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**The Role of Digital Platforms in Scaling and Internationalizing  
Entrepreneurial Ventures**

Evidence from Entrepreneurial experiences

School of Management  
Master's thesis in  
International Business

Vaasa 2026

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**UNIVERSITY OF VAASA****School of Management**

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<b>Title of the thesis:</b>	The Role of Digital Platforms in Scaling and Internationalizing Entrepreneurial Ventures: Evidence from Entrepreneurial experiences		
<b>Degree:</b>	Master of Science in Economics and Business Administration		
<b>Degree Programme:</b>	Master's Degree Programme in International Business		
<b>Supervisor:</b>	William Degbey		
<b>Year:</b>	2026	<b>Pages:</b>	107

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**ABSTRACT:**

Digital platforms have affected the way entrepreneurs develop and grow their businesses by providing them with the means to expand into global markets. The purpose of this investigation is to explore how platforms affect entrepreneurs and their ability to expand and sell internationally by providing an overview of how entrepreneurs use and interact with platform technology in their daily business operations. This research employs both qualitative and quantitative methods via survey data, illustrative case examples, and established theory to offer a better understanding of the effects of platform based growth on entrepreneurial development.

The analysis has identified five main factors that enable entrepreneurs to grow their business using digital platforms; Automated and technological infrastructure, marketing tools for discoverability and tracking performance, learning and capability development, establishing trust and fairness, and providing direct services to entrepreneurs. These factors indicate that digital platforms provide entrepreneurs with an overall digital infrastructure vs solely being transactional marketplaces that provide entrepreneurs the ability to improve their operational efficiency, access global customers, and better manage the complexity of operating their business with minimal added human and financial resources.

In this research, we have used the dynamic capabilities theory, Born global theory, and Platform ecosystem theory to understand the findings from the empirical research. It is clear from the findings that platform tools can have a positive impact on the growth of new businesses; however, for entrepreneurs to successfully scale their business, they must strategically combine their platform-based toolset, continuously develop digital capabilities, and manage their reliance on the governance structure of the platforms. Detailed analyses reveal aspects of trust, the opaque nature of algorithms, and responsiveness to requests to be central moderators of platform-based businesses' engagement with and resilience on the platforms over time. In addition to providing a holistic, experiential view on how professionals use digital platforms, this dissertation addresses both digital entrepreneurship and global commerce; concluding

that scaling through platforms is an ongoing process of creating value based upon technology (affordance) combined with actions taken by entrepreneurs (agency). These conclusions will serve as a basis for further exploration into governance of platforms, development of digital capabilities and sustained success in entrepreneurial ecosystems.

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**KEYWORDS:** *Digital Platforms; Entrepreneurial Scaling; Digital Entrepreneurship; Internationalization; Platform Ecosystems; SMEs*

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## Abbreviations

RBV – Resource Based View (theory of firm resources)
AM – Technology Acceptance Model (user adoption framework)
DPEM – Digital Platform Ecosystem Model (integrated five path framework)
PET – Platform Ecosystem Theory (multi sided market perspective)
Uppsala Model – classic incremental internationalisation theory
SMEs – Small and Medium Sized Enterprises (entrepreneurial firm)
AI – Artificial Intelligence (mentioned in the AI disclosure)

# 1 Introduction

## 1.1 Background of Study

Entrepreneurship has been extensively shown to be directly linked with economic development and innovation as a prime force for both developed and developing economies and Entrepreneurs play a critical role in economic dynamism by the establishment of new businesses, provision of jobs, and strengthening competition. Empirical observations show that opportunity entrepreneurship is particularly linked to robust economic growth. Entrepreneurial activity helps achieve GDP, export, import, and employment gains in both short- and medium-run scenarios (Kim et al., 2022).

But turning an excellent business idea into a viable, scalable business is rarely easy. Most entrepreneurs face tough obstacles limited access to capital, compounding regulations, scattered markets, and limited funding all of which can curtail expansion and prevent businesses from operating at their best. As a result In the global economy, online platforms are at the center of enabling entrepreneurial businesses to expand operations and reach international markets (Zucchella, 2021). These platforms, which include online marketplaces like Amazon and Alibaba, social network websites like Instagram and TikTok, and professional networking sites like LinkedIn, offer entrepreneurs unprecedented access to international audiences, streamlined distribution networks, and improved customer interaction tools (Ambili, 2023). Oyeyemi, Kess-Momoh, Omotoye, Bello, Tula, and Daraojimba (2024) examine democratization of technology and dissemination of the internet have reduced the entry costs of the old proportions, enabling resource-constrained startups to enter and compete on the global stage. Economically viable cloud computing, open-source technology, and high internet penetration enable startups to begin with little capital outlays compared to the past decades. Digital technologies have decreased product development, marketing, and access to cheap international consumers, equalizing the playing field for fledgling entrepreneurs (Oyeyemi et al., 2024).

Despite the self-evident advantages, how exactly online platforms enable overcoming internationalization challenges such as cultural difference, compliance with regulations, and market awareness is not analyzed deeply enough (Oyeyemi et al., 2024). Also, the concept of "platformication" highlights strategic acceptance and adoption of digital platforms by founders to facilitate instant globalisation since the concept of platformication highlights the agency role of digital founders in exploiting, as well as shaping, platforms. This entails network linkage management, communication of strategic intent, and directing ecosystem perception activities that facilitate instant international market entry and scaling (Oyeyemi et al., 2024).

However, historically, internationalization has been a gradual and capital-intensive process, normally controlled by large firms with large organizational and financial capital (Dagnino & Resciniti, 2021). But the digital age has produced a new category of firms typically referred to as "born digitals" or "digital-native firms" that rapidly internationalize by capitalizing on the inherent scale and network effects of digital platforms (Zucchella, 2021). In contrast to traditional firms, these ventures are not bounded by geographical and institutional constraints in the same way and are able to overcome much of the barrier of foreign market entry, such as physical infrastructure, distribution networks, and localized customer acquisition (Dagnino & Resciniti, 2021).

Digital platforms are go-betweens that facilitate interactions between consumers, producers, and users in a multi-sided market arrangement. Scalability, data centrality, and the ability to capitalize on network effects where new users contribute value to the platform are its distinguishing characteristics (Ambili, 2023). For entrepreneurial firms, this translates to having the ability to scale their user bases quickly, access new markets, and generate revenue with marginal incremental costs (Dagnino & Resciniti, 2021). Moreover, platform infrastructures allow for modular integration of services such as payments, logistics, marketing, and analytics, which significantly lower the cost and time of scaling operations (Bonina et al., 2021). Recent

work has also emphasized the strategic importance of digital platforms to remap global entrepreneurship. As Researchers define digitalization as creating new "affordances" into existence technology-enabled opportunities for action that can be leveraged by entrepreneurs to sense opportunities, appropriate resources, and access customers beyond borders(Huang & Tang, Enterprise Digital Transformation Strategy: The Impact of Digital Platforms, 2025).

These provide a reduction in the "liability of foreignness" (Johanson & Vahlne, 2009)and overcome institutional distance between host and home markets, enhancing the ease with which companies conduct business in foreign settings. Digital platforms further enable entrepreneurial agility by enabling experimentation, learning, and adaptation at scale (Nambisan et al., 2019). This is particularly relevant in uncertain or dynamic markets and where incremental internationalization approaches might prove too sluggish or inflexible. With continuous feedback cycles, data analysis, and real-time probing of the market, entrepreneurs are able to continually hone their products and business models in order to better fit customer needs across countries. Thus, platforms are not just means of scaling but machines of continuous innovation and strategic learning. A further key aspect of internationalization via platforms is the development of digital ecosystems, whereby a multitude of actors entrepreneurs, customers, developers, etc. – create and add value together (Ciulli & Kolk, 2023). Digital ecosystems allow for collaboration and are characterized by pooling of resources, reducing entry barriers and increased competition. Through participating in digital ecosystems, entrepreneurial endeavors may embed themselves in distributed networks of innovation globally, establish legitimacy, and tap into complementary assets to fuel their growth. Theoretical viewpoints have advanced to include the digital domain. While earlier theories of internationalization such as the Uppsala model focused on experiential learning and market engagement, more recent theories focused on digital affordances and scaling through platforms (Oyeyemi et al., 2024). Network theory and effectuation are also helpful avenues to understand how digital entrepreneurs use their personal, social and

technological networks to scale across borders (Galkina & Jack, 2022). There has been an unprecedented rise in research on digital platforms, scaling, and internationalization in recent years, however, to the best of my knowledge, there is no study that considers the integrated role of the digital platform in both scaling and internationalization in entrepreneurial ventures through a multi-dimensional lens of entrepreneurial strategies, platform-specific affordances, and challenges of scaling beyond borders.

Empirical research has largely isolated scaling or internationalization, but comparatively little is known about how the two processes interact in the context of platform-mediated entrepreneurship (da Fonseca et al., 2023). Some studies are at a more general level place the role of digital platforms in influencing market scale expansion and international-scale. but as Monaghan et al. (2020) note, how platforms can support dual rapid scaling and internationalization processes has yet to be sufficiently investigated post-platform type variations (e.g., transactional, innovation, social media, etc.) and respective entrepreneurs' strategies. A fragmented perspective in literature has led to fragmented methodologies where single-dimension, quantitative studies convey limited approaches that are simply based on platforms usage or international export performance measures axis (Oyeyemi et al., 2024) to convey one evidence of platform dynamic that skips important, potential aspects of a cyclical process of scaling and international market strategies.

In addition, because research has mainly investigated internationalization and scaling from an entrepreneurial, or from a platform perspective, relatively little research has empirically investigated mutual adaptation processes between entrepreneurial firms and platforms and how the adaptation processes shape change over time. Although adaptation may occur based on decisions of entrepreneurs, as noted by (Oyeyemi et al., 2024), platform mediation entails changes not only in company decision making but also, as platforms adapt progressively over time their rules, algorithms, and governance structures, these factors can simultaneously enable or constrain growth despite use of

the same platform by companies. Therefore, a deeper, more hybrid-looking examination is appropriate that entails an understanding of complex interactions between platform adaptation and firm decision making, along with global market dynamics (Huang & Tang, 2025). In addition, although some studies have classified digital platforms based on their business models or markets, an understanding of how or if classifications linked to specific outcomes of importance in international entrepreneurship remain undeveloped and ambiguous. This is similar to observation made by researchers in leadership studies (Zhang, Bai, Zhou, & Zhou, 2025), where proliferating categories in this case, types are insufficient to clarify conceptual confusion. Therefore, it would be useful to identify types of platforms and cluster them based on their ability to grow, and facilitate international-market entry. Hence, this dissertation is intended to frame theory and an empirical framework that conceptualizes the role of platforms in entrepreneurial growth and international market entry in context, while also considering the mechanisms and influences from different types of platforms.

The research is intended to contribute to the intersection of digital entrepreneurship and international business literature by addressing those gaps and providing theoretical understandings and practical implications for entrepreneurs, policymakers, and platform providers within an increasingly digitized global economy.

## **1.2 Research question, objectives and delimitations**

The thesis seeks to answer the research question "*How do digital platforms affect the scaling and internationalization of entrepreneurial ventures?*" In addressing the research

question, the study follows these objectives:

- **Identify** how top digital platforms enable entrepreneurial ventures to overcome traditional barriers to internationalization; this task includes identifying features and functionalities of top digital platforms that enable entrepreneurship to internationalize and scale globally.

- **Explore** barriers that entrepreneurs experience with top digital platforms that assist with internationalization and consider ways to lessen those barriers.
- **Investigate** how “*platformization*” manifests in the internationalization strategies of entrepreneurial ventures, specifically how “*platformization*” (or platform-based business model) reconfigures venture scaling pathways.

And in addition, try to answer these subquestions

- A) How do digital platforms facilitate the scaling and internationalization of entrepreneurial ventures?
- B) How do digital platforms limit the scaling and internationalization of entrepreneurial ventures?

The goal of this research is to bridge a gap present in the literature by performing a comprehensive examination of the ways that entrepreneurs are using digital platforms to grow their business and enter international markets. In order to achieve these aims, the thesis adopts a mixed-methods design consisting of both quantitative and qualitative research. The quantitative component includes structured surveys given to entrepreneurs and business owners, measuring specific variables (such as revenue growth, increase in customer base, and increased operational efficiency) related to digital platform use for business expansion. The qualitative aspect consists of semi-structured interviews and case study deep dives to gain insight into individual experiences, strategic choices, and best practices in platform scaling and international entry.

This research examines for-profit entrepreneurial ventures from various industries, including:

- Entrepreneurial founders who rely on digital tools to develop their business and growth strategies.
- Owners of small and medium-sized enterprises (SMEs) who utilize digital platforms to connect with consumers through sales, customer engagement, and business management and operations.

- Entrepreneurs engaged in e-commerce who leverage online marketplaces, including Amazon, Shopify, and Etsy.
- Entrepreneurs in financial technology (fintech) who utilize payment options.
- Entrepreneurs in education technology (EdTech) who leverage online platforms to deliver remote learning and training.

The diversity of research participants creates the opportunity to compare analysis across industries and different business markets to explore the impact of digital platforms, thus providing a more substantial and extensive perspective.

The theoretical framework is drawn from perspectives of digital entrepreneurship and international business literature. Within this conceptual framework, the three major areas are drawn from platforms, platform economy, network effects, and digital affordances (Fraccastoro et al., 2025). While "digital platforms" can encompass a range of different models, in this thesis it refers to online, technology-enhanced systems that connect several user groups for the purpose of completing transactions or engaging with one another to engage in a selection of activities, while creating scalable opportunities for businesses. The term "entrepreneurial ventures" is utilized broadly and includes startups, SMEs, and other entrepreneurial firms generating growth around international market expansion.

This research contains a number of delimitations that describe its boundaries and limitations. First, it focuses specifically on for-profit entrepreneurial businesses, such as startup companies and small and mid-sized businesses (SMEs). The study has excluded all non-profit organizations, social enterprises, global corporations and other forms of business that operate differently and have separate organisational goals and structures than for-profit entrepreneurial businesses; additionally these organisations use distinct approaches to expand into new markets and have varying methods of supporting international operations. Second, the research is limited to digitally platform-enabled international expansion. Whereas traditional means of international

expansion may consist of foreign direct investment, joint ventures, or traditional market entries, this study is only concerned with entrepreneurial ventures that rely on digitally platform-based systems as the primary means of expanding internationally. As a result of this limitation, businesses that expand internationally with little or no reliance on a digital platform are excluded from consideration under this thesis. Finally, the selected industries for the research were selected due to their high degree of digital dependence and heavy use of platforms to facilitate growth and expansion into global markets (e.g. e-commerce, financial technology and educational technology). Consequently, the research results will not apply as broadly to less digitally oriented industries or industries that rely heavily on physical transportation and locations as a means of providing their products or services.

In the end, an AI disclosure is offered as a way of ensuring transparency and ethical integrity. The researcher authored the entirety of the text in this thesis. AI-based resources and tools (i.e., DeepL Write and Grammarly) were only employed to refine the wording and correct any formal or spelling, or grammar issues. They were not used to generate substantive content, nor were they used in any capacity related to the data analyses.

### **1.3 Structure and Significance of the Study**

This research provides considerable benefits for various stakeholders. For entrepreneurs, it provides pragmatic insights for managing the use of digital platforms for international expansion. For scholars, this research adds to the overall knowledge of international business and digital entrepreneurship by shedding light on the digital platforms used during the internationalization process. Finally, policymakers and platform creators also benefit from understanding how using digital platforms can inform their policies and assist with understanding the platform attributes necessary for the support of SMEs global growth, innovation, and ultimately economic growth.

The thesis comprises of five chapters. Chapter 1 acts as an introduction, setting the stage for the study by indicating the background and significance of the research. It lays out the main research question, objectives and delimitation of the study as well as the identified research gap and methodology. It also offers some important clarifications of terminology and practical disclaimers. Chapter 2 presents the literature review, which primarily covers the two main themes of the thesis also explain two sub questions which will be answered in Lirtature Review, which includes digital platforms and entrepreneurial internationalization. The first part reviews and introduces the concept of digital platforms, which includes definitions, types, features, and their affordance for scalability. It also reviews some theories, such as platform economy, network effects, and digital affordances. The second section focuses on entrepreneurial internationalization, particularly the challenges and opportunities that digitalization can offer. Finally, this chapter brings the two fields together to create the theoretical framework proposed in this study. Chapter 3 describes the research methodology, specifying the mixed-methods approach chosen, the rationale for its selection, and the collected data and analysis stage. This presents the quantitative surveys, qualitative interviews and case studies, along with their participant selection process. Chapter 4 includes the empirical outcomes presented from both the quantitative and qualitative parts of the research project. The results are fully or partially organized into themes in line with the research objectives, insights into the role of digital platforms in enabling internationalization, the challenges, and platformization's impact on their business strategies in the future. Chapter 5 discusses these findings within the theoretical framework and existing literature. Chapter 5 concludes elements of the thesis by describing its contribution to academic knowledge and practical business implications for action, its limitations, and recommendations for future research.

## **2 Theoretical Framework and Literature Review**

This study integrates several theoretical perspectives to construct a comprehensive framework for understanding the role of digital platforms in the scaling and internationalization of entrepreneurial ventures. This chapter introduces the concept of digital platforms and how they are playing a growing role in allowing entrepreneurial firms to scale and globalize. The chapter begins by describing the context of Entrepreneurial ventures and their internationalization and how they scale and then describes digitalization under digital platforms in terms of what they are and their significance to internationalization and scaling of entrepreneurial ventures, and then continues to a description of how the platforms enable entrepreneurial development to take place across borders. It runs through the most relevant definitions and theories around digital platforms, entrepreneurship, and internationalization. Lastly, it highlights the mechanisms through which online platforms enable scalability and globalization. The objective of this section is to review digital platform models and theories and their limiting role for internationalization of entrepreneurial ventures and set out the strategic significance of such platforms in mediating entrepreneurial startups' scaling and internationalization, grounded in theoretical and empirical literature.

### **2.1 Conceptual Foundation and Definition of Entrepreneurial Ventures**

Entrepreneurial Ventures are the primary "unit of analysis" in entrepreneurship research; however, how they are defined has been debated among scholars for years. Historically, entrepreneurship focused on outliers or entrepreneurs with unique characteristics. Yet work by Shane and Venkataraman (2000), identified three phases of entrepreneurship: first identifying opportunities, evaluating opportunities, and exploiting opportunities. This definition provides a broader view of entrepreneurship that looks at not only new firms as entrepreneurial ventures but also considers that entrepreneurial ventures are "vehicles" for transforming opportunities into economic activity within an uncertain context.

The opportunity-based view emphasizes that it is an entrepreneurial opportunity that emerges when people interact with an opportunity, not necessarily defined by the age and size of the venture. Shane and Venkataraman (2000) argue that venture creation is just the means used by entrepreneurs to pursue their opportunities. The conditions surrounding entrepreneurial ventures enable them to create and market new products and services by combining resources in different, innovative, and uncertain ways, and how they differentiate themselves from established companies that are operating in stable environments.

