

УДК 658.152

*Sadigov Agshin Shabin,
master's degree, Bangor University (United Kingdom)*

SOME ASPECTS OF THE USE OF INNOVATIVE BUSINESS MODELS OF ENTERPRISE DEVELOPMENT: FOREIGN EXPERIENCE

Садыгов Агшин Шахин оглы,
магистр, Университет Бангор (Великобритания)

НЕКОТОРЫЕ АСПЕКТЫ ИСПОЛЬЗОВАНИЯ ИННОВАЦИОННЫХ БИЗНЕС-МОДЕЛЕЙ РАЗВИТИЯ ПРЕДПРИЯТИЙ: ЗАРУБЕЖНЫЙ ОПЫТ

The article deals with innovative business models of information economy enterprises. On the example of really operating companies in the UK e-business, features of such business models that can be taken as a benchmark by domestic enterprises for developing and evaluating the effectiveness of their own models are highlighted. Characterizes the types and conditions of using innovative business models. The sources and methods of obtaining income in the indicated enterprises are shown, the necessary expenses for it are revealed. The potential of growth of these enterprises on the basis of modern Internet technologies is revealed.

В статье рассматриваются инновационные бизнес-модели предприятий информационной экономики. На примере реально действующих предприятий электронного бизнеса Великобритании выделены особенности таких бизнес-моделей, которые могут быть приняты в качестве эталона отечественными предприятиями для разработки и оценки эффективности собственных моделей. Характеризуются типы и условия использования инновационных моделей бизнеса. Показаны источники и методы получения доходов в указанных предприятиях, выявляются необходимые для этого расходы. Раскрывается потенциал роста этих предприятий на основе современных интернет-технологий.

Key words: business model, innovation, innovativeness, e-business, online service, potential of growth.

Ключевые слова: бизнес-модель, инновации, инновационность, электронный бизнес, онлайн сервис, потенциал роста.

STATEMENT OF THE PROBLEM

Innovation is important part of e-businesses for development of attractive products and services. Many organizations spend a lot of money for research to develop products that are useful to their target markets. For instance, international corporations use many resources for research processes. Additionally, research helps organizations to understand measures, which decrease the overall costs of operations. This demonstrates that firms, who use innovations, have more chances, to become successful in the market [7]. Moreover, most online businesses depend on technological innovations in offering products and services to their customers. An e-business use technology to develop applications, which makes easier interaction between their representatives and customers. This process is accessible by the use of Internet platform.

Majority of e-businesses use different business models in their missions [7]. Additionally, the model used depends on the target customers and the type of the product and service. This assignment will explain different business models that three online businesses use in their operations. These organizations are Salesforce.com, AshleyMadison.com and Zopa Incorporations.

OBJECT

Innovative business models for enterprise development in the UK.

SUBJECT

Features of innovative business models in real-world electronic enterprises in the UK.

THE AIM OF THE PAPER

Research of innovative business models used in UK enterprises.

Objectives: disclosure of features of building innovative business models; their identification as an important factor of competitive advantage; characteristics of the types and conditions of use of innovative business models; assessment of the possibilities for their adoption by domestic enterprises.

METHODOLOGY

The theoretical basis of the study was the provisions of classical and modern economics, the works of foreign authors on modern business models and innovative technologies. When working on his thesis was used systemic and structural-functional approaches, the principles of dialectical logic, scientific methods of analysis, synthesis, abstraction, observation, comparison, detailing and expert assessments.

ANALYSIS OF RECENT STUDIES AND PUBLICATIONS

This problem has traditionally been paid much attention in the theory and practice of innovative management and

business economics. In the economic literature, the consideration of innovative business models of enterprises was the subject of research by representatives of various scientific schools and directions. In the course of studying these questions, the author used the works of foreign researchers and specialists — U. Atz, D. Bholat, L. Collins, R. Dorne, V. Doshi, N. Jasik, T. Liu, D. Lesaint, A. Madison, K. Oliver, G. Owusu, H. Pierrakis, R. Seppala, N. Sidharth, C. Voudouris, F. Weissman. However, a number of aspects of the use of innovative business models are interpreted in economic theory and practice ambiguously and therefore require further scientific development.

PRESENTATION OF THE BASIC MATERIAL

Business Model used by Salesforce.com Incorporation. Salesforce.com is an online business organization headquartered in San Francisco, United States of America (USA) [4]. Moreover, the company uses Software, as a Service (SaaS) technology on Customer Relations Management (CRM) [8]. At this point, the company shows connection between companies and their customers [4]. Additionally, the company develops applications, which help them to create one-on-one relationship with their customers. This process is essential for Salesforce.com Inc., as it shows customers' loyalty.

