THE MORE THE MERRIER? HOW ADDITIONS TO NEW VENTURES’ ALLIANCE PORTFOLIOS AFFECT BUSINESS MODEL CHANGE (INTERACTIVE PAPER)

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Principal Topic

Business models have a significant impact on a firm's performance, value creation and innovation. Although previous research has highlighted the importance of business model innovation for existing firms, little is yet known about the antecedents of business model change and how this change influences the development of new ventures. While drawing on alliance theory, we intend to address this gap in the literature by providing an answer to the research question “How do additions to a new venture's alliance portfolio influence its business model change in nascent markets?”

Alliances have an impact on a wide range of firm-level outcome variables such as performance and joint innovation efforts. In addition to these outcomes, we argue that a firm's alliance portfolio will also impact the firm's business model. By providing access to resources and information, and by influencing a firm's position within the industry network, alliances can contribute both to the business model's content, structure and governance, which are the three components identified by Amit and Zott (2001) as the building blocks of a business model.

Method

We will execute our study in the mobile health or mHealth industry. Based on industry reports, we have identified 174 new ventures, for which we will analyze their business models and business model change over time, and will trace back the alliances they established over time. The identification and coding of these deals will be based on the MobiHealthNews reports, the companies' websites and Factiva. We use the business model change scale that was used by Andries, Debackere, and Van Looy (2013).

Results and Implications

With this study, we expect to contribute to the business model and alliance literatures. Despite the higher importance of business model change for new ventures in nascent markets, business model change has not been studied in this context before. Moreover, the link between adding new alliance partners to a firm's alliance portfolio and the impact this has on a firm's business model change has, to our knowledge, not been analyzed before.

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