Reconsidering our focus on innovation: What are the effects of innovation on well-being?

David A. Griffith¹

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The study of innovation has long been a central focus of scholarship in the field of marketing (and the broader business literature). Innovation, as a general term, encompasses many ideas and concepts. Some, such as Kahn (2018), argue that it is one of the most overused and underspecified terms in the marketing literature, where scholars often use the term interchangeably when referring to either innovation processes, outcomes, or mindsets. While the clarification between process, outcome and mindset is incredibly important, my aim here is not to focus on its conceptualization, but rather to note that whether one considers scholarly efforts on innovation as a process, an outcome, or a mindset, this literature, by and large, regardless of its conceptualization, argues ‘for’ innovation. That is to say that the literature argues that innovation is good—good for the firm, good for consumers and good for society.

Both theoretical and empirical evidence supports that innovation, in its many conceptualizations, is vital to firm longevity and prosperity, and at a broader level, overall economic progress and social welfare. Fortunately, significant scholarship has been engaged on innovation, thus providing for many excellent meta-analysis articles that capture the nuanced effects of innovation processes, outcomes and mindsets. For instance, Rubera and Kirca (2012) provide keen insights on how firm innovativeness (i.e., the firm’s inclination to adopt new ideas that lead to the development and launch of new products) and innovation outcomes (e.g., radical and incremental innovations) work jointly to enhance a firm’s value as well as its market and financial position. Rosenbusch et al. (2019) demonstrate that national institutional environments can facilitate or hinder key antecedents driving innovation-related activities in global operations. Arts et al. (2011) provide generalizations on the drivers of intentions and actual innovation adoption behaviors by consumers. Taken holistically, and harkening back to my prior comment, the literature presents a clear picture, based upon a vast literature summarized via multiple meta-analyses, that innovation increases firm performance outcomes, innovations are viewed

✉ David A. Griffith
dgriffith@mays.tamu.edu

¹ Mays Business School, Texas A&M University, College Station, TX, USA

positively by consumers and hence adopted, etc. Thus, one can have confidence in the conclusion that innovation is good—good for the firm, good for consumers and good for society.

But is innovation always good for the firm, consumers and society? Here it is important to note that I am not speaking to whether innovations focused on topics such as green products, sustainability, etc., or whether a firm being more socially responsible influences firm innovations (e.g., Luo & Du, 2015; Xie et al., 2019). Rather, I am speaking to the dualistic effects of innovation. That is to say, when there is good, there may also be bad. Of course, the fundamental challenge with the question I pose is embodied within the question itself, i.e., what do we mean by “good?”.

Good has many meanings. For example, “good” when viewed as a noun, is defined as (1) that which is morally right, or (2) benefit or advantage to someone or something. I will not argue with the literature which clearly indicates that innovation provides benefits to the firm and consumers. For, we know that through innovation firms can claim above-average rents and that innovations diffuse through the consumer marketplace, and thus, via consumer adoption alone innovations must be viewed as providing a benefit at least to the adopters. Thus, innovations clearly can be “good” for the firm, consumers, and by extension, possibly society. With that said, I ponder whether we yet have fully considered that innovations, either as processes, outcomes, or mindsets, can be both good and/or bad, having either or both positive and/or negative effects on firms, consumers, and society. Innovation scholars have primarily focused on the good aspects that innovation brings and given short shrift to its negative aspects? Even as literature in marketing suggests that products, and their consumption, can have negative effects. Is it time to broaden our perspective in relation to our understanding of innovation effects?

Marketing scholars are increasingly calling for a greater understanding of marketing's effects on consumers and society (e.g., Moorman et al., 2019; Wilkie & Moore, 2012), with heightened attention being paid to the need for understanding consumer well-being (Sirgy, 2021; Sirgy & Lee, 2008). This sentiment is echoed in the international business literature, where the study of international business externalities is called for under the framework of the “grand challenges” (i.e., Buckley et al., 2017), and in business academia under The Responsible Research in Business & Management movement, which calls for business academics to produce useful and credible knowledge that provides insights into problems important to society (McKiernan, 2017). As such, I contend that we should not only continue building on knowledge on our current path of innovation scholarship by focusing on the benefits of innovation to the firm, consumers and society, but that we should also complement this knowledge with a better understanding of the potential negative effects of innovations within a global marketplace. Specifically, as all marketplaces, including the firm context itself, are composed of individuals, there is a wonderful opportunity to before us to better understand the effects of innovations on the fundamental topic of well-being (individual, consumer and societal).

