Lead Users Method as a source of Innovation for

E-commerce businesses

Tesis presentada en satisfacción de los requerimientos para obtener el grado de Maestro en Administración de Negocios por:

Paola Lisbeth Ramos Meoño   _____

Programa de la Maestría en Administración de Negocios

Lima, 28 de agosto de 2018

Esta tesis

Lead Users Method as a source of Innovation for

E-commerce businesses

ha sido aprobada.

………..……..……………………….……….…

Kety Jauregui Machuca (Jurado)

Universidad ESAN

2018

TABLE OF CONTENTS

FIGURES

TABLES

APPENDICES

Paola Lisbeth Ramos Meoño

More than 6 years of working experience in International trade department for big companies in retail and textile sectors, like international buyer, coordinating and supervising the international flow of goods in Supply Chain Department, using creativity, critical thinking and work ethic, like team player or alone, always with a good attitude and confidence.

Excellent decision maker and problem solver, with high intermediate level in English, knowledge of software such as SAP, R and high command in Computer skills.

PROFESSIONAL EXPERIENCE

Corporación JERUTH

Company dedicated of the design, production and comercialization of textile products with the brands "John", "John Holden" and "Donatelli". Also with the retail business whereas Stores "Tiendas El" and "Tiendas Adams".

Corporative International Trade Coordinator   April 2018 – Actually

- In charge of International Trade Area into Logistics Department, managing importation and exportation process of the five companies of the Holding.
- Manage of 80% of Holding´s purchase from China, India, Indonesia, so on under different incoterms.
- Direct contact and with international suppliers and responsible of the negotiation of the best conditions of service with freight forwarders and customs agent.

Grupo EFE

Big Retail Holding dedicated to commercialization of electronic devices and motorcycles under brand retailers "Tiendas Efe", "La Curacao" and "Motocorp".

Head of Import Department   January 2013 - August 2016

- Generate a positive impact in results of International Goods Line through reduction of the import cost factor by 5% average each three months, by means of accomplishing strengthened relationship with international logistic suppliers from the purchase to integrated logistic distribution. Also, like a key user, I help company with their first implementation of SAP System in the MM module making efficiencies processes.

Logistics Analyst   **March 2011 - December 2012**

- Implementation of Post Sale Web Project for Latin American Country, reducing cost in Service Client Department by 10% per year, and improving client satisfaction indicator by 20%.
- In charge of the implementation of National Technical service network in order to assure the attention of warranties in whole country.
- In charge of the correct administration of Leasing contracts with Local suppliers, controlling special clauses, expirations, so on.

Post-sale and Service Assistant   **January 2009 - March 2011**

- Attention in customer service of Post-sale Department, providing information about the services of the company.
- Elaboration of Service Orders, sending quotes and technical reports to corporate clients, maintaining constant communication links.
- Control of inputs and outputs of units for final sale.
- Personnel management, hour/man control.
- Bring customer records, control of services performed and not performed.
- Presentation of weekly report of Post sale area production.

EDUCATION

ESAN GRADUATE SCHOOL OF BUSINESS   2015 - actually

Maestría en Administración de Negocios

MONTPELLIER BUSINESS SCHOOL   2016 - actually

Master en Desarrollo de Negocios Internacionales

UNIVERSIDAD NACIONAL PEDRO RUIZ GALLO   2003 - 2009

Licenciada en Comercio Y Negocios Internacionales

EXECUTIVE SUMMARY

Grade:	Maestro en Administración de Negocios
Thesis Title:	Lead Users Method as a source of Innovation for E-commerce businesses
Autor:	Ramos Meoño, Paola Lisbeth

Summary:

In this global scenery, create a competitive e-commerce strategic is mandatory. Companies look for make a difference from competitors and offer an attractive value proposition. This implies a deep knowledge of consumer needs that many times is not provide by traditional methods of market research.

Is in this context where Lead user method is presented as an innovative option for firms that want to obtain first-hand market information and apply it for developing products and services or improving existing ones. However, their application and effectiveness in e-commerce business has not been well proved.

The objective of the present study is to demonstrate why would firms apply or not lead user methods as a source of innovation for e-business. Also, to determine what characteristics firms expect a market research method have in order to apply it for their market researches and which make a market research method better to apply in order to identify customer´s expectations.

Following that premise, I prepared a contribution about the use of lead user method as a source of innovation in e-business, adding new facts and

implications that help to improve the actual knowledge about the topic in order to encourage the best practice in the field.

Making an interpretative approach in study field, I could find some answers to my research question. Firstly, main characteristics firms expect a new market research method have in order to apply it for their market researches are the use by recommendation and faster in results. Secondly, the choosing of a market research method, must to generate value through the use of KPI´s and reflected in one of the five dimensions of e-commerce value grid. Finally, even Scholars have developed research studies about lead user method and its application to different kind of business since 80´s, few people had listened to lead user method and they show skepticism to use this method as a source of innovation for e-commerce business.

<div align="right">Resumen elaborado por la autora</div>

INTRODUCTION: REALITY AND PROBLEMATIC

The trend of firms to become global is highly strong every time. Free trade agreements between countries and economic blocks and the opening of market economics boost firms to expand their business internationally. The facilities offer by economic blocks like European Union turn into opportunity to gain profitability without invest a lot in regulations and legal aspects. The facilities show European Union as an excellent potential market for firms that want to venture into e-commerce business because of their facilities in regulations and accessibility to markets into the European Union market.

Furthermore, emerging economies such as Latin Americans, appear as an attractive opportunity of increasing market share for companies who want to going global, because the growing and stronger trend of these economies in recent years. For this reason, also, Latin American countries have increased their online retail sector value in recent years, becoming a potential market for e-commerce firms.

Below this context, firms look into novel and low cost opportunities to break through new markets, being e-commerce the most appreciate way to sell products globally without high costs. The rapid transformation of traditional business into e-commerce business has been increasing around the world as an exciting trend in all kind of business sectors. Most of businesses had changed their approaches from "Brick and mortar approach" to "Bricks and clicks approach", specially retailers. That´s mean firms not only make sells in physical stores, they have changed the strategy opening online stores in order to adapt themselves to the new scenery. Also, new players are positioning into new markets, using only internet to promote and sell their products, leaving the traditional sale channel game off.

In this global scenery, create a competitive e-commerce strategic is mandatory. However, depend on the kind of e-commerce strategy firms adopt, they can make a difference from competitors and offer an attractive valor proposition according

to customer needs. To get that, it is necessary to understand what customers want, how they want it, when they want it and why they want it.

This implies a deep knowledge of consumer needs that many times is not provide by traditional methods of market research. Here, lead user method is presented as an innovative option for firms that want to obtain first-hand market information and apply it for developing products and services or improving existing ones. Lead user method is a relative new concept applied in the major of the cases in "high-tech" companies where clock-speed approach is required in order to be one-step before than competitors. Also, in "low-tech" companies, lead user method is showed as a good option for creating innovative products and services or improving the existing ones in a faster and saver money, in comparison on other traditional market research method. Lead user method also is compared with the approach of online brand community, however, their application and effectiveness in e-commerce business has not been proved.

Having into consideration e-commerce businesses are involved into a competitive environmental with rapid insertion of new competitors and every time e-buyers are more informed about new trends in products and services, firms need to use innovative approaches in order to make a difference from competitors, to have a detailed knowledge of the market and customers' requirements and to offer attractive stuffs, always one stop in advance to competitors.

In this study I will analyze and explain wheter lead user method is more useful than traditional market research method as a source of innovation for e-businesses. The literature review part will be divided in three chapters where I will present definitions about e-commerce and e-business from different scholars, making a comparison about both concepts and how the value-creation is produced in e-commerce businesses; also, I will define e-marketing concept and explain different statements about the importance of e-marketing strategy for e-businesses using some theories that explain that and its approach in e-business models. In addition, I will make an analysis about evolution of e-business across European and Latin American Markets, highlighting the differences between both

kind of e-business markets, taking into consideration highly customer´s differences by continent and the importance of being clear about these differences in order to evaluate a new market research method. Furthermore, I will explain the main differences between traditional market research method and lead user method, adding at the final, an analyze in three different fields where lead user method had been applied in order to find the special characteristics and value adding of lead user method in each field. Finally, I will conclude with a summary of main points about literature review and the formulation of research question.

