Chapter 5
Defining E-Novation

David R. Low
University of Western Sydney, Australia

Hugh M. Pattinson
University of Western Sydney, Australia

ABSTRACT

"E-Novation" is defined as a combination of innovation and e-marketing enabled by new collaborative platforms that are being developed and released using Web 2.0 methodologies, allowing for a different level of connectivity around the world. This chapter explores innovation and its contribution to firm performance, links to market orientation – and development of a new collaborative information platform to support innovation. E-marketing is also defined in terms of marketing in computer-mediated environments with emphasis on service-dominant logic (SDL) and collaborative value creation approaches. Aspects of the evolving new collaborative information platform such as the Semantic Web and Web 2.0 applications are discussed from e-marketing and innovation perspectives. Will "e-novation" challenge businesses to rethink how their employees will create or participate in collaborative groups with others where future revenue prospects appear to mainly from service development? This question is also explored through subsequent chapters in the book.

INTRODUCTION

We define E-Novation as an approach which is more powerful than traditional forms of innovation processes, through the incorporation of a diverse range of views and ideas directly into development of service-dominant knowledge-based goods and services. E-Novation is a combination of Innovation and E-Marketing enabled by New Collaborative Platforms that are being developed and released using Web 2.0 methodologies and allow for a different level of connectivity around the world.

This chapter outlines an approach to innovation that incorporates more diverse views and ideas, to foster creativity and to co-produce goods and services. Where expression of a diverse range of ideas and views is achieved within a group

DOI: 10.4018/978-1-4666-1598-4.ch005

Copyright © 2012, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.

setting, the result being that outputs are more creative and ultimately more innovative for the co-users of those outputs (Woodman et al 1993). Supporting this drive to increase creativity and innovation is a reframing of "group production" and underlying information technology into an enabling "platform".

This chapter discusses developments in an emerging information environment into a collaborative information platform and its contribution toward reframing innovation and e-marketing, to produce new products, services, strategies and philosophies.

INNOVATION AND NEW COLLABORATIVE PLATFORMS

Innovation within a firm is seen as having a positive impact on the economy (Teece 2002) as well as being a key element in the entrepreneurial process (Schaper and Volery 2003). Many definitions of innovation can be found in the literature; Zaltman, Duncan and Holbeck (1973), Damanpour and Fariborz (1984), Damanpour (1991) and Boer and During (2001) all provide definitions of innovation. Each of these has a common theme that the item being innovated must be new to the target audience. It has also been suggested that when viewed as a process, innovation may be culture specific (Sawy, Eriksonnen, Raven and Carlsson 2001).

Innovation, or at least the firm's capacity to innovate, is a characteristic that has been shown as having a relationship to firm performance. Studies have found, for instance, that successful product and process innovation has a positive link to firm performance (Caves and Ghemawat 1992). New product development can lead to increased market share (Zahra and Covin 1983) and product innovation has been linked to increasing market share (Banbury and Mitchell 1995). Yamin, Gunasekaran and Mavondo (1999) studied innovation and firm performance on Australian manufacturing companies and found a link between financial performance and innovation performance.

The literature indicates therefore that there is a positive relationship between firm innovativeness and firm performance, with many authors suggesting innovation as a firm strategy to achieve superior performance. However, one can conjecture that there may be both internal (to the firm) and external influences on firm innovation performance and the motivation to innovate.

One such internal influence identified within the literature is the concept of market orientation, which has also been shown to have a positive relationship to firm performance. Market orientation refers to the organization-wide generation, dissemination, and responsiveness to market intelligence (Kohli & Jaworski 1990). Shapiro (1988) suggests that a number of areas of the business other than marketing participate in all three functions; hence, the function is wider than the marketing department. By this they mean that "market orientation entails (1) one or more departments engaging in activities geared toward developing an understanding of customer's current and future needs and the factors affecting them, (2) sharing of this understanding across departments, and (3) the various departments engaging in activities designed to meet select customers' needs."

One study that linked a high level of market orientation with the innovation performance of the firm was Atuahene-Gima (1996: 94) which, in a cross-sectional study of 600 firms in Australia, found that there was a significant negative correlation between market orientation and the product newness to customers, suggesting "market orientation helps to reduce the chances of the firm producing innovations that require major behavioural changes on the part of potential customers for adoption". Han, Kim and Srivastava (1998: 41) found "some support that innovations facilitate the conversion of market-oriented business philosophy into superior corporate performance". Erdil, Erdil and Keskin (2004) investigated this link in a study of 55 European firms and found

7 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/defining-novation/66590

Related Content

Gender and Age Differences in Internet Use among Czech Internet Users: Consequences for Online Advertisement Targeting
Václav Stíteský, Marek Stíteskýand Martin John David Quigley (2015). *International Journal of Online Marketing (pp. 1-17).*
www.irma-international.org/article/gender-and-age-differences-in-internet-use-among-czech-internet-users/135948

A Simplified Method for Understanding Judgment and Decision Making of Muslim Consumers
Burhanudin (2015). *Islamic Perspectives on Marketing and Consumer Behavior: Planning, Implementation, and Control (pp. 1-19).*
www.irma-international.org/chapter/a-simplified-method-for-understanding-judgment-and-decision-making-of-muslim-consumers/126589

A Value Centric Study of Intention to use Internet as a Shopping Channel in an Introductory Online Market
Khurram Sharif (2012). *International Journal of Online Marketing (pp. 1-20).*
www.irma-international.org/article/value-centric-study-intention-use/69975

Websites and Internet Marketing: Developing a Model for Measuring a Website's Contribution to the Brand
Neha Jain, Vandana Ahujaand Yajulu Medury (2013). *International Journal of Online Marketing (pp. 14-30).*
www.irma-international.org/article/websites-internet-marketing/77330

Viral Marketing: The Use of Surprise
Adam Lindgreenand Joëlle Vanhamme (2005). *Advances in Electronic Marketing (pp. 122-138).*
www.irma-international.org/chapter/viral-marketing-use-surprise/4778