

The Digitalization Drive: From Business Model Innovation to Market Innovation

Suvi Nenonen, University of Auckland Business School's Graduate School of Management

Kaj Storbacka, University of Auckland Business School's Graduate School of Management

Digitalization drives universal connectivity, enabling stakeholders to be present in other stakeholders' processes continuously. This blurs previously strict roles: value is co-created with a multitude of stakeholders, not only by the firm and for the customer. As all stakeholders are both resource providers and value beneficiaries, markets need to be viewed as a context for value co-creation rather than as a context for production and consumption.

Whereas most product and business model innovation has been based on a 'firm-based and value-capture-centric approach', firms increasingly need to take a 'system-based and value-creation-centric approach', and deliberately look beyond the blinders of the producer–customer dyad to find ways to improve value creation. According to resource-based theory value is created by linking resources in new ways. Digitalization liquifies resources, resulting in an abundance of opportunities to create new resource linkages. For stakeholders, more value is created by increased resource density, which expresses the degree to which resources are accessible for a specific stakeholder, time, situation, and space combination.

This research focuses on market innovations, defined as the emergence and institutionalization of resource linkages that improve resource density and, hence, value creation in a market. Market innovation processes draw on a combination of radical innovation, and/or business model innovation, and/or institutional innovation, and aim for non-trivial developments with novelty degrees beyond new to the firm.

SESSION 9: The impact of technology on firms and consumers

Contributing to Value Creation through Gamification as Engagement Marketing

Elaine Grech, University of Malta

Marie Briguglio, University of Malta

Emanuel Said, University of Malta

Digitalization empowered customers to serve as pseudo-marketers, actively and voluntarily, contributing further to the value creation process. Firms increasingly recognize that customers own valuable resources. To enhance value co-creation, firms are thus strategically adopting engagement marketing to deliberately motivate, empower and measure customers' contributions. Engagement marketing facilitates information flows across firms and their customers' network, thus enhancing value creation through the exchange of information. Gamification, a well-established information systems technique, enhances service offerings by harnessing the engaging power of game-thinking and concepts of game design. Gamification promises to be a successful opportunity for firms to create, deliver, and concurrently capture enhanced value back from users. We extend ongoing literature about gamification and conceptualize gamification as an engagement marketing strategy. We propose that gameful experiences facilitate emotional, cognitive, behavioural and/or social engagement, and ultimately support the users' overall value. We examine gamification in relation to the characteristics of engagement marketing and its potential effect on customer engagement as the desired outcome of engagement marketing. We argue that the effect of gamification needs to be assessed on an engagement continuum considering various dimensions of customer engagement. This continuum ranges from positive (leading to value creation) to negative effects (leading to value destruction) and includes the prospect of a neutral effect. Measuring the effect of gamification on customer engagement (as a multi-dimensional construct) enables the firm to adopt strategies that capture value in a holistic manner.