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# The Simultaneous Management of Business Model Innovation and Replication Processes: The Case of Airbnb's "experiences"

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#### **Abstract**

#### **Purpose**

This article aims to understand how organizations can simultaneously manage their business model innovation and replication processes.

#### Methodology

Using an exploratory qualitative approach, we analyze Airbnb's business model innovation and replication processes when the company launched its new value proposition labeled "experiences".

#### **Findings**

Our findings show that innovation and replication processes are designed, tested and implemented simultaneously. We underline the role of the platform in standardizing the key elements of the different stages of the processes. Through its digital platform, Airbnb can standardize its value creation and value capture processes to drive replication at scale.

#### Contributions and principal implications

Our paper contributes to strengthening a bridge between the literature on replication and business model innovation, to complement previous research on the Airbnb business model and to enrich the debate about the adaptation perspective in the replication literature. Our research has practical implications for entrepreneurs in the tourism and hospitality industry who would like to develop and replicate their business model using a digital platform.

Keywords: Airbnb, business model, digital platform, replication, business model innovation.

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#### Introduction

To remain competitive, companies must be able to manage business model innovation while replicating their business model. This can lead to what Winter and Szulanski (2001) call the "replication dilemma", which is a trade-off between replicating the current business model and changing it. To grow, a company must innovate by developing new business models and replicating them on a larger geographical scale (Szulanski and Jensen, 2008) while adapting to local constraints and pressures (Chliova and Ringov, 2017). To meet these challenges, organizations must learn how to manage both processes as quickly as possible as the speed and the cost of replication are critical in the current competitive setting.

The replication strategy literature explains that growth is based on large-scale execution of an established business model through replication in new locations (Winter and Szulanski, 2001). Previous studies (Baden-Fuller and Winter, 2008; Dunford, R., Palmer, I., & Benveniste, J., 2010; Grifell-Tatjé, E., Lovell, C. K., & Turon, P., 2018; Reuber, A.R., Tippmann, E., & Monaghan, S., 2021; Ringvold, K., Foss, N. J., & Elter, F., 2019; Winter and Szulanski, 2001) identify and seek to explain the replication process and scalability. However, these studies generally observe the replication of an existing business model without considering how the replication process can be integrated during the design and experimentation phases of an innovative business model. Less is known about the replication mechanisms of an innovative business model or how replication can interfere with the business model innovation process. Therefore, the research question of the paper is: How can organizations simultaneously manage their business model innovation and replication processes?

Empirically, this study uses Airbnb as an emblematic case of business model replication. Focusing on its new "experiences" value proposition, we qualitatively analyze the process of replicating its new business model during the innovation process. In connection with a recent study showing the facilitating power of digital technologies in replication (Tippmann, E., Sharkey Scott, P., & Mangematin, V., 2022), our findings show how digital platforms provide spaces for

exploring new business models and for scaling up a standard model for replication.

The paper makes three important contributions. First, it enriches previous research on the Airbnb business model by highlighting its ability to change and replicate its model simultaneously as a key driver of its success. Second, our research contributes to the replication literature by going beyond the basic "replication dilemma" debate and exploring the mechanisms that can support the innovation and replication processes. Third, it overcomes the opposition between precise replication and local adaptation by revealing how digital platforms provide a standardized framework with routine processes and tools for value creation which allow them to adapt to local specificities.

Our paper is organized as follows. First, we review important pieces of literature that focus on business model replication and innovation. Then we introduce our empirical setting and data collection procedures and present our data analysis. Finally, we present our empirical findings and conclude with a discussion.

#### Literature review

#### Business model replication

In the strategic management literature, replication is defined as an expansion into new countries based on the repeated application of a specific business model (Dunford et al., 2010; Grifell-Tatjé et al., 2018; Winter and Szulanski, 2001). In this sense, business model replication is a process that allows a company to mobilize the necessary components to replicate its business model in appropriate geographical locations (Winter and Szulanski, 2001). Replication is often associated with an internationalization or multinationalization strategy (Reuber et al., 2021), involving some form of replication-adaptation of the original business model to address local constraints (Chliova and Ringov, 2017). The replication process requires the transfer of tacit knowledge embedded in practices and the ability to routinize processes in different locations using its own specific resources (Baden-Fuller and Winter, 2008; Winter and Szulanski, 2001).

Previous studies (Baden-Fuller and Winter, 2008; Dunford et al., 2010; Winter and Szulanski, 2001) detail the replication process. Winter and Sulanski (2001) suggest that it comprises two different but interdependent phases: exploration and exploitation. The business model is created and refined during the first phase (exploration). During the second phase (exploitation), the business model is stabilized and leveraged through large-scale replication(s). Winter and Szulanski (2001) argue that a critical period in the process is the transition phase, when the challenge for the central organization is to develop the ability to support routine replication activities. Dunford et al. (2010) provide more detail and identify the following four processes used by ING Direct to replicate its business model: clarification - establishing the core business model elements; localization - responding to contextual conditions; experimentation - trying something new; and co-option - taking advantage of the experience of others. They claim that business model replication is a dynamic process in which exploration and exploitation have a continuing and iterative relationship and which needs a balance between centralized coordination and subsidiary autonomy. In a recent study, Ringvold et al. (2019) show that a rapid replication approach with a continued link between innovation and replication brings competitive advantage for companies developing digital services. This role of digital technology is also highlighted in the work of Tippmann et al. (2022) which show that digital businesses and the use of digital technologies can minimize local adaptations while accelerating business model replication in many national markets.

