Chapter 1
Digital Entrepreneurship:
A Longitudinal Case Study in a Traditional Firm

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ABSTRACT

Through a longitudinal case study, this chapter explores the repercussions from introducing a mobile commerce platform as just another instrument in the marketing toolbox in a traditional sales-oriented firm. Findings suggest that the implementation of the m-platform in addition to its intended purpose—establish a marketing channel to key customers—spawns a digital business model that allows the company to change its relations to distributors, retailers, and customers enabling access to direct communication with end-users. However, the emerging new business model has the potential to change the organization essentially. The authors argue that although the emerging digital business model was indeed a success seen from a sales-, marketing-, innovative-, and relational perspective, it was perceived as a disaster from an organizational perspective. Consequently, top management abandoned the new digital platform. The chapter highlights the importance of not underestimating resistance in an organization when implementing a new marketing instrument such as m-commerce platforms.

INTRODUCTION

Organizational change or the willingness to change has become an intrinsic good to most companies and is currently an imperative element in management rhetoric (Balogun, Bartunek, & Do, 2015; Christensen, 2002). In relation to this, authors have frequently argued that innovativeness, proactiveness, and competitive aggressiveness have become key ingredients to firm survival and success (Lumpkin & Dess, 1996; Lyon, Lumpkin, & Dess, 2000; Wales, 2016). Other authors have observed this imperative or story being acted upon by managers and leaders of organizations (March, 1995). Consequently, employees often act

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or are forced to act upon this story – true or not – of being embedded in a turbulent environment; markets and technologies are changing at an increasing tempo, a context that needs to be addressed via innovativeness, proactivity, and competitive aggressiveness (March, 2006). One strategy which has frequently been applied by management to tackle the dilemmas generated by a turbulent environment is to employ new communication technologies on an organizational level. The ambition is to increase the ability to monitor activities, accelerate information flows, and facilitate new ways of collaboration across space and time (Rao, 2001; Sambamurthy, Bharadwaj, & Grover, 2003). This process is also seen as an alley to generate a supportive environment and greater participation by both the employees (Kiesler & Sproull, 1992) and customers (Antorini, Muniz, & Askildsen, 2012). Accordingly, incentive regimes aiming to nurture already existing creativeness, innovativeness, and entrepreneurial behavior amongst employees are often exercised in concurrency to implementing new communication technologies to support the intended increase in organizational responsiveness and flexibility (Lau et al., 2006).

M-commerce technologies have proved an alluring marketing tool to companies that strive for a close(r) contact to a large number of customers, sales staff, and dealers. As they did with E-commerce, organizations have embraced M-commerce platforms in anticipation of improved customer relations and increases in sales, etc. (Frolick & Chen, 2004). In many cases, these expectations have been fulfilled. Nevertheless, it has been observed that unwanted and unintended effects spanning from a counterintuitive tendency to increased work pressure (Sproull & Kiesler, 1992) follow in the wake of a new communication technology's launch. In addition to this, authors have reported more tacitly embedded complications such as organizational ambiguity stemming from both intended and unintended repercussions when new communication technologies are implemented in an existing organization (Levina & Orlikowski, 2009).

Building on concurrent tendencies, this paper contributes to extant studies by addressing the seldom studied case of entrepreneurial failure (Shepherd, 2003). More specifically, the paper focuses on a case in which entrepreneurial behavior has been disregarded, casting the entrepreneurs as the villains of the organization. The case stands in stark contrast to how entrepreneurs are commonly viewed as heroic individuals (Farny, Hannibal, Frederiksen, & Jones, 2016). The case study explores an implementing process of new communication technology: an M-commerce marketing tool. We illustrate how aspirations by the general management of a production firm to remain competitive by expanding the monitoring capabilities of end-customers via an M-commerce tool led to a clash between the extant organizational ethos (Merton, 1968) and the managers responsible for the M-commerce platform. The case illustrates how ambiguity surrounding the M-platform's implementation process led to dramatic discrepancies between the established ethos in the firm that embraced adaptive behavior and "good salesmanship" and the new approach pushed by the implementation process of the M-platform. In turn, this led to a principled discredit of the entrepreneurial or proactive behavior displayed by the M-platform's managers. The conflict culminated in the shutdown of the M-platform.

The case exhibits that managers should consider new communication technologies in a broad perspective involving a duality of scope and role (Orlikowski, 1992; Orlikowski, 2000). The scope of technology is described through what comprises the technology. However, this paper contributes to existing research by providing further insights into the role of new communication technologies. Thus, the paper contributes to the insight into the complex and – in this case – profound social processes involved in adopting new (communication) technologies in existing firms. The study indicates that the role played by technologies is to be considered the more important issue when adopting them. This role describes the interaction between technology and organization (Levina & Orlikowski, 2009) and can be seen as part of the organizational sensemaking (Weick, 1995; Weick, Sutcliffe, & Obstfeld, 2005).

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