In the second part about methodology and research field, I will explain my qualitative methodology approach, based in an interpretative method. The research field is structured by seven firms deep involved themselves in e-commerce business. I will proceed with semi-structured interviews about essential topics with the aim of answer my research question about lead user method. The interviews will be formulated for head executives, trying to confront the reality of their companies with the theories and concept of literature review regarding to lead user method.

Finally, I will present the results and managerial contribution of my study taking into consideration the main objective I want to achieve is to bring a contribution about the use of lead user method as a source of innovation in e-business, adding new facts and implications that help to improve the actual knowledge about the topic, in order to encourage the best practice about this innovative method. Also, to know whether potential e-business markets need to have special characteristics in order to apply a new and innovative market research method, finalizing with some recommendations and contributions for firms who want venture in these markets.

PART 01: LITERATURE REVIEW

Chapter 1: Concepts and theoretical perspectives

I)   **Understanding definitions about e-commerce businesses**

1. Definition of e-commerce

An empirical and simple definition of e-commerce will be the interaction for selling products or services using internet platforms. Most of the scholar's definitions talk about exchange of products or services between buyers and sellers using internet, for instance, according to Turban, 2002, e-commerce is the electronic purchase and sale of goods on electronic and computer network.

On the other hand, Kalakota and Whinston (1997) bring a deeper definition of e-commerce following four viewpoints:

- Communicative viewpoint: transmission of information, products or services, paying money through electronic devices.
- Online viewpoint: buying and selling of information and products online.
- Service viewpoint: looked E-commerce as a tool that permits lower costs and increases speed and quality.
- Commerce process viewpoint: a tool used for improving and accelerating working processes.

2. Definition of e-business

E-business is a relatively new concept applied for whose firms that starting e-commerce businesses. A simply definition of e-business according to Carter (2001) will be the conduction of any type of business via the internet, through online transactions between buyers and sellers. However, Sawhney and Zabin

(2001) associate e-business with the use of electronic networks and technologies to enable, improve, enhance, transform or invent a business process or business system to create superior value for current or potential customers. That´s mean e-business is more than only sell products or services online, e-business involves the creation of value for customers and firms using digital tools.

Figure 01: The three process domains of e-opportunity
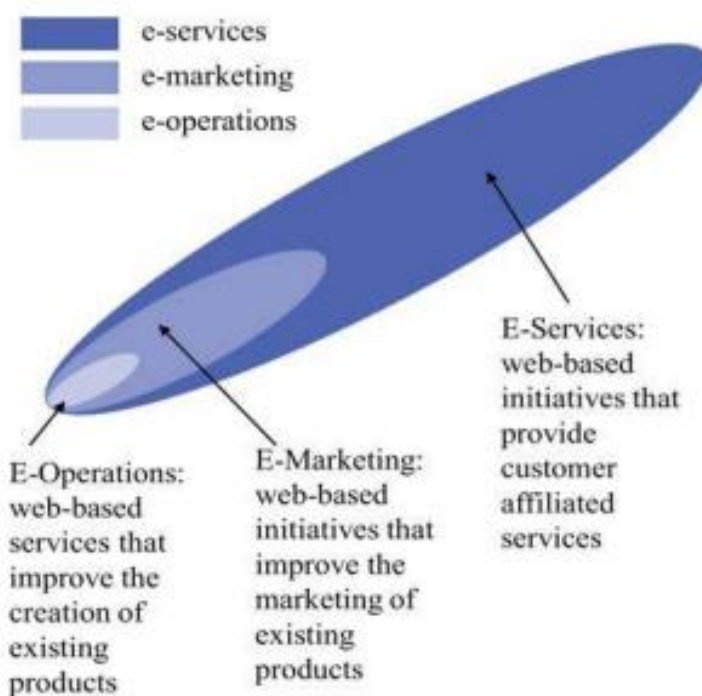
Source of data: Martin et al. (2013)

Following this approach, Zhu et al. (2003) say that e-business facilitates major business processes along the value chain, which leads to the common constituents of e-business – web marketing, online selling, online procurement and service and support. This approach mean e-business involve a general change in the way firms are organized. Firms suffer a dynamic change into their processes in operational processes, marketing processes and financial processes.

3. Value-creation in E-commerce businesses

E-business help firms to create value for customers using technology and digital tools, taking into consideration that electronic business demand a different management of marketing, production, selling, distribution, etc. According to Zott et al. (2,000), value creation in e-business involves two principal concepts: characteristics of virtual markets and definition of strategies for value creation.

Virtual Markets and business process must be aligned in three principal aspects: reach and richness, according to Evans and Wurster (1999), and digital representation according to Zott et al. (2,000). Firstly, reach refers to the way of connecting stakeholders involve in e-business process, eliminating restrictions and boundaries and making a connection through economic agents using electronic networks. Secondly, richness refers to the way in which information flows in both directions firms and customers, reducing asymmetry of information and making it in a deeper, greater and faster mode. And thirdly, digital representation refers to the way in which customers react to the absence of physical and personal contact, scarifying the social aspect of purchasing and increasing the anonymity of transactions.

Also Zott et al. (2,000) identified two main strategies of value-creation: how efficient its business model is and how well it is able to draw and retain customers to its web site (how 'sticky' the site is).

Other point of view is the represented by the electronic commerce value grid (Riggins, 1998). This model combines five dimensions of e-commerce (time, distance, relationships, interaction and product) with three types of value generated by e-commerce (efficiency, effectiveness and strategy) for identifying 5 areas where managers could use e-commerce to create value in business.

Figure 02: The electronic commerce value grid

<div align="center">VALUE CREATION</div>

		Eficiency	Effectiveness	Strategy
FIVE DIMENSIONS OF COMMERCE	**Time**	Accelerate user tasks	Eliminate information float	Stablish 24x7 customer service
	Distance	Improve scale to look large	Present single gateway access	Achieve global presence
	Relationship	Alter role of intermediaries	Engage in micro marketing to look small	Create dependency to lock-in user
	interaction	Make use of extensive user feedback	User controls detail of information accessed	Users interact via online community
	Product	Automate tasks using software agents	Provide online decision support tools	Bundle information, products and services

Source of data: Adapted from Riggins (1998)

Taking into consideration the trend of firms of changing their approaches from being brick and mortars, selling in physical stores and using internet only as a way of promotion, to being bricks and clicks opening e-commerce platforms for selling products and service; firms have adapted their strategies and most of the cases, have made a different strategy for e-commerce business, focus on value-creation and adapt themselves to new e-business environment.

4. Importance of E-marketing for e-businesses

According to Roderick et al. (2,007) e-Marketing is defined as using the Internet and other interactive technologies to create and mediate dialogue between the firm and identified customers. Using technology tools, firms can launch a closed relationship with their customers, sharing information and experiences in real time and offering solutions to current issues and providing information and advertising at the same time.

In addition to that, e-marketing help firms to build or improve data bases in order to personalize communication with customers, using information of online communities, social media, etc., substituting with that the face-to-face interpersonal contact of traditional relationship marketing.

Moreover, the scope of e-marketing allows firms to reach customers that may not be accessible due to temporal and locational limitations of existing distribution channels (Jagdish and Arun, 2005), saving cost of transportation or localization. The cost of an e-marketing platform is typically lower than other marketing platforms such as face-to-face sales people or middlemen/distributors (Watson et al., 2002).

On the other hand, e-marketing create interactions by customizing information for individual customers that allow customers to design products and services that meet their specific requirements (Watson et al., 2002). The empowerment of customers to create the innovative products according their own needs and requirements appear as mass customization.

According to Pine (1993), mass customization refers to provide enough variety in products and services so that nearly every customer can find exactly what they want at a reasonable price. On other words, mass customization takes into consideration the information to customers provide before creating a new product or service. Mass customization refers to production of good and service according to customer´s expectations, taking into account the information obtained through e-marketing tools. The way of applying this concept and its successful depend on the nature of the business and their own strategy.

