

**Frank T. Piller, RWTH Aachen & MIT Smart Customization Group, M.I.T.**

## **Interactive Value Creation between Firms and Customers: Recent Research and Open Questions in Marketing and Innovation Management**

A main challenge in new product development (NPD) is to match a new design to customer preferences. The growing heterogeneity of demand, the advent of “long tail markets”, exploding product complexities, and the rise of the creative consumer are making this task more difficult than ever. This talk will explore new strategies to make NPD more efficiently by utilizing the firm's periphery for innovation. One of the most important external sources for innovation is the user of a product or service. Empirical research today has shown that many functional novel inventions did not originate in the manufacturer domain, but in the domain of the user or customer. Before this context, my talk will focus on an active and voluntarily contribution of users and customers into the value creation process of a firm. I will discuss a diverse set of strategies for companies to utilize this notion. Our research has found that an innovation process which is open to the input of external sources can be more efficient and effective than a process just relying on internal input from the innovator's organization. The idea is that by incorporating a much larger variety of ideas and knowledge in NPD, performance should improve and the resulting products should have a better fit with the market requirements.

**Speaker Info:** Frank Piller is a chair professor of management at the Technology & Innovation Management Group of RWTH Aachen University ([tim.rwth-aachen.de](http://tim.rwth-aachen.de)). He also is the co-director of the MIT Smart Customization Group at the Massachusetts Institute of Technology, USA. Before entering his recent position in Aachen in spring 2007, he worked at the MIT Sloan School of Management (Innovation and Entrepreneurship Group) and has been an associate professor of management at TUM Business School, Technische Universitaet Muenchen (1999-2004). Frank Piller graduated summa cum laude with a Ph.D. in Operations Management from the University of Wuerzburg, Germany in 1999. His habilitation is from TUM Business School. He is a fellow of the German Scholarship Foundation and a founding member of the European Academy of Management. His research is supported by grants from industry and the German Federal Ministry of Research (BMBF), the European Community, and other institutions.

RWTH Aachen Technology & Innovation Management Group  
Lehrstuhl TIM, Templergraben 64, 52062 Aachen, Germany  
Tel +49 241 809 3577, Fax +49 241 809 2367  
[piller@tim.rwth-aachen.de](mailto:piller@tim.rwth-aachen.de)  
[tim.rwth-aachen.de](http://tim.rwth-aachen.de) | [open-innovation.com](http://open-innovation.com) | [mass-customization.blogs.com](http://mass-customization.blogs.com)