

# CAN BUSINESS NEWS ARTICLES BE USED TO TEACH BUSINESS MODEL ANALYSIS?

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## ABSTRACT

**Purpose.** The purpose of this paper is to share a content analysis of business news articles' usability for teaching Business Model concepts in a capstone business course. There is a gap in business capstone literature because published articles do not address the applicability of business news to Business Model teaching. **Findings.** Content analysis of a random convenience sample of business news articles found 63% of articles were appropriate for illustrating Business Model concepts. **Recommendations.** This limited study should be expanded with larger samples and automatic content analysis to determine if Business Capstone professors should include business news in strategy courses to address student lack of Business Model understanding. **Limitations.** This study used randomly chosen samples (teaching materials, news articles); therefore, findings are limited. Also this study's content analysis used interpretive coding. Future research with automatic coding is needed to increase validity. Future research is needed for broader samples and to measure effects of this teaching technique. **Value.** Business Model teaching is a core component of Business Capstone courses, but evidence shows students do not understand fundamental aspects; therefore, professors must use innovative and experiential methods that can improve learning.

## INTRODUCTION

### BACKGROUND AND LIT REVIEW

**The business capstone course.** "To finish the learning process effectively, meaningful and valuable culmination of experiences in the final year of the curriculum is often achieved in a required capstone course" (Alstete, Beutell, 2016, p. 174). Alstete & Beutell (2016) also called for more research about capstone pedagogy. They stated, "It is our contention that all schools carefully examine capstone courses in light of instructional techniques and delivery formats" (p. 173). To answer that call, this paper suggests the use of current business news to improve teaching of Business Model analysis and to adhere to AACSB standards of "engage, innovate, impact" (Miles et al, 2014).

**How does Business Model theory relate to the capstone course?** As venture capitalists embrace Business Model Canvas and other Business Model Analysis (Mullins et al, 2009), the topic is growing in importance and inclusion in business school curricula (Massa et al, 2017). The literature about Business Models is growing as investors apply its use and professors seek effective ways to teach it (Kling et al, 2011; Darnell, Jacobs, 2019). Also, there are numerous studies about Business Model taxonomy and use to improve results provided by HBR.org and BusinessModelCommunity.com), but these deep explorations do not address students' lack of simple and applicable understanding about the model (Foss & Saebi, 2017).

Since it seems the blockage to understanding is at a simple, overarching level, we can apply other simple, overarching concepts like Napier's categorization of Wall Street Journal headlines (Napier, 2017). Napier's 2017 study used content analysis to rate headlines as negative or positive then to correlate those poles with bear market timing rates for four market bottoms between 1921-1982. This analysis informs this paper's also simple approach to scope up and out to simpler, polar views of Business Model taxonomy to better explain fundamental Business Model concepts.

**What is Business Model theory?** At its core, the theory includes classifying business elements into two broad categories: Value Proposition (product or service) and Profit Formula (revenue and costs) (Gamble, Thompson et al., 2021). The literature includes various taxonomies of these components (Mullins et al., 2009) and reports that a universal understanding of Business Model components is lacking (Foss, Saebi, 2017). Of course these various taxonomies are wide and deep, stretching from Drucker's early work (hbr.org what is a business model 2015) to vibrant communities of Business Model scholars (businessmodelcommunity.com). The vast array of scholarship and research on business models aims to categorize and subcategorize the core components of Value Proposition and Profit Formula. It seems simple and obvious, but Foss and Saebi (2017) report a lack of universal understanding.

To address this basic lack of classification skills, business school professors seek better teaching methods (Darnell, Jacobs, 2019). Of course business schools typically use business news to teach and to give students analysis practice. But there is a dearth of reported studies about this standard technique. Specifically, there is not research on the efficacy of using business news articles as case studies for learning exercises about Business Model elements. This paper seeks to fill that literature gap. To eventually study efficacy in a future paper, first the question about business news' reporting of Business Model elements is accessible and available. This study looked at one day of Wall Street Journal business section headlines to serve as a leading indicator.

A survey of the literature found that research on teaching with business news addressed non-Business Model business topics: Marketing (Fowler, Bridges, 2017), Mergers and Acquisitions (Bentham, 2018), Learning Styles (Palomo, Figueroa, 2017),

and Business English Instruction (Zhou, Shang, 2020), Strategic Simulations (Schmeller, 2021), but it did not address Business Model teaching. This paper proposes that business news serves as a “live case study”, similar to grid-based simulations in that it provides students with experience that goes beyond the hypothetical” (Karriker & Aaron, 2014, p. 769).

### **How can content analysis, as a research method, measure business news applicability to Business Model teaching?**

Using codes and content analysis is a helpful way to measure and aggregate news story content and categories -- especially when asking this study’s research question, “Does business news illustrate Business Model concepts?” The literature includes many studies of content analysis used to tally and categorize news articles (Perez et al, 2018). In content analysis, coding categories and methods vary widely (Sjøvaag & Stavelin, 2012), which informs this study’s recommendation for more research in this realm.

