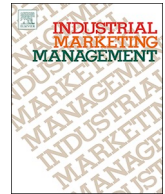




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# Industrial Marketing Management

journal homepage: [www.elsevier.com/locate/indmarman](http://www.elsevier.com/locate/indmarman)

## Editorial

### B2B service innovation and global industrial service management

#### ARTICLE INFO

##### Keywords:

Service innovation  
Global industrial service management  
Industrial marketing  
b2b marketing relationships

#### ABSTRACT

This special edition of IMM aims to develop knowledge and generate new insights and applications of service innovation in B2B context, and global industrial services management relevant to scholars and managers. This article briefly discusses the theme of the special issue, the compelling rationale for putting together the body of scholarship around the topic, and brief introduction of the articles featured in the issue, and their contributions to industrial marketing/B2B discourse. It also highlights some key future research directions.

#### 1. Introduction

Indeed globalization and increased competition have made service innovation and internationalization inevitable competitive strategies for service organizations targeting industrial markets. Service organizations try to renew themselves and add value through innovation and exploitation of opportunities within the global market-place and space. Indeed innovation in B2B services and internationalization have grown rapidly since the turn of the century, as organizations and governments within the developed and emerging markets try to meet the evolving needs of their business customers and to exploit the opportunities presented by the new global economy. Expanding global activities of service organizations, increasing number of new offerings, adoption of new business models, and extensive use of technologies all contribute to their growth, and that of their business customers. Growing service infusion and servitization of the manufacturing and primary sectors attest to the increasing realization that injecting service innovation in their portfolio of offerings can make them more competitive (Ndubisi, 2011; Oliva & Kallenberg, 2003; Vandermerwe & Rada, 1988). Indeed, researchers agree that difficult-to-imitate complementary additions can make the firm's offerings more appealing to the target market and help to achieve competitive superiority (Bennion, 1987; Kotler, 2003; Ndubisi, Dayan, Yeniaras, & Al-Hawari, 2019).

However, there are several challenges. For example, B2b service innovation and internationalization processes management is complex and challenging due to structural and contextual factors (Dayan & Di Benedetto, 2010; Ndubisi, 2011), relative lack of experience, resources, international network, disparate needs across cultures and markets, actions and reactions of competitors, and many more (Atuahene-Gima, Li, & De Luca, 2006; Hatch & Schultz, 2001; Ndubisi, 2011; Porter, 2008). While some management limitations of the past exist, many have been transformed into new opportunities and challenges. As such, there is a need for more understanding of how service firms can better manage their business relationships, innovation strategies and global marketing activities and image.

#### 2. Process and outcome

It seems appropriate in this second decade of the new millennium to update knowledge on the subject. Consequently, a call was made for original research and review manuscripts that explore the present status of and future directions in service innovation in B2B context, and global industrial services management research and practice. To address the aforementioned research gap, high quality submissions were invited that deals with any of suggested topics: service innovation and diffusion; transformative service in emerging/developing markets contexts; service design and service engineering; complex service systems; service driven manufacturing; internationalization strategies for b2b service organizations; international markets entry mode for service firms; the role of the Internet in the internationalization of b2b services; technology and e-services in developing/emerging markets; B2B services marketing strategy; trust, commitment and relationship marketing; CRM in business service settings; building capabilities and resources through international networks; non-ownership services and business models; ethical issues in b2b service delivery; industrial service innovation; impact of culture, country or origin on international b2n service diffusion; power a/symmetry and dependence in industrial service relationship; servitization and service infusion in emerging markets contexts; conflict management in b2b relationships in service context; off-shoring/international outsourcing and franchising; government services and e-government for industrial customers; not-for-profit services in developing/emerging countries; leveraging research tools and new sources of data for service firms; and contingency factors and models of service innovation, innovation strategy, and internationalization process.

Following IMM's rigorous blind review process, seven articles were finally selected from a large number of high quality submissions. The collection of articles in this issue address recent developments in the field and highlight key areas for further studies. We would like to thank all the reviewers for their hard work and for painstakingly appraising the submissions and resubmissions. A summary of each of the articles in this especial issue are presented in the next section.

In the opening article, Ndubisi, Dayan, Yeniaras and Al-hawari open the discourse with the article on the roles of complementarity of

knowledge and capabilities, and market-related contingent factors on innovation. The authors argue that despite an extensive body of literature on the role of joint innovation capabilities in improving a firm's innovativeness, the multivariate influences of operant resources and joint innovation capabilities, as well as the interplay among them in the prediction of service innovation in the context of B2B SMEs in a developing countries have not been paid attention. Accordingly, they developed a model linking these constructs, and appraised the hypothesized relationships using data from a sample of 302 respondents from 151 firms operating in the United Arab Emirates. They found significant relationship between complementarity of knowledge and joint innovation capabilities, and between joint innovation capabilities and service innovation. The authors also report a full and positive mediation effect of joint innovation capabilities on the relationship between complementarity of knowledge and service innovation. Moreover, their study evaluated the moderating roles of competitive intensity and demand uncertainty in the relationship between joint innovative capabilities and service innovation, and found a stronger link when competitive intensity is high.

