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Alexander Brem & Éric Viardot (eds.), *Adoption of Innovation: Balancing Internal and External Stakeholders in the Marketing of Innovation*, Springer, 2015, 230 pp. \$179 Hardcover

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Abstract. The *Adoption of Innovation: Balancing Internal and External Stakeholders in the Marketing of Innovation* book edited by Alexander Brem & Éric Viardot provides a contemporary look at innovation from a marketing point of view. Innovation has been a hot topic both for academicians and managers for the last twenty years may well remain an area of interest for years to come. The title of the book emphasizes basic topics that are covered in the book but it hardly represents whole coverage of the book. Each of the eleven chapters discusses a distinct aspect of innovation in marketing related issues. In this way the book offers its readers interested in a specific area an effective way of welcoming different aspects of it and helps in enabling the development of more comprehensive approaches to innovation. The research areas revealed throughout the book includes innovation and internal & external stakeholders, adoption of innovation, business model innovations, corporate vision and innovation. Comprehensive coverage of the book and up-to-date research carried out in diverse settings such as space ventures may be considered the basic strengths of the book. On the other hand, each chapter presented is a standalone study and consequently there are no cross-references between the chapters. This creates a certain degree of disparity and can be considered as the major weakness of the book.

Keywords. Innovation, Marketing of Innovation.

JEL. M30, M31, M10.

Book Review

The *Adoption of Innovation: Balancing Internal and External Stakeholders in the Marketing of Innovation* book edited by Alexander Brem & Éric Viardot provides a contemporary and fresh look at innovation literature. The title highlights two topics that are covered in the book but it barely represents the contents of the book as there are ample subjects covered throughout its eleven chapters. Each of these chapters discusses a distinct aspect of innovation in marketing. Thus, the book offers readers that are interested in a certain area of innovation an effective way of embracing different facets of it. These varied research areas revealed throughout the chapters including but not limited to innovation and stakeholders (internal and external), adoption of innovation, business model innovations, vision and innovation can be considered the primary strength of the book. Offering up-to-date research in rich and diverse settings (space ventures, agro-food etc.) is the second strength of the book. These qualities help in constructing a contemporary book that provides insight to practitioners and

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theoreticians of marketing. On the other hand, one downside of the book is that each chapter presented is a standalone study and consequently there are no cross-references between chapters creating a certain degree of disparity.

Innovation has been a hot topic both in academia and managers for the last few decades and it may well remain in the spotlight for the years to come. Innovation management itself has become an important field of research field and a prioritized interest area for the marketing managers. For instance the European Union research support program Horizon 2020 accepted “innovation” as one of the ten fields to focus on (Salmelin, 2013). Innovation in business functions such as production, operations, and R&D has been studied in detail so far, however marketing of innovation and commercialization are areas that haven’t gained significant interest until lately. Moreover, most of the innovation literature concentrate on product related subjects and foregoes other functions and interest areas of marketing. Even the common definitions of innovation are focused on product development (i.e. OECD, 2005). Other areas that draw interest from academia in the last decade include consumer response to marketing innovation, organizations and innovation marketing and defending against market entry (Hauser et. al. 2006). The emphasis is also shifting from product development to innovation management process, and to finding ways to discover and exploit new sources of innovation beyond the traditional internal sources such as R&D. New product categories and new services presented to the market each year following innovations have the uncertainty and risk of not being accepted and adopted by consumers. Consequently the commercialization of the remarkable ideas and innovations put forward in companies should be marketed properly to establish success in the market and create value for the company. These developments in innovation studies gave rise to new terms such as open and closed innovation, network innovation, and the effects of external and internal stakeholders and cooperation became recent topics of interest in marketing literature. The interest of the marketing practitioners is also helping to proliferate research on this topic. For instance companies such as Dell and HP are using various collaboration tools to develop new ideas, provide innovative solutions to customers and create innovative solutions to problems at hand. All this interest and developments in innovation create a fertile research area that should be contemplated by marketers. To provide an understanding of the diverse innovation marketing literature and topics covered in the book, the contents of each chapter is summarized in the following sections.

