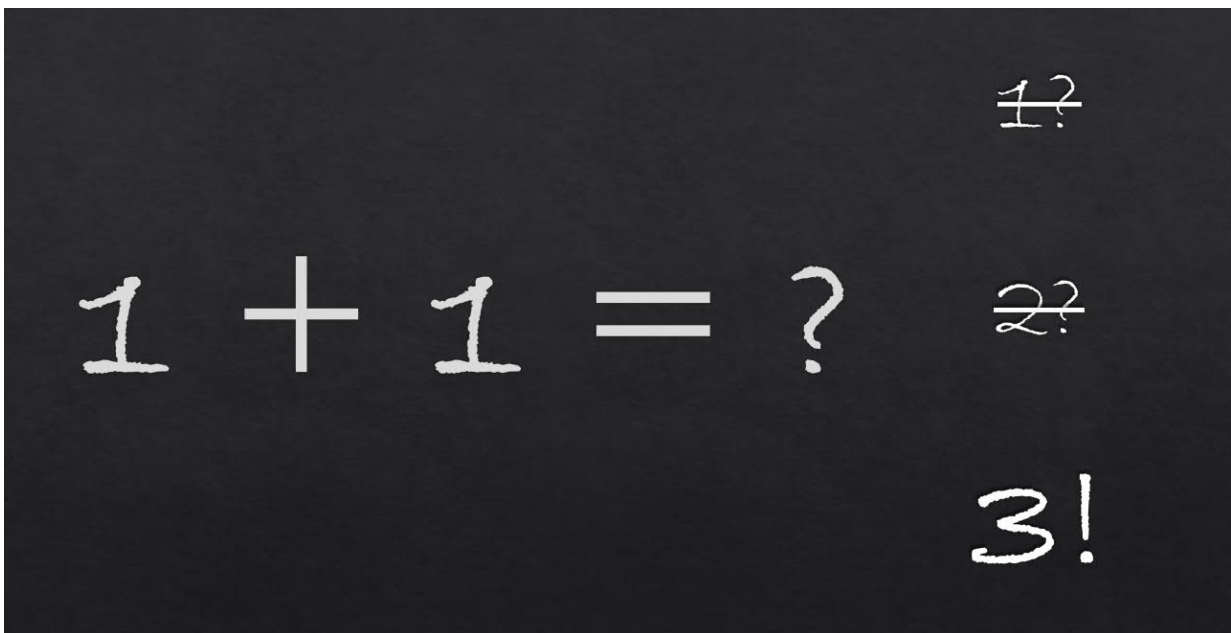


**Factors determining the success of adding
a second business model in the same
market**



Master thesis

Which factors play a role in successfully adding a potentially disruptive business model in the same market?

Keywords: Second business model, dual business model, disruption, business model innovation, success

Supervisor: Jacomijn Klitsie
Co-reader: Stephanie Maas

In het kader van de opleiding Parttime MSc in
Bedrijfskunde.



Annet de Lange 490348
Augustus 2019

Abstract

Introduction

Consumption behaviour of customers is changing in a such a pace that companies need to adjust their business models faster than before to stay ahead of competition. Research has shown that business model innovation can be a successful way of doing this (Volberda, 2015). That is often the reason why companies shift their focus to business model innovation (Volberda, et al., 2018).

Business model innovation can be done by opting for a dual business model, whereby the added business model is developed at the edge or periphery of the company's market (Volberda, 2018) and the existing business model stays unadapted. Case studies show that starting a second business model can be very lucrative due to gaining market share or increased performance (Markides & Charitou, 2004; Markides & Oyen, 2010; Volberda, 2018) or due to achieving increased performance (Volberda, 2018). To improve the chance of success this second business model should be on the edge of the main market, still related but not too similar (Markides & Oyen, 2010). Unfortunately quite a lot of companies fail setting up a second business model (Volberda, et al., 2018).

Literature about dual business model explains the preferred strategy, state of mind and management influences of a company. Research on potentially disruptive dual business models and how they can lead to success is however scarce, that is why we aim to fill this gap by finding the factors that play a role in the success of adding a potentially disruptive second business model in the same market. Insight into these factors is very relevant to companies, because it can lead to gaining market share and increase performance. The research question for this study is therefore:

Which factors play a role in successfully adding a potentially disruptive business model in the same market?

Research method

This research is conducted at Jumbo, a chain of supermarkets in the Netherlands. Jumbo had the idea of building the supermarkets of the customers dreams, by merging the supermarket with foodservice. Implemented six years ago, the second business model, called the Foodmarket, is now up and running in six location and Jumbo has plans for expanding.

We conducted one in-depth, retrospective case study. Different means of data collections are used to increase validity. Qualitative data was collected by conducting interviews within the company and quantitative data was provided on the basis of surveys conducted among stakeholders, customers and retailers, outside the company. In this we followed Corbin and Strauss (2015) by processing data in an ongoing cycle of collecting and analysing. The data has been compared constantly, in order to discover similarities and differences.

Statements from the interviewees that are mentioned as the reasons for the Foodmarket's success or related to that reason were coded. Subsequently these coded statements were categorized and grouped. In total 4 groups were formed that explain the factors involved in the success of the Foodmarket. These categories and groups form the coding tree.

Results

The four factors identified in playing a role in successfully adding a potentially disruptive business model in the same market are: customer oriented value creation, multi-level synergy, open innovation process and agility.

Customer oriented value creation makes the new business model distinctive from competitors and the company's existing first business model in the same market. The new business model needs to be more appealing to customers in order for them to switch. There are two ways of getting customers to switch: by creating and delivering more value or by creating new different value.

Multi-level synergy is created on three levels. Portfolio management on company level, in the same business model or between business models. Synergies on every level add to the success of the new business model.

Providing an open innovation process for developing the second business model adds to the success of adding a second business model in the same market. Open innovation starts with an open plan. When a development team has no restrictions or a predetermined business case it is possible to have an open view for possibilities not yet seen by others. Perseverance is a quality needed in providing an open innovation plan. It is not likely that a new business model is successful or profitable from the very beginning. A business model needs time to mature and although it is tempting to adjust the business model if it is not immediately profitable or shows the desired results, it is necessary to give it time and to not make any hasty decisions.

Being agile, which means having innovation speed and adaptive capacity, is the last factor in making a second business model in the same market successful. Having a flexible organisation that is open to change and a business model that is flexible to customer needs and thereby changing markets, makes the business model more sustainable. Consequently having an adaptive capacity both to internal and external changes is inevitable. Innovation speed comes from quick decision-making processes and fast development. Being the first to bring a new business model to the market creates a competitive advantage.

Implications

Exposing these four factors, this study contributes to existing literature about both business models and business model innovation as well as how to make a dual business model in the same market successful. This research also has implications for existing methodology, theories and managerial practices.

Methodology

Literature about dual business models makes us believe that adding a business model is almost all about creating synergies between the business models. We dispute the believe. Synergies are best realised when they are managed at three different levels.

Possibly forming a major implication for methodology, our research provides the first indications that the differences that appear to exist between the ways of describing business model innovations are not as different as literature suggests. We have reason to believe that there are only two approaches to business model innovation. These two approaches are not even contradictory, but more about different points of perspective. This discovery might have a major impact on the concept and understanding of business model innovation.

Theory

Our research builds on the existing theory that states that a second business model should be on the edge of the market. Our research shows that customers are willing to switch to an added business model because more and added different value is created and delivered to those customers when the business model is created on the edge where two markets meet. Making the business model both new and more appealing.

We partially refute the theory that listening to existing customers does not lead to disruption. In our opinion listening to existing customers is very relevant, but not enough. For a new business model in the same market to just listen to current customers is a too narrow perspective, new customers are part of the market that must be reached. So listening to both groups will have more impact when it comes to adding a new business model in the same market. Literally and only listening is obviously not enough either. To create a good business model a vision and interpretation of customers input is essential.

Practice

Because literature about dual business models is also about managing tension, we have found that managing tension should not be between business models, but between the business unit and executives. This creates the possibility for management in the two business units to keep communication open and focused on seeking synergies instead of dealing with tension.

To optimize the creation of synergy, our research shows that faster learning and implementation of what is learned, is possible by splitting up the development team and incorporating this team into the business unit.

It appears that giving the second business model a real chance and giving it time to mature is an important step to make it successful, thereby making perseverance a quality that is necessary for a second business model to become successful. Essential for management is knowing that just giving up or adjusting the new business model to quickly is not in the best interest of that business model.

Management that has decided to add a second business model in the same market needs to realize that for this business model to become a success, agility is the key. Decision-making processes and quick development, also known as innovation speed are essential. Adaptive capacity in both the business model and the company add to flexibility which is also indispensable.

Table of contents

1.	Introduction	8
1.1.	Background and research question.....	8
1.2.	Structure.....	9
2.	Literature review.....	10
2.1.	Business Model and Business Model Innovation.....	10
2.2.	Dual Business Model	14
2.3.	Disruption.....	15
2.4.	Self-disruption, Cannibalism	16
2.5.	Success and Performance	17
3.	Research method.....	18
3.1.	Research design.....	18
3.2.	Case selection.....	18
3.3.	Data collection method	19
3.4.	Data collection.....	20
3.5.	Data Analyses	21
3.5.1.	Qualitative data analyses of the interviews	21
3.5.2.	Quantitative data analyses of the surveys.....	21
3.5.3.	Triangulation.....	21
4.	Findings	22
4.1.	Factors for the success of the Foodmarket.....	22
4.1.1.	Customer oriented value creation.....	22
4.1.1.1.	More value	22
4.1.1.2.	Different value.....	23
4.1.1.3.	Conclusion	26
4.2.	Multi-level synergy.....	26
4.2.1.	Portfolio management.....	26
4.2.2.	Further development business model	27
4.2.3.	Synergy between business models	28
4.2.4.	Conclusion.....	29
4.3.	Open innovation process	29
4.3.1.	Conclusion.....	29
4.4.	Agility	30
4.4.1.	Adaptive capacity.....	30
4.4.2.	Innovation speed.....	30
4.4.3.	Conclusion.....	30
5.	Discussion.....	31
5.1.	Customer oriented value creation.....	31
5.2.	Multi-level synergy.....	32
5.3.	Open innovation process	33
5.4.	Agility	33
6.	Conclusion	35

7.	Implications	37
8.	Limitations and further research.....	39
8.1.	Limitations	39
8.2.	Further research	39
	Acknowledgement.....	41
	References	42
	Appendices.....	45

1. Introduction

1.1. Background and research question

The speed in which people consume is rapidly changing, but also the consumption behaviour of customers has changed. As a result, companies have to adjust much faster than before.

It was Porter (1996) who said, if a company wants to be successful it needs to build a sustained competitive advantage. But he also realised that a “competitive advantage is, at best, temporary” (1996, p. 61). Many business models that were successful in the past, do not exist anymore (Teece, 2010). Which means that the development of new benefits and innovation must follow each other faster and faster (D'Aveni & Gunther, 1994; Volberda, et al., 2018).

A survey from 2005 shows that half of the executives believe that business model innovation will become more important than product or service innovation (Johnson, et al., 2008). In addition research shows that only 25% of innovation success comes from technology, the other 75% is due to leadership styles and the way the business is organised (Volberda, 2015). That is why companies shift their focus to business model innovation (Volberda, et al., 2018). Due to this shift, business model innovations has become a hot topic for research since the '90 (Foss & Saebi, 2018; Zott, et al., 2011). Despite the growing literature regarding business models and business model innovation, little research can be found on how companies manage dual business models (Winterhalter, et al., 2015). Volberda, professor at the University of Amsterdam that stated in an interview (2018) that more companies should occupy themselves with disrupting their own business model in order to develop a new one. That does not necessarily imply changing the existing one. Business model innovation can also be done by opting for a dual business model, whereby the added business model is developed at the edge or periphery of the company's market (Volberda, 2018).

Some case studies show that starting a new business model besides the existing business model can be a lucrative business due to gaining market share (Markides & Charitou, 2004; Markides & Oyen, 2010) or achieving increased performance (Volberda, 2018). Unfortunately still quite a lot of companies fail setting up a second business model (Volberda, et al., 2018). Markides and Charitou (2004) have found four possible strategies for companies to prevent the failure of adding a second business model in the same market. They also state that in case companies consider the dual business model more as a possibility than a threat, they are proven to be more successful, (Markides & Charitou, 2004). Others have suggested that failing of succeeding is more about managing synergy and conflicts between the business models (Kuo, 2017; Volberda, et al., 2018), about aligning complementary assets and managing conflicting assets (Kim & Min, 2015) or about coherence in business model or value creation architecture (Matzler, et al., 2013). Research by Anderson et al. (1994) shows that gaining market share is possible by facilitating a more diversified and heterogenic group of customers by serving customers further away from their core business.

These studies explain the preferred strategy, state of mind and management influences of a company, but none of them have directly addressed the factors that play a role in the success of adding a potentially disruptive second business model, making this a gap in the literature. This study contributes in two ways. First, existing literature about both business model innovation and dual business models is extended. By providing an overview of the different approaches to business model innovation we reveal that the different ways researchers approach business model innovation, are in fact not as different as they appear. The can be divided into two groups: phases and modes, linking the still very divided existing literature on this subject. Second, we fill a gap in the literature with finding factors that influence the success of dual business model. These findings are both academically important because they fill a gap in the literature and extent existing literature, but they are also very practically relevant. Studies show that dual business models can lead companies to gaining market share (Markides & Charitou, 2004) and increased performance (Volberda, 2018). Therefore insight into the factors that play a role in successfully adding a business model is very relevant to companies.

This makes our research question, the following:

Which factors play a role in successfully adding a potentially disruptive business model in the same market?

Our research is conducted in the retail market, at Jumbo, a chain of supermarkets in the Netherlands. Jumbo had the idea of building the supermarkets of the customers dreams, by merging the supermarket with foodservice. Jumbo designed and implemented a new format, called the Foodmarket about six years ago. At the moment six Foodmarkets are up and running and Jumbo has the plan of opening more of these stores.

1.2. Structure

In chapter 2, following this introduction, the literature review is presented. In this review the components of the research question are defined and discussed, based on existing literature. The meaning, definitions, theories and constructs of business models and business model innovation are presented and discussed. By linking these concepts to dual business models, self-disruption, also known as cannibalism and success, the research question as a whole is clarified.

In chapter 3 the research method is explained. The design, case collection, data collection and method of the data collection are subjects in this chapter. In the end of this chapter the data analyses and triangulation are reviewed.

Chapter 4 presents the findings of both the quantitative and qualitative data that is collected. The findings from the collective data are discussed and the factors answering the research question are presented.

In chapter 5 the findings presented in chapter 4 are compared to the literature review from chapter 2.

In chapters 6 to 8, respectively, the conclusion, the implications and ultimately the limitations and further research are reviewed.

2. Literature review

In order to gain more insight into what 'successful potentially disruptive second business models' in the same market are and what it consists of, we will define and discuss the separate components already studied individually before and the links between them. In relevant literature, we search for the meaning, definitions, theories and constructs. By understanding these components and their links, it is possible to form an understanding of the whole. This can be used as a base to carry out thorough data research.

We begin with researching what a business model is and how it is linked by business model innovation to adding a second business model, also known as dual business models. Next, we will discuss disruption and closely linked self-disruption, referred to as cannibalism. We will end with explaining what factors are involved in running a successful business model.

2.1. Business Model and Business Model Innovation

Much is still unknown about the origin, adoption and innovation of business models (Foss & Seabi, 2018). According to Markides (2013) the concept 'business model' is used for the first time in 1947 by Lang, after which it appeared in a publication in 1957 (Osterwalder, et al., 2005). However, until the 1990's, when the discovery of the internet gave the use of the term a boost, it has been used only sporadically (Chesbrough & Rosenbloom, 2002; Magretta, 2002; Markides, 2013; Osterwalder, et al., 2005; Peric, et al., 2017).

Although the literature about business models and business model innovation is growing, real theories about it are still scarce (Foss & Seabi, 2018). This might be because business models are impossible to observe directly, therefore they are seen as "conceptual abstractions, theoretical constructs" (Foss & Seabi, 2018, p. 12) and as a (top) management topic it is complex and above all underresearched (Peric, et al., 2017; Volberda, et al., 2018). So due to the absence of good analyses, business models are poorly understood (Teece, 2010).

After almost half a century of research, there is still no accepted definition of the term itself or about elements it exists of. In recent literature extensive examination has been done into the different definitions that have been used in the past (Peric, et al., 2017; Teece, 2010; Volberda, et al., 2018; Zott, et al., 2011), the elements of a business model (Foss & Saebi, 2018; Peric, et al., 2017; Spieth & Schneider, 2016; Volberda, et al., 2018; Wu, et al., 2010), what a business model is or does (Muegge, 2012), why it is important (Chesbrough, 2007; Chesbrough, 2010), how to create value (Amit & Zott, 2001) and which frameworks are used (Muegge, 2012). Although there is no general consent over all of these topics, it seems that the most agreement exists about what a business model is about. Three elements keep coming back: value creation (Amit & Zott, 2001; Chesbrough, 2007; Chesbrough, 2010; Chesbrough & Rosenbloom, 2002; Matzler, et al., 2013; Muegge, 2012; Peric, et al., 2017; Teece, 2010; Volberda, et al., 2018; Zott & Amit, 2010)(Zott, et al., 2011), value delivery (Peric, et al., 2017; Teece, 2010) and value capturing (Chesbrough, 2007; Chesbrough & Rosenbloom, 2002; Foss & Saebi, 2017; Matzler, et al., 2013; Muegge, 2012; Peric, et al., 2017; Teece, 2010; Volberda, et al., 2018; Zott, et al., 2011).

