



# New directions in e-value creation: the case of roq.ad and the ad-tech industry

**Dr Chris Williams**  
**July 7<sup>th</sup> 2020**

# NEWS

## New robot technology to fight Covid care isolation

By Kenneth Macdonald  
BBC Scotland Science Correspondent

1 July 2020

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Coronavirus pandemic



https://www.bbc.co.uk/news/uk-53244626

# NEWS

## Coronavirus: Data needed quicker to target local outbreaks, say doctors

31 minutes ago

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Coronavirus pandemic



# NEWS

Technology

## Twitter apologises for business data breach

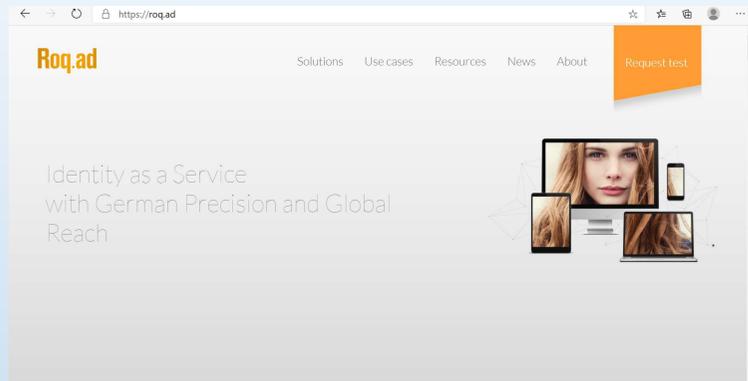
23 June 2020

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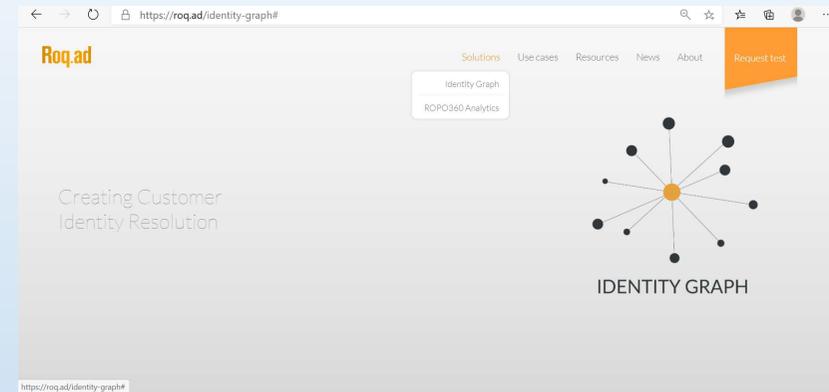


