

# **IT-STRATEGIEN & DIGITALISIERUNGS-MANAGEMENT**

## **01: DIGITAL BUSINESS MODELS AND CORPORATE MANAGEMENT**



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# DIGITAL BUSINESS MODELS AND CORPORATE MANAGEMENT

## WHAT ARE WE PLANNING?

### Agenda

- 1.1 Definition and types of digital business models
- 1.2 Impact of digitalization on traditional business models
- 1.3 Business Model Canvas for digital business model development
- 1.4 Importance of digital transformation for company management
- 1.5 Case studies of successful digital companies



# DIGITAL BUSINESS MODELS AND CORPORATE MANAGEMENT

## DIGITAL BUSINESS MODELS

### 1.1 Definition and types of digital business models

- Digital business models are business strategies that use digital technologies to develop and deliver products or services. These models differ from traditional, physically oriented business models and often offer greater scalability and flexibility.



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## DIGITAL BUSINESS MODELS

**There are several types of digital business models:**

- Platform-based models
- Freemium models
- Subscription models

These models leverage the benefits of digitalization to reduce costs, facilitate access and leverage network effects.



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### **Platform-based models:**

These are based on the networking of users and service providers via a digital platform. Examples are Airbnb and Uber, which do not own their own resources (such as real estate or cars) but act as intermediaries.



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### **Freemium models:**

Basic services are offered free of charge, while advanced features or premium services are available for a fee. Spotify and Dropbox are prominent examples of freemium models.



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### **Subscription models:**

In this model, customers pay regularly (usually monthly or annually) to receive continuous access to a service. Examples include Netflix, Amazon Prime or Software-as-a-Service (SaaS) offerings such as Microsoft 365.



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### 1.2 Impact of digitalization on traditional business models

Digitalization is having a profound impact on traditional business models by changing the way companies create, deliver and capture value. Companies that once relied on physical presence or products now face a changed competitive landscape.

Companies that do not adapt to these changes risk being displaced by digital competitors.





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### **Disintermediation:**

The ability to sell products and services directly to customers has eliminated many middlemen. For example, Amazon has put significant pressure on traditional retail.



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### **customer expectations:**

Customers today expect companies to provide seamless, digital experiences that are available anytime, anywhere. One example is retail, which is increasingly relying on omnichannel strategies to have a presence both online and offline.



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### **New income streams:**

Companies are discovering new ways to generate revenue, often through **data analytics** and personalization. For example, many digital platforms use data to deliver targeted advertising or offer customized products.



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### 1.3 Business Model Canvas for digital business model development

The **Business Model Canvas** is a strategic management tool that helps companies develop or analyze their business models. It consists of nine building blocks that represent the key aspects of a business model.



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### 1.3 Business Model Canvas for digital business model development

**Customer segments:** Which customer groups are addressed?

**Value propositions:** What added value does the company offer customers?

**Channels:** Through which channels does the company reach its customers?

**Customer relationships:** How is the relationship with the customer maintained?

**Sources of income:** Where do the sales come from?



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### 1.3 Business Model Canvas for digital business model development

**Key resources:** What resources are necessary to deliver the value proposition?

**Key activities:** What activities are necessary to operate the business model?

**Key partners:** Which partners does the company work with?

**Cost structure:** What costs are incurred in operating the business model?



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### 1.3 Business Model Canvas for digital business model development

For digital business models, the Business Model Canvas is used to design innovative models based on digital technologies. For example, a company like Netflix could use this method to optimize its online streaming service.



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### **1.3 Business Model Canvas for digital business model development**

#### **1.3.1 Interdisciplinarity in the Business Model Canvas**

The Business Model Canvas combines various disciplines, such as marketing, finance, operations and IT, to develop a comprehensive business model. In a digital world, technical factors such as the integration of platforms or the use of cloud services play a central role. The lecture could emphasize that students should also think about the interfaces between these disciplines in order to successfully develop digital business models.





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### **1.3 Business Model Canvas for digital business model development**

#### **1.3.2 Customer centricity and digital customer interaction**

Customer centricity is particularly important in a digital context. Thanks to digitalization, companies can maintain direct contact with their customers, collect feedback in real time and adapt their products accordingly. An important discussion in the course could be how digital business models make it possible to make these interactions more efficient and personalized, for example through CRM systems (Customer Relationship Management) or marketing automation.



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### 1.3 Business Model Canvas for digital business model development

#### 1.3.3 Agility and scalability

One of the main characteristics of digital business models is their ability to respond quickly and flexibly to market changes. The scalability of digital models is particularly important for software-as-a-service (SaaS) offerings, cloud-based services and e-commerce platforms. The lecture could talk about how companies can efficiently scale their resources and how the Business Model Canvas helps to map this flexibility.



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### 1.4 Importance of digital transformation for corporate management

Digital transformation describes the change in companies to integrate technologies into their business processes. This has various consequences for company management.



