Comparing coverage of disruptive change in social and traditional media: Evidence from the sharing economy

Christofer Laurell\textsuperscript{a,c,⁎}, Christian Sandström\textsuperscript{b}\textsuperscript{c}\textsuperscript{d}

\textsuperscript{a} Stockholm School of Economics Institute for Research, Box 6501, SE-113 83 Stockholm, Sweden
\textsuperscript{b} Science and Technology Studies, Department of Technology Management and Economics, Chalmers University of Technology, The Ratio Institute, Vera Sandbergs Allé 8B, SE-412 96 Göteborg, Sweden
\textsuperscript{c} Jönköping International Business School, Box 1026, SE-551 11 Jönköping, Sweden

A R T I C L E  I N F O

Keywords:
Disruptive innovation
Institutional change
Traditional media
Social media
Social media analytics

A B S T R A C T

How do social media differ from traditional media in their coverage of disruptive technological change? We explore how two entrants transforming the personal transportation and accommodation sectors are covered in social and traditional media. Using content analysis, we conclude that these two forms of media differ substantially. Traditional media is focused on how the two entrants affect society and their respective sectors at large, whilst social media instead function as accelerators for the entrants as they receive predominantly positive coverage. Therefore, our findings suggest that the rise of social media may accelerate the growth of disruptive innovations which can, in turn, reduce the window for response.

1. Introduction

The increased prevalence of Information and Communication Technologies (ICT’s) has profound effects on the business landscape. New opportunities are created continuously through increased connectivity (Hong et al., 2015), access to big data (Mavragani and Tsagarakis, 2016), and digital fabrication methods (Ford et al., 2016; Sandström, 2016). Not only have ICT’s influenced the conditions under which firms operate (Lockett, 1996), they have also resulted in competitive turbulence (Amankwah-Amoah, 2016; Millar et al., 2010), the restructuration of entire industries, and, at times, also the downfall of established firms (Tripss, 1997).

Up to now, extant research has been devoted to how entrants and incumbents handle the emergence of ICT’s. A large and growing body of literature has investigated factors determining whether successful firms are found among entrants or if the established players remain dominant when an industry is digitized (Ernkvist, 2015). Less attention has been devoted to how ICT’s, such as social media, affect the conditions under which entrants and incumbents battle for market share when an industry undergoes disruptive change. There is, therefore, a general need for studies of how the macro and meso environments of industries are influenced by social media, and in what ways such changes may affect the pace of disruption.

In this paper, we explore how social media are different from traditional media in coverage of disruptive technological change. To do so, we analyze and compare how social media differ from traditional media in their coverage of two ongoing disruptive battles: Uber in the taxi industry, and Airbnb in the accommodation industry. We show that sharing-economy firms Uber and Airbnb receive more positive coverage in social media than in traditional media. Hence, we provide evidence indicating that social media in comparison to traditional media function as accelerators as they fuel the growth of disruptive entrants by increasing their legitimacy.

The remainder of the paper is organized as follows. Next, we review current literature on disruptive innovation, whilst also addressing the topics of social media and the sharing economy in further detail. The following section describes the employed method, and subsequently, results are presented and analyzed. Finally, a concluding remark is provided.

2. Elements of the topic

It is well established that innovation undergoes periods of continuous technological evolution, occasionally punctuated by the introduction of a radically different technology (Dosi, 1982). The implications of radical technological change have received extensive academic interest. Previous research on technology’s impact on industry structure and competition has shown that new technology gives rise to extensive uncertainty, experimentation, and the entry of new firms. After an era of ferment, the industry eventually settles on a dominant
design, which leads to a shake-out and increased focus on incremental improvements (Utterback, 1994).

A large body of research has addressed how and why incumbent firms are displaced by entrants under conditions of disruptive technological change (e.g., Cooper and Schendel, 1976). This stream of literature has devoted extensive attention to a wide range of factors that determine the fate of firms facing or introducing disruptive innovations. Firm-internal aspects such as technology's impact on competencies (Tushman and Anderson, 1986), organizational structures and product architectures (Henderson and Clark, 1990), non-technical assets (Tripsas, 1997), and cognitive factors (Benner and Tripsas, 2012) have been investigated in detail. The influence of established market segments on firms' resource-allocation processes received particular attention from Clayton Christensen and colleagues in a series of articles in the 1990s (e.g., Christensen and Bower, 1996) and were subsequently popularized in several books in which the term disruptive innovation was diffused to a wider audience.

More recently, the interplay between disruptive technological change, established institutions, and the competitive rivalry between entrants and incumbents has been covered in further detail (Ernkvist, 2015; Gurses and Ozcan, 2015). This research stream has shown that it takes considerable time before novel technologies and related business models gain widespread adoption (Sabatier et al., 2012). One reason is that incumbent firms may have more legitimacy and access to superior resources (Dobusch and Schüßler, 2014; Gorham and Singh, 2009) which enable them to influence the institutional regime. Generally speaking, important actors in the industrial environment such as regulators, supervisors, and interest groups tend to have a conservative impact on technology-induced battles between entrants and incumbents (Kaplan and Tripsas, 2008) and vested interests are usually able to delay institutional changes (Acemoglu and Robinson, 2006; Mokyr, 2003).

