

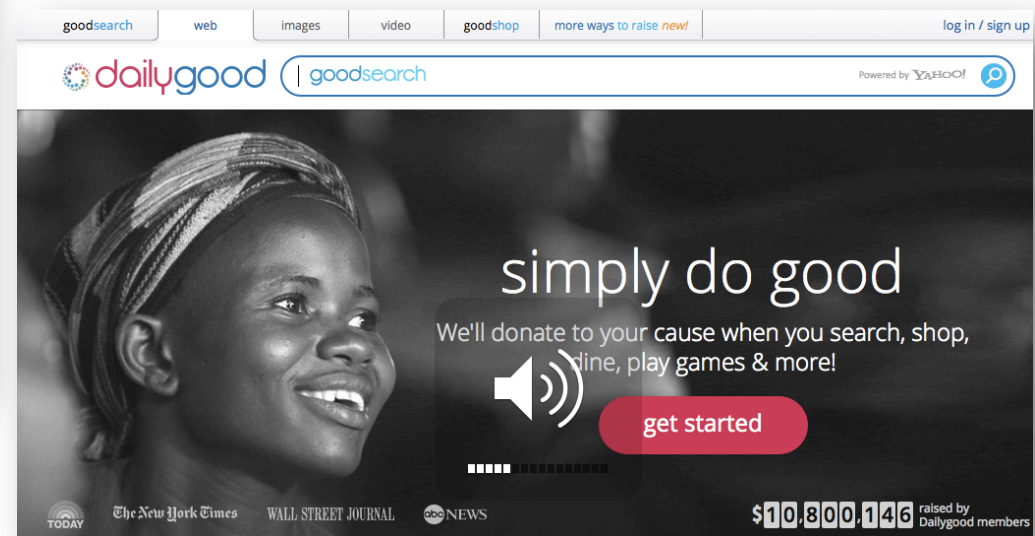
When the Digital Economy Enables Charity for Free : the Case of Search Engines

Workshop on Leveraging Technological
Change : The role of Business Models and
Ecosystems

19th march 2014 - IDEALondon

Context of research and starting point

Bridging IT market of search engines and development of sustainability and CSR issues ?



Value creation for charities in the digital economy

- Is it possible to create social and/or environmental value through the use of search engines (SE)?
 - ➔ hybrid business models (BM) at the crossroads between social business and digital economy
 - ➔ A free service enabling to donate money thanks to its mere usage (*cf* « *economy of freebies* »)

Economy of prescription

- SE are double-sided markets relying on network effects (Jullien, 2010; Perset, 2010)
 - New BM of social SE based on the principles of prescription economy (Hatchuel, 1995) and that are developing in the digital economy (Benghozi, 2008; Benghozi & Paris, 2007)
 - Central role of the market and nonmarket partnerships to create economic and social value (Dyer and Singh, 1998 ; Austin, 2000; Seitanidi, 2010)
- ➔ Partnerships operate a prescription regarding the choice of supported causes.

A « market for virtue »^(Vogel, 2005) in the digital economy?

- Using prescription to create social value in a niche market
 - CSR can generate new markets for innovative social entrepreneurs
 - The economic and social dimensions are intertwined in the activity and the cost-benefit analysis of the social entrepreneurs (Baron, 2007)
- How can CSR become a subject of prescription valued by intermediaries and users?

A « market for virtue » (Vogel, 2005) in the digital economy?

- CSR can be considered as resource redistribution mechanism (Baron, 2007; Carroll, 1979)
- Why are social entrepreneurs are willing to bear the cost of CSR ? (Baron, 2007)
 - Because it expands the opportunity set of users
 - Because of an entrepreneurial warm-glow

Case study

- First a study of social SE in the French internet
- We began an exploratory study in other internet domains (Europe, US, China)
- We focused on 2 cases that were at some point one success and one failure (Veosearch and Justoopen)
- We try to focus on users to better understand the success and failure... but we have to reshape the study because of the rapid change of the market and the numerous failures in France contrasting with the numerous successes in the UK

Methodology

- First study of the French actors : multilevel case study
- Identifying the BM of each actor according to the criteria which allow to differentiate them from conventional engines
- Proposing a typology of social SE
- Tracing the evolution in time of BMs and compare their trajectories
- Interviews to analyze the motivations of entrepreneurs
- Analysis focusing on identifying the key relationships and partnerships and the way they were permitting or not to create value for the user, the entrepreneurs, the charities