In addition, the company uses pay-as-you-go business model. Pay-as-you-go model has higher focus on customer's satisfaction. Moreover, pay-as-you-go model helps Salesforce.com to connect customers having particular demands to those companies, which can help to them [8]. The process like connecting customers with appropriate companies makes customers to feel satisfied. In addition, customers have a higher chance of feeling satisfied when they use this platform. It is more possible because it helps customers to make valid purchase decisions. On the other hand, companies have higher chances to get direct customers. These customers are referred to them by Salesforce.com Inc. Moreover, this process increases their customers and market share [6]. That is why, both large and small companies use services provided by Salesforce.com, to improve their CRM.

Core value propositions of utility model used by Salesforce.com Inc. The value proposition of Salesforce.com states that, "we make your customers love you" [4]. This value proposition can be measured through different matrices. In addition, these matrices show the level of achievements that the firm has, in contrast with other firms in the same industry. The matrices under consideration are Enterprise Value and price performances, which show: First of all, Enterprise's Value (EV) Multiples for Salesforce.com is a matrix for measuring value proposition of the firm. Moreover, it is obtained by calculating the EV (Enterprise Value/Equity) to its EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for a specific period. A firm, which shows a higher figure on this measure has better value proposition. For instance, Salesforce.com had EV-to-EBITDA of ~24.68x in 2014. However, other competitors like SAP and Oracle had ~10.95x and 9.03x [8]. Moreover, these numbers show that Salesforce.com Incorporation had higher attractiveness for its customers than competitors. The use of SaaS can be the reason of this

success. Since, the customers receive effective online services that enable connection between customers and companies.

Secondly, Salesforce.com Inc's Price performance measure shows the increase in the prices of its shares. Moreover, a positive movement shows better value proposition for a firm [6]. For instance, Salesforce.com had ~2.2% rise on its stock in 2014 [8]. Its stock/share value rose by 9% at this period of time. In addition, these number shows that this organization has positive reputation in the industry. This reputation is possible through its innovative applications that make 'customers love companies' where they purchase various products. Additionally, this firm has higher potential of achieving customer's satisfaction by using Internet services to access their customers. This is evident in the rise of its shares despite the competition from such companies like SAP and Oracle, especially in the US market.

Sources and methods of revenue generation in Salesforce.com Inc. Salesforce.com Inc. has various sources of revenue generation. For instance, it has the big deal with Amazon.com for the using of CRM services. This big deal helps the company to offer its CRM services for Amazon.com. Moreover, Salesforce.com Inc makes this for a commission of three percentages on the profits, which makes Amazon.com. Additionally, Apple and Dell also partners with this organization [8]. In contrast with Amazon.com, Apple and Dell pay fees to access the services that this organization offers.

Moreover, Salesforce.com Inc receives revenues from increasing of capital. For instance, its share prices were predicted to be seventy dollars by 2014, but then it was selling at seventy-five dollars [8]. This shows an increase/capital/revenue gain of five dollars per share.

Costs of revenue generation by Salesforce.com Inc. Salesforce.com spend \$ 0.52 million for advertising in December 2015. Additionally, the price of web hosting was fifty thousand dollars in December 2014. These costs are important for Salesforce.com to make sure that company operates normally and get adequate market presence. Moreover, these costs are essential, since the Salesforce.com Inc tries to compete with several strong companies, like SAP and Oracle [8].

Potential growth of the Salesforce.com Inc. This company has enough potential for growth. The company has possibilities through its innovativeness in application development and services delivery. For instance, its app (Data.com) increases acquisition and management of records of CRM [6]. This management is possible through the user's individual actions. For example, user opens an account with Salesforce.com and act in it at his or her pleasure. The app helps users to get a million of companies, which they prefer. Moreover, app and interface of Salesforce.com Inc. make easier to find information about companies. Basically, the convenience of this process increases the price of Salesforce.com Inc's shares.

Moreover, it has been a general increase in the global trends of automation in trade and service delivery. That is why, Salesforce.com uses advantage of Internet services to offer several of products to its customers. This demonstrates that its global importance will increase in future. Additionally, this became possible since, majority

of companies and users depend on technology for making their activities. Moreover, as was mentioned before the competitors like SAP and Oracle have worse results, since the company use more efficiently advertising and innovations to develop their apps. For instance, its current apps such as Data.com, Desk.com and site.com are essential for its future growth and development. Since, they offer unique and essential services to companies and customers who purchase from such companies.

Business Model used by AshleyMadison.com Incorporation. AshleyMadison.com is organization, which offers online dating and social networking services. Moreover, its target market is people engaging in serious relationships, but needs extra dating affairs [2]. The company has headquarters in Canada. AshleyMadison.com Inc. has slogan, "Find Your Moment". Moreover, this slogan demonstrates that company tries to connect all people around the world, where the company operates. Additionally, it is owned by Avid Life Media site [5]. The Avid Life media promotes its advertising campaigns to potential and actual customers.

