Contextualizing digital innovation in today’s China:

Local practices and global contributions

Special Issue Guest Editors:
Carol Hsu, Tongji University (carolhsu@tongji.edu.cn)
Liang Li, University of International Business and Economics (liliang2013@uibe.edu.cn)
Ji-Ye Mao, Renmin University of China (maojiye@rmbs.ruc.edu.cn)
Wei Zhang, University of Massachusetts Boston (Wei.Zhang@umb.edu)

In 2008, *Information Systems Journal* published a special issue on Information Systems (IS) in China (Davison et al. 2008), which greatly encouraged IS scholars to conduct high-quality IS research in and about China. Since then, the world has witnessed an increasingly important role of China in the global economy. With the development of its economy, China also made great progress in the use of digital technology, the development of new digital business, and the application of digital solutions to organizational and societal issues. The country even managed to lead the rest of the world in a few areas such as e-commerce and mobile payment. How do individuals, private firms, nonprofits, and governments in China position themselves to leverage digital technologies? Can we translate what we learn from China to the rest of the world, and if yes, how? Recognizing that China provides a potentially important context for IS research, we call for another special issue in the *Information Systems Journal* with a renewed focus on IS issues in China.

Especially, in recent years, digital innovations have become a driving force for global economic development and transformation. China is no exception. Digital innovations can be defined as ‘the creation of (and consequent change in) market offerings, business processes, or models that result from the use of digital technology’ (Nambisan et al. 2017, p.224). According to a research by McKinsey Global Institute (2015), as China evolves from an innovation ‘sponge’ that absorbs and adapts existing technologies and knowledge from around the world to a global innovation leader, it is doing particularly well in the arena of digital innovations such as Internet software and services, consumer electronics, home appliances, and communications equipment. In certain areas such as e-commerce and mobile payment (Aldama 2017; Abkowitz 2018), China is apparently leading the rest of the world.
Beyond the business world, digital innovations also play an important role in driving social innovations in China. Free Lunch for Children (FL4C), one of the most successful NGO campaigns on social media in China, effectively utilized Sina Weibo to enroll the public in the nationwide charitable program (Zheng and Yu 2016). Both central and local governments are proactively involved. Based on the development of rural e-commerce ecosystems, for example, a prefectural government has innovatively transformed market-based poverty alleviation approaches (Li et al. forthcoming).

To better understand digital innovations in today’s China, practitioners and scholars need to first understand the shaping role of the unique China context (Li et al. 2014). The path of Chinese digital innovation is heavily influenced by its emergence as the world’s second largest economy and a rising power in manufacturing (McKinsey Global Institute 2015). The economic development in China creates a large and dynamic consumer market, which gives Chinese innovators an unending supply of problems to solve and customer needs to meet (McKinsey Global Institute 2015). Solving such problems and meeting such needs fundamentally drives digital innovations in China. On the other hand, the Chinese consumer market is so large that even a niche market in China is larger than some major industries in other nations, which makes it possible for digital ventures to rapidly scale the user base through digital innovation (Huang et al. 2017), allowing Chinese entrepreneurs to accelerate the pace of innovations. The e-commerce industry in China is a case in point. Chinese entrepreneurs have built a world-leading e-commerce industry to address a range of customer needs that couldn’t be met by traditional retailing. Using e-commerce, Chinese companies have developed innovative business models for rapid commercialization of new ideas. They keep in close touch with consumers by digital means and respond quickly to market feedback by turning it quickly into new features and designs and introducing new products and services. For example, Xiaomi directly polls customers online on what innovations they would like, and has been able to release updates or upgrades to its smartphone operating system almost weekly (McKinsey Global Institute 2015)¹.

Moreover, China’s extensive and mature manufacturing ecosystem – ‘a deep network of suppliers, a large skilled labor force, and a well-developed logistics infrastructure’ (McKinsey Global Institute 2015, p62) – greatly speeds up new product research and design and shortens time to market. After years’ investment and economic development, China has one of the, if not the, most comprehensive manufacturing ecosystems and the most efficient manufacturing value

chains in the world. As a result, a large number of manufacturers, suppliers, and service providers of the same industry can co-locate in close proximity, which has made several Chinese cities the innovation hub for new product research and design in certain industries. For example, Shenzhen has become a mecca for both Chinese and foreign hardware entrepreneurs (Ambler 2017).

Additionally, the national culture and social systems are very different in China compared to the rest of the world. At the national level, Hofstede’s cultural framework has been much used in cross-cultural IS research involving China. This could still be a fertile area for new research. For example, are Chinese consumers indeed willing participants in market testing and commercialization even if they seem ‘happy to accept new products that are not completely refined and eager to share feedback to make them better (McKinsey Global Institute 2015, p41)’? Institutional contexts, such as government policies and regulations concerning IT acceptance and diffusion and strong government involvement in IT developments and deployments, play significant roles in shaping digital innovation practices in China but are less researched. For example, in the public sector, under the context of strong government involvements in poverty alleviation, the Chinese local governments played an important role in nurturing, supporting, and regulating viable and sustainable rural e-commerce ecosystems and using this ecosystem to transform poverty alleviation (Li et al. forthcoming).