More and more researchers seem to also agree that the relationship or architecture of the components otherwise known as the system of activities are a part of a business model (Amit & Zott, 2001; Chesbrough, 2007; Chesbrough & Rosenbloom, 2002; Foss & Saebi, 2017; Matzler, et al., 2013; Muegge, 2012; Teece, 2010; Volberda, et al., 2018; Zott & Amit, 2010). This system of activities needs to be adapted to the environment the company is competing in and to the changing market (Teece, 2010). For companies to recognize how they can create value for the customer, companies should have a wide view of the environment they operate in (Von den Eichen, et al., 2015).

Imitation of a business model by competition will not lead to success unless the entire system is matched. Which means, that if the advantage is fully embedded in the company, competition might be able to imitate some traits, but not the entire system of activities (Porter, 1996). And although the idea of creating new business models is very appealing to many companies, it is very difficult to implement and that is why many fail (Chesbrough, 2010). On the other hand keeping your business model the way it works at the moment is not going to be enough either. Many business models that were successful in the past, do not exist anymore (Teece, 2010). That is why companies focus more on trying to innovate their business model.

With a radical change in an existing business model we can speak of business model innovation (Philipson, 2016). Much like the literature about business models, there is little consent on what business model innovation is, or what it consists of. Business model innovation can be looked at from very different perspectives. It can be seen as change phases (Cavalcante, et al., 2011), process phases (Philipson, 2016), components (Matzler, et al., 2013), different typologies (Foss & Saebi, 2017), different directions (Volberda, et al., 2018) or different dimensions (Spieth & Schneider, 2016). They all give a different outcome of what business model innovation is, although there are some distinct overlaps.

Table 1 gives an overview of the different approaches to business model innovations. By looking at it from both a component (Matzler, et al., 2013) as well as a dimension (Spieth & Schneider, 2016) perspective, we see that they can be traced back to the three elements 'value creation, value delivery and value capturing' of the business model. Table 1 also shows that the approach as changes or phases show similarities. The same applies to types and elements. So overall the literature about business model innovation can be divided into two groups: phases (yellow) and modes (green).

Volberda et al. state that business model innovation can be split into two main types: "renewal and replication" (2018, p. 29). Replication can be described as improving the existing business model. So for this research, this type of innovation is less relevant. Renewal on the other hand is very relevant for the second business model that is added, because renewal is defined as: "the introduction of new business model components or new independencies between those various components which go beyond the framework of an existing model in order to create and capture new value" (Volberda, et al., 2018, p. 29). This can be done by radically changing the existing business model or by introducing a new business model. The second business model should be really incomparable with the existing one (Volberda, et al., 2018) and lay in tandem as to prevent conflicts (Markides & Charitou, 2004). Volberda et al. explain three variants to combining the first and second business model: "the dual business model; the oscillating business model and the network business model" (2018, p. 223). Only the dual business model is relevant for this research. Unlike in the oscillating model in the dual business model the first and second business model continue to co-exist and none of the business models are outsourced, like with the network business model. On top of that they further explain that business model innovation can be "strategy-driven versus customer-driven" (Volberda, et al., 2018, p. 5). The business model innovation matrix explaining the difference between the two. This matrix is added in Appendix 1, figure 1. Overall the difference between strategy-driven versus customer-driven depends on the intention with which the business model is innovated.

Volberda (2017) added other characteristics for business model innovation, being knowledge absorption capacity and corporate governance (only for family businesses). How long the CEO works for the company is also a lever according to Volberda (2017). In the beginning of innovation it is an accelerator when a CEO has worked longer for the company. But at a certain point it begins to be a retardant. Other retardants are listening to existing customers and internal cooperation (Volberda, 2017). When we follow Lindgardt et al. (2009) from the Boston Consultancy Group in the belief that business model innovation leads to higher returns than product innovation or process innovation, it is understandable why business model innovation is a hot topic nowadays. But compared with the amount of literature about product, process and service innovation, empirically researched literature done on business model innovation is significantly less (Foss & Saebi, 2017). And although a survey from 2005 shows that half of the executives believe that business model innovation will become more important than product or service innovation (Johnson, et al., 2008) and they believe that business model innovation is important for companies to survive, still many companies fail at realizing business model innovation (Chesbrough, 2010) (Volberda, 2018). Business model innovation is still difficult to realize (Chesbrough, 2010), because new business models have not proven themselves yet (Volberda, et al., 2018) and are often complex to understand (Johnson, et al., 2008). To innovate a business model, creativity, insight, intelligence and knowledge about customers, competitors and suppliers are needed (Teece, 2010). The right business model is created by learning and adjusting through trial and error (Teece, 2010). So experimentation is inevitable (McGrath, 2010; Volberda, et al., 2018).

Failure is often a result of processes and decision making routines that are implemented for product innovation. Which can lead to disappointment when these processes and procedures do not lead to the expected results for business model innovation (Von den Eichen, et al., 2015). To gain a competitive advantage and to prevent competitors from imitating the business model innovation, the

conclusion is that often the entire organization has to be reorganized (Philipson, 2016). As a result this usually leads to management not wanting to change the business model at all (Von den Eichen, et al., 2015).

Above expectations there actually are some very impressive examples of business model innovation that have succeeded. Amazon, Google, Nespresso, Ryanair, Starbucks and Zara are just a few (Matzler, et al., 2013; Miller, 2000; Teece, 2010). These companies are all examples of how business model innovation can lead to higher and sustainable profits (Lindgardt, et al., 2009; Von den Eichen, et al., 2015).

Table 1
Different approach to
business model
innovation

Author(s)	Based on	Approach	1	2	3	4 & 5	6 & 7
Amit and Zott (2012)	Case studies	Design elements	Adding new activities (content ways)	By linking activities in novel ways (structure)	Changing one or more parties that perform any of the activities (governance)		
Calvecante, Kesting and Ulhøi (2011)	Literature	Change process	Business model creation	Business model extension	Business model revision	Business model termination	
Chesbrough (2010)	Literature, case studies	Change process	Experimentation	Effectuation	Organisational Leadership (leading change)		
Foss and Saebi (2017)	Literature	Typologies	Evolutionary (modular & new to the firm)	Focused (modular & new to the industry)	Adoptive (architectural & new to the firm)	Complex (architectural & new to the industry)	
Kim and Min (2015)	Literature	Groups	Original	Imitative			
Matzler, Bailom, Van der Eichen and Köhler (2013)	Nespresso	Components	Innovative, unique positioning	A consistent product and service logic	An appropriate value creation architecture	An effective sales and marketing logic (4) A profit formula that works (5)	
Philipson (2016)	Case study	Phases	Formulate a new idea	Innovate a new way of organizing the business	Develop new system supporting the new organization	Develop new routines for how to use the new system (4) Educate the work force in the new work methods, system and routines (5)	Implement the new organization (6) Rationalize to achieve the second goal (7)
Sosna, Treviño-Rodríguez and Velamuri (2010)	Case study	Stages	Initial business model design and test	Business model development	Scale up with suitable business model	Sustainable growth through organization-wide learning	
Spieth and Schneider (2016)	Literature and survey data	Types/dimensions	Value offering innovation (emphasizing the offering to the customers)	Value architecture innovation (focuses on how the company realizes value)	Revenue innovation (considering the earnings and cost logic applied by the company)		
Volberda, Van den Bosch, Heij (2018)	Research, case-studies	Directions	Business model replication	Business model renewal	Or a combination of the two		

2.2. Dual Business Model

Literature into business models has had its focus on starting a new business model and the meaning of that, or drastically innovating an existing business model. Much less attention is paid to companies that have established business models and are adding a new business model to the mix (Kim & Min, 2015), also known as dual business models. Dual business models are a way to stimulate and exploit innovation. The existing business model stays the way it is, or is altered slightly (Gilbert, et al., 2012) or replicated (Volberda, et al., 2018) to fit the market change and a new business model is added, in which innovation can take place (Volberda, 2013) thereby becoming “the source of future growth” (Gilbert, et al., 2012, p. 67). Because it can take years for a new market to reach its full potential, completely and abruptly abandoning the existing model is throwing away an advantage the company still has (Gilbert, et al., 2012). By choosing not to intensely transform the existing business model to market shifts, which is likely to fail, the two business models together can achieve the transformation needed for the company to succeed in the future (Gilbert, et al., 2012).

The already scarce amount of literature on dual business models is very scattered and it appears to be divided into three concepts: adding a new business models to compete in a low-cost market (Markides & Charitou, 2004), in an emerging market (Winterhalter, et al., 2015) or in a disruptive market (Markides & Oyen, 2010). And so literature on dual business models seems to be the most common with companies that are both active in proven markets as well as emerging markets (Winterhalter, et al., 2015; Wu, et al., 2010). But it is also possible to have more than one business model in the same market. This increases flexibility especially when operating in a highly dynamic environment. A comparative case study like this is done with companies that set up their second business model in the same market, usually because their first business model came under attack from what is called ‘strategic innovators’. These innovative competitors took market share by introducing completely new business models (Markides & Charitou, 2004). These companies either succeeded in gaining back market share (Singapore Airlines, Toyota, VW, Mercedes, Intel, the Gap, Nestlé) or ended up destroying value due to mismanagement (KLM, British Airways, IBM) (Markides & Charitou, 2004; Markides & Oyen, 2010). Problems with managing two business models in the same market at the same time is because of conflicting value chains (Porter, 1996). Conflicts arise when the new business is effecting the value of the first business model in for example brand reputation, culture and the relationship with suppliers and distributors (Markides & Charitou, 2004). Many experts therefore advise to keep the two business models completely separate so that they do not interfere with each other in any way (Christensen, 1997; Porter, 1996). This way the new business can create its own processes, culture, strategy and management and serve their own customer groups (Christensen, 1997).

In choosing for a separate business unit Markides and Oyen (2010) distinguish three factors that play a role. A new unit is particularly useful when serving new customers by adjusting the activities of the value chain, when the market is completely different or it requires an aggressive approach of the new market (Markides & Oyen, 2010; Volberda, et al., 2018).

Downside of keeping the business models in separate units is that synergies are not best exploited. This is because in separate units only the top management (above both business units) is responsible for detecting synergies and they are often busy with the ins and outs of the company itself (Day, et al., 2001). Resulting in a counter reaction from other researchers who did not agree with the advice of keeping the second business model separate (Day, et al., 2001; Iansiti, et al., 2003; Markides & Charitou, 2004; Tushman & O'Reilly, 1996).

A solution for the problem lies in balancing the integration of the business models between integrating enough to exploit synergies, like for instance value chain activities (Markides & Oyen, 2010), and keeping them separate enough to exploit other benefits (Iansiti, et al., 2003; Markides & Charitou, 2004; Volberda, 2017). Companies that can exploit synergies, are the most successful in exploiting dual business models (Day, et al., 2001; Markides & Charitou, 2004). However it is more likely for two business models to have little resources, capabilities and assets in common, from which they can exploit synergy (Casadesus-Masanell & Tarzijan, 2012). Partial integration and exploiting synergies do ask for intense coordination of the two business models (Volberda, et al., 2018). Companies that are successful in exploiting synergies from dual business models have shown to invest more in human capital, have a strong mutual identity, transformational leadership and innovative culture. While tensions between the dual business models are resolved due to the strong mutual identity (Volberda, 2017).

The degree of integration also appears to depend on how dynamic the environment is. Companies in a dynamic environment tend to integrate a second business model more, than companies in a stable environment. This is because the need for differentiation is higher in a dynamic than in a stable environment (Markides & Charitou, 2004).

There are four possible strategies that can lead to successfully keeping dual business model beside one another. Markides and Charitou (2004) made a useful model to show when to use which strategy. The four strategies are separation strategy, integration strategy, phased integration strategy and phased separation strategy. The four strategies, explained below, are also added as a matrix in Appendix 1, figure 2.

Following the separation strategy is best when the new market is both strategically different and there are serious conflict expected between the current and new business model. In this case the threat of cannibalisation is a certain possibility (even if it is just illusory and not real) and few synergies can be expected. Even when the two businesses are kept separate, the company should strive to use any processes or mechanisms possible in order to exploit any possible synergies. The most successful companies that use this strategy always find some synergies to exploit. (Markides & Charitou, 2004). Other factors that influenced success of the separate unit were at a high degree of autonomy (both operational and financial), a different budget and investment policy, an own culture and a separate CEO from within the company (Markides & Charitou, 2004; Markides & Oyen, 2010).

The opposite is also true. When little conflicts will arise by introducing the new business in the same market, the new business should be totally integrated. The companies that are most successful in this strategy embraced the new business as an opportunity to complement the existing business model, without suffocating the new business. By labeling the new business model as an opportunity companies create a greater involvement or participation in employees. Which stimulates them to "approach the opportunity in a creative and entrepreneurial way" (Markides & Charitou, 2004, p. 28). Thus giving the new business a fair chance.

The third strategy is phased integration strategy, where the new business and the existing business conflict by being in the same market and serious conflicts can be expected, is most interesting. The same market gives the company the opportunity to create all kinds of synergies, but it also has the biggest chance the new business will be seen as a threat by the existing business. Markides and Charitou (2004) than suggest to keep the businesses separate over a period of time. When the new business is up and running, then the two businesses can be merged slowly, as to minimize disrupting the existing business. It is a challenge to get the business up and running, while knowing that ultimately it has to be prepared for integration.

The last option is when the new business will focus on a totally different market and conflicts between the business are minimal. In that case it is best to start the new business inside the existing business as to use the companies assets and knowledge, before setting up a separate unit in which the new business can flourish. By placing the business in a separate unit, the existing business model is not constrained in her growth (Markides & Charitou, 2004).

In order to choose the best strategy the question to ask is "What activities in our value chain do we separate, and what activities do we keep integrated?" (Markides & Charitou, 2004, p. 27). And to improve the chance of success Markides and Oyen (2010) provide us with additional considerations. When decided add a new business model this business model should be on the edge of the main market (so related but not too similar) and it is better to disrupt with a new and different business model than to copy a business model from competitors (Markides & Oyen, 2010).

2.3. Disruption

The potential of disruption was beautifully described by Dru when he said: "Disruption has no rules. It has no clear beginning and no end. All we know is that, whenever we have applied it, it seems to give a clear direction. And, looking back, it always seems to deliver definite results. Disruption's optimum value is unleashed when you take it, embrace it, absorb it into your culture. Make it part of your DNA" (2002, p. 89). This means that disruption is breaking through the conventional way of thinking and doing things. Continuing to do what you do now is no longer an option in this rapidly changing world and therefore you have to change as well.

First used in marketing for creating new campaigns, it is in its origin an advertising methodology (Dru, 1996). Because this process is not at all exclusive for advertising, it is now used in every kind of

business. After all, good business is also about having a vision and staying ahead of your competition (Dru, 1996). It can help to create innovation in strategy, business models, and brands and it helps to keep an eye out for what the future may bring. Disruption exists as a result of creativity in the different process phases (Dru, 2002). Creativity is the reason that some companies, like Apple and 3M, are so successful (Dru, 2002). By breaking with what has always been done a certain way, it is possible to create disorder, which can ultimately lead to change (Dru, 1996).

Companies that are disruptive are often related with skills as being “entrepreneurial, democratic, open to possibilities, giving individual freedom and being pragmatic” (Dru, 2002, p. 48). They conduct their business very differently than other companies do and often their goal is to be different. They are not trying to change themselves, but change things by observing the world (Dru, 2002). Thereby breaking and overturning a convention, pattern or expectation with new vision or change of an existing vision as result (Dru, 1996). Companies that cannot think like this have a too narrow vision towards the outside world (Von den Eichen, et al., 2015).

There are two different degrees of disruption, high level disruption, in which companies do something completely different, in a ridiculously different way, thereby changing the entire market and low level disruption, in which companies renew themselves, for instance changing enough to make customers look at them differently. They don't change the market with their disruption. The efficiency of one is not necessarily better than the other, it depends on the market (Dru, 1996).

Disruption can be caused by competitors, but today's companies often use benchmarking and keep track of what competition is doing, so big surprises are rarer. When the disruption comes from a completely different market, the surprise is often much greater. Change may have been pretty predictable in the past, because it was gradual and in small steps (Dru, 1996), but it is no longer. It can come from anyone and everywhere and can disrupt your business without you realizing it until it's too late.

Empirical evidence shows that companies that only listen to the needs of their customers, are often unable to create disruptive change (Christensen, 1997; Volberda, 2018) making them vulnerable to disruption by others (Christensen, 1997). They are too customer oriented. By just trying to deliver what the customer wants you will not get ahead, “the customer can't imagine the future any better than anyone else” (Dru, 1996, p. 47). If Apple would have asked the customer if it needed a phone with all sorts of app's, game and commodities, the customer would not have had a clue what to think of that. Another reason besides being too customer oriented, is the fear of cannibalism (Dru, 1996; Volberda, 2017; Volberda, et al., 2018).