The first chapter of the book “Corporate Prediction Markets for Innovation Management Prediction” introduces the “prediction market” concept to the readers. Prediction markets is defined as “virtual markets that organize information with the help of market mechanisms, namely prices and trading”. The authors focus on product innovation and draw attention to predictive markets as a tool that can help in predicting companies’ future market environments. The related theoretical framework is presented and the benefits of this unusual tool in innovation management and innovation-driven environments are highlighted in this chapter. As emphasized by authors, the prediction markets tool can be used in innovation management in idea creation and screening, concept evaluation, lead user identification, pricing, demand forecasting and forecasting the potential changes in the competitive environment. It has been seen that managers can especially benefit from this tool in environments where the information is dispersed and a myriad of predictive efforts are needed to successfully continue operations. Organizing the scattered knowledge and creating successful forecasts about the future environment would definitely help innovation managers in evaluation of numerous ideas, concepts, product alternatives and new product market entries.

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The second chapter by Agarwal and Xavier focuses on neuroscience and its applications in understanding consumer expectations and gaining valuable consumer insights that cannot be revealed using more traditional research techniques. Investigating consumer behavior using neuroscience itself is an important innovation in marketing. Consumers are continuously bombarded with messages they cannot consciously perceive and analyze. Nevertheless this information doesn't go unnoticed and humans' unconscious mind helps in disseminating this flurry of information coming from various senses (eyes, ears, nose etc.). This recent field of science and its reflection on marketing named "neuro-marketing" can help in understanding the subconscious of consumers by utilizing tools such as fMRI, EEG, and ERP. Neuro-marketing has been drawing attention of market academicians and practitioners despite some limitations and difficulties associated with their applications. After laying down a framework by defining neuroscience and detailing its use in management, authors provide numerous examples on its applications in this chapter. Studies on consumers' aesthetic perceptions and sensory inputs that have helped companies in innovating and improving their product lines are presented in this section. Moreover, the use of neuroscience in developing better in-store customer experiences is underlined with real life examples.

The next and third chapter of the book by Vanessa Ratten is devoted to cloud computing, which is considered one of the major innovations in information technology of the last decade. The increasing interest in this innovative technology attracts researchers especially focused on consumer behavior in new technologies. The motivating elements leading to adopting of this new technology is analyzed by the author in this chapter. The National Institute of Standards and Technology of U.S. defines cloud computing as "*a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction*" (Mell&Grance, 2011). In accordance with this definition, cloud computing has created opportunities for users in accessing a wide-range of information related services from a myriad of devices. Cloud computing changed the business models in a multitude of fields especially in Information Technologies (IT) services (software, processing, hardware etc.) by providing consumers enormous flexibility and on-demand opportunities. In this study, the author utilizes a modified technology acceptance model (TAM) in explaining consumers' adoption process of cloud computing services. In addition to the original TAM elements of perceived usefulness and perceived ease of use, online advertising knowledge, consumers' social networks and online privacy concerns are taken into account in the study. This multi-cultural study carried on students in United States and Australia provides valuable insights to stakeholders of IT sector including the policy makers and marketing professionals. The findings validate TAM as an effective model in explaining the adoption behavior of cloud computing services. The differences among countries in online behavioral advertisement knowledge and social networks are also indicated.

The fourth chapter by Mohammad Ali Zolfagharian and Audhesh Paswan focuses on customer co-production of innovative services. Customer's role in production of services is an area of interest for marketers owing to the co-creation of value by the service firm employees and its customers in a wide range of services. In this chapter, the customers' adoption process of service innovations is analyzed using the "servuction" framework that was developed by Eiglier & Langeard (1977). The authors intend to understand the customers' perception of service innovation characteristics and the influence of the customers' role in co-

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production on this perception. The customers' co-productive role may be important both for their own experience and also other customers'. The findings of the study indicate that customers' co-production of the service is related to perceived risk, relative advantage, compatibility and complexity factors. This chapter offers theoretical implications for academia and practical implications for marketers in services marketing and innovation. The major theoretical implication is providing an understanding of the relationship between two types of customer co-production and innovation. The practitioners on the other hand, may benefit from findings on the effect of factors leading to adoption of innovative services. These findings and insights may assist to develop strategic marketing activities for easier and quicker adoption in the market.

