

International Marketing Review

SPECIAL ISSUE PROPOSAL

*Business hybrid offerings:
International challenges, entry modes and product-adaptation processes*

Call for Papers

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Submissions open for the special issue on July 01, 2021, and close on October 31, 2021.

Rationale for the special issue

There is a widespread consensus that innovative firms enhance their domestic competitiveness through product innovation, which in turn increases their competitiveness in foreign markets (Cassiman and Golovko, 2011). While the literature broadly supports the product innovation and exporting linkage, the link between product-service innovation (a.k.a *business hybrid offerings* or *servitization*, Baines *et al.*, 2017) and international firms' export behavior is in need of attention. Business hybrid offerings are a particular innovative service-based business model supported on product platforms that are paramount for firms escaping from cost leadership strategies (Ulaga and Reinartz, 2011).

Not surprisingly, realizing that revenues from service business models account for more than 10 times the underlying product annual volume sales (Wise and Baumgartner, 1999), firms are beginning to develop business hybrid offerings on the promise of new revenues stream (Kowalkowski, Gebauer and Oliva, 2017). While much current research into hybrid business models focuses on understanding typologies of service strategies, and the organizational changes taking place as business adopt services (Rabetino, Harmsen, Kohtamäki and Sihvonon, 2018), the international dimension is mainly overlooked (Baines *et al.*, 2017). Business hybrid offerings and their underlying digital capabilities may be unique routes for competing in international contexts, and thus several high-level questions can be asked (Katsikeas, Leonidou and Zeriti, 2019).

Scope of the special issue

Business hybrid offerings development is moving from its initial stage, in which multinational firms attempt to select appropriate organizational structures to support

servitization processes, while taking the best make-or buy decisions (Bustinza, Vendrell-Herrero and Baines, 2017), to a new competitive landscape, where business ecosystems are characterized by complex value-creation processes and networked production systems (Kohtamäki *et al.*, 2019). These new business ecosystems are sustained on international network platforms, where all actors aim to determine their best market positioning (Parida *et al.*, 2019). A consequence is the emergence of new challenges to internationalizing business hybrid offerings in terms of selecting partners, and in terms of market positioning in intricate business ecosystems. For instance, on the specific context of partner selection, knowledge-based intensive business service (KIBS) firms are crucial actors that required further attention for developing network platforms in local and global business ecosystems (Lafuente *et al.*, 2017; Liu, *et al.*, 2019).

In addition, firms need to consider entry mode strategies (Malhotra, *et al.*, 2003), including mergers, acquisitions and greenfield investments, in response to the lack of the service innovation required when developing business hybrid offerings in international contexts (Xing, *et al.*, 2017). Entry modes – institutional arrangements used by firms to market their products in a foreign market (Ekeledo and Sivakumar, 2004) – can be ranked from low investment (licensing, supply agreement) to high investment entry modes (Foreign Direct Investment, wholly-owned subsidiary or dominant collaborative partnership). Importantly, services follow different internationalization strategies (direct export, system export, direct entry mode, indirect entry, and electronic marketing) than products (Grönroos, 1999; Li, *et al.*, 2019). Accordingly, when considering business hybrid offerings, some services are delivered abroad through high-investment entry modes: for instance, automobile repair services require facilities to be located in the target foreign market. Other services, however, can be sold abroad through low-investment entry modes (i.e. sensors) (Kelle, 2013). Since service mobility depends on the type of service sold, firms implementing hybrid offerings through high-investment entry modes might not be able to offer the same service capabilities in different foreign markets, limiting their capacity to customize their offers in certain regions (Bustinza, *et al.*, 2017; Liu, 2017). Thus, there are numerous variables affecting entry modes choices (e.g., time of entry, R&D intensity, level of foreign investment, degree of diversification, cultural distance, or size of the FDI compared to the size of the investing company - Harzing, 2002) that are not yet studied fully in the context of business hybrid offerings.

An additional topic to consider for competing through business hybrid offerings is international new product development (NPD). Reaching global markets through product development is central to international marketing (Dubiel, Banerjee, Ernst and Subramaniam, 2018). Many argue that firms need to introduce and market new products to serve the needs of multiple heterogeneous foreign markets. Therefore, different stages of the NPD process – concept development, product development, and commercialization – need to be based on understanding potentially heterogeneous customers' needs in order to successfully introduce new products in different countries (Morgan, Feng and Whitler, 2018). Yet, NPD becomes more complicated in the case of hybrid offerings, since the latter incorporates new product *and* new service development. In new product-service development, firms often simultaneously perform research and development (R&D) activities with service delivery (Visnjic, Turunen, & Neely, 2013). Therefore, firms selling hybrid business offerings abroad need to encompass exploitative-explorative capabilities, an extremely challenging task in

highly competitive global markets (Bustinza *et al*, 2019). Following this reasoning, further research is needed to uncover and contextualize newly formed exploitation-exploration paradoxes for firms selling hybrid business offerings abroad, in order to determine the necessary and sufficient conditions to achieve the required ambidexterity and leverage it successfully.