Typology of social SE

Figure 2 - The typology of social SE

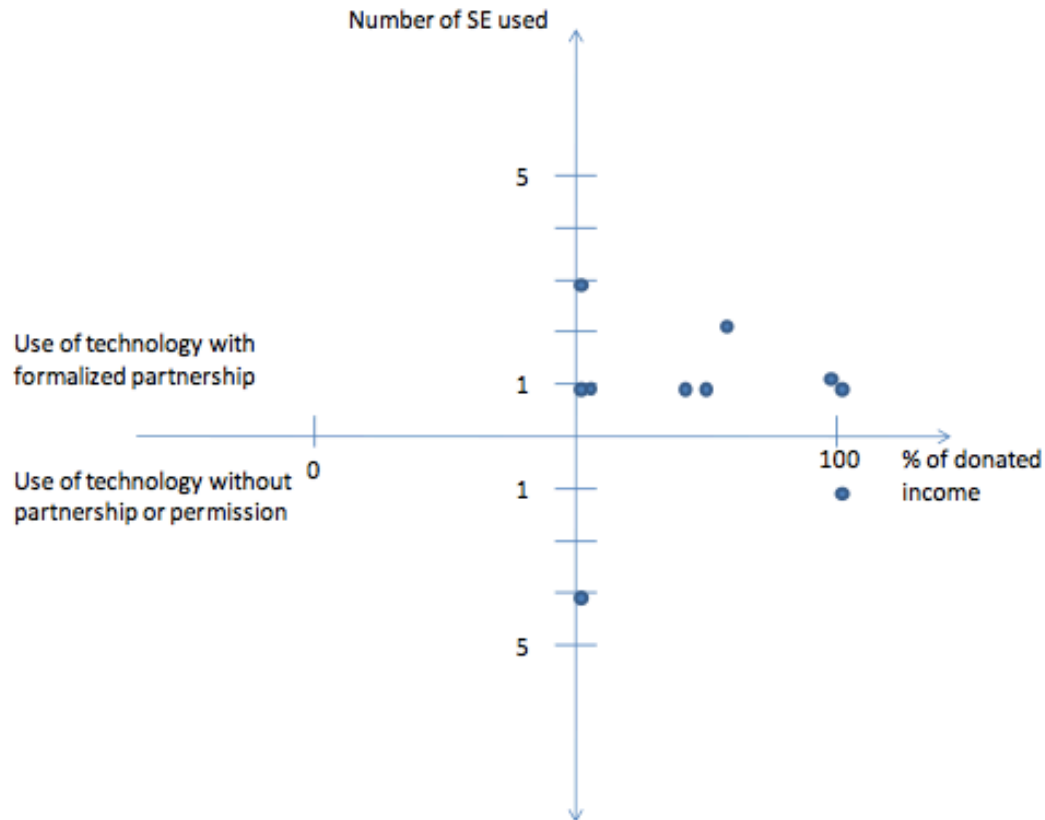
Type of SE	Objective
Charity	They give a percentage of their advertising incomes to charities.
Ecological	The tool is set to consume less energy and to reduce the environmental footprint produced by searches.
Ethical	The results are refined non ethical references (pornographic sites etc).