2.4. Self-disruption, Cannibalism

Companies often choose not to implement new technologies, new ideas or new business models. What stops them is the fear of cannibalism of the existing product, brand or business model (Dru, 1996; Volberda, 2017; Volberda, et al., 2018). Often the growth of the second business model is limited or killed by managers responsible for the first business model, because they feel that the growth of this model is to their disadvantage (Markides & Oyen, 2010; Volberda, 2017), because new business model often meets customers that are close to the existing market (Casadesus-Masanell & Tarziján, 2012). Other reason for failing is that the new business model does not get the amount of attention and is not given the amount of resources it needs to get a fair chance (Volberda, et al., 2018). Companies and managers must realize that any competitive advantage, whether it is a technique, an idea or a business model, is only temporary. No advantage is sustainable (D'Aveni & Gunther, 1994). By thinking and acting like sustainability is a possibility, companies run the risk that competition will pick up these or better technologies and ideas and make them superfluous. Companies should understand that by not wanting to compete with their own brand, product or business model, they stand still and make themselves vulnerable. They should compete more with themselves, only then they will survive (D'Aveni & Gunther, 1994; Dru, 1996). Disrupting yourself should be something that is on the agenda every day, which is also known as “serial self-disruption” (Dru, 2002, p. 101). Nespresso is a good example of self-disruption. While the value chain and business model of Nespresso and Nestlé's filter coffee are totally different and they seemingly focus on different markets (Nespresso on the young urban professional, who wants to be distinctive; and Nestlé on the instant coffee drinking mass market), result is that after the introduction of Nespresso the coffee market has changed enormously. Not only the young urban professional that was originally the focus

group, but also the coffeeshops, offices, and many others of Nestlé's customers switch to Nespresso, therefore cannibalising the original business model.

2.5. Success and Performance

To assess whether a company is successful, we can look at firm performance. Performance focuses on value creation and value capturing of the company (Chesbrough & Rosenbloom, 2002; Teece, 2010). Business model design and business model innovation play a critically important role in the performance and success of a company (Peric, et al., 2017; Zott & Amit, 2007; Zott, et al., 2011).

In the success of a single business model four factors are involved according to Volberda et al. (2018). The business model should create a lock-in effect for customers, create new possible combinations, make activities highly interdependent and result in considerably lower costs. Whereas when we look at dual business models, Markides and Charitou (2004) found four totally different factors: the success is higher when the level of autonomy is higher (the ability to make their own financial and operational decisions), the budgetary and investment policies are more differentiated from the other business model(s) (but not at the expense of the possible synergies), it is led by a CEO from within the own company and it is free to develop its own culture.

There has also been research in the effect of business model innovation on firm performance (Giesen, et al., 2007; Zott & Amit, 2007; Zott & Amit, 2008). Zott and Amit (2008) state that in general there is a positive relation between innovative business model and high firm performance or wealth creation. Elaborating on this means that business model that are innovative in the way that they create value are more successful. This is substantiated by research done by Volberda et al. (2018) and Aspara et al. (2010) when it comes to companies that have two (or more) business models. Volberda et al. (2018) claim that the key to successfully operating two business models simultaneously is in "high levels of both replication and renewal" (2018, p. executive summary). This would mean that being successful is not just about how successful the new business model is, but how well the company is able to combine the two. The research by Volberda et al. (2018) shows that companies having a dual focus perform 18% better than companies that are not concerned with innovating their business model at all. Which is still 10% higher than companies that are drastically innovating their existing business model. This research also shows 11% growth in sales and 20% return on assets (Volberda, et al., 2018).

In addition empirical research shows that companies perform better when their focus is on a combination of novelty and on either differentiation or cost-leadership in the business model. But also a combination of focussing on novelty in the business model and entering a market as one of the first is shown to be positive on firm performance (Zott & Amit, 2007). In case companies consider the dual business model more as a possibility than a threat they are proven to be more successful, because it leads to a greater involvement and a proactive entrepreneurial long-term strategic attitude in the whole process, even if at first the results are not yet encouraging (Markides & Charitou, 2004). Research done by Anderson et al. (1994) also shows that companies that have a larger market share facilitate a more diversified and heterogenic group of customers. So for larger firms to gain market share, they have to serve customers further away from their core business.

Besides looking at the business model or business model innovation, it is also proven that companies that improve quality or create a higher customer satisfaction, also show better economic results (Anderson, et al., 1994). Which means that high customer satisfaction can be seen as a value creation possibility.

In conclusion, the performance of a company can be influenced on three different levels: on a business model level, through business model innovation (including dual business models) and by improving quality or raising customer satisfaction.

3. Research method

3.1. Research design

Research on potentially disruptive dual business models and how they can lead to success is scarce, that is why we aim to fill this gap. As a result this research is inductive. To do this, we conducted one in-depth, retrospective case study by means of interviews. Case studies are particularly powerful for the development and testing of new theory and ideas (Gioia, et al., 2012). They have high validity with practitioners. By adding different means of data collections, for instance surveys, validity can be further increased (Voss, et al., 2002). When this data collection creates a continual cycle knowledge can be accumulated (Eisenhardt, 1989). Therefore research is done using both qualitative and quantitative collected data. The qualitative data has been collected by conducting interviews with key persons within the company that is researched. Quantitative data was provided on the basis of surveys conducted among stakeholders outside the company. By conducting an in-dept case study we can provide more insight into the considerations, decisions, contradictions and everything involved in the decision to add, design and implement a potentially disruptive second business model by the company (Voss, et al., 2002). We gain more insight into the factors that play a role in the choices made by the company, but also into how to make this apparent contradiction successful. We also substantiated this data with how the environment values this dual business model and what the impact is for the stakeholders of the company.

Having asked open questions, such as why, how and what-questions (Voss, et al., 2002) gave the interviewee the opportunity to answer questions honestly and provide as much insight as possible into the subject, without being guided by the interviewer (Gioia, et al., 2012). Being unrestricted, they were able give new and creative insights (Eisenhardt, 1989; Voss, et al., 2002). Especially when it comes to managerial methods and strategy, because they could be fully questioned at multiple levels and contexts in the organization (Voss, et al., 2002). Because of the scarce literature the first part of this research can be seen as an exploratory research into unknown variables. By choosing for a retrospective case study, we know for sure that the test object, in this case the companies new business model, meets the framework of the research, which is necessary to get relevant data.

3.2. Case selection

For this research we selected the company Jumbo, a chain of supermarkets in the Netherlands. Jumbo has designed and implemented a new format, called the Foodmarket about six years ago. It is now in the stage that Jumbo is implementing this format in existing and new stores throughout the Netherlands and is even preparing to take this concept abroad. With this Foodmarket Jumbo has shaken up the supermarket world as we know it. Therefore Jumbo is a perfect case to study how a second business model can be both disruptive and successful.

Because the Foodmarket is up and running in six locations, it was also possible to question stakeholders, into their insights in the new business model. Therefore the value creation, value delivery and value capturing of the business model were all be covered and the disruptiveness has be explored.

Jumbo started in the '20 and '30 as a wholesaler of colonial goods. The company expanded in the '60 and '70 as an overall wholesaler for supermarkets. At that time, after the Second World War, some of the supermarkets which they supplied, got into financial problems. Jumbo decided to buy these supermarkets. At the end of the '90s the Van Eerd family, owner of Jumbo, took the decision to focus on supermarkets exclusively. At the moment Jumbo consist of about 675 supermarkets and about 70.000 employees, excluding the La Place restaurants, making it the second largest supermarket chain in the Netherlands (Jumbo, 2019). The idea for the Foodmarket originated in 2010. The dream was to merge the supermarket with foodservice. The Van Eerd family created a development team, consisting of both internal people with knowledge of the supermarket branches and external people, with knowledge of foodservice. With the Foodmarket, Jumbo provides customers with both pre-prepared foods they can take home or eat in the store's restaurant and a bigger more specialised product range than her regular supermarkets. This makes the Foodmarket a totally new concept in retail. Blurring the supermarket with foodservice makes customers therefore less in need of doing groceries in another supermarket or other retail stores. This means that Jumbo Foodmarket is not only disruptive in the retail world, but might also be disruptive on its own supermarkets. Because there are also benefits to be gained from the dual business model (for instance purchasing and marketing), it makes Jumbo the ideal case to study. It provides the possibility to test existing literature about

separating or integrating a second business model and it can give us more insights into considerations, decisions, contradictions and everything involved in adding a potentially disruptive business model to your existing business model and what factors played a role in the success of the Foodmarket.

3.3. Data collection method

For this research both qualitative and quantitative data is used. Qualitative data was collected through interviews with both top management and middle management. During the research process the qualitative collected data was analysed. With this input new insights were used in the following interviews to collect more relevant data. In this we follow Corbin and Strauss (2015) processing data in an ongoing cycle of collecting and analysing. The data from the different interviews was compared constantly, in order to discover similarities and differences. The first exploratory qualitative data was also used as input for setting up the surveys for collecting the quantitative data. And the results of the surveys have been used in the following interviews.

Several of semi-structured interviews have been conducted with people within the Jumbo Foodmarket, who have relevant information about at least one of the following process phases: initiative, development, implementation or operational phase. First an exploratory interview has been conducted with one of Jumbo's managers. Because this manager was involved in the development, implementation and operation of the Foodmarket, he was the best person to give insights in the company and the Foodmarket. More key persons involved with at least one of the phases of the process have been approached through him. In the same way we could interview the other managers. All have worked in a regular supermarket before and are now working in a Foodmarket, so they have a perspective on how different, similar or competitive the two business models are.

The outcome of an interview has been checked in the following interviews. With this method the aim was to get different views on the subject and to address all necessary information. While broad and open questions were asked in the first interviews, in the following interviews the questions were more specific and detailed in order to deepen the information previously collected.

The interview questions, generalized in a couple of global questions, were sent to the interviewee in advance to give an idea what to expect and also as not to surprise the interviewee. Thus given the opportunity to prepare for the interview and thereby give a thoughtful answer to the questions (Voss, et al., 2002). It also prevents the interviewer to lead the interviewee into giving answers the interviewer would like to hear (Gioia, et al., 2012). At the end of every interview the interviewee was asked who else to interview.

To ensure that all information provided is processed correctly and completely, the interviews have been recorded in accordance with the interviewees. The collected data from the interviews has been sent to the interviewee for verification and feedback (Voss, et al., 2002).

All interviews are anonymous and lasted just over one hour on average. In one case the interviewee has asked to delete one sentence from the interview. Because this line has no influence on the outcome of the data this request has been granted. In total six interviews were conducted over a period of seven weeks. Translation of quotes from the interviews from Dutch to English, have been checked by a second person, as to get the best interpretation of translation of the proverbs.

Every six months, Jumbo conducts research on customer satisfaction. Besides this she also studies customers switching behaviour among her own customers and customers from other supermarket chains. Because this information is confidential, it has not been possible to obtain this information. Jumbo has also indicated to cooperate with various retailers in the area of the Foodmarket. However, the interviews have shown that this varies considerably per location. For that reason the retailers in the vicinity of Foodmarkets are seen as stakeholders.

With consent of Jumbo, mini surveys have been conducted with stakeholders, customers and retailers, from the Jumbo Foodmarkets, in order to get more insight into their perspective on the Foodmarket. Quantitative data collection was done by anonymous surveys, which were handed over to the stakeholders on the spot and returned directly to the researcher. This way more data was collected in a short period of time. By ensuring that the questionnaires are anonymous, there is a higher chance that participants will fill in the questionnaires more honestly, therefore making the survey more reliable. In addition, people were more likely to participate, while it takes only a few minutes on site and they

were assured that the data is not personally traceable or used for commercial goals. Interviews would also have been possible for the data collection, but would consume too much time by both the interviewee and the interviewer and may also be a reason for stakeholders to not participate, making it infeasible in this case.

The quantitative data from the stakeholders, outside the company is used to substantiate results collected within the company. The questionnaires for both groups consist primarily of predetermined tick box questions. Both yes and no and 5-point Likert scale questions were asked. The questions of the survey were based on the data collected from the exploratory interviews.

Because the results of the quantitative research were in, before the last interviews were conducted, the output of the surveys, in the event of conflict with the qualitative data, were discussed in the interviews. This making the data collection and analyses a more ongoing cycle like Corbin and Straus (2015) suggest.

3.4. Data collection

Three of the six existing Foodmarket locations have been randomly visited for the customers surveys to get a variety of customers in different market areas: Veghel, Breda and Utrecht. Locations were chosen out of convenience for the researcher close to either work or home. Also for variety the three locations have been visited on different moments of the day: breakfast, lunch and dinner time. Data collection during lunch time turned out to be more difficult, because many customers were there on their lunchbreak, so they were in a hurry and not willing to participate in the survey.

In this first interview 'price', 'product range', 'service' and 'quality' were presented as the most important values of Jumbo. Customers were asked for their opinion on these aspects compared to their other supermarket(s) on a 5-point Likert scale from 'much worse' to 'much better' and whether this has been a reason to abandon their previous supermarket. Accidentally the value 'quality' was not included in the surveys conducted in Breda and Utrecht. This value has been added to the surveys conducted in Amsterdam as an additional question. Other questions in the survey address the most added value of the Foodmarket and how often customers do grocery shopping at the Foodmarket. The final survey consisted of 9 questions.

In total 133 customer-surveys were returned. In Breda 49 surveys were returned on a Saturday, between 9.30 and 10.30 am, in Utrecht 50 surveys were returned between 16.30 and 17.30 pm on that same Saturday and in Amsterdam on a Friday between 11.45 am and 13.00 pm 34 surveys were returned by customers. Not all surveys were fully completed, incidentally one question had been skipped by a customer. Because the data collected among customers is used to verify the data from the interviews with management, all data is used. In case of some missing data in the survey, only the questions answered were used in the results.

The locations for surveys among retailers were chosen more carefully, because not every location has retailers that may be influenced by the Foodmarket. These locations were also still chosen out of convenience for the researcher close to either work or home, with the addition that the chosen locations had to have several of retailers in the area. For that reason the location in Amsterdam was not selected. Among the retailers 21 surveys were conducted in Breda, Veghel and Utrecht. Since all retailers are at work the whole day at the given location, time of conducting the surveys is not relevant, as no influence on the results is to be expected. Retailers were asked whether the Foodmarket has any effect on their business, either positive or negative, whether or not they were asked for a partnership with Jumbo and if not, if they are open to a partnership. Other questions were about what they see as being the biggest added value and biggest threat of the Foodmarket regarding their business.

Five of the 21 surveys are of retailers in the same mall as the Foodmarket Breda. In a total about 10 retailers are in that mall, of which one is in Foodservice. Some of them were not willing to participate and on other occasions the manager was not available. In Veghel five of the seven retailers were willing to participate and returned a survey. Three of these are in Foodservice. In Utrecht the Foodmarket is located in a much bigger mall than the other locations, resulting in eleven surveys to be returned here. Most of them are in Foodservice.

The questionnaires as used for both surveys are added in Appendix 2.

3.5. Data Analyses

3.5.1. Qualitative data analyses of the interviews

The qualitative data is analysed by taking the statements from the interviewees that are mentioned as the reasons for the Foodmarket success or related to that reason and has been coded. For this we follow the suggestions made by Gioia et al. to code the interviews in “1-st and 2nd-order terms” (2012, p. 20). The first coding is done in the words used by the interviewee. In the second coding the words are converted to business terms. Quotes from the interviews that are exactly the same or comparable, were first grouped, so that categories could be formed. These categories were put in to 4 groups. Appendix 4 provides an overview of the statements and the coding, the subcategories and groups in which they are divided. These all form the structure of the study, also known as a coding tree. This coding tree is added in Appendix 3. Using this method the qualitative research is not just used to indicate what happens, but must also explain why it happens (Corbin & Strauss, 2015).

3.5.2. Quantitative data analyses of the surveys

SPSS Statistics 25 is used to process the quantitative data from the customers and retailers surveys. This data is used to verify and substantiate the data collected from the interviews. Therefore, the data from the surveys are not tested for validity and reliability, because this is not the intention of this research.

3.5.3. Triangulation

Both the interviews and the conducted surveys are used to address triangulation (McCutcheon & Meredith, 1993). If there was any doubt as to whether the interviewee had all the necessary information, or whether this information was uniformly applicable to the entire Foodmarket, different people were asked the same questions (Voss, et al., 2002). If the survey among customers provides different insights than the interviews, this was discussed with the following interviewees. Doing this cross check guarantees triangulation.

4. Findings

As indicated above the statements from the interviewees that are mentioned as the reasons for the Foodmarket success or related to that reason were coded. Subsequently these coded statements were categorized and grouped. In total 4 groups were formed that explain the factors involved in the success of the Foodmarket. These categories and groups form the coding tree. Appendix 3 gives an overview and these groups are further explained below.

4.1. Factors for the success of the Foodmarket

4.1.1. Customer oriented value creation

4.1.1.1. More value

Upon information provided by one of the managers the Foodmarket creates and delivers more value to the customer than their supermarkets on four aspects: 'product range', 'service', 'price' and 'quality' (Interview1, 2019). The value Jumbo believes to create and deliver to her customers with the Foodmarket on these items is therefore included in the survey. Customers were asked to indicate how they rate 'product range', 'service', 'price' and 'quality' compared to their other supermarket(s).

