

Protecting *the Weak*

Entangled Processes of Framing, Mobilization and Institutionalization in East Asia

Advantages of Small Firms in the Age of Digital Economy and Standardization: Evidence from the Global High-End Audio Market and the “Ethical Fashion” in Japan

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The digitalization of our society generates enormous challenges for small- and medium-sized enterprises (SMEs). They are under a tougher competition than ever with powerful, larger-scale multi-national enterprises (MNEs). For instance, the advanced information technology platforms, which provide scale economy and powerful marketing tools via the internet, are in the hands of the powerful MNEs and guarantee access to efficient supply chains, sophisticated techniques of online marketing, big data customer profiling and speedy logistical delivery systems. Moreover, an increasing trend for global standardization by product quality certification systems makes things more difficult for the financially weak to stay competitive vis-à-vis the powerful MNEs in many business areas.

This presentation discusses possible advantages of financially weak SMEs from fieldwork cases: The global high-end audio market and the Japanese blue jeans as an “ethical fashion”. In these two cases, SMEs use networks of trust and long-term embedded relationships, crafts and aesthetic design in the profitable niche markets in order to avoid a hyper cost competition. Taking advantage of attachments from clients, they can steer clear of price competition from the net while cutting ties to demanding manufacturers and dealers. The pragmatic judgements of expert knowledge as a recombination of art, technology and culture can be a competitive edge for the SMEs in the age of the Internet of Things (IoT) where the powerful and the weak can coexist for a more diversified and egalitarian community practice in the future.

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Tom Nakano: With BA in economics from Keio, MA from Chicago, and Ph.D. in sociology from Columbia, he currently tenured full professor of organizations, strategy and international management at the Graduate School of International Management, Aoyama Gakuin University, Tokyo (a.k.a. Aoyama Business School) and external affiliated faculty of Center on Organizational Innovation, Columbia University. In the past, he worked 8 years in areas of corporate, investment and private banking. Recently published books in Japanese are *Social Networks and Organizational Dynamics* (2012), and *Strategic Management for Social Design: Networks from a Pragmatic Approach* (printing) to promote innovations in management and organizational communication from network analytical perspectives. Furthermore, Tom Nakano is editing a bounded book entitled *The Japanese Firm System in Evolution: New Directions, Breaks and Emerging Practices* (Routledge, forthcoming). Other research topics include pragmatic valuation in the high-end audio market; emergence of the “ethical fashion” Japan; art, technology, and markets; and, clusters, innovation and networks.

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