

# The ROAD to continuous business model innovation: A longitudinal study unveiling patterns of cognitive sensing dynamic capabilities

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The dynamic capabilities of sensing, seizing and transforming enable business model innovation. The emerging literature on the cognitive antecedents of business model innovation identifies several sensing capabilities that could facilitate the design of a new business model. However, little attention has been paid to the configuration of different patterns of sensing capabilities as enablers of business model innovations over time. This longitudinal case study uses a cognitive perspective to explore such sensing dynamic capabilities across three generations of business owners of a butcher's shop that has engaged in four business model innovations over 80 years. The innovations allowed the firm to grow, whereas most of its competitors faced severe crises or even failed because they decided to retain the same business model. Our cognitive perspective allows us to unveil different patterns of four sensing capabilities (i.e. *Responding*, *Overturning*, *Anticipating* and *Dribbling*) that allowed us to describe the 'ROAD' the business owners travelled to initiate their business model innovation processes. This ROAD to business model innovation and the detailed patterns underlying the four capabilities may help other small business owners develop viable business models and overcome the challenges of business model innovations.

## KEYWORDS

business model innovation, business owners, dynamic capabilities, family succession, longitudinal case study, managerial cognition, small businesses

## 1 | INTRODUCTION

The cognitive perspective on business model innovation is a new and growing body of literature that studies how individuals design and implement new business models (Sund et al., 2021). A particular focus area of this perspective is the study of how cognition hinders or

enables business model innovation. Early phases of business model innovation were characterized by many cognitive barriers, preventing entrepreneurs from conceiving of and implementing new business models (Bucherer et al., 2012; Chesbrough, 2010; Frankenberger et al., 2014; Halecker et al., 2014; Laudien & Daxböck, 2016, 2017; Massa & Tucci, 2014; Täuscher & Abdelkafi, 2017). On the other hand, the extant literature identifies enabling cognitive capabilities of entrepreneurs that may foster business model innovation (Martins et al., 2015; Schneckenberg et al., 2019; Schneider, 2019; Snihur &

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Zott, 2020). Helfat and Peteraf (2015) studied the dynamic capabilities at an individual level (i.e. managers) and identified specific types of managerial cognitive capabilities that produce higher performance in times of change, in terms of perception, attention, problem-solving and reasoning, as well as language, communication and social cognition. In fact, though dynamic capabilities literature are mainly studied at the organizational level of analysis (Björk et al., 2010; Börjesson & Elmquist, 2011; Teece, 2007), the dynamic capabilities of individuals are reported as enablers of innovation (Rothaermel & Hess, 2007; Sprafke et al., 2012). The three broad clusters of dynamic capabilities reported in the literature that facilitate the implementation of new business models are sensing, seizing and transforming capabilities (Amit & Zott, 2016; Bocken & Geradts, 2020; Schneckenberg et al., 2021; Teece, 2007, 2018).

Particularly important for identifying opportunities are 'sensing' dynamic capabilities, which are instrumental in revealing customers' unmet needs or technological opportunities and in designing effective business models (Baden-Fuller & Teece, 2019; Teece, 2007, 2018, 2020). According to Helfat and Peteraf (2015), these 'managerial cognitive capabilities' (p. 837) reside at the individual level (i.e. cognitive) of analysis.

Despite their importance, we found limited empirical longitudinal evidence on sensing dynamic capabilities. Consequently, it is currently unclear which different configurations or patterns of sensing dynamic capabilities may help entrepreneurs or managers initiate an effective business model innovation process and in what chronological order these capabilities should be employed. This absence of longitudinal empirical work seems even more remarkable, given that business model innovation, by its very nature, demands assessment over time. As business model innovation is a dynamic process, we are interested in isolating the various cognitive sensing dynamic capabilities and studying which of them are employed in different business model innovations within the same firm over time and in what chronological order. Overall, the present study aims to unveil different patterns of sensing dynamic capabilities that allow business owners to initiate business model innovation processes from a longitudinal perspective. Thus, we integrate two related but distinct theoretical lenses, which are the dynamic capability view and the cognitive view on business model innovation (Schneckenberg et al., 2021), to formulate the following research question:

Which different configurations of cognitive sensing dynamic capabilities do business owners employ to innovate the business model, and in what chronological order are these capabilities employed?

To answer our research question, we developed a longitudinal, single embedded case study, exploring four different business model innovations (subunits of analysis) performed by the same firm. Founded in 1937 as a small butcher's shop, Gabbani (i.e. the main unit of analysis) has implemented four business model innovations

in the 80 years of its history and through two ownership successions within the family. We assessed the case selection as appropriate given the research question, for varied reasons. First, Gabbani represents an ideal context to study the dynamic capabilities of the business owners because of its industry dynamics, with many external changes during the years that deeply influenced the evolution of customer preferences. Second, the industry (i.e. butcher's shops) is characterized by very poor malleability of the business models, except in the case of Gabbani. In fact, the Gabbani family continuously innovated its business model by diversifying the core business, whereas most other butcher shops in the Italian-speaking region of Switzerland remained the same over the years. Third, the innovations implemented in Gabbani allowed the firm to stay competitive and grow over time, whereas most of its peers in the region struggled to stay in the market, many of them failing in the process. The recent aggressive moves by supermarkets and wholesalers, the emerging online butcher shops and a general decrease in meat consumption in the region are severely affecting traditional butcher shops. Additionally, these boutiques are in a delicate position because of the limited financial resources available to invest in innovation. In contrast, the continuous innovations developed by Gabbani allowed the firm to reinvest the profits in new, viable business models. In fact, viability is considered an indicator of a successful business model innovation (Kranich & Wald, 2018).

What makes Gabbani such an exceptional business model innovator in an industry characterized by so few innovations? Our hypothesis is based on the idea that Gabbani's owners possess some distinctive cognitive sensing dynamic capabilities vis-à-vis other butcher shops that allowed them to overcome the typical cognitive barriers of business model innovation and identify new viable models.

We believe this explorative study is particularly relevant for business model innovation research and practice. Continuous business model innovation allows companies to stay competitive over time (Amit & Zott, 2021; Bashir & Verma, 2017; Mitchell & Coles, 2003), and it has become critical for small firms too (Cosenz & Bivona, 2021; Filser et al., 2021; Ibarra et al., 2020). The cognitive barriers that affect the early phases of business model innovation may be amplified in small firms, also because the business owners have a deep operational role, in addition to managerial and strategic roles (de Reuver et al., 2019; Hewitt-Dundas, 2006; Kearney et al., 2017; Verstraete et al., 2017). Therefore, given that dynamic capabilities may help small businesses too to overcome the cognitive challenges of business model innovation (Heider et al., 2021), we believe that our fine-grained cognitive perspective on dynamic capabilities may pave the road for further studies, testing and deepening the understanding of how entrepreneurs or business owners sense opportunities over time and develop continuous business model innovation by overcoming cognitive challenges that characterize the processes.

As is customary for exploratory case studies and given that our case is limited to a single firm, within a specific industry and

geographical location, our contribution is tentative, and we posited six propositions for further research (Eisenhardt, 1989), developed through our case analysis.