This company uses credits business model in its operations [5]. This model helps for AshleyMadison.com to get in better position in networking industry. Moreover, the conversation between two people can proceed when one of them will pay at least five credits. Since the organization connects males to females, it demonstrates that most of males pay five credits for conversation.

Core value propositions of AshleyMadison.com Inc according to its credit business model. The main idea of the company is the same with the slogan, which they use: "Find Your Moment". In this point, the organization shows that the service, which they offer meet the requirements of its target customers. Moreover, this has been possible through the use of coding of users' accounts [5]. Such accounts were developed to protect any persons from accessing information, which are relevant to their customers. In addition, innovativeness of this firm helps to achieve positive reputation within its target market. The company receives revenues from users, since the security that company offers on their information. Moreover, the company developed the marketing tactic, which helps them to get new customers. Basically, the company use guerrilla marketing tactic. This marketing helps customers to get personal interest in the organization [5]. The interest is secure from the public.

Sources and methods of revenue generation in accordance with its credit business model. This organization has various sources of revenue generation. For instance, the company generates revenue from the credits that users pay in their first meeting. When a user logs into their accounts on this site, they have the chance to meet their preferred person. However, the only way of interaction can continue is through the pay of five credits. Basically, it is form actual payments for its services [2].

This organization can use some accounts without the their holders. Some of these accounts could be used by company, who actively interested in services that this firm offers. However, some account holders can delete their accounts from their website. The process of deleting such accounts is charged at \$ 19. That is why, the firm's guerrilla marketing tactics plus credit charges help it to generate

revenues especially from female users. Moreover, this happens because majority of female users who are less satisfied with this service may prefer to pay this fee for deleting of their information from website.

Costs of revenue generation incurred by AshleyMadison.com. The firm uses costs of revenue generation to make sure that it stabilizes its presence in markets. For instance, it pays to the Avid Life Media for advertising [5]. Additionally, company uses radios and billboards to attract customers. These costs were financed by its revenues and incomes. Moreover, the process of developing an interface with high level of security is costly to this firm. Since the company main advantage is security, the company spent a lot of money in developing accounts that have higher level of security [2].

Potential growth of AshleyMadison.com Inc. This online social networking organization has a chance to expand and grow in the future. This is possible for AshleyMadison.com through active research aimed at protecting data of its customers. The portal that users interact got some modification. Moreover, this has been achieved through the development of an interface, which requires several passwords before accessibility. This process provides confidence to majority of users. Additionally, this confidence has higher chances of increasing customers of this organization. That is why, the organization will develop in future parallel with social networks platforms like Facebook and Twitter.

Business Model Used by Zopa Incorporation. Zopa Incorporation is an online financial service provider. It is based in United Kingdom's capital, London [9]. Moreover, this firm uses technological innovations in offering its services. Zopa Incorporation's innovativeness is not the same with the traditional banking systems: that have existed for years in financial industry [1]. It was incorporated London in the year 2004. Moreover, Zopa Incorporation started its operations to the public in 2005.

Zopa Incorporation uses "direct model of business" [1]. This model helps it to match peers with lenders and borrowers without the involvement of agents. Additionally, this operation is the same with the direct business model.

Core value proposition of Zopa Incorporation depending on its direct business model. This organization uses a "zone of possible agreement" that connects lenders and borrowers [3]. That is why, peers have enough time to discuss problems, which are relevant to their financial needs. However, negotiation about percentage of interest and duration of operations was the biggest problems for majority of people.

This organization helps for a possible borrower to negotiate for interests with a lender. On the other side, a borrower can demonstrate his or her feelings about credits. Moreover, this process helps borrowers to show detailed information, which are relevant to their business ideas. If the lenders think that these ideas are successful, they provide credit to borrowers at an agreed rate and period. In addition, this firm develops an interactive interface, which enhances communication between borrowers and lenders.

Sources and methods of revenue generation for Zopa Incorporation. This company has various sources of revenue. For instance, Wellington Partners

Incorporation is one of its business partners [3]. Moreover, it provides liquidity to this firm through purchase of its shares. Secondly, the company gets revenues from service fees that it charges on lenders and borrowers by using its interface. This process is the main source of revenues that this firm receives from its operations. In this case, company agrees with the borrower and lenders on a commission that it charges before they proceed with their transactions. This process makes company's operations legal and accepted by the UK's Central bank [3]. Moreover, company's customers have more chances of being loyal. This is possible, since the quantity of money paid for transaction depends on agreement. It is usually less than the fees, which are established in commercial banks. That is why, this process motivates lenders and borrowers to use this platform.