Marketing is considered one of the most important topic into e-commerce business plan. For instance, establishing trust between the parties of e-commerce transactions (Head et al., 2001) is considered an issue of marketing. Also, the global nature of e-marketing faces issues related to language barriers, culture, feelings, religion, among others. To face these issues, Citrin et al., (2000) suggested that consumer innovativeness will help identify potential customers, who can make a direct influence in customer´s adoptions of internet shopping.

All sum up, anticipate marketing issues can help to avoid big future issues in marketing operations.

II) Evolution of e-business across European and Latin American Markets

1. E-business across European Markets

According to the study about the exploration of patterns of e-business adoption by European firms, the most important factor to characterize e-business adoption is the specific characteristics of the industry and is not the country to which the firms belong (Oliviera y Martins, 2010). However, the success and growth of online business in the European Union is basically for the lack of trade barriers among their member states that offer great opportunities for the development of e-commerce businesses, because once the products enter to any country from the European Union, the products are free for sale to all the 27 member states without additional export or import taxes.

Figure 03: Individuals using the internet for ordering goods or services.
% of individuals aged 16 to 74

geo \ time	2012	2013	2014	2015	2016
EU (28 countries)	59	61	63	65	66
EU (27 countries)	59	61	63	65	66

Source of data: Eurostat

On the other hand, internet users in UE is being growing with the past of the years and most of internet users become to e-shoppers. This becomes one of the main reasons for many European firms have launched to e-business and adopted e-commerce strategies in order to gain market penetration and returns through

sales increase and customer relationship improvement. However, e-commerce business across EU has had to overcome different obstacles before showing an explosive growth. The reduction of the cost of internet rates by European telephone operators and the growing in the number of non-English language web sites, raised the expectations of investors by investing more in European internet start-ups (Zott et all.,2000).

According to Zott et all.,2000 in the study of Strategies for value creation in E-commerce: Best practice in Europe, there are wide variations in the degree to which successful European companies have achieved efficiency and stickiness in their business models. Many companies excelled in certain facets of these multi-component constructs, for example, in building trust in the transaction, allowing the consumer to save time, and finding creative ways of attracting and keeping the consumer. However, most of the companies involved in this study were focused on small subsets of strategies for value creation and did not make use of the full spectrum available. Strategies that were typically under-utilised included decreasing the asymmetry of information between players, making the transactional context more convenient for the consumer, and making greater use of loyalty programmes and virtual communities. Authors believe that these represent untapped opportunities for e-commerce companies to create value.

All sum up, the main characteristics of E-commerce business in European market are the followings:

- Easy market penetration because of same regulations and legal aspects between members.
- A growth tendency of people that use internet for ordering goods and services.
- Customers more connected via internet and with easy access to multi-languages e-commerce platforms.

2. E-business across Latin American Markets

Respect to e-business across Latin American markets, most of the Latin American countries still present issues that make difficult to adopt a widespread e-commerce strategy for firms. Some issues are structural and governmental such as insufficient physical infrastructures, deficiency of electronic transaction facilities and inadequate legal and regulatory framework. concerns in terms of connectivity, ability to pay, deliveries, willingness to make purchases on the Web, ownership of credit cards, and access to other means of payment for online purchases and accessibility in terms of physical deliveries are issues that need to be addressed by a clear strategy on the part of firms that want to open businesses in Latin American countries (Lawrence and Tar, 2010).

Beside of the lack of governmental help and cultural changing, one more important issue that concern online buyers is about the security of online transactions and credit card cloning.

Nonetheless of the issues mentioned above, e-business has been predicted to be a new driver of economic growth for developing countries, (Humphrey et al., 2003). According to the study about Online retail in South America (MarketLine, 2016), In 2020, the South American online retail sector is forecast to have a value of $55,121.5 million, an increase of 193.1% since 2015, being Electrical & electronics is the largest segment of the online retail sector in South America, accounting for 40.8% of the sector's total value.

Figure 04: South America online retail sector value
$ million, 2011-2015

Year	$ million	€ million	% Growth
2011	7,278.6	6,560.2	
2012	9,275.4	8,360.0	27.4%
2013	12,064.4	10,873.8	30.1%
2014	15,726.5	14,174.4	30.4%
2015	18,804.8	16,948.9	19.6%
CAGR: 2011–15			26.8%

Source of data: MarketLine

According to MarketLine study, Brazil accounts for 60.4% of the South American online retail sector value and Venezuela accounts for a further 17.5% of the South American sector, also the compound annual growth rate of the sector in the period 2015–20 is predicted to be 24%.

Experts consider that firms are focused on expand the actual brick and mortar retail model in a brick and click retail model, opening new strategies of e-commerce businesses in order to boost sales and gain presence in other markets. Also, operating a retail business online is easier and less costly than running a traditional brick-and-mortar retail chain.

The internet is being more accessible in developing countries throughout South America. According to Internet World Stats, internet penetration as of November 2015 was 80.1% in Argentina, 57.6% in Brazil, 59.1% in Colombia, 72.3% in Chile and 61.5% in Venezuela.

Considering e-commerce firms are firms that derive a significant or rapidly growing proportion of their revenues from transactions over the Internet. (Zott, et. All., 2000), South American market offer a young environment for new market penetration.

All sum up, the main characteristics of E-commerce business in South American market are followings:

- Difficult market penetration because of different regulations and legal aspects between countries and because of the lack to Governmental commitment.
- A low tendency of people in the use internet for ordering goods and services because of connectivity issues and low security of online transactions.
- However, across of the years, Internet is being more accessible in Latin American countries and the European tend is being copy for Latin buyers.

Chapter 2: Market research methods

1. **Traditional market research method**

The traditional market research method is designed to sample the needs of a relatively large group of users, analyze the data obtained and then present the findings to product developers (Herstatt and Von Hippel, 1992). That´s mean only a very reduce group of customers are involved in the research and most of the time, that customers don´t represent a correct random that the market really need.

The traditional market research method analyze data from CRM software or simply data from the market, make a random sample and build a prototype of product or service according to data. Then, this prototype is tested by customers and readjusted according their requirements, taking more time and money for making necessary adjustments.

Figure 05: Traditional market research Method

Own elaboration

All sum up, I extract these principal characteristics of traditional market research method:
- Analyze large size of customer data looking for customer needs.

- Need to make adjustments according to real customer needs.
- Can take large investments in time and money and feedback.

2. Lead user market research method

Several product successes have demonstrated how using sources of product ideas from outside the organization's boundaries help in being first in the market, which in turn can lead to increased market share and dominance (Tsinopoulos et Al-Zu´bi, 2012).

According to scholars, lead user method is considered an innovative and relatively new method used for obtaining information about customer wants with better results in a shorter time. The lead user method is built around the idea that the richest understanding of needed new products is held by just a few users (Herstatt and Von Hippel, 1992). Thus, firms need to identify a small sample the lead users and involve them into a process of joint development of new product or service concepts with manufacturer personnel. (Herstatt and Von Hippel, 1992) and product experts.

Even lead users tend to be individuals who possess greater consumer knowledge and user experience in the underlying field, with the tendency to exhibit "innovative personalities" (Schreier and Pru¨ gl, 2008), the benefit of this method is explained in the capacity of anticipate customer needs using information provided by whom face needs that will be general in the market place months or years before and also they expect to gain a benefit with the solution of those needs.

However, exist a similarity between the "lead user" concept and "product expert" concept as actors who seek to accelerate the speed of their new product development process. For a better understanding, Tsinopoulos et Al-Zu´bi, 2012, explain in the study about Clockspeed effectiveness of lead users and product experts, the different of "lead user" with "product expert" is based on unlike product experts, lead users will have used, modified, and tested the products

about which they are excited. It is mainly due to the knowledge acquired through these modifications that their collaboration will lead to increased product development speed. In this study, scholars explain: "In line with lead user theory (Franke et al., 2006) we have defined lead users as individuals with specific needs and skills necessary to modify available products to meet those needs. Product experts, on the other hand, are external new product development collaborators who have a commercial interest in the development of a new product. Both groups include skillful individuals who are able to develop new products. Yet, the motivations of the two groups of collaborators are likely to be significantly different. Product experts' contribution is commercially motivated, whereas lead users' contributions are driven by their desire to meet their unique and possibly novel needs (von Hippel, 2005). Despite this difference, there is no technical barrier in the conversion of lead users to product experts, whereas product experts can themselves be lead users in different contexts".

