

Chapter 11

E–Novation Deployment: Creating New “Spaces” and Distribution Using E–Novation

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ABSTRACT

Space is the final frontier for e-marketing. Advances in storage space, digital data transmission, and infrastructure development have created a near limitless marketspace that exists over the contemporary physical marketplaces, and as an independent market of ideas, data, experience, and content. This chapter overviews a series of key issues in the use of the new “space” for e-novation with attention given to the rise of user generated content through prosumer activity. This chapter is based on exploring how companies and individuals are currently co-creating value in the dynamic marketplace of the new collaborative platforms, and how these new concepts such as the “home shopping channel”, digital rights management, and user generated distribution channels can factor in the future success on and offline for marketing.

INTRODUCTION

E-Novation refers to a process of combining innovation, e-marketing, and the new collaborative platforms into an entrepreneurial mindset that views the blurring boundaries of the marketspace and marketplace as a series of opportunities, rather

than a range of threats. E-novation incorporates an approach to innovation which involves the strategic use collaborative platforms in an e-marketing environment as a driving force for change in markets, business processes and consumer behaviour. Functionality in the e-novation framework places distribution as the cornerstone of this new marketing practice. Historically, distribution has been the unglamorous workhorse in the marketing stable,

DOI: 10.4018/978-1-4666-1598-4.ch011

whether concerned with the movement of physical objects from producers to consumers, interchange of data through distributed networks or the flow of benefit to, from and between customers, marketers and the marketplace. E-novation requires a revision of the role, importance and priority given to the distribution channel as the host, enabler and venue for the contemporary e-marketing practice. This chapter covers the use of the internet as a collaborative platform for customer and organizational developed value, the rise of user generated channels, and the use of software shop fronts to capitalize on e-procurement and physical distribution.

BACKGROUND

Marketing's history with the distribution channel can be succinctly encapsulated in one of the earliest definitions of commercial marketing. In 1937, the fledgling American Marketing Association defined marketing as the direction of the flow of goods and services from producers to consumers (Gundlach, 2007). Seventy years and four definitions later, the American Marketing Association (AMA) definition marketing has evolved into a more complex system of business management which engages multiple stakeholders in the process of creating, communicating, delivering and exchanging offerings of value. The AMA (2007) definition of marketing reads as "the activity, set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (Keefe, 2008). Fundamentally, the nature of marketing depends on distribution as the cornerstone to manage the multi-directional flow of offerings of value among the range of actors in the marketplace.

E-Novation deployment is one facet of the management of the multi-directional flow of value offers through the wired and unwired electronic networks which interconnect consumers, prosum-

ers (producer-consumers) and producers into a global marketplace of value exchange.

Prosumption is a form of consumer behaviour whereby the individual gains benefit from combining consumption and production of products through co-creation of value which is redistributed to other consumers via user generated marketplaces. It occurs through the creation of a derivative offering of value based on the individual's consumption experience as a transformative experience of redistributed co-production. Offerings that can have value are reprocessed through consumption into derivations that have value for the original consumer, and a market of secondary tiers. The key to prosumer behaviour is that benefit is derived from both the consumption and production experience, and that product consumption can be a means to access the personal benefits to be gained from the production process. Deployment is the use of marketplace and marketplace technology to distribute an initial value offer by a marketer, or, as outlined later in the chapter, the use of the self-same technologies by the proconsumer to redistribute their personalized reversioning of the initial value offering. Marketplace is the "virtual realm where products and services exist as digital information and can be delivered through information based channels" (Rayport and Sviokla, 1995 in Blois, 1998). Although the origin of the marketplace concept is grounded in the AMA (1985) definition of marketing, with its reliance on the digital goods and services mix, the digital product concept is best suited to the contemporary framework of "offerings that have value". (Keefe, 2004; 2008). Indeed, the development of service dominant logic (SDL) which views the role of goods as a physical embodiment of a service function (Vargo and Lusch, 2004), and the expansion of the SDL framework to value-in-use (consumption) rather than value-in-exchange (ownership) (Ballantyne and Varey, 2008) emphasizes the non-corporeal, transient nature of the modern marketing offering. Features have given way to benefits as the central

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