<https://roq.ad/>

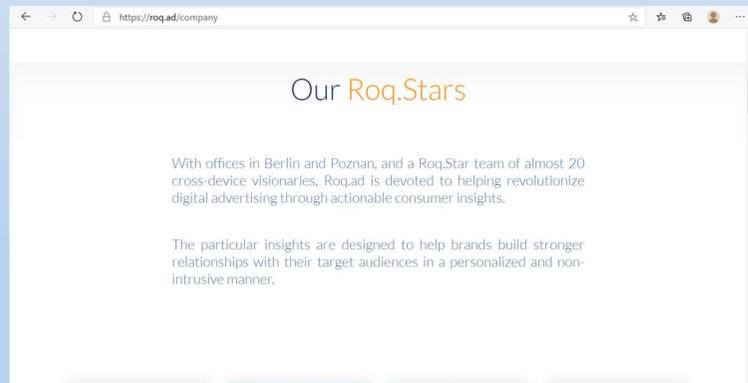
## Branding



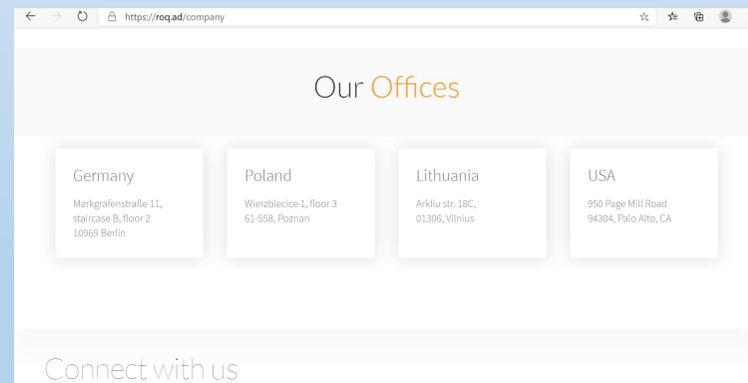
## Offerings



## People



## Locations



**Case: Williams, C. and Shafique, U. (2016) 'Roq.ad and the ad-tech industry', Ivey Publishing (product ID: 9B16M069).**

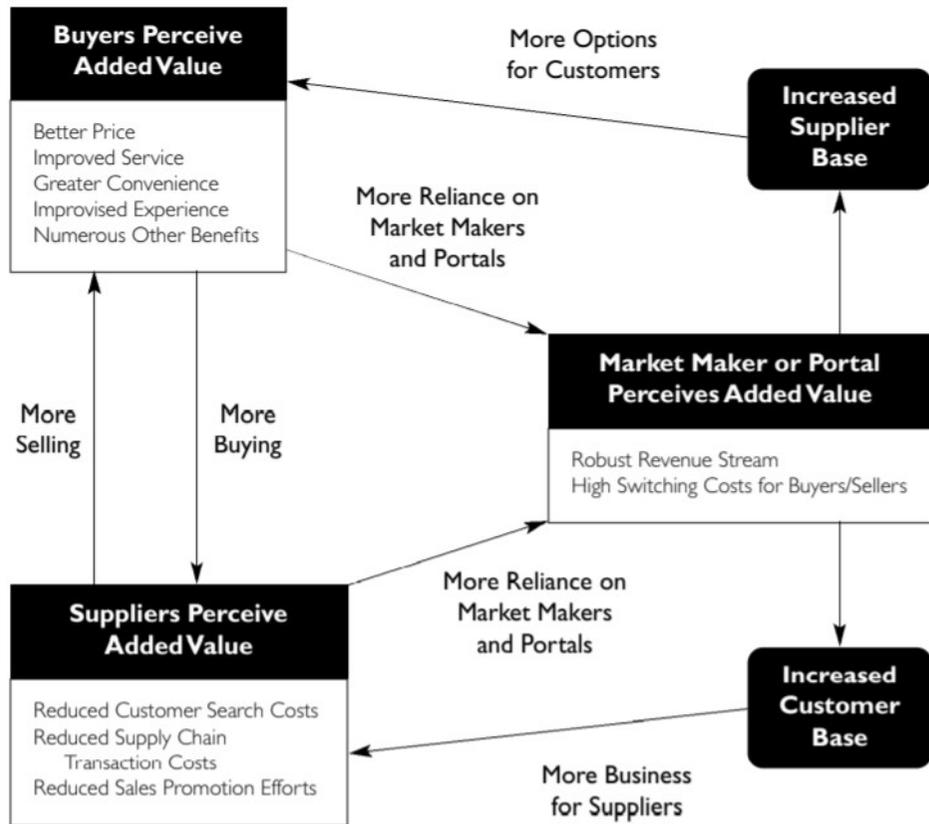
# General challenges in ad-tech

- Privacy concerns and differences in privacy legislation across countries
- Increasing numbers of patents in the industry
- Consumers continuously purchasing new devices and selling or disposing of old devices
- Availability and quality of deterministic data in different countries
- A large number of actors and middlemen in ad-tech advertising
- Increasing competition
- Larger, established companies, acquiring smaller start-ups
- Older competitors having first-mover advantage and access to larger repositories of data

# Specific challenges for roq.ad

- Estimation techniques
- Intellectual property protection
- Anticipating and responding to competitive actions
- Integrating and managing the international teams as a small firm
  - Socialization
  - Technical Competence
  - Communications
  - Entrepreneurial Orientation
  - Geographic Distance
  - Time Zone

**FIGURE 1.** Value Streams in Internet-Based Business



Mahadevan, B. (2000). Business models for Internet-based e-commerce: An anatomy. *California Management Review*, 42(4), 55-69.