Well-being is an elusive construct, and much like innovation itself presents challenges in its conceptualization and application. Sirgy and Lee (2008, p. 378) define consumer well-being as “the desired state of objective and subjective well-being

involved in the various stages of the consumer/product life cycle related to consumer goods.” Consumer well-being can also be viewed in relation to financial well-being (e.g., Netemeyer et al., 2018), as well as a meta-level concept of societal welfare (Sirgy, 2021). In the consumer psychology literature, psychological well-being is viewed as encompasses six distinct dimensions of wellness, inclusive of autonomy, environmental mastery, personal growth, positive relations with others, purpose in life, and self-acceptance (Ryff and Keyes, 1995). Furthermore, psychological well-being encompasses not only the absence of affective disorders, such as anxiety [i.e., a pervasively apprehensive state of mind which is concerned about prospective difficult situations or threats (Freeman & DiTomasso, 2002)] and depression [i.e., mood disorders “characterized by sadness, loss of interest or pleasure, feelings of guilt or low self-worth, disturbed sleep or appetite, feelings of tiredness, and poor concentration” (WHO, 2017)], but also positive indices of functioning, such as happiness (Argyle, 1987; Keyes, 2005).

Would we not expect negative effects on well-being from innovation? Do process innovations that decrease food delivery times benefit consumers at the cost of an increase in stress for front-line service providers who are now subject to increased time pressure? Do the adoption of innovations stimulate positive feelings in some consumers while stirring post-purchase dissonance in others? Has social media adoption increased connectivity of individuals across geographic space, at the cost of disconnecting consumers from those around them, leaving them lonely and depressed? With so many time-saving innovations, why do consumers report that they perceive that they experience increased stress, having less time available today than in years past? How is one’s well-being (e.g., self-acceptance) influenced when they see others purchasing innovations that they want, but cannot afford? Has the innovative business model of fast food has increased convenience, but negatively impacted consumers and society by displacing physical human connectivity gained over a lengthy shared meal? As noted previously, there are increasing calls for understanding the externalities of business, both positive and negative. As such, I ponder whether we should place equal emphasis on understanding the costs as well as the benefits when we investigate innovation in all of its forms. The following may serve as a starting point:

- If innovation is “good” for the consumer, how does it increase well-being? Through what mechanisms do innovations increase a consumer’s objective and subjective well-being (e.g., happiness, purpose in life, self-acceptance)? What innovations, or types of innovations, increase autonomy, environmental mastery, personal growth, positive relations with others, purpose in life, and self-acceptance (dependent variables seldom studied in the innovation literature)? Do certain innovations increase depression or anxiety? Are the effects of innovation on well-being equivalent across country markets, or are differences in institutional environments necessary to understand the well-being effects of innovation?
- Do all innovations benefit consumers and society? If not, then which ones do, and which ones do not, and which ones do both? If innovations do benefit consumers, have the benefits of innovation been equal to all of those in the country, or have innovations created fundamental inequities within a country, and hence

negatively affected the well-being of specific segments of the population? Are the positive effects of innovations on consumers and society consistent across country markets, or are innovations creating global inequalities? If innovations do not benefit consumers, are the negative effects equal to all of those in society, or are more vulnerable populations bearing the brunt of these negative effects (either within a country or across countries)?

- Innovations drive firm performance (e.g., profits, market share). But are performance gains from innovations at the cost of employee, consumer, or societal well-being? What are the effects of process innovations, such as AI systems, on service employees? Do perceived threats of job displacement from AI innovations increase anxiety and depression? New product innovations allow firms to increase profits by charging greater prices to consumers? Is reaping greater profits at the cost of consumer well-being, or of benefit to consumer well-being?
- Innovation strategies, such as planned obsolescence, incremental product improvements, etc., could have both positive and negative effects. How does planned obsolescence benefit consumers or societal well-being? When the life of durable goods is shortened to increase repeat purchases, what happens to consumer financial well-being? What are the environmental effects on society due to increased waste resultant from planned obsolescence? Do incremental innovations that displace prior products increase or decrease consumer well-being? What should be the social goals of innovation processes, outcomes and mind-sets?

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