

# **CALL FOR PAPERS: *JOURNAL OF INTERNATIONAL MANAGEMENT***

## **Non-Market Strategies and disruptive innovation in the platform economy**

---

### **Guest Co-Editors:**

**Zaheer Khan (University of Aberdeen)**

Email: [zaheer.khan@abdn.ac.uk](mailto:zaheer.khan@abdn.ac.uk)

**Gary Knight (Willamette University, USA)**

Email: [gknight@willamette.edu](mailto:gknight@willamette.edu)

**Chinmay Pattnaik (University of Sydney, Australia)**

Email: [chinmay.pattnaik@sydney.edu.au](mailto:chinmay.pattnaik@sydney.edu.au)

**Jing (Maggie) Zeng (University of Kent, UK)**

Email: [J.Zeng@kent.ac.uk](mailto:J.Zeng@kent.ac.uk)

### **Supervising Editor:**

**Tazeeb Rajwani (University of Surrey, UK)**

### **Background and rationale for the special issue**

Platform-based firms are creating disruptive innovation which enable these firms to create and capture value (e.g., Gawer & Cusumano, 2002, 2014). Despite these firms ability to create value and having network effects, yet these firms are facing challenges in establishing legitimacy in international markets, thus understanding how these firms engage in non-market strategies both internally and externally with their industry partners to establish legitimacy across different markets is vital important. Recently, there has been an increasing research interest in understanding the drivers and mechanisms of non-market strategies adopted by firms across both developed and emerging markets (e.g., Boddewyn, 2016; Frynas et al., 2018; Mellahi et al., 2016; Rao-Nicholson et al., 2019; Rodgers et al., 2019). While existing research has focused on examining non-market strategies adopted by traditional firms as well as the key antecedents and performance consequences of such strategies (e.g., Hillman et al., 2004; Mellahi et al., 2016; Rajwani & Liedong, 2015; Rao-Nicholson et al., 2018). These studies have enhanced our understanding about the drivers and performance outcomes of non-market strategies of traditional firms, yet this research has not been extended to the context of platform-based firms. Recently, platforms oriented firms such as Uber and Airbnb have emerged as unique categories of firms which are competing on the basis of their platform and are playing a vital role in the global economy. These types of firms have emerged by utilizing multisided platforms and have connected customers and network partners by using their unique platforms (Rochet & Tirole, 2003; Hagiú & Wright, 2015; Zeng, Khan & De Silva, 2019). Platform firms mainly depend on direct and indirect networks in order to generate economic value and develop disruptive innovations (Katz & Shapiro, 1994; Rochet & Tirole, 2003; Gawer & Cusumano, 2014; Hagiú, 2014; McIntyre & Srinivasan, 2017; Chen et al., 2019; Zeng et al., 2019). The role

of the customers, in this context, is fundamentally changing the dynamics of the marketplace and becoming more empowered due to the market has now become a forum in which consumers play an active role in creating and competing for value. Such external resource interaction is often influenced by the embedded local culture, rules and regulations which require sound stakeholders' management strategies.

Due to the rapid rise of digitization, the whole ecosystems of platforms based firms have emerged on a global scale (e.g., Gawer, 2011; Gawer & Cusumano, 2014; Zeng et al., 2019). These firms are rapidly internationalizing across the globe, but at the same time are facing several challenges. One of the major challenges these firms have faced in foreign markets is how to establish legitimacy when the political and legal environments in host markets are quite different to the home environment where the platform based firms was originated. This is particularly pertinent for platform based firms as they mainly rely on external resource interaction to create value. For instance, Uber has faced challenges in foreign markets, including developed and emerging markets where the company has to deal with licensing issues and has tried both market and non-market responses, including lobbying and users' support tactics to overcome such challenges. Current research focuses on understanding the rise of sharing economy based firms and how such firms are creating value through the use of platforms as well as their internalization (e.g., Parente et al., 2018; Zervas et al., 2017; Zeng & Khan, 2019). Yet the non-market strategies adopted by the platforms firms are not well known and sufficiently examined since these firms are facing significant legitimacy related challenges in foreign markets. Platform often operate in an ecosystem that encompass various institutional actors such as third party developers, customers, government agencies, local communities and even competitors. Thus, understanding these firms non-market strategies would provide new insights to how such firms respond to the non-markets' stakeholders and whether these strategies add value for the platforms firms. Since firms operate in both market and non-market environments thus responding to the concerns and interests of non-markets' stakeholders is important for firms to develop legitimacy and sustainable competitive advantage. Non-market strategies refer to all those activities that are undertaken to address the issues of non-markets' actors such as community, policy makers, NGOs, media and social activists, among others. Firms need to have market response to address market environmental related issues such as how to compete with competitors, how to serve customers and coordinate activities with their supply chain partners. Increasingly, non-markets are becoming extremely important and firms' survival and performance depend on developing viable non-market strategies in order to not only establish legitimacy, but also develop sustainable competitive advantage across markets.