In the last few years, however; there have been paradigm shifts in how entrepreneurial ventures are viewed as we move forward into a future that continues to become more "high tech." No longer is it sufficient to define an entrepreneurial venture solely based on age or size. These days, we view entrepreneurial ventures as dynamic and opportunity seeking organizations that develop to take advantage of new market opportunities through innovation, experimentation, and recombination of resources in uncertain environments. Also, this current entrepreneurship research states that entrepreneurial ventures are a part of larger entrepreneurial ecosystems, which include institutions, networks, technology, and regulatory frameworks. Autio, Kenney, Mustar, Siegel, and Wright (2014) say that ventures can no longer work independently but must co-evolve with their entrepreneurial ecosystem to develop competitive advantages by utilizing outside sources of knowledge, financing and market entry. Therefore, this new view of entrepreneurial activity emphasizes the perspective of simple individual entrepreneur activity to view the venture as an organizational actor engaging with numerous different entities across geographical regions. Recent research has identified that entrepreneurial businesses are typically built and designed for substantial growth opportunities and for worldwide growth potential (Autio & Rannikko, 2016), whereas traditional small businesses focus typically on local/regional markets for maximum profitability. Their emphasis on growth also leads entrepreneurs to develop organisations that operate as flexible organisations, coupled with business models that emphasise innovation and entrepreneurship using external resources. Growing use of

digital technologies globally and increasing integration into global supply chains are the result of increasing globalisation and digitalisation. Thus, with the advent of digital technology, entrepreneurs are now creating companies that are considered 'born global', before having a large number of resources to draw upon, thus limiting the possibility of creating a physical presence at a global level (Audretsch & Belitski, 2017).

As a direct result, the established definition of entrepreneurial ventures focuses on innovation-based opportunities that operate within an ecological structure that supports the development of new business ideas; these are called 'entrepreneurial ecosystems.' Furthermore, entrepreneurial ventures are characterised by their desire for growth and ability to navigate through uncertain times. This most recent and up-to-date definition gives a solid base for examining how entrepreneurial ventures utilise digital platforms to grow and expand their businesses globally.

As an important part of their strategy entrepreneurial firms now view internationalization for growth and building competitive advantage but differ from larger companies that are multinational enterprises (MNEs). Smaller firms usually do this in a situation of resource scarcity or with limited legitimacy and a high level of uncertainty; thus their international expansion is quite different in terms of speed and development than that of MNEs. Therefore, International Entrepreneurship has emerged as a body of scholarship at the crossroads of international business and entrepreneurship, (Nave & Ferreira, 2022; Verbeke & Ciravegna, 2018). Research in International Entrepreneurship now considers internationalization more than just a geographical process, but it is also an opportunity-based process and is influenced by networks, institutions, and digitalisation (Nave & Ferreira, 2022; Knight, Khan, & Nummela, 2025).

Classical international business theories conceptualize internationalization as an incremental, learning-based process. The Uppsala Model has a way for companies to understand the internationalization of their businesses through a series of stages, based

on the experience gained and reducing their level of uncertainty. The model suggests that most companies start out by entering into culturally similar markets with as low an investment as possible at first (usually exporting their products through an intermediary), with time they will increase their commitment to the target market until they finally establish themselves in that country, usually through the establishment of a subsidiary. (Johanson & Vahlne, 1977). Although this model was created by looking at established companies, it still holds value for entrepreneurs, as one of the key elements to entrepreneurial success is the ability to manage risk and learn from both failures and successes.

However In recent years, the rapid growth of entrepreneurship has made it clear that some entrepreneurs are starting their international businesses before they even begin thinking about domestic ones. As a result of this evidence, Johanson and Vahlne (2009) have provided an alternative framework for understanding international market entry and how learning occurs by adding elements from a Networking Perspective to the Uppsala Model. By adding the concept of "Liabilities of Outsidership" to their theoretical model, Johanson and Vahlne (2009) have identified a significant disadvantage for firms that do not have access to the business network necessary for success in the marketplace, particularly for start-ups pursuing international opportunities. Given that the Internationalization of entrepreneurial ventures relies heavily on the connections or relationships between entrepreneurs and those who can assist them with access to resources, information, and customers, an emphasis on networks provides a relevant framework for understanding how these emerging global entrepreneurial ventures are likely to succeed.

Modern literature has seen an increase in the treatment of internationalization as heterogeneous, with several differences between various business ventures; including timing, the pace of internationalization, the scope (number of foreign markets), and the level of commitment (the depth of the entry modes). Systematic reviews have identified that models of internationalization should be compared rather than viewed as mutually

exclusive. Paul and Rosado-Serrano (2019), for instance, provide a comparative analysis of the gradual versus born global/INV internationalization pathways. They conclude that the data shows that there are many different trajectories available to firms, which are dependent on a firm's ability, the characteristics of the industry, and the structure of available opportunities in a given market. This is particularly significant for entrepreneurial ventures, as they may internationalize incrementally through experience or rapidly due to business opportunities, or even a combination of both approaches, over time.

Recent syntheses conducted at the field level reveal a shift from merely defining International Entrepreneurship according to whether or not a business is engaged in any form of early internationalization to placing greater emphasis upon the numerous enabling factors that facilitate a business's ability to pursue transnational business opportunities. Nave and Ferreira (2022) have created a systematic review as a means of synopsising International Entrepreneurship related literature into the four main International Entrepreneurship related themes such as networks and opportunities, institutional context, entrepreneur and venture characteristics are drivers and processes of internationalization. The resultant thematic structure clearly differentiates the scope of the literature relating to each theme and provides an extremely important framework in which to develop a doctoral dissertation regarding the internationalization of an entrepreneurial venture. A doctoral dissertation on an entrepreneur's experience with internationalization must be considered as a multi-dimensional construct, combining multiple mechanisms to define how, why and under what circumstances an entrepreneur expands his business into another country (Nave & Ferreira, 2022).

Across the literature, there is a consistent finding that entrepreneurial ventures become internationalized when defined by both internal capabilities (e.g., resources; entrepreneurial behaviours), and external environments (e.g., other entrepreneurial ventures). Internal capability includes entrepreneurs' opportunity-seeking behaviours and entrepreneurial management styles (innovative, proactive, and risk-taking

behaviours). These characteristics allow earlier or faster internationalisation because they enable the venture to make quick decisions in a time of uncertainty, and to take advantage of international opportunities (Knight & Cavusgil, 2004; Oviatt & McDougall, 1994). Second, as you would expect, opportunity recognition is a significant driver of internationalisation, so prior experience and customer contact with international customers provide the opportunity for entrepreneurs to develop knowledge about their markets. Usually, the process of identifying such opportunities does not depend on formalised corporate processes or procedures; rather, the identification of these opportunities stems from entrepreneurs' informal networks and customer interactions.

Third, networks serve as channels for relying on other resources to help your business grow. When entrepreneurs do not have a high level of confidence in their ability to create a successful business, but they have built partnerships and created relationships with partners and intermediaries. The relationship between classmates and family members from the same country also play an important role in helping you find credibility, just as much as they do by assisting with market knowledge, providing support services, etc., in addition to building collaborative relationships with local and global businesses (Johanson & Vahlne, 2009). There are several ways that networks reduce the cost and risk associated with foreign entry for an entrepreneur, including enabling a "borrowed" level of legitimacy from being associated with reputable firms and allowing them to quickly gain access to distribution channels, payment systems, and other valuable sources of market intelligence from other countries. Fourth, the institutional environment in which an entrepreneur operates is equally important, as there are many factors that can impact the internationalization of an entrepreneur's firm, including the regulatory framework within the resident country, the level of contract enforcement, and the rules around digital trade (Nave & Ferreira, 2022). The institutional setting also significantly impacts how internationally an entrepreneur can expand their business, as the differences between countries in which they want to do business can result in very different options when it comes to entry mode and partnerships, as well as how viable

an entrepreneur's opportunity will be for them to achieve their goal of creating an international company within that country.

## **2.2 Definition and Development of Digital Platforms**

Digital platforms constitute the basis of that structure in the digital economy and the way that value is created, exchanged, and captured should be viewed through the lens of how digital platforms operate. Digital platforms were originally seen as either a technological or online market place, whereas current research sees digital platforms as socio-technical constructs that govern how actors interact with one (de Reuver, Sørensen, & Basole, 2018; Gawer, 2014). Digital platforms are defined as "extensible codebases that provide the foundational functionality that multiple applications or user communities share while allowing users to interact through standardized user interfaces and governance structures" (Tiwana, Konsynski, & Bush, 2010) This definition indicates to the reader that a digital platform isn't just a digital tool but is a structured environment consisting of technology, rules, and economic incentives. Gawer (2014) gives a similar view of digital platforms by describing them as evolving organizations, with the goal of organizing complementor, user, and partner ecosystems around a stable core.

At first digital platforms were originally thought of merely as technological foundations that allow complementary products to be developed. However, as research progressed, the understanding of the digital platform was expanded to include organizational, economic and governance characteristics in addition to technological ones. Tiwana et al. (2010, p.8) provide an all encompassing definition of digital platforms by saying, "a digital platform is an extensible codebase that provides a core functionality that many different applications or user groups can utilize and therefore provides means for these diverse users to interact through standardized interfaces and governance rules." This definition conveys two primary features of a digital platform: 1) A technological core, and 2) An interaction-enabling structure that links different users together. According to Gawer (2014), Platforms can also be thought of strategically as dynamic organizations

that provide the ability to coordinate ecosystems made up of the users, complementors and partners surrounding them concentric around a stable core. This view emphasizes that platforms are not fixed structures but rather dynamic organizational forms that continue to change as more and more participants join and as new complementors emerge and join. Platforms do not create value simply through their own internal processes, as the case would be for traditional firms, but rather create value by supporting the Interaction and Complementarity between all these external actors. There are two main types of companies presented in the literature: pipeline companies and platform companies. Pipeline companies generate value within their own organization, while platform companies allow third parties to interact with each other in order to generate value together (i.e. through co-creation). By moving from value creation to value facilitation, a company fundamentally changes how it structures its economic activities and competes in the marketplace (Parker, Van Alstyne, & Choudary, 2016). For entrepreneurs, the difference between these platforms and pipelines can provide ways for them to access new markets, technology and other resources, without having to use their own internal resources.

Information systems research further advances the understanding of digital platforms by framing them as digital platform and digital economy digital platforms operate in a socio-technical environment. De Reuver et al. (2018) argue that digital platforms are complex systems that consist of three components, including a technological architecture, governance mechanisms, and an ecosystem of actors. The technological architecture represents the digital infrastructure for supporting the operation of digital platforms. The governance mechanism defines how participants gain access to the technology framework and establish relationships. The ecosystem dimension refers to all of the participants (users, developers, complementers and partners) who create value within the digital platform. Each component of the digital platform supports the value generating activities of participants through a combination of a technological framework, governance mechanisms, and the ecosystem structure and relationships among participants.

One of the key contributions to our understanding of digital platforms is the distinction between two types of digital platforms: transaction and innovation. Transaction platforms act as intermediaries to facilitate trade or exchange between different consumer/seller groups, providing a means for connecting buyers and sellers while lowering transaction costs (Hagiu & Wright, 2015). Innovation platforms provide a technical framework to support third-party developers of complementary innovations like software applications and/or service-based solutions (Gawer & Cusumano, 2014). While transaction and innovation platforms can be viewed as distinct entities conceptually, many current day digital platform's functionality overlaps so that, in practice, they serve both industries, providing both an exchange marketplace and complete an innovation ecosystem. For entrepreneurial businesses, this hybridity of the two types of platforms is critical to their ability to connect with and acquire new customers and to create new complementary products or services. Through the perspective of international business, digital platforms expand our understanding of how digital platforms collide with the traditional concepts of geographic boundary limitations and how companies expand internationally. Digital platforms are designed to enable a global reach and operate transnationally due to comparatively low marginal costs of digital transactions. These characteristics allow entrepreneurial businesses to enter new Geographic Markets without establishing a physical presence and, therefore, reduce the burden of geographic and structural liabilities of foreignness and smallness limiting their ability to expand globally (de Reuver et al., 2018). Therefore, many scholars now recognize that digital platforms represent essential infrastructure facilitating international entrepreneurship. To summarize, Digital Platforms refer to digitally-enabled organizational/economic structure of multiple interdependent actors who interact through a combination of technology and institutional/governance mechanisms that connect them together to create a unified ecosystem under a single framework of coordination. This understanding provides a broad scope that includes aspects other than just technology, by positioning digital platforms as central components in driving entrepreneurship, innovation, and international business development. To gain an understanding of the role of different models and theories of digital platforms and how

they work to support the internationalization and scaling of entrepreneurial firms, we must establish this conceptual foundation.

### **2.2.1 Digital Platform Models**

Based on the definitions of digital platforms in the literature, a number of analytical models have been developed that seek to describe how digital platforms work, create value, and enable interaction among participants. These models represent different disciplinary perspectives, including economics, strategy, innovation, and information systems and together provide a comprehensive understanding of how platform-based organizations are established. The models, however, are not mutually exclusive; they reflect complementary views of digital platforms and can be used to analyze their impact on entrepreneurial opportunities. The Multi-Sided Market Model (MSM)—one of the earliest and most influential frameworks for thinking about digital platforms—is based on ideas from the branch of Industrial Organization within economics. It describes how platforms create opportunity for more direct exchanges between 2 or more distinct types of users (e.g., 'sellers' & 'buyers', 'developers' & 'users', 'advertisers' & 'consumers'; Rochet & Tirole, 2003). The key characteristic of a multi-sided market is that the amount of value that a platform provides to one group of users increases when another group of users participates on the platform. Rochet and Tirole (2003) argue that it allows platforms to facilitate cooperation among their user communities through the creation of pricing structures and guidelines for the operation of their platform, to internalize these network effects. Eisenmann, Parker, and Van Alstyne (2006), building on the foundation created by Rochet & Tirole, found that the way in which platforms compete against one another is influenced by how they execute strategies that range from cross-subsidizing to controlling user interaction. A particular obstacle that all multi-sided platforms face is the "chicken-and-egg" dilemma where they must attract a user base on one side of the platform prior to having any users on the opposite side. To overcome this dilemma, multi-sided platforms typically utilize a combination of pricing incentives and governance mechanisms.

A second key way to think about digital platforms is as modular technological architectures. This approach originates out of the fields of innovation management and systems theory and conceptualizes digital platforms as made up of a stable core and a set of loosely coupled complementary modules (Gawer & Cusumano, 2014). The core module represents the required functionality and standards needed to operate and gives rise to a value proposition through complementary products that are produced by either a firm that produces a platform or third parties. These complementary modules are what create greater value for the end user than just a digital platform on its own. According to Tiwana et al. (2010), the architecture of a digital platform helps to determine the innovation outcomes by deciding who will be able to develop innovations and how easy it will be for third parties to develop complementary products. Furthermore, the architecture defines how coordination costs are shared amongst the parties that will be involved in producing and consuming the digital platform and its complementary products. The important architectural features of a digital platform include those features that allow for modularity, standardization of development, and the presence of boundary resources including application programming interfaces (APIs) and software development kits (SDKs). Through these boundary resources, the technological barriers for a third-party developer are lowered and at the same time allow the digital platform owner to maintain control over the overall architecture of the platform. From an architectural perspective, the digital platform can be viewed as fundamentally different from traditional systems, which typically have integrated all of the innovation activities that would be required to develop the product or service as part of a single organization. In contrast, digital platforms provide a mechanism for the externalization of innovations via a distributed network of third-party developers. This is especially relevant for newly formed entrepreneurial companies that want to take advantage of the digital platform's established infrastructure so that they can specialize in providing products and services in niche markets without incurring the full costs of developing the associated infrastructure.

Recent studies have started connecting platform-based business models with multiple value-creating participants or platforms, which share a common goal of fostering interconnectedness, creating shared value, and facilitating collaboration across sectors. Within this ecosystem, platforms act as the main actors, coordinating the activities of many different groups through complementary rather than hierarchical controls (Adner, 2017; Jacobides, Cennamo, & Gawer, 2018). Ecosystems are distinct from traditional supply chains in that, while the ecosystem offers opportunities for more dynamic roles and partnerships among multiple participants, coordination occurs through mutual interdependence and collaboratively shared standards. Thus, Jacobides et al. (2018) suggest that platforms play an important role in shaping the relationship between ecosystem participants by establishing modular architectures and governance structures that help align the incentives of all ecosystem participants. The ecosystem participants create value collectively; therefore, the performance of an ecosystem participant often determines how successful other participants will be. For new enterprises, this indicates that in addition to the internal capabilities, identical or complementary strengths, and capabilities required to create a competitive advantage, the position of the new enterprise in relation to other ecosystem participants also plays an important role in determining how competitive the new enterprise will be. Digital ecosystems are increasingly relevant due to the use of digital technology to significantly reduce costs associated with coordinating resources and rapidly develop interdependencies between multiple organisations. As a result, platforms can quickly attract a large and diverse assortment of complementors, users, and partners from around the globe and develop complicated, multi-layered value networks. However, by participating in an ecosystem, organisations face increased vulnerabilities and interdependencies as the platform's governance models and overall structures are subject to change, which could greatly impact every participating enterprise.

Despite being classified as distinctly different types of models, several of today's digital platforms are utilizing aspects of all three types of models. In other words, a company's platform can serve as the intermediary for transactions, provide an infrastructure for

innovation, and act as the orchestrator of an ecosystem at the same time. According to Gawer (2014), "To understand platforms, it is important to understand that they are organizational forms that yield a new type of market design, technological architecture and governance." This concept of integration is important for understanding entrepreneurship. An entrepreneurial venture's interaction with a platform can take many forms, including that of a complementor to the platform, a seller of goods and services through the platform, a provider of services to the platform, or a creator of the platform itself. Consequently, it is important to understand the various models of platform design in order to fully appreciate how these models impact the entrepreneurial experience and success through their influence on internationalization and growth paths.

### **2.2.2 Core Theories of Digital Platforms**

In order to provide an analytical framework that explains how digital platforms function and why digital platforms have become the primary (or most common) way entrepreneurs are able to connect with customers and build their businesses, a number of theoretical frameworks from the existing literature can be paired together. Each of these theories describe a different mechanism for creating value, coordinating actors and facilitating competition as well as organisational practices based on the digital platform model. As such, we are able to group the theories within this framework according to four relevant theoretical lenses, namely: Network effects theory; Modularity and platform architecture theory; Platform governance theory and Ecosystem orchestration theory.

Network effects theory is a core perspective on the dynamics of digital platforms. As more people use a digital platform, the platform becomes more valuable to its users. Network effects occur as a consequence of either direct or indirect interaction between users of digital platform technologies. For example, buyers who participate in a digital platform create value for sellers on that platform. As more buyers come online, sellers will want to come online, which in turn creates additional value for buyers on the same

digital platform, creating additional incentives for both buyer and seller participants to engage with the platform. Thus, network effects build upon one another, resulting in the growth and expansion of digital platforms.

Network effects theory also supports the notion that platforms tend to demonstrate winner-take-most or winner-take-all characteristics, which explains why platforms need to rapidly grow and attract as many users as quickly as possible. For start-up and entrepreneurial ventures looking to participate in an existing platform or develop new platforms, the ability to leverage network effects is critical, as the success of these ventures will be tied closely to how large and active an eco-system they create on the platform. Additionally, the ability to leverage network effects can create risks of dependency for ventures, as they will become dependent on the existing dominant platforms for the rules and regulations that govern their businesses. (Rochet & Tirole, 2003). Networking effects theory, therefore, provides a foundation for understanding scalability and market power of digital platforms, as well as showing how the growth and success of digital platforms will increase the degree of asymmetries in power relationships between platform providers and users. (Eisenmann et al., 2006).

Modularity theory provides additional information about the way that platforms support distributed innovation and coordination. From the modularity perspective, platforms represent modular systems that consist of a stable core, and multiple other components that offer complementary functions, which developers can build on their own (Tiwana et al., 2014). Modularity lowers the coordination costs associated with building a platform because a developer can change their modular component without changing other modular components on the platform, thus enabling multiple actors to build innovative solutions concurrently. Platform architecture theory expands on the modularity perspective and highlights the role of boundary resources, e.g., APIs, standards, and development tools, that dictate how external developers will interact with the core of the platform (Ceccagnoli, Forman, Huang, & Wu, 2012). Boundary resources help to identify participants, help create an environment where developers

can easily create complementary products, and established a method for redistributing value across the platform. For startup entrepreneurs, the benefits of modularity are that they are able to take advantage of lower barriers to entry for innovation because they can focus on specific niches or complementary products/offerings, rather than developing full platforms. However, due to the fact that many platform owners maintain a high level of control over their architectural systems, this can limit entrepreneur's ability to operate autonomously and provide strategic flexibility.