## 2 | THEORETICAL BACKGROUND

### 2.1 | Cognition as a barrier to the business model innovation process

The constraining nature of cognition on business model innovation has been highlighted by the emerging cognitive perspective on business models, which interprets business models as implicit schemas in the mind of entrepreneurs or managers (Massa et al., 2017). Tripas and Gavetti (2000) were among the first to assess how managerial cognitive representations about the 'razor and blade' (p. 1148) business model prevented business model innovation in the context of digital imaging. These considerations imply that cognition may act as a filter in the sensing of customers' needs as well as of external changes as disruptive technologies. In particular, the early phase of business model innovation process is very chaotic (Bucherer et al., 2012). Early phases such as initiation and ideation are characterized by cognitive challenges such as the non-recognition of market-based opportunities, the dominant logic and the complexity of business model thinking (Frankenberger et al., 2014; Laudien & Daxböck, 2017; Prahalad, 2004; Täuscher & Abdelkafi, 2017). These phases represent a significant cognitive challenge for the entrepreneur or manager as she or he needs to interpret customers' needs to determine a desirable value proposition and to design an effective business model (Payne et al., 2017; Teece, 2010). Accordingly, the role of the manager or entrepreneur in the business model innovation process is critical (Gassmann et al., 2016). However, the risk of misinterpreting customers' needs may hinder the process as well, by producing a business model innovation failure (Halecker et al., 2014). Identifying opportunities for business model innovation is further challenging because of the systemic and holistic nature of business models (Amit & Zott, 2021; Zott & Amit, 2013). Mehrizi and Lashkarbolouki (2016) suggest that managers may struggle to make sense of the entire business model, focusing on only some of its components. Moreover, customer-centricity is reported as an effective mechanism to cope with uncertainty and engage in business model innovation (Schneckenberg et al., 2017). Nevertheless, despite many innovation approaches claiming to be customer-centric, most are, in fact, product-centric (Ulwick & Hamilton, 2016). Another cognitive barrier to the early phases of business model innovation processes is the fact that business owners often follow dominant schema within an industry, constraining the exploration of radically new business templates and even constraining business model adaptation (Cavalcante et al., 2011; Snihur & Zott, 2020; Täuscher & Abdelkafi, 2017). Given the relevance of business model innovation and the constraining nature of cognitive challenges, the extant literature is increasingly interested in identifying the capabilities a business owner must

possess in order to overcome these challenges and develop a business model innovation mindset (Amit & Zott, 2021).

### 2.2 | Dynamic capabilities as an enabler of the business model innovation process

Dynamic capabilities facilitate the design of business models to grab new opportunities (Teece, 2018). Teece (2007) identifies three clusters of capabilities, namely, sensing, seizing and transforming. In the early stages of business model innovation, sensing dynamic capabilities are needed to sense and make sense of business opportunities as these capabilities involve the capacity to identify changing customer needs and to sense, filter and shape opportunities (Baden-Fuller & Teece, 2019; Teece, 2018). Structured firms may engage in environmental scanning and hypothesis testing experiments (Teece, 2020). Less structured firms, especially small enterprises, often rely on the individual cognitive capabilities of the entrepreneur or manager. In order to respond to the call by Teece (2018), regarding the assessment of specific aspects of dynamic capabilities as the recognition of opportunities, we aimed to deeper explore the sensing capability at the individual level to unveil the connection between sensing capabilities and business model innovation. To this end, we needed to zoom in on the individual level of analysis for both dynamic capabilities and business model innovation, which is a relevant but surprisingly less studied phenomenon. Our cognitive perspective aims at shedding more light on the role of individuals in business model innovation. Especially in small firms, the business owner or manager literally personifies the business model of its company (i.e. he or she plays a central role in every strategic action and simultaneously has a significant operative role; see Kearney et al., 2017; Verstraete et al., 2017). Instead, literature on dynamic capabilities and business model innovation process is predominantly investigated at the organizational level. Moreover, the literature on business model innovation processes focuses more on the procedural, structural and organizational nature of the process (Frankenberger et al., 2014; Heikkilä et al., 2018; Laudien & Daxböck, 2017; Wirtz & Daiser, 2018), paying less attention to the enabling capabilities of individuals that facilitate the process. Small businesses' success often depends on the choices made by the business owner. Therefore, we built on Helfat and Peteraf's (2015) analysis about managerial cognitive capabilities in order to study how sensing capabilities assist the initiation of business model innovation processes. Moreover, the emerging literature on the cognitive perspective on business models and business model innovation provides support in the understanding of individuals' role within the business model innovation process (Sund et al., 2021). Tikkanen et al. (2005) argue that 'business model is a cognitive system through which managers decide on their actions' (p. 789). Baden-Fuller and Morgan (2010) consider a business model a model that could be created and innovated by a creative entrepreneur or manager. In fact, this perspective conceptualizes the role of managerial reasoning in the business model innovation process by identifying different cognitive

practices and processes adopted by managers to initiate business model innovation (Schneckenberg et al., 2019).

Given the difficulty to operationalize the broad concept of sensing dynamic capabilities, we identified established sensing dynamic capabilities in order to build a framework of four cognitive ones that seemed particularly relevant to our case. The first cognitive process that fits with our perspective of cognitive sensing dynamic capabilities is analogical reasoning (AR). AR is considered a particular form of creativity that helps individuals in the early stages of business model innovation (Loon et al., 2020). Martins et al. (2015) suggest that AR starts with the identification of a business model template from another context, before applying some elements of this template to the context of the firm. Similarly, Gassmann et al. (2014) identify several business model patterns to inspire managers to engage in AR. According to Glaser et al. (2016), AR has three subprocesses, namely, (1) stretching (i.e. the process of modifying the identified analogy to find a better fit with the current context), (2) bending (i.e. the process of changing the business logic to adapt to an identified analogy) and (3) positioning (i.e. the use of stretching or bending to differentiate the firm from competitors).

A similar cognitive process that may constitute a cognitive sensing capability is the conceptual combination. In contrast with AR, the conceptual combination does not start with an existing template, but tries to identify a target business model, composed of the aggregation of different business model concepts or patterns (Gassmann et al., 2014; Martins et al., 2015). Furthermore, thematic thinking may also be considered a form of sensing dynamic capability. Estes et al. (2012) highlight a difference between taxonomic feature-based similarity (i.e. two or more elements that belong to the same conceptual category, such as cars and motorbikes) and thematic relation-based similarity (i.e. two or more elements that share spatial, temporal or functional aspects, such as a motorbike and a helmet). Thematic thinking may help managers develop more radical business model innovation and achieve a competitive advantage, because it is very

difficult for managers to move past taxonomic thinking (Froehlich et al., 2014, 2016). Additionally, Dyer et al. (2009) as well as Doz and Kosonen (2010) identify the core capabilities for the first phases of business model innovation. Dyer et al. (2009) determine the cognitive capabilities of associating, questioning, observing, experimenting and networking. These cognitive capabilities are considered part of the DNA of particularly innovative CEOs or entrepreneurs. Similarly, Doz and Kosonen (2010) developed the concept of strategic sensitivity, composed of five capabilities, namely, anticipating, distancing, abstracting, experimenting and reframing. We consider all these cognitive processes and practices to be relevant to our concept of cognitive sensing dynamic capabilities. However, they demand a more proactive approach to business model innovation. We also extend the sensing capabilities to more reactive capabilities. In particular, (dynamic) adaptability is a capability related to resilience that helps managers respond to an external change (Conz & Magnani, 2020; Schneider, 2019). Similarly, Osiyevskyy and Dewald (2015) assess that a response to an industry's disruptive innovation confirms an incumbent's perceived opportunity, which enables business model innovation.

This critical review of the literature helps us determine the core cognitive sensing dynamic capabilities that a business owner should possess and mobilize to initiate the business model innovation process. Table 1 clusters and describes these capabilities that we label *Responding*, *Overturning*, *Anticipating* and *Dribbling* (i.e. the ROAD capabilities).

