



APPLIES TO ACADEMIC YEAR 2014/2015

GRA 6440 User-driven Innovations

Programme

Master of Science in Strategic Marketing Management

Responsible for the course

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Department

Department of Marketing

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

It has been a predominant view in marketing and management practice alike that firms are the drivers of innovation, mostly by providing new or improving existing products or services. However, more recently, researchers have shown that users are often the source of innovation. Beginning in the late 70's, scholars presented an actual example, the so called "lead user" who becomes innovative due to a strong personal need for a product that is not provided by current market offering. Next to these rare lead users, more "ordinary users" have also begun to innovate. One central explanation for this trend is advances in communication and manufacturing technologies. The rise of the internet in the 1990's as a new way to communicate and collaborate, and as a source for technical knowledge, has tremendously lowered the barriers for ordinary users to engage in innovative behavior and resulted in a remarkable amount of time and money invested in innovation by these users.

In this course, we will take a look at user-driven and customer-driven innovation from the past to present. We will jointly find answers to questions such as "Why is user-driven innovation important?", "How is it different from firm driven innovation?", "What motivates users to become innovative?", "Why does it make perfect sense for users to invest hours, weeks or even years into something and then give it away to complete strangers for free?", "Is user innovation a threat for firms?", "How should they react to innovating users?" and "How can they benefit from it?"

Learning outcome

The course is designed to provide you with a comprehensive overview of the topic of user-driven innovation. The course will document the distinctness of user-driven innovation, as opposed to firm-driven innovation, and it will review, evaluate and critique several subthemes. The course will place an emphasis on motivational aspects of users to innovate and how firms can incentivize and shape user-driven innovation to fit their needs. More in detail, the course shall help you to:

- (1) See distinct differences of user-driven and firm-driven innovation.
- (2) Realize the general economic and societal relevance of user-driven innovation.
- (3) Recognize what drives users to become innovative and how individual (self-related) and collective (others-related) reasons differ.
- (4) Understand how firms can interact with their own innovating users (their customers) and how firms can even interact with users beyond their own customer base ("external users").
- (5) Realize how firms can design proper incentive and government structures in order to benefit from user-driven innovation.

Prerequisites

A Bachelor's degree, qualifying for admission to the MSc programme.

Compulsory reading

Collection of articles:

Selected articles from e.g., Journal of Marketing, Journal of Marketing Research, Journal of Consumer Research, Marketing Science, Administrative Science Quarterly, Academy of Management Journal, Academy of Management Review, Management Science, MIT Sloan Management Review, California Management Review, Harvard Business Review, as well as a selection of book chapters.

Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Selected Harvard Business School Teaching Cases.

Recommended reading

Course outline

The course is divided into 5 sections

- (1) Differences between firm-driven and user-driven innovation.
- (2) Innovation done by individual users.
- (3) Innovation done by user communities.
- (4) Firm strategies to benefit from user-driven innovation done by their own customers.
- (5) Firm strategies to benefit from user-driven innovation done by other users.

A detailed schedule with dates will be distributed during the first meeting.

Computer-based tools

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours. This course is very interactive allowing you to develop a common understanding of all concepts. Discussions are structured and moderated by changing student discussion leaders. This requires that everyone has prepared the relevant materials in advance of each session. Please devote significant time to do so and come prepared! In class, we use three different kinds of materials: (1) academic papers, (2) managerial papers, and (3) case studies. To prepare the sessions in a structured way, I provide you with a number of questions. Next to the weekly meetings, you need to meet with your work group before each session to share your ideas about the material.

If you have to miss class on a particular day, it is your responsibility to get notes from a classmate. Let me know as soon as possible if you have to miss a class. During the semester, if you experience any problem(s) with the class or any of the classmates I expect you to report any problem(s) that you are not able to resolve yourself to me as soon as possible. In this course class attendance is mandatory. Therefore, unexcused absence will result in a lower participation grade.

Examination

The course grade will be based on the following activities and weights:

40 % - Class participation, including written comments. (preparation of business cases and scientific articles as well as case and paper discussion in class. Additionally course participation includes the writing of a manuscript for each session that summarizes key findings of the session, results of the discussion, and individual evaluation of the specific sessions content and usefulness)

40 % - Written (individual) term paper (8-10 pages) (2 weeks)

20 % - Research presentation

To get a final grade in the course, students need to complete and achieve a passing grade in all parts of the evaluation.

For determining your course participation, I will evaluate your class participation in every session. In addition, you will hand in a manuscript containing your structured notes by the end of the semester. For fulfilling the individual written assignment, you will need to analyze a related empirical research paper published in an international top journal. For the last grade component, you will be assigned to a group and prepare a subtheme for a specific discussion date. This requires that you moderate the discussion as a group and afterwards give a brief "expert" presentation of the specific topic, for which you need to identify, read, and analyze more related research papers related to your subtheme to make a comprehensive overview for the whole class.

In this course class attendance is mandatory. Absences can result in a lower score. Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

GRA 64401 continuous assessment accounts for 100 % of the final grade in the course GRA 6440.

Examination support materials

A bilingual dictionary

Examination support materials at written examinations are explained under examination information in the student portal @bi. Please note use of calculator and dictionary in the section on support materials.

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

Additional information**Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.