Platform governance theory addresses how platforms manage the opportunity to engage with, interact with, and derive value from the platform. Examples of Governance Mechanisms would be: Access Rules, Pricing Models, Data Policies, Content Mod. and Dispute Resolution Processes (de Reuver et al., 2018). A primary area of research focus in governance is the tension between openness and control. Boudreau (2010) explained how greater openness increases innovation and third party engagement on platforms; however, some degree of limitation is necessary as too open may diminish quality and stability of the platform. The alternative also holds true; however, where greater control protects integrity, however, it may hinder innovation from outside. Ceccagnoli, Forman, Huang, and Wu (2012) conceptualized governance as a management of boundary resources that balance this tension. For entrepreneurial ventures, the theory of governance is an important area of study as the Governance of the platform establishes rules of access to a market, rules of visibility and rules of monetization opportunities. Consequently, a change in governance policies (i.e. Algorithmic ranking rules, or fee models) can have a material impact on the outcome of entrepreneurship. The governance of a platform is therefore an explanation of how Platforms may be supporting and constraining Entrepreneurial Activity at the same time.

Ecosystem theory serves as a broader view for understanding platforms which are used as a mechanism, or organisational structure to coordinate interdependent actors. In the past, firms were typically considered as separate or independent entities (i.e. competitors); however, according to Ecosystem Theory, value creation is a collaborative

process involving many different actors whose activities are aligned through complementarity(ies) (Adner, 2017; Jacobides et al., 2018). Plattformen act within the framework of ecosystem theory as orchestrators of the ecosystem by structuring roles, standards, and incentives to facilitate the coordination of actors, without employing a hierarchically based control. orchestration refers to how the ecosystem is defined by the rules of participation, the management of complements and the maintenance of stability of the ecosystem. As such, for entrepreneurial companies, ecosystem positioning is a key strategic consideration because the success of a company is heavily dependent on how a company positions itself within the ecosystem and leverages interdependence. The relevance of ecosystem theory becomes increasingly important in Digital and International contexts as coordination must occur across an expanded set of organisational and geographic boundaries. On the one hand, Platforms support the collaboration of cross border ecosystems by facilitating standardised forms of interaction and thereby lowering the cost associated with the coordination of different actors, however<sup>a</sup> they also create interdependencies, making entrepreneurs vulnerable to systemic risks.

### **2.3 Digital Platforms Facilitating the Internationalization of Entrepreneurial Ventures**

The term scalability is generally understood to mean the ability of an entrepreneurial venture to increase its production, customer base, or sales revenue without having to proportionately increase its costs. Digital platforms allow entrepreneurs and their businesses to achieve scalable growth through the creation of demand-side economies of scale and modularity, as well as through the establishment of their own ecologies. Whereas the traditional growth model of accumulation of internal resources is based on the accumulation of external resources through network effects, platform-based scaling often utilizes the existing networks that have been developed by others to achieve scalability. (Zhang, Bai, Zhou, & Zhou, 2025). Internationalization represents a key but difficult step in developing entrepreneurial enterprises due to Liabilities of Smallness, Foreignness and Newness. The traditional view of Internationalisation indicates that

starting Companies expand slowly, based on experiential learning and building up Resources (Johanson & Vahlne, 1977). Nonetheless, Digital Platforms greatly change this view by eliminating Low Barriers of Entry, providing Virtual Presence and enabling access to Global Networks which create additional ways to reach an International Market.

An important way that digital platforms support firms as they expand overseas is that they limit the expenses and complexity associated with entering a new market. Many of the services (e.g., payment processing, locating customers, communicating with customers, and sometimes even logistics) provided by these platforms are standardized. Therefore, entrepreneurial firms are able to connect with international customers without having to set up physical offices, subsidiaries, or extensive supply chains. According to Ipsmiller, Dikova, and Brouters (2022), from a platform perspective, this reflects an example of the role of a platform as a multilateral intermediary that allows for more efficient coordination of cross-border exchanges compared to bilateral arrangements. The concept of "internationalization through digital platforms", as developed through recent research, describes how digital platform participation allows North American and global SME and entrepreneurial firms to quickly internationalize by receiving immediate access to international market demand. This concept aligns with international entrepreneurship theory, which posits that firms can attain international opportunities by taking an opportunity-driven and non-incremental approach to international expansion (Oviatt & McDougall, 1994).

Through allowing companies to have a virtual presence, to test foreign markets with little investment, to gather feedback from customers, and to learn about the prevailing demand conditions, digital platforms facilitate the development of a global business (Ipsmiller et al. 2022). As such, the digital platform can be seen to complement the updated version of Johanson and Vahlne's (2009) Uppsala model by focusing more on the concepts of learning and network embeddedness, as opposed to only the physical presence of the company. By providing access to the multitude of users who are active on the site, digital platforms create an environment in which learning is maximised. The

more people that use the platform, the more information will flow between users of the system; this not only helps to create greater market transparency, but also enhances the flow of feedback and experiential learning. Because of this increased speed of learning that is possible through digital platforms, there is a decreased time-lag between the identification of opportunity and actual entry into a market for born-global companies and international new venture companies (Knight & Cavusgil 2004).

One of the major challenges facing entrepreneurial efforts when entering international markets is credibility and trustworthiness. Digital platforms generally alleviate this barrier by providing reputation systems, standardised operating procedures, and governance systems through which transaction risk is reduced. Ratings, Reviews, and Verification Processes assigned by digital platforms act as substitutes to these institutions and allow entrepreneurs to "borrow" credibility from the platform ecosystem (De Reuver et al., 2018).

From a Governance Theory perspective, the Governance mechanisms associated with digital platforms are included within their rules and boundary resources that create a framework for regulating the quality of both participation and interaction (Rochet & Tirole, 2003). Digital platforms are also able to serve as Governance Structures for International Entrepreneurs by allowing entrepreneurs to mitigate initial scepticism from their foreign customers and international partners. However, most of the literature indicates that the legitimacy or credibility associated with the digital platforms will generally only be perceived as having value within the specific digital environment in which they were acquired; therefore, they may not be transferable outside of the digital marketplace, which would impede Strategic Autonomy over time.

Entrepreneurial ventures are quickly integrated into more developed ecosystemed systems through digital platforms that support Internationalization. We define and describe ecosystems as the network of partners that, in conjunction with their dependent relationships, produce and deliver valuable products and services through a

network of complementary partners (Adner 2017; Jacobides et al. 2018). Ecosystem partners may include international partners for entrepreneurial ventures or companies but would be impossible for them to directly access using traditional distribution channels. Recent research in international business suggests that connections through platforms provide a form of "outsider liability" that was previously recognized by Johanson & Vahlne in their revised Uppsala model (Johanson & Vahlne 2009). Additionally, by joining other partners in the platform ecosystem, entrepreneurial ventures obtain an embedded relationship that facilitates the identification of and ability to exploit international opportunities. Conversely, participation within the platform ecosystem creates interdependencies between ecosystem partners and between an ecosystem partner and the platform ecosystem, opening them up to changes in the platform's ecosystem and the way ecosystem partners govern their relationships.

Despite the extensive documentation of the facilitative role of platforms, recent research has highlighted that overly optimistic expectations are cautioned against. Zhang, Bai, Zhou, and Zhou (2025) states that platforms can be viewed as both facilitators of internationalization and, at the same time, their oversight and the existence of algorithmic visibility and dependence on their policy regulate and limit the extent to which entrepreneurs can successfully expand internationally. In conclusion, digital platforms facilitate the internationalisation of entrepreneurial ventures through lowering barriers to entry, supporting the creation of virtual presence and knowledge, facilitating the transfer of legitimacy, and integrating the venture into global networks of support (i.e. ecosystems). Nonetheless, the extent to which platforms and ecosystem dynamics shape the internationalisation outcome is dependent on the extent to which the venture strategically interfaces or interacts with the platforms.

The term scalability is generally understood to mean the ability of an entrepreneurial venture to increase its production, customer base, or sales revenue without having to proportionately increase its costs. Digital platforms allow entrepreneurs and their businesses to achieve scalable growth through the creation of demand-side economies

of scale and modularity, as well as through the establishment of their own ecologies. Whereas the traditional growth model of accumulation of internal resources is based on the accumulation of external resources through network effects, platform-based scaling often utilizes the existing networks that have been developed by others to achieve scalability. (Zhang, Bai, Zhou, & Zhou, 2025)

The theory of network effects illustrates how scalable platforms and their participants create value faster than traditional businesses, as a strong presence on a platform will allow for increased growth without needing to build out additional production capabilities (Rochet & Tirole, 2003). This means that for businesses created on and with the assistance of platforms, growth can be achieved through increasing their visibility and level of engagement as a participant (rather than through expansion of their physical locations). Eisenmann, Parker, and Van Alstyne (2006) demonstrate that platform markets tend to have stronger returns to scale compared to pipeline markets. The ability to leverage platforms that cross borders from the very start means that a small business can quickly build a large international customer base. However, growth based on network effects also creates a reliance on the platform's growth patterns, competition, and other dynamics.

Theories on platform architecture and ecosystem development illuminate how the process of scaling can occur within these models, as scaling can leverage both modularity and complementarity. Through the use of a modular architecture for platform development, entrepreneurial businesses can scale by developing their own specialties based on specific complements or services, while also maintaining access to the platform's core infrastructure (Gawer & Cusumano 2014). This limits the need for internal vertical integration and promotes flexible growth opportunities. Ecological systems theory indicates that the way in which ecosystems develop is often co-dependent rather than divisible by individual firms. Jacobides et al (2018) further express this point by stating that the success of one participant within an ecological system requires the success of other participants in order to be realized. For entrepreneurial

firms, this indicates that scaling outcomes are determined by the health, governance, and complementarity between the members of the ecological system as opposed to the individual strategic decisions made by any one participant.

According to fresh studies, scale from platforms is not instantaneous. Cenamor, Parida, and Wincent (2019) indicate that SMEs will be benefited from platforms if they have digital platform capability, networking capability, and ambidexterity. Platforms provide conditions for entrepreneurs to build their businesses; the entrepreneur must obtain or develop the capacity of platforms to use these conditions. There is an opportunity for growth using a platform to support entrepreneur's growth, through this type of opportunity; the entrepreneur has the power to make decisions to manage their own scale, using the platform to support this decision to achieve a sustainable business model instead of being constrained by the platform. Management of the scale of the platform should be strategically managed, diversified platform dependency; management of the data generated by the platforms and utilize this data in conjunction with the company's decision.

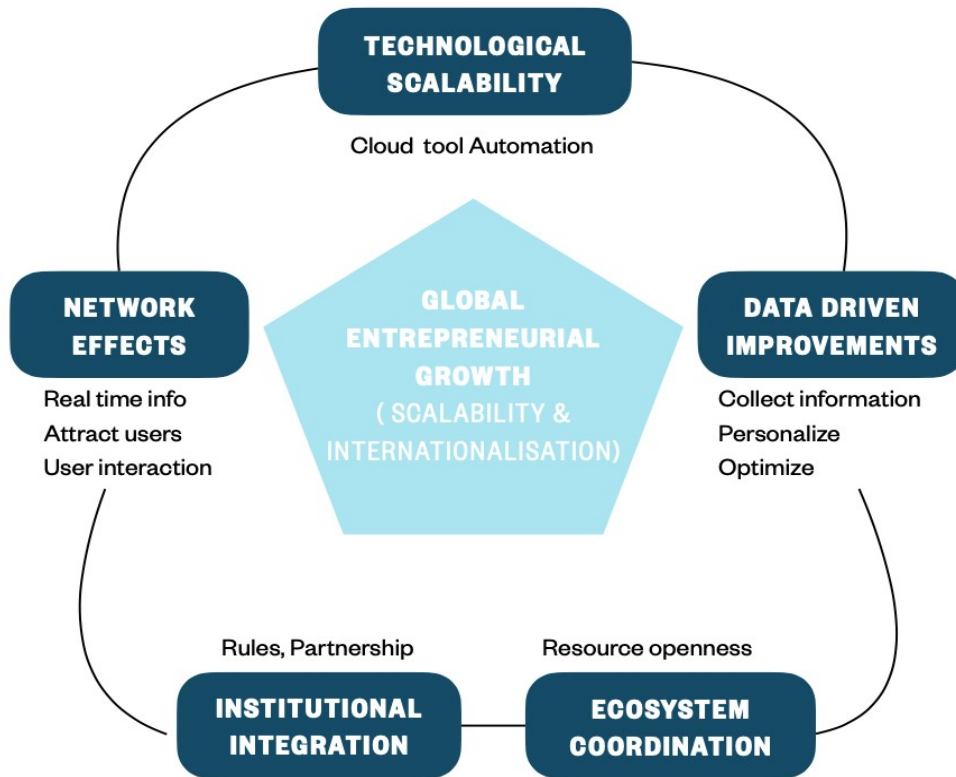
Governance of platforms is a major determinant of scaling opportunities. According to governance theory, platform owners apply their authority over access, data, price, and visibility through both formal rule regimes and algorithms (de Reuver et al., 2018). Control allows for maintaining the quality and stability of platforms through governance; however, on some occasions, control may limit the entrepreneurial ventures' ability to grow by limiting access to customers and raising expenses related to customers. Researchers have also recently emphasized that if a venture relies too heavily on one platform, the venture can be at increased risk of being negatively affected by changes to the platform's current policies or being excluded from it. Therefore, in addition to facilitating the scaling of businesses, platforms create new forms of strategic risk, both of which entrepreneurial ventures need to be mindful of. Overall, digital platforms help start-up companies grow quickly and have the ability to expand geographically through a combination of network-based and modular expansion supports, as well as a

coordinated approach between businesses within the ecosystem. With these tools in place, companies can quickly and efficiently expand internationally much sooner than they typically would under a traditional scaling model. However, existing literature highlights that growth results from an ecosystem's governance structure, the dynamics of that ecosystem, and individual companies' abilities to successfully implement and operate successfully within that ecosystem.

To fill the gap in bridging fragmentation in conceptualizing how digital platforms enable entrepreneurial scaling and internationalization, scholars have suggested several integrative frameworks within the overarching framework of digital platform ecosystems (Ciulli & Kolk, 2023). These frameworks synthesize several theoretical

perspectives such as network effects, resource orchestration, and institutional adaptation in explaining the shared mechanisms by which platforms enable global expansion. The central assumption of this knowledge is that digital platforms are not only technological intermediaries but work as ecosystems that coordinate value creation across actors, driving innovation and cross-border development (Nambisan et al., 2019).

Gawer (2011) argues that the Digital Platform Ecosystem Model (DPEM) posits that ventures enabled by platforms achieve scalability and globalisation through five interrelated pathways: technological scalability, network externalities, data-driven flexibility, institutional alignment, and ecosystem management. Positive leadership, just like it integrates various theories of leadership into a singular framework, DPEM integrates distinctive digitalization theories to describe the multi-dimensional processes that enable global entrepreneurial development.



**Figure 1.** Digital Platform Ecosystem Model – a simplified graphical representation of five interlinked paths)Source (Huang & Tang, 2025) (Ciulli & Kolk, 2023)

**Table 1** :Digital Platform Ecosystem Model – Table representation

Source( Huang &amp; Tang, 2025)

Pathway	Core Mechanism	Theoretical Foundation	Example/Illustration
<b>1.Technological Scalability</b>	<b>Code Replication &amp; Scalable Infrastructure</b> (e.g., Modular design, Cloud computing)	Scalable Infrastructure	SaaS startups (Zoom, Shopify) instantly enter global markets via cloud architecture.
<b>2.Network Externalities</b>	<b>Positive Feedback Loops</b> (Value increases with more users/partners)	Two-Sided Markets Hypothesis	Airbnb, Uber growth as user participation boosts trust, visibility, and revenue opportunities across regions.
<b>3.Data-Driven Adaptability</b>	<b>Sensing and Responding to Real-Time Market Signals</b> (Localization, personalization)	Dynamic Capabilities Theory	Netflix adapts its recommendation engines to local preferences, blending global algorithms and local culture data.
<b>4.Institutional Integration</b>	<b>Navigating Diverse Regulatory and Cultural Environments</b> (Compliance, local partnerships)	Institutional Theory	Uber's regulatory adaptation across European markets; platform collaboration with local governments
<b>5.Ecosystem Orchestration</b>	<b>Coordinating Distributed Resources and Complementors</b> (Balancing openness/control)	Network and Resource Orchestration Theories	Shopify enabling third-party developers globally to localize the platform for merchants while ensuring a single ecosystem structure.

The technological scalability path is the ability of digital start-ups to expand their operations and user base rapidly without equivalent increases in cost (Ciulli & Kolk, 2023). It is founded on the concept of scalable infrastructure digital architecture that can handle global

demand through modular design, cloud computing, and automation (Nambisan, 2019). For instance, cloud-based infrastructure-based SaaS startups such as Shopify or Zoom demonstrates how to attain global market access in seconds. In such configurations, scalability is achieved through replication of code rather than physical replication, allowing expansion to new geographies fast (Huang & Tang, 2025).

The network route of externalities uses the two-sided markets hypothesis (Rochet & Tirole, 2003) and outlines how the worth of a platform increases as it acquires more individuals in the platform's ecosystem. User, partner, and developer positive feedback loops produce self-sustaining growing impacts. For example, platforms like Airbnb and Uber show how, as usage increases, possibilities for trust, visibility, and revenue grow across geographies, creating momentum for internationalization. Network externalities also facilitate entry into a market by giving access to already existing customer bases, thus accelerating foreign market penetration (Nambisan et al., 2019).

The data-driven adaptability path lies in Dynamic Capabilities Theory (Ciulli & Kolk, 2024) with emphasis on a firm's ability to sense and respond to real-time global marketplace signals. Online platforms continuously collect and interpret vast amounts of user data, enabling firms to localize offerings, tune algorithms, and customize services across markets (Boudreau, 2010). Netflix, for example, tweaks its recommendation engines to local preferences, blending global algorithms and local culture information. Such a learning mechanism helps in adaptive internationalization, where entrepreneurial businesses learn dynamically rather than deliberately progressing through stages.

The institutional integration path relies on Institutional Theory (Ceccagnoli, Forman, Huang, & Wu, 2012) and deals with the ability of a platform to navigate through and adapt to diverse regulatory and cultural environments. When platforms expand internationally, they face institutional pressures related to data privacy, tax, labor laws, and native commercial conventions (Ciulli & Kolk, 2024). Successful companies build adaptive institutional strategies policymaker involvement, local collaborations, and customized compliance structures. Uber's regulatory adaptation across European markets or Airbnb's collaboration with local governments are instances of how institutional embedding enhances legitimacy and endurance in international expansion (Li et al., 2025).

Lastly, the ecosystem orchestration path is based on the Network and Resource Orchestration Theories, demonstrating how entrepreneurs orchestrate geographically dispersed resources, partners, and complementors (Ghazawneh & Henfridsson, 2013). Platform founders act as orchestrators who find balance between openness and control encouraging third-party innovation while enforcing platform coherence as well as quality standards (Nambisan et al., 2019). This orchestration facilitates co-creation, with users and partners contributing to innovation, local adaptation, and value creation. For instance, Shopify makes it possible for thousands of third-party developers and consultants across the world to localize the platform for merchants while ensuring a single ecosystem structure.

Together, the five paths outline direct and indirect modes through which digital platforms enable entrepreneurial scaling and globalisation. Indirectly, they reduce transaction costs, legitimacy, and reach the market. Directly, they create new sources of value through user engagement, learning effects, and co-creation.