Even though the extant literature helped us identifying and clustering the cognitive sensing dynamic capabilities that business owners must possess to initiate business model innovation, we found scant analysis on how these capabilities configure around different business model innovations over time. If we consider the ROAD capabilities as tools for business model innovation, we may argue (1) which of them are employed by business owners in different contexts, while which are not, and (2) what their chronological order in different innovations

**TABLE 1** The aggregate cognitive sensing dynamic capabilities (i.e. ROAD)

Cognitive sensing dynamic capability	Description of the capability	Existing related capabilities	Key authors
<b>Responding</b>	Sense and react to external (and unexpected) changes	Dynamic adaptability (resilience) Perceived opportunity	Conz & Magnani, 2020; Osiyevskyy & Dewald, 2015; Schneider, 2019
<b>Overturning</b>	Understand current business model, sense the limitation of the status quo and challenge it	Abstracting Bending (AR) Distancing Questioning Reframing Stretching (AR)	Doz & Kosonen, 2010; Dyer et al., 2009; Glaser et al., 2016; Martins et al., 2015
<b>Anticipating</b>	Sense and even anticipate future needs, validating hypotheses	Anticipating Experimenting Networking Observing	Doz & Kosonen, 2010; Dyer et al., 2009
<b>Dribbling</b>	Sense a unique business model concept, differentiating yourself from competitors	Conceptual combination Positioning (AR) Thematic thinking	Froehlich et al., 2014; Gassmann et al., 2014; Glaser et al., 2016; Martins et al., 2015

is. Filling these research gaps will provide more knowledge about how business owners employ different configurations of cognitive sensing dynamic capabilities to innovate their business model over time, helping them identify opportunities for business model renewal.

### 3 | METHODOLOGY

The current study presents a single embedded case study design (Yin, 2009) with a small family business in the southern part of Switzerland. The main unit of analysis is Gabbani, and the chosen embedded units of analysis consist of four different business model innovations the firm implemented over time (i.e. (1) selection and resale; (2) catering and takeaway; (3) food boutiques; and (4) hotel and restaurant). This methodological choice is motivated by the need to study which configurations of cognitive sensing dynamic capabilities were employed by the business owners in different competitive contexts (e.g. different competitors, different customers' needs and different macroeconomic factors), but in the same organizational context (i.e. Gabbani family as key decision makers). In the following, we describe how we use a cross-case comparison across these temporal units to extrapolate our cognitive sensing dynamic capabilities.

Before embarking on this endeavour, some context of the case company, as well as the sector, is in order. The case firm was launched as a traditional butcher's shop, like many in the region. However, its four transformations (i.e. the embedded units of analysis) allowed Gabbani to become more profitable and grow. In a previous project run by the first author with the regional association of butchers, it was learnt that most butcher's shops are still the same as 80 years ago. Nevertheless, most are facing critical situations, especially from a profitability perspective, and many have already disappeared. The traditional butcher's shops' business models are usually small businesses in which the owner employs few employees. The key customers include both end consumers and small businesses such as restaurants and canteens. Occasionally, they serve some local supermarkets. The main product category offered is of course meat products (i.e. fresh meat and charcuterie). They process meat, particularly charcuterie, in the right quantities for their market. In the last years, these businesses increasingly started selling ready meals and other food and beverages such as wine, eggs, bread, pasta and occasionally fruits and vegetables. Despite some differences in the products and services offered to consumers, the business models were perceived to be alike. We have defined the current main business model archetype (Baden-Fuller & Morgan, 2010) of butcher's shops as a showroom. The showroom is common in the car market, where individuals who aim to buy a specific brand of car know exactly where to go. Butcher's shops are similar to this. Consumers go to a butcher's shop because they know they will find meat.

Gabbani, by contrast, represents an exemplary and unique case of continuous business model innovation and prosperity. The firm was founded in 1937 by Domenico Gabbani and his wife Giulietta Beltrami. Mr Gabbani specialized in processing meat, particularly charcuterie. Gabbani provides a history of continuous change, expansion

and diversification that allowed the company to resist the difficult challenges that caused many other butcher's shops to fail in the same area. Today, the company has more than 70 employees and continues to expand. In the past 80 years, the company has been succeeded by Lino Gabbani, Domenico's son, and recently by Lino's sons, Domenico and Francesco. Our primary interest, however, does not rely on the business model innovation as the outcome, but rather on the cognitive sensing dynamic capabilities that helped the initiation of the business model innovation process. In fact, as reported by Casadesus-Masanell and Ricart (2010), the implementation of a new business model is a strategic choice among different other alternatives. Therefore, we do not aim at justifying a business model innovation choice through our longitudinal analysis, but rather intend to unveil through which sets of cognitive sensing dynamic capabilities the business owner managed to initiate the business model innovation process.

#### 3.1 | Data collection and data analysis

To ensure transparency and reliability of the findings, we adopted an elite informant approach (Aguinis & Solarino, 2019) and conducted three semi-structured in-depth interviews with the two actual business owners. These interviews focused on both real-time (the recent business model innovation) and past observations from 2018 until 2021. The first semi-structured interviews aimed at mapping and describing the four business model innovations. The two interviews lasted 55 and 60 min. The second round of interviews with the two business owners aimed at unveiling which cognitive sensing dynamic capabilities were employed to initiate each of the four business model innovations. These interviews lasted 45 min, and to improve accuracy, we avoided leading questions (e.g. 'How did you dribble the competition?'). As the business owners were not familiar with the theoretical concepts linked to dynamic capabilities, we encouraged a deep reflection that we then assessed according to our theoretical framework. We asked open-ended questions and stimulated the two business owners to provide concrete examples of reasoning and thinking through questions like 'Tell me how you started thinking about opening a hotel'. The third interviews had the goal to confirm and improve our data analysis. In fact, we prepared some questions by combining the different business model innovations and the configurations of cognitive sensing dynamic capabilities that we identified. We asked some confirmations and additional insights on what we built. However, to improve accuracy, we also added some control questions with wrong reconfigurations to test a reaction by the interviewees (e.g. 'Did your father developed the take away service to copy the same move made by his competitors?' and the answers disagreed with our statement and highlighted again the cognitive sensing dynamic capability of 'Dribbling'). These last interviews lasted 30 and 40 min.

All interviews were recorded and transcribed within a day. Moreover, data gathering and analysis was highly iterative in nature, and at times, formal interviews at the shops blended into extended on-site ethnographic observation when we returned to gather more



information. To triangulate the findings and contain any retrospective biases, we collected related materials such as videos (four TV news videos of a total of 30 min), 20 newspaper articles, two blog interviews and other information about the case firm on a book about the history of butchers in the Italian-speaking part of Switzerland (Gibbert et al., 2008). Moreover, we interviewed a third elite informant, Mr Sandro Volonté, a past direct competitor of Gabbani. His butcher's shop, which has now shut down its activity, had been run by him for 40 years, after succeeding his father. His memories have been a particularly important source in the data triangulation on the business model innovations, which occurred in Gabbani. Volonté was a particularly revealing source of data triangulation. First, Lino Gabbani trained as a butcher at Volonté, before joining his father at Gabbani. Sandro Volonté and Lino Gabbani grew together, and when both were at the leading position of the two butcher's shops, they literally became the biggest and most important meat shops in the region. Their shop were in the same street, and their competition was fierce, but honest. As the two firms selected two completely different growth paths (i.e. Gabbani did the four business model innovations analysed in this article, whereas Volonté mainly aimed at serving the retailers of the rest Cantons in Switzerland), they keep interacting and discussing about their businesses. We thus believe that this intimacy allows Mr Volonté to enrich our insights about the cognitive sensing dynamic capabilities

at Gabbani, by following a similar approach to the methodology used by Zott and Huy (2007), who employed different stakeholders to triangulate the symbolic actions of founders. Moreover, Mr Volonté enriches our internal validity by acting as a disconfirming case (i.e. an elite informant from a different organizational condition), consistently with the methodological suggestions by Solarino and Aguinis (2021). To conclude, we also triangulated our findings with the customers of Gabbani, both past and newer ones, to grasp their perception of the innovations implemented.

Our primary goal was to describe which configurations of capabilities and in what chronological order the business owners employed to initiate business model innovation as reliably and transparently as possible following the principles of Aguinis and Solarino (2019). The coding process was undertaken primarily by the first author and followed the recommendations by Gioia et al. (2013), that is, it was based on the thematic analysis approach suggested by Fereday and Muir-Cochrane (2006), through a hybrid process of inductive and deductive development of codes and themes. The second author acted as a blind coder in checking a subset of the codes. In fact, we employed the four theory-driven codes discussed in the literature section (i.e. responding, overturning, anticipating and dribbling). See Appendix A for an overview of some representative quotes from the interviews. Figure 1 represents the process undertaken to code the data.

