**Long Range Planning(LRP) – Journal of Digital Economy(JDE) Special Issue**

**Joint Call for Papers**

**Platform Multinationals (PMNC) in the Global Digital Economy**

Submission Deadline: January. 31, 2024

**Guest Editors**

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Digital transformation is continually driving change in the world as we know it. Multinational companies are being impacted by digital transformation, which has caused extremely rapid changes across the global economy (Rong, 2022), undermining conventional notions about how businesses are structured; how firms interact; and how consumers obtain services, information, and goods. Moreover, in the era of the digital economy, data has become a new key production factor and resource needed to facilitate the digital transformation of multinational companies. With the support of big data, the continuous breakthroughs and applications of artificial intelligence (AI) technologies are leading to the emergence of new digital platforms. They are having profound impacts on existing platform business models, such as diverse application platforms driven by ChatGPT, which are currently particularly popular. Thus, when a platform multinational corporation (PMNC) internationalizes, it needs to adapt to the growing interconnectedness of people, organizations, and machines that results from digital transformation in global markets. This new world order is transforming traditional business models and value-creating activities, in turn forcing organizations to transform themselves in order to adapt and develop new processes and platforms to compete in global markets in the era of the digital economy.

The objective of this special issue is to help us better understand the new organizational patterns of PMNCs operating in the digital economy and explore new theories around strategy, platform, business models, and international business theories. Along with the emergence of the digital economy, the platform-based business model is gaining popularity (Bhargava, Kim, & Sun, 2013). The typical organization pattern of a multinational corporation (MNC) is shifting from the traditional supply chain-based MNC toward a PMNC. According to Statista, seven out of the top 10 largest companies by market value – that is, Apple, Microsoft, Amazon, Alphabet (Google’s parent), Meta (Facebook’s parent), Tencent, and Alibaba[[1]](#footnote-1) – were PMNCs in 2021. However, these companies still face huge challenges when going abroad. For example, e-commerce giants eBay and Amazon failed in China against local platform competitor Alibaba. Meanwhile, Uber was defeated in both China and Indonesia by local competitors such as Didi and Grab.

International business (IB) theories have focused mainly on traditional multinational corporations and may be inadequate in explaining multinationals’ global strategies and internationalization behaviors in the context of the digital economy (Alcácer, Cantwell, & Piscitello, 2016; Axinn, 2002; Nambisan et al., 2019). Only very recently researchers have begun to examine the internationalization of platforms (Banalieva & Dhanaraj, 2019; Brouthers, Geisser, & Rothlauf, 2016; Chen et al., 2022; Chen, Shaheer, Yi, & Li, 2019; Ojala, Evers, & Rialp, 2018; Parente, Rong, Geleilate, & Misati, 2019; Stallkamp & Schotter, 2019; Zhu & Iansiti, 2019). There is a need to further understand this new organizational pattern of PMNCs, how they globalize, and why they face significant challenges in competing with local platform competitors.

In this special issue, we are interested in research that examines the new phenomena and IB theories related to PMNCs operating in the digital economy. Some illustrative research themes covered by this special issue are presented below:

1. *Platform theory and ecosystem theory*

For platforms, the network effect that results from the interaction of the supply and demand sides of the market matters. The stronger this network effect, the more easily the platform will scale up (Evans, 2009; Katz & Shapiro, 1985; Zhu & Iansiti, 2012). The key in the platform economy is to foster determinants such as product/service quality and strong social network ties that enhance the network effect. For PMNCs, the geographical scope of the network has been expanded, so the determinants of the cross-country network effect should be explored further (Stallkamp & Schotter, 2019). Also, Platforms can expand the network effect not only based on the interaction of the supply and demand sides of the market, but to other complementary stakeholders in the form of an ecosystem (Ceccagnoli, Forman, Huang, & Wu, 2012; Moore, 1993; Rong, Zhou, Shi, & Huang, 2022). As data become an important resource, platforms are also building data-based ecosystems to further strengthen their global competitiveness (DalleMule and Davenport, 2017). How can PMNCs build up ecosystems in order to successfully adapt and compete in foreign markets is a topic worth exploring (Nambisan et al., 2019; Parente, Rong, Geleilate, & Misati, 2019; Rong, Wu, Shi, & Guo, 2015)?

1. *Platform business model of MNC*

Researchers have long examined MNCs’ business model by understanding its value creation, value delivery and value appropriation (business model reference, from Long Range Planning, Zott Amit, Charles Baden Fuller, Alex Osterwalder, David Teece). With the globalization and catching-up of emerging countries, emerging-market MNC (EMNC) has become a new branch of research (Gugler, 2017; Hennart, 2012; Luo & Tung, 2007; Rugman & Verbeke, 2004; Santos & Williamson, 2015). Besides, AI and machine learning technologies are now more widely adopted by the MNCs than at any other time. These novel digital technologies are reshaping platform business models (Garbuio and Lin, 2019) and may even pose a threat to existing PMNCs. Recently, digitalization has been transforming traditional industries and boosting global innovation, while providing new opportunities for emerging markets. However, both extant EMNC and digital economy studies fail to fully explore MNCs with platform business models, which may call for the theory of business model to be revisited.