A central issue in the replication literature relates to the approach which the company chooses to follow to replicate its business model. Baden-Fuller and Winter (2008) compare the efficacy of two replication approaches: the template and the principles approaches. The template approach entails the use of working exemplars and closely copying them, whereas the principles approach aims to clarify objectives and the reasoning that links achievable subgoals to the intended outcome. Baden-Fuller and Winter (2008) show that these two approaches can be both substitute and complementary approaches. However, Winter, S. G., Szulanski, G., Ringov, D., and

Jensen, R. J. (2012) show that adapting a business model can be risky. Of the two options – precise replication of an established business model versus making local adaptations or developing local innovations – the first is found to be associated with lower levels of failure and higher performance. Their results show that too many deviations from a template can lead to unraveling of the business model's logic and to ineffective local operations (Winter et al., 2012). Their findings question the well-established predictions of the adaptation perspective and reopen the debate about the replication process.

#### Business model innovation

The business model innovation literature (cf. Nielsen and Lund, 2018) also discusses the replication process (Aspara, J., Hietanen, J., & Tikkanen, H., 2010) as it is strategic for contemporary organizations ( Wirtz, B. W., Mathieu, A., & Schilke, O., 2007). Business model innovation involves the design or redesign of several activities and core components of a business model (Casadesus-Masanell and Zhu, 2013). More precisely, it entails "designed, novel, nontrivial changes to the key elements of a firm's business model and/or the architecture linking these elements" (Foss and Saebi, 2017, p.201). As a business model describes the architecture of value creation, value delivery and value capture (Teece, 2010), business model innovation can involve the creation of or changes to all or some of these three value components. Thus, business model innovation is not just the creation, the adaptation or the adoption of a new business model (Mihalache and Volberda, 2021); it also involves the modification or reconfiguration of a pre-existing one (Massa and Tucci, 2013).

Many established and new companies have taken advantage of digital technologies to reinvent their business models through innovation (Rachinger et al., 2018; Bhatti et al., 2021). They have undertaken business model innovation based on digital platforms (e.g., Ebay, Airbnb, TripAdvisor, Amazon), connected objects (e.g., Apple Watch, bracelet Fitbit), artificial intelligence (e.g., Alexa, Google Home) and even big data (e.g., Uber, Google, Netflix). Regardless of the approach chosen – creation or redesign – the objectives are to obtain a competitive advantage, improve performance and grow or disrupt a market,

environment or industry (Massa and Tucci, 2013). In this sense, business model innovation entails a strong strategic challenge of exploitation and scaling to go beyond the simple (but costly) exploration of new opportunities (Amit and Zott, 2020). This issue of scaling up is particularly true in strategies of expansion from local to global, both nationally and internationally (Chilova and Ringov, 2017; Tippmann et al., 2022).

With regard to business model replication, various authors stress the key importance of exploiting innovation through a replication process to support sustainable growth by maximizing the value created and captured (Aspara et al., 2010; Latifi, M.-A., Nikou, S., & Bouwman, H., 2021; Szulanski and Jensen, 2008). Furthermore, from a temporal perspective, business model innovation and replication can be linked because any organization that has developed and stabilized a new business model can then create additional value by selecting elements to replicate in other suitable geographical locations (Winter and Szulanski 2001). In the same vein, Heij, C. V., Volberda, H. W., & Van den Bosch, F. A. J. (2014) seek to understand the link between business model replication and renewal in firms' performance. However, their work does not seek to understand in detail the interactions between the two processes of innovation and replication. Rather, it compares two types of business model innovation: 1) replication and 2) renewal (introduction of a new business model that outperforms the existing one). Another work conducted by Garcia-Castro, R., Ricart, J.E., Lieberman, M.B. & Balasubramanian, N. (2018) seek to compare which of the business model innovation or replication activities are better at promoting productivity. Again, the two processes were studied separately and compared without the relationship between the two being the focus of the study.

Despite recent attempts to incorporate the replication perspective into the study of business model innovation, to our knowledge no study has sought to understand how organizations can manage the two processes over time in a connected way. Moreover, even if digital technology is a lever for business model innovation (Rachinger, M., Rauter, R., Müller, C., Vorraber, W., & Schirgi, E., 2018) and a facilitator in the business model replication on national markets

(Tippmann et al., 2022), no study to our knowledge observes its role in a double view of business model innovation and replication processes. If replication is a way of exploiting a business model innovation to facilitate its scaling, then it is important to better understand the relationship between these two processes. This study proposes to fill this gap by examining the case of Airbnb.

#### Methodology: the Airbnb case study

Based on a constructivist interpretive paradigm which enabled us to better iterate with our respondents (Justesen and Mik-Meyer, 2012), we chose the world-famous digital platform Airbnb as our case study. Focusing on its so-called "tourism experiences" innovation, we set out to analyze the company's business model innovation and replication processes.

