

## RESEARCH GRANT

### “BUSINESS MODELS FOR LOCAL DELIVERY PLATFORMS: A MARKETING PERSPECTIVE ANALYSIS”

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PROJECT DURATION: 12 MONTHS

RESEARCH HEADQUARTERS: DEPARTMENT OF MANAGEMENT, UNIVERSITY OF BOLOGNA

#### 1. Scientific relevance of the topic

With platform economy becoming a hegemonic model in market exchanges (Srnicsek, 2017; VanDijck, Poell & De Waal, 2018), consumers are now getting used to the idea of receiving items ordered online in hours and not days, and companies are pressured to move toward an instant delivery-of-everything world. This trend, pushed by Covid-19, has created a new business environment in which large, global, multi-sided platforms are competing with local, small scale initiatives.

Even if large multi-sided platforms (e.g. Amazon, Deliveroo, Glovo) allow small and medium businesses to grow, they are criticized for the huge quantities of packaging used, undignified working conditions, impersonal standardized digital interface, increased transportation's usage and emissions. Some platforms have recently started to change the last mile delivery toward more sustainable solutions. For instance, they use cargo-bikes and low impact solutions offered by express couriers (e.g. Bartolini, TNT), typically used by local platforms. Moreover, they are questioned for their disproportionated power as gatekeepers and for exploitation and asymmetries they create against local suppliers (Khan, 2018). Local delivery platforms may have the unprecedented opportunity to overcome these drawbacks. Nevertheless, an overall framework still lacks for guiding the design and management of local platforms in developing a new competitive positioning, in which local resources are protected and promoted in the interest of local stakeholders (suppliers, consumers and the local community) in order to compete with larger platforms.

Multi-sided platforms (MSPs) are third-party intermediary services acting at the interface between consumers, suppliers and retailers. Propelled by the unprecedented richness and depth of data, and their propensity to work as gatekeepers across interconnected sectors, it is undoubted that MSPs assumed an ever-more pivotal role in the global economy and society (Gawer et al., 2021). MSPs' business models are composed by three layers: the platform user, the platform infrastructure, and the platform provider (Fehrer, Woratschek & Brodie, 2018). These layers co-create a fully networked ecosystem that enables different actors – including investors, suppliers, consumers, advertisers, workers, and employers – to interact and exchange services at unprecedented reach and speed, thus challenging the traditional enterprise-centric idea of organizations (Wieland et al., 2017; Fehrer et al., 2018).

Moreover, due to COVID-19, consumers discovered they can have almost everything delivered to their door with just a push-button ease (Das et al., 2021; Unnikrishnam & Figliozzi, 2020). Interestingly, the revenue of platform-to-consumer delivery is expected to show an annual growth rate of 10.89%, resulting in a projected market volume of €720m by 2026 (Statista).

From a company's point of view, suppliers may benefit from being listed on a big MSP (Visentin, Tuan & Prestini, 2021). In particular, a small local supplier listed on a MSP can cut operation costs, enhance business intelligence, expand market outreach and above all develop economies of scale and scope (OECD 2021; Cusumano et al., 2020). However, MSPs can harm its independence and the existence in the same way big shopping malls and retail chains have replaced small retailers in the past. In fact, four main drawbacks can underscore a business relationship with MSPs: 1) commission policies are usually high; 2) companies lose the long-term data equity of their customers given that they cannot keep a direct relationship with them; 3) MSPs disconnect the individual company from its network of relationships ultimately crushing its social capital; 4) the digital touchpoints are usually highly standardized leading to the lack of emotional and direct contacts. Thus, a sound approach to developing new business models that take into account how much of the disruption in the ecosystem has shifted and how much of the change will be lasting is urgent.

From a consumer's perspective, extant research has shown that individuals are now more active, have gradually gained more power, and play a more constructive role in markets (Cova and Dalli, 2009). Interestingly, while consumers' acceptance of MSPs is growing, concerns are rising on their ability to support local suppliers, to ensure sustainable purchasing strategies and to respect human and ethical standards (Euromonitor, 2022; Sebastiani et al., 2013). Furthermore, as just-in-time delivery has been put to the test by COVID-19, logistics is becoming more flexible and redundant rather than putting all your egg-cartons in one cargo box.

However, this excessive focus on supply over demand has pushed back marketing to a pretwentieth century concern with transportation rather than focusing on managing customer experience and relationships with a diverse set of stakeholders.

Therefore, relevant tension seems to develop between the expansion of big MSPs and the emergence of new consumers' expectations, which calls for a revision of current business models (Massa, Tucci & Afuah, 2017; Cochoy et al., 2020). Against this background, we are assisting to a surge of local delivery platforms in a bid to provide more equity and transparency in the transaction, reduce environmental impact and guarantee adequate driver compensations. Their focus is not only on creating demand for products but on providing critical public assets, a supportive environment that ultimately provide jobs and wealth creation opportunities for its citizens. In fact, local MSPs are not simply big MSPs just scaled down to fit a smaller dimension.