Figure 06: Lead user Method Process model

Own elaboration
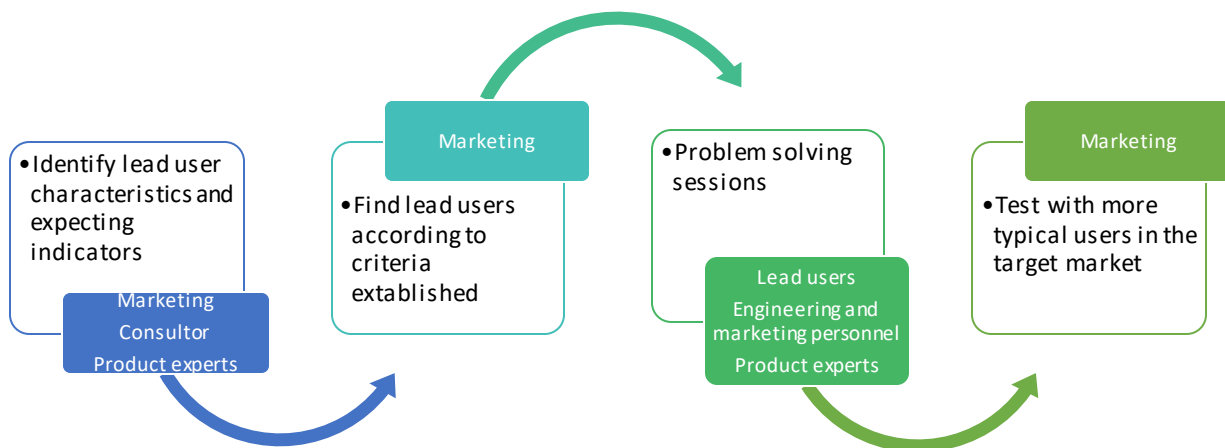
All sump up, I extract these principal characteristics of the lead user method:

- Need to identifying users with the desire of modify and improve a product or service according with market expectations.
- Don´t need to make adjustments according to real customer needs because involve product experts in the previous analysis.
- Reduce investments in time and money.

Chapter 3: Applications of Lead user method in different fields

1. Low tech company case

According to the study of Cornelius et Von Hippel (1992) called "From experience: developing new product concepts via lead user method: a case study in a low-tech field; conventional market research methods do not work well in the instance of many industrial goods and services where the richest understanding of needed new products in held by just a few users. This study is based on the development of steps for identifying these "lead users" and then draw them into a process of joint development of new product concepts with manufacturer personnel. The results of the process using the lead user method were:

- A very valuable new product, well in advance of the offerings of competitors.
- Testing with typical users in a marketplace, the found the product concept developed by lead users very attractive.
- Lead user method, beginning with a technological trend identification and ending with a novel product concept, was significantly faster and cheaper than the more conventional marketing research methods the company normally used.
- The parallel involvement of engineers, marketing people and highly qualified users in the lead user method help to save time in feedback loops or reconsiderations.

2. High tech company case

According to the study about The role of users in the development of applications software of Voss C. (1985), in the case of high-tech companies, suppliers make the role of new systems and products developers. However, innovation requires the synthesis of user need and the technical means to meet the need. Suppliers have the very real problem of identifying the needs to which they can provide an effective and profitable solution. On the other hand, users are much closer to the

real operating needs though they may not always be able to articulate them in technology terms.

Even this study only examines the role of lead user in the innovation process for applications software and make a measure of the degree of participation in the innovation process, the research method showed there was extensive user involvement in the innovation process with significant participation in every stage.

3. Online brand community case

According to Marchi G. et all (2011) in the study "Extending lead-user theory to online brand communities: the case of the community Ducati", online communities are formed by people with a common interest in a brand, product know-how and with the intention of co-create value. The study, based in the analysis of messages posted by Ducati virtual community members in a specific blog developed by Ducati with the aim of involving customers in a collaborative innovation process, analyze the factors profiling innovative users and determining the degree of their innovativeness in the specific context of brand-related online communities. The study found main factors affecting the user´s level of innovativeness such as willingness to collaborate, product knowledge and strategic alignment with the brand identity. "User´s willingness to collaborate in the innovative process and her/his product knowledge and strategic alignment with the brand identity all have a positive and separate effect on her/his ability to formulate and communicate concrete and achievable ideas for the product innovation".

Conclusion of literature review and research question

Even the different realities between European and Latin American e-commerce firms, both markets show a constant and fast growth, each with different strengths and threats, including competitive environment factors with rapid insertion of new competitors and willingness regarding to customer´s purchase habits and cultures and idioms issues. Also, with the growing of internet access, e-buyers

are every time more informed about new trends in products and services making firms imperative to move and use innovative approaches in order to make a difference from competitors and have a detailed knowledge of the market and customers' requirements in order to offer attractive stuffs.

Under this context, e-commerce firms need to ask itself wheter traditional market research methods really help them to obtain useful information and results according customer´s expectations; or wheter they need a more specific, innovative and customer-related method with the aim of going larger in advance respect of their competitors 'information and results.

Firms need to deal with a more rapid change in customer´s wants. Sometimes the development of a new product or service take more time than firms have, because of the use of traditional methods which involves market studies, prototyping, evaluations, integration with key external parties and customers. On the other hand, lead user method is much faster and saver money than traditional methods of identifying promising new product concepts (Herstatt and Von Hippel, 1992). According to scholars, lead user method is considered an innovative and relatively new method used for obtaining information about customer wants with better results in a shorter time.

The lead user method is built around the idea that the richest understanding of needed new products is held by just a few users (Herstatt and Von Hippel, 1992). Thus, firms need to identify a small sample the lead users and involve them into a process of joint development of new product or service concepts with manufacturer personnel. (Herstatt and Von Hippel, 1992) and product experts. These characteristics make thus, lead user method a more useful tool in order to achieve objectives of e-commerce firms. However, this statement is not verified in the field of e-commerce firms.

When applying a new method of market research, e-commerce firms question whether this method is applicable according to their potential market characteristics, also, whether they will have the same success of other firms or whether potential markets need to have special characteristics in order to apply

lead user method regarding to the market size, firm´s core business or expectations of marketing experts.

Having into consideration not all e-commerce firms look a more quickly and precise market research tools, some firms prefer a saver money or saver time tool, I raise a main question about lead user method as a source of useful and appropriate innovation for e-commerce firms.

According to that, I developed the following research questions:

Research question

What characteristics firms expect a market research method have in order to apply it for their market researches?

Which make a market research method better to apply in order to identify customer´s expectations?

Why would firms apply or not lead user methods as a source of innovation for e-business?

PART 02: QUALITATIVE STUDY

Chapter 4: Methodology and research field

### I.   Methodology and epistemological posture

As the objective of this study is to find what characteristics firms expect a market research method have in order to apply it for their market researches, and also to make an interpretation about which make a market research method better to apply in order to identify customer´s expectations and finally why would firms apply or not lead user methods as a source of innovation for e-business, I decided to apply an interpretive approach in this study based on real experiences of people involved in the field of online business.

Knowing interpretive methods of research start from the position that our knowledge of reality, including the domain of human action, is a social construction by human actors (Walsham, 2006), I chose companies with worldwide presence that operate under different realities but are all involved in online business to identify the factors that would make the lead user method interesting to apply in each of its different realities, following the reasoning of Walsham about "our theories concerning reality are ways of making sense of the world, and shared meanings are a form of intersubjectivity rather than objectivity".

Under the interpretative approach, the objective is not to generate general laws, which can be applied in any circumstance, instead of that, the objective is to include new results and propositions regarding to lead user method as a source of innovation for e-commerce business, making an interpretation about what special characteristics a firm expect of a new market research method in order to apply it for their market researches, which make a market research method better to apply in order to identify customer´s expectations and why would firms apply or not lead user methods as a source of innovation for e-business; enriching previous knowledge concerning the topic, applied to different realities, diversifying and positioning into questions the literature review approaches.

In the following figure, I will present in a graphic mode the interpretative approach, according to Allard-Poesi & Marechal (1999).