Therefore, understanding stakeholders' management/engagement by platform oriented firms through non-market strategies could significantly enhance our existing understanding of the performance and survival of these firms in international markets. Recent scholarship suggests that research is needed which can provide insights on how firms can "manage the relationships with the specific stakeholder groups in an action-oriented way" (e.g., Freeman 2010, p. 53; Dorobantu et al. 2017). Understanding how firms manage stakeholders' relationships with different types of stakeholders across different economic and political environments remains an important question that has been relatively underexplored.

The aim of this special issue is to encourage scholars to examine the non-market strategies adopted by sharing economy-based firms and how such strategies are different compared to traditional firms. We seek multi perspectives (micro, meso and macro level) theory testing as well as theory building papers that can provide new insights about the antecedents of non-market strategies and performance consequences for the sharing economy based firms.

### **Potential Topics**

We seek papers on the following and other relevant topics:

1. Stakeholder management, microfoundations, non-market strategies and disruptive innovation by platform firms
2. Interactions with formal and informal institutions, stakeholders management and non-market strategies and platform-based firms' innovation
3. Stakeholders' engagement and knowledge transfer across subsidiaries for non-market strategies
4. Value creation, stakeholders' management through non-market strategies
5. Sharing economy's firms engagement with local value chains through non-market strategies and disruptive innovation
6. Negotiation and relationship management strategies in international markets by sharing economy firms
7. Comparative studies on non-market strategies adopted by sharing economy's firms vs. traditional firms in different institutional settings
8. Role of the top management team and corporate boards in shaping non-market strategies of platform firms in developed and emerging/developing markets
9. Legitimacy and stakeholder management through non-market strategies across developing and developed markets by sharing economy firms and impact on disruptive innovation
10. Impact of non-market strategies on performance
11. Firm's capability to develop, modify and renew resources to drive ecosystem coordination and disruptive innovation through the use of non-market strategies
12. How do corporate headquarters' strategize non-market strategy in the sharing economy context, in comparison to the industrial age?
13. How does non-market strategy differ between developed and emerging market for sharing economy firms?

The deadline of paper submission to this special issue is 30 November 2020. All papers will be subject to double-blind review process. Papers for this issue should be prepared as per the Journal's guidelines available at: <https://www.elsevier.com/journals/journal-of-international-management/1075-4253/guide-for-authors>

Authors should submit an electronic copy of their manuscript by via the journal's online submission system via <https://www.evise.com/profile/#/INTMAN/login>

## References

- Boddeyn, J. (2016). International business–government relations research 1945–2015: concepts, typologies, theories and methodologies, *Journal of World Business*, 51, 10-22.
- Chen, L., Shaheer, N., Yi, J., & Li, S. (2019). The international penetration of ibusiness firms: Network effects, liabilities of outsidership and country clout. *Journal of International Business Studies*, 50(2), 172-192.
- Dorobantu, S., Henisz, W., & Nartey, L. (2017). Not all sparks light a fire: Stakeholder and shareholder reactions to critical events in contested markets, *Administrative Science Quarterly*, 62(3), 561–597.
- Freeman, R.E. (2010). *Strategic management: A stakeholder approach*, Cambridge University Press, Cambridge, UK.
- Frynas, J.G., Child, J., & Tarba, S.Y. (2017). Non-market Social and Political Strategies–New Integrative Approaches and Interdisciplinary Borrowings. *British Journal of Management*, 28(4), 559-574.
- Gawer, A. (2011). *Platforms, markets and innovation*. Edward Elgar Publishing, UK.
- Gawer, A., & Cusumano, M.A. (2014). Industry platforms and ecosystem innovation. *Journal of Product Innovation Management*, 31(3), 417-433.
- Gawer, A., & Cusumano, M.A. (2002). Platform leadership: How Intel, Microsoft, and Cisco drive industry innovation (Vol. 5, pp. 29-30). Boston, MA: Harvard Business School Press.
- Hagiu, A. (2014). *Strategic decisions for multisided platforms*. MIT press.
- Hagiu, A., & Wright, J. (2015). Multi-sided platforms. *International Journal of Industrial Organization*, 43, 162-174.
- Hillman, A. J., Keim, G. D., & Schuler, D. (2004). Corporate political activity: a review and research agenda, *Journal of Management*, 30, 837-857.
- Katz, M.L., & Shapiro, C. (1994). Systems competition and network effects, *Journal of economic perspectives*, 8(2), 93-115.
- McIntyre, D.P., & Srinivasan, A. (2017). Networks, platforms, and strategy: Emerging views and next steps. *Strategic Management Journal*, 38(1), 141-160.
- Mellahi, K., Frynas, J.G., Sun, P., & Siegel, D. (2016). A review of the nonmarket strategy literature: towards a multi-theoretical integration, *Journal of Management*, 42, 143–173.
- Parente, R.C., Geleilate, J.M.G., & Rong, K. (2018). The sharing economy globalization phenomenon: a research agenda. *Journal of International Management*, 24(1), 52-64.

