A STUDY OF THE ORGANIZATIONAL ACQUISITION PROCESS OF RADICAL SOFTWARE INNOVATIONS

सिद्धिमूलं प्रबन्धनम्
भा. प्र. सं. इन्दौर
IIM INDORE

INDIAN INSTITUTE OF MANAGEMENT INDORE

BY

Krishnan Iyer

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Thesis Advisory Committee

Prof.   K.R.Jayasimha   **[Chairperson]**

Prof.   Manoj Motiani   **[Member]**

Prof.   Aditya Billore   **[Member]**

Abstract

Acquisition of high-tech solutions by organizations has been seen either as organizational buying or as adoption of innovations. 'Innovation Adoption' is the process of adoption of a known innovation whereas 'Organizational Buying Behaviour' looks at the dynamics of buying a solution towards meeting a recognized need where the final solution is not yet known. The point that is often missed while distinguishing these two literature streams is that adoption and buying are two sides of the same coin. It is surprising that there has been no state-of-the-art review of these fields in combination (Makkonen and Johnston, 2014). In fact, acquisition of an innovation has to precede its adoption (Fichman, 2000).

Organizational buying and Innovation Adoption differ in their underlying scope and assumptions (see Makkonen and Johnson 2014, Makkonen, Johnston and Javalgi, 2016). In organizational buying, the final solution is not known a priori. A joint decision-making process is undertaken where more information is gathered at each step eventually deciding the final solution from the available alternatives. Adoption, on the other hand, is a sequential process leading to adoption. Here, the end result is already assumed. Organizational Buying is carried out to address a recognized problem in the organization (Webster and Wind, 1972). Adoption is about doing something new (Damanpour, 1991).

A review of existing literature underlines that OBB is about the purposeful actions involving information search on need identification, available solutions and selecting the most suitable alternative whereas, innovation adoption is about stages of the adoption process locating adoption at the end of the process.. The current literature on OBB is limited by the fact that the buying models were developed during the early stages of theory development and they talk about general constructs that affect the buying process (Johnston and Lewin, 1996). Researchers studying organizational buying have often found inconsistent and contradictory results (Lewin and Donthu, 2005). Moreover, no unified typology of buying decision approaches has been identified (Sinčić Ćorić, D., Anić, et.al, 2017).). The theory of adoption and diffusion of innovations (Rogers, 1962) is a systemic framework to understand either adoption or non-adoption of new technology (MacVaugh and Schiavone, 2010). In spite of the considerable interest from marketing scholars 'adoption and diffusion of innovation (DOI)' theories have received, a clear picture of how organizations adopt innovations is still missing (Makkonen and Johnston, 2014). Innovation studies do not focus on the dynamics within and between the steps of adoption. Therefore, there is a clear need to integrate these two streams of literature. This

purpose of this study is to bridge this gap by integrating the streams of OBB and Innovation Adoption to explicate the organizational acquisition process of radical innovations.

We choose software solutions as the context of this study because new innovations in and as software-based solutions are continuously changing the world of individuals and businesses (Andreessen, 2011, Roberts, 2016). The software-based radical innovations that are contemporary or of recent past are related to Artificial Intelligence, Cognitive Computing, Chat Bots, Robotic Process Automation.

The purpose of this study is to understand how organizations acquire radical software innovations and what purposeful actions they take during this process. Since our questions are related to 'what' and 'how' of the process, we adopt the qualitative research methods of Grounded Theory for this study. We find support for our research approach in the chosen domain. Because of the unique nature of B2B domain, the nature of its problems and a wide set of influencing factors, Lilien (2016) has recommended Qualitative study in this domain to enrich theory building.

The study delineates and explicates the organizational acquisition process of radical software innovations. A theoretical model of the aforesaid process is given along with a rich propositional inventory. New concepts have emerged with strong explanatory power to help us understand the process thereby adding to the existing body of knowledge and making significant contribution to practitioners to build the marketing sophistication by understanding the buying behaviour and formulating the appropriate marketing response to it.

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