Comparative Study of e-Commerce Ventures: Copycat Enablers in Business Models

Christian Haertel, Matthias Pohl, Sascha Bosse, Robert Häusler, Abdulrahman Nahhas, Daniel Staegemann, Matthias Volk and Klaus Turowski
VLBA-Lab, Otto-von-Guericke University, Magdeburg, Germany

Keywords: Copycats, e-Commerce, Rocket Internet, Entrepreneur, Business Model Canvas.

Abstract: The copycat approach - replicating proven business models - presents an alternative to following the classic entrepreneurial path in venture creation which is highly contested due to the common perception of being non-innovative and of low-risk. However, existing literature contradicts this conception. This paper features a case study of German e-commerce copycats and their American originals, showing that success of imitating firms cannot be guaranteed despite the utilization of proven business models. From this, potential crucial features influencing the destiny of these copycats are extracted. The outlined enablers are the served markets, post-imitation learning and the usability of the platform. Furthermore, possible useful other tendencies that could be examined in future research are provided.

1 INTRODUCTION

Potential benefits of founding a business range from “being one’s own boss” and the resulting self-determination to facing new and unique challenges to steadily reinvigorate motivation. Especially young adults tend to pursue these advantages in contrast to mere monetary compensation (ADP Research Institute, 2016). Obviously, becoming an entrepreneur that runs a prosperous venture does not represent a trivial task at all. According to Gompers et al., only 18% of first-time innovative entrepreneurs achieve success in their undertaking which the authors define as the business “going public” (Gompers et al., 2008).

In Germany, another approach of founding is pursued by Rocket Internet. Baumann and Köhler characterize the organization as an “incubator and investment firm” or “startup factory” (Baumann et al., 2018). Rocket Internet’s track record boasts more than 100 companies launched since its establishment in 2007. As opposed to the entrepreneurial method, Rocket Internet does not rely on creating innovative business ideas. In reality, this translates to copying auspicious business models (especially from e-commerce) and applying them to a local, potentially untapped market (Baumann et al., 2018). The resulting organizations are so-called “copycats” because their construction based on an already existing business concept. Accordingly, this idea of founding companies is highly contentious and possesses a bad reputation (Shenkar, 2010). However, according to Posen and Martignoni, the plain imitation of market leaders without any improvements or adaptations does not resolve to success (Posen and Martignoni, 2018). Therefore, the goal persists in “executing better on the same idea”. This so-called “post-imitation learning” helps remaster known practices to close possible knowledge gaps to achieve higher performance levels (Posen and Martignoni, 2018).

Copycats are able to rely on lots of experiences from their examples and thus, are more likely to be successful initially in comparison to “classic” entrepreneurs (Toft-Kehler et al., 2014). Nevertheless, not many copycats show that they sustain their prosperity in the long run (e.g. MyVideo, DaWanda or studiVZ). Therefore, the following question occurs:

Which features of a copycat’s business model serve as enablers for its success?

Using other words, the goal is to find aspects who are potentially critical to the existence of these firms. In order to achieve the completion of this task, the paper utilizes a Case Study analysis in which the business models of different German copycats from Rocket Internet and their originals from the e-commerce sec-

tor are compared argumentatively. In this process, we use the Business Model Canvas for providing a lucid summary of the example’s business idea. The findings within the case study will help to answer which points of the business concepts can be regarded as pivotal for the prosperity of these copycat examples. The engagement in this field of research might provide useful insights for potential founders as well as for associates of copycats or Rocket Internet. Therefore, Section 2 presents necessary prerequisites for the above-mentioned case study that is described in the third section. The findings are accumulated in the fourth section where the results of the case analysis are discussed. The work concludes with limitations of the study while providing an outlook on potential future research that could be added or extend the findings.

2 PREREQUISITES

As briefly indicated in the introduction, the case study involving copycats and their examples from the e-commerce sector requires some foundations. Therefore, this section contains the examination of the position of copycats in the business world resulting in the analysis of Rocket Internet. Finally, this section closes with the presentation of the Business Model Canvas which serves as a template for summarizing business models of the companies in the regarded cases of the third section.