Evidence exists for these paths. Monaghan (Huang & Tang, 2025) study found that high-ecosystem-orchestration skill digital startups internationalized more rapidly and with less resource commitment than traditional exporters. Similar studies of born- digital firms in Europe (Ciulli & Kolk, 2024) suggest that data-driven adaptability and embedding

institutions were key drivers of success in entering culturally distant markets. These findings confirm that online platforms, when framed as ecosystems, provide entrepreneurs with flexibility and scalability key enablers of long-term global growth.

In conclusion, the Digital Platform Ecosystem Model synthesizes the main theories explaining how digital platforms facilitate entrepreneurial internationalization and scaling. It unifies technology, society, and institutions into a single model, giving an integrated overview of how global entrepreneurship is transformed by digital change. Similar to the positive leadership model, this theoretical concept highlights the interplay among different theoretical assumptions, giving an integrated overview of how digital platforms generate international competitiveness for entrepreneurial firms.

## **2.4 Digital Platforms Limiting Roles for Internationalization and Scaling Entrepreneurial Ventures**

The previous section highlighted the potential for internationalising and scaling entrepreneurial ventures through the utilisation of digital platforms but additional research is now providing a more rigorous and nuanced perspective regarding this relationship. In particular, many current studies demonstrate that the same types of platform models and theoretical mechanisms enabling business growth and international expansion can impose multiple restraints and limitations on businesses that are seeking to expand rapidly; such limitations arise as a result of the characteristics of platform governance, dependency, asymmetry of power, and institutional friction that characterise how businesses operate within platform ecosystems. Consequently, institutions and/or platforms should be considered to offer conditional assistance with respect to providing benefits, supporting business development, and the like as they do so by creating a number of structural and operational tradeoffs which must be managed. Such factors not only limit the scaling potential but also impact the internationalization of entrepreneurial ventures.

### **2.4.1 Dependency, Power Asymmetries, and the Risk of Platform Lock-In**

The Network effect theory indicates that as more people join a platform, the greater a platform will be able to control its market and create “winner-take-all” results for both platforms and their producers (Rochet & Tirole, 2003). Networks do indeed enable scalability; however, networks also create dependency concerns for startups or entrepreneurs when investing in unique resources created by a particular platform (like Uber, where drivers create an asset). In some cases, an entrepreneur may be unable to access the same type of resources or related financial compensation that would otherwise be available on a different platform. According to the Ecosystem Theory, platform owners typically perform the role of orchestrating their respective ecosystems; therefore, through orchestration, platform owners may create significant power asymmetries between themselves (the platforms) and entrepreneurs (the platforms' users), who typically lack the same level of negotiating power as platform owners do (Jacobides et al., 2018). As evidenced in many studies of platform ecosystems, platform owners increasingly extract value from participants over time by raising fees, restricting data access and/or favouring the preferential treatment of their own offerings (Gawer, 2014). Compared to alternative market entry strategies, dependency risks for international entrepreneurship ventures using a platform-based approach to their internationalization can be significantly greater. By relying solely on one global platform, for example, an international entrepreneurship ventures may struggle with diversifying across multiple markets/channels versus being dependent on that one platform. This situation creates a higher vulnerability for an international entrepreneurship ventures to sudden changes in platform policies, or in extreme cases, to being excluded from a marketplace altogether thereby limiting both scaling potential and international market expansion. Verbeke and Ciravegna (2018) claim that the increased dependency/additional liabilities associated with using platforms to support international entrepreneurship ventures operations challenge established assumptions in international entrepreneurship due to the creation of new forms of liability associated with platform dependence, not geographic location.

While platforms can enable entrepreneurs to learn quickly and enter the marketplace quickly, there is a concern that learning from a platform may be limited or limited. Platforms provide an intermediary for customers to engage with the venture(s), as well as controlling the customer data's access and restricting the interactions between the venture(s) and end users. As a result, it is difficult for entrepreneurial ventures to cultivate their independent market knowledge and customer relationships that can continue to exist outside of the platform environment (de Reuver et al., 2018) which restricts long-term scaling and limits internationalization beyond the platform.

According to a competence-based view provided by Cenamor et al. (2019), the ability to take advantage of the performance benefits of digital platforms must be developed and maintained. However, if ventures rely too heavily on the platform's infrastructure for their business operations, they will be less likely to develop internal capabilities like marketing, logistics and managing international markets on their own. Consequently, these ventures will experience diminished long-term strategic autonomy, as they will have built up the skillsets to function within the platform while lacking the skills to function beyond the platform environment. Modular platform architecture can support innovation by allowing for specialization but, conversely, can limit the capabilities of those innovations. Tiwana et al. (2014) indicated that the level of architectural control exercised by platform owners can define what is permitted for any innovations developed within that architecture. The limitations of a modular platform architecture for an entrepreneurial company exist in that it can restrict the number of types of business models and pricing strategies that can be tested and the possibility of cross-platform integration, especially when looking to adapt to international markets. Such dependence may lead to scaling in the short term within the platform but limits scaling and internationalization outside the platform.

#### **2.4.2 Institutional and Regulatory Constraints in Platform-Based Internationalization**

Institutional constraints are associated with digital international entrepreneurship performed on digital platforms. Although the existence of a digital platform decreases

certain transaction costs associated with international entrepreneurship, they do not remove the complexities of cross-border commerce, such as tax regulations, data privacy laws, consumer rights laws, and labor laws. In addition, platform governance may even create additional challenges for international entrepreneurs by requiring companies operating on their platforms to conform to a set of standard policies that cover multiple jurisdictions with varying digital commerce regulations. Research examining the effects of international entrepreneurship on an international company highlights that businesses using digital platforms face additional obstacles with respect to compliance risks (Li, Surana, Chavan, Kano, Schotter & Chirico, 2025). Entrepreneurial ventures may not know what the legal and operational risks are when using a platform to operate; thus, some of these businesses' compliance obligations may be allocated to entrepreneurs, while others may fall upon the digital platform. Entrepreneurs who use a digital platform to grow their businesses across countries need to know that there is a risk that the platform will stop providing services to that region due to regulatory pressures and that this could put their dependents at risk. Considering the above risks, companies that utilize digital platforms to expand internationally need to take into account the institutional environment where they wish to operate in evaluating their internationalization strategy. These institutional limitations, therefore, not only affect the scalability of entrepreneurial ventures based on platforms but also the international entry into markets.

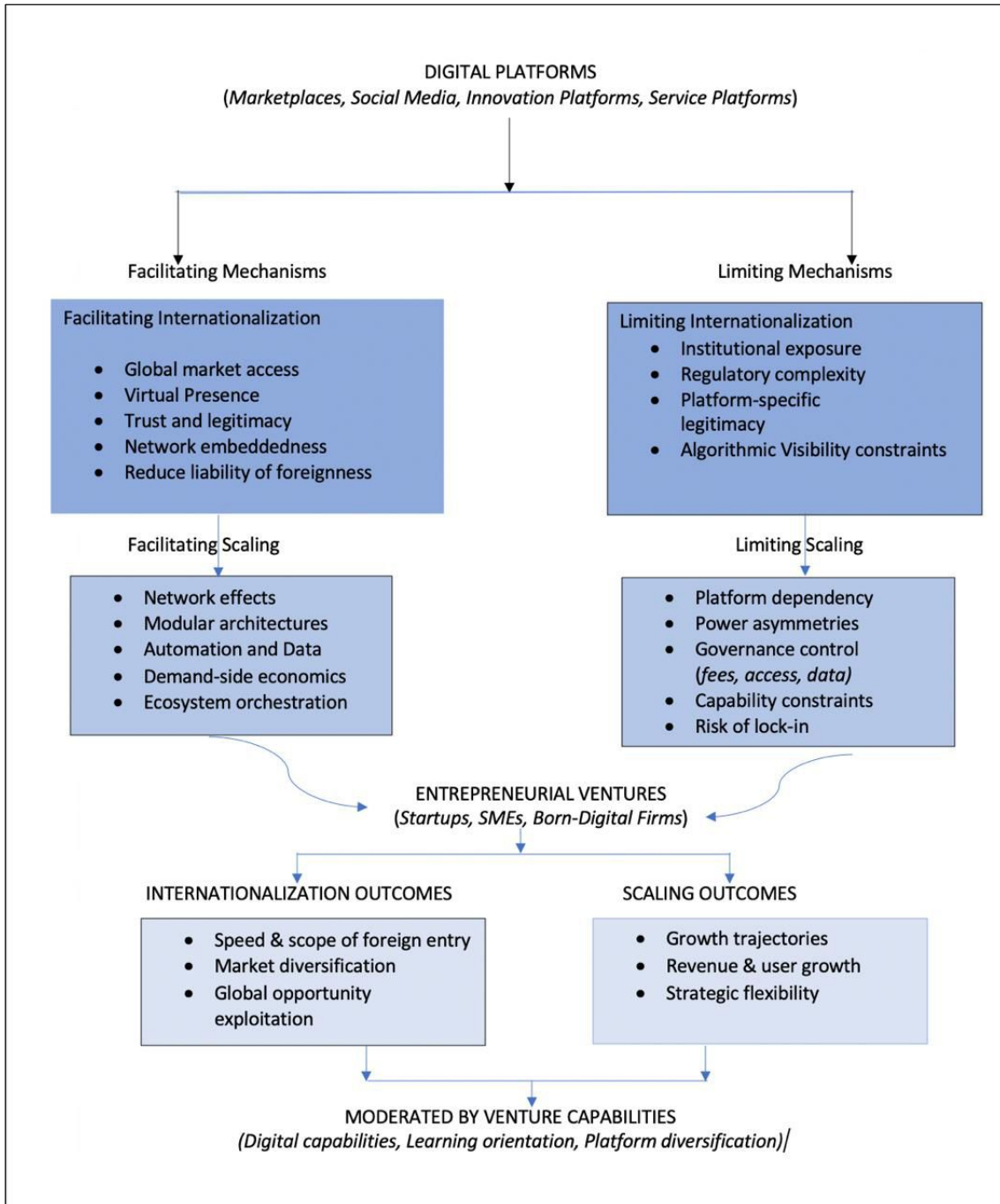
When viewed collectively, the existing literature highlights how platforms can both enable and restrict the development of international start-ups. Although there are huge opportunities for start-ups to internationalize and expand very quickly due to network effects, modularity, and ecosystem management of platforms, they also introduce challenges such as governance limitations, dependency risks, capability limitations, and institutional/financial vulnerabilities, potentially disrupting both international presence and growth at scale. This duality further highlights the need for a balanced theoretical approach when assessing the role of platforms. Rather than adopting a universally beneficial perspective, it is necessary to investigate how platform-based opportunity and

constraint models and theories impact entrepreneurial ventures (Zhang, 2025). The result will ultimately determine the performance of those ventures, based on how they strategically engage with platform markets, manage dependencies, and develop complementary skills and competencies, either with or apart from the platform-based market system. This alternate view complements and expands on the facilitating role of platforms as discussed previously and establishes a more robust foundation on which the research questions of this thesis will be based. It will also help propel the empirically driven exploration of how entrepreneurial ventures experience and navigate the trade-offs associated with the internationalization and/or scaling of businesses through a platform-based model. As a result, regulatory uncertainty can slow down the scalability process while also limiting internationalization.

## **2.5 Theoretical Synthesis and Conceptual Framework**

Throughout Sections 2.2, 2.3, and 2.4 of this document there is a strong body of literature demonstrating the way that Digital Platforms have evolved into a new category of organizational and economic forms. The evolution of Digital Platforms fundamentally changes how SMEs expand internationally and grow their operations. Instead of being simply a technological tool (such as a website) or a neutral intermediary marketplace between buyers and sellers (e.g., a marketplace like eBay), Digital Platforms have developed into a New Category of Socio-Technical Systems. Digital Platforms are a combination of Technology, Governance and Ecosystems. The next section presents an Integrated model that highlights both how Digital Platforms can Help European Entrepreneurs to Internationalise their Businesses and some of the Constraints or Barriers that Digital Platforms present when supporting SMEs looking to create International Marketing Strategies.

**Figure 2:** Conceptual Framework: Digital Platforms, Facilitating and Limiting Mechanisms, and Entrepreneurial Ventures



According to three related but distinct theoretical viewpoints within the platform literature, the multi-sided market model describes a means of generating indirect network effects through platform mediation between many user groups, resulting in growth and scaling (Rochet & Tirole, 2003). The modular architecture view emphasizes that platforms are able to facilitate innovation throughout an ecosystem via the use of modular building blocks (modules) while still maintaining control over the core of the system (Tiwana et al., 2014). Finally, the ecosystem perspective expands upon this concept by viewing a platform as the orchestrator among many interdependent actors who are capable of creating value collectively rather than solely through a firm-centric approach (Jacobides et al., 2018). Therefore, these three theoretical constructs combine to position platforms as powerful coordination mechanisms that radically change our traditional view of firm boundaries, resource ownership, and the ability for a firm to enter into an international market.

The literature discussed in Section 2.3 builds on the findings presented in this section by highlighting various interconnected ways in which digital platforms support the global expansion and growth of new businesses. These platforms reduce the costs and risks of entering new markets by providing a standardised system for conducting business transactions, communicating with customers, and building reputations; therefore, they enable start-ups to create an online presence in multiple countries (Ipsmiller et al., 2022). Because of the nature of platform-based businesses, they offer entrepreneurs access to potential clients, business partners and supporting companies much earlier in the process. This feature provides an opportunity to pursue an opportunity-focused internationalisation path as opposed to a gradual approach (Oviatt & McDougall, 1994; Knight & Cavusgil, 2004). Additionally, network effects and modular structures enable young companies to grow their business without increasing employee count, thereby moving from a supply-centric approach to a consumer demand-centric approach to business development. Moreover, existing research suggests that platform-based internationalisation has a constraining effect on learning and capabilities development because platforms enable customer relationships and have control over customer access

to their data. Subsequently, entrepreneurial ventures may obtain market knowledge that is specific to their platform and therefore not transferable to other platforms (de Reuver et al., 2018). In turn, this raises questions surrounding strategic lock-in: while ventures may become highly proficient at doing business within a platform ecosystem, they do not develop the independent capabilities needed to maintain the same level of performance without relying on a platform for international expansion. Further complicating matters, institutional and regulatory influences restrict cross-border platform-based activities from eliminating their exposure to heterogeneous legal and regulatory regimes and may create additional vulnerabilities when a platform changes its form of market coverage or compliance (Li et al., 2025).

Based on these insights, the study views digital platforms as having a dual role that helps and hinders international entrepreneurship. Therefore, entrepreneurs must learn to navigate between these two aspects of platform usage to identify their optimal international growth opportunities. In particular, the interaction between venture capabilities (i.e., the ability to manage platform dependence, develop complementary skills and diversify market access) and platform-level structures (i.e., market design, governance and ecosystem configuration) influence the way in which platforms affect internationalization and scaling success. As such, while platforms are verified as conditional enablers, their positive impact can only be sustained if entrepreneurs have adequate knowledge of the trade-offs associated with platform access. Additionally, the integrative framework presents an appropriate theoretical framework to understand how platforms shape the internationalisation and scaling trajectories of entrepreneurial ventures, bringing together the mechanisms that facilitate and constrain internationalisation within one theoretical structure. Thus, the framework guides both the investigation into how entrepreneurial ventures exploit the advantages of digital platforms and the analysis of how these ventures successfully navigate the limitations of digital platform internationalisation.

### 3 Research Methodology

In this chapter, the methodological approaches adopted in this research are briefly discussed; the rationale behind each methodological choice is described. Following the guidance provided by Saunders' research, as Reyngaard (2025) explains and articulated in the research onion structure, this chapter provides an overview of the philosophical stance, the research approach, the methodology, the data collection method, the period under review, and the methods of analysing the way digital platforms are enabling the growth and globalisation of entrepreneurial businesses.

The relationship between each methodology will be explicitly linked back to the theoretical foundations identified in Chapter 1 and Chapter 2, with particular emphasis on the Digital Platform Ecosystem Model (DPEM) and the Platform Ecosystem Theory (PET), as well as key supporting theories such as the Uppsala Model, Resource-Based View (RBV), Network Theory, Dynamic Capabilities Theory, Institutional Theory and the literature on digital affordances. Because of the multifaceted nature of digital entrepreneurship, it can be difficult to select an appropriate approach for research purposes due to the complexity and interrelatedness of different areas within digital platforms and their use for scaling and globalising businesses, as well as technology, strategy, connectivity, and institutions. Therefore, it is important to conduct research with a methodology that can reflect both quantitatively and qualitatively the results and the overall environment from which they occur. The mixed-methods approach will provide information about how entrepreneurs utilise platforms and recognise the outcomes of these efforts in digitally mediated ecosystems.

As digital platforms serve as both the technological base for the internet and as the middleman for connecting buyers and sellers, and also as the way in which people network, the study uses theories to describe how people adopt new technology (such as Digital Affordances), how businesses use resources strategically (RBV), how people learn and enter into new markets (Uppsala Model), how businesses form relationships

(Network Theory), and how they adapt to changes in their environment (Dynamic Capabilities and Institutional Theory). In this way, the various theories provide guidance for the types of data that will help to understand the complex nature of internationalizing through the use of platforms. Therefore, the methodology integrates elements from Socio-Technical Research Traditions and Digital Transformations Studies to provide an integrated view of how entrepreneurs use platforms to interact with one another, and how that affects the business path they take.

The contents of this chapter have been organised according to Saunders et al's (Reyngaard, 2025) Research Onion. The first section will cover the overall methodology and the philosophy behind that methodology; the second section will cover the research strategy including data collection methods. In particular this section will justify the use of mixed-methods design (surveys, semi-structured interviews, and case studies) in the data collection process of this study.

The third section will define the time horizons and analytical procedures for the data; this section will also link the quantitative analysis with the constructs (operational) derived from the DPEM Model and the qualitative analysis with the themes originating from the PET and international entrepreneurship theories. Finally, the last section will evaluate the quality of this research; i.e., reliability, validity, and trustworthiness through methodological triangulation, transparency, and ethical considerations. To maintain a consistent application of research methodologies and to show how the type of research design used by the authors allows for the empirical analysis of digital platform mediated growth and the internationalisation of new ventures. The purpose of the analysis is to not only assess the effectiveness of platforms, but also to understand the ways in which the digital ecosystem can either facilitate or impede the success of new ventures, and to provide theoretical and practical evidence that will help guide entrepreneurs, policy makers, and digital platform providers.

### 3.1 Research Philosophy and Approach

According to Reyngaard (2025), research philosophy encompasses the set of beliefs that inform how researchers understand their realities and how they create knowledge and include the beliefs related to the type of reality (ontology) and the way that knowledge is created and constructed (epistemology) along with the role of values in the entire research process (axiology). The main philosophical orientations for business and management are positivism, critical realism, pragmatism, postmodernism, and interpretivism, since digital platforms are socio-technical and entrepreneurial decisions have been largely human-centered, the thesis takes an interpretivist stance on research philosophy.

Interpretivism sees that social reality is not something that exists without human interpretation; rather, it is an ongoing process of construction and reconstruction of meaning through social interaction. This view supports the idea of digital entrepreneurship as involving a series of dynamic processes involved in the internationalization and scaling of digital entrepreneurship. During these processes, entrepreneurs interact with digital platforms, their users, digital platform algorithms, and the institutions that govern the relationships between these various actors and objects. Theoretical models such as platform ecosystem theory (PET) and digital platform ecosystem model (DPEM) focus on the dynamics among various relational partners/system components, the co-creation of technology, and evolving technology that occurs in these processes, which is not something that is easily captured through a positive paradigm of universal law.

