DIRECTOR SEMINAR SERIES

19th April 2012
Room C101, Building II

What Drives Demand-Pull Innovation? An Empirical Investigation in the Computer Hardware Industry

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ABSTRACT Despite extensive research in the fields of economics and the management of innovation over the past thirty years, the sources of demand-pull innovations have yet to be empirically validated. In this paper we pursue that empirical validation. We first review the literature on demand-pull innovation. Then, we argue that the likelihood of demand-pull innovations occurring depends upon: a firm’s relative focus on marketing versus R&D and a technology’s modularity, and further that these two factors interact as complements. We test these hypotheses using a sample of innovations patented in the computer hardware industry from 2001-2004. Based on our results, we discuss the importance of demand-pull as a contributor to innovation, and we link our findings to the broader debate comparing resource-focused versus demand-focused approaches to strategic management.

18:30 Networking drinks