



Research in new ventures' nonmarket strategies: contributions and opportunities

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Abstract

New ventures need nonmarket strategies for addressing resource limitations, scaling requirements, and size/age liabilities. New ventures' objectives, limitations, and liabilities differentiate them from large companies and make nonmarket strategies more critical for them. The scholarly interest in nonmarket strategies of new ventures has also increased during the last decades. However, despite the increasing number of empirical studies investigating new ventures' nonmarket strategies in various contexts, one cannot identify any systematic review on the topic. This article addresses this gap to gain a broader perspective of new ventures' nonmarket strategies in different economic and industrial contexts. The paper identified four types of new ventures' nonmarket strategies by systematically reviewing the extant literature: social signaling, sociopolitical networking, legitimacy building, and balancing. The study employed the "Gioia" methodology for data analysis. It mapped studies over three primary startup objectives, arguing significant tendencies and gaps in research on new ventures' nonmarket strategies. Results indicate that empirical articles outnumber conceptual studies and often overlook the impact of contexts, such as an industry's maturity and the country's economic development. Researchers focused more on political strategies in developing countries and social strategies in developed countries. They studied sociopolitical networking and legitimacy-building strategies for managing dependencies and fast scaling. They also studied "social signaling," mainly in mature industries, and "balancing" in nascent industries. Future research would benefit from comparative studies across nascent and mature industries in developed and developing countries for a broader range of nonmarket strategies and new venture objectives. We recommend that scholars embrace a higher sensitivity to new ventures' contextual intricacies.

Keywords New venture · Nonmarket strategy · Industry maturity · Social strategy · Political strategy

JEL Classification L100 · M130

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1 Introduction

New ventures engage nonmarket strategies in their social, political, and legal environments (Baron 1995b) to gain and sustain competitive advantage (Baron et al. 2016; Martinez and Kang 2014). Nonmarket strategy is a firm's strategic activities outside the market (Baron 2009). Limited resource bases, minimal prior commitments, high survival risks, and strict fast-scaling requirements make nonmarket strategies valuable for new ventures (Blank and Dorf 2012). New ventures operate in industries with different levels of maturity where nonmarket strategies are relevant (Khaire 2010; Almobaireek et al. 2016; Gegenhuber and Dobusch 2017). The level of economic development of the country also matters for a firm's nonmarket strategies (Nayir and Shinnar 2020; Du and Kim 2021; Jamali and Carroll 2017; Kingsley et al. 2012) and new ventures in general (Peng 2001; Park, and Bae 2004; Baker et al. 2005; Acs, Szerb, and Autio, 2015). A structured overview of the current knowledge on the nonmarket strategies of new ventures is required to gain a broader perspective in different industrial and economic contexts (Ismayil and Tunçalp 2022). A structured overview is both essential for the scientific community and for policy makers and new venture executives worldwide who need detailed information on the nonmarket strategies of new ventures.

Since research on nonmarket strategies has gained increasing recognition over the last decades, periodic literature reviews need to synthesize and identify recent progress and inspire future research. Several high-quality reviews have already summarized the significant research on nonmarket strategies. Shaffer (1995) analyzes the impact of public policies on firms and discusses firms' responses (strategic adaptation and influencing attempts) to public policy. Hillman and Hitt (1999) offer a detailed classification of political actions by presenting two perspectives on political action (transactional and relational), two levels of participation (collective and individual), and three types of political strategies (constituency building, financial incentive, and information). Hillman et al. (2004) present a model for corporate political activities (CPAs) (firm-level, industry, issue-specific and institutional). They also introduce (1) types of CPAs (proactive vs. reactive), (2) how firms implement them (integrating with market strategies, integrating other political actors), and (3) their outcomes (public policy outcomes and firm performance outcomes). Oliver and Holzinger (2008) review political strategies by applying dynamic capabilities perspective to explain the effective strategic management of the political environment. They provide a model based on motives of political management (value creation vs. value maintenance), alternative political strategies (reactive, anticipatory, defensive, and proactive), and firm-level outcomes (performance, competitive advantage). Lux et al. (2011) conducted a meta-analysis of CPA literature to understand factors affecting CPA and the extent of their impact on CPA. Aguinis and Glavas (2012) analyze CSR studies at institutional, organizational, and individual levels. The authors present predictors (reactive and proactive) and outcomes (internal and external) of CSR. Building on Hillman et al. (2004), Lawton et al. (2013) review CPA literature and link the findings with three domains: resources and capabilities focus, institutional focus,

