

Preventing Factors for Innovation: The Case of Swedish Construction Small and Medium-Sized Local Companies towards a One-Stop-Shop Business Concept

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Abstract : Compared to other sectors, the residential and service sector in Sweden is responsible for almost 40% of the national final energy use and faces great challenges towards achieving reduction of energy intensity. The one- and two-family (henceforth 'detached') houses, constituting 60% of the residential floor area and using 32 TWh for space heating and hot water purposes, offers significant opportunities for improved energy efficiency. More than 80% of those houses are more than 35 years of old and a large share of them need major renovations. However, the rate of energy renovations for such houses is significantly low. The renovation market is dominated by small and medium-sized local companies (SMEs), who mostly offer individual solutions. A one-stop-shop business framework, where a single actor collaborates with other actors and coordinates them to offer a full package for holistic renovations, may speed up the rate of renovation. Such models are emerging in some European countries. This paper aims to understand the willingness of the SMEs to adopt a one-stop-shop business framework. Interviews were conducted with 13 SMEs in Kronoberg county in Sweden, a geographic region known for its initiatives towards sustainability and energy efficiency. The examined firms seem reluctant to adopt one-stop-shop for nonce due to the perceived risks they see in such a business move and due to their characteristics, although they agree that such a move will advance their position in the market and their business volume. By using threat-rigidity and prospect theory, we illustrate how this type of companies can move from being reluctant to adopt one-stop-shop framework to its adoption. Additionally, with the use of behavioral theory, we gain deeper knowledge on those exact reasons preventing those firms from adopting the one-stop-shop framework.

Keywords : construction SMEs, innovation adoption, one-stop-shop, perceived risks

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