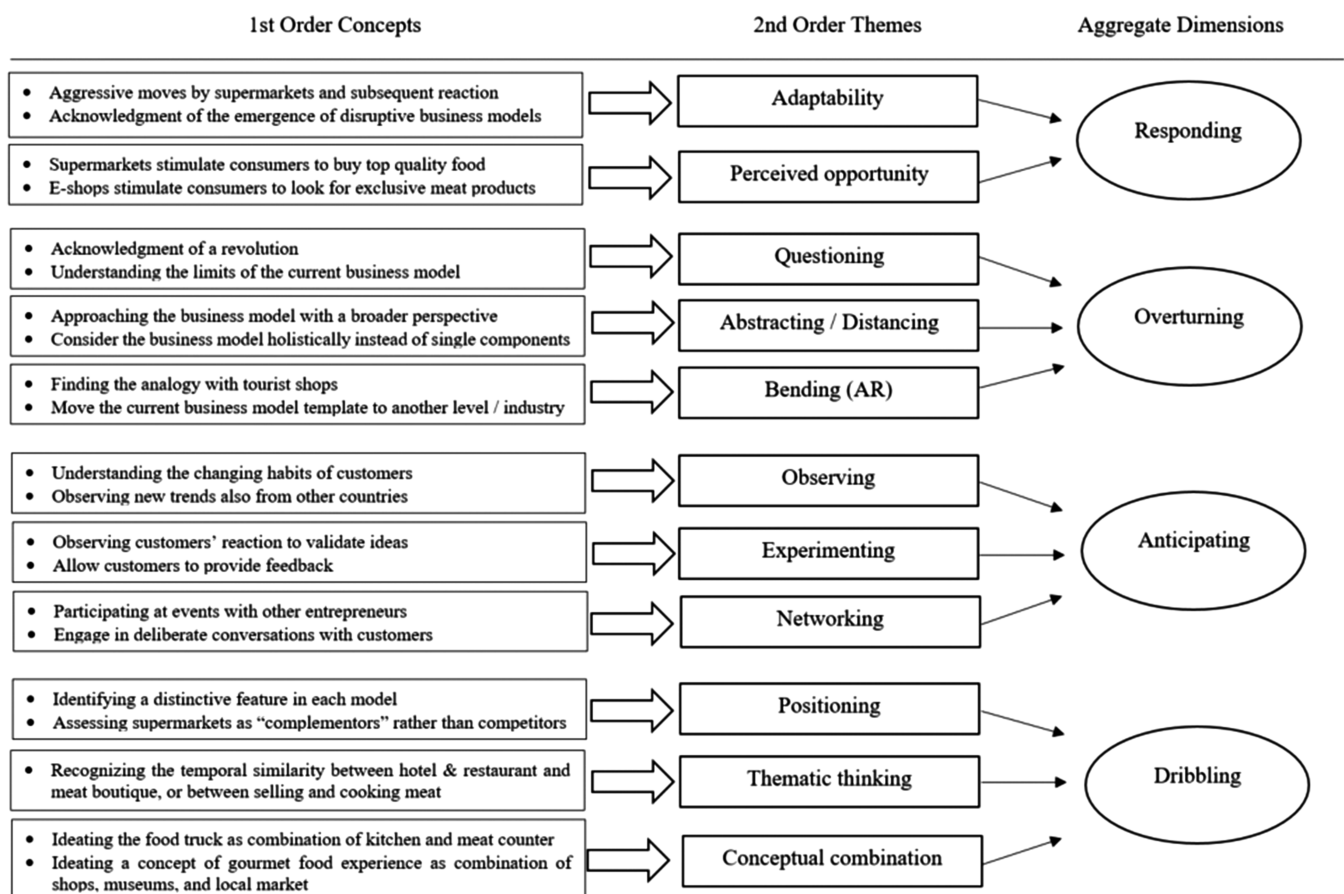


FIGURE 1 Data structure

## 4 | RESULTS

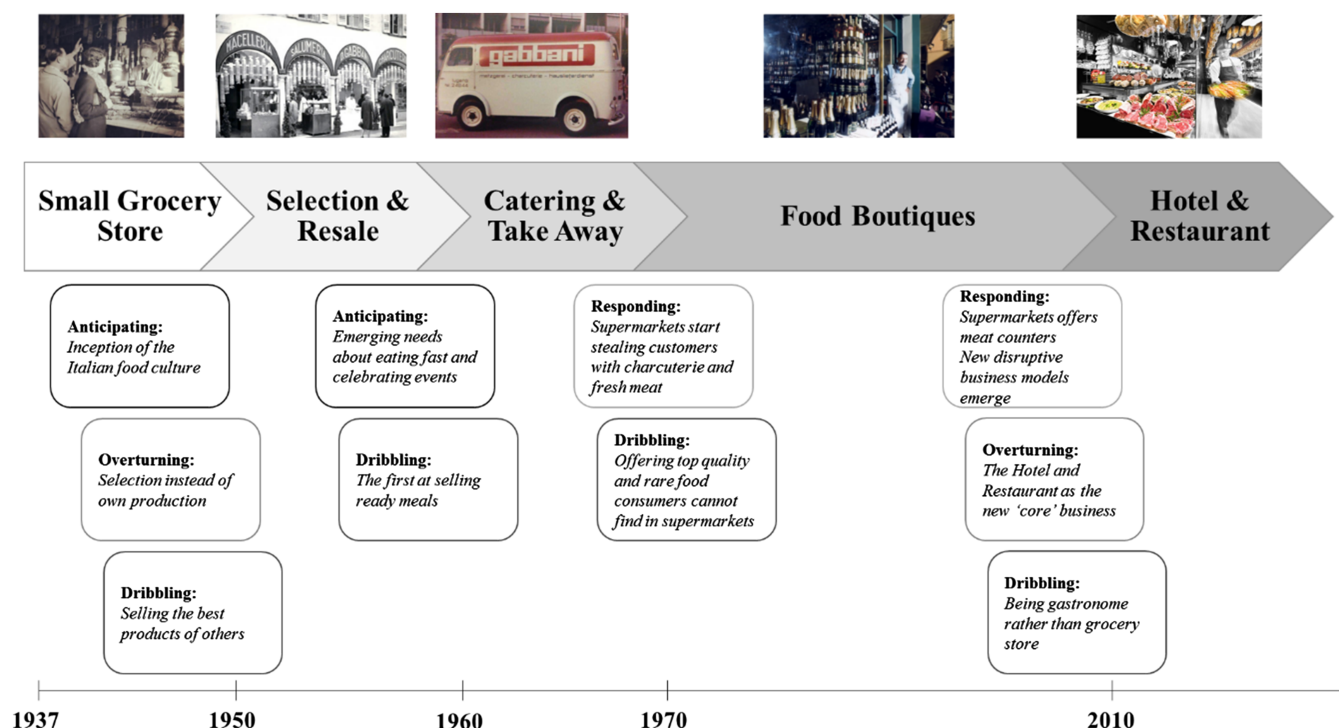
The findings show how different patterns of cognitive sensing dynamic capabilities facilitated the initiation of all four business model innovation processes for Gabbani. We consider all four business model innovations as ‘architectural’ (Foss & Saebi, 2017) as they required a significant shift in the entire business model. However, the patterns of sensing capabilities employed varied in each innovation, as shown in Figure 2.

### 4.1 | The beginnings as a small grocery store focused on meat products (1937–1950)

The first period of the innovative history of Gabbani is characterized by an artisanal orientation, that is, it served local customers who wanted to eat artisanal meat at home. Hence, the first business model consisted of a typical small grocery store, where local customers developed a personal relationship with the business owner. The store was one of the many small food shops in the city. Every shop had its own peculiarities and specialties. Domenico Gabbani was a gastronome who arrived in Switzerland from Italy, where he had learnt to produce Italian charcuterie. The main activities of the shop consisted of typical Italian-style meat processing and selling at the store, with the help of Domenico Gabbani's wife, Giulietta Beltrami.