As the business model replication phenomenon has been poorly studied, we employed an exploratory qualitative methodology for our research (Huberman and Miles, 2002). This qualitative method, which is most appropriate for "how" questions (Pratt, 2009), uses process-based analysis to better understand the functioning of the phenomenon. We chose Airbnb for our case study because it is an emblematic case of business model replication (Gallagher, 2017). From its creation in 2008, Airbnb developed a strategy to replicate its accommodation business model geographically before innovating in tourism experiences. Airbnb's originality is based on the openness of its digital content and the collaborative organization of value transactions which empower users to create a variety of offerings (accommodation, tourism experiences, etc.) that are impossible for the company to provide through its internal resources alone. More importantly, as Airbnb's digital platform provides a type of working template or operation principles, it makes the case particularly relevant to the current business model replication literature. From the perspective of a single case study, a qualitative approach using primary and secondary data is required to in-depth study the phenomenon (Huberman and Miles, 2002).

#### Data collection

Our data collection process focused on Airbnb's

business of tourism experiences. Launched in 2017, this innovative offer meets the company's desire to provide more than just a simple accommodation rental service for travelers and guests. Indeed, Airbnb's strategy is focused on the travel experience and this new business allows it to address the travel agency market. To develop this new value proposition, Airbnb has evolved its business model and has implemented a replication process to allow users (who do not need to be hosts or travelers) to offer tourism experiences to increase the activities that are available during a trip. Our primary data collection therefore focused on the company's Paris, France site, where the research and development (R&D) team responsible for the tourism experience activity is located. We chose this team because it manages the innovation process related to Airbnb's new tourism experiences offer as well as the business model replication process. Between May 2018 and May 2019, we conducted five semi-directed interviews<sup>1</sup> and one focus group, all in French, following a three-step approach:

- 1. An initial collection of data through three semidirected interviews with the Global Experience Manager (which lasted between 60 and 90 minutes) to understand Airbnb's strategy, the historical development of its business model, the role of the digital platform, its network of partners, the innovation process of tourism experiences and the business model replication process. This first step was crucial for understanding how Airbnb uses its digital platform to locally find replicable innovation opportunities, how it launches the process to develop the innovation (with strategic and commercial implications at the business model level) and then initiates the replication process on a larger scale.
- 2. A focus group at an Airbnb meeting with partners in Paris. The objective was first to conduct passive observation of a coordination meeting with local partners. Airbnb faces the challenge

<sup>1</sup> For reasons of confidentiality, we were not allowed to give the names of the interviewees and only their business functions are indicated

of offering a global yet local service in many cities around the world. The local ecosystem of partners is crucial for its business model operation, and Airbnb regularly ensures that these partners are involved qualitatively, especially when an innovation is being developed and replicated. In the case of tourism experiences, the objective of the Paris R&D team is to develop new experiences (innovation) and ensure their replication (business model point of view) through their digital platform. The orchestration link with local partners is therefore important for ensuring the feasibility of tourism experiences and we observed this link during the meeting. We then conducted a small focus group to ask the partners about their role in the replication process and the role of the digital platform in their links with Airbnb. These elements allowed us to better understand how the replication process looks at the local ecosystem before considering global diffusion.

3. Finally, we conducted two semi-directed interviews with a Regional Community Manager and a European Business Manager (which lasted between 60 and 75 minutes). The objective was to better understand the role of the digital platform in the orchestration between the members of the community who offer accommodation and tourism experiences and Airbnb, at both the local and global levels. At the local level, the interview with the Regional Community Manager helped us understand how opportunities for innovation are detected via the digital platform and the community, and how Airbnb works with users to develop their experience for future replication. We thus collected data on the specificities of local orchestration with several perspectives (process, tools and platform). At the global level, the interview with the European Business Manager allowed us to understand the role of the digital platform in the orchestration of the replication process and how Airbnb replicates new types of tourism experiences at the European level and engages large numbers of users in their development.

The interviews were conducted in French, the mother tongue of both interviewers and interviewees, and transcribed manually by one author. These three data collection steps enabled us to understand the two processes of business model innovation and replication. These primary data were then validated, enriched and completed using a substantial amount of secondary data. As Airbnb is a highly mediatized international company, a wide variety of secondary data are available on the company's history, values, strategic development over the years, business model, evolution of its digital platform and collaboration with the community, etc. As well as carefully studying the Airbnb website, we collected around 20

press articles, several YouTube videos (interview/s) and a book about Airbnb (Gallagher, 2017). The summary of secondary data and their use is presented in the Table 1 below. The details of these data are presented in Appendix1.