In the fifth chapter, the author Taskin Dirsehan provides information on brand associations and how innovativeness related associations can help in establishing competitive advantage. Brand associations include all brand-related thoughts, feelings, perceptions, images, experiences, beliefs and attitudes, consequently they can be anything linked in memory to a brand. By creating favorable associations, owners of the brands can create value for consumers and for the brand. These associations help in creating brand equity and sustainable competitive advantage in the market. This chapter aims to establish a conceptual model of innovative competitive advantage created by brand associations founded upon existing literature. Besides the theoretical model offered, a pilot application on mobile marketing utilizing brand concept mapping is presented in this chapter. Using this technique, brand innovativeness maps were created for four different mobile phone brands based on associations. These results on brands' perceived innovation-related associations as well the framework presented provide valuable practical implications for the brand managers.

The sixth chapter titled "Institutions and Collaborative Innovation" acknowledges the role of developing institutions as an instrument to manage innovation among various stakeholders of firms. Institutions such as Starbucks and Dell are using various collaboration tools to collect information, develop new ideas, and provide innovative solutions to problems at hand. The firms nowadays are moving away from the classical approach of internal management of these processes in favor of tools to provide more collaboration from stakeholders such as customers and suppliers to drive innovation. In the first part of this chapter, the tension faced by firms in aspiring to cooperate to benefit from collaboration whilst facing threat of defection is revealed by using the prisoner's dilemma game. Empirical results from existing research on this dilemma are used to derive lessons on how institutions can develop appropriate structures to establish and encourage cooperation between stakeholders. The practical implications of this study include the importance of management's active role in creating a collaborative structure, the need to demonstrate fairness and reciprocity and the development of social capital to foster and encourage cooperation. Moreover, the heterogeneity of the stakeholders and the advantages of an external agency as an intermediate or to increase collaboration are highlighted in this chapter.

Given that a significant majority of innovation literature focus on high-tech industries, the seventh chapter by In genbleek and Backus delves into innovation in low-tech industries, presenting a fresh vision to extant literature. Authors concentrate on marketing innovation in low-tech industries and try to establish innovation as a means for operational sustainability. The authors emphasize the limits of closed innovation efforts in low-tech markets that are usually mature. Once these limits are reached, the institutions cannot gain significant benefits. In these situations open innovation can provide new opportunities for sustainable development. The effect of open innovation is analyzed utilizing a case study based on which the potential

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contributions and pitfalls the organizations face in innovation process are identified. The findings indicate that differing from high-tech environments, open innovation cannot easily hold root itself in low-tech environments but should be nourished by active initiation and coordination efforts of (other) institutions. These third parties can benefit the companies, their suppliers and customers by helping them to jointly innovate to create value for all the stakeholders.

In the “Visions and Radical Innovation: A Typology” chapter by Susan Reid, the nature and importance of vision in implementing successful radical innovations is discussed. The author starts the chapter by emphasizing the importance of radical innovations in competitive markets. Unorthodox and radical products that deviate from the industry standards are deemed risky and usually have higher failure rates. As the author suggests, the individuals involved and vision of the institution plays critical roles in the adoption / implementation of disruptive and radical innovations. The trust of the different departments in the radical innovation should be established to increase success prospects in the market. To establish this objective and to better assess it, Reid deconstructs the vision into three major components: the goal, the passion and the clarity. The need for effective communication of the innovation vision of the institution is emphasized in this chapter. The author also underscores that during the generation of a radical innovation, several different visions tend to occur at different times. Taking this into account, the typology created by Reid leads to four types of visions: value-driven vision, technology vision, bottom-up market vision and top-down market vision. This study helps both marketing practitioners and academicians by revealing the important role of internal stakeholders and internal marketing in instituting the buy-in of all the related departments and employees to set forth radical innovations successfully. The framework set forth may help firms in managing their technology vision in a favorable and therefore help to reduce the risk involved in the front-end of radical innovation.