### 4.2 | The first innovation with the first succession: Selection instead of own production (1951–1960)

The first business model innovation took place as early as the 1950s, when Lino Gabbani, the son of Domenico and soon the new owner, started developing his vision. Although producing their own charcuterie had been a winning move, the first significant change at the business model level was made by deciding to quit processing the meat and starting to personally select the best fresh meat and charcuterie in the entire region. This move has been alimanted through the configuration of the sensing capabilities of anticipating, overturning and dribbling. In fact, Lino started by *anticipating*, as he understood the inception of the Italian food culture in the region. The local population started growing and becoming wealthier. Moreover, most Italian immigrants who joined the Swiss-Italian region after World War II felt the lack of Italian food products. On the other hand, Lino was also able to capture a new customer segment of wealthy tourists. In fact, with the start of upmarket tourism in the area and the increasing number of hotels, the Italian food culture would rapidly become an attractor for this kind of tourist. Then, Lino employed the *overturning* capability, understanding that if customers want the best products, it is very unlikely that you could produce them all at the top quality. Therefore, he sensed the limitation of the current business model. Through analogical reasoning with the tourist shops present in the most touristic cities of Italy, he started imagining the concept of a one-stop shop for the best meat products in the region.



**FIGURE 2** Business model innovations and patterns of sensing capabilities at Gabbani [Colour figure can be viewed at wileyonlinelibrary.com]

Our father decided to quit with the past despite the huge success of our grandfather. Deciding to quit producing our own products consisted in a major and unexpected shift for our business, but it paid off. (Domenico Gabbani)

Challenging the current business model has been followed by the *dribbling* capability. This step has been particularly significant in positioning Gabbani ahead of the competition. In fact, Lino could have both increased his production and been simply 'better' than the others, or, as he did instead, choose to profit from what the others did well, and thus, become the highest quality meat store. This move is particularly remembered by the historical competitor of Gabbani, Sandro Volonté.

While we focused on selling more of our charcuterie to the German-speaking part of Switzerland, Lino Gabbani developed a new vision of selling the best products of the region to Swiss-Germans who came to Ticino. (Sandro Volonté)

#### 4.3 | The addition of catering and takeaway service (1961–1970)

In the 1960s, Lino Gabbani anticipated an important change in the consumers' preferences about eating. The tertiary sector of the economy had started growing. In particular, the banking industry was flourishing in Lugano, bringing even more wealthy people to the town. Gabbani understood that bankers would need to eat faster (than in a restaurant) in the city but also consume more sophisticated food. The company started to cook the products that were offered in the shop, planning on offering a ready meal of high-quality and genuine ingredients through its first food truck. Other than local customers, the financial boom of the city attracted wealthy non-resident individuals, who also started to buy second homes in the region. These consumers were particularly attracted by the ready meals offered by Gabbani as a convenient choice of catering food for the guests they entertained in their sprawling villas.

In this case, the configuration of sensing capabilities entails anticipating and dribbling. The *anticipating* capability is evident because food trucks were still an emerging trend (Sezgin & Şanlıer, 2016) 50 years after Gabbani ventured in that business.

Our father was always the first to invent a new way of doing business. When he started his first take away service, no one in Lugano understood the emerging need of eating faster than in a restaurant. (Francesco Gabbani)

Many of Gabbani's historical customers that we interviewed brought up the Saturdays at the food market in Lugano with their families, where they would buy most of the food for the week, but also eat at Gabbani's truck. Most customers remember Lino Gabbani as a very

emphatic person. This reflects his networking abilities with the goal of understanding his customers' needs.

Lino Gabbani participated in many important events: that's one of the things that allows an entrepreneur to discover what customers really want. He had a commercial ability other than an artisanal ability. (Sandro Volonté)

After sensing the emerging needs of potential new customer segments for Gabbani, Lino employed the *dribbling* capability. According to most of the butcher's shops that we engaged with in the region, cooking is still considered to be something significantly different from the traditional butcher's job. The taxonomic thinking of most butcher's shops' business owners makes them consider a ready meal as different business. Lino Gabbani understood quite in advance the thematic similarity about offering meat products to be consumed at home and preparing a meat product to be consumed in place. In fact, Francesco Gabbani told us that his father always told customers that the secret of his pizza was the ham he selected. What seemed obvious to them was particularly difficult for most of their competitors to imagine.

Most bigger firms ventured in the business developed by Gabbani only years after. Most butcher's shops are still distant from Gabbani's older moves today. (Sandro Volonté)

#### 4.4 | The opening of several food boutiques (1971–2009)

For almost 40 years, Lino Gabbani worked hard to expand his business and gradually hired new employees. In the 1970s, he engaged in the third business model innovation, which was followed by a series of replications by Gabbani himself. Gabbani started facing the toughest competition ever: the rise of supermarkets. They sold every kind of product and food. In the first years, the meat sold by supermarkets came from bigger factories and did not represent a direct threat to the small merchants—at least in the eyes of many competitors. Nevertheless, Lino Gabbani understood the risks and decided to strengthen his position as a gastronome. He started opening small specialized boutiques: a butcher's shop, a bakery, a wine shop, a cheese shop, a fruit shop, etc. In this way, Gabbani offered its customers all the products that they could not find in the supermarkets, allowing them to eat top-quality local food at home. The firm was unique and distinctive. Local restaurants, which in those years were very profitable thanks to a general increase in well-being as well, became interesting new customers for Gabbani, because they could find any local specialty there.

For the first time in his innovative history, Lino Gabbani was preceded by another player. Therefore, he employed the *responding* capability. From Francesco Gabbani, we understood a particular way of perceiving opportunities in the Gabbani family.



When supermarkets started having their meat counters, our father thought it as an opportunity, as our customers could be stimulated to buy top quality food as supermarkets were mainly focused on cheap food. (Domenico Gabbani).

Sandro Volonté confirmed how the company was able to adapt to the moves made by supermarkets instead of trying to compete with them as most of the others did, which turned out to be an ineffective strategy. Our archival data show that Gabbani also won several prizes for their exceptional products. In 2020, Lino Gabbani also received a lifetime achievement award for his wine shop.

After employing the responding capability, Lino engaged once more in *dribbling*, by establishing a clear positioning compared with supermarkets.

Customers can find here rare products from all over the world. That makes us different than the others. [...] We aim at offering the best in everything, and also stimulate new eating experiences. We want to be considered the one-stop-shop of food experiences, which was something that our customers needed and still did not acknowledge yet. (Francesco Gabbani)

#### 4.5 | A change of logic with the second succession: From store to hospitality (2010–present)

The entry of Lino's sons into the company has been the starting point of a significant shift in the core logic of Gabbani's business model. Francesco was the first to join the company. After some commercial studies, Francesco started apprenticing as a butcher and as a salesman on the job. Domenico, the older brother, studied business administration. His role in the company was immediately assigned to financial accounting, as well as the strategic management of the firm. There, Domenico started his project of opening the restaurant and the hotel close to the shops. Gabbani opened its first hotel and restaurant in 2010, which very soon became the strategic key asset for the firm. Gabbani managed to change the identity of its business, because new customers began considering Gabbani as mainly a hotel and restaurant, which also offered some shops. In fact, the two brothers consider the hotel and restaurant to be a 'hook' to sell their own meat products. During the timeframe between June and September 2020, they had the chance to engage with many Swiss tourists who came to Lugano for their very first time, partly because of the COVID-19-related travel restrictions. Most of them considered Gabbani as a restaurant, which offers the opportunity to buy the products served there. Francesco and Domenico also confirmed that even after the summer, they still deliver their products to tourists at home, providing further evidence of the desirability of this new business model. The sensing capabilities pattern employed entails responding, overturning and dribbling. In fact, the Gabbani brothers employed the *responding* capability as they sensed that many customers started considering

some supermarkets to be similar to their firm. Moreover, some disruptive business models emerged in the industry (i.e. online butcher's shops), and the Gabbani brothers immediately acknowledged the risks regarding their tourist market segment. Gabbani's reaction has been enabled by *overturning*. Domenico Gabbani started abstracting from their core business model of shops. This was a very challenging move, according to Francesco.