Another research topic relevant to the internationalization of business hybrid offerings is product adaptation. Porter and Heppelmann (2014) show how smart products are supported by physical devices (i.e. products and sensors) that provide the bases for delivering advanced services (i.e. product enhancement and personalization). Therefore, smart products are a new type of product adaptation, since their final objective is to provide autonomous solutions. There is room for a fuller understanding how product adaptation, supported on smart manufacturing tools (embodied under the *Industry 4.0* framework), affects performance in international markets.

Topics for the special issue

Grounded in the Journal's remit of advancing international marketing theory, this special issue seeks to understand the challenges to internationalizing hybrid business offerings, entry modes and collaborative agreements for successful introduction of business hybrid offerings, and international new product development and adaptation in international markets. Accordingly, the special issue welcomes exploratory and blue-sky conceptual studies that break new ground on the topic, as well as critical literature reviews, exploitative testing of more conventional ideas, and models that develop measures of previously unmeasured constructs appearing in purely descriptive studies. Papers submitted should focus on the international marketing-related issues that emerge from analysis of business hybrid offerings in international markets, and can adopt various theoretical and practical lenses, and adopt the methodologies best suited to analyzing this phenomenon in emerging as well as developed markets. The special issue will embrace a diversity of methodological approaches to explore and debate these questions from fresh and alternative perspectives. The call for papers encourages studies that can demonstrate both rigor and relevance, and research that can inform and impact practices in implementing hybrid business offerings in international markets. Overall, we expect to see high-level issues being raised (which will require new constructs, new measuring instruments etc.), as well as addressing lower-level issues (testing standard models in new contexts).

Contributions may address, but are not limited to, the following topics:

- New theories applied to existing marketing problems in the internationalization of hybrid offerings.
- Comprehensive state-of-the-art and systematic reviews that present integrated pictures of the role of business hybrid offerings in reconfiguring internationalization strategies. Manuscripts should specifically identify potential research avenues.
- Identification of critical aspects to enhance hybridization in international marketing collaborations and complex business ecosystems.
- New antecedents to critical international marketing variables in the context of hybrid business offerings. For instance, challenges and drivers of international servitization.

- Taxonomies and/or typologies of business hybrid offerings in entry modes, exporting, and multinational firms.
- Factors related to product adaptation in international markets.
- Knowledge gaps regarding servitization in global markets. For instance, unpacking what international servitization entails for different types of international entity.
- Consequences of hybrid business offering development on crucial variables, such as international marketing performance, competitors' behaviors, network configurations, customers' responses (value perceptions, brand outcomes), or channel performance.
- The role of overlooked intervening or mediating variables, in order to better understand the processes of internationalizing servitization.
- Analysis of internationally-relevant boundary conditions in business hybrid offering model (e.g., internationally-focused moderators of, or new international contexts for testing, existing servitization theory).

Submissions should be accompanied by an assurance of originality and exclusivity and should adhere to the 'Style and Format' guide for authors that can be found on the journal's website.

If you have any queries regarding manuscripts, please direct them to Prof. Yipeng Liu (Managing Guest Editor) yipeng.liu@henley.ac.uk and Prof. Demetris Vrontis (Associate Editor and Supervising Guest Editor) vrontis.d@unic.ac.cy.

All submissions will be subject to a rigorous double-blind peer review process, with one or more of the guest editors acting as action editor.

Special Issue Workshops

To help authors advance their manuscripts, two opportunities will be provided to receive feedback on manuscript ideas and develop papers further. First, a Special Issue Workshop will be held in Malaga (Spain) on 19th November 2020, within the annual conference on business servitization (www.servitization.org). Second, a Paper Development Workshop will take place at the 14th Annual Conference of the EuroMed Academy of Business on 15th-17th September 2021 in Palermo (Italy). Prospective authors are invited to present their developmental papers and react to their colleagues' papers during the workshops. Presentation / attendance at the workshops neither guarantees acceptance of papers for publication and nor is attendance at the workshop a precondition for acceptance into the Special Issue.

