentiating actions. To identify the relevance of current online business management actions, this chapter proposes an approximation to the term open innovation. Authors posit the growing relevance for organizations of the application of innovation strategies through external inputs, the interaction between various agents and crowdsourcing actions. They discuss the new role of the consumers as co-creating agents of value in the new ecosystems of entrepreneurship.

INTRODUCTION

The strategic evolution in business has been transformed over time towards joint contribution approaches based on innovation and knowledge exchange between the different agents involved in markets' relationships. Establishing actions based on innovation for the configuration of products or services redirects

DOI: 10.4018/978-1-7998-1169-5.ch010

interesting alternatives based on the breadth of perspectives and value exchange. Furthermore, through the multiple options offered by an ecosystem as diverse and high-potential as the Internet, the online interaction between brands and consumers is currently based mainly on the individual as a key player (Chae and Ko, 2016).

Organizations have been implementing more competitive business management approaches in the market for new products and services development through techniques aimed at innovation, creativity and joint contribution with other agents.

Innovation has become a critical function in business management and in the development of today's businesses (Ernst, Hoyer, Krafft and Krieger, 2011). Currently, many companies have developed highly creative innovation projects with their external audiences, which also include cultural, social or economic perspectives (Ordanini, Miceli, Pizzetti and Parasuraman, 2011). Through online environments, today's organizations can interact with customers in a more direct and personalized way (Leeftang Verhoef, Dahlström and Freundt, 2014), through actions such as the exchange of ideas or the information sharing between individuals, thereby raising the value of brands (Kim and Ko, 2012). In the current context of the Internet, it is necessary to build relationships between companies and consumers through competitive strategies and actions that provide joint benefits for the parties involved, with the aim of attracting the interest of the recipient to the brands, in a more effective way.

Based on this research line, the objectives of this chapter are to analyze the background literature about the concept of innovation through firm-consumer co-collaboration in digital ecosystems, distinguish different conceptualization between similar concepts which may be confused by practitioners and to propose different strategies for improving the relationship between company and user through shared online collaboration.

Open innovation

Approach to Open Innovation Term

The concept of open innovation emerged in a context where business innovation strategies and the need for streamlining the product and services development process can be a significant competitive advantage (Chesbrough, 2003, p.2). From a general point of view, its conception represents the knowledge contribution to the organization in an externalized way and throughout diverse sources, with the objective of improving the organizational processes through more participative actions.

The concept of open innovation would therefore determine strategies based on business innovation through which it becomes possible to carry out cooperation actions with different external audiences (Chesbrough, 2006). Open innovation entails the interlinking between different parts for an exchange of knowledge, based on subsequent strategies or applications, focused on Research, Development and Innovation, in order to generate more and improved resources through shared knowledge (Gassmann, 2006).

According to Chesbrough (2003), open innovation is approached as the design and use of knowledge flows internally and externally in an organization, with the aim of accelerating the corporation's innovation and being able to develop more competitive innovation strategies and actions in the market. Various authors (e.g. Bianchi, Cavaliere, Chiaroni, Frattini, and Chiesa 2011; Chiaroni, Chiesa and Frattini, 2011; Dahlander and Gann, 2010; Huizingh, 2011; Vanhaverbeke and Cloudt, 2014), have presented in the literature the concept of open innovation as the result of the connection between knowledge and dif-

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