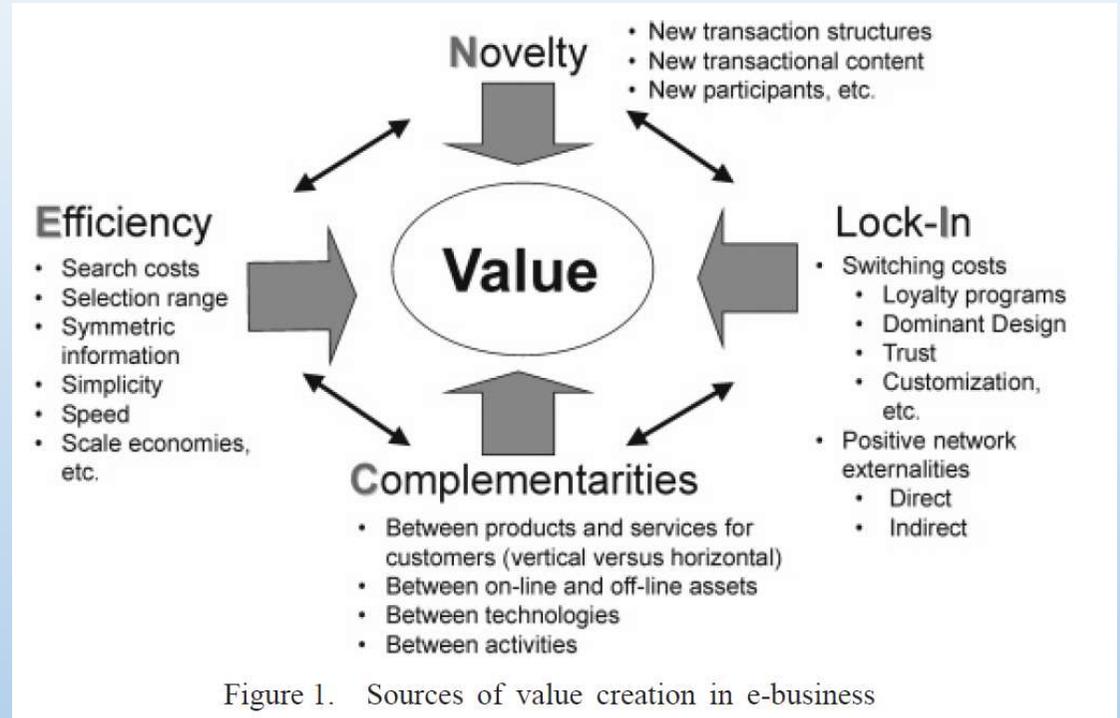
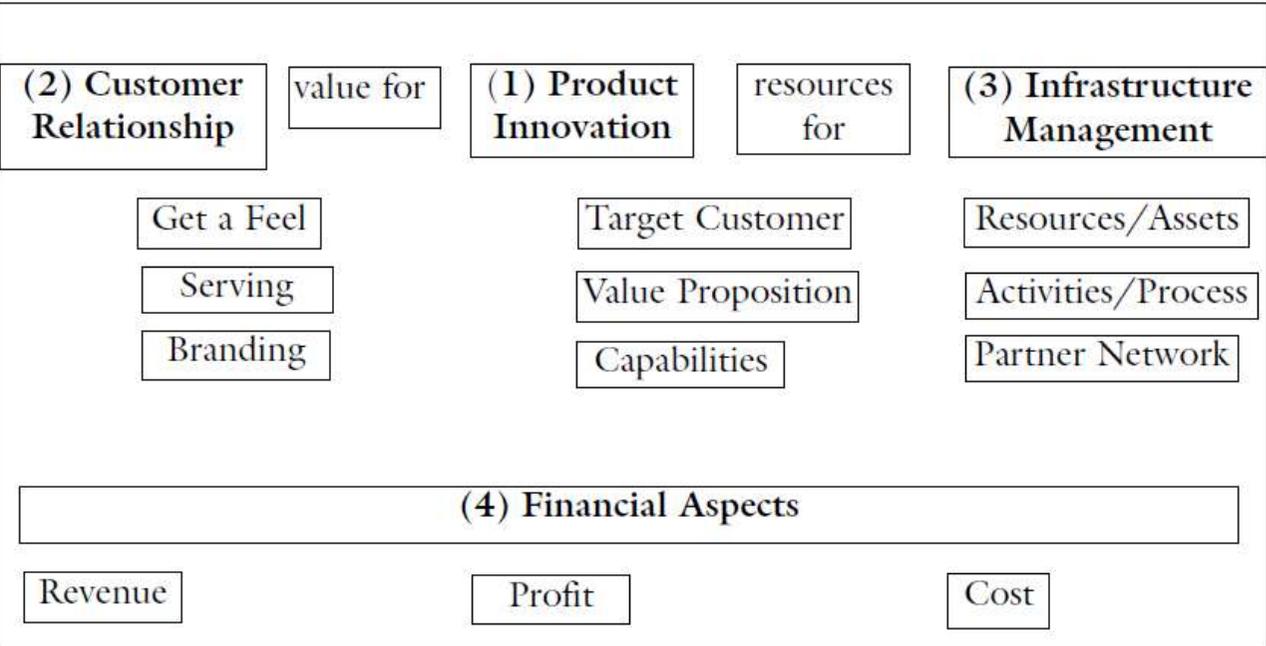