My brother had insane vision about our business. If you ask me, I would double the meat counter. Domenico, instead, assesses the market with a different perspective, by challenging what we are currently doing. (Francesco Gabbani).

In fact, Domenico immediately saw the synergies between the shops and the hotel and restaurant. The hotel and restaurant attracted new customers, who then became customers of the Gabbani meat boutique.

In 2010, I presented the Hotel project to our dad. What seemed unrelated, it wasn't in the end. The customers who had their meat at the hotel, became customers of our butcher's shop. My father could not say no. (Domenico Gabbani)

Subsequently, Gabbani employed a *dribbling* capability to sense how to differentiate itself from others for both customer segments (i.e. tourists and locals). The firm decided to strengthen the concept of being a gastronome, making it a higher level concept that fits with all the offerings. Accordingly, the customers we interviewed assessed Gabbani as something different both from restaurants and from food shops.

## 5 | DISCUSSION AND RESEARCH PROPOSITIONS

The comparative analysis of the different embedded periods of our case study allowed us to discuss our findings and develop a tentative contribution to the literature by deriving six research propositions for further scholarly investigation and discussion, consistent with exploratory case research (Eisenhardt, 1989).

### 5.1 | Configurations of cognitive sensing dynamic capabilities

Firms and business owners must possess and employ sensing dynamic capabilities to facilitate the initiation of the business model innovation process (Helfat & Peteraf, 2015; Teece, 2018). However, there is little knowledge on which configurations of cognitive (i.e. individual) sensing dynamic capabilities should be employed in different business model innovation contexts. Through our single embedded case study,

we explored and longitudinally identified different patterns of cognitive capabilities as enablers of the early phases of the business model innovation processes, characterized by many cognitive challenges (Frankenberger et al., 2014; Laudien & Daxböck, 2017; Täuscher & Abdelkafi, 2017). In other words, each of the four business model innovations entailed different configurations of the following four capabilities: *Responding*, *Overturing*, *Anticipating* and *Dribbling*. Through our longitudinal investigation, we identified that all four business model innovations implemented by Gabbani required the business owners to employ different configurations of cognitive sensing dynamic capabilities: *Overturing*, *Anticipating* and *Dribbling* for the first innovation, *Anticipating* and *Dribbling* for the second, *Responding* and *Dribbling* for the third and *Responding*, *Overturing* and *Dribbling* for the last. By identifying different configurations of cognitive sensing dynamic capabilities, we aimed at deepening the knowledge of the sensing cluster of dynamic capabilities (Teece, 2018). By bringing to bear an individual perspective, Helfat and Peteraf (2015) detected specific types of cognitive dynamic capabilities that individuals possess, to innovate. We went one step further, shedding more light on the role of various configurations of cognitive sensing dynamic capabilities as enablers in initiating the business model innovation process. These insights highlight the enabling and catalytic nature of cognition in business model innovation. A particular focus area of the cognitive perspective is the study of how cognition hinders or enables business model innovation. In fact, some scholars identify the enabling cognitive processes and practices (Martins et al., 2015; Schneckenberg et al., 2019; Schneider, 2019; Snihur & Zott, 2020), while a few others consider the constraining role of cognition as a hindrance to business model innovation (Chesbrough, 2010; Frankenberger et al., 2014; Laudien & Daxböck, 2017; Massa & Tucci, 2014; Tripsas & Gavetti, 2000). As sensing dynamic capabilities are reported to be particularly enabling for business model innovation (Baden-Fuller & Teece, 2019; Teece, 2018), our fine-grained assessment of sensing dynamic capabilities at the individual level (which is particularly relevant for small firms) allowed us to contribute by examining how cognitive sensing dynamic capabilities aid in overcoming cognitive barriers in the early stages of business model innovation. Hence, we develop our first proposition as follows:

**Proposition 1.** Different configurations of cognitive sensing dynamic capabilities, namely, ‘Responding’, ‘Overturing’, ‘Anticipating’ and ‘Dribbling’ (i.e. ‘ROAD’) enable the initiation of the business model innovation process by aiding in overcoming the relative cognitive barriers of the initial stages of the process.

Further, our longitudinal perspective and the individual level of analysis provided new insights into how different contexts and events call for different configurations of cognitive sensing dynamic capabilities as enablers of business model innovation. Existing empirical evidence has identified different activities, skills and capabilities that help overcome the cognitive challenges of business model innovation (Frankenberger et al., 2014; Laudien & Daxböck, 2017; Täuscher &

Abdelkafi, 2017). However, we hope to stimulate further debate within this perspective by considering every business model innovation as embedded in a different context, which requires a related but distinct situation-specific configuration of cognitive sensing dynamic capabilities.

We assessed the *Anticipating* and *Responding* capabilities as mutually exclusive. In fact, *Anticipating* was employed whenever Gabbani business owners moved first and anticipated the competition. On the other hand, when the competition moved first, the Gabbani business owners turned the move into an opportunity through the *Responding* capability. *Responding* entails the capabilities, which the extant literature considers as a reaction to exogenous change such as new regulations or a change in competition (Foss & Saebi, 2017; Schneider, 2019). The *Responding* capability is thus reactive. Conversely, the *Anticipation* capability is rather proactive and is employed even in the absence of exogenous change (Martins et al., 2015). The reported capabilities related to the anticipating cognitive sensing dynamic capability are characterized by a continuous interaction between the entrepreneur and the market (Doz & Kosonen, 2010). These capabilities focus on the discovery and assessment of customers and their needs and expectations (Amit & Zott, 2012; Cavalcante et al., 2011; Christensen et al., 2016; Johnson et al., 2008). Our investigation confirms the reactive nature of the *Responding* cognitive sensing dynamic capability and the proactive nature of *Anticipating*. This adds new insights into the cognitive perspective on business model innovation that focuses on how cognition fosters business model innovation in the absence of exogenous change (Martins et al., 2015). Our findings are consistent with those of Schneider (2019), who considers how firms approach business model innovation with both a proactive approach (i.e. with no exogenous change) and a reactive approach (i.e. with elevated levels of exogenous change). However, though both capabilities help entrepreneurs recognize market-based opportunities or threats (Laudien & Daxböck, 2017), our study suggests that these two capabilities may not co-occur and are mutually exclusive. Therefore, the second proposition is formulated thus:

**Proposition 2.** The ‘Responding’ (reactive) and the ‘Anticipating’ (proactive) cognitive sensing dynamic capabilities are mutually exclusive and help overcome the non-recognition of market-based opportunities and threats.

As cognitive sensing dynamic capabilities may enable the initiation of the business model innovation process by overcoming its relative cognitive challenges, the *Overturing* cognitive sensing dynamic capability focuses on the assessment of the current dominant logic, which is often a constraint to business model innovation (Frankenberger et al., 2014; Laudien & Daxböck, 2017; Prahalad, 2004; Täuscher & Abdelkafi, 2017). Our case study revealed that Gabbani employed the *Overturing* capability twice, once through *Anticipating* and once through *Responding*. We may argue that there is no exclusivity in the configurations of cognitive sensing dynamic

capabilities that employ *Overturing*. We believe that this is related to the fact that *Overturing* is distinct from *Responding* and *Anticipating* in the following way. *Responding* is related to the acknowledgment that an external event may require business model innovation. *Anticipating* is related to the discovery of something new according to the customers' needs. *Overturing*, instead, is related to the challenging of the *status quo*. Moreover, in both configurations employing the *Overturing* capability, we assessed that the entry of a new family member into the company facilitated the employment of *Overturing*. This is consistent with Doz and Kosonen (2010), who highlight that an ownership succession facilitates an outside-in approach to distancing from the current business model. This is particularly relevant in small firms, as new business owners will soon engage in many operations and risk losing the ability to maintain a broader picture (Kearney et al., 2017; Verstraete et al., 2017), calling for external help to put things in perspective (Doz & Kosonen, 2010). Our case study, thus, suggests that an ownership succession in small firms may foster the employment of the *Overturing* cognitive sensing dynamic capability. Hence, we propose:

**Proposition 3.** Ownership successions may stimulate the employment of the 'Overturing' cognitive sensing dynamic capability, which aids in overcoming the dominant logic.