Rajwani, T., & Liedong, T.A. (2015). Political activity and firm performance within nonmarket research: A review and international comparative assessment. *Journal of World Business*, 50(2), 273-283.

Rao-Nicholson, R., Khan, Z., & Marinova, S. (2019). Balancing social and political strategies in emerging markets: Evidence from India. *Business Ethics: A European Review*, 28(1), 56-70.

Rochet, J.C., & Tirole, J. (2003). Platform competition in two-sided markets. *Journal of the European Economic Association*, 1(4), 990-1029.

Rodgers, P., Stokes, P., Tarba, S., & Khan, Z. (2019). The role of non-market strategies in establishing legitimacy: The Case of Service MNEs in emerging economies. *Management International Review*, 59(4), 515-540.

Zeng, J., Khan, Z., & De Silva, M. (2019). The Emergence of Multi-sided Platform MNEs: Internalization Theory and Networks. *International Business Review*, 28(6), p.101598.

Zeng, J., & Khan, Z. (2019). Value creation through big data in emerging economies: The role of resource orchestration and entrepreneurial orientation. *Management Decision*, 57 (8), 1818-1838

Zervas, G., Proserpio, D., & Byers, J.W. (2017). The rise of the sharing economy: Estimating the impact of Airbnb on the hotel industry. *Journal of Marketing Research*, 54(5), 687-705.

### **Special Issue Editors:**

**Zaheer Khan** is Professor in International Business at Kent Business School, University of Kent, UK. He is also a visiting Professor of International Business at the School of Marketing and Communication, University of Vaasa, Finland. He is the executive editor of *International Journal of Multinational Corporation Strategy* and sits on the editorial board of *Journal of World Business*, *British Journal of Management*, *Journal of Knowledge Management and Multinational Business Review*. His research focuses on global technology management with a particular focus on knowledge transfer through FDI to emerging markets. His work has appeared in leading journals such as the *Journal of International Business Studies*, *Journal of World Business*, the *Global Strategy Journal*, *International Business Review*, *Human Relations*, *Management International Review*, *British Journal of Management*, and *Human Resource Management*, among others.

**Gary Knight** is Professor of Global Management and the Helen Jackson Chair in International Management at Willamette University, USA. He is a Fellow of the Academy of International Business and elected Vice President of the Academy of International Business. He is the recipient of the Decade Award from the Academy of International Business for his work on born globals. He has co-authored seven books, including two textbooks on international business. He has won awards for teaching at Willamette University and at Florida State University (FSU). Gary's research emphasizes "born globals", international entrepreneurship, internationalization, international marketing, and technology's role in international business. His work has

appeared in leading journals, including the *Journal of International Business Studies*, *Journal of World Business*, *Management International Review*, *International Business Review*, and *Journal of the Academy of Marketing Science*, among others. He is ranked one of the top 15 most cited scholars in International Business at Google Scholar, and one of the most cited scholars in International Marketing. Prior to joining academia, Gary was an executive in international business for several years, focusing on Europe, Japan, and Mexico.

**Chinmay Pattnaik** is a Senior Lecturer at the Discipline of International Business, the University of Sydney Business School, Australia. He serves as the reviewing editor at the Asia Pacific Journal of Management. His research focuses on the corporate and global strategies of firms from emerging economies. His research has appeared in journals including *Journal of International Business Studies*, *Journal of Business Ethics*, *Human Resource Management*, *Management International Review*, and *Journal of Business Research*. His coedited book *Emerging Market Firms in Global Economy* is published by Emerald Publishing UK.

**Jing (Maggie) Zeng** is a Senior Lecturer in Entrepreneurship at Kent Business School, University of Kent, UK. Her research focuses on emerging strategies in the digital economy, business ecosystem, dynamic capabilities and innovation and value creation through big data in emerging markets. Her work has appeared in leading journals such as the *British Journal of Management*, *Management International Review*, *International Business Review*, *Industrial and Corporate Change*, *Management and Organization Review*, and *Strategic Organization*, among others.