



## **Strategies in the Global Digital Economy**

Call for papers for a Special Issue of *Global Strategy Journal*

Deadline for submissions: April 15-30, 2018

### **Special Issue Editors:**

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### **Objective of this Special Issue:**

Spatial transaction costs – the costs of undertaking business transactions across geographic space – have been declining continuously since the beginning of the industrial revolution. However, with the digital transformation of society, these declines have become exponential. Since the introduction of the integrated circuit in 1958, Moore’s Law has consistently held, with speed and processing power doubling roughly every 18 months (Moore, 1965).<sup>1</sup> According to Brynjolfsson and McAfee (2014), the point of inflection associated with Moore’s Law dynamics was reached about 2006. They argue that the enormous and accelerating increases in digital capabilities since that time have changed the global business landscape in fundamental ways. They have enabled the flowering of a wide range of entirely new industries from social networking to online entertainment, as well as the re-launching of many traditional industries from taxicabs to lodging as platform businesses.

Digitalization is transforming how firms organize for value creation and delivery (Tilson, Lyytinen, & Sorensen, 2010; Yoo, Boland Jr, Lyytinen, & Majchrzak, 2012). Underpinning this transformation is the constantly increasing sophistication and ubiquitous availability of digital infrastructures, which enable ever more sophisticated interactions between transacting parties regardless of geographic location. As services and interactions are increasingly digitalized and modularized (McDermott, Mudambi & Parente, 2013), and as digitalization increasingly permeates even physical products, enabling the connectivity of these to digital platforms, new business models are enabled that have the potential to scale globally – and to disrupt established incumbents. The car sharing company Uber and the home sharing firm Airbnb are just two well-known examples of the resulting globally disruptive business models that have transformed previously highly local service sectors.

The global reach and disruptive potential of digitally enabled business model innovation creates a distinct challenge for global strategy research. Although the more disruptive wave of digitally enabled business models started already in the mid-2000s, global strategy and

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<sup>1</sup> While many experts believe that the continual shrinking of transistors is reaching physical limits (e.g., Simonite, 2016), other technologies are appearing to maintain the general speed and processing power gains at the rate predicted by Moore’s Law.

international business research have been slow to address this phenomenon, in spite of increasing anecdotal evidence that the digitalization phenomenon is directly challenging and even undermining received theories of the internationalization of firms. When ubiquitous digital platforms enable direct and immediate interactions between users and producers located in different sides of the planet, what are the implications of this for the internationalization process theory and to the importance of foreign market knowledge? When firms can deliver services from distance, without necessarily locating any physical resources in the country where the service is offered, what are the implications of this for network models of internationalization? When a globally transacting business can be coordinated and managed from a single location, what are the implications of this for the very meaning of internationalization and globalization?

Although many digital business models are inherently international, global strategy and internationalization research have been relatively slow to address this phenomenon. While there have been numerous, often case-based studies focusing on ‘internet businesses’ and ‘e-business’, and systematic accounts of how digitalization challenges received internationalization theories have been few.

This special issue seeks to address both theoretical and empirical implications of digitalization for global strategies and internationalization. These are a few topics and research questions that papers submitted to the special issue can address:

1. Digitalisation is transforming the patterns and sometimes the very meaning of the internationalization of firms (new ventures)
2. In particular, disintermediation (the ability of service and resource providers to directly engage and interact with end users virtually regardless of geographic distance) is enabling productive cross-border interactions in ways mostly unanticipated in received theories of the internationalization of firms
3. The breadth and immediacy of one-to-one cross-border interactions is opening up new ways of creating, delivering, and appropriating value, driving a wave of international business model innovation
4. The emergence of global digital platforms is enabling value creation and capture on a global scale, sometimes even global market dominance by a single firm
5. Digitalisation is also enabling hitherto unseen opportunities to scale up business models in a global scale
6. Digitalization creates unforeseen interactions between local and global competitions, some of which are caused by the mobilization of local physical assets via global digital infrastructure
7. Digitalization and global scalability of business models. On the one hand, digitalization tends to reduce dependency on location-specific assets thanks to, e.g., easily accessible and scalable cloud services that can be tapped in case of rapid growth. On the other hand, new barriers to scalability may arise, in the form of, e.g., regulatory barriers or gaps. When can digitalisation eliminate access to local resources as a constraint to internationalization, and what are the new barriers to foreign market entry?
8. Implications of digitalization for the internationalization process. How does digitalization impact, e.g., entry mode choice, foreign market learning, liabilities of foreignness and outsidership, and the feasibility of gradual and ‘born global’ modes of internationalization?

9. Digitalisation and global value co-creation. How do the characteristics of digitalization, such as disintermediation and generativity shape and extend opportunities for value co-creation over national borders?
10. Digitalisation, value bundling, and cross-border value co-creation. As digitalization enables novel ways of functionality bundling around digital platforms unconstrained by geographical location, what are the implications for cross-border value co-creation?
11. Digitalization, disintermediation, and cross-border business model innovation. As disintermediation enables direct and virtually immediate contact with end users regardless of location, this should enable international new ventures to implement 'lean entrepreneurship' practices such as business model experimentation in cross-border settings. How can cross-border experimentation be harnessed for the discovery of robust and globally scalable business models?
12. Digitalization, asset specificity, and the transformation of foreign market entry modes. As digitalization reduces asset specificity, it also should reduce dependency on local resources for value delivery and capture in a given country market. How will foreign market entry mode choice be affected by this development?
13. Digitization in the production of tangible products, especially the effects of technologies like 3D printing, robotics and artificial intelligence on the location dimension of international business.

### **Submission Process:**

Between April 15 and 30, 2018, authors should submit their manuscripts online via the *Global Strategy Journal* submission system: <https://mc.manuscriptcentral.com/gsj>. To ensure that all manuscripts are correctly identified for consideration for this Special Issue, it is important that authors select "Digital Economy special issue" in the submission process

Manuscripts should be prepared in accordance with Global Strategy Journal Guide for Authors available at [http://onlinelibrary.wiley.com/journal/10.1002/\(ISSN\)2042-5805/homepage/ForAuthors.html](http://onlinelibrary.wiley.com/journal/10.1002/(ISSN)2042-5805/homepage/ForAuthors.html). All submitted manuscripts will be subject to the Journal's double-blind review process.

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