

International Entrepreneurship in the Video Game Industry in Barcelona

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EXECUTIVE SUMMARY

Video game studios are an example of born global firms, companies that operate in international markets from the moment they are created. After providing an overview of the video game industry and a description of the video games business model, the Barcelona ecosystem is presented. A multiple case study is the chosen methodology and primary and secondary qualitative data are collected and analyzed. The purpose of the research is twofold: On the one hand, using the context of the effectuation theory to examine how video game developers transform means into effects. The first outcome of this study is a process model describing the mentioned transformation. On the other hand, the research explores the connection between microfoundations of routines and capabilities and international entrepreneurship (IE) to increase the understanding of how startups with scarce resources achieve launching games that have an international reach and, hence, become international entrepreneurs. The second outcome of this research is a model that sheds light on how microfoundations affect IE.

INTRODUCTION

This study aims to contribute to two research problems: On the one hand, examine how creative individuals and teams transform means into effects using the context of the effectuation theory. On the other hand, increase the understanding of how startups with scarce resources achieve launching products and services that have an international reach and, hence, become international entrepreneurs.

A central point of the effectuation theory (Sarasvathy, 2001) is the transformation of means into effects (Sarasvathy & Dew, 2005; Dew, Read, Sarasvathy, & Wiltbank, 2011).

The transformation of means into effects is the implementation of the effectual prescriptions of “think about what you can do based on what is available to you,” or “do the doable and then push it; and then push it even further.” It has to do with non-predictive strategies to answer the question: “What to do next?” (Wiltbank, Dew, Read, & Sarasvathy, 2006).

Dew et al. (2011) view “*new market creation as a result of transformation processes*” (p. 246) rather than as a result of “*search and selection among a universe of exogenously given market opportunities*” (p. 233). Entrepreneurs “*generate usable innovations*” (p. 235) out of “*a series of transformations of the particular stakeholders’ means-at-hand into new goods and services that are often unanticipated residual artifacts of the effectual process*” (p. 236). They list a variety of transformation types: deletion and supplementation, composition and decomposition, exaptation, manipulation, deformation, among others. Olive-Tomas and Harmeling (2019) propose the working method of the creators of Cubism as a new type of transformation of means-at-hand into usable innovations (Dew et al., 2011).

There is abundant literature explaining how effectuation works (McKelvie, Chandler, DeTienne, & Johansson, 2019). However, there are few articles describing how entrepreneurs transform means into effects. The prescriptions of “think about what you can do based on what is available to you” or “do the doable and then push it; and then push it even further” merit further research efforts, and the list of transformation types (Dew et al., 2011) should be refined and extended.

While Olive-Tomas and Harmeling (2019) examine artistic creation within the framework of effectuation, in this research effectuation is used to examine how video game developers transform means into effects.

Although studies on International Entrepreneurship (IE) have been carried out for almost thirty years, revisions of this process (Rialp, Rialp, & Knight, 2015; Cavusgil & Knight, 2015) highlight further research on IE is needed. Its shortcomings justify more in-depth inquiry and a renewed focus. Several strategic management studies consider microfoundations as a way to unpack collective concepts to understand how individual-level factors impact organizations, how the interaction of individuals leads to emergent, collective, and organization level outcomes and performance, and how relations between macro variables are mediated by micro actions and interactions (Abell, Felin, & Foss, 2008; Felin, Foss, & Ployhart, 2015; Barney & Felin, 2013). The researchers believe that studies on microfoundations of routines and capabilities can add explanations to the phenomenon of fast internationalization, which is not totally covered by existent literature in on IE. Capabilities and dynamic capabilities represent an explicative approach to innovation and competitiveness in uncertain environments such as those faced by startups that internationalize in their early stages (Teece, Pisano, & Shuen, 1997; Teece, 2007). Indeed, in the IE process, studies on resources, routines and capabilities have contributed to a better understanding of how companies with scarce resources can operate and grow in a global market (Weerawardena, Mort, Liesch, & Knight, 2007; Butler, Doktor, & Lins, 2010; Autio, George, & Alexy, 2011). However, as Fellin, Foss, Heimeriks, and Madsen (2012) state, while much progress has been made in understanding routines and capabilities, the underlying microfoundations or micro-level origins of these constructs require more attention. In this regard, Autio et al. (2011) observed the lack of studies focusing on the development of capabilities in IE.

In another vein, one of the objects of study of IE is the so-called born global firms, companies that internationalize early and rapidly. Despite their growing importance, our understanding of how and why

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