Lastly, the *Dribbling* capability has been used in all business model innovations implemented by Gabbani. This cognitive sensing dynamic capability cluster entails the capabilities that the extant literature discusses as a means to differentiate from the competitors (Froehlich et al., 2014; Gassmann et al., 2014; Glaser et al., 2016). Compared with the *Responding* capability, *Dribbling* is not related to the acknowledgment of the need to react after a move is made by competitors, but to the reasoning about how to be different from them, identifying the uniqueness of the novel business model. Despite the achievement of a competitive advantage being embedded in the business model innovation process (Amit & Zott, 2012; Casadesus-Masanell & Ricart, 2010), our industry assessment reveals that many other butcher's shops did innovate, but without identifying a real differentiation from the competitors, especially in the case of the entry of supermarkets. Therefore, our results underline the importance of employing a *Dribbling* capability to identify a unique value proposition in the new business model (Payne et al., 2017) and imply that although the non-use of *Dribbling* does not necessarily lead to a failed business model innovation, it may help achieve a successful implementation and differentiation. Moreover, the *Dribbling* cognitive sensing dynamic capability aids in overcoming the cognitive challenge of too-narrow monitoring of the industry, by opening towards an industry-spanning assessment (Amit & Zott, 2021; Laudien & Daxböck, 2017; Snihur & Zott, 2020). Accordingly, we suggest the following proposition:

**Proposition 4.** The 'Dribbling' cognitive sensing dynamic capability enables differentiation from the competition beyond the core industry scope.

## 5.2 | Chronological order of cognitive sensing dynamic capabilities

Our longitudinal study explored the chronological order of the use of single capabilities within a configuration. We observed that in our case, the first capability employed has always been either *Anticipating* or *Responding* (which, as indicated, are mutually exclusive). We understood that the first signal for Gabbani has always been either the proactive understanding of future customers' needs or a quick assessment of a (potential) competitor's move. This points to the internal and external antecedents to business model innovation reported by Foss and Saebi (2017). In turn, *Dribbling* has been employed last in every business model innovation. This is quite understandable, as it is a capability that helps the further framing of a business model concept according to an emerging customer need or a new business model developed by a competitor. Our findings contradict those of Glaser et al. (2016), who pointed out that the process of 'positioning' (that we included in our *Dribbling* capability) is a simultaneous capability between 'stretching' and 'bending' (that we included in our *Overturing* capability). In fact, the *Overturing* capability was employed between the other two capabilities in both cases. The reason for this may be that starting with *Overturing*, without a clear context of the application, such as a customer need or a change in competition, maybe too broad for business owners, posing the risk of being over abstracted (Doz & Kosonen, 2010). Hence, we developed the following proposition:

**Proposition 5.** The first cognitive sensing dynamic capability employed should be either 'Anticipating' or 'Responding', followed (eventually) by 'Overturing', and concluding with 'Dribbling'.

Exploring the chronological order of the employment of the different configurations of cognitive sensing dynamic capabilities provides a revealing tentative contribution about the role of the business owners' cognition in overcoming the cognitive challenges of the initial stages of the business model innovation process, such as initiation/monitoring and ideation/development phases (Frankenberger et al., 2014; Laudien & Daxböck, 2017). We believe that starting with *Anticipating* or *Responding* may prompt the conception of a new business model, which needs the *Dribbling* capability to find its uniqueness and competitive advantage. Moreover, in implementing a significant shift in the business model logic, the *Overturing* capability plays a crucial enabling role. We find the chronological appearance of *Overturing* particularly revealing, also in light of its being in contrast with Glaser et al. (2016). We believe that employing the *Dribbling* capability before *Overturing* may prevent the identification of unusual competitors, as the hotels for a butcher shop, with the risk of being too narrow when considering business model innovation (Amit & Zott, 2021; Laudien & Daxböck, 2017; Snihur & Zott, 2020). Accordingly, we developed our last proposition as follows:

**TABLE 2** The revised cognitive sensing dynamic capabilities (i.e. ROAD)

<i>The ROAD cognitive sensing dynamic capabilities</i>	<i>T 1: Responding or Anticipating</i>	<i>(T 2: Overturning)</i>	<i>T 3: Dribbling</i>
<b>Description</b>	Sense and react to external (and unexpected) changes Sense and even anticipate future needs, validating hypotheses	Understand current business model, sense the limitation of the status quo and challenge it	Sense a unique business model concept, differentiating yourself from competitors
<b>When it is employed</b>	Every business model innovation (either <i>Responding</i> or <i>Anticipating</i> )	In business model innovations where the current business logic is considered outdated	Every business model innovation
<b>What triggers the employment</b>	An external change (reactive) or a proactive identification of an opportunity	An ownership succession within the family	The identification of the actual competitors
<b>What cognitive barriers it aids in overcoming</b>	Non-recognition of market-based opportunities or threats for business model innovation	Dominant logic	Narrow monitoring of the industry dynamics

**Proposition 6.** Employing ‘Dribbling’ before ‘Overturning’ may narrow down too much the consideration of potential new business models, as it will focus on existing competitors/markets/industries.

Our case study and the development of the six propositions allowed us to improve our ROAD framework, as illustrated in Table 2.

## 6 | CONCLUSION

The present longitudinal case study aimed at exploring which different configurations of cognitive sensing dynamic capabilities are employed and their chronological order to allow business owners to initiate business model innovation overcoming the typical cognitive challenges that affect the early stages of the process. As a starting point, we built a framework called the ‘ROAD’ of the cognitive sensing dynamic capabilities already identified in the literature, which we clustered into four groups, namely, (1) *Responding* (i.e. sense and react to external (and unexpected) changes), (2) *Overturning* (i.e. understand the current business model, sense the limitation of the *status quo*, and challenge it), (3) *Anticipating* (i.e. sense and even anticipate future needs, validating hypotheses) and (4) *Dribbling* (i.e. sense a unique business model concept to differentiate yourself from competitors).

Through a longitudinal exploratory single embedded case study design, we answered our research question by developing six propositions for further research. Our insights helped us to develop our tentative theoretical and practical contributions. In particular, we contribute to the emerging literature on the cognitive perspective on business model innovation, which is focussed on the role of individuals (Sund et al., 2021) by integrating the dynamic capabilities view on business model innovation, which is considered a distinct theoretical lens to study business model innovation (Schneckenberg et al., 2021).

Given the specific case analysed in our study, its practical implication entails predominantly small businesses, as our individual perspective may not be effective in the context of bigger and more structured

firms, where the innovation process and responsibilities are more widely spread. Our suggestions are twofold. First, business owners, as well as innovation trainers, coaches and consultants, may find our study and the potential subsequent test of our propositions a practical guide in initiating business model innovation processes by fostering a continuous innovation mindset. In fact, our longitudinal approach indicated that the cognitive barriers that affect the initial stages of business model innovation can also be overcome by small firms. Even if cognition may obstruct the various stages of business model innovation, the very same cognition (i.e. cognitive sensing dynamic capabilities) may also facilitate the process. Second, we suggest that policymakers and educational players have a role in the development of cognitive sensing dynamic capabilities other than more traditional business planning techniques, as is the case in Switzerland. A small business owner needs business planning competencies. However, these skills must be aligned with sensing capabilities to initiate business model innovation. Besides formal education, we recommend coaching programmes to help business owners alter their mindset.