Product range

The aspect product range of the Jumbo Foodmarket is appreciated as 'better' by 48% of her customers and as 'much better' by 35%. Less than 16% value the Foodmarket product range as the same or less than their other supermarkets. Conclusively the Jumbo Foodmarket delivers more value to her customers on 'product range' than her competitors and her own supermarkets. This makes 'product range' most appreciated by the Jumbo Foodmarket customers.

Service

The aspect service in the Jumbo Foodmarket is appreciated as 'better' by 41% of her customers and as 'much better' by 35%. Less than 24% value the Foodmarkets service as the same or less than their other supermarkets. This means that the Jumbo Foodmarket delivers more value to her customers on 'service' than her competitors. But it seems less appreciated than the product range. This makes 'service' third in place when it comes to appreciation high score by the Jumbo Foodmarket customers.

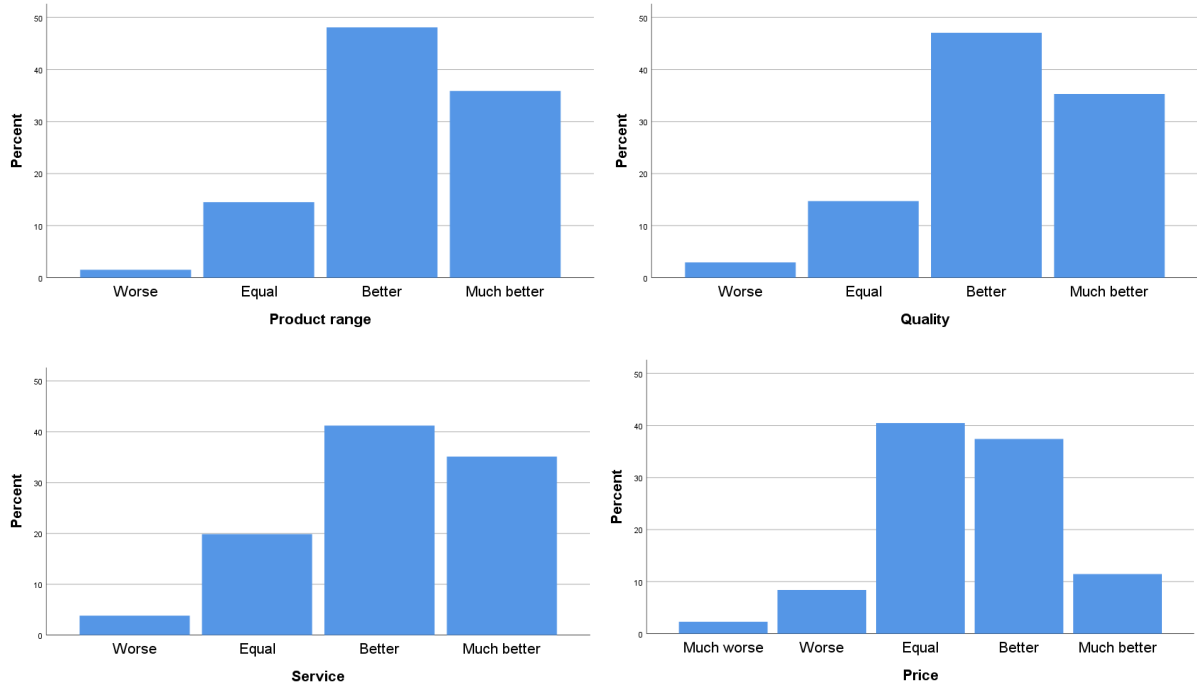
Price

The aspect prices in the Jumbo Foodmarket are appreciated as 'equal' by a little over 40% of her customers and as 'better' by 37%. Less than 12% value the Foodmarkets prices 'much better' than their other supermarkets. About 11% indicates that the prices in the Jumbo Foodmarket are 'worse' or 'much worse' than their other supermarket(s). So 'price' is only minimal seen as an added value by the Foodmarkets customers. This makes 'price' least appreciated as an added value by the Foodmarket customers.

Quality

In Amsterdam the customers were asked to answer the question about the aspect quality, many of them answered the quality to be 'better' to 'much better' than their other supermarket(s). Of the 34 questionnaires 47% values the quality as 'better' and 35% as 'much better'. Only 3% thought the quality was 'worse' and about 15% experience the quality as equal to their other supermarket(s). This makes quality runner up to product range when it comes to appreciation by the Foodmarket customers.

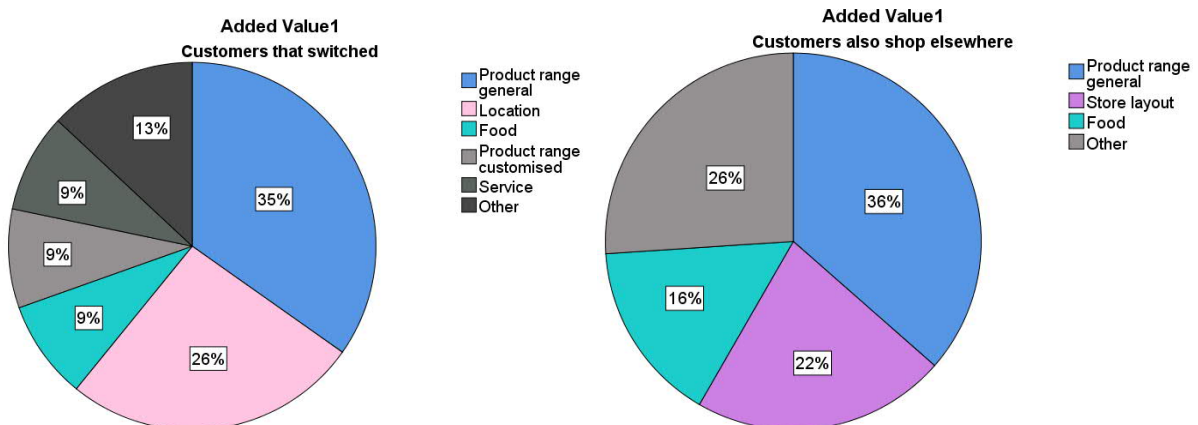
This comparison tells us that customers of the Foodmarket feel that Jumbo has created and delivered more value with the Foodmarket format, than other supermarkets do. The values 'product range', 'quality' and 'service' are appreciated the most by the customers of the Foodmarket. Graphs of the delivered values are presented below.



Graph 1 Overview appreciation 'product range', 'quality', 'service' and 'price'

4.1.1.2. Different value

Besides more value a new business model can get customers to come and shop by creating different value, that is not yet delivered by others. In the case of Jumbo, the Foodmarket is on the edge of two different markets. By blurring the foodservice industry with the supermarket industry, the Foodmarket delivers a new value in her Foodmarkets through foodservice. When asked "What is the most added value of the Foodmarket for you?" 17 out of the 119 customers (14%) answered 'Foodservice'. In the end foodservice was as third named as most added value, behind the general product range (43 out of 119 = 36%) and store layout (22 out of 119 = 18%). When we distribute the most added value into the group that stopped shopping at their other supermarkets (Graph 2), we see that foodservice is not a big reason to stop shopping at other supermarkets. Product range and location are than the biggest reason to switch. Foodservice is more appreciated by customers that still shop at other supermarkets (Graph 3). We can therefore conclude that the foodservice is seen as an additional value to the supermarket function.



Graph 2 Added value, customers that switched Graph 3 Added value, customers also shop elsewhere

The aspect 'product range' is thereby appreciated by customers as both 'most added value' of the Foodmarket and as 'much better in comparison with their other supermarkets'. This makes 'product range' the biggest reason for people to switch supermarkets. An manager of the Foodmarket describes the added value as following: "Yeah, but I certainly think that the fresh products play a part

in that. The kitchens, the Foodcafé. It's unique in a supermarket that you can do your grocery shopping, and you can actually eat there.” (Interview3, 2019, p. 3).

Besides blurring which is a new value, the Foodmarkets attracts different kinds of customers through differentiation. Meaning the Foodmarket is distinct from the other supermarkets: “And so you can see that, so to speak, differentiation and being where the customer wants you to be as a starting point, that that works very well.” (Interview1, 2019, p. 8).

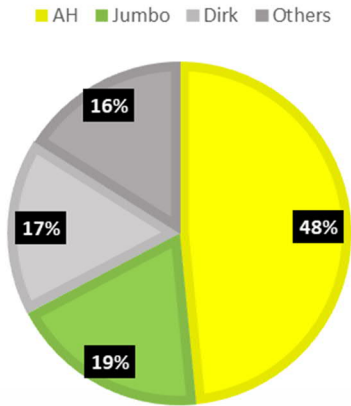
Quotes used to describe the new customers are:

“And you can see that with the Foodmarket, with that added value that the hardcore, I would almost say, spoiled Albert Heijn customer sees specifically that added value in Foodmarket, which she doesn't see in the existing stores.” (Interview1, 2019, p. 8)

“Because the competitors, we can name them all, have a lot of premium customers, more than we originally have. So if you want to win from them, you have to have that added value as well, ...” (Interview4, 2019, p. 5).

The creation of different (new) values is substantiated by the cannibalistic effect of the Foodmarket on its own regular supermarkets. In the survey customers were asked where they were shopping before and whether they abandoned their supermarket(s) since the arrival of the Foodmarket. Of the 133 customers, 27 customers have indicated that they no longer shop at their previous supermarket, which is 20%. Of this 20% some of the customers shopped primarily at more than one supermarket. In order to get a good perception of reality every customer counts as one. So if one customer checked two supermarkets, both supermarkets count for 50% for that customer. In case a customer checked three supermarket those answers count for 33% and so on. Graph 4 shows the results of which supermarkets were abandoned. This shows us that from the customers that abandoned their previous supermarket most customers (48%) previously shopped at Albert Heijn. This substantiates the data collected from the interviews, that the “more spoiled Albert Heijn customer” (Interview1, 2019, p. 8) is reached with the Foodmarket.

ABANDONED SUPERMARKETS

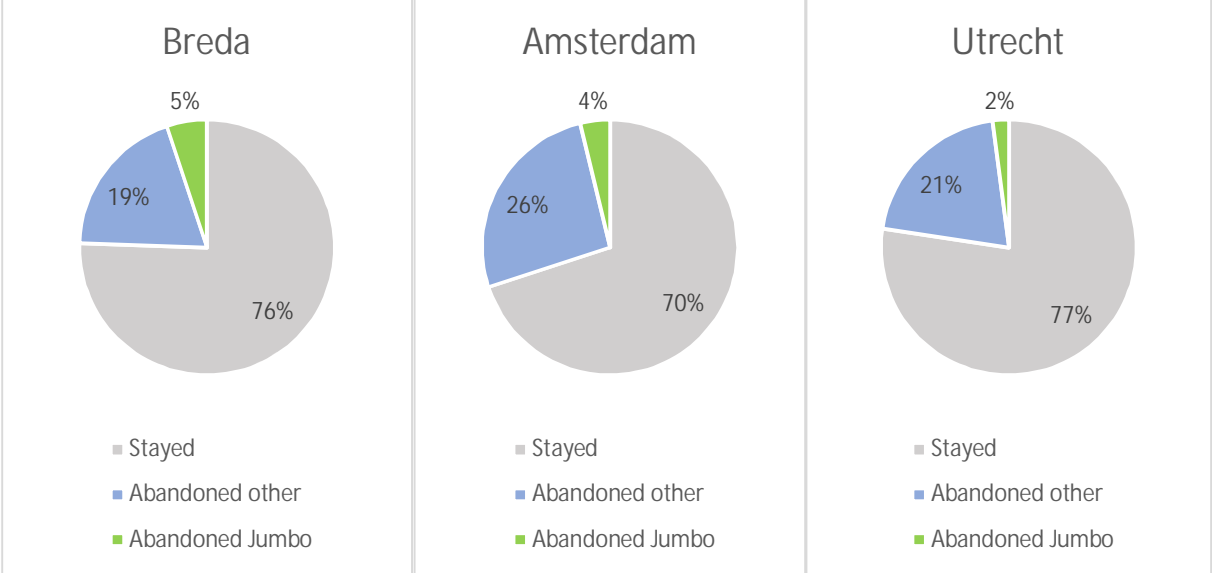


Graph 4 Supermarkets where customers stopped shopping since the arrival of the Foodmarket

Even though Jumbo tried to estimate what the impact of introducing the Foodmarket on her existing supermarkets would be, it was not known in advance what cannibalistic effect the Foodmarket would have. Neither did she know how disruptive this new business model would be on the supermarket business or the retail business as a whole. Our research shows that there is some cannibalistic effect from adding the Foodmarket to the existing business. 19% of the people that abandoned their supermarket previously did their grocery shopping at a regular Jumbo supermarket. Assuming that the collected data is reliable and representative for the Jumbo as a whole, 19% of 20% of the customers stopped shopping at a regular Jumbo. This means that the cannibalistic effect of the Foodmarket on the supermarket is 3,8% of her total supermarket customers. Even though there is some cannibalistic effect of the second business model on the first business model, 81% of the customers which have changed supermarkets are from competing supermarket chains.

In one of the interviews with management this percentage is checked. According to the manager the percentage of cannibalism is a little higher than the 3,8% according to the surveys, but not much. He

also mentioned that the cannibalistic effect differs per location, depending on how many Jumbo's are already in the area or whether Jumbo is new to the area. Looking at abandoning per location, we see that in Breda overall more customers abandoned their previous supermarkets than in Utrecht and Amsterdam. Looking at the percentage of cannibalism we see a different result per location. With 5,1% the biggest cannibalistic effect is in Breda, followed by Amsterdam with 4,4% and Utrecht with only 2,2%. This is presented in graph 5.



Graph 5 Percentage of customers that stopped shopping at their Jumbo supermarket

So this actually substantiates that the effect differs per location, as indicated by the manager. This means that the Foodmarket is primarily extracting customers from competition and adding this to her market share.

When we check the data collected among the retailers, we see that only three of the retailers (two in Breda and one in Veghel) had a store at the location previous to the arrival of the Foodmarket. They all say they saw the arrival of the Food Market as a great opportunity. Of those three only the one in Veghel is now neutral to the presence of the Foodmarket. The retailers in Breda still see the Foodmarket as a big opportunity.

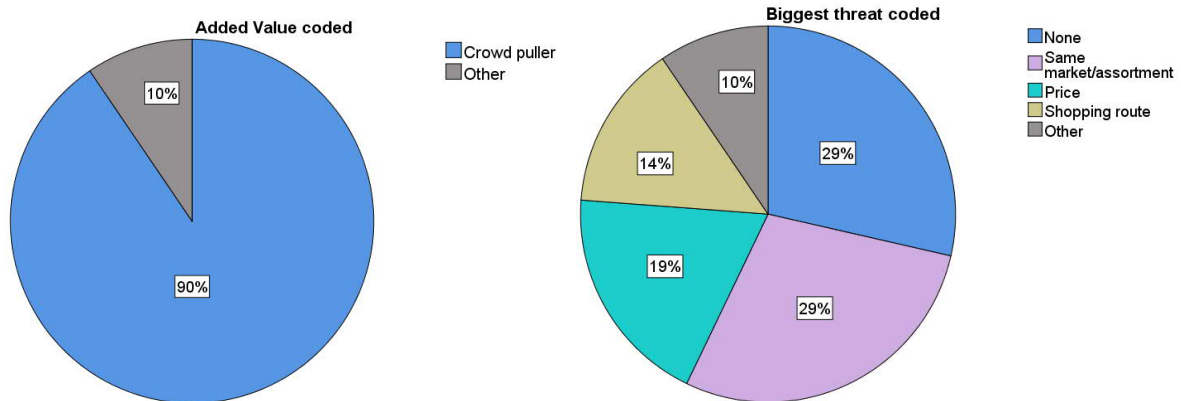
Surveys among retailers show that 13 out of 21 are very positive about the presence of the Foodmarket. One third (33%) indicate that it has a huge influence. Surprisingly more than half say that the Foodmarket has medium to very small influence on their business operations.

In the interviews part of the managers say they have a good relationship with the retailers, but only two retailers indicate to have been approached by Jumbo for a partnership. Of all retailers 13 out of 21, so 57% is now (still) open to a partnership with the Foodmarket. None of the retailers in Utrecht have a partnership with the Foodmarket, but 5 out of 11 (45%) are open to a partnership. Of the retailers in Breda that do not have a partnership all of them are open to a partnership. The ones that have been asked to partner up are either not willing to answer the question or are not open to it any more. In Veghel all retailers are open to a partnership. Table 2 gives an overview of the retailers open to partnerships per location. This substantiates the good relationship between the Foodmarket and the retailers.

Location	Open to partnership			Total
	Yes	No	No answer	
Breda	3	1	1	5
Utrecht	5	6	0	11
Veghel	5	0	0	5
Total	13	7	1	21

Table 2 Retailers that are open to partnership

Most added value to the retailers has been coded. The answer 'crowd puller' was given most in all locations, resulting in 90% overall, graph 6, thus confirming the interviews with management. When asked about the biggest threat, retailers were much more divided. Overall 'none' (29%) and 'the same product range or being in the same market' (29%) were the most given answers, followed by 'price' (19%) and 'shopping route' (14%), graph 7. In Breda 'none' was the most given answer with 60%, while in Veghel 'the same product range or the same market' was most given (60%). In Utrecht 'shopping route', 'price' and 'none' were equally divided with 27% each.