and political environment focus. Mellahi et al. (2016) integrate and synthesize CPA and CSR studies of the nonmarket strategy literature to understand the nonmarket strategy-performance relationship better. They classify drivers (external vs. internal), mediating mechanisms (organizational boundary spanning vs. firm strategy formulation), moderating variables (external vs. internal), and performance outcomes (external vs. internal) of nonmarket strategies. Dorobantu et al. (2017) provide a holistic approach to the nonmarket strategy field through the new institutional economics lens. They develop a model with six types of nonmarket strategies (internalization, partnership, proactive, collective, influence, and coalition) and classify them along two dimensions: strategic intent (adaptive, additive, and transformative) and governance mode (independent, collaborative) selected for implementation. Hadani et al. (2017) conducted a meta-analysis on CPA to examine the impact of CPA on public policy outcomes and the influence of public policy outcomes on firm outcomes. Wrona and Sinzig (2018) extend previous review studies by analyzing internal (organizational demographics, leadership, market strategy, market position) and external (market and nonmarket environment) antecedents of nonmarket strategies. Agudelo et al. (2019) review the evolution of CSR from a historical perspective and report on salient developments related to the strategic approach to CSR.

Accordingly, all the existing reviews either (1) focus on only large firms or (2) include a few studies on new ventures, but the specific focus is not on new ventures. Furthermore, none of these reviews provided a structured overview of the empirical knowledge of new ventures' nonmarket strategies in (3) different industrial or (4) economic contexts. This paper addresses these four shortcomings through a comprehensive and systematic review (Tranfield et al. 2003) of research into the nonmarket strategies of new ventures. These companies' particular strategic needs and objectives may imply differential construction and use of nonmarket strategies. The article reviews how literature addressed new ventures' nonmarket strategies in different industrial and country contexts. The review sample included 74 articles focusing on nonmarket strategies of new ventures. The study employed the "Gioia" methodology for data analysis.

The results identified four types of new ventures' nonmarket strategies, social signaling, sociopolitical networking, legitimacy building, and balancing, and mapped studies over three primary new venture objectives, managing dependencies, scaling fast, and testing options. The review identified several research gaps, including theoretical and empirical research opportunities to study whether and how these nonmarket strategies apply in other economic and industrial settings.

The article first sets the theoretical background, explaining the nonmarket strategies of new ventures in the next section. Then, the article continues by describing its structured review method. Next, the article presents the review results, outlining various aspects of new ventures' nonmarket strategies. The article discusses theoretical and empirical research opportunities before its conclusion.

2 New ventures and nonmarket strategies

New ventures are firms founded within eight years or less (Zahra 1996). However, they are not just young and small (Blank 2010) entrepreneurial firms (Kirzner 1985). These firms engage in entrepreneurial activities to exploit the economic opportunity for growth and market disruption (Schumpeter 1942; Carton et al. 1998; McKenzie et al. 2007).

According to the literature, there are three distinct features of new ventures compared to other firms. First, they have limited resources compared to larger firms. This difference reduces their possible strategic actions and alternatives (Zhu 2020). They also depend more on their economic and industrial contexts for survival (Akbar and Kisilowski 2015; Hiatt et al. 2018; Rodgers et al. 2019). This condition brings about managing dependencies as a strategic requirement for survival. Secondly, new ventures need to scale fast, as their investors require exponential growth for their resource commitments (Cockayne 2019). Otherwise, they cease to exist due to a lack of available financial capital. Their revenues from the operations are far less critical than their growth and scaling (Covin and Slevin 1997; Dhochak and Doliya 2020; Gao et al. 2013; Miloud et al. 2012; Visconti 2020). Thirdly, they also have negligible prior commitments to their stakeholders and their existing business setup compared to larger organizations (Stevenson et al. 1989). This phenomenon expands their possible actions for them (Gans et al. 2019; Stevenson et al. 1989). They generally seek to generate a scalable business model (Katila et al. 2012), primarily with a new product or service focusing on a particular market segment. There are many alternatives in the market and nonmarket environment for entrepreneurs to start, maintain and operate these firms. Therefore, they need to test their options to decide on alternatives.