Figure 07: The Interpretative approach
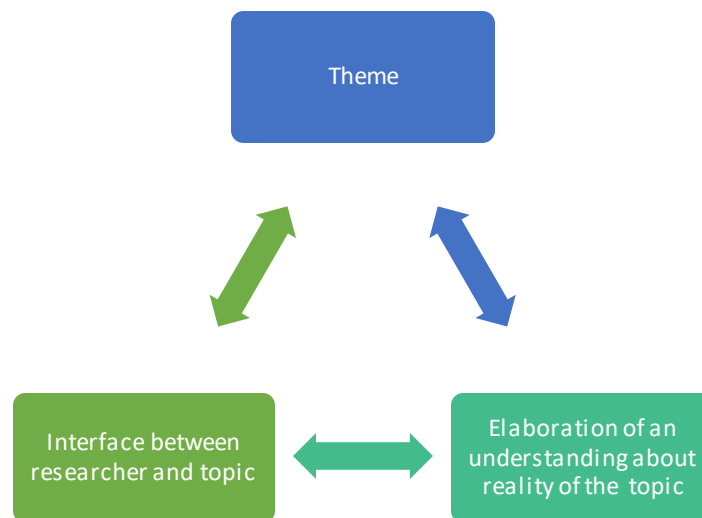
Source: Allard-Poesi & Marechal (1999)

The consequences concerning to interpretative approach on the research are focused in the fact of gaining a consensus between different contributors in a shared situation in e-commerce business and thus they give rise a shared meaning about reality of firms in e-commerce field. Furthermore, as a result, I look for achieving propositions and interpretations that enrich existing knowledge about lead user as a source of innovation for e-commerce business, diversifying and questioning the existing one in the research field.

The validity and reliability of the present study is produced in the way that both, researcher and interviewees, express their real feelings and ideas, giving the character of authenticity to the study. In addition, under the concept of "triangulation" that considers the use of multiple methods, empirical materials, perspectives and observers to add rigor, breadth and depth to any interpretative

research (R. Hernandez Sampieri et all, 1998), the present study could be compared with another studies in order to get amplitude and reliability to the propositions described.

On the other side, about the content analysis, which is defined by Krippendorff (1990) as the technique destined to formulate from certain data, reproducible and valid inferences that can be applied to a context. According to the author mentioned, this technique places the researcher with respect to reality in a triple perspective: the data as is being communicated to the researcher, the context of the data, and the way in which the knowledge of the researcher forces to divide the reality.

Said that, as a part of my contribution with this study in an interpretative approach, I hope to connect the fieldwork with academic world via literature-based ideas that illuminate insights garnered in the field and produce knowledge claims viewed as unique contributions by the relevant professionals and readers.

II.   Research field

In order to develop the qualitative study about lead user method as a source of innovation for e-commerce business, I selected seven firms who work as brick-click or pure-players into e-business field and make operations in Europe and Latin America: ADNOW, OZLINE, TASATOP, WEBXPERTOS, FINANCIERA EFECTIVA, GALAXIE GREEN, KLM PANAMA.

The seven firms are presented in the table follow.

Table 1: Sample description

Company number	E-commerce expansion	Activity	Employees	Person interviewed (Position)	Country (ies) with presence in
AdNow	Pure-players	Digital advertising	30	Business developer	Russia
OZLine	Brick-clicks	Clothing retail	2	Marketing manager	Peru, Chile, USA
Tasatop	Pure-players	Fintech facilitator	3	CEO	Peru
WebXpertos	Pure-players	Web Development & Inbound Marketing	14	Executive director	Panamá, Netherlands, India
Financiera Efectiva	Brick-clicks	Collection of savings and credits	+50	Functional business analyst	Peru
Galaxie Green	Pure-players	B to B sales for green energy products	3	Digital marketing manager	France, Afrique
KLM Panamá	Brick-clicks	Aviation	18	Marketing coordinator	More than 100 countries

I chose these seven firms as my research field because they meet the following criteria:

- They are companies strongly focused on online businesses or looking for increasing its online business participation.
- They are companies that use market research frequently, either to sell their own products or services, or to provide the service to other companies in the sector.
- Interviewed people are highly trained people with extensive knowledge in market research for online businesses.
- The interviewees are people in charge of the development of e-commerce business inside firms as decision-makers.

It is important to mention that I am not taking into consideration the size of business of my research field. Instead of that, I am considering the strength of interviewees respect of their knowledge of reality under the premise of the domain of human action, is a social construction by human actors (Walsham, 2006).

To continue, I am going to present a brief description of the main features of the interviewed firms:

- **ADNOW** is a firm specialized in digital advertising, RTB and big data. They bring a personalized service to firms who are looking for improve their website traffic, content promotion and generate high incomes for their e-commerce business. Interview was made on March 24th, 2017, face to face with a duration of 1hr 20m in the local of the company.

- **OZLINE** is a company dedicated to selling women accessories (handbag, wallets) using offline and online channels (brick-click approach). They are looking for increasing their participation in e-commerce business. Interview was made on April 5th, 2017, by video conference with a duration of 1hr 350m.

- **TASATOP** is a fintech that create revenues as a search-facilitator of the best interest rates for savers through a private auction with financial institutions that offer fixed term deposits. They are looking for increasing their potential market and be more attractive and trust for customers through innovative tools. Interview was made on March 25th, 2017, by video conference with a duration of 1hr 40m.

- **WEBXPERTOS** is a multinational company with presence in Europe, Asia and Latin America, specialized in Web Development. They present itself to customers as a solution in building and optimizing e-commerce platforms to generate more website visitors, customers and revenues. Interview was made on June 27th, 2017, face to face with a duration of 1hr 15m in the local of the company.

- **FINANCIERA EFECTIVA** is a part of a big Peruvian holding. Its core is raising savings and granting credit to people who are starting up in the financial system. Actually, as a part of its expansion strategy, they are looking for diversify its selling channels in order to catch the attention of new potential clients. Interview was made on March 24th, 2017, by video conference with a duration of 1hr 10m.

- **GALAXIE GREEN** is a firm that act as an online selling platform for those companies who have created green energy products and look for a platform in order to sale its products by online channel. Galaxie Green offer a B to B business model and it is in charge of the client and potential client contact, support, sell and post-sale service through platform. Interview was made on June 27th, 2017, face to face with a duration of 1hr 50m in the local of the company

- **KLM PANAMA** is a commercial passenger transport airline, whose sale of air tickets is mostly done on the airline's website. In the case of Panama, KLM has been operating since 2009, having to adapt to the conditions of this new market, characterized by a population with lower economic

incomes and different customers 'expectations. Interview was made on May 29th, 2017, face to face with a duration of 1hr 30m.

Following qualitative methodology, I proceeded with semi-structured interviews conducted by video conference or face to fce and totally transcribed, taking into consideration Interviews are a part of most interpretive studies as a key way of accessing the interpretations of informants in the field (Walsham, 2006).

Interviews were processing in English and Spanish Languages as a source of facilitate the understanding and the information flow. I chose firms that foster business in countries where these languages are used in order to gain a better comprehension between interviewees and researcher, taking into consideration that a final practical matter in terms of field research away from one's own country is that of language (Walsham, 2006). It is clearly better to be able to speak the local language fluently in order to carry out field research there (Walsham, 2006).

In order to obtain essential information that contribute with respond the research question and enrich knowledge about lead user as a source of innovation for e-commerce business, I developed a semi-structure interview guide in both languages English and Spanish. This semi-structure interview guide was presented to their interviewees trying to achieve a free communication in order to gain the maximum of information as possible. The interview guide is detail explained in appendix section of this study.

The interview guide was built up in 4 sections:

- The first section covered presentation of firm and interviewee, also explain in detail the size of e-commerce activity for a better understanding of the importance of our topic for firm and interviewee.

- The second section contained questions that involve why firms use market research methods and what features they consider as key reasons at the moment of choosing a market research method.

- The third section questioned about level of importance of market research methods in the strategy of firms and the way how they measure the impact of a market research method in results.

- The fourth section questioned about the knowledge of lead user method, a brief explanation about the most important characteristics of this market research method and the question about whether interviewees will be able to use this method in new market researches.

