

# Small Business Economics

An Entrepreneurship Journal

## Call for Papers

*The age of digital entrepreneurship: digital tools and online collaboration to support knowledge sharing and opportunity recognition*

*Submission Deadline: July 30, 2017*

### Guest Editors

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### Aims and Scope

A new company type<sup>1</sup> is at the heart of a growing debate on how to understand the digital economy. Ever since the launch of Uber, Snapchat and AirBnB and the earlier success of Google, Amazon, Facebook, a new breed of company has emerged that uses digital technology, entrepreneurship and innovation to upend industries on a global scale<sup>2</sup>. Most of these companies are matchmakers (Evans and Schmalensee, 2016, p.1)<sup>3</sup>. What these companies have in common is that they all connect members of one group with another group. The core competencies of these companies are their ability to match one group of customers with another group of customers by reducing the transactions cost of a match (Coase, 1937). These multisided platforms would not exist without the explosion of information and communication technologies (ICT). These new companies are startups in many ways. They are young, only a few years old in some cases, but they ignite very quickly (Coad, Frankish, Roberts, and Storey, 2016; Stenholm, Acs and Wuebker, 2013).

The entrepreneurship literature has not examined this type of startup (Daunfeldt and Halversson, 2015). The reason the entrepreneurship literature (Shane and Venkatraman, 2000) has not studied the billion-

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<sup>1</sup> Reinventing the Company. *Economist Magazine*, October 24, 2015.

<sup>2</sup> This trend is reflected in the continuing decline in the cost of computing, the rise of open-source software, the move to the 'cloud' and the emergence of huge datacenters where companies such as Amazon, Google, and Facebook are designing their own approaches.

<sup>3</sup> Fifteen companies that were together worth less than \$10 billion in 2000 are now among the world's 50 top technology companies as measured by market capitalization, with a combined who of \$2.1 trillion. Had Amazon been included this number would have swollen by another \$250 billion. (Moritz, 2015).

dollar digital startup is because entrepreneurship research is focused on self-employment (Parker, 2002) both as business ownership and as the sole trader. The entrepreneurship literature focuses on thousands of small startups and often these small startups fail due to the lack of customer base (Acs et al., 2016). In other words, entrepreneurship has not focused on finding customers first before they start a business.

In the digital economy it is precisely the opposite—we have much fewer startups and each startup has millions of users. In some sense entrepreneurship research has ignored both the role that digital technologies play in entrepreneurship and the role that *users* play in digital entrepreneurship. In short, *a significant gap exists in our understanding of entrepreneurship in the digital age* because entrepreneurship research does not have a consolidated way to study the impact of digitization.

In other words, entrepreneurship research has yet to contextualize within the digital economy in terms of how *institutions* and *agency* will be changed as a result of digitization. In fact, extant literature about digitization and the impact of digitization from other disciplines in business (e.g., management information systems, marketing) are available to inform us about the impact of digitization and how it may possibly change the way we understand entrepreneurship.

Sussan and Acs, 2016 integrate the *digital ecosystem* and the *entrepreneurial ecosystem* to conceptualize the digital economy. Since digitization is not about one technology, they use the literature on digital ecosystems (Dini, Iquani, and Mansell, 2011). Coincidentally entrepreneurship also has an ecosystem literature (Acs, Autio and Szerb, 2014). Integrating the two forms a new conceptual framework—the *digital entrepreneurial ecosystem*—to guide our understanding of entrepreneurship in the digital economy. The *digital entrepreneurial ecosystem* is composed of Schumpeterian (1911) *agents* creating digital companies and innovative products and services for many *users* or consumers in the global economy.

This new framework introduces four key concepts: digital governance, digital citizenship, digital entrepreneurship, and digital marketplace. By integrating the role of *agents* and *users* in the same conceptual framework we are able to advance entrepreneurship thinking into the digital economy. This framework contributes to entrepreneurship by bringing the research into the digital age specifically digital infrastructure and their impact on entrepreneurship in general. Second, by introducing the role of *users* in digital ecosystem, this paper adds a new dimension to entrepreneurship theory. Third, by introducing the interactions of *agents* and *users*, this paper extends entrepreneurship research to incorporate insights of consumers' individual and social behavior. Fourth, digital ecosystem integration broadens entrepreneurship ecosystems research. The purpose of this special issue is to fill the gap in our understanding of the digital entrepreneurial ecosystem.

The digitalization of economy and life is also favoring the emergence of a new breed of entrepreneurs that, unlike their pre-internet predecessors, can use digital technologies and online communities to support most of the key processes needed to start a new venture, from idea generation and opportunity recognition, to intellectual property protection, production, marketing and distribution (Bryniolfsson and McAfee, 2014). Technologies such as social media, open source software and hardware, crowdsourcing, crowd-funding, e-trust and online reputation assessment, 3D printing, digital imaging and big data are empowering would-be entrepreneurs while radically altering the competitive landscape, and contributing to reduce significantly the barriers between invention and the creation of a new company (Kelly, 2016). A new crowd of accidental entrepreneurs is appearing on stage, while a new type of cyber-entrepreneurship becomes for many a viable alternative and a more appealing option than low quality, underpaid employment. The identification of entrepreneurial opportunities is increasingly driven by collaboration, collective intelligence, non-market motivations, and serendipity (Anderson, 2014).

