EXPLORING BUSINESS MODEL DYNAMICS: A LONGITUDINAL APPROACH (SUMMARY)

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Principale Topic

A firm’s business model has been acknowledged as a source of competitive advantage and its main locus of value creation (Amit and Zott, 2001; Casadesus-Masanell and Ricart, 2010), making it an important object of scrutiny in the entrepreneurship and strategic management literature (George and Bock, 2011). Amit and Zott (2001) propose the firm and industry boundary-spanning business model construct as the appropriate unit of analysis for research on value creation and describe four interconnected business model design themes – novelty, lock-in, complementarities and efficiency – as the main value drivers for entrepreneurial firms. Empirical investigations within the business model framework of Amit and Zott (2001) so far are limited to static research approaches, calling for novel research on this pressing issue (Morris et al., 2005; Zott et al. 2011).

In response, this paper examines business models dynamically, thus covering the full extent of business models’ time-varying effects. We investigate performance implications of short- and long-term effects of novelty-centered, and efficiency-centered business model designs. This paper therefore aims at developing a fuller theoretical picture of how entrepreneurial firms can use their business model to foster firm performance.

Method

This study is based on a two-wave longitudinal survey using the key-informant approach (N=69). Questionnaires were sent out to technology-based small and medium enterprises (SMEs) from Germany, Austria and the German-speaking part of Switzerland in summer 2009 and fall 2012, respectively. To measure novelty-centered, and efficiency-centered business model designs, we applied the scale of Zott & Amit (2007). The analyses are based on hierarchical OLS regression models using SPSS Statistics 21.

Results and Implications

The key-results indicate that while novelty-centered business model designs affect firm performance positively in the short run, the positive effects of efficiency-centered business model designs on firm performance only take effect in the long run. These findings confirm our hypothesized rationale that emphasizing efficiency in a firm’s business model is associated with a much more extensive activity system than in the case of a novelty-centered business model. This study adds to the literature on business model design and helps untangling the mixed findings on the performance effects of the efficiency-centered business model design yielded by previous studies.

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