In the second article, Casidy, Nyadzayo, and Mohan demonstrate that service innovation is essential, particularly for companies operating in highly competitive environments, as it can lead to innovation adoption behaviors, which in turn influence overall business performance. Drawing on the innovation adoption and relationship marketing literature, and grounded within the structure-conduct-performance paradigm and social exchange theory, their study examined the reputational and relational mechanisms through which service innovation affects the innovation adoption decisions of small and medium-sized enterprises (SMEs) in Australia. Their findings reveal the critical role of suppliers' sustainable competitive advantage (SCA) and affective commitment in mediating the relationship between service innovation and innovation adoption behavior. However, industry-relevant moderators in the form of technological turbulence and long-term orientation constrain the mediating effects. According to the authors, perceived SCA exhibited stronger mediating effects among short-term-oriented customers, whereas affective commitment had stronger mediating effects when technological turbulence is low. Thus, SMEs can capitalize on their reputation and relationship with customers to encourage the adoption of innovation.

In the next article Wong, Lai, Pang, Lee and Cheng present their argument based on evidence from BRIC on why greening oriented organizations must start with green sourcing in their efforts to increase their environmental performance. The authors draw on systems theory in their investigation of the manner in which sourcing options of input materials affect the environmental performance of servicing firms in the BRICs. They hypothesize that servicing firms in developing countries can lower pollution intensity by substituting dirty inputs with clean inputs and by substituting domestically sourced inputs with inputs imported from developed countries. Based on the industry-level input-output matrix for the BRICs over the period 1995–2009, the authors found that firms significantly improve their environmental performance by using cleaner inputs and more inputs imported from developed countries. They also demonstrated that service innovation in the form of green sourcing by using clean materials accessible through trade liberalization could assist in achieving environmental benefits. The study adds to the literature on green supply chain management and green sourcing strategies of service firms in developing countries.

Next, Acharya, Ojha, Patel, and Gokhale examine whether and how loosely coupled systems in service supply chains influence the speed of innovation in service organizations. Drawing upon the nomological network of loosely coupled systems, the authors propose a way to conceptualize supply chains in the B2B market context as loosely coupled systems. The paper also explains how the dialectical elements of modularity at the interface of standard process and content interfaces (SPCI) and structured data connectivity (SDC) enable the sharing of high-quality information through fluid partnership in service supply

chains to improve innovation speed. Their findings indicate that SPCI and SDC are positively associated with modular interconnected processes, and they, in turn, positively influence the ability to reconfigure supply chain partners (fluid partnership). Fluid partnership enhances information quality, which in turn, influenced innovation speed.

Still on supply chain innovation, Dai, Che, Lim, and Shou, explore how cold chain logistics service providers (LSPs) in emerging markets gain competitive advantage through service innovation, and how state ownership and regulatory pressure influence their innovation practices. By applying a multiple-case study research design, their study examines service innovation in four leading cold chain LSPs in China. For each case, specific service innovation practices were documented and coded according to the service innovation framework adapted from past research. The authors found that service innovation is indeed important impetus for cold chain LSPs' superior competitiveness, even though previous research suggests that firms in the industry are not as innovative as others. Cold chain LSPs in emerging markets tend to innovate in providing new value-added and differential service offerings to specific customers, industries or regions. Cross-case analysis also reveals that high state-owned share and regulatory pressure may limit LSPs' capability for investing in service innovation and developing novel business models.

In the penultimate article, Weerawardena, Salunke, Knight, Mort, and Liesch examine how born global service firms learn from the market and organize and manage the knowledge they acquire through this learning to deliver value-adding service solutions for early entry into international markets. Adopting an organizational sub-systems approach, they empirically investigated how market learning and its associated internal and relational learning in the firm influence both technical and administrative innovation in the internationalizing services firm. Direct and moderating effects suggest that the learning capabilities operate in a complex and novel set of relationships, contributing to these two forms of innovation in the services firm. They conclude that the delivery of the service to the market, and innovation in this delivery, is as important as the technical innovation embodied in the service, and that both technical and administrative innovation in the firm influence performance in international markets.

The special issue concludes with Borchardt and colleagues' perspective on the current controversy around the role of multinational enterprises (MNEs) in promoting base of the pyramid (BoP) initiatives in developing nations. The article analyzes the evolution and changes in BoP approaches associated with the roles of MNEs and domestic business ventures at the BoP, applying both value commitment and profit-making theoretical lenses. Through a review of the existing research on management studies, industrial marketing, strategies and related disciplines, the paper firstly provides a categorization of the literature into four approaches to BoP: 1.0 – 'finding fortune' at BoP; 2.0 – 'creating fortune' at BoP; 3.0 – 'sharing fortune' with BoP; and 4.0 – 'enabling fortune' with BoP. Second, it analyzes each of these BoP approaches by applying value-commitment and profit-making theoretical lenses, highlighting a persistent interactive tension between these perspectives and synthesizing the results into an integrative framework. Lastly, it offers a comprehensive agenda for future research and elaborates on the implications for business-to-business (B2B) research.

### 3. Conclusions and future research

The collection of articles in this special edition is anticipated to add momentum to B2B service innovation and global industrial service management discourse in the new millennium, leading to new research methods and business models that can help industrial marketing practitioners to become more successful innovators and service providers. It is also our hope that readers will take up the challenge of exploring B2B service innovation and global industrial service management further by considering some of the future research directions suggested in the articles featured in this issue.

Other interesting areas for further investigation include the following: the role of (individual and organizational) mindfulness in B2B service innovation and global service management; the nature and drivers of service innovation in emerging economies and the BOP markets; and resources constraints, conservation and preservation and the impact on innovation in developing markets. Furthermore, reverse innovation and international market performance, service innovation and the environment, and green innovations and greening of the service sector hold potential for future research activities.

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