Hot Articles

“Month|2016”

Business & Economics

Title: The sharing economy: Your business model's friend or foe?

Author: Wolfgang Kathan, Kurt Matzler and Viktoria Veider

Journal: Business Horizons

Volume: 59 **Issue:** 6 **Page:** 663–672

Doi: 10.1016/j.bushor.2016.06.006

Abstract

The sharing economy, a rising pattern in consumption behavior that is based on accessing and reusing products to utilize idle capacity, presents both tremendous possibilities and significant threats for emerging as well as incumbent businesses. As of today, it is unclear whether this economy is merely another ephemeral trend in consumption or whether we are experiencing a real shift in how goods are accessed, distributed, and used. Furthermore, little is known about how existing business models are affected by the sharing economy. These two issues represent the central motivation for the development of this article. Consequently, an examination of why the sharing economy has the potential to produce a long-term transformation in consumption behavior is followed by a consideration of how this change might affect companies' business models. Based on a renowned business model framework and a variety of current illustrative examples, we propose central questions managers must ask themselves in order to be prepared to respond to changes brought about by this new economic trend

Database

ScienceDirect

Title: Entrepreneurship during economic crisis: Success factors and paths to failure

Author: Carlos Devece, Marta Peris-Ortiz and Carlos Rueda-Armengot

Journal: Journal of Business Research

Volume: 69 **Issue:** 11 **Page:** 5366–5370

Doi: 10.1016/j.jbusres.2016.04.139

Abstract

This paper identifies the combinations of fundamental entrepreneurial factors that drive the growth of new businesses under different economic conditions. Using data from the Global Entrepreneurship Monitor (GEM) survey, the study focuses on two moments in Spain's recent economic cycle: the 2008 economic crisis and the economic boom prior to this downturn. The study presents an application of fuzzy-set qualitative comparative analysis (fsQCA) to identify the basic entrepreneurial characteristics (opportunity recognition and innovation) and drivers of entrepreneurship (necessity vs. opportunity) that increase the likelihood of success for new businesses during these two periods in the economic cycle. Results reveal that necessity-driven entrepreneurship is ineffective during recessions and that innovation and opportunity recognition are more relevant as success factors during periods of recession than during periods of prosperity. Results also show that the entrepreneur's perception of opportunities may be misleading in strong economies.

Database

ScienceDirect

Title: Economic figures in herd health programmes as motivation factors for farmers

Author: Inger Anneberg, Soren Ostergaard, Jehan Frans Ettema and Anne Braad Kudahl

Journal: Preventive Veterinary Medicine

Volume: 134 **Issue:** 1 November 2016 **Page:** 170–178

Doi: 10.1016/j.prevetmed.2016.10.007

Abstract

Veterinarians often express frustrations when farmers do not implement their advice, and farmers sometimes shake their heads when they receive veterinary advice which is practically unfeasible. This is the background for the development of a focused 3 page economic report created in cooperation between veterinarians, farmers, advisers and researchers. Based on herd specific key-figures for management, the report presents the short- and long-term economic effects of changes in 15 management areas. Simulations are performed by the dairy herd simulation model "SimHerd". The aim is to assist the veterinarian in identifying the economically most favorable and feasible management improvements and thereby provide more relevant and prioritised advice to the farmer.

In the developing process, a prototype of the advisory tool was tested by 15 veterinarians on 55 farms. After the test period, a selection of farmers were asked to take part in a qualitative evaluation questioning them whether they had implemented the action plans suggested on basis of the advisory tool and making them explain what made them agree or disagree on the results from this new advisory tool. The aim of this process was to evaluate the farmers' receptiveness to advice based on these economic analyses. We found that the analysed advisory tool (the report) can be seen as a valuable help and support for some farmers when deciding whether to implement the action plans. However, certain reservations were recognised. The trustworthiness of the tool depends on whether the veterinarians are able to suggest to the farmer which specific management changes are needed to obtain the estimated effects and what the related expenses might be (costs). Without transparency of expenses, time-limits, work hours and so on, farmers may not be convinced by the tool.

Database

ScienceDirect

Title: Organizational Learning, Managerial Ties, and Radical Innovation: Evidence From an Emerging Economy

Author: Jie Zhao, Yuan Li and Yi Liu

Journal: IEEE Transactions on Engineering Management

Volume: 63 Issue: 4 Page: 489-499

Doi: 10.1109/TEM.2016.2597290

Abstract

Although organizational learning has been recognized as an important driver of radical innovation, the literature ignores the moderating roles of managerial ties in changing the effects of learning on radical innovation. By providing access to external resources, managerial ties increase resource availability in emerging economies. Firms in these economies can utilize different ties to acquire the complementary resources for organizational learning to improve radical innovation. This study advances research on organizational learning and managerial ties by examining how different managerial ties affect the relationships between organizational learning and radical innovation in emerging economies. By integrating organizational learning theory and social capital theory, we find that political ties strengthen the relationship between exploitative learning and radical innovation, while business ties strengthen the effects of both exploratory learning and exploitative learning on radical innovation. Both types of ties strengthen the relationship between the interaction of the two types of learning and radical innovation. Our results reveal the different moderating roles of political ties and business ties in changing the organizational learning–innovation link, an indirect mechanism through which managerial ties affect the long-term development of firms in emerging economies. Firms in these economies should build the appropriate ties according to their portfolios of learning.

Database

IEEE

Title: Interpreting business partnerships in late Victorian Britain.

Author: Bennett, Robert J

Journal: Economic History Review

Volume: 69 **Issue:** 4 **Page:** 1199-1227

Doi: 10.1111/ehr.12327

Abstract

This article gives the first large-scale assessment of business partnerships in England and Wales using business records within the population census for 1881. It seeks to understand the variety of ways that 'partnership' was used: explicit partnership, 'de facto' partnership, 'joint' activity, and asset ownership together. The article confirms that partnerships were chiefly between two people. Complexity and transaction costs largely precluded larger size and squeezed the partnership into a 'middle ground' between the sole proprietor and the corporation. The main size contrast was between farms with small employee numbers, and larger non-farm business partnerships. Generally differences in the gender of business owners have greater salience than sectors. Few female business partnerships employed more than four people (mean 3.4), while male partnerships ranged up to several thousand employees (mean 33.6), and 18.6 for mixed gender. While many women were involved in businesses, their opportunities remained restricted, and most were in partnership with male partners. Family structures were important, with three-quarters of all identifiable partnerships having some form of family relationship, with a strong preponderance of single women in female-only partnerships, married men in male-only partnerships, and widows in mixed gender businesses

Database

EBSCO

Title: On competition in a Stackelberg location-design model with deterministic supplier choice

Author: Eligius M. T. Hendrix

Journal: Annals of Operations Research

Volume: 246 **Issue:** 1 **Page:** 19-30

Doi: 10.1007/s10479-015-1793-9

Abstract

We study a market situation where two firms maximize market capture by deciding on the location in the plane and investing in a competing quality against investment cost. Clients choose one of the suppliers; i.e. deterministic supplier choice. To study this situation, a game theoretic model is formulated. We show that for the modelled situation no Nash equilibrium exists. However, a so-called Stackelberg equilibrium, where one of the firms (the leader) is aware of what the other (follower) is going to do, exists. The questions under study is whether co-location is a natural phenomenon in this case and in which situation one of the firms is not entering the market. The study requires a multi-level thinking where the decisions on location follow from the known quality investment behavior and the actions of the leader take the decisions of the follower into account.

Database

SpringerLink

Title: Supporting knowledge exchange in rural business—A case story from Dumfries and Galloway, Scotland

Author: Anne Hill, Joan Scott, David Moyes, Robert Smith

Journal: Local Economy

Volume: 31 Issue: 7 Page: 812-824

Doi: 10.1177/0269094216669110

Abstract

This study arose from a knowledge exchange project whereby business support and knowledge exchange opportunities were provided to rural small businesses as an academic outreach programme. We review how academic support to small businesses in rural Southwest Scotland was delivered. Academic support for micro-business in Southwest Scotland is an under-researched topic. The owners volunteered to share their experiences of this support with the wider business community and university staff acted as consultants and researchers, mentoring the businesses and developing insights into rural business support. The article describes the processes and outcomes of the project, and the factors which affected the ability of the businesses to take advantage of academic business support. We utilised a case-study approach, in-depth interviews and follow-ups over a one-year period, later adding a longitudinal perspective. Our findings indicate that rural factors, business life cycle stage, sectoral skills availability along with the specific market and organisational context combine to create challenges for small business owners and impact on their ability to access and benefit from business support services. The results are significant for business engagement strategies of universities and for business support policy for small and micro-businesses in geographically isolated regions. The participant-consultant roles of the researchers facilitated the development of rich, 'insider' insights into this neglected topic.

Database

SAGE Journals

Title: When venture capital is patient capital: seed funding as a source of patient capital for high-growth companies

Author: Robyn Klingler-Vidra

Journal: Socio-Economic Review

First Publish: 29 October 2016

Doi: 10.1093/ser/mww022

Abstract

Patient capital is vital to start-up companies which often struggle to access traditional finance. This article conceptualizes the conditions in which venture capital (VC) demonstrates patience in an effort to better understand the sources of patient capital available for start-up companies. VC investment stage is identified as a key determinant of VC patience. VC 'seed stage' investing demonstrates patience through its long intended investment horizon, engagement focused on long-term value and loyalty in the face of poor short-term performance. Companies receiving seed funding, then 'follow-on' funding, receive the most patient form of VC. An empirical analysis reveals that VC seed activity has proliferated across the USA, UK, Germany and Japan since the run-up to the Global Financial Crisis. The article concludes that VC is a growing source of patient capital for high-growth start-up companies, though several factors confound its intertemporal and intra-portfolio patience.

Database

Oxford Journals

[Business & Economics]

Title: Visible inequality, status competition and conspicuous consumption: evidence from rural India

Author: Punarjit Roychowdhury

Journal: Oxford Economic Papers

First Publish: 29 October 2016

Doi: 10.1093/oep/gpw056

Abstract

If individuals care about their status, defined as their rank in the distribution of conspicuous consumption, a fall in the level of visible inequality is likely to cause them to spend more on conspicuous goods due to increased status competition. I examine this hypothesis using micro data from rural India. Employing an identification strategy based on instrumental variables, I find robust evidence that visible inequality has a negative and significant impact on household conspicuous consumption. Further, my results indicate that the increase in conspicuous expenditure in response to a fall in visible inequality is diverted from education spending which is perceived to have positive social externalities. This suggests that traditional redistributive policies that seek to reduce the level of economic inequality, by encouraging 'wasteful' spending of households, might have adverse welfare consequences.

Database

Oxford Journals

Title: New uncertainty measures for the euro area using survey data

Author: Alessandro Girardi and Andreas Reuter

Journal: Oxford Economic Papers

First Publish: 29 October 2016

Doi: 10.1093/oep/gpw058

Abstract

This paper presents three survey-based uncertainty indicators, which constitute further developments of similar, already existing measures. Their main merits are that they can be computed on the basis of publicly available time series, rather than hard-to-acquire micro data, and are derived from the assessments of actors in a multitude of economic sectors, rather than just a single one, which makes them particularly suitable to assess more comprehensively the impact of uncertainty on economic activity. Empirical analysis shows the indicators to be counter-cyclical with major uncertainty peaks coinciding with low growth. Moreover, shocks to our uncertainty measures are found to be a quantitatively important driver of economic fluctuations, leading to a temporary reduction in real activity without any signs of overshooting. A comparison with other commonly used uncertainty proxies shows that the new indicators account for a much larger fraction of real GDP variability.

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Oxford Journals