Graph 6 Most added value to retailers Graph 7 Biggest threat to retailers

In conclusion, although the Foodmarket is definitely disruptive on the supermarket business the blurring with foodservice seems to have little effect in the retail market. Retailers actually see the Foodmarket as an additional crowd puller.

4.1.1.3. Conclusion

By creating more value in the Foodmarkets on mostly product range and quality, this value is both delivered to and appreciated by the customers. This value is captured by Jumbo in her Foodmarket. So much actually, that it is a reason for customers to abandon their previous supermarket(s), making the Foodmarket disruptive on other supermarkets. Differentiation, blurring of foodservice and supermarket, might not be the biggest reason to switch supermarket, but it is an additional value that is created and delivered to customers. Customers do see the foodservice as the third most added value. Which means that with foodservice another new value is created and delivered to the customers in addition to the supermarket.

Both more and different new values delivered by the Foodmarket to her customers are a part of the reason that the second business model, the Foodmarket, is a reason for Jumbo's growing market share and is thereby a successful second business model. Creating and delivering both more and different values to customers can be captured under the rubric of "Customer oriented value creation". Customer oriented value creation is one factor in successfully adding a second business model in the same market.

4.2. Multi-level synergy

Synergy is one of the most identified success factors by interviewees. This can be achieved on multiple levels. Three are identified: Portfolio management, business model level and between business models.

4.2.1. Portfolio management

To stay ahead of competition, with the development of the Foodmarket and the retail business as a whole, Jumbo has taken over several of known brand names in the last couple of years, after the development of the Foodmarket. All takeovers and new business models lay either in line with the existing one or are on the edge of two markets. Brands as La Place and the website 'Smulweb' have been added to the portfolio. In which La Place is on the edge of the market where the Foodmarkets operate. And Smulweb is in line with the supermarket, because it gives customers inspiration for grocery shopping and cooking.

Thanks to La Place, the Foodmarket has been able to translate learning about foodservice even better. When it comes to these take overs the Van Eerd family decides which brands add value to the entire company: "So then it is indeed the CEO who plays a role in this when it comes to, above all, indicating, yes, this fits our portfolio." (Interview4, 2019, p. 10). La Place was added to the portfolio because there were many benefits for the further development of the Foodmarket with the La Place knowledge and experience. The idea behind the portfolio is to create added value which is more than the sum of the parts: "..., in which all those formats and activities that we do, are actually concentrated under one umbrella, have to strengthen each other very much." (Interview1, 2019, p. 7). In addition to all these existing formats Jumbo has also opened its own foodcollege this year. An institution where recipes are developed and tested. Input from for example La Place, which is now the restaurant of several of Google offices, is used to foresee upcoming trends. With this foodcollege Jumbo is able to develop new recipes that can be implemented in Foodmarkets and supermarkets immediately. This way she can stay ahead of competition, according to one of the managers: "But with this you have your own institute, where you can develop recipes for all of Jumbo Holding. Yes, that is, that is invaluable and is also underestimated, I am convinced, by many other retailers. And with that, if you do it well, you create a sustainable advantage." (Interview4, 2019, p. 11). With the addition of each business model, the family examined to what extent the new business model can lift the other business model to a higher level.

Downside mentioned by some of the interviewees is that by using all the learnings from the foodcollege and the Foodmarket for reinforcing the regular supermarkets, the distinctive characteristics and the added value of the Foodmarket in relation to the supermarket is decreasing: "Because I sometimes say that the distance between regular Jumbo and the Foodmarket is getting smaller and smaller, that is why we have to renovate." (Interview2, 2019, p. 14). So it is inevitable for the Foodmarket to innovate in order to continue to distinguish itself and to stay valuable to Jumbo.

Even though Jumbo has added more than one business model to her supermarket business model, the same idea applies to dual business model. Well-considered portfolio management has an impact on the synergies that can be realised.

4.2.2. Further development business model

The success of the second business model, the Foodmarket, also depends on how fast learnings can be passed on to new stores in the same format, thereby optimizing the further development of the business model.

In the case of Jumbo, the second business model was also implemented to be a sort of a breeding ground for innovation: "We still see it as flagship stores, as starting grounds. They are actually very large laboratories where we can test things on a large scale for the Foodmarket in itself but also for the other stores." (Interview1, 2019, p. 14) and as a location to trying out new things: "... and that is the beauty of a store like this. Everything is also being tried out." (Interview2, 2019, p. 7). Experimenting is therefore one of the characteristics of developing and optimizing a new business model that has not yet proven itself. With the Foodmarket, Jumbo is now taking its learnings from their first couple of stores and improving its business model. Which means that newer Foodmarkets are already more advanced as the previously opened: "This is the Foodmarket 2.0, as they called it. They have, of course, learned a lot from" (Interview5, 2019, p. 16). Besides experimenting, other characteristics of optimizing the business model are how suppliers are involved in the (further) development of the business model and whether the company is open to input from both customers and employees. So this can be seen as relationship or architecture of the components and activities of the Foodmarket business model.

Jumbo made the choice to keep the development of the Foodmarket separate from the supermarket business model, because the activities being developed were seen as too different from the core business and the impact on the organisation would have been too big. By doing so she found out after implementation, that the learnings from the Foodmarket, were difficult to translate to other aspects of the company. There was just no support from within the organization (top management excluded). So in order to speed up the implementation of learning from the Foodmarket in both other Foodmarkets as supermarkets, the original development team was split up and the members were settled in the Foodmarket herself in different departments: "What we did at some point. So we said, we have that team, we're going to split it now. We did that a few years ago. So René went to Operations, I went to Product range management. This way we split up the whole team in order to bring the learnings we

have from the Foodmarket, we need to bring that more to that business. So we are moving closer to that business.” (Interview4, 2019, p. 7). Because the development team knows all the ins and outs of the Foodmarket, but also knows the supermarkets and the ambition and vision the Van Eerd family had for the Foodmarket, learnings are now implemented faster in both the Foodmarkets themselves as the supermarkets.

4.2.3. Synergy between business models

These Foodmarkets, being the breeding grounds or laboratories to learn from, also means that many of the successful experiments have been implemented in the regular Jumbo supermarkets, making it not only a successful business model itself, but also a sort of a research and development department for the rest of the company: “So it must be a revenue model in itself, knowing that on innovation as a starting ground it naturally has a bigger role than just being a profitable event.” (Interview1, 2019, p. 9) and “..., those Foodmarkets, they also have to be inspiring and focus on creativity, to form the basis for all the other stores we have.” (Interview1, 2019, p. 7). One of the managers explained that some of the foodservice dishes are now also available in the regular Jumbo stores: “See, many Foodmarket concepts you can already see again in regular Jumbo's that have only been recently opened. The sushi, the pizzas. You can actually see all of them again.” (Interview3, 2019, p. 7) and “..., they now also have those fresh meals at any regular Jumbo.” (Interview3, 2019, p. 5; Interview2, 2019). Or as one of the managers explains it: “We are strengthening our regular stores. Plus the fact, it forces us back on the sides, on the side lines, which applies to City and to Foodmarket, to constantly renew to stay ahead.” (Interview4, 2019, p. 8). So this does mean, that in order for the Foodmarket to stay ahead of her own regular stores, and be of value for optimizing the potential of other business models, she has to come up with new concepts all the time.

Sharing resources has proven to be very difficult for Jumbo for two reasons. First, as mentioned before, Jumbo decided to develop the Foodmarket separate from her core business, which means that there is no support from within the organisation. “That is the difficult part, if you are going to develop something separately, away from the rest of the organization, without involving them, ... , then you eventually have too little commitment to integrate it in a good way.” (Interview4, 2019, p. 4). The integration of learnings took more time due to the choice to opt for separation. Statements from management involved in the development of the Foodmarket show that adapting to the idea of having a second business model in the company and for people to see the added value of that new business model took some time: “And now we are slowly getting to the point that the people, the Jumbo people, also understand why Jumbo Foodmarket is so important and what we have in mind with it.” (Interview1, 2019, p. 7). But in due time as more and more people were informed about the Foodmarket idea, it started to take its place in the organization. “But as time went on and we were able to tell more and more people at the head office the story of Foodmarket within the Jumbo company, you see that a lot of new energy is being created and you also see that the entire innovation process has accelerated and improved also after opening.” (Interview1, 2019, p. 11). And now that more Foodmarkets have opened, the organization has accepted it as being a business: “You now notice that the change has taken place at the head office. Well, that's not just a store. That has become a whole formula: We will now also take the responsibility for that.” (Interview6, 2019, p. 10). This means that in the beginning the Foodmarket was poorly facilitated by supporting departments. Now that the Foodmarket has taken its place in the company, the sharing of resources when it comes to supporting departments has changed: “..., than we have a whole department with a lot of specialists, who mainly take care of that formula, innovate and develop. At that time it was not yet like that.” (Interview1, 2019, p. 4).

Second reason for the slow adjustment of the organization to the Foodmarket is that it is in the same market as their supermarkets. So the supermarkets in the proximity of a new Foodmarket were afraid of cannibalism. Although it was difficult in the beginning to find synergies between the Foodmarket and the supermarkets, and there is still much to improve, the Foodmarket managers have found ways to create some synergies, mostly in Sales: “We've started the conversation. And the first year it was very cumbersome, very cumbersome. And if you look at it now, as a matter of speech, it is fantastic. We have a mega cool cooperation, also with the entrepreneurs. We do local actions.” (Interview6, 2019, p. 2) or in terms of staff: “And now you can see that we are setting up a new recruitment campaign, and that is where we are really looking for the cooperation. Because we all have the same problem.” (Interview5, 2019, p. 12), “So there are also a number of people from the cluster, especially executives, that all went to this store. Also from my store, about 7 or 8 people were moved on.” (Interview5, 2019, p. 8).

Foodmarket managers were able to seek these synergies with the supermarkets in the area, because the Van Eerd family always kept the discussion about cannibalism away from the employees in the two business models. By dealing with discussions on an executive level, the managers were able to find each other and communicate about possibilities instead of threats. Asking a Foodmarket-manager about the competition between the Foodmarket and the surrounding supermarkets, he told us: "Yes, when we started here, there was hate and envy. We have quite a few franchisers here, so no Jumbo stores, but franchisers. They were critical." (Interview6, 2019, p. 2). When we then asked about how he handled the discussion about cannibalism, he answered: "The organization did that for us..." (Interview6, 2019, p. 2) and he continued: "Well, in the beginning Colette is ... Colette was keen on that, from what I understood. But again, I have never been involved. But I understood that Colette had a pioneering role in that towards the entrepreneurs here in Breda." (Interview6, 2019, p. 12). By keeping the discussion away from the employees of both business model, the Van Eerd family created an opportunity for management of both business models to cooperate instead of compete with one another.

4.2.4. Conclusion

Jumbo has made the Foodmarket business model a success by using synergies on different levels. The family is responsible for the Portfolio management. Each business model that is added to the company is well-considered. Finding a way of implementing learnings, whether it is between Foodmarkets or between the Foodmarkets and the supermarkets, is a way of implementing synergies and adding value from one business model to another. To increase the potential of learning Jumbo even integrated the development team in the Foodmarket in order to maximize learnings and the implementation of synergies throughout the company. And by keeping discussions about cannibalism out of the business models, the family kept the communication between all employees open. All of these synergies are ways of making the second business model a success, but also a way of making Jumbo more successful as a whole. Therefore multi-level synergy is a factor in successfully adding a second business model in the same market.

4.3. Open innovation process

The managers that have been interviewed that were involved in the development of the Foodmarket tell us that there are a few developmental conditions that were crucial for the success of the business model.

The family had given the development team their vision and dream of merging retail with foodservice in one concept and making it big. The only two requirements were the seven certainties with which Jumbo succeeded in the supermarket business and it had to meet the customer's requirements: "We have no limitations, except for those seven certainties, with which we became successful" (Interview1, 2019, p. 5). The development team was not given a pre-prepared business case or boundaries and restrictions to investment budgets: "..., not directly, so to speak. But indirectly. So at first we just have that store without any restrictions, just really from the consumer's point of view, about what does the consumer want? And of course at some point you are going to ask what is a business case, what do we spend on investments and so on and so forth. So that always follows. But specifically in that order." (Interview4, 2019, p. 6). So the family hardly limited the team by presenting them with an open plan. Besides the open plan the team was given three years for the Foodmarket to mature: "...we set aside at least three years for this Foodmarket to mature." (Interview1, 2019, p. 11). In that time the family was the biggest supporter of the development team. They made sure that nobody was allowed to make any (wrong) adjustment during the maturing of the concept: "And I think that was a very important factor in making the success, Because no one in our company has had the chance to push the wrong buttons, because our owners have clearly put that aside and were actually our biggest supporter in that area." (Interview1, 2019, p. 11). So by giving the Foodmarket time to mature and not allowing anyone to make (wrong) adjustments, the Van Eerd family has shown that perseverance is a condition for the success of the Foodmarket.

4.3.1. Conclusion

The Van Eerd family provided the development team with an open plan and perseverance. Both have proven to be very important in creating an open innovation process that has led to the success of the Foodmarket. This makes open innovation process a factor for successfully adding a second business model in the same market.

4.4. Agility

Last but not least mentioned by management, are the factors adaptive capacity and innovation speed. These two factors also played a role in the success of the Foodmarket.

4.4.1. Adaptive capacity

The ability to adapt consists of three parts. First is the ability of the business model itself to adapt, or rather the flexibility of the business model. Adaption can be necessary in case of site conditions. In the case of the Foodmarket not all the stores are the same. Some are bigger, others are smaller. And, as previously mentioned, the Foodmarkets that are opening now are already more evolved than the first Foodmarket. Learnings from the first Foodmarket are implemented in the new Foodmarkets, so flexibility in the business model is useful: "You have to be flexible and be able to go with the flow. ... wait a minute, this is not my priority anymore, this has become my priority all of a sudden" (Interview5, 2019, p. 16). Second, which is mentioned by several of interviewees, is that having a high standard in service, also means that the Foodmarket has to be adaptive to the wishes of the customers in general, but also specific per location: "...we're in a very dynamic world and customers keep asking for different things every day." (Interview2, 2019, p. 8). Customers in Amsterdam shop for different grocery than customers in Veghel. Another adaptive capacity needed is the ability for the organization to change with adding a second business model. As explained before new departments were added for support, but even more difficult changes in culture are sometimes needed for the business to work: "Exactly, and in detail those values change, but generally they remain intact. But in detail you have to innovate on that as well." (Interview1, 2019, p. 20).

4.4.2. Innovation speed

Another big influence on being successful in business model innovation processes is the speed in which the innovation takes place. A fast development of the second business model plays a factor in staying ahead of competition. This can be in the speed of the development of the new business model itself, but also in the decision making process. In an interview one of the managers said: "And that entrepreneurial way of making choices much more from heart, so to speak, than the head. Yes, that is what characterizes our company." (Interview4, 2019, p. 2). Thereby referring to the decision to develop the foodcollege in mid-December and having it up and running by the beginning of February the next year.

Another example of innovation speed is how fast learnings can be translated in both the business model itself as between business models. The faster these synergies can be implemented the more the faster the results will show.

4.4.3. Conclusion

This adaptive capacity and innovation speed all leads to the Jumbo Foodmarket being the first in the market. This agile way of reacting has led to a competitive advantage in the market for Jumbo. They now see that other supermarkets try to imitate their business model, but have a hard time doing so. According to the management: "And we were the first as Jumbo to start something like the Foodmarket in the Netherlands. So, yes, that is very exciting, you are being bold, but you also immediately create a huge competitive advantage." (Interview1, 2019, p. 12). Therefore this agile quality, is a factor in the success of the second business model in the same market.

5. Discussion

The data-analyses reveal several factors playing a role in the success of the Foodmarket business model that Jumbo added to the existing supermarkets. In this discussion we compare the four factors as presented above, involved in the success of the Foodmarket, with the theory from the literature review. Because the data as collected goes beyond the existing literature, we will use this to create propositions for new additional theories about factors making potential disruptive dual business in the same market successful.