The business environment of new ventures and other firms comprises market and nonmarket environments. The market environment includes transactions among firms intermediated by markets or private agreements. In contrast, the nonmarket environment includes intermediated interactions by the public, government, media, and stakeholders (Baron 1995b). The nonmarket environment consists of the social, political, and legal arrangements that structure the firm's interactions outside and in conjunction with markets (Mellahi et al. 2016). Accordingly, the market strategy is a set of actions to increase the firm's economic performance in a market environment (Osier 1990; Porter 1985). On the other hand, a nonmarket strategy is a pattern of actions to increase the firm's overall performance by influencing the market and nonmarket environment (Baron 1993; Weidenbaum 1990). While new ventures participate in markets with other firms, political, cultural, and institutional arrangements fundamentally constrain and shape these markets as their 'nonmarket' environment. Like other firms, new ventures also develop nonmarket strategies to engage with their nonmarket environment to influence their market environment for additional value. For example, companies try to impact regulations, decrease legal threats, and respond to social expectations for better public opinion (Baron 1995a; 1995b; Baron 2015; Liedong et al. 2015). Extant research primarily classifies nonmarket strategies as political

strategies, such as corporate political activity (CPA) (Hillman et al. 2004; Lawton et al. 2013; Lux et al. 2011; Navarro 2019; Oliver and Holzinger 2008; Shaffer 1995), and social strategies, like corporate social responsibility (CSR) (Agudelo, 2019; Aguinis and Glavas 2012). CPA refers to corporate actions that address political and legal arrangements in managing political institutions and influencing political actors for a firm's benefit (Hillman et al. 2004; Lux et al. 2011; Mitchell et al. 1997). In contrast, CSR covers corporate activities that contribute to society and the environment (Agudelo et al. 2019). These activities may positively affect the firm's performance, providing more legitimacy, trust, and a positive reputation (Heslin and Ochoa 2008). New ventures' limited resource bases, negligible prior commitments, survival risks, and fast-scaling requirements make nonmarket strategies particularly critical and valuable for them (Zimmerman and Zeitz 2002; Li and Zhang 2007; Khaire 2010; Fisher et al. 2016; Ye and Li 2021). Many studies show that nonmarket strategies affect the overall performance of new ventures (Li and Zhang 2007; Rutherford et al. 2018; Semrau and Sigmund 2012; Tocher et al. 2012). Thus, in most cases, new ventures must carefully engage with the nonmarket environment by developing and implementing appropriate nonmarket strategies. However, the abovementioned aspects differentiate them from large companies, making the decisions and actions related to nonmarket strategies riskier and more critical.

Initial studies examining nonmarket strategies at new ventures were Lounsbury and Glynn (2001), Zimmerman and Zeitz (2002) (both conceptual), and Li and Atuahene-Gima (2001) (empirical), without using the term "nonmarket strategy." Legitimacy-building strategies were by Lounsbury and Glynn (2001) and Zimmerman and Zeitz (2002), relationship-based strategies like political networking were by Li and Atuahene-Gima (2001), those publications employed the terms "cultural entrepreneurship," "legitimation strategy," and "relationship-based strategies and political networking," respectively. Extant literature involves new ventures' nonmarket strategies. Despite the importance of industry maturity for new ventures' nonmarket strategies, few studies have covered nascent industries empirically. These industries are, by definition, in the early stage of emergence (Santos and Eisenhardt 2009) with high uncertainty (Navis and Glynn 2010), unlike mature industries. These industries might change more unexpectedly (Adner and Kapoor 2010; Ferraro and Gurses 2009; Navis and Glynn 2010; Santos and Eisenhardt 2009). Therefore, whether a new venture's primary industry is nascent or mature can significantly affect its nonmarket strategies (Eisenhardt 1989; Greenwood and Suddaby 2006; Pacheco 2009; Wang 2020).

