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AMIT & ZOTT REVISITED – REFINING THE MEASUREMENT OF BUSINESS MODEL DESIGNS AND THEIR PERFORMANCE IMPLICATIONS (SUMMARY)

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~ SUMMARY ~

AMIT & ZOTT REVISITED – REFINING THE MEASUREMENT OF BUSINESS MODEL DESIGNS AND THEIR PERFORMANCE IMPLICATIONS

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Principal Topic

Business models (BM) have come to great popularity recently in the practitioner-oriented as well as the academic literature. However, there is a lack of clarity what a BM actually comprises and thus confusing guidelines on how to ideally design a BM. One of the most rigorous and theoretically grounded BM conceptualizations is the perspective by Amit & Zott (2001) who identify design themes as the key value drivers behind BM designs. This conceptualization lends itself well for large scale comparisons of frameworks. However, it has several improvement areas: First, the design themes were derived in an exploratory analysis of firms from the dot-com era, and thus “therefore might not explain all the variation in the dependent variable [firm performance] due to BM design themes” (Zott & Amit, 2007: 195). Second, the conceptualization was so far studied separately from other concepts. Third, it has only been applied in entrepreneurial contexts and the generalizability is only assumed. In the paper, we attempt to overcome these criticisms by reviewing the design themes and proposing a synthesized framework for BMs.

Method

This study employs a multi-method approach. Based on an explorative analysis of 71 BM patterns, we develop new measurement scales for five updated or entirely new design themes following guidelines by DeVellis (2003). Subsequently, we test their value creation potential conducting a regression analysis setting the themes as well as their pairwise interactions in relation to firm performance.

Results and Implications

Our refined framework includes the following dimensions: *Efficiency*-centered BMs aim to create value through the reduction of transaction costs within the BM. *Complementarities*-centered BMs aim to increase the customers’ willingness to pay by leveraging complementarities among strategic assets or participants in the BM network. *Premiumization*-centered BMs aim to achieve the same through establishing a long-term relationship based on trust, high quality-offerings, or brand image. In *sponsor-based* BMs, the focal firm tries to attract and retain ‘primary customers’ – even without an economic intention – to earn money from ‘sponsors’ who want to get access to the primary customers. *Digitization*-centered BMs aim to create value by enhancing the value proposition through the usage of digital technologies. Our regression model showed full support for the positive performance effect of *efficiency*, *premiumization*, and *digitization*. For *complementarities* and *sponsor-based* BMs we find insignificant or significant negative effects, respectively. This can be partially explained by the effects of combining design themes: *Complementarities* should be ideally combined with *efficiency* and *sponsor-based* BMs with *digitization*.

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