The next chapter by Alessandra Vecchi and Louis Brennan focuses on Business Model Innovation (BMI) and its application in space industry. This exciting industry is one of the neglected areas in marketing and management studies despite its significant future potential. In the beginning of the chapter the authors outline the space industry and its dynamics to familiarize the readers in this interesting setting. The authors also provide information on technological innovation adoption. Then they review the related literature on business model innovation and constituents of BMI thus creating the theoretical framework for the upcoming analysis. In the analysis stage, three case studies, namely Virgin Galactic, Mars One and Unilever (with the Axe/Lynx Apollo campaign) are studied to shed light to innovation of business models. The results of these case studies show that all the companies have extensively relied on business model innovation by leveraging all three components of BMI (content, structure, and governance). The conclusions stress that business model innovation is crucial for success in this unique industry and BMI have impacts on internal and external stakeholders of companies. This chapter will definitely be an attractive read for anyone interested in space, innovation, business and marketing.

The tenth chapter of the book focuses on managing limited resources to deal with the uncertainty involved with innovation and new product launches. The risks involved in adoption of the new product in the target markets and the resources devoted to development of innovative new products create uncertainty and financial risk for the companies. Accordingly, the authors stress that the companies must be flexible in resource management to cope with the risks involved and highlight that more and more companies are relying on flexible workforces and third parties in developing new products for achieving superior performance. In this context the

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“real option” concept is initially introduced by the authors. Real option thinking is suggested as an effective way to alleviate the risk related to innovation by properly utilizing the available resources in this framework. In this chapter the authors also analyze the mediating role of adaptive capability on the relationship between real options thinking and innovative performance. The major outcome of the discussions in this chapter is real options thinking can effectively improve the performance of the innovation management process given a high level of absorptive capacity and organizational learning capabilities. In addition, organizational learning plays a significant role in innovative performance and innovative success depends on organizations’ ability to utilize outside information. The study also offers practical insights for the managers in adapting innovation strategies in turbulent and dynamic markets.

The study by Maria Smirnova and her colleagues emphasizing the importance of internal and external shareholders in marketing of innovation is the concluding chapter of the book. This chapter provides insights to practitioners of marketing exploring the role of cooperation utilizing an empirical study of Russian companies. The research question of whether cooperation in innovation can help companies to overcome inefficiencies and achieve better performance is answered using the findings of an empirical study. The authors concentrate on two different aspects of cooperation in this chapter. First the effect of cooperation with external partners on innovation success is considered and then the importance of balancing the internal and external stakeholders’ interests in establishing a marketing innovation strategy is highlighted. Following with a two-step cluster analysis, the firms were grouped under five clusters reflecting different patterns in the way they manage internal and external cooperation and coordination of innovation. Hence five different innovation strategies appear in this study. Internal cooperation implies openness, readiness to share information and resources, whereas external cooperation implies degree of potential involvement of external parties in the innovation processes in this context. The findings of the study reveal that the companies can achieve better performance by utilizing either internal or external cooperation. Companies focusing on external cooperation or focusing on internal cooperation are found to achieve superior performance in the empirical study. On the other hand, the companies that are referred to as average or low cooperators that rank lower in the attention given to either cooperation types are found to perform poorly. In conclusion, the findings along with the five clusters defined provide the marketing practitioners with valuable insights on managing coordination in innovation efforts to achieve superior performance.

To wrap it up, this book by Brem and Viardot lives up to its title and provides an up-to date synopsis of studies focusing on but not limited to adoption and marketing of innovation. The variety of the studies presented in this book is the proof of the wide landscape of research on innovation marketing. The stand-alone nature of the chapters in this book helps in covering a wide-range of topics that reside in the intersection of innovation and marketing. Furthermore the book helps in enabling the development of more comprehensive approaches to innovation by adopting a marketing point of view.

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