

# AN APPLICATION OF ECOSYSTEM STRATEGIES FRAMEWORK TO UNDERSTAND NETWORK PERFORMANCE

<network theory>

**Soumaya Ben Letaifa, MBA, Ph.D.**  
**Professor, University of Quebec at Montreal**  
**& University of Paris Dauphine**  
**École des sciences de la gestion**  
**Université du Québec À Montréal (UQÀM)**  
**Case postale 6192, succursale Centre ville,**  
**Montreal (Quebec) Canada H3C 4R2**  
**Phone: 514-746-1420**  
**Fax: 514-270-8082**  
**Email : [Ben\\_letaiifa.soumaya@uqam.ca](mailto:Ben_letaiifa.soumaya@uqam.ca)**

## *ABSTRACT*

**Purpose** – This paper builds on previous work on ecosystem theory and on network theory to identify how ecosystem strategies defined by Iansiti and Levien (2004) (niche, keystone, focal and dominator strategies) impact the process of value co-creation in an ecosystem. This paper explores the case of the North American ICT ecosystem and illustrates 1) how each strategy affects the network; 2) describes why the network succeeds or fails.

**Methodology/approach** – The study is qualitative and inductive and it differentiates itself from previous empirical quantitative analysis. It is based on interviews (40), site observations (3) and documents' analysis. The main researcher conducted a longitudinal study in 2008 in an ICT north american eco system, allowing a multilevel analysis of network theory.

**Findings** –Results indicate how each member of the ICT ecosystem studied (banks, Telcos, SMEs, universities) has a different role in the process of value co-creation. Four strategies are adopted by these partners, but only two of them lead to a cohesive and relational network. Finally, this paper proposes a typology of network performance according to these four ecosystem strategies.

**Research implications** –This article uses a new perspective on network theory by providing an ecosystem framework that helps to better explain and understand the complexity of networks. In fact, this article explores the four ecosystem strategies and generates new relationships between network performance and partners' strategies.

**Practical implications** – The article emphasizes the impact of each of the four ecosystem strategies on the network performance. It highlights to managers and partners the outcomes of their interactions.

**Originality/value** – This article addresses network theory from a novel theoretical and practical perspective. It demonstrates how the four ecosystem strategies could lead to the rise or the fall of the whole network. It also opens new avenues of research on evaluating the process of co-creation of value among partners.

**Key words** ecosystem, network, strategy, value-creation, performance

**Paper type** – Research paper

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