### 6.1 | Limitations and further research

The major limitation of this study concerns its being a single embedded case study. In fact, despite the replication within the same case, we may have some issues to warrant generalizability. Consistent with explorative case studies, we developed six propositions for further research, to validate and extend our tentative contribution. To address this limitation, we suggest that future studies engage in a multiple embedded case study design, with other firms, from other industries as well, and perform a cross-case analysis. Moreover, our findings pertain to a specific type of firm, a small firm with high involvement of the owners (in our case, the family members). As business model innovation processes involve multiple players within and outside an organization, our approach should be revised to study bigger firms. We would recommend adopting multiple levels of analysis (individual and organizational) to identify how different sensing

dynamic capabilities of individuals shape the sensing dynamic capabilities of the organization, across different business model innovations over time. Further, future studies could test our propositions through quantitative methods through a large-scale survey to ensure higher generalizability of the results and explore other contingent factors that may shape the decisions and even trigger or inhibit the cognitive sensing dynamic capabilities of business owners. To conclude, our 'ROAD' framework may also be extended through other similar concepts. In particular, the literature on strategic orientation (Hakala, 2011) discusses entrepreneurial orientation as characterized by risk-taking, innovativeness and proactiveness (Covin & Slevin, 1989; Miller, 1983), which may seem related to cognitive sensing dynamic capabilities. Nevertheless, as Zhou and Li (2010) empirically tested, strategic orientations are antecedents of dynamic capabilities. Further studies may explore this relationship by adopting a cognitive (i.e. individual) perspective on both entrepreneurial orientation and dynamic capabilities.

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## DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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## APPENDIX A.

TABLE A1. Representative quotes from the interviews

Aggregate dimension	Second-order themes	Representative quotes from the interviews	Relative business model innovation (BMI)
Responding	Adaptability	‘Our father started immediately think about diversification as supermarket started having a meat counter’ (Francesco Gabbani)	BMI 3: Food boutiques
		‘Many customers started considering some premium supermarkets as a top quality food provider and we needed to reinvent ourselves’ (Domenico Gabbani)	BMI 4: Hotel and restaurant
		‘I also understand that there are some online meat shops that are attracting some of our customers. We need to monitor them and in fact today we have a strong online presence that will increase’ (Francesco Gabbani)	BMI 4: Hotel and restaurant
	Perceived opportunity	‘When supermarkets started having their meat counters, our father thought it as an opportunity, as our customers could be stimulated to buy top quality food as supermarkets were mainly focused on cheap food’ (Domenico Gabbani)	BMI 3: Food boutiques
		‘The increase of e-shops is an opportunity for us, because people can look for unique food at our boutiques. In fact we offer Wagyu beef, truffles, caviar, etc.’ (Francesco Gabbani)	BMI 3: Food boutiques
		‘As Lugano’s hotels were increasingly attracting businessmen that needs a place to stay and a place to eat, we thought that our competences were perfect to become their first choice about where to stay’ (Domenico Gabbani)	BMI 4: Hotel and restaurant
Overturning	Questioning	‘Our father decided to quit with the past despite the huge success of our grandfather. Deciding to quit producing our own products consisted in a major and unexpected shift for our business, but it paid off’ (Domenico Gabbani)	BMI 1: Selection and resale
		‘My brother had insane vision about our business. If you ask me, I would double the meat counter. Domenico, instead, assesses the market with a different perspective, by challenging what we are currently doing’ (Francesco Gabbani)	BMI 4: Hotel and restaurant
	Abstracting/distancing	‘In the end, for Lino, processing meat was just one small part of the business of Gabbani. To him, Gabbani meant to be the reference point of meat products’ (Sandro Volonté)	BMI 1: Selection and resale
		‘In 2010, I presented the Hotel project to our dad. What seemed unrelated, it wasn’t in the end. The customers, who had their meat at the hotel, became customers of our butcher’s shop. My father could not say no’ (Domenico Gabbani)	BMI 4: Hotel and restaurant
	Bending (AR)	‘Our father was inspired by a travel in Italy, where some cities were full of shops for tourist with all the artisanal souvenirs from the region’ (Francesco Gabbani)	BMI 1: Selection and resale
		‘The core change was about the logic of processing meat. We used to process meat to sell it, raw or as a fast ready meal. We did the same by bringing our logic of processing meat to another industry: the restaurant service’ (Francesco Gabbani)	BMI 4: Hotel and restaurant

(Continued)

Aggregate dimension	Second-order themes	Representative quotes from the interviews	Relative business model innovation (BMI)
Anticipating	Observing	'Our father acknowledged that people in our region started to desire Italian food rather than Swiss-German' (Domenico Gabbani)	BMI 1: Selection and resale
		'Our father understood that people needed to eat the best food of the region without spending all the day doing shopping. You cannot be good at doing everything: there is the butcher with the best salami, and the butcher with the best sausage. Our father decided to buy the best from everyone to sell it to the customers and make them happy' (Francesco Gabbani)	BMI 1: Selection and resale
		'Our father was always the first to invent a new way of doing business. When he started his first take away service, no one in Lugano understood the emerging need of eating faster than in a restaurant' (Francesco Gabbani)	BMI 2: Catering and takeaway
	Experimenting	'Lino was particularly good at presenting new products from the Italian culture to the tourist at the farmers' market in order to get their feedback' (Sandro Volonté)	BMI 1: Selection and resale
		'Our father managed to attract wealthy tourists that had holiday houses in our region. He verified that the tourists would be happy to have something nice to eat with their guest at their home' (Francesco Gabbani)	BMI 2: Catering and takeaway
	Networking	'Lino Gabbani participated in many important events: that's one of the things that allows an entrepreneur to discover what customers really want. He had a commercial ability other than an artisanal ability' (Sandro Volonté)	BMI 2: Catering and takeaway
		'Our father has always spoken to our customers in order to offer to them what they really need in the era where social media did not exist' (Domenico Gabbani)	BMI 2: Catering and takeaway
Dribbling	Positioning	'While we focused on selling more of our charcuterie to the German-speaking part of Switzerland, Lino Gabbani developed a new vision of selling the best products of the region to Swiss-Germans who came to Ticino' (Sandro Volonté)	BMI 1: Selection and resale
		'I know that most of the other butcher's shops consider supermarkets as competitors, but that's something incorrect. Supermarkets are different, or our customers should consider us different. In fact, our customers go before to the supermarket, then, they come by us' (Francesco Gabbani)	BMI 3: Food boutiques
		'Customers can find here rare products from all over the world. That makes us different than the others. [...] We aim at offering the best in everything, and also stimulate new eating experiences. We want to be considered the one-stop-shop of food experiences, which was something that our customers needed and still did not acknowledge yet' (Francesco Gabbani)	BMI 3: Food boutiques
	Thematic thinking	'Most of us, traditional butchers, considered for a long time that a ready meal is a different product	BMI 2: Catering and takeaway

(Continues)

(Continued)

Aggregate dimension	Second-order themes	Representative quotes from the interviews	Relative business model innovation (BMI)
		than the one we sell. Lino Gabbani was the first among us to understand that once that you have the good meat, then you can also cook it. Also bigger firms ventured in the business developed by Gabbani only years after. Most butcher's shops are still distant from Gabbani's older moves today' (Sandro Volonté)	
		'Our father understood that given that our customers used our ham for cooking a good pizza, than you can offer a ready pizza. In fact, the secret of our pizza, which is still today one of the best product we sell in our take away food truck, is the ham' (Francesco Gabbani)	BMI 2: Catering and takeaway
		'There is a clear linkage within a butcher's shop and a restaurant: the customer eats something at your restaurant, and you have the ingredients to let the customer re-create the same dish at home in your butcher's shop' (Domenico Gabbani)	BMI 4: Hotel and restaurant
	Conceptual combination	'I do not know how Lino was always a step ahead. All of us were present in the farmer's market on Sundays. However, he built a "market everyday" creating a food truck' (Sandro Volonté)	BMI 2: Catering and takeaway
		'We strengthened our vision of being a "gastronome": a restaurant, a butcher, an expert in selecting local food, all this together' (Francesco Gabbani)	BMI 4: Hotel and restaurant