Ontologically, this research accepts that the internationalization of platform-enabled entrepreneurs is created through a multitude of context-dependent realities as defined by the entrepreneur's individual experiences and by TIS structures, supported by the platforms used and by the institution in which the business is operated. Ultimately, a growing awareness of the social and cultural embeddedness will better define digital entrepreneurial processes. According to interpretivism, the epistemology of knowledge

generation is based on how we perceive and interpret a person's subjective experiences of being a participant in some type of event. In the case of research surrounding digital platforms, this epistemology is additionally relevant to businesses because they (the entrepreneurs) generate valuable insights that cannot easily be expressed through numbers. The digital platforms act as ecosystems for business and provide entrepreneurs with opportunity to perform business operations at a global scale through their use of algorithmic visibility, trust, reliance on the platform, and the ability to adapt to different regulatory environments when exploring the possibility of expanding to another country's market.

The qualitative component of this thesis will include entrepreneurs' stories about how they approached building a global customer base while gaining insights from how the digital platforms provide opportunities for global expansion. Interpretivism understands that the researcher's values impact the research process at the axiological level. Therefore, when researching digital entrepreneurship, a researcher must engage as an empathetic participant who has a thorough understanding of the technology, its limitations, and the strategic decisions made by entrepreneurs. A digital transformation and platform approach informs how the researcher interprets the findings of the study. Transparency in the analytical methodology and approach will help reduce potential biases and provide reliable results.

Creating an appropriate research strategy, part of the research philosophy, is deciding on the approach to your study, which is identified in essence by Saunders et al (Reyngaard, 2025). The classical methods of research approaches include both deductive (from theory to data) and inductive (from data to theory). However, it has been noted in cases of modern-day social research that many merged both modes together due to the complexity of the phenomenon of interest, for example, the behaviour of an entrepreneur (Ragab & Arisha, 2017). An example is research conducted in digital ecosystems where both entrepreneur behaviour and the evolving dynamics of platforms

have increased rapidly and require both theoretical as well as empirical research-based approaches.

The methodology of the thesis is based on a combination of deductive and inductive reasoning. Using a deductive approach, the studies have been carried out using existing theory relating to digital platforms, scalability, globalisation and ecosystem dynamics to provide the initial basis for developing the conceptual framework especially the DPEM model. This theoretical model provides details on how technological scalability, network externalities, data-driven adaptability, institutional integration and ecosystem orchestration can enable an entrepreneur to scale his/her enterprise and successfully enter international markets. In contrast to a theoretical regulated study where the research has been designed to test specific hypotheses, this thesis used the theoretical model as a framework to interpret the empirical findings.

Simultaneously, the research is of an inductive nature in that it investigates entrepreneurs' lived experiences and interactions on the platform to discover new patterns or nuances that extend existing theory. Digital platform internationalization is a nascent, developing field where real-world entrepreneurial practice often challenges or refines established academic assumptions. The additional mechanisms, contextual influences, and strategic behaviors-which may not be fully captured by existing models-are pursued through the analysis of interview narratives and case studies.

Some scholars describe this blend of deduction and induction as an **abductive approach** (Reyngaard, 2025), which moves iteratively between theory and empirical evidence. However, following Research methodology in Business (Ragab & Arisha, 2017), the goal is not to assign a strict label but to clearly articulate how both forms of reasoning contribute to the research. In this thesis, deduction provides theoretical grounding, while induction enables deeper understanding and potential theoretical extension. This integrated approach is appropriate for studying complex digital ecosystems, where technological, strategic, and institutional phenomena interact dynamically.

### 3.2 Research Design

The "general approach" that is utilized in the design of a study demonstrates the ways in which a particular approach will be able to provide answers to research questions (Reyngaard, 2025). The first step to formulating a design is to specify how data will be gathered, which methodology will be utilized, and how the selected methodology and materials employed in the study will help to achieve the purpose of the research (Ragab & Arisha, 2017). As described in Chapter 1 of this research project, the research question being addressed in this project is "How do digital platforms support the scaling and internationalisation of business ventures?" This research question can be identified as containing a number of different types of components, including exploratory, descriptive, and theory-generating components, and therefore informs the methodological approaches chosen for use in the project.

According to Saunders et al (Reyngaard, 2025), there are different types of research, including exploratory, descriptive, explanatory, and evaluative types. In the case of digital entrepreneurship, since this field is new and growing quickly, the focus of this research will be primarily exploratory in nature. An exploratory approach allows researchers to gather insights into a situation or issue that is not yet fully developed or understood. This type of research is best for addressing "how" and "why" questions (Ragab & Arisha, 2017). The research has been done regarding the issue of internationalizing platform-based businesses; however, there are still large gaps in our knowledge regarding how entrepreneur(s), platforms, and digital ecosystems interact within the process of scaling and expanding into international markets. This indicates that an exploratory approach would be appropriate for understanding the underlying workings of platform affordances, algorithmic dynamics, and ecosystem interdependencies.

The study aims to provide a descriptive account of digital platforms' role in facilitating Entrepreneurial Growth in industries. The descriptive aspect of the research enables us to identify the key characteristics of how ePlatforms are used, and what drives these characteristics; such as Technological Scalability, Network Externalities and Institutional

Adaptation in International Foreign Markets, which are available through the Digital Platform Ecosystem Model (DPEM). Therefore, the research design consists of an exploratory and descriptive component, which is intended to provide insight into the experience of entrepreneurs when using ePlatforms, and how these experiences influence their Scaling Pathways.

Once you clarify what you are researching, the next step is to determine how you will research it. Saunders et al (Reyngaard, 2025) categorizes quantitative and qualitative research as two distinct types of data collection, but most recent research on Digital Entrepreneurship uses both types of data to incorporate the complexity of the many aspects of this field. The phenomenon of business organizations using digital platforms for internationalization is an example of this complexity; thus this study uses a mixed-methods design that will enable the researcher to obtain both quantitative and qualitative data, creating a better understanding of the phenomena discussed in this paper.

To gather numerical data from entrepreneurs who use digital platforms, a structured survey will be administered. These entrepreneurs will provide information about their business using quantitative indicators (e.g., growth of the entrepreneur's customer base, number of countries their products were sold, increase in revenue, effectiveness of marketing), and how they perceived reductions in business-related barriers due to the use of their digital platform(s). Data on these variables will allow for a description of the pattern and relationship between industries based on these indicators. All of this information will support the theoretical framework of the Resource-Based View (RBV), which indicates that digital platforms are strategic resources that contribute to firm performance through measurable means.

Entrepreneurs' experiences using platforms were better understood through qualitative methods, as they provided additional context for quantitative data findings. Using semi-structured interviews allowed the researcher to better cover important

topics covered in both the Platform Ecosystem Theory (PET) and digital affordances literature, including platform dependence, governance constraints, learning, institutional barriers, and strategic adaptation. Qualitative narratives helped clarify what was missing from the survey findings and provided insight into how scale and internationalise their business, whereas quantitative data alone did not provide enough information to successful scale and internationalise. In addition, examples of qualitative cases from selected businesses helped deepen the knowledge of ecosystem orchestration and dynamic capabilities, major concepts in the DPEM model.

When combining statistical patterns with contextual narratives using a mixed method approach will provide a strong analysis on the types of platforms that are available and how entrepreneurs can use these types of platforms. As the combination of methods and theoretical frameworks provides the strength to approach the research question from several different perspectives.

### **3.3 Participants and Scope of the Study**

Participants are selected for this study because of their diverse industries where digital platforms hold a strategic advantage, providing a comprehensive view of platform-based entrepreneurship. The study includes:

- Startup Founders that depend on Digital tools to enable growth/expansion into New Markets
- Small and Medium sized Enterprises using digital platforms to facilitate Customers' Acquisition, Operations and Digital Engagement
- E-commerce entrepreneurs that use digital marketplace options, such as Amazon, Shopify, Etsy and/or their regional equivalents.
- Fintech Entrepreneurs that depend on Digital Payment infrastructures and Financial Platforms
- Education Technology entrepreneurs that utilise platform-based online Learning Initiatives to deliver Learning through Remote Delivery

By including a range of participants from each of these areas, analysts will be able to conduct comparative analyses along print with the descriptive depth of the research and the multi-sector relevance of Digital Platforms as defined in the literature review.

### **3.4 Research sample, data collection and analysis**

The thesis adopted a mixed-method approach, using both qualitative and quantitative methodological techniques, and utilized sampling techniques to collect valuable and substantive information (Ragab & Arisha, 2017). This research's sampling procedure has been tailored to find entrepreneurs employing digital platforms in their everyday business. For this particular study, it was extremely important to choose entrepreneurs that had personally faced the challenges of adopting digital platforms for use in conducting global commerce and transaction processes.

The research is done using a combination of purposive sampling and snowball sampling methods (in accordance with Saunders et al (Reyngaard, 2025)). The purposive approach identified entrepreneurs whose operations met the study's requirements regarding their ability to respond to its questions. This included:

- a) having a quantifiable digital footing (operating an online-based company);
- b) using some form of digital infrastructure for e.g. (Shopify, Amazon);
- c) either selling domestically or globally via the internet;
- d) possessing knowledge of scaling automation, or global accessibility;

The purpose of using this sampling method was to guarantee each participant had knowledge of the area of digital-platform-mediated entrepreneurship to the extent necessary for this study.

The snowball sample assisted in expanding on and adding to the purposively sampled entrepreneurs. By utilizing their own network of contacts, the initial participants were able to identify other entrepreneurs whose reliance on internet-based business

solutions was substantial. This was especially beneficial for connecting with founders of very small digital-native companies, micro-entrepreneurs, and content generated by entrepreneurs. These businesses were typically difficult to locate through traditional sampling methods. Researchers use the snowball sample when examining the development of a digital network ecosystem, as the majority of connections between participants within this type of environment are informal. According to Saunders et al. (2019), this type of networking is effective in these types of situations.

Using this combined method of participant selection, the final sample consisted of thirty-five entrepreneurs:

- Five entrepreneurs completed in-depth semi-structured interviews;
- Thirty entrepreneurs completed the structured survey;

These entrepreneurs represent a diverse set of sectors (e-commerce, SaaS, crafts, clothing, consulting, coaching, online content creation, small-scale manufacturing) that reflect the variety of platforms represented in this research.

### **3.5 Interview Method and Procedure**

The key qualitative method utilised within this research was semi-structured interviewing, consistent with "unstandardised qualitative interviewing" as identified by Saunders et al. (2019). This method allows flexibility for the interviewer to change the wording and order of questions, as well as to follow up on answers given. However, each interview must ensure that all key themes are addressed. The study investigates complex, changing experiences, such as algorithmic visibility, cross-border scaling, digital capabilities, and platform dependency; therefore, semi-structured interview methods are especially appropriate for exploratory research.

As a result of an initial review of the literature, the themes for the interviews were predefined and included the following:

1. Reasons for adopting platforms
2. Mechanisms for scaling on the basis of Digital Affordances
3. Effects of Algorithms on the trajectory of growth
4. Governance and Constraints of Platforms
5. Routes for Internationalising
6. Institutional Barriers (e.g., Custom Duties, Taxes, Compliance)

While the guiding questions served as the foundation for the interview, the interviewer modified them based on each participant's experiences this is indicative of the semi-structured interview (Ragab & Arisha, 2017). This semi-structured interview approach led to the discovery of previously unexpected insights, including internationalisation through viral content and multi-platform strategies developed due to algorithmic inconsistency.

The duration of interviews ranged from 45 to 75 minutes. They were carried out over the Internet via Zoom or Google Meet, reflecting the location of the participants and the global reach of digital entrepreneurship. All interviews were recorded with the participants' permission and then transcribed. The transcripts were subsequently verified and improved by the researcher.

The five interviews provided a wealth of detailed narrative data related to the following types of business models:

- SaaS Automation,
- Cross-Border eCommerce,
- Sellers of four Products in a Global Marketplace,
- Influencer-Based Digital Commerce,
- Digital Transformation of Small and Medium Enterprises. ( *Dashmesh Crane & Logistics* )

The diversity of the sample provided an extensive understanding of the ways that digital platforms are used in relation to different entrepreneurial environments.

### **3.6 Survey Design and Distribution**

In order to support the qualitative element and obtain greater methodological triangulation, the researchers created a survey for a larger population of entrepreneurs than just the ones they interviewed. The survey included 20 questions with Likert scales, multiple choice and open-ended questions. It measured:

- Adapting the platform and its associated tools to an entrepreneur's needs;
- How useful the entrepreneurs think the digital tools are;
- How digital tools have affected the entrepreneur's sales revenue, number of customers, and operational cost savings;
- How dependent the entrepreneurs have become on the platforms;
- The impact of algorithmic visibility challenges;
- The institutional and regulatory barriers an entrepreneur has faced when using a digital platform;
- The outcomes of an entrepreneur's internationalisation.

The researchers distributed the survey using the following methods: email invitations, social media platforms, and snowball sampling using contact referrals generated by the participating entrepreneurs. An overall total of 30 valid surveys were returned to the researchers, and the quantitative data from the survey added an additional layer of depth to the qualitative findings. These types of data collection methods are consistent with the recommendations of Saunders et al (Reyngaard, 2025) that suggest using multiple data sources when conducting mixed methods research to facilitate further depth and validity.

## 3.7 Data Analysis Procedures

### 3.7.1 Qualitative Data

Qualitative interview transcript analysis was conducted by employing thematic analysis according to Braun and Clarke's (Yardley, 2024) framework, which includes three steps for coding.

*Step 1:* Inductive Coding-creating codes based on what the participants said.

*Step 2:* Deductive Clustering-matching the codes that emerged from Step 1 with existing theories (i.e. platform affordances, ecosystem orchestration, dynamic capabilities, network effects, and institutional constraints).

*Step 3:* Thematic Development-synthesising the codes into higher-order themes relative to each of the research questions.

This iterative method is consistent with the abductive reasoning methodology discussed in Section 3.2, where theoretical constructs help provide a basis for interpreting evidence but do not restrict what types of insights may emerge.

### 3.7.2 Quantitative Data

Quantitative data from the surveys were also analysed in a descriptive manner by looking at:

- Mean Scores for each of the Likert-scale items;
- How often people across various industries responded to each of the questions;
- Distribution of responses across industries;
- Patterns of perceived dependence on platforms; and
- Effects on Internationalisation.

Comparisons across platforms were also conducted to better understand the impact of the platform on scaling entrepreneurial ventures. The results from the quantitative data were used to confirm some of the themes emerging from the qualitative analysis and

provided quantifiable evidence of the platform's impact on scaling entrepreneurial ventures.

### **3.7.3 Integration of Mixed Data**

The integration of qualitative themes and quantitative patterns occurred in the final analysis stage. Examples of how this took place include:

The interview narratives that described algorithmic volatility were reinforced by the fact that around 80% of surveyed individuals indicated they had faced problems in relation to algorithms. The survey results indicate that most participants viewed platforms as having a strong influence on their ability to connect globally (5–7 on a Likert-type scale) and lent support to themes related to internationalization, based on the interview material.

Stories related to platform dependency found support within the survey data that indicated high levels of dependency among respondents. Overall, the combination of qualitative and quantitative data enhances the validity of the study, providing a more nuanced perspective of how entrepreneurs can experience the facilitative and constraining effects of digital platforms as they scale their businesses.

## **3.8 Quality of the Data**

The research design signifies the "overall strategy" of the way in which the study addresses its particular research question (Reyngaard, 2025). In mixed-method research, data quality is typically evaluated through a combination of reliability, validity, and additional qualitative criteria such as credibility, transferability, dependability, and confirmability (Ragab & Arisha, 2017). Because this study integrates both qualitative interviews and quantitative surveys, the concepts of reliability and validity were applied in a way that is consistent with the interpretivist and abductive methodological stance of the research.

### 3.8.1 Reliability

Reliability generally refers to the consistency and replicability of research procedures (Reyngaard, 2025). However, in qualitative research especially when semi-structured interviews are conducted reliability cannot be interpreted in a strict statistical sense. The dynamic nature of interviews means that different researchers, or even the same participants at a different time, might produce different responses (Ragab & Arisha, 2017). This is not a weakness but a characteristic of research that seeks to understand subjective experiences, interpretations, and behaviours. Therefore, reliability in this

study is interpreted as procedural transparency and methodological consistency. The researcher ensured reliability by Clear rationale supporting all methodology choices; Explanation of the logic applied to form the sample (purposive + snowball); Use of identical interview processes for all participants; Development of a single semi-structured interview guide; Transcribing all interview responses to avoid misinterpretation; Use of standardized documentation for the survey tool and method of data collection/distribution.

Reliability threats According to Saunders et al (Ragab & Arisha, 2017), reliability of qualitative research can be compromised by interviewer's bias, or bias that an interviewer may bring to their work through tone, phrasing, and/or behavior. To counteract this, the interviewer was mindful of maintaining an unbiased approach to the interview process, refraining from providing leading statements, allowing participants to provide their answers without restriction.

Interviewee bias refers to information that participants may selectively provide based on an assumed expectation. To mitigate this risk, anonymity was provided to participants, along with the assurance that all answers were valid and correct, regardless of whether they aligned with any perception or idea of correctness. Participation bias refers to the fact that only those people who are willing to participate in a study will possess certain characteristics. The use of snowball

sampling provided a significant means to diversify the sample population within the study, capturing entrepreneurs from various levels of industry and size, and various levels of digital maturity. These and other precautions will help ensure the entire qualitative data set will be reliable.

### **3.8.2 Validity**

The purpose of validity is to assess how well the research provides a true representation of the phenomenon being studied (Reyngaard, 2025). In qualitative research, validity refers to how accurately participants' responses are understood as opposed to being interpreted based upon what the researcher believes (Ragab & Arisha, 2017). Mixed-method studies need to examine whether or not there is consistency between the qualitative and quantitative results. Enhancing Validity in Qualitative Data Collection To achieve this, we employed several means for the qualitative component of our study. The interview questions utilized were derived from the theoretical framework (platform ecosystems, DPEM, RBV, traditional network), which ensures all elements are consistent with each other. The interview guide was distributed to all study participants before the interview so that they would have time to process their experiences and formulate questions prior to the interview. Interviews were audio-recorded, transcribed into written form, and the researcher reviewed the completed transcripts to verify the accuracy of what was recorded. During the interview process, clarification probes were used to facilitate further explanation from study participants when ambiguity exists within the answers received. Using these types of strategies will enhance or create greater internal validity for our qualitative datasets.

Enhancing Validity in Quantitative Survey Data Collection The following points address validation within the survey instrument usage: The survey instrument was carefully constructed. The survey questionnaire included clear, neutral questions that directly align with the research questions. The survey included a combination of Likert-scale and open-ended question formats, which allows them to collect both quantifiable responses and contextualized insight. The same questions were asked of all respondents to create

comparable data. The sample size of 30 respondents creates a broad enough range of responses for analysis of descriptive quantitative data and the interviews provide depth of analysis and contextual knowledge.

Through triangulation, both reliability and validity can be enhanced by using information from multiple sources to confirm findings (Ragab & Arisha, 2017). In this study triangulation of data was applied to the following types of data, which provided different levels of detail; Semi Structured Interviews Detailed, narrative style. Surveys Generalised, easily compared across participants to establish patterns. Secondary Data, Data that had been generated or produced through government publications including platform documentation, entrepreneurship reports, and analysis of the digital economy. Using a combination of these three sources of empirical data enables researchers to approach a single topic from multiple perspectives, thus providing insight into the potential for errors in interpretation, supporting stronger and more reliable conclusions.

In order to be more confident in the credibility of the study overall, we completed a process known as member validation with participants. Participants had the opportunity to review the following items: 1. Interview transcripts, 2. Summaries of main findings, 3. Clarification notes (if necessary). This process helped to ensure that their perspective was accurately represented and gave them the chance to address any possible misinterpretations. According to Saunders et al (Reyngaard, 2025) member validation is one of the best examples of qualitative accuracy.