Costs of revenue generation incurred by Zopa Incorporation. This organization uses different costs in its operations. For example, the company uses website to host and update its apps. Moreover, the company pays for webhosting services every year. This helps its customers to get full access of its information. Problems like updates on the firm's activities and services can be accessed easily because it pays for web hosting services. Additionally, the other costs, which the firm pays are the cost of site maintenance services.

The company hires Information Technology (IT) administrations whose responsibility is to ensure that the information, which is in this website is regularly updated. Moreover, these professionals are very important for the management of this firm's operations. That is why, this cost is among the overheads that this firm gives priority. Other costs include advertisements in Sunday Times and popular television programmes in the UK. These processes are essential in creating public attention on the existence and stability of this organization's services. The company spent £0.42 million on promotional services in 2015 [3]. This cost was important in ensuring that the company gets enough attention from the public to its activities.

Potential of growth of Zopa Incorporation. Zopa Incorporation has higher chances of growing and developing in the future. This is possible for several factors. First of all, the firm offers unique financial services that link borrowers and lenders directly. Moreover, this system of lender-borrower relationship is not offered by any other traditional commercial banking systems. Secondly, this firm uses innovativeness to develop interfaces that increase connection between borrowers and lenders.

The customization of the company's segments enhances agreement between the lenders and borrowers. This is possible because people with similar experiences connect directly. This process is the most important in reaching an agreement in the shortest time of period. Once an agreement occurs, the organization provides tracking software that helps lenders to access borrowers online. This process encourages lenders using this organization's interface. Lastly, this organization surpasses the rules that majority of banks underline in the loaning process.

CONCLUSION

In conclusion, innovation is essential in applying various business models to a firm's development and

growth. For instance, Salesforce.com Incorporation uses utility business model in its operations. It offers wider range of CRM services and directories to its customers. Its interface is designed to allow customers access information about their preferred companies. This process promotes its future success. This success is evident in the stability of its share prices. On the other hand, AshleyMadison.com Incorporation uses credit business model, which helps it to get incomes before advancing its services to its customers. Lastly, Zopa Incorporation uses direct business model to connect peers in lending and borrowing relations, which enables it to use Internet in developing an interface that allows financial and capital formation among peers.

References:

1. Atz, U. and Bholat, D. (2016), "Peer-to-peer lending and financial innovation in the United Kingdom", London: Bank of England.
2. Madison, A. (2016), "Find your moment", available at: <https://www.ashleymadison.com> (Accessed 21 August 2016).
3. Pierrakis, H. and Collins, L. (2015), "Banking on each others': peer-to-peer's lending to businesses: evidences from funding circles". London: Bank of London.
4. Salesforce (2016), "Grow lightning fast with the #1 CRM solution", available at: <https://www.salesforce.com> (Accessed 21 August 2016).
5. Seppala, R.H. (2016), "The crucial roles landing page have on online buying behaviors in online dating". Ottawa: Palgrave.
6. Sidharth, N. and Liu, T. (2007), "IAPF: A framework for enhancing web service security". The 31st Annual Computer Software and Application Conferences 7 (2), 23—30.
7. Voudouris, C. Owusu, G. Dorne, R. Lesaint, D. (2008), "Service chain management technology innovation for the service business", Springer [Online], available at: http://0-download.springer.com.unicat.bangor.ac.uk/static/pdf/462/bok%253A978-3-540-75504-3.pdf?originUrl=http%3A%2F%2F0-link.springer.com.-unicat.bangor.ac.uk%2Fbook%2F10.1007%2F978-3-540-75504-3&token2=exp=1471780376~acl=%2Fstatic%2Fpdf%2F462%2Fbok%25253A978-3-540-75504-3.pdf%3ForiginUrl%3Dhttp%253A%252F%252Flink.springer.com%252Fbook%252F10.1007%252F978-3-540-75504-3*~hmac=2908a6211d117dcfc46e1afca7c51aadaf9014777937b27888aac9ce45bf40b0 (Accessed 15 July 2016).
8. Weissman, F. Oliver, K. Jasik, N. and Doshi, V. (2014), "Salesforce. Com, Inc. Method and system for controlling accesses to custom object in the database". Washington, DC: U.S. Patent 8,095,531.
9. Zopa (2016), "See your tailored loan rates in just 3 minutes", available at: https://www.zopa.com/loans?gclid=Cj0KEQjw6O-9BRDjhYX-H2bOb8Z4BEiQAWRduk1l25p4pMLRmeBKR0cv5v0-t3gdMnHV-GsmQSQthJ1eMaAksY8P8HAQ&utm_campaign=affppcB18520244707&utm_medium=partner&utm_source=affppcB18520244707 (Accessed 15 July 2016).

Стаття надійшла до редакції 22.11.2017 р.