Figure 1. Sources of value creation in e-business

Amit, R. and Zott, C. (2001). Value creation in e-business. *Strategic Management Journal*, 22(6-7), pp.493-520.

**Figure 1. E-Business Model Decomposition**

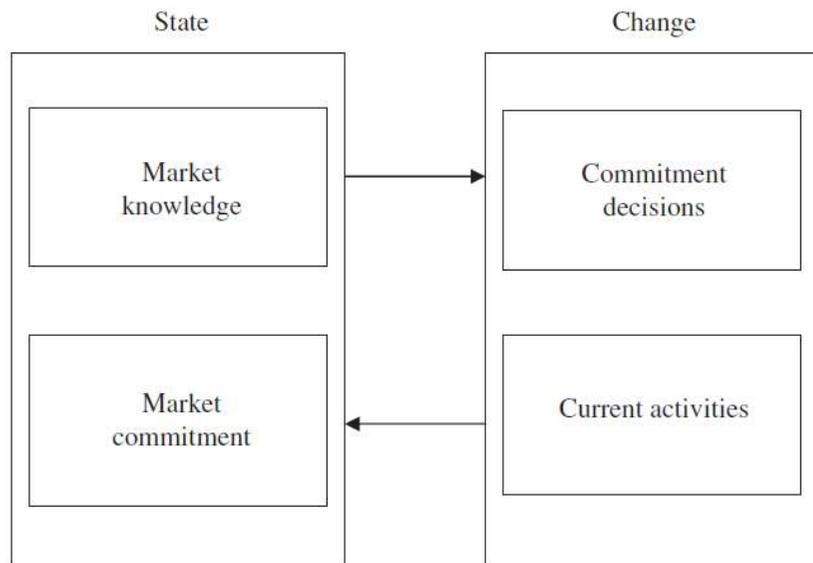


Dubosson-Torbay, M., Osterwalder, A., & Pigneur, Y. (2002). E-business model design, classification, and measurements. *Thunderbird International Business Review*, 44(1), 5-23.

