When High Failure, Risky Technology Leads to Market Expansion: the Case of the Fertility Services Market

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This paper explores how risky innovation in the fertility services market impacts legitimation dynamics and marketing expansion. We find that despite high failure, risky technology supported by scientific legitimacy leads to an expansion, rather than contraction, in consumer segments. These findings contribute to the risk, legitimacy, and services literatures.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1023813/volumes/v45/NA-45

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EXTENDED ABSTRACT

This paper explores how risky innovation in the fertility services market impacts legitimation dynamics and marketing expansion. Taking institutional theory as an enabling theory, we introduce scientific legitimacy as a key pillar in the legitimation of risky, biomedical technologies. Prior research identifies several actors who play key roles in the legitimation process of consumption practices. For example, Humphreys (2010) highlights how casino managers achieve a sense of legitimacy by successfully navigating regulatory, sociocognitive, and normative conventions that underpin the industry. Additionally, Giesler’s (2012) analysis of Botox marketplace activity illuminates how brands strategically engage with other stakeholders to facilitate the legitimation of new markets. Three main legitimacy-driving actors emerge in the literature: decentralized groups of consumers (e.g. Martin and Schouten 2014; Scaraboto and Fischer 2013), centralized marketplace actors such as a brand (e.g. Giesler 2008; Humphreys 2010a), and news media (e.g. Humphreys and Thompson 2014).

Whilst the aforementioned research has significantly advanced our understanding of market evolution and legitimating processes, several questions remain. First, Martin and Schouten (2014) emphasize that legitimation efforts include “a process of multiple translations wherein consumers mobilize human and nonhuman actors to co-constitute products, practices, and infrastructure” (p.855). Therefore, our research considers how other types of nonhuman actors can be central in legitimation process, especially ones that originate outside the control of marketplace players (e.g. firms or managers). Studies on role of technological innovation are limited. For instance, Giesler (2012) focuses on a technology-centered brand and emphasizes that market creation and development evolves with consumers’ perceptions of technology. We argue that technological innovation itself can substantially affect legitimacy dynamics concerning consumption practices.

Furthermore, previous related studies often focus on empirical contexts in which producers and consumers are relatively clearly defined and the risk of consumption is minimal or predictable. Thus, there is an impetus to examine issues pertaining to the legitimation of consumption processes, in relation to contexts where the subject positions of consumer and producer may shift, and where consumption risks are uncertain or the risk of failure exceed those of success (Fischer, Ottes, and Tuncay 2007).

Existing work which explores the part played by communication technologies as intermediaries of legitimation processes, has focused on the results of centralized industry efforts, such as within one industry, brand, or a set of managerial or expert systems (Humphreys and Thompson 2014). We advance that research is needed to analyze the role of communication technologies, including mass-media, in selecting and disseminating information within decentralized markets to a variety of consumer segments. This is important because in decentralized markets, news media coverage can widely advance technological progress and reflect the type of consumers adopting these innovations. This can help us to distinguish legitimation efforts from centralized industries, versus those stemming from decentralized industries.

Taking a meso-level approach to market expansion driven by high-risk technological innovations, we seek to address the outlined research gaps, by analyzing the marketing of fertility services in the United Kingdom (UK) and the United States (US). Innovations in Assisted Reproductive Technologies (ART) have revolutionized fertility services and how reproductive problems are solved, and have facilitated the quest for parenthood for various consumer demographics. We address two research questions: How and why does technological innovation impact the legitimation of consumption? Under what circumstances does this change in legitimacy dynamics result in market expansion? Qualitative methods and automated content analysis were used to analyze a set of visual and textual data, which includes articles from two newspapers (The Guardian and The New York Times) and three magazines (Elle, Cosmo, and New Scientist), as well as marketing material from US and UK fertility clinics and related health organizations.

We find that decentralized technology innovation which relies on scientific legitimacy impacts normative legitimacy (parenthood norm) and socio-affective legitimacy (in contrast to sociocognitive), while regulatory legitimacy plays a secondary role. The socio-affective mechanism is fueled by how media and marketers frame mythologized parenthood and time scarcity in order to minimize implications of risk failure. Last, despite high probability of technology failure, this market has expanded rather than contracted over time. From our frame analysis, we see that, while ART were heavily adopted by infertile couples and single women when it entered the mainstream, in recent years the use of ART has been expanded to individuals seeking fertility preservation from cancer treatment, gay couples, couples in need of gestational surrogacy, and single, young women seeking egg preservation to name a few.

Our research contributes to literature on institutionalization, by showing that technology innovation is a distinct determinant of consumption-related legitimacy, whilst differentiating between decentralized and centralized technological innovation. Finally, we link scientific legitimacy to the emotional facet of social legitimacy, and its influence on consumption in a market characterized by moderate success in helping consumers reach their goal of parenthood. Lastly, we hope that this work may have implications for providers looking to promote services in contexts where high hopes and high risk surround complex technologies, which may include a variety of medical services.

REFERENCES