Moreover, Web enables via knowledge sharing, and tools such as the collective intelligence platform developed by VenCorps, to influence the decisions of venture capital firms in their two main activities which

are the screening and selecting ideas for new ventures, firstly, financing new businesses, on the other (Laubacher, 2012).

Despite these new trends, new venture creation is still largely analyzed using theories and concepts that were developed before this digital revolution and that thus struggle to provide full account and understanding of these new trends (Elia et al., 2016). On the other hand, enthusiasts and optimists announcing a new industrial revolution and a new era of creativity and prosperity often fail to provide a neutral points of view and data to prove that such a big shift is really taking place.

We invite contributions to this special issue that will help to better asses, analyze, and theorize how digital technologies and online collaboration and communities are changing entrepreneurship and the way new companies are launched, innovate and grow.

### **Research Agenda**

The conceptual framework for a digital entrepreneurial ecosystem, digital governance, digital citizenship, digital marketplace and digital entrepreneurship results in a set of propositions. These propositions provide guidance for a rich research agenda.

- Entrepreneurship research in the digital economy needs to be expanded to include literature from other disciplines such as political science, marketing and information systems. Referencing political science literature provides the knowledge necessary to understand the nuances of digital governance and digital citizenship and their importance in the digital entrepreneurial ecosystems.
- Extant literature in digital marketing and online consumer behavior provide entrepreneurship researchers with new lenses for investigating the inner workings of consumer psychology and social psychology (e.g., consumer-to-consumer interactions as intellectual capital for a firm, see Sussan, 2012) that motivate consumers.
- As a result, value created by interactions between consumers and agents allows digital entrepreneurs to capture such value in the digital marketplace. Research from management information systems literature illuminates the background necessary to understand how a system of digital technologies and infrastructure can serve as the germinating bed for digital entrepreneurs.
- Entrepreneurship research should focus more on the digital economy toward understanding high impact, high potential, and high growth business that is scalable and creates value using digital technologies.
- While digital technologies are global, the creation of digital companies remains local. Therefore, the research agenda for understanding the digital entrepreneurial ecosystem should continue to investigate clusters, regional as well as country comparisons. The impact of culture, legal systems, and economic development on digital infrastructure governance, digital user citizenship, digital entrepreneurship, and digital marketplace are particularly important areas that need investigation.
- While an ecosystem, entrepreneurial or otherwise, is a robust, self-organizing and scalable architecture that can automatically solve complex dynamic problems, then what constitutes ecosystem management? What actors should be allowed to intervene? Should intervention take place at the system and/or subsystem level? A managerial approach to understanding the digital entrepreneurial ecosystem is an area that needs urgent attention. Given that the digital marketplace has tilted in favor of empowered consumers (Rippé, Weisfeld-Spolter, Yurova, and Sussan, 2015), digital entrepreneurial research needs to investigate the inner-workings of the users' decision-making process, from both internal and external influences, in order to understand how entrepreneurial agents can spot such opportunities and extract and capture value from users. Understanding consumers' psychology and social psychology are thus important in digital economy. This importance aligns with prior call for more social psychology-based research in entrepreneurship (Shaver, 2003).

- Given that the concept of digital entrepreneurship ecosystems introduced here is a multi-faceted phenomenon that spans interdisciplinary knowledge, a range of research methods will be suitable to address this phenomenon. Empirical work that describes the interactions of the quadrants in the framework is particularly important.
- A matchmaker business helps two or more different kinds of customers find each other and engage in mutual beneficial interactions: a dating service, a restaurant and diners, taxis and riders, friends and friends, renters and apartments. A large literature exists in Economics and Industrial Organization on platforms and multisided markets (Evans and Schmalensee, 2016; Armstrong, 2006; Kats and Schapiro, 1985).

### **Suggested Topics**

- Ideas generation, problem solving, and innovation diffusion in online entrepreneurial communities
- Digital tools to support fast prototyping and Lean start-up
- Entrepreneurship in Open source communities
- Entrepreneurial online ecosystems
- Collective intelligence and entrepreneurship
- Intellectual property protection in collaborative networks
- Digital technologies to support Open innovation in start-ups and SMEs
- Use of Social media by entrepreneurs and SMEs for knowledge sharing
- Entrepreneurship and the Sharing economy
- Knowledge sharing in venture capital networks
- Crowd-funding and crowd-sourcing for resource pooling and opportunity recognition in new venture creation
- Multisided markets, matchmakers, platforms

### **Details of Paper Submission and Due Date**

Submission to the special issue have to be send by email to [jmsahut@gmail.com](mailto:jmsahut@gmail.com) before July 30, 2017. Please follow SBE guideline for manuscript presentation:

<https://www.editorialmanager.com/sbej/default.aspx>

The authors are encouraged to present their paper at the 8th International Research Meeting in Business and Management (IRMBAM-2017) that will take place on 5-6 July 2017 in Nice.

<https://ipag-irm.sciencesconf.org>

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