

BES08

HOW INCUMBENT FIRMS INNOVATE IN BIG DATA ENVIRONMENTS

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Abstract

The emergence of big data analytics (BDA) presents significant challenges to incumbents. Whether incumbents, however, can benefit from the use of BDA is a critical and under-researched issue. Drawing on the resource-based view and knowledge-based dynamic capabilities, this study contends that the use of BDA can enhance product innovation performance, while such an effect of BDA is contingent on environmental dynamism and organizational inertia simultaneously. Based on a multiple-wave data collection from 207 incumbents, the results show that incumbents using BDA can enhance their product innovation performance, over time. However, when incumbents are operating at high levels of environmental dynamism and organizational inertia, the contribution that BDA brings to product innovation performance is diminished. Fortunately, this study discovers a secret formula in that incumbents can leverage their knowledge exploration capability for alleviating the above problem.

Conference Track

Business Environment - Strategy, Policy, Law, Ethics