2.1 The Role of Copycat Organizations in Today’s Business World

Next to the generic copycat definition (including e.g. copycat crime) (wiktionary, 2019)\(^1\), one can clarify such entity from an economic context as an organization which copies another one’s business model from another market (Gründerszene Lexikon, 2019)\(^2\). Many well-known representatives of this concept can be found in Germany with mainly American examples: studiVZ (Facebook), Zalando (Zappos) or MyVideo (YouTube) fit this category. But not only business models pose the subject of potential transfers. For instance, imitators are keen to adapt visual aspects of the original to their own brand (e.g. products or logo). According to Loken and Ward, these similarities possibly facilitate the acceptance as feasible alternatives for new market players (Loken and Ward, 1990). Generally speaking, Collins-Dodd and Zaichkowsky state that copycats may present a threat to established firms because of their ability to offer cheaper prices leading to potential loss of market shares (Collins-Dodd and Lynne Zaichkowsky, 1999). Therefore, copycats pose a quite significant challenge to these companies.

However, the paper focuses on the cloning of business models. This methodology’s aim persists in minimizing the required investment for brand and market development (Miceli and Pieters, 2010) leading to the reduction of inconvenient R&D expenses due to an experienced and field-tested basis (Shenkar, 2010). Theoretically, copycats seek to operate faster with a lower risk than classic teams of entrepreneurs (Baumann et al., 2018). Due to this and allegedly presenting a low effort strategy, criticism obviously arises (Posen and Martignoni, 2018). Critiques range from "having nothing original to offer" over “non-innovative” to “theft of ideas”. Even the connotation of the term copycat is adverse. On first glance, this bad reputation seems justified to a certain degree. From an intuitive point of view, imitated firms have every right to be frustrated when their costly elaborated business model is cloned. In the opinion of Friestad and Wright, customers are even opposed to "blatant" cloning (Friestad and Wright, 1993).

Another point of critique persists in the commonly assumed fact that the copycat approach represents a low-risk strategy (Posen and Martignoni, 2018). However, this negative perception is contradicted by Posen and Martignoni. They theorized imitation as being more adventurous than widely regarded underlined by “bifurcated performance outcomes” of copycats (Posen and Martignoni, 2018). The authors reason this with the limited observability of the example’s practices as a protection which means that the copycat has to recreate the remaining ones through so-called “post-imitation learning” (Nelson and Winter, 1982). Here exists the possibility that example and copy diverge from one another in terms of performance followed by the risk for imitators. Their choice of emphasis on certain practices for post-imitation learning in the business model determines whether the venture becomes a success (Posen and Martignoni, 2018). Accordingly, Noailles-Siméon regards copycats as entrepreneurs because one-to-one copies are both not feasible and reasonable (Noailles-Siméon, 2017). This means that imitation also possesses a "generative effect" referring to the refinement of certain copied business model’s aspects in order to differentiate or improve in contrast to the original firm (“filling remaining knowledge gaps”) (Posen and

---

\(^1\)URL: https://en.wiktionary.org/wiki/copycat (last check: June 9, 2019).

\(^2\)URL: https://www.gruenderszene.de/lexikon/begriffe/copycat?interstitial (last check: June 9, 2019).
Martignoni, 2018). This clearly shows the potential of copycats for innovation when trying to adapt on possibly lackluster facets of original practices.

Ultimately, copycats present a phenomenon in the business world which is contentious. Nonetheless, as imitation is a popular mechanism of organizational learning, it is unlikely to disappear and therefore must be taken into account (Posen and Martignoni, 2018). Although copycats may not be as riskless and as easy to build successful as initially thought, it is fair to assume that classic entrepreneurship involves more danger of failure. The same logic applies for innovation aspects. A potential benefit of copycats persists in the development of new and untapped markets which the original firm disregarded so that the product or service becomes accessible to more consumers (Baumann et al., 2018). As previously mentioned, not every copycat organization is able to grow and sustain success. This goes against the perception of experienced entrepreneurs creating more prosperous ventures because of learning effects (Toft-Kehler et al., 2014). Toft-Kehler et al. argue that merely having experience does not necessarily "trigger increased performance" when "incorrect inferences are drawn (Levitt and March, 1988). On the contrary, founders who draw the right conclusions are labeled "expert-entrepreneurs" (Toft-Kehler et al., 2014). This relates to the requirement of having these in leadership of copycats. Consequently, Rocket Internet values itself as experts engaging with effectively creating and running copycats (Baumann et al., 2018).