#### Data analysis

We analyzed the data in two stages. First, we analyzed the interviews and synthesized the information in a written summary structured around three points: 1) Airbnb's strategy; 2) the development of the new innovative "experiences" offer and 3) the replication process from the local to the global level. By presenting this synthesis to and validating it with

Table 1.			
Туре	Secondary data	Use for analysis	
Press articles (22)	Articles about the impact of Airbnb in the tourism industry (6) Articles about the business model innovation of tourism experiences (11) Articles about the story of Airbnb (past, present and future) (5)	Triangulating primary data about business model development, innovation and replication processes.  Understanding global motivations for innovation and replication.	
Video (10)	Interview of Airbnb co-founders (Joe Gebbia, Brian Chesky and Nathan Blecharczyk) about the story, strategy and success of Airbnb (6) Interview about the scalability of the Airbnb business model (4)	Triangulating primary data about global strategy and the launch of the innovative business model of tourism experience. Understanding the levers of scalability and replication.	
Book (1)	Gallagher, L. (2017), The Airbnb Story: How Three Ordinary Guys Disrupted an Industry, Made Billions and Created Plenty of Con- troversy, Houghton Mifflin Harcourt, 258 p.	Triangulating primary data to understand the history, values, strategy (business model), digital platform, innovation and success of Airbnb.	
Web (3)	News Airbnb website Blog Airbnb Airbnb Citizen website	Understanding the collaboration with the community and the role of the digital platform.	

Table 1: usage of secondary data collected

the Global Experience Manager, the head of the R&D team in Paris, we were able to identify and formalize the different steps in the business model innovation and replication processes.

Second, we triangulated these primary data with our secondary data to reinforce the findings of our first analysis to better understand the global strategy of the company and the co-founders' vision about innovation, replication and scalability (cf. Youtube interviews). We completed our data compilation using new primary data from the focus groups and the two interviews with the Regional Community Manager and the European Business Manager to better understand replication at different levels (regional, national and international / Europe).

#### **Findings**

Our data analysis shows that the business model innovation and replication processes are intertwined because they are designed, tested and implemented simultaneously. By standardizing key elements of the processes, the digital platform supports the replication of the new business model. The new value proposition is designed and tested both to create and capture value on a large geographical scale.

## The business model innovation and replication processes are intertwined

Our analysis of the Airbnb case, focused on the introduction of its new "experiences" value proposition, shows that its business model innovation process has replication objectives and challenges. Interviews with the Global Experience Manager (who led the development of the experience business model across Europe) helped us identify three key steps: (1) the local experimentation (in one large city) of tourism innovations (experience prototypes) co-created by the community and Airbnb, (2) the local replication (in other large cities) of tourism experiences with the highest profitability potential and (3) the global replication of the tourism experience offer at the international level to automate value creation and capture. As Figure 1 shows, during the innovation process, these three steps of replication are taken to test the value capture potential of the business model innovation.

In the first step, which we call "community innovation and experimentation", the potential for creating and capturing value for the community is examined

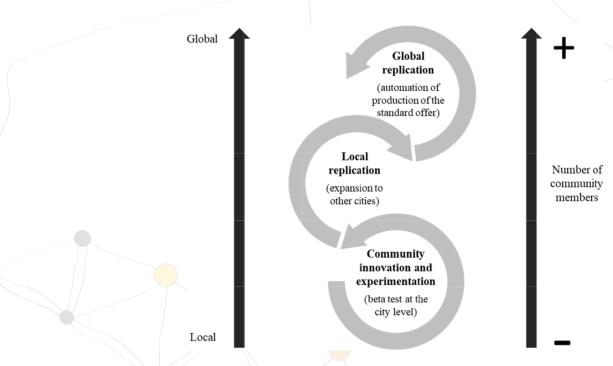


Figure 1: The business model innovation and replication processes

at the level of a single city. For replication, the aim is to identify the categories, formats and characteristics of the experiences that will interest the community and generate valuable transactions. At this phase of experimentation, the digital platform becomes a space for value creation because it provides toolkits for creating, valuing and delivering new tourism experiences and for managing associated bookings. The objective is to support hosts in creating autonomous value in line with Airbnb's quality requirements. As the Global Experience Manager detailed (translated from French):

"The starting point is to experiment the market with prototype experiences. We need to see what works and what doesn't, so we have to listen to the market and learn by observing. In France, for example, we targeted Paris and worked with certain members of the community to co-create experiences by voluntarily positioning ourselves on a high-quality level because it's easier to go down in quality than up... What we are looking for 'hall success', the concepts of experiences that are most appealing and that bring in bookings, which is mandatory if we want to open up to other cities for scaling."

During this step, the platform is also a space for dialogue, collaboration and regulation through the community management process, which is organized geographically. Our secondary data clearly shows that the Airbnb community is spread across multiple locations and the relationship with stakeholders takes place at different geographical levels, from the most local to the most global. This relationship is essential for Airbnb to stay close to the community, its needs and expectations, as well as for identifying opportunities for innovation and evolution. The business of tourism experiences has developed as a result of this form of monitoring, as the co-founders of Airbnb explain in their interviews. By observing that some hosts were offering experiences in addition to accommodation, Airbnb realized that this provided an opportunity for business model innovation. For example, the company found that some hosts were organizing meals to give travelers more value and some were offering sporting or cultural activities as a complement to the accommodation to encourage travelers to book their stay. This idea of tourism experiences was therefore born from observation of the Airbnb community and initiatives that provide additional experiences to that of travel. The digital platform is therefore a space for exploration.

