ENTREPRENEURSHIP BY USER-INNOVATORS: HOW PREVALENT IS IT AND HOW DO THEIR ATTITUDES AND ASPIRATIONS DIFFER FROM OTHER ENTREPRENEURS? (INTERACTIVE PAPER)

Rögnvaldur J. Saemundsson
Reykjavik University, Iceland, rjs@ru.is

Eric von Hippel
Massachusetts Institute of Technology

Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol30/iss6/20

This Interactive Paper is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
INTERACTIVE PAPER

ENTREPRENEURSHIP BY USER-INNOVATORS: HOW PREVALENT IS IT AND HOW DO THEIR ATTITUDES AND ASPIRATIONS DIFFER FROM OTHER ENTREPRENEURS?

Rögnvaldur J. Saemundsson, Reykjavik University, Iceland
Eric von Hippel, Massachusetts Institute of Technology, USA

Principal Topic

Previous studies have shown that many users innovate to serve their own needs. Furthermore, a number of these innovations are commercialized affecting the rate and direction of innovation in industry (von Hippel 1988). However, the traditional wisdom has been that users rarely commercialize their innovations themselves.

Recent studies have demonstrated the importance of entrepreneurship by innovating users in a number of sectors, such as extreme sports (Hienerth 2005), specialized medical equipment (Lettl, Hienerth & Gemünden 2008) and juvenile products (Shah & Tripsas 2007). Furthermore, recent work has sought to explain the conditions affecting the level of user entrepreneurship, both at the industry level (Baldwin, Hienerth, and von Hippel 2006) and the individual level (Fredriksson, Dahlander and Autio 2008). However, our knowledge of the general prevalence of user entrepreneurship and the characteristics of user-innovating entrepreneurs is still limited.

The objective of this study is twofold: First, to estimate the share of user entrepreneurship in the overall level of entrepreneurship in a country. Second, to investigate how user entrepreneurs differ from other entrepreneurs in terms of their attitudes and aspirations.

Method

The analysis in the paper is based upon empirical data from the 2009 Global Entrepreneurship Monitor (GEM) adult population survey in Iceland. The standard GEM survey was extended to include questions about both producer and user experiences related to the product or service that was being offered by the new business.

Results and Implications

Results show that about two thirds of the individuals involved in starting up a business had used a similar product or a service, as offered by the firm, before starting the firm. Furthermore, 17% could be characterized as pure user-innovators, but additional 21% had both user and producer experience and were innovators. User-innovating entrepreneurs were not found to differ from other entrepreneurs in terms of attitudes towards entrepreneurship or aspirations about the growth of their ventures. However, they had higher aspirations about the innovativeness of their offerings. The results indicate that the importance of users as innovative entrepreneurs is a general phenomenon that is not confined to selected industries.

CONTACT: Rögnvaldur J. Saemundsson; rjs@ru.is; (T): +354 599 6294; (F): +354 599 6201; Menntavegur 1, 101 Reykjavik, Iceland.