2.2 Rocket Internet - A Startup Factory

The purpose of this section persists in exploring how a copycat firm is created in Rocket Internet’s realm. For further details regarding the company, the paper “Rocket Internet: Organizing a Startup Factory” by Baumann et al. discusses this topic comprehensively. The initial step represents the careful selection of auspicious business concepts (Baumann et al., 2018). Afterwards, Rocket Internet assigns a team to the project mostly consisting of "ambitious business school graduates" in contrast to freedom-loving entrepreneurs. Funding presents the third pillar for a new venture. Furthermore, offices and associated infrastructure as well as customized IT assets are provided to enable the business to start their operations in a quick fashion. These features already suggest a strong parental control of Rocket Internet on their startups (Baumann et al., 2018). Obviously, the incubator firm expects results in return for their investments which the associates communicate aggressively.

Not every business idea is of interest for Rocket. The copycat factory focuses on internet business models because offline ventures require more effort to be put in information research. Basically, these ecommerce examples represent easier to clone entities since the degree of observable activities is reduced in comparison (Baumann et al., 2018). Accordingly, high-tech business models are inapplicable as well. Moreover, Rocket Internet seems to be opposed to copy enormous ventures such as Amazon. This is reasoned by the huge brand value which adds to the quality of products or services which a copycat could never replicate successfully (Baumann et al., 2018). However, the last section outlined the ineptitude of exact imitations (Posen and Martignoni, 2018). Following this principle, Rocket Internet seeks "specialization on execution" facilitated by its centralized functions (Baumann et al., 2018).

Rocket Internet follows a low-risk approach in venture establishment. Consequently, the company aims to reduce technology risk, market risk and team risk (Baumann et al., 2018). According to Preston, the technology risk almost equals zero as the original firm already proved its functionality. Rocket Internet tries to decrease market problems by avoiding competition with the examples on the same market. Therefore, the goal persists in scaling the new venture into market leading companies rather in Europe than where most imitated business models originate from (Baumann et al., 2018). Thirdly, Rocket Internet minimizes team risk by their mentioned team assembling approach. However, adequately to the findings of the previous subsection, pursuing the copycat path for business creation does not guarantee success shown by Rocket Internet’s losses in 2015 and 2016 (Baumann et al., 2018). Moreover, it should be noted that the incubator firm did not produce any world-famous brands.

2.3 Business Model Canvas

The Business Model Canvas (BMC) was first introduced by Osterwalder and Pigneur serving as a “one-page strategy or business model” (Osterwalder and Pigneur, 2013). Its purpose persists in both the communication and implementation of a company’s business model (Frick and Ali, 2013). Figure 1 depicts a template for the canvas showing its composition of nine different sections that try to describe a venture’s business concept. When answering shown questions, one is able to provide a comprehensive overview.

However, fitting the often complex structure of an enterprise’s concept into the BMC does not always present a trivial assignment (Frick and Ali, 2013). Joyce and Paquin extended the document to three
3 CASE STUDY

For extracting potential enablers of copycats in business models, this section argumentatively contrasts three American e-commerce ventures with their respective German imitator. Accordingly, based on available information about the firms and associated papers, the six corresponding business models were derived. Due to page limitation and similarity of the copycat in various aspects, only the BMCs representing the original enterprises are illustrated for better overview. The comparison focuses on key differences and important aspects for the discussion in Section 4. The observed cases are the online fashion retailers Zappos and Zalando, the internet shops for handcrafted products Etsy and DaWanda and lastly the online retailers for furniture Wayfair and home24.

3.1 Zappos and Zalando

The online fashion company Zappos3 was founded back in 1999 to compensate the lack of large online retailers for shoes (Summary-Smith, 2017). In 2001, one of the initial investors, Tony Hsieh, who significantly defined Zappos’ business concept, took over the CEO position (Kopelman et al., 2012). Until 2008, following a troublesome start, the firm catapulted its revenue from $1.6 million to more than $1 billion, leading to the acquisition through Amazon in early 2009 (Kopelman et al., 2012).