"Airbnb, it's the community, it's the platform, it's our market space and our link with the users. Without the platform Airbnb does not exist. We use it as an observation and monitoring space, that's how the idea of the tourist experiences came about. We observed some hosts who offered activities in addition to their accommodation. We thought that there was a new possible business and a way to be innovative." (Global Experience Manager, translated from French)

Our study of the Parisian R&D team shows that, to develop innovative tourism experiences, Airbnb has set up an educational support process to orchestrate the relationship with local franchisees (lead users) manually, whereby each innovation is assessed individually. A manual approach is required here because the innovation must be formalized before being offered and delivered on the platform. The result is a process of value co-creation. One example of this is the cultural experience offered in Paris where a Louvre Museum guide offers an amusing experience, combining a visit to the museum with standup comedy. Through collaboration with Airbnb, the user (Cedrik - the guide), realized that he could combine his work with his passion for stand-up comedy. The experiment was first prototyped and then tested several times to find the right formula (price, duration, content, etc.). For the past two years, the "Laugh your way through the Louvre" experience (which has been extended to "Laugh your way through the Musée d'Orsay") has attracted more than 4,000 visitors and more than 1,300 positive reviews. Building on this success, other concepts of amusing visits have been replicated in cities around the world.

"When we prototype an experience with a user, we are in manual mode, the platform allows us to communicate but there is no automation of the process. This is normal because we have to check the consistency of the experience, if it is well positioned in our repository and judge its

commercial potential. Our objective is to validate the hall success. If we see that it doesn't work, then we work with the user to improve the characteristics of his experience, his concept, the price, etc. We work until the experience is fully validated." (Global Experience Manager, translated from French)

A small, centralized team, which can act and react quickly according to local demand, is involved at the community experimentation step. The objectives here are to prototype new local value propositions with actors such as users and partners, and to validate their local consistency, attractiveness and market positioning. There is genuine human assistance in value creation and proposition. During this learning and experimental phase, attention is focused on identifying the potential for creating and capturing value for the community at the level of a single city.

In the second step, which we call "local replication", the potential for geographical replication of local offers in other territories is tested. This step allows new concepts of tourism experiences to be extended to other cities, with rapid incubation to test the market reaction. As the focus group shows, it is also a question of validating whether the same ecosystem of partners identified in the experimentation phase can be found in other cities to support the replication of successful experience concepts. The digital platform is crucial because it supports and orchestrates the replication process from the local level to the global level. As the Regional Community Manager explained (translated from French):

"After the experimentation, we try to find out if a 'hall success' in one city can be extended to other cities. This is fundamental because the traveler must be able to find the same concept of experience everywhere in the world but still have something unique locally. So now we're opening up with the platform and looking for users in other cities ready to duplicate an experience that has worked well in Paris."

This is the case with unusual experiences or visits to secret places in large cities. By observing the creation of these thematic experiments in the city

of Paris, Airbnb saw there was a demand there that could be replicated in other European cities. Thanks to its digital platform, this type of experience quickly spread to other capitals such as London, Amsterdam, Berlin and Brussels. The replication logic always starts at the local level before moving to the global level and has three key objectives: 1) searching for highly successful and potentially replicable elements of the offer; 2) searching for product-market fit and profitability on successful elements of the offer; and 3) searching for scalability. During this step, there is also manual assistance for value creation and proposition because the objective is to validate local adjustments (logistic, strategic, market, partners) to replicate (manual) value creation on a large scale. At this stage, attention is focused on the product-market fit. This process involves a larger team, which operates seven days a week in three eight-hour shifts.

"The objective of phase 2 is to find the product market fit, i.e., the economic balance for each experience concept in order to set up the productivity of the offer. This is an important moment because you can see immediately which experiences can be replicated or not... Here we are still in manual mode to make adjustments locally, from a market, logistical and strategic point of view... The incubation period is deliberately short because the idea is to observe the reaction of the market and the guests." (Global Experience Manager, translated from French)

In the third and final step, which we call "global replication", the objective is to validate the offer on a large scale. At this stage, the manual mode is switched to automatic mode. The objective here is to automatize the value creation and proposition to empower users in the development of the tourism experience offer. At this point, the digital platform is no longer a tool for exploration but is a place for economically exploiting the offer. 'In this final process, the development teams turn to digital automation. As the European Business Manager highlighted (translated from French):

"Once we have the product market fit, the objective is to scale up at the global level to achieve

optimal economic value creation. At this point, the offer is well established and is applied horizontally to several flagship cities in Europe. The idea here is to create as much value as possible to make the experience offer a dominant offer."

A typical example is that of culinary or gastronomic experiences, such as arranging musical dinners and cooking classes, tasting local products and offering dinner cruises, etc. The search for success made it possible to match supply with demand and the search for product-market fit made it possible to check the economic model. It was during this exploration that the concept of the food tour emerged, offering a simple and highly replicable concept while remaining specific to local food and local food partners. In this example, Airbnb learned that the city was a place of thematic discovery where various experiential tours could be offered. This has made it possible to create wine tours, vegan tours, cultural tours, art tours, dinner boat tours, bar tours, etc. The digital platform thus acts as a digital incubator for change and replication at the same time.