Examples of local delivery platforms are spreading around the world spanning over different industries. Examples in Italy are [consegnetiche.it](https://consegnetiche.it), [libridasporto.it](https://libridasporto.it), and [myspesa.net](https://myspesa.net) among others.

The project focuses on local delivery platforms by analyzing the interaction between big MSPs' growth and their drawbacks for suppliers, consumers' growing sustainability concerns, and active initiatives to support local resources and local sellers' efforts to emancipate themselves from MSPs as well as from other, more traditional platforms, such as retail chains, in order to rebuild a direct connection with consumers.

## 2. Research gap and project's goal

Literature about platform economy is growing but, to the best of our knowledge, marketing literature is still scant about the role of local delivery platforms in enhancing the relationship with consumers. To fill this gap, in this project we aim to investigate if and under which conditions consumers are willing to adopt a local delivery platform. Thus, the main goal of this project can be articulated into sub-goals:

- gain preliminary knowledge of the topic by means of an appropriate literature review;
- analyze the motivations, the drivers, and the experiences that lead consumers to experiment and adopt local delivery platforms as a circuit of consumption and purchase through a combination of experiments (Hayes, 2018) and automated text analysis (Humphreys & Wang, 2018).
- design and implement a questionnaire based survey among business actors involved in the service digital business relationship (those selling through MSPs) to understand the determinants leading to the adoption of local MPSs. In doing so, we will also develop a new scale to measure attitudes of suppliers towards local MPSs.

## 3. Methods

To assess the goal of this research proposal, primary data is needed to account for customers' and sellers' perceptions towards local delivery platforms. Analytical methods include surveys and experimental design (Hayes, 2018). The research team is in contact with some companies that will help in running field studies, in order to rely on actual behavioral data, offering maximum realism by observing real customers' behavior (Moorman et al., 2019; Morales et al., 2017).

## 4. Developing the skills of the research fellow

A relevant part of the project is aimed at developing five skills of the research fellow. The research fellow participating to the present research project is supposed to have a minimal research capability in order to maximize the possibility to obtain personal and research performances. Each of these skills will improve during specific phases of the research, during which the research fellow will be supported by the tutor and by the other members of the Marketing group at the Department of Management. The five phases are detailed below.

1. *Literature analysis and hypotheses development*: in the first stage of the research project will require the analysis of the scientific literature in the fields of local delivery platforms. This analysis, supervised by the tutor of the project, includes the conceptual, practical and methodological aspects of the research. In the development of the research hypotheses the research fellow will also regularly meet the tutor during weekly meetings, to discuss the progress and decide further steps.

At the end of this stage, the research fellow will be able to conduct a focused literature review and the definition of the conceptual domain; have developed a sound, theory-grounded conceptual model of the phenomenon investigated, and a set of testable hypotheses; and have a proposal of an empirical context (including a definition of the

population and of the sampling procedures) to measure construct and to test the conceptual framework.

2. *Operationalization of the conceptual model:* the second stage of the research project includes the development of the measurement tools to be used to collect data. In particular, the research fellow will develop his/her abilities to develop psychographic scales (from scratch or by adapting existing scales) and to assess their reliability. This stage might include also qualitative analysis. Furthermore, during this phase the research fellow will improve the ability to apply exploratory and confirmatory factor analysis, and to refine measurement scales with the analysis of the Cronbach's Alpha. The research fellow will be able to define a mediation model (Hayes, 2018) in order to test hypotheses through experiments.
3. *Data collection:* in the stage of the project, the research fellow will design and execute the data collection according to the type of methods chosen in the previous stages of the project.
4. *Statistical analyses:* this stage of the project consist of the statistical analysis of data aimed to test the research hypotheses previously developed. In particular, the research fellow will develop and improve his/her skills with methods, including: univariate and bivariate analysis, univariate and multivariate analysis of variance, analysis of the dimensionality of the constructs, regression models and mediation-moderation analysis. The tutor will supervise the choice, execution, and presentation of results.

At the end of this phase the research fellow will be able to use the appropriate statistical techniques according to the type of data available; to estimate the research model in accordance with the type of data and the research design chosen in the previous phases; and to present the results in order to draw a relevant "story" of the context analyzed.

5. *Dissemination of the research outcomes.* The last step of the research project is aimed at the diffusion of the research findings. This includes writing more than one working paper to submit to international academic conferences and/or to relevant peer-reviewed journals. The research fellow will actively collaborate with the tutor of the project in the writing of the paper, in the selection of the target conferences and of the target scientific journals. The tutor will provide to the fellow the skills on how to write a scientific paper, taking care of the language, the logic and structure of the paper, and on how to handle the review process.