Extant literature involves several studies concerning new ventures' nonmarket strategies in diverse countries (e.g., Hiatt et al. 2018 (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela); Semrau and Sigmund 2012 (Germany); Wallin and Fuglsang 2017 (Germany, Belgium, the Netherlands, the UK, and Finland); Zhang and Wong 2008 (Singapore, China)). Considering contextual economic development is critical for understanding new ventures' nonmarket strategies, as economic development mostly correlates with the advancement of markets. Nonmarket strategies provide an alternative for new ventures to complement their strategies in the market. Developing countries typically

have complex environments and partially functioning markets. The scarcity of resources available to entrepreneurs and potentially heavy-handed government intervention (Marquis and Raynard 2015) are typical for these countries. Therefore, new ventures in these countries operate in more uncertain and challenging environments than in developed countries. Nonmarket strategies may be highly critical for survival and performance in developing countries with weak institutions (Adly 2009; Holburn and Zelner 2010; Lux et al. 2011; North 1990; Peng and Luo, 2000). Therefore, whether a new venture's primary country is a developed or a developing economy can significantly affect its nonmarket strategies (Akbar and Kisilowski 2015; Hiatt et al. 2018; Rodgers et al. 2019; Yang et al. 2018; Zhang and Wong 2008).

Researchers have studied nonmarket strategies for more than four decades (Hillman et al. 2004; Aguinis and Glavas 2012; Mellahi et al. 2016). There are numerous reviews on nonmarket strategies (e.g., Shaffer 1995; Hillman and Hitt 1999; Hillman et al. 2004; Oliver and Holzinger 2008; Lux et al. 2011; Aguinis and Glavas 2012; Doh et al. 2012; Lawton et al. 2013; Mellahi et al. 2016; Dorobantu et al. 2017; Hadani et al. 2017; Wrona and Sinzig 2018; Agudelo et al. 2019). However, existing reviews mainly focus on enterprises and regular firms. This study could identify no review articles focusing on new ventures' nonmarket strategies despite their significant differences. This study addresses this gap with a structured review of new ventures' nonmarket strategies considering the level of economic development and industry maturity concerning their three primary objectives. The following section describes its review methodology.

3 Methodology

This study performed a systematic review based on Tranfield et al.'s (2003) three-step procedure (planning, conducting, and reporting) to cover the fragmented literature. Systematic literature reviews, as opposed to traditional narrative reviews, have gained increasing attention within management research (Pittaway et al. 2005; Tranfield et al. 2003). Systematic literature reviews minimize researcher bias by using a comprehensive search and analysis framework that synthesizes research in a systematic, transparent and replicable manner (Roehrich et al. 2014). Therefore, a systematic literature review (SLR) is appropriate for identifying key scientific contributions in the "new ventures' nonmarket strategy" literature.

3.1 Planning the review

Upon justifying the need for the review and formulating the research question, the study identified the keywords and search terms based on the extant literature and discussions within the research team, which consists of two authors. After deciding on the most appropriate keywords for all related documents, the authors identified inclusion and exclusion criteria for the studies in the review (See Table 1 and Table 2). The criteria were decided based on both authors' consensus, which allows

Table 1 Inclusion Criteria

Criteria	Reasons for inclusion
All years	To gain a broad picture of the nonmarket strategies of new ventures – not just limited to a specific period
All countries	To ensure considering all cross-country perspectives
Theoretical and empirical articles	To capture all existing studies