**Summary of literature-based conclusion.** Using business news which is current, daily, and ever-changing brings the elements of Business Model to life – and pushes the learning farther along the passive-active learning spectrum (Hartikainen et al, 2019).

## **LIMITATIONS**

As a representative of mainstream business news, one randomly chosen day (October 14, 2021) of The Wall Street Journal Business section front page was used. This aligns with research suggesting WSJ news represents the larger population of business news (Napier, 2016). But this study is limited by the small sample size – a limitation that is addressed in the implications section. Also, this note does not measure the effects of using the teaching method -- that should be addressed in future studies.

## **RESEARCH QUESTION**

Does a random sample of current business news articles illustrate Business Model analysis, thus suggesting business news can help students practice Business Model classification skills?

## **METHODS**

### **Population**

This teaching note can be applied to the larger set of business capstone teaching materials and the larger set of business news.

### **Sample**

A sample of Business Model teaching materials (Gamble, Thompson & Peteraf, 2021) were used as a representative of the many available. A sample of current business news (Wall Street Journal, Oct. 14, 2021) was used as a representative of business news (Napier, 2016).

### **Variables and Coding Categories**

A content analysis (Roller, 2019) of each article’s headline, subline or lead was conducted to glean mentions of Value Proposition (product or service) and Profit Formula (revenue, and costs), the main components that comprise Business Model, as per Gamble et al (2021). A simple coding rubric was applied, generating a score for each article (An & Gower, 2009). The rubric used one point per inclusion of one Business Model Element (Value proposition, Revenue, Cost) and partial points per indirect mention; therefore, the maximum score was 3. The sample of Business Model teaching elements are shown in the Appendix.

On October 14, 2021, eight articles were headlined on Page B1, the first page of the Business and Finance section B. The random sample of WSJ.com business news articles are shown in Table 2.

## **RESULTS**

Content analysis revealed that current business news, as evidenced by Wall Street Journal Business and Finance, October 14, 2021 (see Table) does illustrate Business Model elements. What follows is a brief classification of each article’s elements.

**TABLE 1**  
**TABULATION OF CONTENT ANALYSIS**

Article title	Summary	Value Proposition (Product or Service)	Profit Formula (Revenue, Costs)	Score
Fuel costs temper Delta's outlook	Rising oil prices could detract from revenue increases caused by increased business bookings.	Business class bookings as a product type (versus leisure bookings)	Revenue from business bookings. Costs from rising oil prices	3

Actively managed funds bolster BlackRock	Profits rose 23% because actively managed funds (used to mitigate index fund swings) have higher fees (than index funds) and were embraced by investors to cope with volatile stock market.	Actively managed funds as product type (versus passive Index funds)	Share of revenue from each fund class Lower costs of index funds translate to lower fees CEO quote about investing in actively managed funds personnel and processes	3
Apple examines AirPods as a hearing aid	Apple studying ways to make AirPods and Watch into health devices, offering enhanced hearing, body temperature reads and posture monitoring.	Apple's product scope [increasing presence in health products]	AirPods generated \$12.9 b revenue in 2020. No mention of share of total revenue or costs.	1.5
Facebook tightens employee access	Tightening controls over some internal discussion groups (as result of whistleblower problems)	Internal discussion groups are important for employees who manage products of: platform safety and election interference	Revenue mentioned as potentially lowering from stricter product offerings (revenue from billions of user ad targeting sold to advertisers). Costs mentioned indirectly as operating costs for: internal messaging, AI and human content moderation	3
Shatner flies final frontier via Bezos Lead	Blue Origin, Bezos' company, flew civilians to establish new space-tourism market.	Human space flight by commercial enterprises like Blue Origin, Virgin Atlantic, SpaceX contributing to new industry of space commerce.	Blue Origin has generated \$100 million in sales. Revenue for ancillary industries also mentioned: fuel for satellites, capture and sell data about earth, helping to launch rockets (vehicles, services). These also serve as costs for space flight companies.	3
Inflation fears narrow treasury yield gap	Gap between ST and LT Treasury bonds narrowed after inflation rose, fueled by investors' bets that Fed will raise rates	News does not apply to company product, but indirectly to financing (acquiring cash for operations – see cost in next column)	If inflation rises, general prices and revenues could rise also. If rates rise, cost of capital will rise – affecting financing for all companies.	1
Alitalia, the airline that once symbolized Italy's jet set, is set to make its last flight	Alitalia, in bankruptcy protection since 2017, will transfer some assets (planes, airport slots, employees) to Italia Trasporto, a new airline owned by Italian government.	Formed after WWI with US-Europe flight increases and Rome's "sweet life" and illustrious flyers (actress Sophia Loren, Pope Francis).	Revenues decreased when airline failed to adapt to deregulation, consolidation, low-cost carriers, faster trains, strikes. Costs mentioned indirectly as government bailouts and investments of \$11.6 b since 2008.	3
Digital-coin exchange Binance will disallow trading involving China's yuan	Binance, the world's largest cryptocurrency exchange, founded 2017 and initially based in China, will not accept purchases using the yuan.	Ability to buy and sell currency (similar to other financial exchanges for stocks, bonds, commodities).	Bitcoin's value ~\$5,700, up 31% per month and 97% per year directly affects revenues for Binance (and Huobi the other exchange mentioned) because revenues are fee and commission based.	1