In Germany, the copycat of Zappos was founded in 2008 through investor capital of Rocket Internet Zalando4 (Wassink, 2012)5. Nowadays, the venture currently views itself as “Europe’s leading online layers by adding both an environmental and a social tier to the already existing economic view (Joyce and Paquin, 2016). While the environmental layer appendes the life cycle perspective, the social template focuses on stakeholders. In the scope of this paper, this version of the template is sufficient for presenting the examined business models. With the help of the BMC, the concept of the evaluated companies can be neatly introduced and the comparison with the respective copycat is made more understandable to the reader.

Figure 1: Business Model Canvas Template (Osterwalder and Pigneur, 2013).

Website Zappos: https://www.zappos.com/ (last check: July 2, 2019).
Website Zalando: https://www.zalando.de/ (last check: July 2, 2019).
fashion platform” (Zalando, 2019a)\(^6\). Zalando originally gained attention due to its television advertising (Horizont, 2012)\(^7\). Following both immense increase of revenue and notable losses in the first of years of activity, the online fashion company achieved 5.4 billion € of revenue and 173 million € of profit in 2018 (Zalando, 2019b)\(^8\).

For comparing both fashion retailers, Figure 2 displays Zappos’ Business Model Canvas. In terms of proposed value, Zappos represents an interesting entity. A large retailer for clothing must be able to offer a wide selection of products bundled with a fast and accurate delivery. Zalando poses no exception to this (Zalando, 2019a). But Zappos unique attitude almost makes this aspect fade into the background. The Southern Nevada-based venture promises an emotional impact associated with the online purchase of clothing items on their platform (Warrick et al., 2016). In order to enable this, Zappos offers an exceptional and personal customer service (Summary-Smith, 2017). Relatively similar, Zalando aims to provide a unique shopping experience, offering the feature of free delivery and return within 100 days (Zalando, 2019a).

How does Zappos enable its value propositions? The fashion retailer applies the Holacracy concept which spreads the power within the whole company (Summary-Smith, 2017). This approach intends to improve performance of employees through higher motivation because of the staff’s ability to contribute to decisions (Warrick et al., 2016). Accordingly, Zappos places importance on a careful screening of applicants with the execution of a four weeks long orientation for new colleagues. On that note, various papers engaged with examining Zappos’ working culture. In contrast, Zalando has faced negative press in this area (Wikipedia, 2019)\(^9\). Besides online channels, Zalando also established several outlets in addition to their web presence. While Zappos primarily

---


\(^7\)URL: https://www.horizont.net/marketing/nachrichten/-Zalando-zieht-nach-Verlusten-die-Werbemrse-105812 (last check: June 13, 2019).


focusing on its domestic market in North America, Zalando currently serves 17 countries all over Europe (Hannoversche Allgemeine, 2018). When pursuing an approach like Zappos, including the call center and complex HR training programs paired with welfare benefits, huge expenses are necessitated to enable the demanded infrastructure. In terms of marketing, Zalando definitely caused immense costs, seeing their expensive TV appearance. Consequently, the fashion retailer reduced their TV presence drastically in 2012 (Horizont, 2012).

Ultimately, the analysis shows different approaches and market focus. Since Zappos’ acquisition through Amazon, official information on the financial situation of Hsieh’s firm remain private. As Amazon itself pursues their own fashion branch, this hints that the importance of Zappos for Jeff Bezos’ giant is not valued in dizzying heights (Graf, 2017b). On the other side, Zalando finally turned profitable following a rough start and most probably overtook Zappos in terms of revenue (Zalando, 2019b). The copycat is expected to continue its growth as the largest online fashion retailer in Europe.

