ANTECEDENTS OF BUSINESS MODEL INNOVATION IN SMES: A MULTILEVEL ANALYSIS (SUMMARY)

Tobias Mathar
RWTH Aachen University, Germany, mathar@win.rwth-aachen.de

Malte Brettel
RWTH Aachen University, Germany

Recommended Citation
Mathar, Tobias and Brettel, Malte (2014) "ANTECEDENTS OF BUSINESS MODEL INNOVATION IN SMES: A MULTILEVEL ANALYSIS (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 34 : Iss. 13 , Article 3.
Available at: https://digitalknowledge.babson.edu/fer/vol34/iss13/3

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized editor of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
ANTecedents of Business Model Innovation in SMEs: A Multilevel Analysis

Tobias Mathar, RWTH Aachen University, Germany
Malte Brettel, RWTH Aachen University, Germany

Principal Topic

While the business mantra Innovate or die has evolved into managerial common sense when it comes to product- or process-innovation, the realization that it is also possible to innovate a firm's business model has just started to make its inroads into managerial thinking (Chesbrough, 2010). Extant research has shown a positive relationship between business model innovation and firm outcomes like competitive advantage (Mitchell & Coles 2003), or firm performance (Brettel et al., 2012; Morris, 2013), even under varying environmental regimes (Zott & Amit 2008). However, while the outcomes of business model innovation are well understood, prior research missed to identify and investigate antecedents of innovative business models, leaving the important question “What factors give rise to and shape business model designs?” (Zott & Amit, 2007) unanswered. Accordingly, this study shifts its focus from the performance consequences of business model innovation to its antecedents. Building upon George & Bock (2011) we propose that new business models are shaped by individual-, organizational-, and environmental-level processes, resulting in the use of a multilevel lens to build our research model.

Method

To test our model empirically, we conducted an online survey that was sent to the founders/managing CEOs of SMEs in German speaking countries. Data collection resulted in n=171 usable responses. Nonresponse bias and common method bias were approached by appropriate measures proposed by extant literature (Podsakoff et al., 2003) and neither seemed to distort our data.

Results and Implications

We used hierarchical regression analysis with interaction terms to test our model. The key results support our hypotheses regarding the direct effects on business model innovation and pose immediate hands-on advice for practitioners: First, spanning and utilizing a personal network to decision makers of entities that are not part of their own business model helps entrepreneurs to think outside their own firm boundaries, which in turn fosters innovative business models. Second, being proactively market-oriented not only helps firms fulfill unmet latent customer needs through innovative products, but also promotes deployment of novel business models. Finally, we find that fast-changing technology triggers business model innovation in entrepreneurial firms, supposedly as a means of facing the downsides that come with an unsteady technological environment.

CONTACT: Tobias Mathar; mathar@win.rwth-aachen.de; (T) +49-241-8096359; (F) +49-241-8092371; RWTH Aachen University, Kackertstr. 7, 52072 Aachen, Germany.