**Table 1**  
Examples of the Business Models

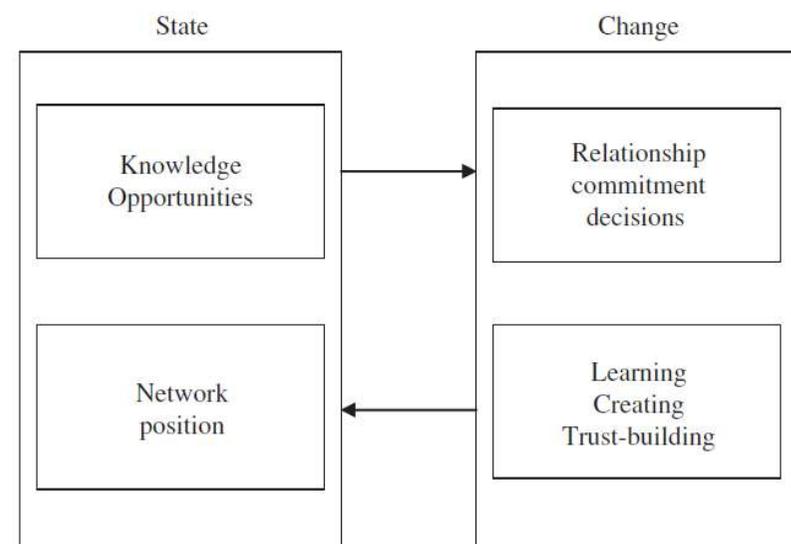
	Fast food chain – franchised BM	Boutique strategy consultant BM
<b>CUSTOMER IDENTIFICATION</b> Are users paying and if not who are the other customers?	<b>SIMPLE BM</b> User pays with franchisee as an intermediary	<b>SIMPLE BM</b> User pays
<b>CUSTOMER ENGAGEMENT</b> "Taxi" or "Bus"	<b>BUS</b> Scale based	<b>TAXI</b> Bespoke projects
<b>VALUE CHAIN LINKAGES</b> Integrated, hierarchy or networked	Highly tiered system of suppliers and franchisees, who are linked hierarchically	Almost all value is delivered by the firm, little outsourcing
<b>MONETIZATION</b> When, What and How is money raised	<b>COMPLEMENTARY ASSETS</b> Franchisee collects money from consumer and passes on fee	<b>VALUE</b> Often priced on the basis of fee plus share of the value created

Baden-Fuller, C., & Haefliger, S. (2013). Business models and technological innovation. *Long range planning*, 46(6), 419-426.



**Figure 1** The basic mechanism of internationalization: state and change aspects (Johanson & Vahlne, 1977: 26).

Johanson, J., & Vahlne, J. E. (1977). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. *Journal of international business studies*, 8(1), 23-32.



**Figure 2** The business network internationalization process model (the 2009 version).

Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of international business studies*, 40(9), 1411-1431.

# Misfit between theory and req.ad case?

Mahadevan (2000)	1548	50	0
Amit / Zott (2001)	7457	95	10
Dubosson-Torvay et al. (2002)	839	89	0
Baden-Fuller / Haefliger (2013)	930	155	0
	<b>10774</b>	<b>389</b>	<b>10</b>

- People – skilled data scientists
- Locations – availability of people who know data science
- Offerings – built on data for clients in specific locations
- Branding – data accuracy is the yardstick

# (Re)Decomposing the Case

What are **people** doing...



...in different **locations**...



...to build **offerings**...



...supporting a **brand** of accuracy?

Scale

Computational  
problems

Ethics

Data

# Key points

- The ad-tech industry: competition and entrepreneurship
- Early models of e-value creation have strengths: strategy and transformation in an entrepreneurial venture's core business model
- But they need to go further to incorporate the specific capabilities needed to profit from data science, solving computational problems accurately, exploiting scale, ethical decision making
- Don't forget internationalization!

THANK YOU

Questions and Comments