3.2 Etsy and DaWanda

Since its establishment in 2005, Etsy offers an online marketplace for unique and creative goods where sellers can present their products to potential buyers while paying Etsy both a listing fee and a percentage of the sale price in a completed transaction (Etsy, 2019). The steady-growing handcraft-loving community (40 million members) and the addition of new markets helped the American firm accumulating an annual revenue of approximately $600 million in 2018 (statista, 2019). Using Etsy as an example, DaWanda was founded in 2006 (Kläsgen and Alves, 2018). Supported financially by Rocket Internet, this copycat became the leading platform for DIY products in the DACH region at its peak. The dismissal of one fourth of its 230 employees occurred in 2017 (Graf, 2017a). Failing to reach the desired effect, DaWanda decided to terminate its operations at the end of August 2018, much to the shock of its community (Marquart, 2018).

The fact that DaWanda suggested its community to migrate to Etsy implies both business models equaling each other to a high degree. Figure 3 displays Etsy’s concept in the Business Model Canvas template. Regarding key activities, Etsy necessitates the development of its platform and marketing operations (Kubacki et al., 2015). The platform stands for more than just a marketplace, it is rather intended to serve as a forum where people with the same hobby connect to support each other (Kubacki et al., 2015). Although information about DaWanda seem to be limited in this area, it is fair to assume that the company pursues akin activities. However, sources report bad user experiences with the platform (Graf, 2017a) due to lacking technical standards (Kläsgen and Alves, 2018). Referring to value propositions, Etsy provides help for entrepreneurs through education of its sellers via social media channels. As the sellers support each other by exchanging experiences on the platform, the goal is to gain more humanity and sustainability in business (Kubacki et al., 2015). Despite using other wording for its value propositions, DaWanda primarily offered similar aspects to its customers (Helming, 2013).

First clear conflicts between the DIY platforms appear in the supplied customer segments (Krugh, 2014). While Etsy mainly operated in North America, DaWanda focused on Germany and Europe. This changed in 2010 when Etsy decided to expand onto Europe (Marquart, 2018). From this point on, Etsy and DaWanda stood in direct competition. Lastly, the question remains how the DIY marketplaces generate income. In Etsy’s case, sellers must pay $0.20 for each listing and 3.5% of the item’s prize when completing a transaction (Etsy, 2019). Furthermore, Etsy and DaWanda gain additional turnover through seller.
services where a shop can pay extra for special promotion of items and payment processing. Originally, DaWanda’s commission for sales amounted to 9.5% (formerly 5%) on top of the varying listing fee (0.10–0.30 euro) (Melchior, 2016). With Etsy as a strong competitor, the German copycat could not survive on long-term (Marquart, 2018). Etsy’s benefits were the English language, its solidified base market position in North America and lower fees than DaWanda offered (Kläsgen and Alves, 2018). With already stagnating growth and the need to release employees to reduce costs, DaWanda was “destined to die a slow death”. Due to the acquisition of many of DaWanda’s customers, Etsy is sure to increase its momentary revenue of $600 million in the future.

### 3.3 Wayfair and Home24

The next case to be examined involves online retail-

---


---

20Website Wayfair: https://www.wayfair.com/ (last check: July 2, 2019).

21URL: https://www.wayfair.com/about/history.php (last check: June 13, 2019).


---
menced relatively similar as Wayfair’s establishment (home24, 2019). After combining the niche stores in 2012, the home24 brand was created. Just as the other examined imitators, home24 relied on capital of Rocket Internet for enabling its operations (Graf, 2015).24 Following its growth and market expansions onto eight countries, home24 states being the “leading pure-play home & living e-commerce platform in continental Europe and Brazil” (home24, 2019). Offering both third-party furniture and own brand products, the company possesses more than 100,000 products in its online store which are provided by approximately 500 suppliers (home24, 2019). In financial terms, home24 was able to strengthen its revenue to 313 million euro in 2018 (Schnor, 2019).25

Figure 4 depicts the Business Model Canvas of Wayfair. Both apply the so-called “dropshipping” which means that the products presented on the platform are directly delivered from the manufacturer to the customer while minimizing own inventory risks (Graf, 2018). For customers, the retailers grant the possibility to find the right item for their homes in an “amazing experience” excluding the bothersome traits from a visit to the furniture store (home24, 2019). In contrast to Wayfair, home24 states a timely and convenient delivery within their value propositions (Graf, 2015). Wayfair’s key activities include customer service (Graf, 2015) and the development of the platform (Graf, 2018). The firms pursue data-driven decision making based on the collection of information from every purchase and every vendor (home24, 2019)(Cronin, 2014).