The traditional ways of assessing the ability to generalise through statistical analysis are not applicable to qualitative research, specifically when using purposive or snowball sampling (Megheirkouni & Moir, 2023). This research project instead utilises "analytical generalisability," meaning that the outcomes from this research project can be extended to the relevant theoretical constructs rather than the overall populations that were included in the study (Drisko, 2024). The information provided through the interviews allows the reader/researcher to assess if the same conclusions can be derived when

analysing other digital entrepreneurs in different contexts. In the quantitative portion, while the overall sample is not representative of the global entrepreneur population, varying industry, platform type, or business size allows for a better transferability of

findings across similar digital entrepreneurship environments. Transferability is further strengthened due to: a clear record of how the researchers designed the research the researchers' reasoning for their choices concerning methodology the entire survey instrument that was used to gather data a complete description of the characteristics of the participants in this study the provisions for analysing data in a meaningful way. The documentation allows future researchers to replicate the study in different geographic or industry contexts.

As this study examines digital platforms, it will be influenced by the following biases: The unpredictable nature of algorithms. Different governance systems for the various platforms. Cross-border barriers which can affect logistics, payments and compliance. Differences between participants in their digital skillsets. The above contextual issues were addressed by: Recruiting participants that utilize multiple platforms (Shopify, Etsy, TikTok, Amazon, Stripe, etc.) as part of a broader sample, thus achieving a high rate of representativeness; and Incorporating both quantitative and qualitative information to draw out patterns that existed across different digital platforms; and Considering that participant's business stage, digital skills, and the different industries they operate in. This will enhance the contextual validity of the results acquired through this research.

## 4 Findings

This section is dedicated to the presentation of the research findings. To directly address the research question ( *how digital platforms affect the scaling and internationalization of entrepreneurial ventures* ) to differentiate between a factor that would support a venture's scale-up or internationalization versus one that limits them, the findings have been organized under two broad analytical categories: facilitating factors and limiting factors. The findings have been structured according to this framework developed in Chapter 2 based on the role that digital platforms have as both enabler and constraint of any entrepreneurial growth. Grouping the specific findings provides a framework for synthesising the empirical results and a coherent basis for discussing opportunities and challenges for entrepreneurial ventures scaling or internationalization through use of a digital platform. The structure of the discussion is the same as that of the interview and covers the main themes presented in the literature review. To begin with, there is a summary of the definition of perception of digital platforms in the entrepreneurial context, which was intended to be a background question to help inform the creation of the interview guide (Appendix 1). This section has been included as it relates directly to the General Business Environment - the main focus of this research - and provides the basis from which to draw out the findings regarding how the concept of Entrepreneurship can be viewed through the lens of scaling. A discussion of the relationship between Digital Platforms and International Entrepreneurship concludes this Chapter.

**Table 2:** Facilitating Factors of Platform-Based Scaling and Internationalization

Category	Key Factors	Empirical evidence from this study
<b>Facilitating Factors</b>	Market access and discoverability	Entrepreneurs have shared that they can now reach customers domestically and globally immediately via online platforms like Shopify, Etsy, Instagram, TikTok, and Amazon. In many interviews, entrepreneurs indicated that they were able to sell to international markets without intending to do so. Rather, they attributed it to the visibility of their products due to algorithms and the amount of global digital traffic, which supports the born-digital internationalization pathways.
	Automation and Operational Efficiency	Those interviewed said that automated payments, integration of logistics, subscription management, and analysis greatly reduced the operational load. In the survey results, most of the respondents indicated that automation tools helped them expand their business with minimal increase in the number of workers required to achieve this growth.
	Learning and Capability Development	Entrepreneurs often utilized platform tutorials, blogs, YouTube videos, and peer groups as the means to build their digital abilities. Survey data showed that informal learning was prevalent, indicating that Dynamic Capabilities Theory was supported through ongoing testing and adaptation.
	Trust Mechanisms and Platform Legitimacy	The use of ratings, reviews, and reputation systems was considered necessary to create trust with customers, especially early on as a firm expands internationally and has no brand awareness.
	Platform Support Services	Different platforms provide varying degrees of support. For example, responsive platforms (like Shopify) improve resilience and risk management, whereas less responsive platforms (like Amazon) create uncertainty and frustration for entrepreneurs.

**Table 3:** Limiting Factors of Platform-Based Scaling and Internationalization

Category	Key Factors	Empirical evidence from this study
<b>Limiting Factors</b>	Algorithmic opacity and Visibility Uncertainty	Entrepreneurs have indicated how unpredictable values are correlated with the changes made by an algorithm such as visible rankings and sales. Survey results indicate trust in use of these algorithms was mixed; therefore there was much uncertainty and many were fearful about losing control over their accounts.
	Platform dependency & lock-in risk	Being heavily dependent on one platform has made entrepreneurs susceptible to policy changes, such as being changed, as well as fee adjustments and restrictions to their accounts. Many of the interview articles indicated an alternative approach of using multiple platforms for the purposes of decreasing dependence.
	Governance control & power asymmetries	With regard to product presentation (visibility), advertising systems, regulatory compliancy requirements, and dispute resolution procedures, platforms often have asymmetric rules that inhibit the entrepreneur's autonomy
	Capability constraints & learning costs	Platforms provide opportunities for growth within these constraints. In addition to being advertised, as being simple to use, tools provided by platforms were described as being very complex and time-consuming to become proficient at. Entrepreneurs expressed how they continuously learn through trial and error and incur a large amount of time and expense during their development process.

#### 4.1 Perception of Digital Platforms in the Entrepreneurial Context

Prior to exploring specific themes such as scaling mechanisms, algorithmic visibility, and internationalization pathways, each interviewee was invited to reflect broadly on their overall experiences using digital platforms for their business activities as part of the open-ended interview process. The purpose of this question was to provide context for the interviewee's entrepreneurial journey within the broader context of the

platform economy and to further understand the perception of digital tools regarding their role within the daily operational and strategic environment. Throughout all of the interviews conducted, participants expressed how they viewed digital platforms as both a means of creating opportunity and also as an additional layer of complexity. Below is a summary of the main takeaway points derived from the findings of the interview. Entrepreneurs have repeatedly stated that the ability to use digital platforms for marketing and sales is the most significant opportunity that they have with the help of digital platforms as it provides a new form of visibility and access to new markets, which they could not access via traditional means. Many interviewees indicated that digital marketing can provide immediate access to a wide variety of audiences, thus removing barriers for new market entry. With the advent of digital marketing and e-commerce, small business owners now have the opportunity to sell products anywhere.

As stated by interviewee 1 (I1), "I began with five products that were in my garage, I had to wait two months before I could find customers in four other cities. Without Facebook, eBay or Instagram, that's impossible."

Entrepreneurs interviewed stated that digital platforms such as Amazon, Shopify and TikTok have enabled their businesses to grow. They have opened up access to local and global markets; many entrepreneurs indicated that they would have never been able to experience this growth in business if these platforms had not eliminated the need for developing formal export channels. For example, Interviewee 3 (I3) stated the following: "When I first started selling online, I wouldn't even have thought about selling all over India . Once I started using Shopify for my online store, I had customers from both Mumbai and the Chennai come to me."

Another benefit of using these platforms is scalability. Multiple interviewees found that the digital platforms provided them with a means of significantly reducing the operational burden associated with starting a business. Entrepreneur Interviewee 4 (I4) provided an example of this scalability: "You have a lot of things that happen in the

background on a digital platform; they take care of the payments, manage subscriptions, provide analytical capabilities, and that means you have a support network even when you have no employees." (I4)

Yet, participants shared several significant challenges with platform-based entrepreneurship. One of the largest challenges voiced was unpredictability due to algorithms. Several times, entrepreneurs described high or low visibility on a platform, as well as variations in sales and engagement, because of changes in the platform's algorithm. This was perceived as creating an unstable and dependent business model. Interviewee 2 said the following: "One week, my products were everywhere, and the next week I was gone. I hadn't done anything differently — it was because of the algorithm changes. That amount of uncertainty can be really stressful." (I2)

For some participants, this volatility due to algorithms has created uncertainty in their overall business strategies, leading them to develop other sources of income on additional platforms in order to reduce their dependence on any one platform. This finding supports existing research in which entrepreneurs are suggested to engage in multi-homing strategies to mitigate power imbalances from platforms. Interviewee 5 encapsulated this best: "If you are only reliant on one platform, then the day something happens, you're done. Now, I use Shopify, Instagram, TikTok, and Amazon to help offset the risk of dependence. It takes more work, but it's safer." (I5).

Digital tools are presenting another common issue for entrepreneurs as it can take considerable time and effort for entrepreneurs to master analytic dashboards, ad algorithm, SEO and automation tools, even when advertised as simple and easy use. Interview participants reported that leveraging digital resources is an ongoing process so they will continue to build the necessary digital competencies over time. Specifically, I1 said: "The tools can be incredibly powerful, but they are not the easiest to learn. I am constantly learning by trial and error, seeing how things work through tutorials, experimenting with ads, etc. It takes time before I really understand how everything in

the platform interacts.” (I1) The statement of I1 reflects an increasing acknowledgment in the field of digital entrepreneurship that how well a platform performs is based more on the accumulation of experiential knowledge and adaptive capacity than just the simple act of adopting digital tools. A second prominent issue raised in interviews was the institutional complexity associated with cross-border selling, particularly in regard to taxes, customs, fees related to payment processing and compliance. Several participants indicated that while a platform may provide a more accessible means of marketing to and acquiring customers, the logistical and regulatory aspects of becoming an international seller still remain significant challenges. For example, I3 stated: “Selling other cities has never been easier for an online seller, but shipping products internationally presents an entirely different set of challenges. There is so much paperwork required for customs, and there are VAT issues and there are problems with returns nothing about the platform is going to solve those problems.” (I3)

Although these challenges may be present, the interviewees feel that opportunities outweigh the challenges. Most of them believed that through Digital Platforms, entrepreneurs could achieve growth, global marketing and building Brand equity in ways otherwise not possible without substantially more resources. Many of the interviewees viewed digital platforms as foundational structures on which to build business models, strategies, and long-term business aspirations, rather than just as tools. I4 stated the following about Digital Platforms: “Digital Platforms provide leverage. Digital Platforms multiples what you can do independently, however, you need to understand how to leverage Digital Platforms.” (I4)

From the findings that were gathered, it is evident, that Entrepreneurs view Digital Platforms to be a source of great opportunity, yet volatile, complex and dependent environments. These perceptions are the basis for understanding all of the specific themes that will be examined further in the following sections; these themes include: Scaling, Algorithmic Dynamics, Developing Capabilities, Creating Paths for

Internationalization and Institutional Barriers. The data indicates clearly that Digital Platforms both empower and constrain entrepreneurs, providing them with both the opportunity to take advantage of new economic opportunities and the challenges of navigating through the complexities that result from this opportunity. Entrepreneurs' behaviours and decision-making are affected by both sides of Digital Platforms.

## **4.2 Scaling Mechanisms Enabled by Digital Platforms**

A central purpose of the interviews conducted in this study was to gain insight into how entrepreneurs scale their businesses both domestically and internationally using Digital Platforms. To understand these methods of scaling the business, open ended questions were posed concerning the entrepreneurs signs of growth, operational changes and automated operations as well as changes in market reach after using Digital Tools to scale their businesses. The data suggests that the scaling of businesses by way of Digital Platforms is a Multi-Faceted.

Process containing technological affordances, entrepreneurial capabilities and Platform Based Dynamics. The findings confirm previous research regarding Digital Entrepreneurship and Digital Platform Ecosystems, in that entrepreneurs believe that Scaling their Business is a function of the opportunities to scale their businesses contained in Digital Environments in Combination with the Limitations placed upon the growth of their business by Platform Governance. Participants in this study described several key themes of Digital-Enabled Scaling, which were formulated through a combination of structural characteristics of Digital Platforms and Individual Entrepreneurial Strategic Behaviours, providing an insight into Digital-Enabled Scaling through multiple avenues.

### *Theme 1: Reach, Discoverability, and Market Expansion*

Interviewees noted that digital platforms including Etsy, Amazon, Instagram, TikTok, and Shopify provide immediate access to existing large and diverse audiences that are not limited by the infrastructure constraints of traditional international markets. The Digital

Platform Ecosystem Model (DPEM) highlights the “reach affordance” made possible by digital platforms; digital infrastructures eliminate many geographic and temporal barriers to selling anywhere in the world. Interviewee I1 said, "I had five products when I first started, and within the first two months I had customers from four different cities. If it wasn't for Etsy and Instagram, there is no chance I would have been able to do that."

(I1) Another interviewee, I3, reiterated this experience with how digital platforms increase visibility due to global digital traffic. "I never even considered selling in other cities until I set up my store on Shopify. Once my store was online I started receiving orders from Mumbai and from the Chennai – I didn't have to do anything to attract these orders — they just started coming in naturally." (I3) These results support other research that indicates that digital platforms support "born-global" pathways for small manufacturers, allowing them to circumvent traditional barriers to export by creating automated exposure and algorithmically driven discoverability.

### *Theme 2: Automation and Operational Efficiency*

A strong theme across all interviews is how automation has provided entrepreneurs the ability to scale their businesses without needing to add more people to do so. The digital platforms used by many entrepreneurs take much of the "management" workload off of them with the availability of things like automated payment processing, subscription billing, logistics and analytics. As noted in the literature on dynamic capabilities, automation is a key element of how an operating company's ability to scale operations will occur with little if any increase in labor organizing effort beyond what is necessary to maintain or improve coordination of activities between and among companies in the value chain. As interviewee I4 states: "... it is like having a team of people working for you, even when you don't." Automation, therefore, is not just convenience; it also represents an important strategic asset in the sense of the Resource-Based View (RBV), i.e., a capability that adds significant value, is unique or rare in that it cannot easily be replicated by competitors, and is a strong asset for rapidly increasing a company's ability to grow.

### *Theme 3: Multi-Channel Scaling and Cross-Platform Leverage*

Entrepreneurs have disclosed that multi-channel strategies are becoming an increasingly crucial component of scaling their business. As the algorithms of each platform fluctuate and reach different customer segments; participants have diversified their business across Amazon, Shopify, Instagram, TikTok and Etsy. This confirms previous research on multi-homing, which states that by spreading their exposure across multiple digital ecosystems; entrepreneurs are able to reduce their dependency on one digital ecosystem and maximise the penetration of their products in the market. "I try to manage the traffic and content and inventory on all platforms so that I can maintain a steady rate of growth," said Interviewee (I5). Multi-channel scaling is indicative of an advanced level of digital capability development, and entrepreneurs are learning how to coordinate the traffic, content, and inventory on multiple platforms to create a stable rate of growth.

### *Theme 4: Viral Growth and Algorithmic Acceleration*

It was noted that many entrepreneurs reported that they received unexpected high volumes of sales from their business due to having their products or brands featured algorithmically promoted on TikTok, Instagram Reels, and Etsy Search. According to multiple studies to investigate algorithmic governance, digital platforms often use algorithms to determine how quickly content that meets the platform's algorithmic preferences will increase in visibility, and (I2) showed an example of an example of how that increased visibility affected their company. "Last week my products were everywhere, and then next week I was off the map again. I didn't change anything; it was all about the algorithm," (I2) provided a use case of this phenomenon.

The episodic nature of the digital use of algorithms and the digital use of algorithms for scaling should not be confused with the linear nature of digital platform scale.

### *Theme 5: Low Marginal Cost and Scalability of Digital Operations*

Furthermore, entrepreneurs reported that digital platforms became much cheaper in marginal cost with the addition of more customers. After a storefront is established, there is very little additional cost incurred when trying to reach new markets. This finding is consistent with the digital scaling literature. For instance, I3 explains: "Once you have the infrastructure in place, going from selling to one customer to one thousand customers doesn't change how you view it; the platform gives you the ability to scale up." (I3) Moreover, this finding supports theories regarding the fact that digital more easily allow for rapid scaling than traditional small and medium-sized businesses because of the inherent scalability of digital infrastructure.

#### *Theme 6: Learning Processes and Capability Building*

To conclude, scaling is not solely (or even fundamentally) a technology phenomenon; it is also a process of learning. Many entrepreneurs have reiterated that they must continue to build their competencies related to analytics, advertising, search engine optimization, and customer engagement in order for businesses to grow (and adapt) with the changing business landscape, both now and into the future. This perspective supports the dynamic capability approach to understand how companies will continue to develop digitally. In the quote below, Interviewee 1 (I1) states: "All of the tools you are using are amazing, but if you don't know how to use them intuitively, you will find them to be confusing until you learn through experience and experimentation. You should watch videos of other people's experience with the same tools, try and learn through testing and getting results, before fully understanding the tools themselves." (I1) Thus, while learning is a necessary condition to grow in digital environments, it is also a byproduct of working with various platform tools.

Entrepreneurs generally view digital scaling as the joint effect of structural benefits that are built into platform architecture (e.g., algorithms that allow for extended reach, automatic processes that eliminate human involvement, and low marginal costs due to automated processes) and the required human capabilities needed to tap into those benefits (e.g., learning from experimentation, developing a comprehensive strategy).

While platforms have created new ways for entrepreneurs to grow their businesses by giving them access to customers in ways not seen before, scaling is neither automatic nor guaranteed. An entrepreneur must use digital scaling tools and frameworks to capitalize on the benefits, as well as have the ability to identify and mitigate risks associated with scaling; therefore, an entrepreneur must create the ability to continually innovate in order to remain competitive. The next section will further explore how algorithms and platform governance facilitate a greater degree of innovation than was previously possible.

### **4.3 How Entrepreneurs Experience Platform Support, Tools, and Resources**

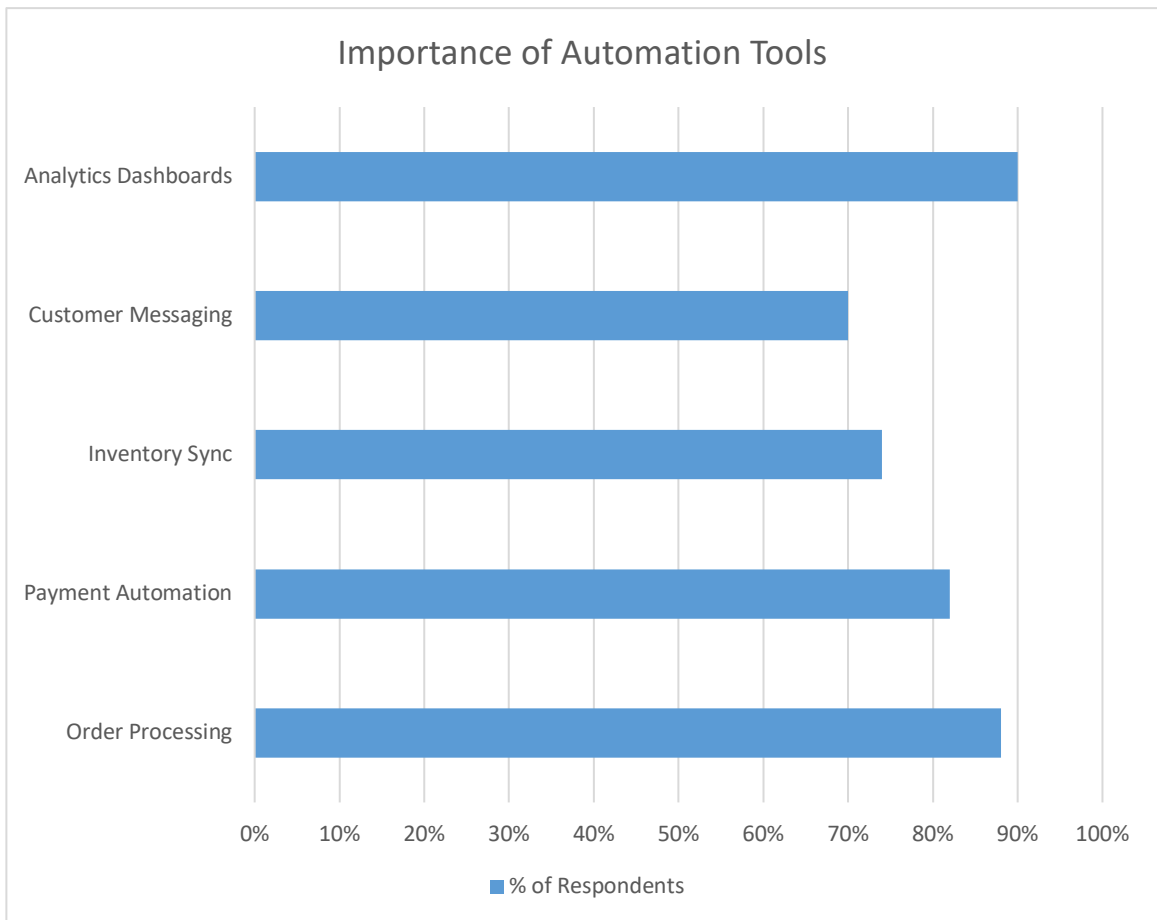
This section captures the breadth of findings relating to how entrepreneurs interpret, engage with and leverage the tools available through digital platforms to grow their business. Each instrument category across a sample of interviews, survey results and case studies indicates that digital platforms act as more than just channels for distribution. They provide an integrated digital infrastructure that supports the way a venture scales, enters a market, and deals with complex operational processes. Furthermore, entrepreneurs at each level of insight consistently referred to platform-supported tools as an instrumental component to their overall business model and to the impact of such tools on visibility, efficiency, decision-making, customer relationships, and opportunities for international expansion.