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Editors' bios

Prof. Yipeng Liu is a Professor in Management and Organisation Studies at Henley Business School, University of Reading, UK. Previously, he worked as Director of Research at Department of Entrepreneurship and Local Economy, Birmingham University, UK and Newcastle University, UK. His research has been sponsored by British Academy, the Leverhulme Trust, Sino-British Fellowship Trust and DAAD in Germany, among others. His research interests centre on international entrepreneurship and the emerging market multinationals from a cross-cultural and comparative perspective by embracing the notion of 'West-Meets-East'. He has served as Guest Editor for Special Issues at leading management and organization journals, including *Journal of Organisational Behaviour*, *Group and Organisation Management*. He is a Senior Editor of *Management and Organisation Review*, an Associate Editor of *Asian Business and Management*, and currently serves on the editorial review board of five international journals, including *Journal of Management Studies*.

Professor Demetris Vrontis is the Vice Rector for Faculty and Research at the University of Nicosia and a Visiting Professor and Research Fellow at various top tier universities across the globe. Previously, he has served as Head of the Marketing Department (2004-2005), as Associate Dean (2005-2006), Dean (2006-2012) of the School of Business and Executive Dean/Vice President (2012-2020) for Distance Learning at the University of Nicosia. Professor Vrontis studied in the UK and obtained a BSc (Hons) in Business, a PGCE (Higher Education), an MBA (with Distinction) and a PhD in Strategic Marketing Management. He is a Fellow Member and certified Chartered Marketer of the Chartered Institute of Marketing (UK) and a Chartered Business and Chartered Marketing Consultant certified by the Chartered Association of Business Administrators. He has widely published, in about 200 refereed journal articles, 70 chapters and cases in books/edited books and presented papers to over 80 conferences at a global basis. Professor Vrontis is also the author of 45 books in the areas of business management, marketing, human resource management, innovation and entrepreneurship. Professor Vrontis is the Founding Editor and Editor in Chief of the EuroMed Journal of Business and the Associate Editor in Chief of the International Marketing Review. He is also the President of the EuroMed Research Business Institute.

Prof. Oscar F. Bustinza is Professor in Management at the University of Granada, Spain. His work aims to analyse drivers of firm's boundaries choice, demand chain management, and service innovation based upon data driven analysis. He has served as guest-editor for a special issue on Servitization at *International Journal of Production Economics*. Prof. Bustinza's research has been published in the *Journal of Supply Chain Management*, *International Journal of Operations & Production Management*, *International Journal of Production Economics*, *Supply Chain Management: An International Journal*, and *British Journal of Management* among other outlets. Prof. Bustinza was Principal Investigator on Service Innovation in MAKERS, a H2020 over €1 million project that supported an EU-wide network of researchers. Prof. Oscar Bustinza is also P. I. of a Ministry of Economy and Competitiveness (Spain) funded piece of research which examines the servitization of business.

Dr. Ferran Vendrell is a Senior Lecturer (Associate Professor) in Business Economics at the University of Birmingham, UK. Ferran's research aim is to uncover innovation, digitization and internationalization dynamics of small and large organizations in manufacturing and creative industries. Across these themes he has made a distinctive contribution through publications in top academic journals, including the *Journal of World Business*, *International Journal of Production Economics*, *Technovation*,

Industrial Marketing Management, International Business Review, European Management Journal, and International Marketing Review. He serves/has served as co-guest-editor in a number of special issues in leading journals, including *Technovation, Regional Studies* and *International Marketing Review*. He is founder and scientific director of one of the leading European conferences on servitization, *International Conference on Business Servitization (ICBS)*.

Sir Cary L. Cooper is 50th Anniversary Professor of Organizational Psychology and Health, Manchester Business School, University of Manchester, UK. Prof. Cooper is the author/editor of over 120 books (on occupational stress, industrial and organizational psychology) and over 400 scholarly articles. He is currently Founding Editor of *Journal of Organizational Behavior* and Founding Editor of *Journal of Organizational Effectiveness: People and Performance*. He served as a guest editor for special issues at *Journal of Management Studies, Human Resource Management*, and others. Prof. Cooper's work has been published in such journals as *Academy of Management Journal, Journal of Management, Academy of Management Executive, Personnel Psychology, Human Relations, British Journal of Management*, and others. He is a Fellow of the British Psychological Society and an Academician of the Academy of Social Sciences. Professor Cooper is past President of the British Academy of Management and one of the first UK based Fellows of the (American) Academy of Management. In 2001, he was awarded a CBE in the Queen's Birthday Honours List. In June 2014 he was awarded a Knighthood for his services to social science.