5.1. Customer oriented value creation

Literature on business models shows us that value creation, value delivery and value capturing are elements in the business model that are of great importance (Amit & Zott, 2001; Chesbrough, 2007; Chesbrough, 2010; Chesbrough & Rosenbloom, 2002; Foss & Saebi, 2017; Matzler, et al., 2013; Muegge, 2012; Peric, et al., 2017; Teece, 2010; Volberda, et al., 2018) (Winterhalter, et al., 2015; Zott & Amit, 2010; Zott, et al., 2011). Jumbo, although not aware of this, followed Von den Eisen et al. (2015) and Anderson et al. (1994) in creating added value for the customer further away from the core business. By opening their view for new possibilities, which competitors had not yet seen, she created a new format merging the supermarket business with foodservice on the edge of the main market (Markides & Oyen, 2010). Or rather at the edge where two markets meet. Thereby making it related, but not too similar (Markides & Oyen, 2010). Not having any knowledge of foodservice, Jumbo created a separate business unit (Christensen, 1997; Markides & Charitou, 2004; Porter, 1996; Volberda, et al., 2018), away from the core business, with a small group of experts from within the company with expertise of the supermarket business and outside the company for attracting knowledge about the foodservice. They even contacted their own customers and customers from competitive supermarket chains as to get a better understanding of the customer needs. Together with their suppliers they created a product range much more extensive than that of other supermarkets. Resulting in the Foodmarket providing customers with totally new products and foodservice, giving Jumbo the opportunity to create a new business model with a totally new combination of activities in the value chain (Volberda, et al., 2018). Thereby not only creating, and delivering more and different value to existing customers, but also attracting a new set of customers unreached by the original business model. Especially 'product range', 'quality' and 'service' are highly appreciated by both new and existing Jumbo Foodmarket customers. The increased value created and delivered by the Foodmarket is reason for 20% of the Foodmarket customers to stop shopping at other previous supermarkets. Confirming that higher customer satisfaction plays a role in the success of a business model (Anderson, et al., 1994).

While in the beginning the Van Eerd family had a clear vision for the 'supermarket customers dream of' and blurring the supermarket with foodservice, the business model innovation matrix (Volberda, et al., 2018) makes us believe that the Foodmarket was customer-driven. After all it was the goal to upgrade up to the level of the "spoiled Albert Heijn customer" (Interview1, 2019, p. 8), creating a new type of supermarket. Commitment, especially in the beginning, was on a top and frontline level. Maybe because of the Jumbo DNA, where customers take such a central role, everything she does seems to be customer-driven. Being so customer oriented is what makes Jumbo distinct from her competition. So even though Christensen (1997), Dru (1996) and Volberda (2018) have empirical evidence that listening to existing customers does not lead to disruptive change, the way Jumbo "*listened between the lines*" as one of the managers called it (Interview1, 2019, p. 5), did lead to both disruption and a successful business model for both Jumbo and her customers. From all the information we got from the interviewees, customer oriented value creation is one of the factors in making a second business model successful. Customers surveys confirm this. But being customer oriented, does not mean doing exactly what the customer wants, so interpreting the information given by customers (both existing and new) and having a vision in how additional or different value can be created for the customer is inextricably linked to that customer oriented value creation. Therefore we can conclude in a convincing way that, being only slightly disruptive on her own supermarkets, but much more so on the competition, the Foodmarket business model can be seen as both disruptive and very successful.

Proposition 1

Customer oriented value creation, is a factor in successfully adding a new business model in the same market. It makes the new business model distinctive from competitors and the company's existing original business model in the same market. The new business needs to be more appealing to customers and deliver more value in order for them to switch from their current to the new business

model. There are two ways of getting customers to switch: by creating and delivering additional value or by creating new different value.

5.2. Multi-level synergy

Jumbo started the Foodmarket as a separate unit using the Separating Strategy, as developed by Markides and Charitou (2004), Appendix 1, figure 2. Although the supermarket and the Foodmarket are in the same market segment, they have a different way of value creation and delivery for her customers, but also for instance different suppliers and product range. So Jumbo keeping the Foodmarket in a separate unit, corresponds to the advice from Volberda (2018) and Markides and Oyen (2010). The way of managing the Foodmarket is different from the supermarkets and therefore could conflict. That is why the Foodmarket has his own management responsible for its units, which makes her operational and financially autonomous with separate budgetary systems. The family Van Eerd, however, is responsible for all business units and the total return on all businesses.

Although developed separate, Jumbo has found an optimal way to create synergies between the businesses. Synergies have been found on three levels. Company-wide with the portfolio management, between business models within the company and in the new added business model, the Foodmarket, herself.

Volberda et al. (2018) explained that exploiting synergies would take intensive coordination. The Van Eerd family is responsible for the portfolio management and thereby the coordination of the business models. Handling conflicts, for instance cannibalisation discussions, at the executive level, keeping the communication between the business models open. Since the family is also responsible for the development and acquiring of new business models, it shows that the amount of possible synergies are influenced at this level. Examples in the case of Jumbo are adding the foodcollege and buying La Place after developing the Foodmarket, as to positively influencing synergies for the company.

Being a separate unit, in the beginning the learnings from the Foodmarket were not translated in to other Foodmarkets. Jumbo decided to split up the development team and place it at different departments in the Foodmarket. This was probably the probably a winning combination to ensure synergies to prevail itself. Since the introduction of the Foodmarket, several of optimizations have been made in the business model, making the new Foodmarkets much more evolved than the first editions.

A lot of these optimizations have now also been translated and implemented in regular supermarkets. This shows that Jumbo has found a way to translate acquired knowledge in one business into another, also known as organizational learning synergy (Kuo, 2017). Further synergies are created through joint purchasing, marketing expressions, exchange of staff, central development of new recipes and more. This confirms research that state that firms that have a dual focus are more successful (Aspara, et al., 2010; Volberda, et al., 2018).

Synergies on these three levels make it, although the Foodmarket is a successful business model in itself of even greater value to the company as a whole. In other words, the business models for the Jumbo are worth more together, than the sum of their parts.

So far there is no reason for Jumbo to even think about a total 'integration strategy' as explained by Markides and Charitou (2004), even though there is high strategic relatedness and the regular supermarkets are slowly copying and implementing the best practices from the Foodmarket. It seems that Jumbo has created an almost optimal synergy-position for the Foodmarket and the supermarkets, being in the same market, but in two separate, but very related, business units. Both with their own management, but under the same CEO (the family Van Eerd) and sharing a department that coordinates potential synergies. Threat for the Foodmarket will be that the supermarket will implement so many of the Foodmarket qualities, that the two become too similar. That way the Foodmarket might become a R&D department for the supermarket and the differentiation between the business models fades, disappointing the customer group that is seeking different value. Whenever this happens, the choosing 'phased integration strategy' might be a better option for Jumbo to consider.

Proposition 2

Finding synergies on different levels of the organisation is a factor in successfully adding a new business model in the same market. These synergies can be found on company level with portfolio

management, in the same business model or between business models. Synergies on every level add to the success of the new business model.

5.3. Open innovation process

By opening the Foodmarket one store at a time Jumbo gave the Foodmarket time to develop and mature. By experimenting, testing and adjusting just like Teece (2010) recommends, the Foodmarket has evolved to its current status. This further development process also gave the organization time to get adjusted to the new business model, since only a few people were involved in the development of the format.

The Van Eerd family gave the development team of the Foodmarket only two important criteria. The Foodmarket had to merge the supermarket business with the foodservice and it had to become the supermarket customers dream of. Not giving the team a predetermined business case or other restriction, facilitated starting with an open plan for developing the second business model. The development team was thereby given the complete freedom to explore new activities and new ways of value creation. This goes far beyond the factors determined by Markides and Charitou (Markides & Charitou, 2004) of having an own culture, a high level of autonomy and a different budgetary and investment policy.

As mentioned above the disruptive effect of the Foodmarket on other supermarkets is much higher than the cannibalistic effect on the Jumbo supermarkets. The data collected amongst customers shows that approximately 20% of the customers that used to shop at other supermarkets stopped shopping there after the arrival of the Foodmarket. Only 3,8% of the customers in total stopped shopping at a Jumbo supermarket. This shows that the Jumbo's market share is growing due to the Foodmarket. Luckily the Van Eerd family has shown great perseverance in sticking to her decision of making the Foodmarket the supermarket of the customers' dream, even if it was unknown in advance how great the cannibalistic effect would be on their own supermarkets. Jumbo even gave it all the attention and the resources it needed to become successful (Volberda, et al., 2018). No one was allowed to push the wrong buttons in the meantime and it was given enough time to mature. Keeping away the discussion of cannibalism from the business units, but between the supermarkets and the family, really gave the staff of the supermarkets and Foodmarkets the possibility to find several of synergies. The family's perseverance has proven to be of the utmost importance for the Foodmarket. This goes much further than just great involvement and proactive entrepreneurial attitude, previously distinguished in the literature as one of the factors in success (Markides & Charitou, 2004).

This perseverance of the Van Eerd family and the open plan given to the development team made that an open innovation process was created for the Foodmarket to become a successful business model. Even though there are many arguments why this open innovation process should also apply to a single business model, in adding a second business model an open innovation process is even more important. Having a first model in the same market to compare with, it is obviously easier to provide the development team with a predetermined business case. And when this second business model does not show results fast enough it is easier quite, because there is still a first business model in place. Making both an open plan and perseverance very important for the second business model.

Proposition 3

Providing an open innovation process for developing the second business model adds to the success of adding a second business model in the same market. Giving an open plan to the development team and perseverance will result in this open innovation process.

5.4. Agility

Jumbo's Foodmarket business model evolved partly as a result of adapting to the environment, as a condition set by Teece (2010). The Foodmarket customers in Amsterdam have proven to buy different kind of groceries than in Veghel. Therefore the product range is adapted to the location of the Foodmarket and the customers it serves and learnings from the Foodmarket are implemented in later developed stores. Floorplans and the amount of products as a result of having more or less space must be adaptable. And even the supporting departments have evolves as to provide the Foodmarket in a better way. The adaptive ability that Jumbo has created in her business model to respond to changing environment and customer needs is admirable.

Through the takeover of La Place, Jumbo has expanded her portfolio in a way that she can integrate knowledge into the company about the restaurant business that competitors do not yet have. This has given Jumbo a great competitive advantage over competitors thinking about expanding with a Foodmarket format. The pace with which Jumbo develops and adjusts her business models is a sign of great innovation speed. With this Jumbo distinguishes itself from competitors. Being a family business also means not having to deal with a number of shareholders, making the decision making process within Jumbo rapid and in elaborated.

The adaptive capacity and innovation speed give Jumbo a agility in her business models creating a huge competitive advantage.

Proposition 4

Being agile, which means having innovation speed and adaptive capacity, is a factor in making a second business model in the same market successful.

6. Conclusion

The scarce literature about dual business models leave a huge gap still to explore. This study aimed to fill a part of that gap. More specifically we aimed to find the answer to the research question: Which factors play a role in successfully adding a potentially disruptive second business model in the same market? As a result, four factors were identified: customer oriented value creation, multi-level synergy, open innovation process and agility.

Customer oriented value creation

Customer oriented value creation, is a factor in successfully adding a new business model in the same market. It makes the new business model distinctive from competitors and the company's existing first business model in the same market. The new business needs to be more appealing to customers in order for them to switch to a new business model. There are two ways of getting customers to switch: by creating and delivering more value or by creating new different value.

Multi-level synergy

Finding synergies on different levels of the organisation is a factor in successfully adding a new business model in the same market. These synergies can be found on company level with portfolio management, in the same business model or between business models. Synergies on every level add to the success of the new business model.

Open innovation process

Providing an open innovation process for developing the second business model adds to the success of adding a second business model in the same market. Open innovation starts with an open plan. When a development team has no restrictions or a predetermined business case it is possible to have an open view for possibilities not yet seen by others. Perseverance is a quality needed in providing an open innovation plan. It is not likely that a new business model is successful or profitable from the very beginning. A business model needs time to mature. And although it is tempting to adjust the business model if it is not immediately profitable or shows the desired results, it is necessary to give it time and not to make hasty decisions. That is why perseverance is a quality needed to facilitate an open innovation process.

Agility

Being agile, which means having innovation speed and adaptive capacity, is a factor in making a second business model in the same market successful. Having a flexible organisation that is open to change and a business model that is flexible to customer needs and thereby changing markets, makes the business model more sustainable. This means that having an adaptive capacity both to internal and external changes is inevitable. Innovation speed comes from quick decision-making processes and fast development. Being the first to bring a new business model to the market creates a competitive advantage.

Exposing these four factors, this study contributes to existing literature about both business models and business model innovation as well as how to make dual business model in the same market successful.

First, we have refuted the literature that states that listening to the existing customer does not lead to disruptive change or successful business models. Listening to the existing customer must however not be taken literally, but companies should interpret customer wishes in a way fitting their own vision and ideas about value creation, making listening to customers more customer oriented. We established that customer oriented value creation, is a crucial factor in successfully adding a new business model in the same market.

Secondly, we supplement existing theories about dual business models. By showing that successfully adding a business model in the same market is about creating synergies on multiple levels. In doing so, we expand existing literature that is only about creating synergy between the business models. We show that by adding a business model the synergies can be created on three levels, the level of the company, referred to as portfolio management, between the business model and within the business model itself.

Thirdly, we determine that the factors established as influencing the success of a dual business model up until now are formulated to narrow. Meaning that our study shows that having an open plan in developing a second business model and perseverance are qualities necessary for creating an open

innovation process, which is a key factor in successfully adding a second business model in the same market. These factors go beyond the four factors distinguished for dual business model up until this day.

In the fourth place, we expand the literature on dual business models by showing that agility, in the sense that a company has to have adaptive capacity and innovation speed, is a factor that influences the success of a second business model in the same market. Having the ability to make fast decisions and having a rapid development process, both contribute to being the first to innovate. Combined with a flexible business model, the ability to adjust the companies culture and the ability to adjust to customers wishes, agility is an important factor in successfully adding a second business model in the same market.

7. Implications

This research, being both supplementary and innovative to existing literature, also has implications for existing methodology, theories and managerial practices.

Methodology

Literature about dual business models makes us believe that adding a business model is almost all about creating synergies between the business models. We dispute the believe that only creating synergies between the business models is enough. Synergies are best realised when they are managed at three different levels. Beside synergies between the models it should also be created transcending the business models, like portfolio management at an company level and at a business level in the business model itself. The last is done by further developing the business model by learnings from the past, for instance between stores within the same business model.

Because it is not part of our research, but it does have major implications for the methodology, further research on the phases and modes of business model innovation is necessary. Our research provides the first indications that the differences that appear to exist between the ways of describing business model innovations are not as different as literature suggests. We have reason to believe that there are only two approaches to business model innovation. These two approaches are not even contradictory, but more about different points of perspective. To be sure whether our expectations are true further research is indispensable, but this discovery might have a major impact on the concept and understanding of business model innovation.

Theory

A business model should create value for customers in order for it to be successful. Our research confirms that an additional business model should be more on the edge of a market to attract new customers that were not yet served with the first business model. However creating a business model not just on the edge of a market, but on the edge where two markets meet, shows that customers from competing businesses, with higher standards, are willing to switch to an added business model because more and added value is created and delivered to those customers. Making the business model both new and more appealing. In this case our research builds on existing theory. Even though there is empirical evidence that listening to existing customers does not lead to disruptive change, we partially refute this theory. In our opinion listening to existing customers is very relevant, but not enough. For a new business model in the same market to just listen to current customers is a too narrow perspective, new customers are part of the market that must be reached. So listening to both groups will have more impact when it comes to adding a new business model in the same market. Literally and only listening is obviously not enough either. To create a good business model a vision and interpretation of customers input is essential.

Practice

Because literature about dual business models is also about managing tension, we have found that managing tension should not be between business models, but between the business unit and executives. This creates the possibility for management in the two business units to keep the communication open and focused on seeking synergies instead of dealing with tension. This realisation has an impact on managers and how to run a business with dual business models.

To optimize the creation of synergy, our research shows that faster learning and implementation of what is learned, is possible by splitting up the development team and incorporating this team into the business unit. This realisation has a real impact on how management can deal with innovations.

Discarding a second business model is always easier when the company has a business model in the same market that is still successful. The need for persistence in setting up a business model is much more obvious when this business model is the only one, than when a business model that is running well in itself already exists and a second one is added. This makes it much easier to devise the second model. Nevertheless, it appears that giving the second business model a real chance and giving it time to mature is an important step to make it successful, thereby making perseverance a quality that is necessary for a second business model to become successful. Essential for management is knowing that just giving up or adjusting the new business model to quickly is not in the best interest of that business model. It needs time to mature and faith to eventually become successful.

Management that has decided to add a second business model in the same market needs to realize that for this business model to become a success, agility is the key. Decision-making processes and quick development, also known as innovation speed essential. Adaptive capacity in both the business model and the company add to flexibility which is also indispensable.

8. Limitations and further research

8.1. Limitations

There are limitations to this research. Apart from limitations that are typical for qualitative research, there are some limitations in this research which need to be mentioned.

First of all we realize that single in-depth cases are mostly used in longitudinal research (Voss, et al., 2002). Unfortunately this was not an option due to the limited timeframe, that is why we opted for a case in which the company itself sees the dual business model as successful.

Second, generalisation from this one case is limited and external validity may be reduced (Voss, et al., 2002).

Third, by studying a retrospective case, there is a chance that the interviewees may over time, have forgotten things or remember events differently than when they took place. However with triangulation we have tried to diminish this limitation.

Fourth, since this study was carried out by one person, there might be bias on the part of the researcher. To keep this to a minimum, all data used has been personally checked by the people who provided the information.

Fifth, because the aspect 'quality' was only in the surveys conducted in Amsterdam, this might not be representative for the other locations.

Sixth, interviews bias in choosing customers for the survey may have influenced the outcome of the quantitative customer data. People that seemed in a hurry, talked on the phone or just seemed less approachable were not asked to participate in the survey.

Seventh, the environmental aspects of Foodmarket in this case may have influence on the outcome. Only three locations were visited. This means that the propositions may not be generalised for the retail market as a whole.