At the end of this stage, the research fellow will be able to communicate with other scientists the results of the research using internationally shared format; will have a presentation to a relevant international academic conference in schedule; and will have at least one research paper in the "Revise & Resubmit" process of a top marketing, peer-reviewed A journal.

## 5. Timetable

The timing needed to carry out the five stages of the present research project can be planned according to the following timetable:

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Stage of the project	Activities	MONTHS											
		1	2	3	4	5	6	7	8	9	10	11	12
1	Literature analysis and hypotheses development												
2	Operationalization of the model												
3	Data collection												
4	Statistical analyses												
5	Dissemination of the research outcomes												

## 6. Candidate's profile

The ideal candidate as research fellow for the present project is a young researcher holding a degree in management and/or statistics and having a minimal experience in all the five steps described above. In particular, the candidate should possess the following characteristics:

- possess good analytical and logical capabilities;
- be independent-thinking and be able to take the initiative. At the same time the candidate should be willing to work in team;
- be trustworthy and reliable in handling research partners' sensitive data;
- hold an advanced knowledge of consumer research and marketing methodologies;
- hold a good knowledge of multivariate statistics, inferential statistics, structural equation modeling and mediation and moderation modeling;
- hold a good knowledge of the English language.

We recognize that no individual will possess all of these qualities in equal measure, so the evaluation procedure will assess the best combination of the candidate's characteristics.

## 6. Tutor's best publications

Tuan, Annamaria; Visentin, Marco; Di Domenico, Giandomenico, Bridging Who They Are With Who They Thought They'd Be: The Effects Of Gen Zers' Subjective Well-Being On Their Boycott Responses To Online And Offline Unethical Situations, «Journal Of Interactive Marketing», 2023, 58, Pp. 248 – 267

Tuan Annamaria, Corciolani Matteo, Giuliani Elisa, Being Reassuring About The Past While Promising A Better Future: How Companies Frame Temporal Focus In Social Responsibility Reporting, «Business And Society», 2023, Online First, Pp. 1 - 42

Matteo Corciolani, Elisa Giuliani, Ashlee Humphreys, Federica Nieri, Annamaria Tuan, Edward J. Zajac, Lost And Found In Translation: How Firms Use Anisomorphism To Manage The Institutional Complexity Of Csr, «Journal Of Management Studies», 2022, Forthcoming, Pp. 1 - 32

Visentin Marco, Tuan Annamaria, Prestini Stefano, Love Or Hate? Hotels' Gay-Friendliness And Their Intention To Maintain Or Diminish The Hotel Digital Service Relationship With Otas, «Industrial Marketing Management», 2021, 98, Pp. 28 – 40

Visentin Marco, Tuan Annamaria, Di Domenico Giandomenico, Words Matter: How Privacy Concerns And Conspiracy Theories Spread On Twitter, «Psychology & Marketing», 2021, 38, Pp. 1 - 1828

Aleti T.; Pallant J.I.; Tuan A.; Van Laer T., Tweeting With The Stars: Automated Text Analysis Of The Effect Of Celebrity Social Media Communications On Consumer Word Of Mouth, «Journal Of Interactive Marketing», 2019, 48, Pp. 17 – 32

## 7. Essential references of the research project

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Loux, P., Aubry, M., Tran, S., & Baudoin, E. (2020). Multi-sided platforms in B2B contexts: The role of affiliation costs and interdependencies in adoption decisions. *Industrial Marketing Management*, 84, 212-223.

McIntyre, D., Srinivasan, A., Afuah, A., Gawer, A., & Kretschmer, T. (2021). Multisided platforms as new organizational forms. *Academy of Management Perspectives*, 35(4), 566-583.

Ottlewski, L., Rokka, J., & Schouten, J. W. (2023). How consumer-initiated platforms shape family and consumption. *Marketing Theory*, 14705931231201780.

Perren, R., & Kozinets, R. V. (2018). Lateral exchange markets: How social platforms operate in a networked economy. *Journal of Marketing*, 82(1), 20-36.

Rietveld, J., Schilling, M. A., & Bellavitis, C. (2019). Platform strategy: Managing ecosystem value through selective promotion of complements. *Organization Science*, 30(6), 1232-1251.

Sharma, R., Dhir, A., Talwar, S., & Kaur, P. (2021). Over-ordering and food waste: The use of food delivery apps during a pandemic. *International Journal of Hospitality Management*, 96, 102977.

Wichmann, J. R., Wiegand, N., & Reinartz, W. J. (2022). The platformization of brands. *Journal of Marketing*, 86(1), 109-131.