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## **BUSINESS ECOSYSTEMS AND INNOVATION**

### **Abstract:**

The concept of Business Ecosystems has become a topic that has received increased attention within management literature and amongst practitioners. This concept refers to the idea that the nature of competition within our contemporary economy has fundamentally changed. No longer do organizations compete with one another in a zero-sum game. Today, organizations are simultaneously collaborating and competing with one another in order to co-create value, co-evolve capabilities with one another, and develop innovations in a more effective, timely and efficient manner. Although this concept has been praised for its ability to create value and share that value amongst ecosystem members, including customers, little research has been conducted to investigate the potential drawbacks of this new form of competition. This paper identifies that business ecosystems can have negative effects on innovation and competition as they develop oligopolistic market structures.

### **Keywords:**

Business Ecosystems, Keystone organizations, innovation, Oligopoly

**JEL Classification:** O31