The charity SE

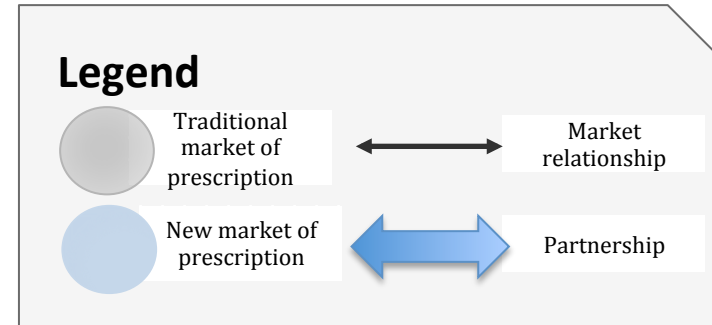
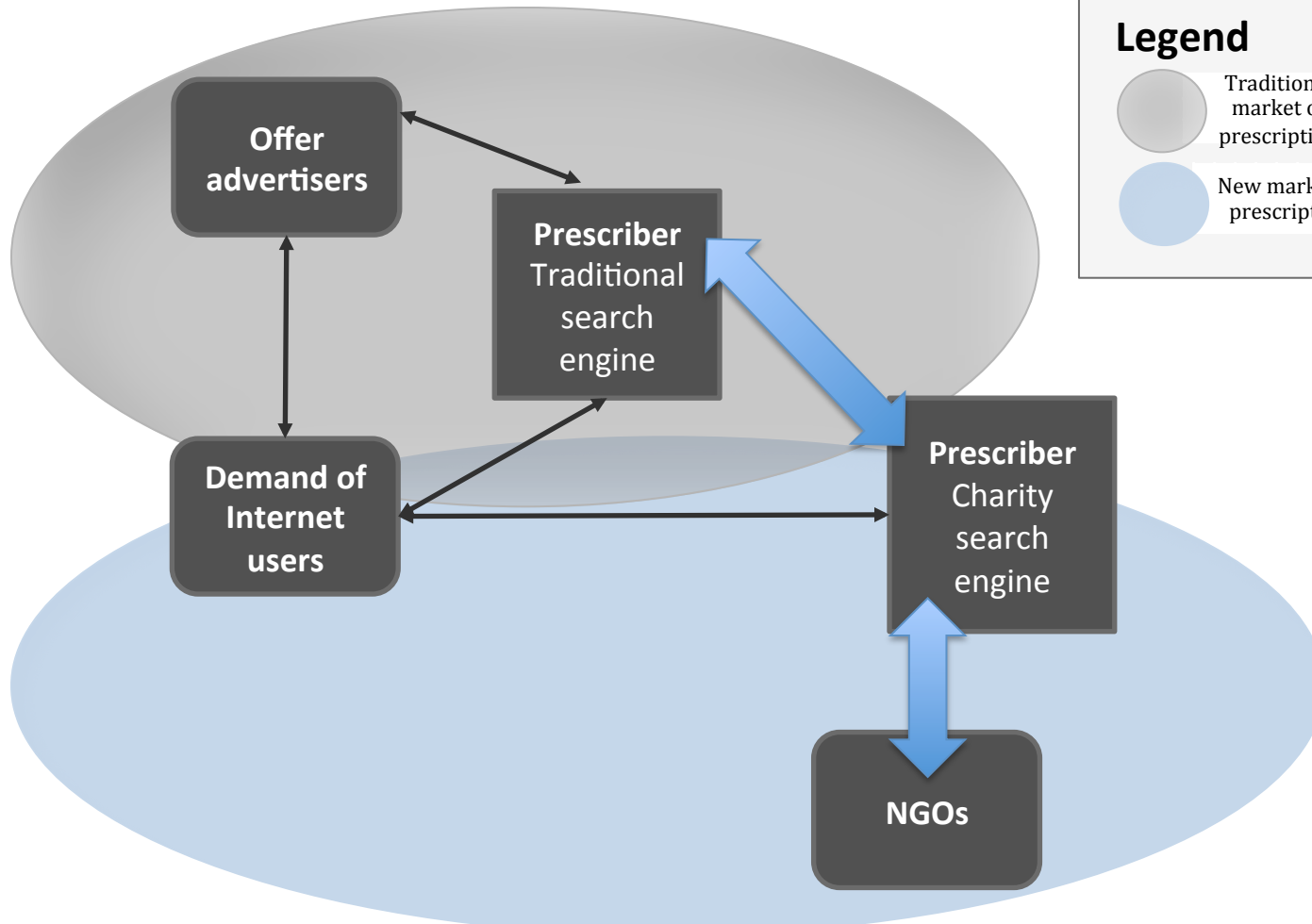
- 2 key types of nonmarket partnerships
 - Technological informal or formal partnership with traditional SE that are providing the technology
 - Partnerships with one or several NGOs
- Role of user : can choose or not the causes
- Evolution in time
 - Convergence to a single formalized partnership with the technology provider
 - Diversity in the relationships with charities

Mapping the market of charity SE

Figure 3 – Mapping of the market for charity SE



General model of double prescription of social SE



Relationships with traditional SE market

- The traffic generated by social SE is captured by traditional SE since they manage advertising revenue
- ➔ Their position is not threatened by social SE but rather strengthened
- The second point is that this configuration allows to divert a part of the advertising revenues generated to a social economy.
 - growing awareness of some users towards the environmental impacts of IT development
 - willingness of some expert users or designers to develop IT solutions meeting this sensitivity.

Questions

- Why no cooperation of technology providers, if their position is not threatened?
 - No value for the big players?
 - What is the value created? The diversification failed for Veosearch, why?
 - Need to extend the research to the UK/US social SE and their diversification into socially responsible platforms.
<http://www.goodsearch.com/> <http://bene.co/>
- Why is it a complete failure in France?
 - Are we reluctant to donations and charities?? To technology??
 - Need to analyse the motives and reactions of users but hard to find them...
 - Need to



Thank you for your attention!

Merci de votre attention!