The analysis of thematic data yielded five major themes under which entrepreneurs are equipped by the platforms to scale: 1) Automated and technological Infrastructure; 2) Marketing and Discoverability; 3) Learning and Capability; 4) Trust and Fairness regarding Platforms; 5) Direct Support Services from the Platform. Within the framework described by the literature review, the five themes correspond with the foundations of the Technology Acceptance Model, Resource-Based View, Dynamic Capabilities and Born Global. The analysis indicates that the affordances that are provided by the platforms to enable this enhanced capacity for growth of the enterprise in a digital environment.

*Automation, Technical Infrastructure, and Operational Scalability*

As evidenced through the interviews and surveys, automation has been cited as the strongest and most frequently reported theme. When discussing automation, entrepreneurs identified this to be a key driver for scaling their business due largely to the fact that this technology removes the burden of manually managing order entry, credit card processing, inventory control and communication with customers. In addition to acting as operational support systems for businesses to support their growth while not requiring an increase in neither labour nor capital, Interviewee I4 said the following about the value of digital platforms: "They are really like having extra people. Digital platforms provide operational support by dealing with various elements (i.e., payments, subscription services, analytics) in the background while I focus on operating my business by myself."

The survey shows that there is an overwhelming consensus in the market about automation reducing workload, with 82% of respondents agreeing that the use of automated systems "considerably reduces the workload of employees as a result of the time savings" and 74% indicating that it is possible to increase sales volume through automation without needing to hire additional staff. Business owners place a high value on: automated invoices and payments; integrated shipping and delivery systems; synchronization of stock levels in different channels; CRM (customer relationship management) system chatbots and templates; and real-time business analytics dashboards. These results fit well within the Resource-Based View (RBV) of strategic management theory, which views digital technologies as competitive advantages because they can be easily replicated, but very difficult to gain scale with competition. The results also support digital innovation theory regarding digital affording technologies enabling new forms of value creation that are not available to traditional SME organizations

**Graph 1.** Perceived Importance of Automation Tools

Research from Case Studies has confirmed these findings, including research in which the authors document examples illustrating how small databases of micro-entrepreneurs using Shopify are able to successfully expand their businesses globally by using automated payment processing systems and online apps that create new workflows (Täuscher & Laudien, 2018) In this way, we conclude that automation is an important component of the infrastructure that allows small business owners (micro-entrepreneurs) to effectively manage their international operations.

### *Marketing, Discoverability, and Algorithmic Visibility Tools*

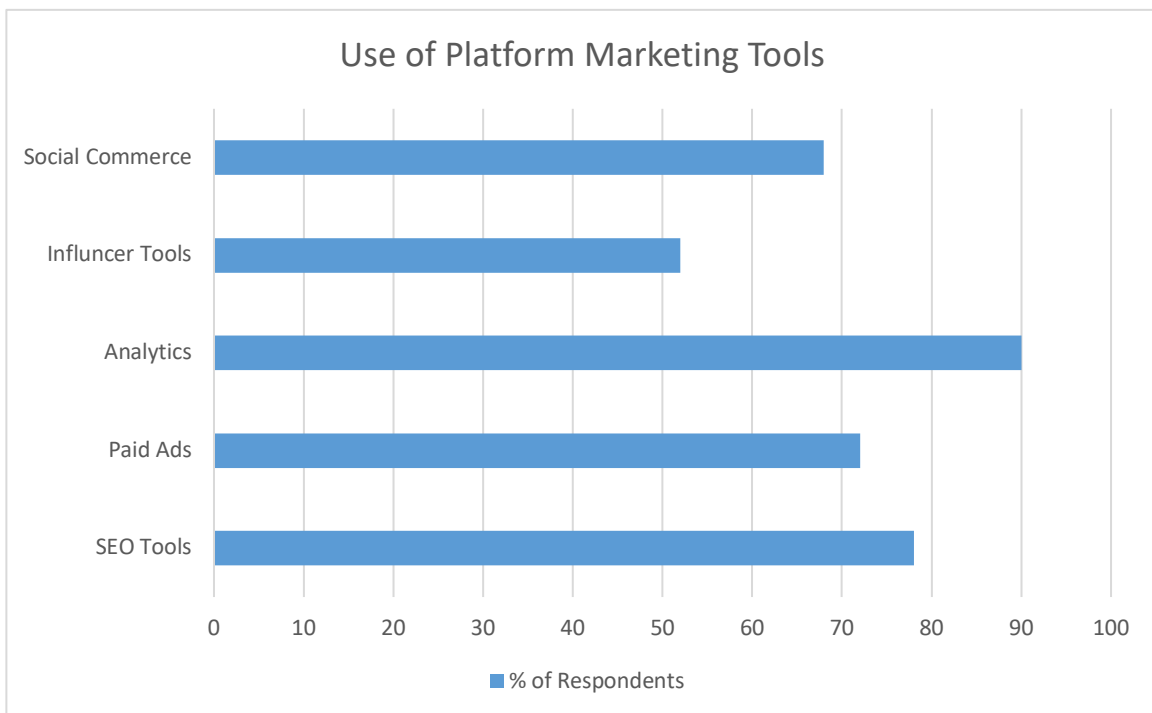
The marketing platform tools frequently cited by entrepreneurs as necessary to attract new customers, and generate revenue, were search engine optimization tools, integrated advertising platforms (e.g. Facebook Ads, Google Ads), social commerce integration, and algorithm-based recommendation systems. Many participants in the interviews reported that growth, and especially international growth, was significantly impacted by how platforms manage visibility.

Interviewee I2 discussed the unpredictability of the exposure created by algorithms, stating: "My product was being shown everywhere one week, and then the next week I was gone. I didn't do anything differently. It was solely due to the algorithm."

Interviewee I3 said: "Since switching to Shopify and connecting it to social media, I've started getting orders from countries that I didn't specifically market to."

Survey data indicates widespread reliance on these tools: 78% use built-in SEO tools, 72% run paid advertising campaigns, 68% engage in social commerce integrations and 90% rely on analytics dashboards for marketing decisions.

**Graph 2.** Use of Platform Marketing Tools



The Platform Ecosystem Theory proposes that algorithms, data flows and interactions drive the value that a multi-actor platform creates. The Born-Global Theory suggests that companies can have international reach with no physical presence, as their products or services will be shown to global audiences automatically via algorithmic search. There are great examples that confirm these findings. Researchers (Fischer & Reuber, 2021) showed that Etsy sellers experience large increases in sales when they receive 'algorithmic lift' from their listings being promoted internationally. For example, TikTok Shop allows sellers to reach a global audience instantly by allowing consumers to share their posts (Bhardarapur & Mohanty, 2023). A third major theme concerns the role of platform-provided learning resources and community support in shaping entrepreneurial capabilities. Entrepreneurs consistently reported that they rely heavily on tutorials, online communities, documentation, and trial-and-error experimentation to understand and optimise platform tools. Interviewee I1 stated: "The tools are powerful but not intuitive. You learn by trial and error, watching tutorials, testing ads. It takes time to really understand the platform."

Survey responses further confirm this:

- **81%** frequently use YouTube, platform blogs, or help centres
- **63%** engage in online peer communities
- **70%** report that community-driven knowledge "significantly improved" their performance
- **54%** attribute business growth partly to learning practices

These findings align with Dynamic Capabilities Theory, which argues that firms scale when they develop the capacity to sense, learn, integrate, and reconfigure technological resources.

Case studies describes digital platforms as "learning ecosystems" where entrepreneurial capability development is accelerated through community interactions and shared experimentation (Luo, 2024) .

### *Reliability, Trustworthiness, and Perceived Fairness of Platform Systems*

The entrepreneurs surveyed repeatedly voiced their misgivings about how predictable and equitable platform algorithms, review processes, dispute resolution systems and payment methods were. These three dimensions of concern directly affects their sense of perceived security, autonomy and control, each being critical for the long term viability of their business.

As Interviewee I2 stated, "You can consistently work week after week, but you will notice your visibility declining without any inclination as to why, leading one to feel as if the platform has all the control over their overall success." The survey results offer two diverging opinions:

48% placed trust in the platform algorithms, 30% had no trust for them, 22% expressed being uncertain, 41% believed negative reviews could be perceived as "unfair/manipulated." The perceptions expressed by all interviewees regarding platform trust align with the Technology Acceptance Model (TAM), where the trust dimension is considered a key influencer of the decision to adopt or continue to utilise digital technology. "Algorithmic Opacity" was also strongly present in Interviewees' responses, as academic literature documents this concept (Nambisan & Baron, On the costs of digital entrepreneurship: Role conflict, stress, and venture performance in digital platform-based ecosystems, 2021) through the experiences of entrepreneurs in the digital marketplace. Platforms are perceived as highly influential yet unpredictable actors, when it comes to the level of growth generated by entrepreneurs.

### *Direct Platform Support Services and Responsiveness*

Some entrepreneurs highlighted the different experiences that they had with the support available through the platforms that they use: customer support chats, seller support lines, dispute resolution mechanisms, and documentation. This also indicates that they view the reliability of their platform in terms of how they manage risk as an entrepreneur. For example, Interviewee I3 said: "I'm so grateful that Shopify Support answered my question within minutes. I don't know what would have happened to my

business if they hadn't been there for me during that time." Conversely, Interviewee 15 was frustrated by his experience with Amazon's support: "Amazon Support takes way too long to respond, and their answers are often unclear or unhelpful. They seem to have no idea what a seller is going through." The survey results provide further evidence of this variation: 59% rated their platform support as either 'adequate or good', while 41% rated their platform support as 'poor or inconsistent'; 36% of survey respondents said they had to rely on peer forums for support because the support provided by their platform was insufficient. This theme fits within the lens of SDL (Service-Dominant Logic), which views the creation of value as a process of co-creation that occurs through a network of ongoing interactions between users and service providers. To the extent that effective platform support increases users' confidence, the absence of such support creates additional operational uncertainty for its users.

Entrepreneurs interpret and experience digital platforms as 'comprehensive digital infrastructure for scaling' that combine Technical Tools, Marketing Functions, Learning Opportunities, and Support. Automation minimizes operational bottlenecks; Discoverability Tools enable access to global markets; Learning Resources improve the Entrepreneur's skillsets; Reliability Issues help determine which Strategic Decisions to make; Direct Support Systems affect Resilience and Risk Management.

These results validate the various types of platform tools that entrepreneurs leverage to scale their businesses digitally, and demonstrate their alignment with the Resource-Based View (RBV), Technology-Related Market (TAM), Dynamic Capability Theory, and the Born-Global Theory. Furthermore, entrepreneurs' experiences as users of digital platforms demonstrate that successful scaling is not solely a result of the platforms themselves, but rather through how effectively they can interpret, utilize, and incorporate them into their day-to-day operations.

## **5 Discussion and conclusion**

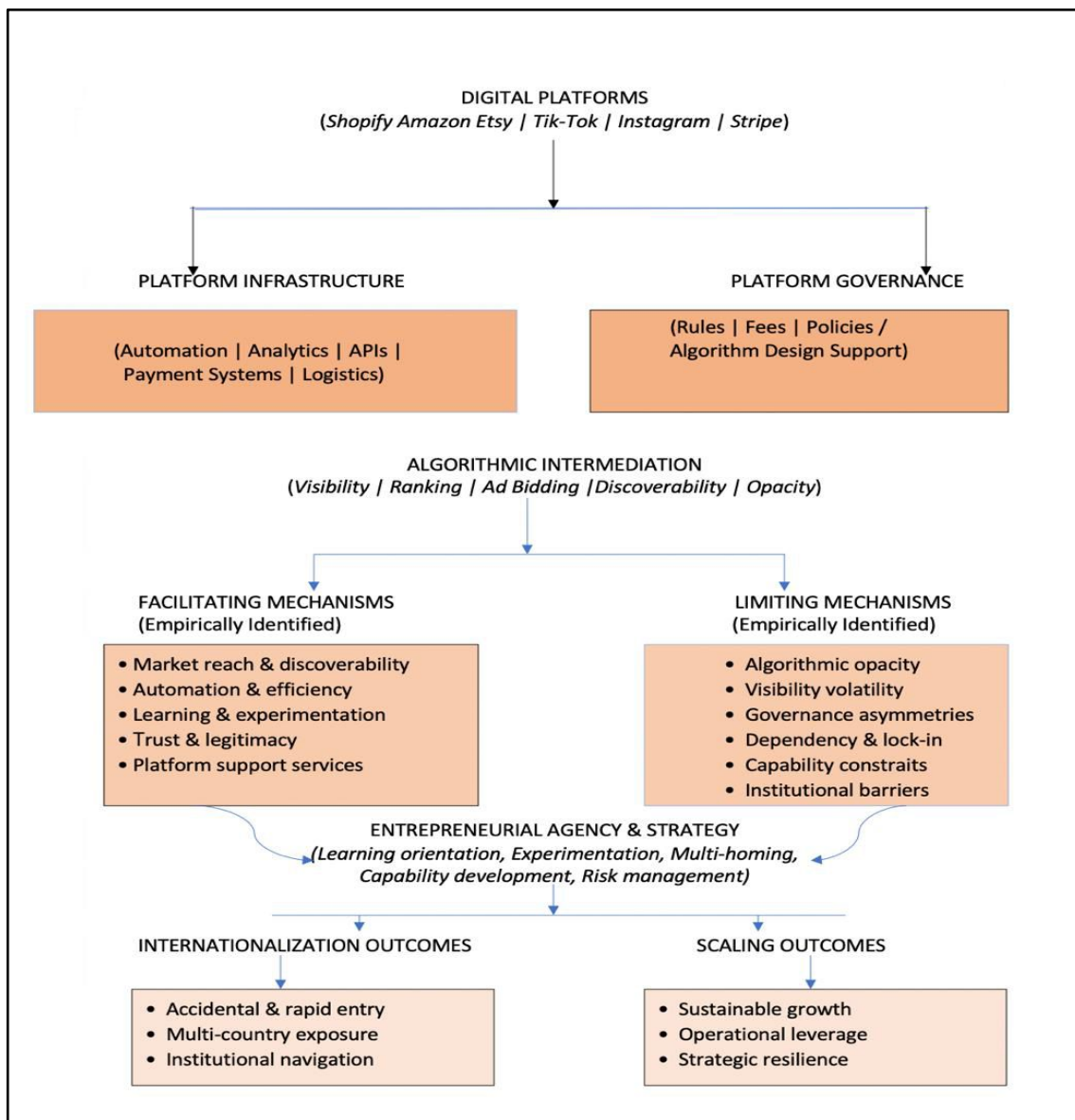
Previously, the Conceptual Model built in Chapter 2 positioned Digital Platforms as a primary enabler of both Entrepreneurial Scale up and Internationalization. This model was constructed using a deductive approach to the current theory (an idealistic approach), which allows for the understanding of the mechanisms of Digital Platforms as technological affordance, Entrepreneurial Capability, Platform Governance Structures, and Ecosystem Conditions. Based on the results of the interviews (n=5), the survey responses (n=30), and the analysis of secondary case evidence, the results were much more complex and intertwined than anticipated. The empirical results described in this chapter will be explained with reference to the literature reviewed in Chapter 2. The original conceptual model (Section 2.5) was created based on a deductive approach to theory; the discussion in this chapter will take an inductive approach and draw on the insights that emerge from the empirical results. Thus, an updated conceptual model will be presented based on how the four constructs of entrepreneurial capabilities, platform governance, algorithmic intermediation, and the conditions of ecosystems dynamically interact in real life. The revised conceptual model will include new elements identified in the empirical results that were not captured by the original theoretical model.

### **5.1 Discussion of the findings Updated framework**

The initial conceptual framework discussed in Chapter 2 investigated how digital platforms provide the underlying foundation for speeding up the growth and international expansion of entrepreneurs. Prior to gathering data from interviews (N=5), surveys (N=30), and secondary cases, the framework was theoretically developed and assumed to use a mechanistic approach based on idealistic views of technology, which included support from the technology through capabilities, governance, and ecosystem factors. The empirical data, however, indicated that the relationship between Entrepreneurial Ecosystem Context (e.g., national digital readiness, institutional support, platform regulations), Platform Infrastructure And Affordances (e.g., data analytics,

automation, multi-market access between geographic regions, integrated payment systems), Entrepreneur-Platform Interaction Mechanisms (e.g., capability development, ease of use/perceived usefulness, digital literacy, engagement in experimentation/learning, the ability to leverage network effects), and Scaling And Internationalization Outcomes (e.g., Market expansion; The ability to expand globally and perform well in many markets with fewer constraints (Liability of Foreignness)) is more complex than originally envisioned.

**Figure 3:** Updated Conceptual Framework Based on Empirical Findings



The four components of these models recursively influence and evolve each other. For example, an entrepreneur can increase their level of experiential learning, enhancing their entrepreneurial capabilities and influencing the development of their business on platforms as well as the integration of the entrepreneur with ecosystem actors. This recursive relationship complements existing learning loops for digital internationalisation (Gawer, 2021), while also extending these models by providing an understanding of how platform governance and the use of algorithms influence digital platform/entrepreneur interactions in internationalisation, two elements missing from early theories of internationalisation.

The revised framework includes new data derived from empirical evidence. Scaling is not solely the result of technology. Interview participants consistently noted that while platforms provide necessary tools, the degree of successful scaling relies upon an entrepreneur's ability to develop the required capabilities, strategies and environmental factors. This supports the Resource-Based View (RBV), which maintains that resources in and of themselves do not become resources until they become capabilities. Interview Quotes (Founder from Interview 3): "The infrastructure is provided by Shopify; how fast an entrepreneur scales their business depends on how quickly they learn to apply analytics to marketing, experiment with advertisements in order to find out which type of advertising works best for them, and ultimately develop their logistics. The platform is only the first step; it's not a solution by itself."