## DISCUSSION

### Implications and Recommendations for Practice

The content analysis score for the articles listed above show that current business news articles do report live examples of basic business model concepts 63% of the time. To bring this to the classroom, the following business news teaching methods are suggested (Schmeller 2020).

**Headline surveying.** Assign students to read and analyze various headlines or articles from the current business news -- delivering an in-class presentation or an online post about how the news being reported corresponds to basic Business Model elements (value proposition, profit formula). This technique can be used at a topline, brief level or at an in-depth analytical level -- assigning students a quick 5 minute survey time or an extended one week project due date.

**Public company research.** Have students choose one publicly traded company to follow throughout the semester. Each week, have students submit findings (class presentation or online post) about how the followed-company's news reflected precise changes to the company's Value Proposition or Profit Formula (product, revenue, or costs).

### Recommendations for Future Research

Future studies should measure this teaching technique's effects on student learning. Some possible future research questions are: 1) Using one control group (no business news comparisons in class) and one test group (business news comparisons in class), how does student learning compare? 2) Using the same control groups, how does student use of standard capstone analysis tools like Balanced Scorecard, Strengths Assessment, Strategic Group Map, Five Forces, Macro Environment (Gamble et al 2021) compare?

### Limitations

Limitations that should be addressed in future studies are: convenience sample and sample size of teaching materials and convenience sample and sample size of business news.

## CONCLUSION

Current business news articles are an acceptable way to teach Business Model concepts because, according to this content analysis, they demonstrate critical aspects of Business Model teaching (Value Proposition, Profit Formula). More research in this domain should be done using larger samples of teaching materials and larger samples of business news.

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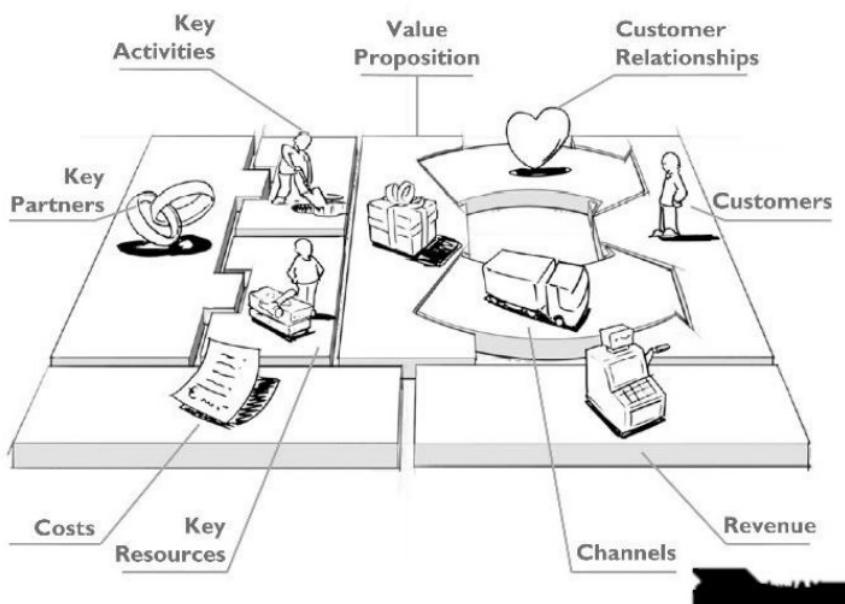
## APPENDIX FIGURE 1 BUSINESS MODEL DECISIONS, GAMBLE ET AL, 2021

### CORE CONCEPT

A company's **business model** sets forth how its strategy and operating approaches will create value for customers, while at the same time generating ample revenues to cover costs and realizing a profit. The two elements of a company's business model are its (1) customer value proposition and (2) its profit formula.

Value Proposition (Product or Service)	Profit Formula (Revenue and Costs)
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## FIGURE 2 BUSINESS MODEL ILLUSTRATION, RESEARCHGATE.NET, 2021 OSTERWALDER AND PIGNEUR BUSINESS MODEL CANVAS, 2010



**FIGURE 3**  
**SCREENSHOT OF WALL STREET JOURNAL BUSINESS & FINANCE SECTION**  
**FRONT PAGE (OCT. 15, 2021)**