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## DIGITAL BUSINESS MODELS

### 1.4 Importance of digital transformation for corporate management

- **Strategic realignment:** Companies must adapt their business strategies to the digital world. This often requires the introduction of new technologies such as cloud computing, artificial intelligence (AI) or big data.
- **Leadership skills:** Managers must develop digital skills in order to successfully integrate new technologies into their companies and drive digital innovation.



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### 1.4 Importance of digital transformation for corporate management

- **Culture change:** Digital transformation often requires a new corporate culture that promotes openness, flexibility and continuous learning. Google is an example of a company that has fostered a culture of innovation to enable digital transformation.



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### 1.5 Case studies of successful digital companies

**Amazon:** Amazon started as an e-commerce platform selling books and has grown into one of the largest global marketplaces. Amazon uses a platform-based business model combined with a subscription model (Amazon Prime) that creates a continuous income stream. Technology is at the heart of Amazon's success, with innovations such as Amazon Web Services (AWS) taking the company into the cloud computing sector.



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### 1.5 Case studies of successful digital companies

**Airbnb:** Airbnb has revolutionized the hospitality industry with a platform-based business model that allows private individuals to rent out their apartments or houses to travelers. Without owning any real estate itself, Airbnb offers a digital platform that connects supply and demand in the accommodation sector. The reviews and user experiences on the platform play a key role in ensuring quality and trust.



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### Business Model Canvas Example: Spotify's Business Model Canvas

#### Customer segments:

- Music lovers worldwide.
- Users willing to pay for a premium version (freemium model).
- Advertisers who integrate audio ads into the free version of Spotify.



Source: <https://open.spotify.com/>





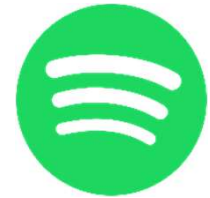
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### Business Model Canvas Example: Spotify's Business Model Canvas

#### Value propositions:

- Seamless access to a huge music library.
- Personalized playlists based on music taste.
- Offline listening and ad-free use for premium users.
- Targeted advertising for ad-supported users.



Source: <https://open.spotify.com/>



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### Business Model Canvas Example: Spotify's Business Model Canvas

#### channels:

- Mobile apps (iOS, Android), desktop applications and web platforms.
- Cooperations with third parties (e.g. telecommunications companies that offer Spotify as an additional service).



Source: <https://open.spotify.com/>



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### Business Model Canvas Example: Spotify's Business Model Canvas

#### customer relationships:

- Freemium model (free version with ads and premium version without ads).
- Regular updates and new features to strengthen user loyalty.
- Recommendations and personalized content based on user behavior.



Source: <https://open.spotify.com/>



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### Business Model Canvas Example: Spotify's Business Model Canvas

#### **sources of income:**

- Subscription fees from premium users.
- Advertising revenue from free registered users.
- Collaborations and partnerships.



Source: <https://open.spotify.com/>



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### Business Model Canvas Example: Spotify's Business Model Canvas

#### key resources:

- Music licenses and exclusive contracts with artists.
- Strong algorithms for music recommendations.
- Infrastructure for processing and storing millions of songs.

#### key activities:

- Negotiating and managing licenses with music labels and artists.
- Further development of the platform and streaming technology.
- User acquisition and marketing strategies.



Source: <https://open.spotify.com/>



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### Business Model Canvas Example: Spotify's Business Model Canvas

#### cost structure:

- Licensing fees for music rights.
- Development and operation of the platform.
- Marketing and distribution costs.



Source: <https://open.spotify.com/>

**Conclusion:** Spotify has managed to build a broad user base through a freemium model. While the free version is supported by advertising, the premium version generates constant revenue through subscriptions. The company has established itself as a market leader in music streaming by combining personalization, ease of use and exclusive content.



# Business Model Canvas - Spotify

## Key Partners

- Music labels and independent artists
- Advertising partners
- Mobile carriers offering Spotify bundles

## Key Activities

- Negotiating music licenses
- Platform development and innovation
- User acquisition and marketing

## Key Resources

- Music licenses
- Algorithm and recommendation system
- Infrastructure for storing and streaming music

## Value Propositions

- Access to a vast music library
- Personalized playlists and recommendations
- Ad-free experience and offline listening for premium users
- Targeted advertising for free-tier users

## Customer Relationships

- Freemium model
- Personalized content
- Regular feature updates

## Channels

- Mobile apps (iOS, Android)
- Desktop apps
- Web platforms
- Telecom partnerships

## Customer Segments

- Music lovers globally
- Premium subscribers
- Advertisers

## Cost Structure

- Music licensing fees
- Platform development and maintenance
- Marketing and distribution

## Revenue Streams

- Subscription fees from Premium users
- Advertising revenue from free-tier users
- Partnership deals



**THANK YOU**  
FOR THE ATTENTION