The survey data supports this assertion; according to the survey, 83% of respondents agreed that platform tools are only effective in conjunction with an entrepreneur possessing strong digital competencies.

Pathways to internationalization are less linear than expected According to traditional models (Uppsala Model), internationaliation is typically a fixed, gradual stagewise progressions; whereas, under this study's approach, entrepreneurs tend to enter several new countries simultaneously through: 1. Cross-Border Logistics which are supported by

technology and platforms, Customer Reach Algorithms, Digital Advertising Tools Hence, these findings are aligned with the growing body of literature referring to “Born-Digital” internationalization and are counter to previous literature that has suggested that experiential learning will guide the pace of progression to new markets.

Ecosystem factors appeared to have greater impact on platform results than initially expected Regulatory Environment, Financial Infrastructure and National Digital Literacy Levels were significant mediators of Platform Results of the entrepreneurs that participated in this research. For example, the Italian entrepreneurs had experienced more regulatory insecurity and lower levels of Digital Integration while the Finnish entrepreneurs had experienced higher levels of Government Digitalization and greater Ecosystem Integration.

Platform Governance and Algorithms were central to the experience of scaling for the entrepreneurs in this study. Multiple participants described how: 1. Ranking Algorithms (algorithmic), 3. Ad Bidding Systems, 3. Rules for Product Visibility, and 4. Compliance with Policy Requirements shaped the outcomes for scaling; none of these four elements have been discussed in earlier entrepreneurial internationalization theories. Therefore, there is a need to revise the Theoretical Model that was introduced above to include consideration of Algorithmic Intermediation, which is aligned with the recent Digital Entrepreneurship literature that is being developed (Khashabi & Kretschmer, 2019).

The goal of this thesis was to explore how digital platforms can facilitate the growth and international development of entrepreneurial businesses through analyzing the technological, strategic, and behavioral mechanisms entrepreneurs utilize when interacting with these platforms. The results from empirical studies (both from the collected survey data and case studies) are integrated into the theoretical frameworks previously discussed: Resource-Based View (RBV); Technology Acceptance Model (TAM); Dynamic Capabilities; Born Global Theory; and Platform Ecosystem Theory. This final

section of the thesis evaluates the findings as a whole to illustrate that there are many interdependent aspects to scaling digitally.

The dominant finding across survey and case study study evidence is that entrepreneurs perceive digital platforms as comprehensive socio-technical systems rather than simply transaction-oriented systems. The socio-technical infrastructure provides entrepreneurs with automation, market visibility, learning resources, trust mechanisms and support services that will enable them to scale their businesses with a lower level of physical and financial restrictions. This conclusion supports the findings of recent scholarly papers that characterize digital platforms as “The digital transformation of innovation” (Nambisan , Feldman, & Wright, 2019) and adds to the resource-based view (RBV) by demonstrating how the digital affordances also lead to embedded capabilities in the firm. There are numerous examples in the empirical work that show that scaling is not done with a single tool but rather by interacting automation, data flows, algorithms and external resources to create a system of interdependent functions and supports. Many of the empirical data supports the integrated systems view: 82% of survey respondents report that platform automation greatly diminishes the workload associated with operating a business; 90% rely on analytical dashboards for decision-making; 70% report that community learning positively impacted their performance. The combined effects of these examples demonstrate the role that digital platforms offer in reference to what the literature describes as architectural leverage; enabling small businesses to act at the same scope as previously limited to large businesses.

The theoretical contributions resulting from this study to the area of Digital entrepreneurship, Platform ecosystems, and International business are of significant importance and contribute to the current literature of Digital entrepreneurship and platform ecosystems through empirical investigation into how entrepreneurs use and interact with digital platforms as integrated infrastructure for scaling. By taking the empirical data obtained from this study into consideration, the insight gained provides

an opportunity to bring together multiple theoretical perspectives regarding digital platforms that are usually treated separately. The results of the study identify digital platforms as complex social-technical systems and not simply as passive intermediaries to facilitate transactions, but rather actively influence the way entrepreneurs behave and make strategic decisions about how they grow their businesses. This study also makes a contribution to the Resource-Based View (RBV) by offering a more complete understanding of how digital resources can be viewed as dynamic and externally embedded capabilities. Traditional Resource-Based View (RBV) literature has focused almost exclusively on "internal resources" of firms, such as physical assets, human capital and proprietary knowledge. The results of this thesis demonstrate that digital platform enabled tools such as automation systems, analytics dashboards and algorithms provide "quasi-internal" types of resources for firms when they are "deeply integrated" into the daily operations of the firm; therefore, even though digital platform enabled tools are not "owned" by a firm, entrepreneurs consider them to be "strategic assets" because these tools lead to improved efficiency, scalability, and broader market reach. This contribution extends the current RBV literature by providing insight into how a firm's competitive advantage will increasingly come from the entrepreneur's ability to configure, interpret and use digital platforms as opposed to a firm's ownership of "tangible" assets.

A key contribution of this study is the expansion of the Technology Acceptance Model, indicating that acceptance of digital platforms is an iterative process based on trust, perceived fairness of the platform, and algorithmic transparency rather than solely a one-time decision. The findings show that, although perceived usefulness and ease of use continue to be factors in technology acceptance, entrepreneurs' future reliance on digital platforms is moderated significantly by their perceptions of algorithmic control, review systems, and dispute resolution systems. The existence of algorithmic opacity and perceived power imbalances highlights how trust affects not only platforms' initial adoption but also the level of dependence on the platform and sustained commitment to it. Therefore, a more nuanced interpretation of the Technology Acceptance Model

can be developed when examining entrepreneurial activity within the context of digital platforms, where the useful function of technology must be balanced against concerns regarding your level of autonomy and control. The results of this study greatly enhance the concepts presented in Dynamic Capabilities Theory because they provide empirical evidence supporting the idea that learning, experimentation, and adaptation form the basis of all successful digital scaling activities. Specifically, the results indicate that entrepreneurs primarily depend on educational resources and instructional materials made available to them by the platform providers (tutorials, online documents) as well as on other members of their immediate social networks as they continuously develop their capabilities and modify their operational systems in response to changing market conditions. In addition, this finding adds to the argument that in a digital world dynamic capabilities are created not only by formally structured training programs, but also through mechanisms of informal social networking and distributed knowledge within the communities surrounding digital platforms. The frame of reference for this study is digital platforms as learning systems. By explicitly locating micro-entrepreneurship and small business development within the larger framework of Dynamic Capabilities Theory, this research emphasizes that capability development occurs continually between micro-entrepreneurs/small business owners and other users interacting with the tools, knowledge, and resources made available

by the digital platform. Additionally This study adds to the research related to Born Globals and entrepreneurship internationally by showcasing how Discoverability through algorithmic visibility and Platforms allows for the early, unplanned global growth of companies started by Entrepreneurs. The findings suggest that the majority of entrepreneurs do not have a defined international strategy, but rather that they typically find their way to an international client market as a result of cross-border Payment, integrated Logistics Systems and Connectivity to the Digital World (via Platform algorithms).

The findings support the most recent revision of Born Global Theory with digital infrastructure promoting rapid global reach, but also provide the Supporting empirical evidence of how Entrepreneurs navigate / control accidental global exposure. Lastly, this research contributes empirical evidence to the study of Platform Ecosystem Theory by illustrating the interconnectivity of technical tools, governance mechanisms, and user support services within a platform ecosystem. Through the results, we can see that platforms provide opportunities for entrepreneurship as they assist with automation, marketing reach, and analytics; however, they also create uncertainties for entrepreneurs through the use of non-disclosed algorithms and various levels of support. By providing both opportunities for growth and restrictions on access to certain markets, the dual roles of platforms are a new and improved perspective within current theoretical discussions about platform power and governance; thus, providing an experience-based and balanced view on dependency of platforms when growing or scaling an entrepreneurial venture.

## **5.2 Practical and Entrepreneurial Implications of Digital Platform-Based Scaling**

This paper not only contributes to the theory of digital entrepreneurship but also provides valuable information regarding how digital platforms can be effectively used by small businesses to support both sustainable scaling and international growth. The implications provided in this paper do not provide managers with specific action plans but instead show the strategic opportunities for digital entrepreneurs to utilize digital infrastructure while recognizing its limitations. Entrepreneurs should utilize digital platforms as partners, however the study indicates that the most successful entrepreneurs will be able to not just implement and scale, but also to actively manage, automate and leverage their analytics, as well as align the tools of the platform to their business model. An entrepreneur who integrates the platform into the overall operation of the business, rather than viewing it as a stand alone sales channel, is likely to create successful operations and scales with minimal increases to labour and capital. As such, digital literacy and system-level thinking are now essential competencies for any

entrepreneur working in the platform economy. The implications of the research also relate to how developing the skill set within an organisation can be enhanced through education and practices surrounding learning. The findings demonstrate, in terms of performance improvements on the platforms used by entrepreneurs, that there are significant positive effects on performance when an entrepreneur has engaged with their peers, platforms that support learning and experimentation. Hence, continual educational development should be viewed as a core part of strategic planning and not something that is just a secondary function. Entrepreneurs must ensure they have both the focus on their current learning and the resources available to increase their learning capabilities as new algorithms, tools and other advancements evolve.

Furthermore, the results of the research indicate the need to properly manage both reliance on platforms and risk associated with their use. Entrepreneurs have a lot of growth potential through various platforms; however, this does not protect them from issues such as algorithm-based volatility, fraudulent reviews, and unpredictable support services. Therefore, it would be in an entrepreneur's best interests to develop and implement strategies that will help mitigate risks that occur during their business lifecycle (i.e., by using multiple sales channels, maintaining connections with customers offline, and creating internal mechanisms for tracking their performance on platforms). Implementing these types of strategies will help mitigate an entrepreneur's exposure to unexpected changes in platform policies while enabling them to continue enjoying benefits from their use of digital media. The findings of this research from an ecosystem viewpoint lead to broader insights for those involved with designing and managing platforms, developing public policies related to entrepreneurship and providing entrepreneurial support through other means.

The findings also support the need for transparency, responsiveness and user-centric governance, so that all stakeholders continue to thrive within the same entrepreneurial ecosystem as they grow their businesses. Through these means, platforms can create a trusted environment between the provider and entrepreneur, which can lead to

increased trust, longer-term connections and engagement. In addition, public policymakers and entrepreneurship support organisations can also contribute by supporting the development of digital skills and capabilities, along with providing additional support to small and medium sized enterprises (SMEs) as they work towards successfully navigating their dependence on platforms for growth. The practical implications of the research demonstrate that scaling on a digital platform is not strictly a result of either technological advancements or simply having access to the technology; it represents an interrelationship between technology and social constructs and therefore is impacted by the actions taken by entrepreneurs, how they learn from use of the technology, and how they view and conceptualise the features of a platform.

Entrepreneurs who have an understanding of this complexity and actively seek to influence the outcome of that complexity are more likely to create and maintain resilient or sustainable growth within a digital environment.

### **5.3 Limitations of the study and directions for Future Research**

In spite of the theoretical and practical contributions made by this thesis, certain limitations exist that are important to acknowledge. Acknowledgement of these limitations is necessary for transparency and academic rigor, as well as for putting the findings into context and informing future research in the field of digital entrepreneurship and platform-based scaling.

Firstly, one of the limitations is related to the research design and coverage of data. The use of a combined qualitative and quantitative approach allowed the study to draw upon survey data, as well as from case study data, but the collection of empirical data remains limited in coverage. The survey sample is enough to ascertain overall patterns and trends, but does not necessarily represent the entire population of digital entrepreneurs on a world wide basis, and therefore cannot be represented statistically. Entrepreneurs based in various institutional, regulatory and/or cultural settings may experience different levels of platform affordances and constraining actions, so this data should be thought

of more as an analytic than a statistical sampling according to the methodology within the realms of qualitative and exploratory research (Gawer, 2021). Moreover The primary focus of the research is on platform users, rather than platform providers. Although this perspective is intentional and aligns with the research objective, it restricts the ability to fully evaluate the strategic rationale for platform governance, algorithm design, and support. Entrepreneurs generally view platform behaviour as being vague or unpredictable; however, such interpretations may arise from the larger ecosystem-level trade-offs that users do not see. Involving platform representatives or including policy documents could provide a more equitable and multiparty view of dynamics involving platforms.

A further drawback relates to the way digital platforms are constantly changing. A platform's features, algorithms, support, and rules governing how it operates will often change. So, the findings of any research done will likely be dated by the time an entrepreneur uses them. For example, what worked well for an entrepreneur today may not work as well for that same entrepreneur six months from now because of changed tools or policies of that platform. This continual evolution of digital technologies means that researchers must continually research digital platforms to maintain relevancy. This research is based on multiple theoretical perspectives, but does not conduct a comprehensive test or model for cause and effect between platform affordances and their impact on scalability (Creswell & Plano Clark, 2018). Rather, the primary goal was to describe how entrepreneurs understand the process of growing a digital company through other means than prediction. Therefore, rather than establishing concrete causal links between platform affordances and scaling outcomes, this research presents a systematic picture of the way that entrepreneurs perceive and understand the various forms of digital scale. Acknowledging this limitation will help contextualize the findings of this research within the context of the larger body of literature on entrepreneurship and international business.

There are many ways to build upon the findings of this research through future research activity. Longitudinal research could show how, with the evolution of a company's

growth and the development of platform governance systems, the dependence of Entrepreneurs on digital platforms also evolves. Another area for future research is comparing different countries and institutional contexts as they relate to the regulatory environment, digital infrastructure, and cultural context; this would allow researchers to gain a fuller understanding of how the environment influences the development of platform-based scaling and internationalization. Research in future studies should also include objective performance indicators such as revenue growth, survival rates, or export intensity to complement self-reported perceptions and to create stronger causal links. Lastly, researchers should study the power imbalance between the Entrepreneur and the Platform provider as viewed from both sides to provide a better understanding of the role of algorithmic governance, trust, and dependence within digital Entrepreneurial Environments.

Overall, The research for this thesis has established that the emergence and widespread use of digital platforms has radically affected the way entrepreneurs grow their businesses into global companies due to how these digital platforms reduce many traditional barriers associated with building a successful and international business; therefore, digital platforms serve as essential resources for entrepreneurs by automating processes, providing ways to access markets, and facilitating learning through operational assistance and thereby providing additional ways for entrepreneurs to overcome many of the previously established barriers to start-up and global business success. However, the key finding of this research is that successful levels of growth on a digital platform (i.e., digital growth) are contingent not only on a platform's availability, but also on an entrepreneur's ability to strategically comprehend and utilise the platform's tools (accessing the platform's learning opportunities and operational support). This research provides insight into digital entrepreneurship by demonstrating that the process of digital growth through the digital platforms is dynamic and capability-building, and is impacted by both the technological affordances offered by the digital platform and the actions taken by entrepreneurs.

## 6 Conclusion

This thesis investigated how digital platforms influence the scaling and internationalisation of entrepreneurial ventures, specifically through identifying the enabling and constraining mechanisms that affect an entrepreneur's ability to operate within a platform-based environment. A mixed-method approach incorporating interviews, survey data, and illustrative examples was used; therefore, this study provides an empirical basis for understanding digital platforms from the perspective of socio-technical systems rather than as a neutral technology.

The digital platforms' findings demonstrate that they facilitate entrepreneurial growth through enabling access to global markets; automating operational processes; providing learning resources; creating trust mechanisms; and providing integrated support services to start-ups and SMEs. This means that entrepreneurs who leverage digital platforms are able to expand their operations internationally with fewer resource constraints, often resulting in rapid and sometimes unforeseen internationalisation aligned with a born-digital path. Thus, the digital platforms reduce traditional barriers imposed by geography, scale, and capital. The findings of the study reinforce the notion that there are several drawbacks associated with growing through platforms. More specifically, entrepreneurs are confronted with uncertainty caused by a variety of issues, including opaque algorithms, asymmetrical governance issues, dependence on dominant platforms, development costs for capabilities, and continuing institutional and regulatory issues related to operating across borders. These challenges demonstrate that scaling through digital platforms isn't strictly a technology-based activity, but rather is an activity that requires strategy as well as learning, and is influenced by power structures and conditions in the environment. In providing a thorough analysis of the results of the research, this thesis also provides an integrative framework for understanding the two previously mentioned theoretical models of entrepreneurship and international business. The comprehensive conceptual framework put forth in Chapter 5 reflects the empirical evidence by identifying algorithm-based mediating processes, governance-

associated issues of platform operations, and the active engagement of entrepreneurs as vital contributors to scaling and internationalization outcomes.

To sum up, digital platforms are excellent tools for developing entrepreneurs; however, the successful growth of a business through these digital channels is dependent on the entrepreneur's skill at working with platforms' infrastructure, developing digital capabilities on an ongoing basis, and managing risk associated with the platform. This research will add to the academic discussion on entrepreneurship facilitated through platforms and provide an ongoing basis for examining how digital platforms will continue to support the continued growth of entrepreneurship into the future.

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## **Appendices**

### **Appendix 1. Interview Guidelines**

The semi-structured interview guidelines were designed for this master's thesis were created to assist in addressing the question of how platforms can assist entrepreneurs in scaling (onboarding users) and internationalising their business. In addition to gaining an understanding of entrepreneurs' lived experiences with platform tools, the interviews will also focus on how the platforms' governance mechanisms and digital capabilities help facilitate growth within businesses.

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#### **Section 1 - Background Information Questions (Similar for All Respondents)**

##### **A. Demographics and General Business Profile**

- Business Founder's Age
- Nationality of Founder
- Business Founder's Role (e.g., business owner, co-founder, member of management team)
- Business Industry/Sector
- Length of Time in Business
- Main Digital Platforms Used For Engagement (e.g., Shopify, eBay, Etsy, Social Commerce)

**B. General Platform Context**

1. The purpose of this introductory part is to gain insight into the journey of participants and their perceptions of digital platforms in the larger "Platform Economy".
2. How have you used digital platforms as an interconnected tool in your daily operations, forming your long-term strategy to drive growth?
3. What was it that spurred your decision to utilize digital platforms in the first place?
4. How are they currently being utilized for both operational and strategic purposes at present?

**Section 2: Digital Platforms and Business Scaling****A. Growth and Scaling Mechanisms**

1. How has your different business' expansion over time been aided by the use of various digital platforms?
2. What Elements of Digital Platforms Have Been Most Valuable in the Growth of Your Business?
3. In what ways does the Use of Digital Platforms Allow You to Grow As a Business Without Departing Significantly from Your Current Level of Resources?

**B. Operational and Strategic Changes**

1. What operational changes have you instituted after switching to digital platforms (automation, analytics, customer management)?
2. Have you, as an organisation, made any changes to your pricing strategy, marketing strategy or growth strategies due to the use of digital tools? How have these changes impacted your organisation?
3. How does performance data or analytics (provided through platforms) affect your business planning and growth strategy?

### **Section 3: Marketing, Visibility, and Internationalization**

#### **A. Discoverability and Algorithmic Visibility**

1. What role do platform algorithms (search rankings, recommendation algorithms, ad services) play in how visible you are to potential customers?
2. Have you seen fluctuations in your sales and customer base as a result of being exposed to algorithmic recommendations? Please explain.
3. How much do you believe you are in control of how easily your business can be found online?

#### **B. International Reach and Market Expansion**

1. Identify the ways these platforms have allowed you to expand beyond your local/national customer base?
2. Were any international expansions intentional strategies?
3. What difficulties have been experienced in servicing customers in other countries using digital platforms?

### **Section 4: Entrepreneurial Capabilities and Learning**

1. How have your own skills, experience, or digital knowledge influenced your ability to scale using digital platforms?
2. What role do learning resources such as tutorials, documentation, or online communities play in improving your platform use?
3. Could you give an example of how you've learned through trial and error or experimenting with the tool?