"For the final scaling stage, the platform does everything. We go into automatic mode and open the floodgates wide. The issue here is speed of execution. We are no longer necessarily involved in innovation but just in the diffusion of the offer on a global scale thanks to digital technology." (Global Experience Manager, translated from French)

#### The role of the digital platform

Our primary data show that the platform is the digital place which enables the replication capacity of innovation to be measured and tested. By standardizing the key elements of the different stages of the process (see Table 1), the platform enables innovation and replication to be articulated. In the first step, the role of the platform is to orchestrate the emergence of the innovation within the user community with a view to realizing its replication potential. To do this, the experience categories and their formats are standardized. The aim is to categorize the value proposition and to validate the revenue model of each experience. In the second step, the role of the platform is to test the geographical scalability from

one locally approved offer to other localizations. To do this, the technical, narrative, social and marketing characteristics of each type of experience are standardized. The aim is to validate the scalability of each experience. In the final step, the role of the platform is to digitalize the management of the global offer. To do this, the format of input interfaces for the forms to be completed giving the characteristics of each experience are standardized. The aim here is to automate the replication of experiences.

"The platform becomes more powerful as we move through the process. Even if we start out in manual mode, we use the platform to communicate and frame the experimentation. Then, we increase our power to automate the community because the skeleton of the offer is validated, so we look for the product market fit. Then the platform takes over completely because the offer is in production, so we look for profitability." (European Business Manager, translated from French)

In light of the secondary data that tracks the success of Airbnb and in particular the launch of the new tourism experience business model, we can see that Airbnb is thus able to standardize the value creation and value capture processes to promote large-scale replication. The digital platform is therefore the instrument of standardization. For example, the in-depth study of the process of creating a tourism experience on the Airbnb platform shows that the process is completely standardized and provides educational support for users to create an experience that meets Airbnb standards. Users must follow three steps in this process: 1) learn about Airbnb's experience expectations; 2) create the experience; and 3) submit the experience for review. In accepting this process, users must first complete a questionnaire that explains why they are interested in organizing an experience. Later in the first step, where the users learn about the company's expectations, Airbnb explains what the company expects from an experience, particularly the need to convey a passion and ensure that the traveler has a memorable experience. The users also learn about the kinds of experiences that are unacceptable to Airbnb. Examples include a simple service (e.g., transport), a banal activity or an impersonal approach involving many people (e.g., a cultural visit with 20 people). These tips are also

Table 2.				
	Community innovation and experimentation	Local replication	Global replication	
Role of the platform	Orchestrating emergence of the innovation within the user community with a view to realizing its replication potential. Standardization of experience categories and their format.	Testing the geographical scalability from one locally approved offer to other localizations. Standardization of the technical, narrative, social and marketing characteristics of each experience format.	Digitizing the management of the global offer. Standardization of input interfaces for the forms to be completed giving the characteristics of each experience.	
Objective	Categorization of the value creation and validation of the value capture of the experience	Validation of the scalability of the experience	Automation of the replication of experience	
Level of automation	Low (manual mode)	Medium	Full	

Table 2: the role of the platform in the business model innovation and replication

included on the Airbnb blog and Citizen website. This learning phase enables Airbnb to disseminate its standards policy to the creators of experiences.

The second step gives users access to the online experience creation tool. This tool provides the users with educational support and enables them to define their idea by choosing a location (verification of the city's eligibility), a main theme (chosen from a standard list of themes, such as "cooking" or "sports and mountains") and a secondary theme (optional but also chosen from a list of standard themes). Once the idea is defined, users are again advised of what Airbnb looks for in terms of experience (depending on the chosen theme). The users then provide information about their main language (French, English, etc.), their target audience and the organizer's skills. At this point, the tool recommends that the users

consult documentary resources (for example, documents on "the three pillars of a quality experience" or "10 points to check for a better experience"<sup>2</sup>). Once they have created the experience, the users can view the layout and then enter the parameters of price, time, etc.

"For the experiences, we have a pedagogical editor that allows the user to have advice on how to create his experience... We also have the photo editor to highlight the experiences." (Regional Community Manager, translated from French)

The third step is to send the experience proposal to Airbnb for review. The objective of this is to

<sup>&</sup>lt;sup>2</sup> Airbnb's documentary resources are available on the company's blog: <a href="https://blog.atairbnb.com/the-3-pillars-of-a-quality-experience-fr/">https://blog.atairbnb.com/the-3-pillars-of-a-quality-experience-fr/</a>

standardize the quality of online experiences. Airbnb's positioning is deliberately top-of-the-range, and the description of the experience must reflect this quality. For example, in the event of poor-quality pictures, blurred descriptions or non-alignment with Airbnb's values, the experience must be improved, and users are invited to consult different documentary resources to help them improve the offer. At this stage, the focus group conducted with the partners shows that beyond the documentary resources, the local partner ecosystem is also a real support for the organization and feasibility of a tourist experience.

