

Chapter 1

New Business Models Sustainability

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ABSTRACT

Increased global concerns about climate change and environmental degradation have attracted attention to sustainable development strategies. Sustainability involves maintaining ecological balance, requiring organizations to integrate social, political, economic, and environmental concepts in their business models. This research chapter aims to explore the new business models associated with increased awareness of sustainability. Literature review methodology was used as the primary data collection method. Four main new business models were identified, including sustainable business model innovation (SBMI), triadic business model (T-Model), circular business model, and Web 2.0-based business model. Despite the differences in definition and implementation of these modern frameworks, innovation and sustainability remain the central concepts of enhancing value creation and capturing. While these business models aim to enhance organizations' capabilities to optimize new opportunities and overcome challenges, they also aim to improve society and protect the environment.

INTRODUCTION

Sustainable development refers to development where social, political, and economic activities are combined with environmental stability and balance to ensure the satisfaction of basic needs for both current and future generations. The high rise in climate change, global warming, and environmental degradation concerns have led to the establishment of sustainable business models that aim to reduce the impact of business activities on the natural environment (Pajula et al., 2017). Nosratabadi et al. (2019) define a business model as an abstract representation of the value flow and interconnection of value elements of creation, proposition, value capturing, and delivering within a company's unit. These elements make business sustainability a continuous process because they need to understand how they interplay amidst changing environments and conditions. The primary goal of sustainable business models is to highlight

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and enforce transformational and long-term changes instead of short-term plans and strategies (Høgevoid et al., 2014). Organizations are thus required to understand the correlation between political, environmental, social, and economic elements, their evolution, and their impact on organizational change processes.

Technological advancements and internationalization have played a major role in promoting the global implementation of sustainable business models by raising competition in worldwide markets that drive firms to find appropriate solutions. Consumers' increased use of the internet and improved access to information has increased their awareness of current environmental, economic, political, and social activities, and further pressuring companies to identify and implement appropriate alternative measures (Attias & Mira-Bonnardel, 2016). Therefore, sustainable business models ensure maximum productivity and profitability and achieve sustainable development goals by creating value for the triple bottom line, that is, the environment, society, and economic (Nosratabadi et al., 2019). They contribute to reducing harmful effects by employing a proactive multi-stakeholder leadership, long-term strategies and innovation, and incorporating sustainability principles and goals into value creation and proposition.

The objective of this research is to promote the improvement of knowledge in new sustainable business models.

METHODOLOGICAL APPROACH

Conducting a literature review enables researchers to understand the depth and breadth of existing literature regarding the topic of study and aids the identification of explorable knowledge gaps (Rosário, 2021, Rosário et al., 2021; Rosário & Cuz, 2019; Sacavém, et al., 2019). The methodology involves analyzing, synthesizing, and summarizing multiple related works of literature to develop new information, theories, or test hypothesis. It can also assess the quality and validity of available information related to the topic, thus, identifying inconsistencies, weaknesses, and contradictions. In this study, the literature review process involved the eight steps recommended by Rosário, (2021), Rosário et al., (2021); Rosário and Cuz, (2019); Sacavém, et al., (2019); Xiao and Watson (2019), summarized in Table 1.

Table 1. Process of systematic literature review.

Phase	Step	Description
Phase One	Step 1	Formulate the problem
	Step 2	Develop and validate the review process
Phase Two	Step 3	Search for relevant literature
	Step 4	Search for inclusion
	Step 5	Quality evaluation
	Step 6	Data extraction
	Step 7	Data analysis and synthesize
Phase Three	Step 8	Report Findings

Source: own elaboration

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