As I mentioned before, I chose interviewees considering the strength of their knowledge of reality under the premise of the domain of human action, is a social construction by human actors (Walsham, 2006), and compare their points of view between themselves and with the theory of value-creation represented by the electronic commerce value grid (Riggins, 1998) in order to recognized whether inside the five dimensions of value creation, lead user method is a source of innovation for e-commerce business.

Furthermore, according to theory about traditional market research method and lead user method, determine whether to sample the needs of a relatively large group of users, analyze the data obtained and then present the findings to product developers (Herstatt and Von Hippel, 1992), as traditional market research method is manage, is enough value-creating for firms, instead of using an innovative method as lead user that allow the capacity of anticipate customer needs using information provided by whom face needs that will be general in the market place months or years before and also they expect to gain a benefit with the solution of those needs (Schreier and Prü gl, 2008), obtaining, all sum up, propositions of characteristics that firms expect a market research method have in order to apply it for their market researches.

A brief description of Interviewees who participated in this study are detailed in lines below:

- Interviewee N° 1, from ADNOW firm, has business developer position. He has experience in bargaining and knowledge of clients.

- Interviewee N° 2, from OZLINE firm, is the marketing manager and also cofounder of the company. He has deep knowledge about Peruvian market as well.

- Interviewee N° 3, from TASATOP firm, is the CEO and cofounder of this startup firm, considered as a disruptive innovation in Peruvian market, unique offer in fintech market.

- Interviewee N° 4, from WEBXPERTOS, is the executive director of the firm, in charge of development new strategies and new business.

- Interviewee N° 5, from FINANCIERA EFECTIVA is the functional business analyst of Business intelligence department who manage big data for entire firm and is in charge of preparing managerial reporting for selling and marketing departments.

- Interviewee N° 6, from GALAXIE GREEN, is the Digital Marketing Manager of company, who is in charge of developing the online business strategy for firm and measure its efficiency.

- Interviewee N° 7, from KLM PANAMA, is the Marketing Coordinator in charge of the development of new projects in Marketing Department of KLM Panama filial. Also, these new projects involve the development of digital channels and customer relationship.

Chapter 5: Presentation of results

Even realities are different between European and Latin American e-commerce firms, both markets show a constant and fast growth in the number of e-commerce businesses, even inside the context where firms need to deal with a more rapid change in customer´s wants.

Whereas e-commerce offer increase and customers tend to became e-buyers, a fundamental managerial problem for e-commerce experts is whether traditional market research methods really help firms to obtain useful information and results about customer´s expectations or whether firms need a more specific, innovative and customer-related method with the aim of going larger in advance respect of their competitors 'information and results.

In order to know expert´s expectations about market researches, I asked what characteristics they demand in a new market research method, as lead user method, for considering it as a source of innovation and value-creation for e-commerce business? taking into consideration that firms seek ways for creating value in their operations: value for stakeholders and value for clients in order to ensure business continuity.

Under this premise, a way of creating value in e-commerce business is showed by Electronic commerce value grid (Riggins, 1998) thought its five dimensions of value: value in time, value in distance, value in relationship, value in interaction and value in product.

On the other hand, experts agreed that one way of measuring the value creation of a market research method is that it has a positive impact on the company's results. The choosing of a market research method, highly positive impact in results, must to generate value at least in one of the five dimension of e-commerce value grid. However, introducing a new method of market research require many times to make an extra effort to build confidence that its use will make a positive difference in firm results.

On the other hand, as I mentioned before about the content analysis, Krippendorff (1990) mentioned this technique places the researcher with respect to reality in a triple perspective:

- the data as is being communicated to the researcher: in this case, the data was reached by semi-structured interviews conducted by video conference or face to face and totally transcribed for this study, taking into consideration Interviews are a part of most interpretive studies as a key way of accessing the interpretations of informants in the field (Walsham, 2006).

- the context of the data: for getting that, the semi-structure interview guide was presented to their interviewees trying to achieve a free communication in order to gain the maximum of information as possible. The interview guide is detail explained in appendix section of this study.

- and the way in which the knowledge of the researcher forces to divide the reality: my eight years of working experience in brick and clicks retail companies allows me to understand the field of ecommerce research and the strategic objectives of companies when they look for a positive impact in their results.

In order to follow a way of answering my research questions, I divided semi-structured interviews into three main categories, according to research questions. This content analysis is detailed in Table 2.

Table 2: Presentation of the content analysis

Research questions	Main categories in results (Themes)	Interview questions
What characteristics firms expect a new market research method have in order to apply it for their market researches?	*1.* Key reason at the moment of choosing a market research method	***Session 2nd of semi-structured interview*** 1. Do you have e-marketing area in your company or only a marketing area for both businesses? 2. Please, can you explain about your marketing strategy for e-business? 3. What market research method would you use if you want to go into a new market or if you want to introduce a new product or service to the same market? 4. What do you consider it is the most important fact to take into consideration for choosing a market research method? Recommendations Faster in results Precise in results Saver money Others. Please mention. 5. Do you believe it is necessary to apply a different market research method for e-businesses? Please explain why

Which make a market research method better to apply in order to identify customer´s expectations?	**2. Impact in results and firms´ strategy of market research method.**	*Session 3rd of semi-structured interview* 1. How many market research have you done in the last few years? 2. What KPIs did you use for measuring the results of the market research? 3. Do you consider the use of market research methods impact in results of businesses? Please explain why.
Why would firms apply or not lead user methods as a source of innovation for e-business?	**3. Lead user method: The Knowledge and application in research field.**	*Session 4th of semi-structured interview* 1. Have you heard about "lead user" method? I am going to give you a brief explanation about lead users method. 2. Do you consider lead user method will be more useful than traditional market research methods as a source of innovation for e-businesses? Please explain why. 3. Do you consider you could apply this method in your e-business? Please explain why. 4. Do you consider lead user method will help to better identify customer´s expectations in the market where you are involved? Please explain why. 5. What will you expect of the application of lead user method in your e-business?

Furthermore, the content analysis of the present study has been categorized by themes in order to present results in an understanding way.

I.   Key reason at the moment of choosing a market research method

In content analysis, I found the total of the interview companies knew and thus had used at least one market research method in last years, obviously demonstrated for the activity of the interviewed firms and because all of them offer a product or service for a market niche and are constantly looking for investigate customer´s expectations. This fact shows us the growing tendency to know the market in which we are involved.

According to the fact of the existence of key reasons of choosing a market research method, I found the following statements:

- Interviewees from Latin American firms chose "recommendation" as the most important reason at the moment of choosing a market research method. This show us a high cultural aspect where Latin American people need to know previous results in other markets in order to evaluate a new market research method.

- However, one of the Latin American interviewees also mentioned "saver money" as a key reason at the moment of choosing a market research method (interviewee N°3 from TASATOP) and other one mentioned "precise in results" (Interviewee N° 7 from KLM PANAMA). They explain their chosen as a consequence of life cycle firm: TASATOP is a young firm (less than a year in market) and it take care of expenses; and on the other side, KLM is a company well-positioning in market who take care of image and precise results in its researches.

- We could emphasize that characteristics of lead user method is not among the key reasons that Latin American firms take into account when choosing

a method of market research. This is because they prefer to use market research methods recommended by other firms who had used previously. In this way, it would be necessary to introduce the method through consultants or expert organizations in the field that show it as a reliable and advisable alternative.

- On the other hand, European firm's interviewees chose "faster in results" as a key reason at the moment of choosing a market research method. That is explained as a consequence of the dynamism of European market with easy market penetration because of same regulations and legal aspects between members of European Union, and thus rapid insertion of new competitors and highly changing environment.

- Instead of the common expectation of firms is adding value to e-business, they do not mention innovation as a resource of value creation in a changing environment such online business.

- According to Herstatt and Von Hippel, 1992, lead user method is much faster in results and saver money than traditional methods of identifying promising new product concepts, thus lead user method possess that European firms are looking for in a market research method.

- Taking into consideration one of the aim of lead user method is to seek to accelerate the speed of their new product development process (Tsinopoulos et Al-Zu´bi, 2012), this method has a high expectation of being use for European firms.