8.2. Further research

Since this research is done with one in-depth case study, more cases should be studied in order to confirm the propositions and to make it universally applicable. Future research should therefore be done among several of companies in the retail business that successfully added a second business model. In this research some of the limitations previously presented could be overcome.

There are some implications that Jumbo being a family business might have an impact on the outcome of this study. Especially agility might be a quality that non-family businesses might not have at all or to a lesser extent. For that reason it is recommended in further research on this subject to divide privately owned companies and publicly owned companies.

Because Jumbo is operating in a very dynamic environment and customer consumption changes over time, it would have been of added value for Jumbo to have known whether the quantitative data collected among customers on value creation is age dependent. A research into whether different generations seek different added value could give companies in retail a better insight into the change in consumption, on which possible predictions could be made for the future. Further research on this subject is recommended.

More insight could be created in the success of (dual) business models by a comparison study into whether a (second) business model is more successful when created at the edge of a market or at the edge of two markets. Like Jumbo, Apple phones and Nespresso are examples of business models created on the edge of two markets. If being on the edge of two markets causes these business models to attract more and different customers and thereby creating more market value would be interesting for companies to know.

Outcome of this research may be affected by the country the company is in. It is likely that outcome of this research would be different if conducted in a different country. A research in retail businesses around the world would give more insight in country specifics playing a role in the success of dual business models.

A fifth contribution to the existing literature that was not relevant for the answer to our research question happened to be discovered. Although not discussed in this study we found that the Foodmarket business model innovation shows that both the phases (yellow) and the modes (green) in

table 1, page 13, can be applied to the Foodmarket business model. The change process (phases) by Chesbrough (2007), Philipson (2016) and Sosna et al. (2010) all apply to the Foodmarket business model. They all look at the process from a different angle. More so, even from the modes of business model innovations that we have been able to distinguish from the literature more than one applies to the Jumbo Foodmarket business model innovation. The design elements (modes) described by Amit and Zott (2001) apply, but also the types named by Matzler et al. (2013), Spieth and Schneider (2016) and Volberda et al. (2018) apply to the Foodmarket. This confirms the idea that literature can be divided into the two groups as proposed. Further research in this area could make a real contribution in understanding more about business model innovation and could also contribute to getting a more uniform understanding about the subject. This might be a missing link in the still very divided literature done on the subject.

Acknowledgement

With this master thesis, my Parttime Master of Business Administration comes to an end. For that reason I would like to express my appreciation to my friends and family for their patience and support over the last two years. But mostly for accepting my absence on so many occasions. A special thanks goes to my sister who has taken the time to spar with me and to give me feedback on the subject.

For the realisation of this master thesis I would like to thank my supervisor, Jacomijn Klitsie, for all the meetings, during which I was able to spar with her about dual business models and the research question, but especially about the approach of the data collection and the findings. Without her time, input and encouragement it would not have been possible to complete this thesis.

In addition my gratitude also goes to my co-reader, Stephanie Maas, for helping me find the best way to structure this master's thesis and to use the quantitative data to substantiate the data collected from the interviews. Without their positive critical attitude I would not have been able to complete this mater thesis with a good feeling.

Last, but not least, my acknowledgement goes to the managers of the Jumbo Foodmarket, without their help it would not have been possible to conduct this research. They welcomed me with open arms and gave me insight in their work, company, but mostly in the Foodmarket. These managers have shown a great appreciation and enthusiasm for both their work and the company. Jumbo Foodmarket will always have a special place in my heart. Hopefully one will open in my area soon. If I ever get the chance to facilitate this, I would not hesitate. In my opinion, the Foodmarket is a major added value in the retail market and a fantastic new business model.

References

- Amit, R. & Zott, C., 2001. Value creation in E-business. *Strategic Management Journal*, Vol. 22, pp. 493-520.
- Anderson, E. W., Fornell, C. & Lehmann, D. R., 1994. Customer Satisfaction, Market Share, and Profitability: Findings From Sweden. *Journal of Marketing*, 58(July), pp. 53-66.
- Aspara, J., Hietanen, J. & Tikkanen, H., 2010. Business model innovation vs replication: financial performance implications of strategic emphases. *Journal of Strategic Marketing*, February, 18(1), pp. 39-56.
- Casadesus-Masanell, R. & Tarziján, J., 2012. When One Business Model Isn't Enough. *Harvard Business Review*, January-February, pp. 132-137.
- Cavalcante, S., Kesting, P. & Ulhøi, J., 2011. Business model dynamics and innovation: (re)establishing the missing linkage. *Management Decision*, Vol. 49, No. 8, pp. 1327-1342.
- Chesbrough, H., 2007. Business model innovation: it's not just about technology anymore. *Strategy and Leadership*, Vol. 35, No. 6, pp. 12-17.
- Chesbrough, H., 2010. Business Model Innovation: Opportunities and Barriers. *Long Range Planning*, Vol. 43, pp. 354-363.
- Chesbrough, H. & Rosenbloom, R. S., 2002. The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spin-off companies. *Industrial and Corporate Change*, Vol. 11, No. 3, pp. 529-555.
- Christensen, C. M., 1997. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Boston, Massachusetts: Harvard Business School Press.
- Corbin, J. & Strauss, A., 2015. *Basics of Qualitative Research. Techniques and Procedures for Developing Grounded Theory*. Thousand Oaks, California, U.S.A: SAGE Publications.
- D'Aveni, R. A. & Gunther, R., 1994. *Hypercompetition*. New York: Free Press.
- Day, J. D., Mang, P. Y., Richter, A. & Roberts, J., 2001. The innovative organization: Why new ventures need more than a room of their own. *The McKinsey quarterly*, No. 2, pp. 20-31.
- Dru, J.-M., 1996. *Disruption; Overturning Conventions and Shaking Up the Marketplace*, New York: John Wiley & Sons, Inc..
- Dru, J.-M., 2002. *Beyond Disruption. Changing the rules in the marketplace*. New York: John Wiley & Sons, Inc..
- Eisenhardt, K. M., 1989. Building theories from Case Study Research. *The Academy of Management Review*, 14(4), pp. 532-550.
- Foss, N. J. & Seabi, T., 2018. Business models and business model innovation: Between wicked and paradigmatic problems. *Long Range Planning*, Volume 51, pp. 9-21.
- Foss, N. & Saebi, T., 2017. Fifteen years of research on business model innovation. *Journal of management*, 43(1), pp. 200-227.
- Foss, N. & Saebi, T., 2018. Business models and business model innovation: Between wicked and paradigmatic problems. *Long Range Planning*, 51(1), pp. 9-21.
- Giesen, E., Berman, S. J., Bell, R. & Blitz, A., 2007. Three ways to successfully innovate your business model. *Strategy & Leadership*, 35(6), pp. 27-33.
- Gilbert, C., Eyring, M. & Foster, R. N., 2012. Two Routes to Resilience. Rebuild your core while you reinvent your business model. *Harvard Business Review*, pp. 67-73.
- Gioia, D. A., Corely, K. G. & Hamilton, A. L., 2012. Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods* 16 (1), pp. 15-31.
- Iansiti, M., McFarlan, F. W. & Westerman, G., 2003. Leveraging the Incumbent's Advantage. *MIT Sloan Management Review*, Vol. 44, No. 4, pp. 58-64.
- Interview1, 2019. *Uitwerking interview 1* [Interview] (20 maart 2019).
- Interview2, 2019. *Uitwerking Interview 2* [Interview] (7 mei 2019).
- Interview3, 2019. *Uitwerking Interview 3* [Interview] (7 mei 2019).
- Interview4, 2019. *Uitwerking Interview 4* [Interview] (22 mei 2019).
- Interview5, 2019. *Uitwerking Interview 5* [Interview] (22 mei 2019).
- Interview6, 2019. *Uitwerking Interview 6* [Interview] (13 juni 2019).
- Johnson, M. W., Christensen, C. M. & Kagermann, H., 2008. Reinventing your business model. *Harvard Business Review*, pp. 50-59.
- Jumbo, 2019. *nieuws.jumbo.com/persbericht*. [Online]
Available at: <https://nieuws.jumbo.com/persbericht/halfjaarcijfers-omzetgroei-jumbo-fors-boven-marktgemiddelde/438/>
[Accessed 4 august 2019].
- Kim, S. K. & Min, S., 2015. Business model innovation performance: When does adding a new business model benefit an incumbent?. *Strategic Entrepreneurship Journal*, Volume 9, pp. 34-57.

Kuo, C.-S., 2017. Synergy, Tension, and Smart Power Strategies: How to Effectively Implement a Dual Business Model in Product Management. *Transactions on Engineering Management*, Vol. 64, No. 3 (Aug.), pp. 377-388.

Lindgardt, Z., Reeves, M., Stalk, G. & Deimler, M. S., 2009. *Business Model Innovation: When the Games Gets Tough, Change the Game*, New York: Boston Conculancy Group.

Magretta, J., 2002. Why business models matter. *Harvard Business Review*, pp. 86-92.

Markides, 2013. Business Model Innovation: What can the ambidexterity literature teach us?. *The Academy of Management Perspectives*, Vol. 27, NO. 4, pp. 313-323.

Markides, C. & Charitou, C. D., 2004. Competing with dual business models: A contingency approach. *Academy of Management Executives*, Vol. 18, No. 3, pp. 22-36.

Markides, C. C. & Oyen, D., 2010. What to do against disruptive business models (When and how to play two games at ones). *MIT Sloan Management Review*, Vol. 51, No. 4, pp. 25-32.

Matzler, K., Bailom, F., van den Eichen, S. F. & Kohler, T., 2013. Business model innovation: coffee triumphs for Nespresso. *Journal of Business Strategy*, Vol. 34, Issue 2, pp. 30-37.

McCutcheon, D. M. & Meredith, J. R., 1993. Conducting case study research in operations management. *Journal of Operations Management*, Volume 11, pp. 239-256.

McGrath, R. G., 2010. Business Models: A Discovery Driven Approach. *Long Range Planning*, Volume 43, pp. 247-261.

Miller, J., 2000. *Innovation and renovation: The Nespresso Story*. s.l.:IMD International.

Muegge, S., 2012. Business Model Discovery by Technical Entrepreneurs. *Technology Innovation Management Review*, pp. 5-15.

Osterwalder, A., Pigneur, Y. & Tucci, C. L., 2005. Clarifying business models: Origins, present, and future of the concept. *Communications of the Association for Information Systems* Vol. 16, pp. 1-25.

Peric, M., Durkin, J. & Vitezic, V., 2017. The Constructs of a Business Model Redefined: A Half-Century Journey. *SAGE Open*, July-September, pp. 1-13.

Philipson, S., 2016. Radical innovation of a business model. Is business modelling a key to understand the essence of doing business?. *Competitiveness Review*, Vol. 26, No. 2, pp. 132-146.

Porter, M., 1996. What is Strategy?. *Harvard Business Review* Vol. 74, No. 6, pp. 61-78.

Sosna, M., Trevinyo-Rodriguez, R. N. & Ramakrishna Velamuri, S., 2010. Business Model Innovation through Trial-and-Error Learning. *Long Range Planning*, Volume 43, pp. 383-407.

Spieth, P. & Schneider, S., 2016. Business model innovativeness: designing a formative measure for business model innovation. *Journal of Business Economics*, 86, pp. 671-696.

Teece, D. J., 2010. Business models, business strategy and innovation. *Long Range Planning* 43, pp. 172-194.

Tushman, M. L. & O'Reilly, C. A. I., 1996. Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review*, Vol. 38, No. 4, pp. 8-30.

Volberda, 2015. *Business Model Innovatie 'Begin met Leiderschap'*. [Online]
Available at: <https://www.knb.nl/stream/business-model-innovatie-begin-met-leiderschap>

Volberda, 2018. *Nadenken over business modellen*. [Online]
Available at: <https://www.linkmagazine.nl/nadenken-over-het-businessmodel/>

Volberda, H., 2013. *Huilen helpt de bouw niet*. [Online]
Available at: https://www.cobouw.nl/bouwbreed/artikel/2013/11/henk-volberda-huilen-helpt-de-bouw-niet-10135227?vakmedianet-approve-cookies=1&_ga=2.264732170.405005161.1552138345-717798068.1529772396

Volberda, H., 2017. *Colum Henk Volberda: Duale businessmodellen 1 + 1 = 3*. [Online]
Available at: <https://www.managementimpact.nl/strategie/artikel/2017/10/column-henk-volberda-duale-businessmodellen-113-10112098>

Volberda, H., 2018. *CIO heeft zware rol bij businessmodel-innovatie*. [Online]
Available at: <https://itexecutive.nl/data-en-digitaal/henk-volberda-rsm-erasmus-cio-heeft-zware-rol-bij-businessmodel-innovatie/>

Volberda, H., 2018. <https://trendfiles.otib.nl/video/trendfiles-talks-henk-volberda/> [Interview] (13 augustus 2018).

Volberda, H., Van den Bosch, F. & Heij, K., 2018. *Reinventing Business Models; How firms cope with disruption*. Oxford: Oxford University Press.

Von den Eichen, S. F., Freling, J. & Matzler, K., 2015. Why business model innovation fails. *Journal of Business Strategy*, Vol. 36, No. 5, pp. 29-38.

Voss, C., Tsikriktsis, N. & Frohlich, M., 2002. Case research in operations management. *International Journal of Operations & Production Management*, Vol. 22, No. 2, pp. 195-219.

Winterhalter, S., Zeschky, M. & Gassmann, O., 2015. Managing dual business models in emerging markets: an ambidexterity perspective. *R&D Management*, pp. 464-479.

- Wu, X., Ma, R. & Shi, Y., 2010. How do Latecomer Firms Capture Value From Disruptive Technologies? A Secondary Business-Model Innovation Perspective. *IEEE Transactions on Engineering Management*, Vol. 57, No. 1, February, pp. 51-62.
- Zott, C. & Amit, R., 2007. Business Model Design and the Performance of Entrepreneurial Firms. *Organization Science*, 18(2), pp. 181-199.
- Zott, C. & Amit, R., 2008. The fit between product market strategy and business model: Implications for firm performance. *Strategic Management Journal*, 29(August), pp. 1-26.
- Zott, C. & Amit, R., 2010. Business Model Design: An Activity System Pers. *Long Range Planning*, Volume 43, pp. 216-226.
- Zott, C., Amit, R. & Massa, L., 2011. The Business Model: Recent Developments and Future Research. *Journal of Management*, 37(4), pp. 1019-1042.

Appendices

Appendix 1 Figures

	Strategy-driven	Customer-driven
Business model renewal	<p>Explore and dominate: <i>organization-wide transformation</i></p> <ol style="list-style-type: none"> 1. Transformational leadership 2. Commitment of the top and middle management 3. Innovative culture 4. Internal knowledge absorption 5. Dynamic environment 6. New internal identity 	<p>Explore and connect: <i>upgrading to new customers</i></p> <ol style="list-style-type: none"> 1. Transformational leadership 2. Commitment of the top and Frontline management 3. Innovative, customer-driven culture 4. External knowledge absorption 5. Dynamic environment 6. New external identity
Business model replication	<p>Exploit and improve: <i>directive improvement</i></p> <ol style="list-style-type: none"> 1. Transactional leadership 2. Commitment of top management 3. Less innovative culture 4. Internal knowledge absorption 5. Competitive pressure 6. Strong internal identity 	<p>Exploit and connect: <i>Linking with existing customers</i></p> <ol style="list-style-type: none"> 1. Transactional leadership 2. Commitment of top management 3. Customer-driven culture 4. External knowledge absorption 5. High competitive pressure 6. Strong external identity

Figure 1 The business model innovation matrix
(Volberda, et al., 2018, p. 145)

Nature of conflicts between the established business and the innovation	Serious	<p>A</p> <p>Separation Strategy</p>	<p>B</p> <p>Phased Integration Strategy</p>
	Minor	<p>D</p> <p>Phased Separation Strategy</p>	<p>C</p> <p>Integration Strategy</p>
		Low Strategic Relatedness (different markets)	High Strategic Relatedness (similar markets)
Similarity between the established business and the innovation			

Figure 2 Different Strategies for Managing Dual Business Models
(Markides & Charitou, 2004, p. 24)

Appendix 2 Questionnaires

Customer questionnaire

Onderzoek waardering Jumbo Foodmarkt

Ik waardeer uw medewerking aan mijn afstudeeronderzoek voor de Erasmus Universiteit, Master Bedrijfskunde

***Vereist**

1) Hoe vaak komt u bij de Jumbo Foodmarkt? *

- 1 of meer x per week
- 1-3 keer per maand
- 1-3 keer per kwartaal
- 1-3 keer per jaar
- Minder dan 1 x keer per jaar
- Dit is mijn eerste keer

2) Voordat u bij de Jumbo Foodmarkt boodschappen deed, waar deed u voornamelijk uw boodschappen? *

- Albert Heijn
- Jumbo
- Aldi
- Lidl
- Coop
- Spar
- Plus
- Dirk van den Broek
- Anders:

3) Naast dat u bij de Foodmarkt shopt, doet u ook nog bij andere supermarkten boodschappen? *

- Ja
- Nee

4) Zo ja, waar doet u nog meer boodschappen?