This fully automated process allows the tourism experience to be replicated on a large scale, which is corroborated by our secondary data addressing the issue of scalability. How the economic value from transactions is captured is also based on a single process that is formalized on the platform with standard rules (e.g., a service fee of 3% for hosts and 12% commission for each booking). In parallel with this standardization, which provides a common structure for the digital service, Airbnb makes its value proposition available to different users to generate a variety of local hostings and experiences in each city covered. The availability of digital content (narrative description, picture and evaluation) produces this variety using digital toolkits hosted on the digital platform (technology closure), thereby providing economies of scope. Airbnb's business model is thus replicated on a standardized basis with a common structure for the digital service (standardized interfaces, categories and digital tools), achieving scalability. Finally, these results show that the digital platform is an instrument for standardization.

"We need to help users create the best experience possible, it is our job to help them do that. Our tool is the platform and all the tools we can provide to help them. Our strength is that a user anywhere in the world can find the same interface and the same standard offer." (Regional Community Manager, translated from French)

#### Discussion and Conclusion

Our research focused on business model replication and sought to understand how Airbnb was able to

sustain both the innovation and replication processes of its new offer of tourism experiences launched in 2017. Our results show that, with the role of the digital platform as a tool for standardizing, business model replication and business model innovation are intertwined.

First, our paper contributes to strengthening a bridge between the literature on replication and business model innovation (see Garcia-Castro et al., 2018) by going beyond the baseline debate about the replication dilemma and exploring how innovation and replication can be managed simultaneously (Winter and Szulanski, 2001). This bridge is enriched by the instrumental role of the digital platform, which shows once again the power of digital technologies in the development of sustainable digital business model, innovative and replicable on a large scale (Parmentier and Gandia, 2022). Indeed, we argue that the platform is a local space for exploring and adapting a new value proposition as well as a global marketplace for testing the scalability of the new value proposition at the global level. The articulation between innovation and replication is ensured by an iterative process of standardization from the local to the global level, which provides a common structure for the digital service (standardized interfaces, categories and digital tools) in order to achieve scalability. The Airbnb case suggests that digital platforms are not a simple market or social place (Gawer, 2014) but a tool for standardizing both the innovative and replication business model processes. The innovative side of the process is organized and conducted by the platform, particularly through experimentation. The objective is to refine the design of the value creation and value proposition for future replication, which confirms the key role of the digital platform to anticipate the scaling up in business model innovation (Chilova and Ringov, 2017; Rachinger, M., Rauter, R., Müller, C., Vorraber, W., & Schirgi, E, 2018). At this stage, local testing of the potential for business model replication makes it possible to define the standard extensions of the platform. Once the platform is extended with new standard elements, it then supports global business model replication.

Second, our results complement previous research on the Airbnb business model (especially Dogru, T.,

Mody, M., Suess, C., Line, N., & Bonn, M., 2020; Vinogradov, E., Leick, B., & Kivedal, B. K., 2020) by showing that part of the company's strategy lies in its ability to innovate and replicate its model simultaneously. By continuously exploring the local to improve exploitation of the global, Airbnb constantly challenges its business model in order to evolve it according to market demands and opportunities. This ambidexterity perspective (O'Reilly and Tushman, 2004) of the Airbnb business model enriches the research that shows how replication and innovation renews economic performance (Heij et al., 2014; Winter and Szulanski 2001). As well as being linked to its position in the sharing economy (Oskam and Boswijk, 2016) and to the level of trust that users place in the platform (Reinhold and Dolnicar, 2018), Airbnb's success is also linked to its ability to profit from the local diversity of accommodation and tourism experiences offered and then to replicate them at the global level as a standard offer. Thus, we extend the previous empirical studies on Airbnb (especially Cheng, M., and Jin, X., 2019; Dogru et al., 2020; Oskam and Boswijk, 2016; Reinhold and Dolnicar, 2018; Vinogradov et al., 2020) by providing a more-detailed understanding of the explanatory factors of its success.

Our research makes a third more specific contribution to the replication literature (Szulanski and Jensen 2008; Winter and Szulanski 2001; Winter et al., 2012) by enriching the debate about the adaptation perspective, which advocates that new business models must incorporate replication of the local characteristics of new host environments (Chilova and Ringov, 2017). This finding reinforces the observation that digital technologies facilitate replication by minimizing local constraints in a national and international expansion (Tippmann et al., 2022). Indeed, our analysis shows that the Airbnb platform enables the business model to be replicated on a standardized basis while benefiting from access to local diversity. Each new location that Airbnb covers can bring opportunities for innovation (new types of accommodation or types of tourism experiences) without being subjected to local specificities as constraints. The digital platform is therefore an instrument for business model standardization (see Baden-Fuller and Winter, 2008) because it provides a normalized framework with routine processes and standard tools for value creation, delivery and capture. The digital platform plays the role of an incubator for change by connecting the local with the global and become strategic to solve the tension replication-adaptation (Reuber et al., 2021), which is particularly strong in a context of internationalization (Chilova and Ringov, 2017).