Though ongoing research into technological change and institutions has paid more attention to the surrounding environment, thus far, most studies have focused on the actions of entrants and/or incumbents rather than the environment in which the disruptive battles take place. As stated in the introduction, the emergence of ICT's such as social media have transformed the business landscape in several ways. It is, however, presently unclear how this development affects the competitive rivalry between entrants and incumbents under conditions of disruptive technological change. Therefore, we fill an important gap in research by comparing and contrasting how social media differ from traditional media in their coverage of disruptive technological change.

2.1. Social media

Social media can be defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content" (Kaplan and Haenlein, 2010, p. 61), where Web 2.0 refers to contents and applications which are regularly modified by users in a participatory and collaborative manner. User-generated content is defined as the sum of different ways in which people use social media.

The emergence of social media has transformed the media landscape in several important ways (Manika et al., 2015). New channels have been created and are extensively used by governments and firms, both as a complement to (Jung and Valero, 2015; Lipizzi et al., 2016) and a substitute for, traditional media (Manika et al., 2015). The rise of social media has also enabled new methodological approaches related to the usage of big data (Durahim and Coskun, 2015). Moreover, it has become a space where consumers, amateurs, and non-professional users develop novel practices (Pihl, 2013; Pihl and Sandström, 2013).

Whilst there are few studies exploring how social media disrupt traditional communication channels and media (Palekar and Sedera, 2015; Pegoraro, 2014), some scholarly work has investigated how these new channels differ from traditional media. Unlike traditional media, social media comprise a mix of consumers and professionals where the demarcations between these two spheres are at times difficult to untangle. In some industries, boundaries between amateurs and professionals have become so blurred that institutions related to certain professions, such as journalism, have been transformed (Laurell and Sandström, 2014). Other scholars have shown that content in social media tends to be more emotional than rational (Al-Saggaf and Simmons, 2015).

Some researchers have explored the impact of social media on innovation activities. Social media can generate interactions and bring actors together to foster innovation (Ooms et al., 2015). Relatedly, literature on open innovation has focused attention on how firms can leverage their innovation capabilities by drawing upon social media (Huston and Sakkab, 2006; Turban et al., 2011).

It is, therefore, clear that the emergence of social media has affected both the media landscape and the innovation activities of firms. Up to this point, however, no direct attempt has been carried out to illustrate how social media differ from traditional media in coverage of industries undergoing disruptive technological change.

With regard to innovation, social media can be conceptualized as communication channels in Rogers’ (1995) framework on diffusion of innovations. A communication channel is the means by which a message gets from one individual to another. The presence of a new communication channel might increase the pace of diffusion and, in that context, social media can therefore function as accelerators. Literature on Word Of Mouth (WOM) drawn from the research field of marketing would arguably support such an argument. Several studies show that at least half of all consumers rely on WOM in their buying decisions (Engel et al., 1969; Walker, 1995). Informal communication networks also link firms together so the diffusion process is, in many ways, similar for firms as it is for consumers (Czepiel, 1974). Research into WOM also suggests that news about an innovation can spread quickly, partly due to the fact that WOM can be retransmitted (Brístor, 1990). Moreover, the retransmission speed for Electronic Word Of Mouth (eWOM) is considerably higher (Phelps et al., 2004), which has also been shown to affect consumers' product judgments (Lee and Youn, 2009), customer perceptions of product value, and the willingness to recommend a product (Gruen et al., 2006).

As stated previously, however, the emergence of a disruptive innovation often implies extensive arguments as entrants and incumbents try to influence the institutional set-up and obtain legitimacy (Ernkvist, 2015) and, hence, the social media landscape might become more of a battleground where framing contests take place. On one hand, the medium might even be captivated by incumbent interest groups who often pose more financial and relational resources (Dobusch and Schüßler, 2014; Gorham and Singh, 2009). On the other hand, the consumer-oriented and highly interactive nature of social media (Kaplan and Haenlein, 2010) might—along with the blurred boundaries between commercial and non-commercial activities (Laurell and Sandström, 2014)—make the medium inherently hard for incumbents to control.

Summing up, it is unclear how social media differ from traditional media in their coverage of industries undergoing disruptive technological change. If social media in comparison with traditional media catalyze disruptive innovations, incumbents will have less time to respond and will, therefore, be more likely to be displaced by entrants. Before turning to the Method section, we expand on specific characteristics of this paper’s empirical setting identified by contemporary scholarly work, namely the sharing economy.

2.2. The sharing economy as a disruptive innovation

The term sharing economy has gained widespread popularity in recent years (Felländer et al., 2015), especially due to the emergence of firms such as Uber and Airbnb, who introduce a platform logic in traditional industries such as transportation and accommodation (Laurell...
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات