

## Business Model Sociology: Exploring Alternative Lenses (Not Only) for the Study of Alternative Business Models

Oliver Laasch  
*University of Nottingham Ningbo China*

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### **KEYWORDS**

Alternative Business Models  
Sociology  
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Theories of Practice

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### **ABSTRACT**

We are witnessing the emerging study of business models through sociological lenses. Such research has been conducted, for instance, through the lenses of economic sociology, organizational institutionalism, and theories of practice. This brief positioning paper provides an overview of emergent discussions and suggests promising future discussions. While we focus on applications to the phenomenon of alternative business models, we suggest sociological lenses also hold great promise for studying mainstream business models. The main purpose and aspirational contribution of this paper is to provide a stepping stone for the emergence of business model sociology, a new stream of business model research drawing from the rich conceptual and methodological repertoire of sociology.

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### **An Emerging Business Model Sociology**

We are witnessing an emerging discussion of business models through sociological lenses, providing promising conceptual and empirical lines of inquiry. Emerging discussions include business models through lenses of economic sociology (Demil & Lecocq, 2015; Doganova & Eyquem-Renault, 2009; Laasch, 2018a; Perkmann & Spicer, 2010), organizational institutionalism (Laasch, 2018b; Ocasio & Radoynovska, 2016; Randles & Laasch, 2016; Stål & Corvellec, 2018), and as social practices (Boons, Laasch, & Dierksmeier, 2018; Feuls, 2018; Laasch, 2018a). A future discussion of business model sociology may build up on and related to these pioneering efforts, but is likely draw from a variety of other perspectives from the rich repertoire of lenses in the discipline of sociology.

### **Promising Discussions Seen through a Sociological Lens**

The application of sociological lenses in the business model context enables novel empirical work and fresh avenues for business model theorizing. In the following paragraphs we will outline salient directions.

**Reinserting agency into business models.** Although we empirically know about the close relationship between managers, leaders, and entrepreneurs with their business models (e.g. Aspara, Lamberg, Laukia, & Tikkanen, 2011; Osterwalder & Pigneur, 2010; Svejenova, Planellas, & Vives, 2010) business model theorizing appears devoid of agency (Randles & Laasch, 2016). Business model sociology offers a variety of promising lenses for theorizing agency in business models such as institutional work and entrepreneurship (Battilana, Leca, & Boxenbaum, 2009; Lawrence, Suddaby, & Leca, 2009; Randles & Laasch, 2016) as a type of change agency embedded into dominant business model logics (Battilana & D’auanno, 2009; Garud, Hardy, & Maguire, 2007; Pache & Chowdhury, 2012); as boundary spanners realizing

boundary work tying business models together across functions and connecting them with their environment (Brehmer, Podoynitsyna, & Langerak, 2018; Fournier, 2002; Stamper & Johlke, 2003; Zietsma & Lawrence, 2010); or in the form of the agency of practitioners in the discussions of strategy, leadership, and entrepreneurship as practice (Gartner, Stam, Thompson, & Verduyn, 2016; Raelin, 2011; Whittington, 2007).

**Exploring alternative organizational value models.** The business model as a concept and in its application has been dominated by commercial logics, and business organizations, while the wider conceptual promise of its underlying idea of an organizational value logic has been recognized (Arend, 2013; Laasch, 2018b; Randles & Laasch, 2016). Studying business models through organizational institutionalism's alternative institutional logics and acknowledging institutional complexity in business models (Laasch, 2018b; Ocasio & Radoynovska, 2016; Randles & Laasch, 2016) opens up novel discussions. This includes the study of most business models' hybrid and heterogeneous nature, including related tensions, trade-offs and paradoxes (Davies & Chambers, 2018; Laasch, 2018b; Laasch & Pinkse, 2018; Siegner, Pinkse, & Panwar, 2018; Smith, Binns, & Tushman, 2010).

**Rethinking business model dynamics.** Sociological lenses provide novel approaches for studying and theorizing business model dynamics with promising insights into processes of both business model change and stabilization (Laasch, 2016). These lenses include, for instance, the role of narratives and communicative constitution (Maucuer, Ronteau, & Lesage, 2018; Perkmann & Spicer, 2010; Vásquez, Bencherki, Cooren, & Sergi, 2017); of performativity (Laasch et al., 2018; Maucuer, Ronteau, & Lesage, 2015; Perkmann & Spicer, 2010); of translation and the construction of business model actor networks (Demil & Lecocq, 2015; Laasch, 2016, 2018a); assembly of the bundles of practices that are business models (Boons et

al., 2018; Feuls, 2018); and highlighting the role of material, visual and textual business model devices and artefacts (Demil & Lecocq, 2015; Doganova & Eyquem-Renault, 2009; Gond, Cabantous, & Krikorian, 2017; Knight, Paroutis, & Heracleous, 2018; Laasch, 2016, 2018a; Perkmann & Spicer, 2010). Business models' taken-for-granted nature as a 'dominant' logic or value 'regime' (Chesbrough, 2010; Chesbrough & Rosenbloom, 2002; Demil & Lecocq, 2010), allow for similar conceptualizations of stability and change as in organizational institutionalism, suggesting a type of inter-organizational institutional change (DiMaggio & Powell, 1991; Friedland & Alford, 1991; Ocasio & Radoynovska, 2016).

**Using new paradigms, methodologies, and making interdisciplinary connections.** A business model sociology also implies methodologies distinct from the currently dominant ones. Such methodologies are typically qualitative (e.g. Täuscher, 2017), and often built on constructionist and interpretivist research paradigms (Burr, 1995; Callon, 1987; Schwandt, 1994). This includes, for instance, new forms of data collection, such as participant observation, ethnographies, diaries and visual methods (Atkinson & Hammersley, 1994; Bell & Davison, 2013; Day & Thatcher, 2009; Hayano, 1979). It also lends itself to making interdisciplinary connections, to relevant complementary lines of study, such as business model psychology, cognitive lenses, methods and perspective on business models (Aspara, Lamberg, Laukia, & Tikkanen, 2013; Baden-Fuller & Mangematin, 2013; Täuscher & Abdelkafi, 2017; Tikkanen, Lamberg, Parvinen, & Kallunki, 2005).

### **Alternative Lenses (Not Only) for the Study of Alternative Business Models**

Business model sociology enables a nuanced appreciation of social relations in business models (e.g. Laasch, 2018a); an appreciation of varieties of 'alternative' logics, constructions, and interpretations (e.g. Laasch, 2018b); and makes room for normative aspects of business models

(e.g. Randles & Laasch, 2016). It therefore lends itself, particularly to studies in the context of new and alternative business models (Arend, 2013; Jonker, 2012; Laasch, 2016; Michelini & Fiorentino, 2012; Randles & Laasch, 2016). Such alternative business models include a wide variety of hybrid, heterogeneous, and non-commercial organizational value logics (Laasch, 2018a; Ocasio & Radoynovska, 2016).

The arguably most prolific discussion in the field of alternative business models is in the context of business sustainability, responsibility, and ethics, such as sustainability business models (Bocken, Short, Rana, & Evans, 2014; Boons & Lüdeke-Freund, 2013; Schaltegger, Hansen, & Lüdeke-Freund, 2016); social enterprise models (Seelos & Mair, 2005; Yunus, Moingeon, & Lehmann-Ortega, 2010); humanistic business models (Laasch, Dierksmeier, & Pirson, 2015); corporate responsibility and sustainability business models (Laasch, 2016; Rauter, Jonker, & Baumgartner, 2017); business models built on irresponsibility (Barnett, 1985; Crane, LeBaron, Phung, Behbahani, & Allain, 2018; Shelley, 2003); or built around shared value creation (Florin & Schmidt, 2011; Michelini & Fiorentino, 2012).

A less prolific, but promising discussion relates to hybrid business models that blend business models' dominant commercial market logics with the ones of other societal-level institutional logics (Friedland & Alford, 1991), such as family business models (Adendorff, 2004; Chirico, 2007; Rau, 2013); cross-sector partnership models (Pedersen, Lüdeke-Freund, Henriques, & Seitanidi, 2018); and faith-based business models (Beck, Demirgüç-Kunt, & Merrouche, 2013; Fry, Matherly, & Ouimet, 2010). Finally, alternative business models also include the application of business model's underlying concept of organizational value logics in noncommercial contexts (Laasch, 2018b), such as higher education (Randles & Laasch, 2016; Sobirin, 2007); government and public service (Janssen & Kuk, 2007; Kindig & Isham, 2014;

Osborne, Radnor, Vidal, & Kinder, 2014); even museums (Decker-Lange, Singer, & Schrader, 2016); and churches (Warf & Winsberg, 2010).

Business model sociology also holds promise for new empirical and conceptual work in the context of ‘mainstream’ commercial business models. Particularly, the conceptual grounding in sociological theory and methodology provides a firm basis for developing business model research as a holistic methods for organizational analysis and theorizing of organizational value proposition, creation, exchange, and capture (Arend, 2013; Laasch, 2018b). This implies a promise for its extension to the wider context of organization and management studies and beyond its currently core domains of strategy, entrepreneurship and technology studies. Business model sociology also holds promise for a renewed discussion of business models through a lens of economic sociology as well as science and technology studies, two traditionally prominent lenses for the study of business models in the innovation and technology fields (e.g. Doganova & Eyquem-Renault, 2009).

## **Conclusions**

This brief positioning paper has provided an overview of the emergent discussion of business model studies through a sociological lens, an emergent business model sociology. We have explored the promise of business model sociology for both alternative and mainstream business model research. Promising avenues for future research have been highlighted to provide a stepping stone for an emerging business model sociology.

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