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WHEN NEW BUSINESS MODELS GO BAD: IRRESPONSIBLE INNOVATION AND THE  
CASE OF CYCLE HIRE SCHEMES

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**ABSTRACT**

Innovations are needed to help tackle grand challenges such as climate change, and innovations to business models are a particularly promising area for sustainability. This is because they influence what value is created and how, and can fundamentally alter the underlying logic used by a business. Business models can also have profound influence on how technological innovations are deployed within society. However, innovation outcomes can be unpredictable; unintended consequences are not just possible but probable. To minimise negative impacts and enhance the success of sustainable business models, socio-ethical factors must be incorporated and managed. Research on responsible innovation, which seeks to manage socio-ethical factors, is well developed but has often used a technocentric lens. As such, it is unclear how socio-ethical factors interact with business model innovation processes and how they manifest themselves in the final business model configuration. In this research, we seek to explore the extent to which the business model influences the type and nature of socio-ethical impacts and start to think about how they could be better managed to enhance the social desirability and ethical acceptability of innovations. To do this we explore cases of 'irresponsible' business models within the context of new cycle hire businesses in Europe. We contribute by linking the concepts of responsible innovation and business models, as well as highlighting how normative and socio-ethical factors can be integrated into business model design and organisational strategy.

**KEYWORDS:** Responsible innovation; Business model innovation; Socio-ethical factors