Thus a deep understanding of the China context surrounding the digital innovations in China contributes greatly to the understanding of the innovations themselves. It may also bear great global implications. It is important to global companies who are interested in competing in the Chinese market. As Martinsons and Davison (2016, p.267) observed, ‘the (People’s Republic of) China that we study in 2016 is decidedly different from the same country in 1996.’ As more Chinese companies become global leaders in more areas, foreign companies in today’s China are facing a vastly different innovation context. They will have a hard time to strategize if they have no clue how the China context works. It is important to Chinese companies who are interested in bringing their innovations oversea. A deep understanding of how the China context works for them would help them better predict and respond to challenges in foreign markets. It is also important to other emerging economies who would like to emulate China’s success with digital innovations. After all, the success of digital innovations entails much more than simply purchasing the IT product or services.
Theoretically, the unique technical, regulatory and cultural conditions in China offers a great opportunity to add insights into the recent debate concerning the significance of context in IS research (Hong et al. 2013; Li et al. 2014; Te’eni 2015; Cheng et al. 2016; Davison and Martinsons 2016; Fernández 2016; Martinsons and Davison 2016; Sarker 2016; Te’eni 2016; Urquhart 2016). To respond to the scholars’ recent advocates for making the most of the context in IS research in general (Te’eni 2015; Davison and Martinsons 2016; Martinsons 2016), and greater contextualization in research on IS in China in particular (Davison et al. 2008; Li et al. 2014), we propose this special issue on contextualizing digital innovation in China. We hope such deeply contextualized research can make meaningful contributions to the global IS community by providing firms, nonprofits, and governments in not only developing but also developed economies actionable insights and helping IS scholars across the world understand emerging IS practices and phenomena.

For the special issue, we welcome research from all theoretical perspectives, with all methodologies, and at all levels of unit-of-analysis. In addition to a focus on the China context, this special issue also emphasizes theoretical contributions to the global IS knowledge in digital innovations. With the digitization of innovations, some key assumptions underlying traditional theories in innovation management are increasingly being challenged (Nambisan et al. 2017). At the same time, as many previous researchers pointed out, the mainstream managerial theories (including theories on innovation management) were developed within the Western context and shaped, mostly implicitly, by the Western political, economic, and social background (Tsui 2006). Therefore, the local digital innovation practices in China in the last decade offer a great opportunity for researchers to unearth, explicate, compensate for, or even problematize prior assumptions and biases in context. In particular, we encourage researchers to develop new theories based on studies of digital innovations in today’s China rather than simply validating existing theories in order to understand digital innovations in China.

Examples of topics that can be addressed by the manuscripts include, but are not limited to, the following:

- the acceptance and diffusion of digital innovations in China
- the development and deployment of digital innovations in China
- the effect of the Chinese context – cultural, social, political, and/or technological – on the success or failure of digital innovations
- the propagation of digital innovations originated in China to foreign markets
• the innovative use of digital technologies to solve business or societal problems in China
• new business models enabled by digital innovations in China
• the realization of the business value of digital innovations in China

Submission and Review Process

Considering the special issue’s double emphases on digital innovations and the China context as well as the prestigious reputation of the journal, we expect to receive research ideas that are innovative in themselves and with the potential to make substantial theoretical contributions. Interested contributors are strongly encouraged to submit an optional extended abstract that includes a description of the digital innovations under study, a justification of the theoretical lens and research approach, a description of data (if applicable), and expected major contributions. The extended abstract should not exceed six double-spaced pages in total including justification of how the paper fits with the CFP of the Special Issue. Formatting for this 6-page initial submission should follow the standard for ISJ submissions. The authors of the extended abstract will have opportunity to attend a paper development workshop with special issue guest editors and associate editors to be held at Tongji University in Shanghai, China during December, 2018.

The authors of extended abstracts and others will have equal opportunity to submit complete manuscripts by March 31, 2019. All manuscript submissions will go through an initial round of screening by the SI Editorial Board to ensure that they fit the objectives of the SI and ISJ and can be reasonably improved during the special issue time frame. Manuscripts that qualify will go through the ISJ review process. It is expected that a manuscript will go through a maximum of three rounds of revision.

Authors should submit their papers, including extended abstracts, via the ISJ manuscript central site.

Timeline

Initial submission of extended abstract: September 30, 2018
Paper development workshop at Tongji University: December 1-2, 2018
Submission of completed papers: March 31, 2019
First round of reviews due: June 30, 2019
Revision due: October 31, 2019
Completion of second round of reviews: January 31, 2020
Final revisions due: March 31, 2020
Final decision: April 30, 2020

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**Reference**
Fernández, W. D. (2016). Commentary on Davison and Martinsons’‘Context Is King!'