In terms of key resources, in connection with technology and the platform, beneficial decision-making improving “performance and growth” can be made through the assembled information (Cronin, 2014). For achieving long-term customer relationships, both firms suffer enormous expenses: home24’s spending here is numbered at 46 million euro which is huge in context to the obtained revenue (Deutsch, 2019).26 In terms of customer segments, the Boston-based company tapped on the European and Australian market in addition to its North American home territory, meaning the direct competition with home24 which is ac-

---

24URL: https://www.kassenzone.de/2015/01/24/moebel-online-wergewinnt-wayfair-home24-westwing-ikea-co/ (last check: June 4, 2019).
tive in both Europe and South America (Brazil).

The bulk of the furniture market remains primarily static at the moment (Graf, 2015). This implies the potential of vast growth for online retailers. However, the issue persists in the high degree of competition. Especially IKEA and Amazon pose a threat because of their already well-established logistics network and existing infrastructure which can guarantee proper delivery times and acceptable prizes (Graf, 2015). Accordingly, Wayfair and home24 need to find a balance between lowering costs and also acquiring additional customers while improving delivery times. Considering Wayfair’s already enormous size and growth, the American company appears to occupy a workable position. On the other side, home24 struggles: Despite increasing revenue, the share price collapsed by 78% after failing the accomplishment of its growth forecast (Deutsch, 2019). Additionally, a failed expansion into the Asian market presents further negative news around home24 (Regina, 2012)27.

4 DISCUSSION AND RESULTS

With the case study being completed, the first aspect to discuss is related to customer segments. While the examined pairs did not present any glaring differences between served consumer bases, the view should be extended on the markets the firms operate on. Logically, all Etsy, Zappos and Wayfair pursue their domestic North American market. On the other hand, the German copycats are solely present on the European market apart from home24’s further expansion to Brazil. Rocket Internet specifically intended for their firms to avoid any direct competition with the original organizations and rather serve untapped markets (Baumann et al., 2018). Seeing size and benefits of a far more developed infrastructure of the imitated companies, the copycats would be in a much weaker position comparatively. Self-evidently, Rocket Internet cannot ensure that their examples will not expand onto the European market which happened in the cases of Etsy and Wayfair. In both instances, their respective rivals, DaWanda and home24, find themselves in a quite poor state. On the contrary, Zappos remained on “home soil” while Zalando continued to grow in Europe, overtaking its example in terms of revenue (Zalando, 2019b). The reasoning behind Zappos neglecting the European market might persist in their relationship with Amazon but a definite answer cannot be drawn from the available information. However, these observations imply that the copycats are dependent on their competitors to stay away from direct confrontation by avoiding expansion on “their” European market.

The study of the business models revealed that the copycats do not differ in many aspects from their originals. Intuitively, this does not present any groundbreaking discovery since the intention of the discussed founding approach literally persists in replicating proven venture concepts. Nevertheless, Posen and Martignoni state that exact copies are not feasible and adaptations should be performed through “post-imitation learning” (Posen and Martignoni, 2018). Following this, the copycats require at least some innovative aspects to contend, specifically when being in direct competition with the imitated examples. The predominant similarity of compared business models showed that the examined copycats lack such uniqueness which could prove an advantage in contrast to the superior American firms. On that note and considering the differences in organizational culture (“Hollywood”), it would have been intriguing to monitor what would have happen to Zalando if Zappos had decided to expand on the European market.

Continuing with innovation aspects, another enabler in e-commerce copycat business models is the platform. Apart from technological aspects, e.g. for enabling more effective decision-making which Rocket Internet weighs highly, the usability of the websites where products and services are offered represents a crucial factor for the customer’s experience and thus, the success of the venture (Kuros et al., 2009). In regards of this paper, DaWanda struggled with keeping up with technical standards and providing a proper usability of its platform (Kläsgen and Alves, 2018). These shortcomings proved to be a severe detriment in competition with Etsy. Moreover, there are factors which were just briefly regarded in this paper due to either lack of insights or time restrictions. Nonetheless, these facets could still present potential enablers for copycat success. For instance, further studies could explore the influence of organizational culture. While the considered American firms mainly pursued an informal approach to improve employee performance and motivation, Rocket Internet rather applied strong influence to their subsidiary companies. Accordingly, it would be interesting to comprehend the consequences on the staff in terms of devotion and efficiency in the copycat ventures.