- Albert Heijn
- Jumbo
- Aldi
- Lidl
- Coop
- Spar
- Plus
- Dirk van den Broek
- Anders:

5) Hoe waardeert u het assortiment van de Jumbo Foodmarkt tov uw andere supermarkt(en)? *

12345

Veel slechter () () () () () Veel beter

6) Hoe waardeert u de service van de Jumbo Foodmarkt tov uw andere supermarkt(en)? *
12345

Veel slechter () () () () () Veel beter

7) Hoe waardeert u de prijs van de Jumbo Foodmarkt tov uw andere supermarkt(en)? *
12345

Veel slechter () () () () () Veel beter

8) Hoe waardeert u de kwaliteit van de Jumbo Foodmarkt tov uw andere supermarkt(en)?
12345

Veel slechter () () () () () Veel beter

9) Wat is voor u de grootste toegevoegde waarde van de Jumbo Foodmarkt? *

Jouw antwoord

Datum

Retailer questionnaire

Onderzoek invloed Jumbo Foodmarkt

Ik waardeer uw medewerking aan mijn afstudeeronderzoek voor de Erasmus Universiteit, Master Bedrijfskunde

1) Had u hier al een winkel/vestiging/bedrijf voor de komst van de Foodmarkt? *

Ja

Nee

2) Zo ja, hoe keek u toen tegen de komst van Jumbo Foodmarkt?

12345

Grote bedreiging () () () () () Grote kans

3) Hoe kijkt u nu tegen de aanwezigheid van de Foodmarkt? *

12345

Veel negatiever () () () () () Veel positiever

4) Wat is de invloed nu van de Jumbo Foodmarkt op uw bedrijfsvoering? *

12345

Heel klein () () () () () Heel groot

5) Bent u door Jumbo ooit benaderd voor een samenwerking (bijv. waarbij u leverancier bent van de Foodmarkt)? *

Ja

Nee

6) Zou u daar nu (alsnog) voor openstaan?

Ja

Nee

7) Wat is de grootste toegevoegde waarde van de Foodmarkt voor uw bedrijfsvoering?

Jouw antwoord

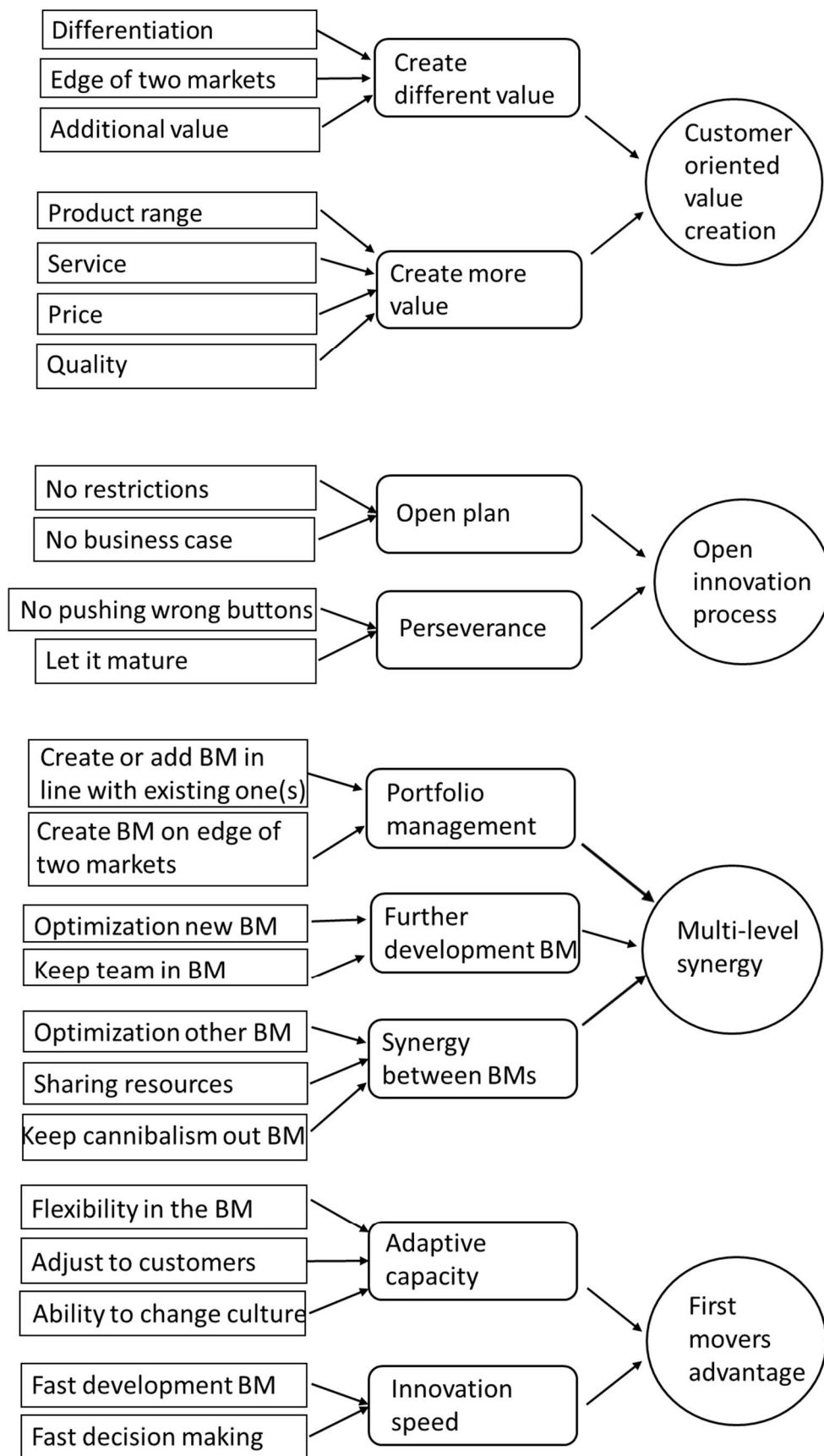
8) Wat is de grootste bedreiging van de Foodmarkt voor uw bedrijfsvoering?

Jouw antwoord

Bedankt voor uw medewerking

Datum

Appendix 3 Coding tree



Appendix 4 Coding tree (1st order code; 2nd order code/category; group)

Quote	1st order code	2nd order code/category	Group
“And so you can see that, so to speak, differentiation and being where the customer wants you to be as a starting point, that that works very well.” (Interview1, 2019, p. 8).	Differentiation	Create different value	Customer oriented value creation
“And you can see that with the Foodmarket, with that added value that the hardcore, I would almost say, spoiled Albert Heijn customer sees specifically that added value in Foodmarket, which she doesn't see in the existing stores.” (Interview1, 2019, p. 8)	Additional value		
“Yeah, but I certainly think that the fresh products play a part in that. The kitchens, the Foodcafé. It's unique in a supermarket that you can do your grocery shopping, and you can actually eat there.” (Interview3, 2019, p. 3)			
“Because the competitors, we can name them all, have a lot of premium customers, more than we originally have. So if you want to win from them, you have to have that added value as well, ...” (Interview4, 2019, p. 5).			
“Foodmarket has a number of things that really add value for the customer. This has to do with blurring, that your morning, afternoon, evening, the relevance of that store...” (Interview4, 2019, p. 5).			
“Yeah, but I certainly think that the fresh products play a part in that. The kitchens, the Foodcafé. It's unique in a supermarket that you can do your grocery shopping, and you can actually eat there.” (Interview3, 2019, p. 3)	Product range	Create more value	
“We have the kitchens, the sushi, pizza, the Foodcafé. It is totally different. And of course the store surface and the product range are also different.” (Interview3, 2019, p. 2)			
“..., those formula properties, in which we attach great importance to service, product range and price, you can see that we have actually put those three facets much more extreme in the format Foodmarket.” (Interview1, 2019, p. 12)			
“Definitely, people are always looking for, uh, product range, much less on price. They often have some more to spend.” (Interview5, 2019, p. 12)			
“..., those formula properties, in which we attach great importance to service, product range and price, you can see that we have actually put those three facets much more extreme in the format Food market.” (Interview1, 2019, p. 12)	Service		
“A bit of service, which you give extra. And especially the fresh part. We have the kitchens, the sushi, pizza, the Foodcafé. It is totally different. And of			

course the store surface and the product range are also different.” (Interview3, 2019, p. 2)			
“And with a lot of attention to quality, price, proactive sales, especially storytelling, telling the story behind the product, um, that makes all the difference, I think.” (Interview2, 2019, p. 1)	Price		
“So it may not be expensive, it must be top quality and it should be prepared on the spot.” (Interview1, 2019, p. 5)			
“... those formula properties, in which we attach great importance to service, product range and price, you can see that we have actually put those three facets much more extreme in the format Food market.” (Interview1, 2019, p. 12)			
“And with a lot of attention to quality, price, proactive sales, especially storytelling, telling the story behind the product, um, that makes all the difference, I think.” (Interview2, 2019, p. 1)	Quality		
“... a piece of quality, quality of people, quality of products, customer friendliness, the hospitality we have, the product range, yes and not unimportant, the price. Yes, but I also think especially quality and the people standing there, that that is also the distinguishing power.” (Interview2, 2019, p. 4)			
“So it may not be expensive, it must be top quality and it should be prepared on the spot.” (Interview1, 2019, p. 5)			
“So then it is indeed the CEO who plays a role in this when it comes to, above all, indicating, yes, this fits our portfolio.” (Interview4, 2019, p. 10)	BM fits in portfolio	Portfolio management	Multi-level synergy
“And somehow we had a dream together and that was to merge retail and food, eh, foodservice.” (Interview1, 2019, p. 5)	Create BM on edge of two markets		
: “... in which all those formats and activities that we do, are actually concentrated under one umbrella, have to strengthen each other very much.” (Interview1, 2019, p. 7)			
“We still see it as flagship stores, as starting grounds. They are actually very large laboratories where we can test things on a large scale for the Foodmarket in itself but also for the other stores.” (Interview1, 2019, p. 14)	Optimization new BM	Further development BM	
: “... and that is the beauty of a store like this. Everything is also being tried out.” (Interview2, 2019, p. 7)			
“This is the Foodmarket 2.0, as they called it. They have, of course, learned a lot from ...” (Interview5, 2019, p. 16)			
“What we did at some point. So we said, we have that team, we’re going to split it now. We did that a few years ago. So René went to Operations, I went to Product range management. This way we split up the whole team in order to bring the learnings we have from the	Keep development team in the BM		

Foodmarket, we need to bring that more to that business. So we are moving closer to that business.” (Interview4, 2019, p. 7)			
“But with this you have your own institute, where you can develop recipes for all of Jumbo Holding. Yes, that is, that is invaluable and is also underestimated, I am convinced, by many other retailers. And with that, if you do it well, you create a sustainable advantage..” (Interview4, 2019, p. 11)	Optimization other BM's	Synergy between BM's	
“We still see it as flagship stores, as starting grounds. They are actually very large laboratories where we can test things on a large scale for the Foodmarket in itself but also for the other stores.” (Interview1, 2019, p. 14)			
“So it must be a revenue model in itself, knowing that on innovation as a starting ground it naturally has a multiple role than just being a profitable event.” (Interview1, 2019, p. 9)			
“See, many Foodmarket concepts you can already see again in regular Jumbo's that have only been recently opened. The sushi, the pizzas. You can actually see all of them again.” (Interview3, 2019, p. 7)			
“... , they now also have those fresh meals at any regular Jumbo.” (Interview3, 2019, p. 5)			
We are strengthening our regular stores. Plus the fact, it forces us back on the sides, on the side lines, which applies to City and to Foodmarket, to constantly renew to stay ahead.” (Interview4, 2019, p. 8)			
“And these are small initiatives, these are big things, and the fact that we have done this in such a way and have done it successfully, and that we can bring it back to building blocks leading to other sections of the company, has yielded the greatest profit.” (Interview1, 2019, p. 12)			
“That is the difficult part, if you are going to develop something separately, away from the rest of the organization, without involving them, ... , then you eventually have too little commitment to integrate it in a good way.” (Interview4, 2019, p. 4)	Sharing resources		
“And now we are slowly getting to the point that the people, the Jumbo people, also understand why Jumbo Foodmarket is so important and what we have in mind with it.” (Interview1, 2019, p. 7)			
“But as time went on and we were able to tell more and more people at the head office the story of Foodmarket within the Jumbo company, you see that a lot of new energy is being created and you also see that the entire innovation process has accelerated and improved also after opening.” (Interview1, 2019, p. 11)			
“You now notice that the change has taken place at the head office. Well, that's not just a store. That has become a whole formula: We will now also take the			

responsibility for that.” (Interview6, 2019, p. 10)			
“..., than we have a whole department with a lot of specialists, who mainly take care of that formula, innovate and develop. At that time it was not yet like that.” (Interview1, 2019, p. 4)			
“... for maintaining these formulas, we are completely dependent on all sections of our company.” (Interview1, 2019, p. 7)			
“... that is from the Formula, where I work at the moment, so to say, we have people who make sure that the learnings are implemented back to the regular business.” (Interview4, 2019, p. 8)			
“We’ve started the conversation. And the first year it was very cumbersome, very cumbersome. And if you look at it now, as a matter of speech, it is fantastic. We have a mega cool cooperation, also with the entrepreneurs. We do local actions.” (Interview6, 2019, p. 2)			
“And now you can see that we are setting up a new recruitment campaign, and that is where we are really looking for the cooperation. Because we all have the same problem.” (Interview5, 2019, p. 12)			
“So there are also a number of people from the cluster, especially executives, that all went to this store. Also from my store, about 7 or 8 people were moved on.” (Interview5, 2019, p. 8)			
“We have no limitations, except for those seven certainties, with which we became successful.” (Interview1, 2019, p. 5)	No restrictions	Open plan	Open innovation process
“..., not directly, so to speak. But indirectly. So at first we just have that store without any restrictions, just really from the consumer's point of view, about what does the consumer want? And of course at some point you are going to ask what is a business case, what do we spend on investments and so on and so forth. So that always follows. But specifically in that order.” (Interview4, 2019, p. 6)	No business case		
“...we set aside at least three years for this Foodmarket to mature.” (Interview1, 2019, p. 11)	Let it mature	Perseverance	
“And I think that was a very important factor in making the success, Because no one in our company has had the chance to push the wrong buttons, because our owners have clearly put that aside and were actually our biggest supporter in that area.” (Interview1, 2019, p. 11)	No pushing wrong buttons		
“... in which we concluded before, that it is an form of art, the one that is able to change the best is the most successful. Yes, that's one of those tiles we look at every day. That is the key to success. Difficult, but we try to be very alert to that. And you do that with externals, trend watchers and as a company itself to be	Flexibility in the BM	Adaptive capacity	Agility

very entrepreneurial, but that's how you set up your organisation." (Interview1, 2019, p. 16)			
"You have to be flexible and be able to go with the flow. ... wait a minute, this is not my priority anymore, this has become my priority all of a sudden" (Interview5, 2019, p. 16)			
"..., there are so many things that are important in order to be able to innovate properly, that starts with managing the company, with the energy that lives there, how are we already facilitated to go down the right paths. If you run your company very staccato, very tightly in a straitjacket, then innovation is not very easy, so to speak." (Interview1, 2019, p. 19)			
"So we're going to have to look even more for beautiful new products. So we have already agreed with Formula, we want to continue to add and innovate as much as possible. Especially in the fresh foods, because the regular shops can't do that. We have the capacity to do this, and we have the people to do it. We have people who have a background in the foodservice industry, so they understand that. So let's just add as much products to the range as possible. Of course, it has to be, uh, related to the profit model, in the end. (Interview5, 2019, p. 9)			
"...the consumer changes, the moments for eating change and yes, you have to be where the consumer is." (Interview4, 2019, p. 4)	Ability to adjust to customers wishes		
"...we're in a very dynamic world and customers keep asking for different things every day." (Interview2, 2019, p.8)			
"...we're actually adding products to the range to fit the current customers." (Interview5, 2019, p. 1)			
"We're just trying to do those extra fun things here. Really surprise those customers, by facilitating workshops." (Interview6, 2-19, p. 7)			
"Exactly, and in detail those values change, but generally they remain intact. But in detail you have to innovate on that as well." (Interview1, 2019, p. 20)	Ability to change culture		
"Everybody's working towards that point. Other supermarket chains as well. And yes, that's the speed that is required for innovation. And with every innovation, the one that can move to that point the fastest, has the advantage." (Interview4, 2019, p. 13)	Fast development BM	Innovation speed	
"And we were the first as Jumbo to start something like the Foodmarket in the Netherlands. So, yes, that is very exciting, you are being bold, but you also immediately create a huge competitive advantage." (Interview1, 2019, p. 12)			
"But as time went on and we were able to tell more and more people at the head office the story of Foodmarket within the Jumbo company, you see that a lot of			

<p>new energy is being created and you also see that the entire innovation process has accelerated and improved also after opening.” (Interview1, 2019, p. 11)</p>			
<p>“We did wake up the competition in this aspect and they too started to innovate more quickly than they did at the time. So it had a major impact in the Netherlands actually.” (Interview1, 2019, p. 14)</p>			
<p>“And that entrepreneurial way of making choices much more from heart, so to speak, than the head. Yes, that is what characterizes our company.” (Interview4, 2019, p. 2)</p>	<p>Fast decision making process</p>		