#### Implications for practitioners

Our research makes a key recommendation for actors such as entrepreneurs in the tourism and hospitality industry who would like to develop and replicate their business model using a digital platform. In line with the Airbnb case (which illustrates a community digital service business model), it is essential to routinize access to digital content because it allows users to engage in value-creating behavior which produces a part of the service. The business model must therefore be technically structured, with a digital platform that provides a space for exploring and exploiting the service. To profit from effective replication, managers must consider how to standardize their offer in terms of value creation and delivery. As a result of causality, the more standard and replicable the offer is, the greater will be the potential for value capture, especially economically. It is therefore necessary to think about the processes, interfaces, tools and documentation which will make it possible to educate and support users in creating value. This standardized environment is an effective way to give users creative autonomy while controlling what they produce. In providing support, it is essential to make users aware of the company's values and the expected level of quality. Indeed, standardization of the offer implies overall homogeneity in terms of the value delivered. If users participate in value creation, they must reinforce this homogeneity without distorting it. The company must therefore communicate its expectations transparently (what is acceptable and what is not) to provide educational guidance to users. Finally, it is necessary to sequence the replication process from the most local/specific to the most global/general. Airbnb's three key objectives (high level of success, product-market fit and scalability) demonstrate this. The idea is to objectify the replication process to reduce the risks at each phase by identifying high value-added elements that can be replicated on a large scale.

#### Limitations and future work

Beyond the methodological and conceptual limitations of our study, there are several avenues for research that could be explored.

First, it would be interesting to go beyond the limits of our unique case study to analyze other cases of business model replication through digital platforms. The digital economy is rich in examples that could improve our understanding of the interaction between the business model and the digital platform. Similarly, specific economies, such as the social and solidarity economy or the circular economy, could provide interesting cases for examining the issue of business model replication from a different point of view. Second, as the Airbnb business model is focused on digital service, other types of business models - such as a product sales business model, a business model based on a local ecosystem, a traditional service business model or an associative business model - should be studied from a digital replication perspective. Our study did not explore the role of network effects in the business model

replication process through a digital platform, nor did it incorporate an organizational approach from the perspective of ambidexterity or even open innovation. Additional studies of these issues would provide a better understanding of the concrete organization of the business model replication process inside and outside the company.

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### Appendix 1: Secondary Data

Туре	Secondary data
Video	Airbnb: Earning Money in the Sharing Economy, <b>Youtube video</b> , 2013, available on: <a href="https://www.youtube.com/watch?v=LWD-I5qPCfw">https://www.youtube.com/watch?v=LWD-I5qPCfw</a> Airbnb's Joe Gebbia: "Do Things That Don't Scale", <b>Youtube video</b> , 2015, available on: <a href="https://www.youtube.com/watch?v=2hESOWxPrSU">https://www.youtube.com/watch?v=2hESOWxPrSU</a> Brian Chesky on Launching Airbnb and the Challenges of Scale, <b>Youtube video</b> , 2015, available on: <a href="https://www.youtube.com/watch?v=W608u6sBFpo">https://www.youtube.com/watch?v=W608u6sBFpo</a> How Airbnb designs for trust   Joe Gebbia, <b>Youtube video</b> , 2016, available on: <a href="https://www.youtube.com/watch?v=16cM-RFid9U&amp;t=357s">https://www.youtube.com/watch?v=16cM-RFid9U&amp;t=357s</a> Brian Chesky Launches Trips   Airbnb Open 2016   Airbnb, <b>Youtube video</b> , 2016, available on: <a href="https://www.youtube.com/watch?v=efNyRmTLbj0&amp;t=2s">https://www.youtube.com/watch?v=efNyRmTLbj0&amp;t=2s</a> Strategies for Entrepreneurs   Airbnb Open 2016, <b>Youtube video</b> , 2016, available on: <a href="https://www.youtube.com/watch?v=z6vTaiPl6tA">https://www.youtube.com/watch?v=z6vTaiPl6tA</a> The Real Story about how Airbnb Was Founded - Nathan Blecharczyk Co-founder Airbnb - Startup Success, <b>Youtube video</b> , 2016, available on: <a href="https://www.youtube.com/watch?v=M6GBqqk2mY4&amp;t=639s">https://www.youtube.com/watch?v=M6GBqqk2mY4&amp;t=639s</a> Interview With Airbnb CEO Brian Chesky   Fortune, <b>Youtube video</b> , 2017, available on: <a href="https://www.youtube.com/watch?v=GFMeuSlhlYg&amp;t=397s">https://www.youtube.com/watch?v=GFMeuSlhlYg&amp;t=397s</a> Scaling Product   Fireside with Joe Gebbia and Reid Hoffman, 2017, <b>Youtube video</b> , available on: <a href="https://www.youtube.com/watch?v=TCA_7RVo7Uo">https://www.youtube.com/watch?v=TCA_7RVo7Uo</a> Joe Gebbia Interview, <b>Youtube video</b> , 2018, available on: <a href="https://www.youtube.com/watch?v=Xao9DJEpk8l">https://www.youtube.com/watch?v=Xao9DJEpk8l</a>
Book	Gallagher, L. (2017), The Airbnb Story: How Three Ordinary Guys Disrupted an Industry, Made Billions and Created Plenty of Controversy, Houghton Mifflin Harcourt, 258 p.
Web	News Airbnb, <a href="https://news.airbnb.com">https://news.airbnb.com</a> Blog Airbnb, <a href="https://blog.atairbnb.com">https://blog.atairbnb.com</a> Airbnb Citizen, <a href="https://www.airbnbcitizen.com">https://www.airbnbcitizen.com</a>

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