A part of DaWanda’s downfall also persisted in significantly higher fees for sellers in comparison to Etsy. If information for other copycat cases could be acquired in this area, additional investigations for gaining further findings are certainly possible. This

aspect also relates to startup culture. While the USA provides the most entrepreneur-friendly environment, Germany lags behind (Nilsen, 2013). The case study showed the pressure of becoming profitable for the German copycats which seems to be a reason for the risk adversity of Germans when it comes to founding (Geibel and Manickam, 2015). On that note, additional discussion is required to potentially narrow the gap to the USA in this regard. Finally, it was outlined that the online furniture retailers Wayfair and home24 see themselves as well as offline giants such as IKEA that are increasingly expanding their channels to the e-commerce, as strong rivals (Graf, 2018). With that in mind, the danger of these long-established players for e-commerce copycats can be explored, too.

5 LIMITATIONS AND FURTHER WORK

Section 4 outlined potential enablers of copycat success based on the findings within the case study of three pairs of e-commerce companies. It states the competition on served markets, innovation (post-imitation learning) and the usability of the respective platform as important features. However, there are some limitations to this paper that require reference. First of all, the examination merely featured three pairs of organizations due to time and page restrictions. Therefore, the discussed findings in the previous section cannot be held as valid facts. Nonetheless, the results should be rated as useful tendencies for further investigation in the course of other and a higher amount of cases.

Considering the used examples here, both quantity and quality of information potentially pose an object of contestability to gained insights. While there are dedicated scientific papers discussing the American originals, the German copycats lack such academic engagements. Accordingly, the necessary information had to be collected from associated websites, blogs or news. With the inclusion of such literature, the danger of obtaining untrustworthy or conflicting statements rises. In order to minimize this risk, emphasis was put on featuring various sources with similar assertions about a topic. Despite that, slight errors or inaccuracies possibly influencing the validity of results cannot be completely preempted due to the lack of reliable scientific literature. Thus, further research should be pursued in the discussed field.

Additionally, the previous section already mentioned further potential enablers that could be examined in future works. As Rocket Internet mainly focuses on replicating relatively simple business models (Baumann et al., 2018), the question arises whether certain extracted copycat enablers would still be viable and if new ones would occur in more complexly structured ventures. Another restriction of this paper persists in its focus on e-commerce enterprises. Consequently, it would be interesting to explore different types of such organizations. Alternatively, the influence of the type of e-commerce firm (B2C, B2B and C2C) on the success in direct competition scenarios might be worth examining.

Furthermore, the case study utilizes the one-layered BMC for presenting the firms which might be too close-minded to cover all aspect of an organization’s value generation. Joyce and Paquin expanded the template to three layers (Joyce and Paquin, 2016). With this contribution, the authors helped creating a more holistic and integrated grasp of how an organization adds “multiple types of value” (Joyce and Paquin, 2016). Therefore, it would be intriguing to see if additional findings could be made visible when also including the other tiers. Another limitation presents the focus on German copycats of Rocket Internet. On this note, examining different companies of this sort outside of Germany and this startup factory could enrich the results. In their paper, Baumann et al. already hinted at the existence of other incubator firms (Baumann et al., 2018). Ultimately, the goal of this work persisted in exploring business models of copycats and their originals to gain findings for enablers of the imitators’ success within a case study, possibly posing an object of interest to entrepreneurs or concerned parties of copycats. Due to the explained limitations, the extracted enablers should not be valued as generally valid facts. However, the work can still be regarded as successful with the discovery of the three potential key features to provoke further discussion.

REFERENCES


Geibel, P. R. C. and Manickam, M. (2015). The startup ecosystems in Germany and in the USA Explorative analysis and comparison of the startup environments.


Graf, A. (2017b). Was wurde eigentlich aus Zappos?


Regina, G. (2012). Rocket Internet shuts down Singapore outfit of furniture portal Home24?