All sum up, characteristics firms expect a new market research method have in order to apply it for their market researches would be:

For Latin American firms: use by recommendation

For European firms: faster in results

II.   Impact in results and firms´ strategy of market research method

All interviewees consider the use of market research methods has a highly impact on e-business results. As the interviewee N° 3 affirmed: "an error in the quantification of the project could lead on economic losses, on the other hand, a good study could open new spaces in the market. Also, the development of market research methods increases every year, making almost 3 per year in average".

However, a way of measuring the impact - positive or negative - of a market research method is done by the use of statistical resources called KPIs (Key Performance Indicators). Interviewees mentioned some of KPIs they use in order to measure results of a market research method, such as "measuring of subscribers", "leads and customers", "country website traffic", "country website content", "level of acceptance of service", "likert scale", "price of service", "allowable error margin", ROI, "Lifetime Value of a Customer (LTV)", "Sales growth", "Website Traffic".

Even to the study of Cornelius et Von Hippel (1992) called "From experience: developing new product concepts via lead user method: a case study in a low-tech field" consider conventional market research methods do not work well in the instance of many industrial goods and services where the richest understanding of needed new products in held by just a few users. In that case, interviewees consider a highly great impact in results of market research method in firms´ strategy when KPI´s measure spend highly positive results, independent of the market research used.

As interviewee N° 7 explain: "Although it does not guarantee the success of the business, it gives you tools to implement a strategy that adapts to the market, additional reduces the risk of using wrong channels". Measuring results of a market research method is imperative in order to know whether a strategy is aligned with the achievement of objectives outlined.

Knowing that the aim of firms 'strategy is determinate by the value creation (Riggins, 1998), according to Electronic Commerce Value Grid, the choosing of a market research method, highly positive impact in results, must to generate value at least in one of the five dimension of e-commerce: value in time, value in distance, value in relationship, value in interaction and value in product.

Table 3: Measure impact KPI´s in Electronic Commerce Value Grid

Five dimension of e-commerce	KPI´s measure	Impact
Value in time	- Lifetime Value of a Customer (LTV)	Time saving with precise results
Value in distance	- Country website traffic	Achieve global presence
Value in relationship	- Level of acceptance of service	Generate and improve customer relationship
Value in interaction	- Country website content - Measuring of subscribers	Create mechanisms of users´ interaction
Value in product	- ROI - Sales growth	Bundle information

According to Table 03, a comparison between Five dimensions of e-commerce value creation in Electronic Commerce Value Grid and KPIs indicators proposed by interviewees, showed us firms look forward a way of right measure of value creation in e-commerce strategy through the use of numeric indicators KPI´s. All of interviewees use at least one numeric indicator KPI´s for measuring at least one of the five dimensions of e-commerce value creation.

III. Lead user method: The knowledge and application in research field

Some scholars consider that lead user method is an innovative method which generates value for e-commerce business. It had been proven by studies in low-tech and high-tech companies and also community managers where this method helped to create value for firms in an innovative, shorter and dynamic way.

However, there is a considerable percentage of e-commerce firms who have never heard about this method, and less about its benefits and results for e-commerce businesses. For this reason, I made a brief explanation to interviewees about lead user method, its application and benefits in whole sectors.

First of all, I asked whether they will apply Lead user method in future researches and what would they expect about this method as a differentiation of actual traditional market research method and I got only three of them will apply lead user method, the other four interviewees mentioned they will not apply the method or it could be applied.

Second of all, I asked interviewees about main reasons why they apply or not lead user methods as a source of innovation for e-business obtaining the follow statements:

- Interviewees identified benefits of lead user method as a way of identified customer´s needs. As interviewee N° 01 mentioned: "this method would allow us to see what our partners need".

- For interviewee N° 03, the identification of the correct random business is more difficult to do in in e-commerce, as he mentioned: "if it is a structured and representative method, I think it could be very useful, especially for e-business where the logical circuit of visits and interaction on the platform is not well quantified".

- However, for interviewee N° 6 consider it is not so easy to apply for some industries or sectors. She mentioned: "People who know about green energy products are not a lot. Only a few know really what we are selling and the market in general. We don't sell a common product that everyone can be an expert in".

- Also, some interviewees show skepticism about finding users with this ability to understand and understand their business. As interviewee N° 6 mentioned: "It can be better to understand one point of view, but this point of view can't be the same for everyone, I think it can be dangerous to base all our market research only on the advice of one or few persons".

All sum up, even Scholars have developed research studies about lead user method and its application to different kind of business since 80´s, none of interviewees had heard before about this method, neither in Latin America nor in Europe, thus, they show skeptical about its application and benefits, and also about finding users with the ability to understand and understand their business.

Chapter 6: Theoretical and Managerial Contribution

I.   Theoretical Contribution

Some scholars said about traditional market research method: "the traditional market research method is designed to sample the needs of a relatively large group of users, analyze the data obtained and then present the findings to product developers (Herstatt and Von Hippel, 1992). That´s mean only a very reduce group of customers are involved in the research and most of the time, that customers don´t represent a correct random that the market really need.

For interviewee N° 03, the identification of the correct random business is more difficult to do in in e-commerce, as he mentioned: "if it is a structured and representative method, I think it could be very useful, especially for e-business where the logical circuit of visits and interaction on the platform is not well quantified".

On the other hand, the involvement of product experts into the process of lead user method generate reliable for firms. AS Herstatt and Von Hippel (1992) affirmed about lead user methods: "firms need to identify a small sample the lead users and involve them into a process of joint development of new product or service concepts with manufacturer personnel and product experts". This is one of the most important points for interviewee N° 02, who mentioned: "I don't know whether this is the best, but in fact could be useful because involve product experts".

However, for interviewee N° 6 consider it is not so easy to apply for some industries or sectors. She mentioned: "People who know about green energy products are not a lot. Only a few know really what we are selling and the market in general. We don't sell a common product that everyone can be an expert in".

Even lead users tend to be individuals who possess greater consumer knowledge and user experience in the underlying field, with the tendency to exhibit "innovative personalities" (Schreier and Prü̈gl, 2008), the benefit of this method is explained in the capacity of anticipate customer needs using information provided by whom face needs that will be general in the market place months or years before and also they expect to gain a benefit with the solution of those needs.

About this point, some interviewees show skepticism about finding users with this ability to understand and understand their business. As interviewee N° 6 mentioned: "It can be better to understand one point of view, but this point of view can't be the same for everyone, I think it can be dangerous to base all our market research only on the advice of one or few persons".

The creation of value for an online business according to the theory of value-creation represented by the electronic commerce value grid (Riggins, 1998) is produced in 5 dimensions: value in time, value in distance, value in relationship, value in interaction and value in product.

Following the 5 dimensions, interviewees consider a highly great impact in results of market research method in firms´ strategy when KPI´s measure spend highly positive results, independent of the market research used. In fact, the choosing of a market research method is determined by its highly positive impact in strategy result, that´s mean it must to generate value at least in one of the five dimension of e-commerce.

II.   Managerial Contribution

At a managerial level, this study contributes presenting lead user method as an additional alternative of innovation in market researches for e-commerce business.

E-commerce experts consider that the purpose of using a method of market research is to generate accuracy and create value in the strategy proposed to positively impact in results of firm. For them, a market research method should be recommended and having known previous results in order to be proved for e-commerce business, beside of being faster in results because of the dynamism of market with easy market penetration as whole markets show actually.

In this way, as a managerial contribution, it would be necessary to introduce the method through consultants or expert organizations in the field that show it as a reliable and advisable alternative. Also, take into consideration past theoretical implications that showed lead user method as a method faster in results and saver money according its application in other fields.

On the other hand, a fundamental managerial problem for e-commerce experts is whether traditional market research methods really help firms to obtain useful information and results about customer´s expectations or whether firms need a more specific, innovative and customer-related method with the aim of going larger in advance respect of their competitors 'information and results.

From a managerial perspective, managers have clear the changing environment such online business and the need of having precise and faster results when they launch a market research. Also, measure the impact is mandatory at the moment of evaluating a new market research method, considering a highly great impact in results of market research method in firms´ strategy when KPI´s measure spend highly positive results.

CONCLUSION

From very beginnings, the objective of the present study was to demonstrate why would firms apply or not lead user methods as a source of innovation for e-business. Also, to prepared a contribution about the use of lead user method as a source of innovation in e-business, adding new facts and implications that help to improve the actual knowledge about the topic in order to encourage the best practice in the field. Moreover, to know whether potential e-business markets need to have special characteristics in order to apply a new and innovative market research method and, finally to give some recommendations and contributions for firms who want venture in these markets.