1. *Born global (BG) firms and entry mode*

Born global (BG) firms are firms that, almost from their inception, develop their activities in multiple countries (Knight & Cavusgil, 2004; Brouthers, Chen, Li, & Shaheer, 2022). Research has found that born global firms require competitive advantages, including technology, learning capability, innovative culture, social networks, alliances, etc., in order to achieve global success (Chetty & Campbell-Hunt, 2004; Freeman, Edwards, & Schroder, 2006; Knight & Cavusgil, 2004; Shaheer & Li, 2020; Shaheer, Li, & Priem, 2020). Many PMNCs can follow a born-global strategy (Gabrielsson, 2011; Zhou, Wu, & Luo, 2007) because they can scale up even more quickly and easily than traditional born-global companies. These PMNCs typically have lighter asset bases and rely heavily on ICT technology to serve their markets. So how can the study of PMNCs contribute to BG theories, as well as to theories seeking to explain the choice of entry mode? Do they follow the traditional internationalization models to access and integrate global resources that we observe in traditional BG firms (Weerawardena, Mort, Liesch, & Knight, 2007)? Or do they simply replicate their successful business models in foreign markets?

1. *Liability of foreignness (LOF) and institution theory*

Based on lower operating costs and faster diffusion, we believe PMNCs can scale up easily in host countries. However, PMNCs in many sectors, including e-business, ridesharing, and social messaging, have failed when entering host countries. What are the causes behind these failures? Are these special cases or new norms of these PMNCs? It has been argued that MNCs will be faced with liabilities of foreignness (LOFs) when operating abroad because of the unfamiliarity of the business, institutional, and cultural environment (Zaheer, 1995; Li et al., 2022). However, the LOFs faced by PMNCs have rarely been examined. Do PMNCs face different types of LOFs? Do these LOFs come from formal or informal institutions? For PMNCs, do the network effects in their platforms magnify the negative impacts of LOFs?

1. *Firm-specific advantages and local integration*

Firm-specific advantages (FSAs) are necessary for MNCs to overcome the liability of foreignness when expanding into foreign markets (Buckley & Casson, 1976; Caves, 1996; Dunning, 1977; Rugman, 1981). However, location-bound FSAs have limited transferability and can be transferred and deployed only in certain types of locations (Rugman & Verbeke, 2003; Rugman & Verbeke, 1992). Moreover, as platforms are evolving towards platform ecosystems, ecosystem-specific advantages (ESAs) are also becoming more and more important (Li et al., 2019; Rong et al., 2022). For PMNCs, the transferability of their FSAs or ESAs and the antecedents of their location boundedness remains unclear. Many PMNCs seem to succeed in their home countries because they are highly integrated into their domestic environments. Hence, the theory of liability of ecosystem integration (LOEI) is proposed to demonstrate such challenges to the globalization of platform companies (Rong et.al 2022). How does their local performance underpin global competitive advantages for these PMNCs?

**Potential Research Questions**

* What business model benchmarks should we use in analysing PMNCs?
* What influence will AI bring on the business model innovation of PMNCs?
* What are the antecedents of PMNCs’ competitive advantages, and why are some location-bound?
* How does local integration and performance in the home country impact the global competitiveness of PMNCs?
* What are the determinants of the cross-country network effects for PMNCs?
* What ecosystems surround the PMNCs, and what is the role of data?
* How do the ecosystem stakeholders support PMNCs’ globalization?
* How do data resources influence the global competition of PMNCs?
* How do PMNCs maintain their relationships with complementors, suppliers, and customers in the platform ecosystem?
* What distinguishes the PMNC? How is it different from the traditional MNC?
* What are the key success factors for PMNCs?
* How do PMNCs build and maintain their competitive advantages?
* What are the entry modes used by PMNCs?
* How do PMNCs differ from traditional born global firms?
* How can an understanding of PMNCs’ globalization contribute to the extension of IB theories?
* How do PMNCs overcome the liability of ecosystem integration (LOEI)?
* How do AI technologies (such as ChatGPT) impact the PMNCs’ business development and governance globally?
* How do AI technologies contribute to the extension of IB theories?
* Why do PMNCs have particular difficulty competing in some markets, such as China and India?
* How do formal and informal institutional distances influence PMNCs’ performance?
* How does interaction between formal and informal institutions influence PMNCs globalization?

**Deadlines and Submission Instructions**

The submission systems of these two journals are open at 1st July 2023 separately and the deadline for submission of papers is Jan 31, 2024. The expected publication is early 2025. More information on the special issue as well as guidelines for authors appear at the LRP and JDE website.

Long Range Planning

<https://www.sciencedirect.com/journal/long-range-planning>

Journal of Digital Economy

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**Review Process**

Papers will be reviewed following the regular Long Range Planning and Journal of Digital Economy double-blind review process separately.

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1. Source：<https://www.statista.com/statistics/263264/top-companies-in-the-world-by-market-value/> [↑](#footnote-ref-1)