



LESSON CONTENT TEMPLATE

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1. Lesson document

Topic 1 Importance of a business model

Lesson 1 Classification of business models

There are different classifications of business models and are distinguished in 9 basic categories

- ❖ Brokerage model
- ❖ Advertising model
- ❖ Information model
- ❖ Commercial model
- ❖ Manufacturer model
- ❖ Affiliate model
- ❖ Community model
- ❖ Registration model
- ❖ Utility model

P. Timmers (1998) plays an important role in the development of business models. Distinguish 11 types of business models, which are mainly typical for online companies:

- Online store model
- Electronic procurement model
- Online auction model
- E-shopping center model
- Tertiary sector market model
- Virtual communities template
- Value chain model

- Collaboration platform model

Value chain service model

- Stock market information standard

- Trust services model

L.M. Applegate (2001) proposed four main categories of business models (Table 1).

Table 1. Typology of business models based on L.M. Applegate

Basic business models categories	Models description	Models details
Focused distributor model	Provides access to products and services in a branch or in a selected market	Detailed sales model, tertiary sector market, accumulator model, information brokerage model, exchange model
Gateway model		Horizontal gate operation, related model
Producer model	Allows the sale of products and accessories directly from the manufacturer	Producer model, service provider model, educator consultant, provider models

Infrastructure provider models	It enables customers to receive online services	The horizontal portal model (electronic service provider) and vertical model
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Based on L.M. Applegate (2001)

Table 2. Business models according to P.Weill and M. R. Vitale

Business model name	Business model description
Content provider	Allows access to content (information, products and digital services) through stockbrokers
Direct to the customer	Provides products and services directly to customers, without brokers

Full service provider	Meets customer needs in a specific area (eg finance, insurance) directly from providers and brokers
Mediator	Connects consumers and providers by gathering customer information.
Shared infrastructure	Brings together various companies through access to the common IT infrastructure, which offers services that are not available in the market
Net value of integrator	Coordinates the transfer of information and products to brokers and clients
Virtual community	Connects a group of people with similar interests to a virtual community, receiving rewards from members
Business Administration	It connects all services and allows access through a contact point

Source: Based on P.Weill and M. R. Vitale

The proposed classification is the basis for all e-business models. In addition, they emphasize that models can be configured differently in order to develop a business model that best adapts to the needs of a business.

C. Baden-Fuller and V. Mangematin (2013) proposed 4 types of business models (Table 3).

Table 3. Business model classification based on C. Baden-Fuller and V. Mangematin

Business model name	Business model description
Franchising template (fast food chain)	A simple model aimed at different customers, in which they perceive strong hierarchical ties between different people.
Strategic model for boutique consultant	A simple model is addressed only to selected customers. There is a connection between a business and a customer with no extra issues in the value chain.
Newspaper model	Bilateral model, which concerns two types of customers - consumers and advertisers, representing different environments and different areas of activity. Connection to the network of hierarchical values
Web search template	

Resources:

1. Applegate, L.M. (2001). E-Business Models: Making Sense of the Internet Business Landscape, [in:] G. Dickson & G. DeSanctis (eds.), Information Technology and the Future Enterprise, New Models for Managers, Prentice Hall, Upper Saddle River NJ.
2. Baden-Fuller C., Mangematin V. (2013). Business Models: A Challenging Agenda, Strategic Organization 11(4) 418-427.
3. Timmers P. (1998). Business Models for Electronic Markets. European Commission, Directorate-General.
4. Weill P., Vitale M. R. (2001). Place to Space – Migrating to eBusiness Models, Harvard Business School Press, Boston, MA.