Having into account that create a competitive e-commerce strategic is mandatory, depend on the kind of e-commerce strategy firms adopt they can make a difference from competitors and offer an attractive valor proposition according to customer needs. To get that, it is necessary to understand what customers want, how they want it, when they want it and why they want it. This implies a deep knowledge of consumer needs that many times is not provide by traditional methods of market research.

Lead user method is presented as an innovative option for firms that want to obtain first-hand market information and apply it for developing products and services or improving existing ones. Lead user method is a relative new concept applied in the major of the cases in "high-tech" and "low-tech" companies, and also is compared with the approach of online brand community. However, their application and effectiveness in e-commerce business has not been proved at the moment.

Making an interpretative study in field, I could find some answers to my research question. Firstly, main characteristics firms expect a new market research method have in order to apply it for their market researches are the use by recommendation for Latin American firms and faster in results for European firms.

Secondly, knowing that the aim of firms 'strategy is determinate by the value creation (Riggins, 1998), according to Electronic Commerce Value Grid, the choosing of a market research method, highly positive impact in results, must to generate value at least in one of the five dimension of e-commerce: value in time, value in distance, value in relationship, value in interaction and value in product. use at least one numeric indicator KPI´s for measuring at least one of the five dimensions of e-commerce value creation

Finally, I could find that even Scholars have developed research studies about lead user method and its application to different kind of business since 80´s, there are companies had not heard before about this method, neither in Latin America nor in Europe, less about its benefits and faster results.

However, being considering a newer method, it needs more studies and contributions about its use and benefits for e-commerce field. In this way, as a managerial contribution, it would be necessary to introduce the method through consultants or expert organizations in the field that show it as a reliable and advisable alternative.

Taking into consideration my research is limited by the study field, I tried to achieve truth in terms of intentional fulfillment (Sandberg, 2005). This is established when there is an agreement between the researcher´s initial interpretation of the object being studied and the meaning given in lived experience. Is the initial interpretation of an object fulfilled in experience of it, the initial interpretation demonstrated itself to be based on the way the meaning of an object under investigation presents itself to consciousness. Is this fulfillment is experienced, then truth is achieved (Sandberg, 2005). However, it need to be apply in different contexts and perhaps better detailed into e-commerce field, separating researches by products and services. Also, specific researches in every field reality should be useful.

REFERENCES

- Allard-Poesi, F., Maréchal, C. (1999). Construction de l'objet de la recherche. In Thiétart et coll., Méthodes de recherches en management, Paris, Dunod, pp.34-56.

- Alvarez-Gayou J.L. "Como hacer investigación cualitativa: fundamentos y metodología" (2003) Cap 1, 10-11.

- Citrin, V. A., Sprott, D.E. Silverman, S. N., and Stern, D.E. Jr., (2000), "Adoption of internet shopping: the role of consumer innovativeness", Industrial Management and data systems, Vol. 100 N° 7, pp. 294-300.

- Diana Kao Judith Decou, (2003),"A strategy-based model for e-commerce planning", Industrial Management & Data. Systems, Vol. 103 Iss 4 pp. 238 – 252. Permanent link to this document: http://dx.doi.org/10.1108/02635570310470638

- Donici, A., Diacon, P. "E-commerce across European Union". CES Working papers 3: 390-397.

- Eurostat. "Individuals using the internet for ordering goods or services". Available online: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en &pcode=tin00096&plugin=1

- Evans, P. and Wurster, T.S. (1999), "Blown to Bits: How the New Economics of Information Transforms Strategy". Harvard Business School, Boston.

- Golden-Biddle, K., Locke K. "Composing qualitative research". SAGE Publications. 2007. Thousand Oaks, California 91320. USA.

- Herstatt, C., Von Hippel E. "From experience: Developing new product concepts via lead user method: a case study in a "low-tech" field". J. prod Innovation Management. (1992:9) 213-221.

- Head, M., Yuan, Y., and Archer, N., (2001) "Building trust in e-commerce: a theoretical framework", paper presented at the 22nd McMaster World Congress, Hamilton, 17-19 January.

- Jagdish N. Sheth. Arun Sharma. "International e-marketing: opportunities and issues". (2005). International Marketing Review. Vol. 22 No. 6, 2005. pp. 611-622. Emerald Group Publishing Limited.

- Kalakota R, Whinston A (1997). "Electronic Commerce. A Manager's Guide", Addison Wesley, Reading, MA. Avaiable at: http://books.google.com/

- KRIPPENDORFF, K (1990): Metodología del análisis de contenido. Teoría y Práctica. Barcelona. Paidós Ibérica, S.A

- Lawrence, J., Tar, U. "Barriers to e-commerce in developing countries". Information, Society and Justice, Volume 3 No. 1, January 2010: pp 23-35 ISSN 1756-1078.

- MarketLine Industry Profile. "Online retail in South America". October, 2016. Reference code: 0206-2344.

- Martin George Wynn Phillip Turner Erin Lau, (2013)," E-business and process change: two case studies (towards an assessment framework) ", Journal of Small Business and Enterprise Development, Vol. 20 Iss 4 pp. 913 – 933 Permanent link to this document: http://dx.doi.org/10.1108/JSBED-03-2012-0044

- Oliveira, T, and Martins, M, F. (2010) "Firms Patterns of e-Business Adoption: Evidence for the European Union-27" The Electronic Journal

Information Systems Evaluation Volume 13 Issue 1 2010, (pp47 - 56), available online at www.ejise.com.

- Pine, B.J. II, Victor, B., Boyton, A.C., 1993. "Making mass customization work". Harvard Business Review 71, 108–119.

- Porta, L., Silva, M. 2003 "La investigación cualitativa: El Análisis de Contenido en la investigación educativa" 1-18

- Riggins, F.J. (1998), "A framework for identifying web-based electronic commerce opportunities", available at: http://friggins.mgt.gatech.edu/papers/ecvalue.htm

- Sandberg, J., How Do We Justify Knowledge Produced Within Interpretive Approaches? Organizational Research Methods; Jan 2005; 8, 1; ABI/INFORM Collection pg. 41.

- Sperda N., Enescu M. "Challenges of Managing E-commerce". Economics, Management and Financial Markets. Volume 6(2), 2011, pp. 194-199, ISSN 1842-3191.

- Tsinopoulos C., "Clockspeed effectiveness of lead users and product experts". (2012). International Journal of Operations & Production Management. Vol. 32 No. 9. pp. 1097-1118.

- Turban AD (2002). "Electronic Commerce 2002: A Managerial Perspective". Prentice – Hall. Available at: http://www.pearsonhighered.com/educator/academic/product?ISBN= 0130653012.

- Von Hippel E., "Lead users: a source of novel product concepts". Management Science (1986-1998); Jul 1986; 32, 7; ABI/INFORM Collection. 691p.

- Voss, C. "The role of users in the development of applications software". J Prod innov Manag. (1985). 2: 113-121.

- Walsham, G. "Doing interpretative research". European Journal of Information Systems (2006) 15, 320–330.

- Zott, C., Amit R., Donlevy J." Strategies for value creation in E-commerce: best practice in Europe". European Management Journal (2,000). Vol. 18, No. 5, pp. 463–475.

200 words Summary

Abstract

The objective of the present study is to demonstrate wheter lead user method is more useful than traditional market research method as a source of innovation for e- businesses. Also, to prepared a contribution about the use of lead user method as a source of innovation in e-business, adding new facts and implications that help to improve the actual knowledge about the topic in order to encourage the best practice in the field.

Making an interpretative approach in study field, I could find some answers to my research question. Firstly, main characteristics firms expect a new market research method have in order to apply it for their market researches are the use by recommendation and faster in results. Secondly, the choosing of a market research method, must to generate value through the use of KPI´s and reflected in one of the five dimensions of e-commerce value grid. Finally, even Scholars have developed research studies about lead user method and its application to different kind of business since 80´s, few people had listened to lead user method.

Key words

- Lead user
- Market research method
- E-commerce
- E-business
- Innovation