Table 2 Exclusion criteria

Criteria	Reasons for exclusion
Categories other than “ <i>Management</i> ,” “ <i>Business</i> ,” “ <i>Social Issues</i> ,” “ <i>Business Finance</i> ,” “ <i>Sociology</i> ,” and “ <i>Social Sciences Interdisciplinary</i> ” in Wos Database and “ <i>Business, Management, and Accounting</i> ,” “ <i>Social Sciences</i> ” in SCOPUS database	To catch a relevant footprint in social sciences
Conference papers, lecture notes, symposiums, trade magazines, workshops, book reviews, letters, teaching case studies	To focus on high-quality peer-reviewed research
Language	To focus on studies in English due to barriers to understanding studies in different languages
The focus is not on new ventures	To exclude studies focusing on other organizations rather than new ventures
Focus is not the nonmarket strategy	To exclude studies not focusing on nonmarket strategies

creativity, and flexibility and is structured enough to minimize researcher bias (Tranfield et al. 2003).

3.2 Conducting the review

The study used the Web of Science (WoS) and SCOPUS databases since they are among the most preferred databases in social sciences because of their depth of coverage. These two comprehensive databases complement each other as neither resource is all-inclusive (Burnham 2006). Therefore, the study chose these databases to minimize the risk of missing any critical related article. The study searched for the combination of the selected keywords in the TOPICS field of the WoS database covering the title, abstract, and keywords of the articles and ARTICLE TITLE, ABSTRACT, KEYWORDS field of the SCOPUS database: *nonmarket strategy*, *political strategy*, *corporate political activity*, *corporate social responsibility*, *regulatory strategy*, *legitimation strategy* AND *new venture*, *startup*, *new business venture*, *technology venture*, also including different forms of these keywords using wildcards as their suffixes. The review included theoretical and empirical

publications from all countries to capture all existing studies and ensure all cross-country perspectives. In addition, it included studies from all years to gain a broad picture of the new ventures' nonmarket strategies and not become limited to a specific period. The study filtered the query results with “*Management*,” “*Business*,” “*Social Issues*,” “*Business Finance*,” “*Sociology*,” and “*Social Sciences Interdisciplinary*” categories in the WoS database and “*Business, Management and Accounting*” and “*Social Sciences*” categories in SCOPUS database for catching a relevant footprint in social sciences. The review focused only on journal articles, excluding other pieces like book reviews, editorial essays, teaching materials, and lecture notes to provide more validated knowledge due to their more robust peer-review processes (Keupp et al. 2012; Ramos-Rodríguez and Ruíz-Navarro 2004). The research also filtered the articles written in the “English” language. Finally, the research team screened the articles by reading abstracts, introductions, and conclusions to exclude papers not addressing new ventures' nonmarket strategies.

3.3 Reporting the review

3.3.1 Descriptive analysis

The initial query resulted in 981 articles (WoS=425; SCOPUS=556) based on inclusion criteria. The study separately removed duplicates by adding exclusion criteria of category, publication type, and language to WoS and SCOPUS results. The total number of articles was reduced to 368. After applying the last exclusion criteria by screening all articles, reading abstracts, introductions, and conclusions, the results were reduced to 74 (See Fig. 1). In order to apply this reduction, both authors read and selected articles that refer to new ventures' nonmarket strategies. They also excluded papers that do not address new ventures and nonmarket strategies. For example, there were articles focusing on new ventures but did not address nonmarket strategies or some papers focusing on nonmarket strategies but did not specifically address new ventures. The authors did the screening separately and discussed the disagreements for resolution.

The final sample of 74 articles appeared in 44 different journals (see Table 3). The authors coded whether the article is empirical or theoretical, applied research methods, the country of the study, and its focal industries.

Among those 74 articles, 65 were empirical, while nine were conceptual studies. Seventy percent of the articles belong to the last six years (2016–2021). This observation indicated that new ventures' nonmarket strategies had attracted recent interest (See Table 3 for the number of articles published over the years). Twenty-eight empirical articles were in developed countries, and 36 were in developing countries (UN Country Classification, 2020; UN WESP 2020). One empirical article investigated startups from developed and developing countries. The study sample includes research from 42 countries involving 17 developed and 25 developing countries. Tables 4 and 5 show the article types published according to methodologies and geographies in time.

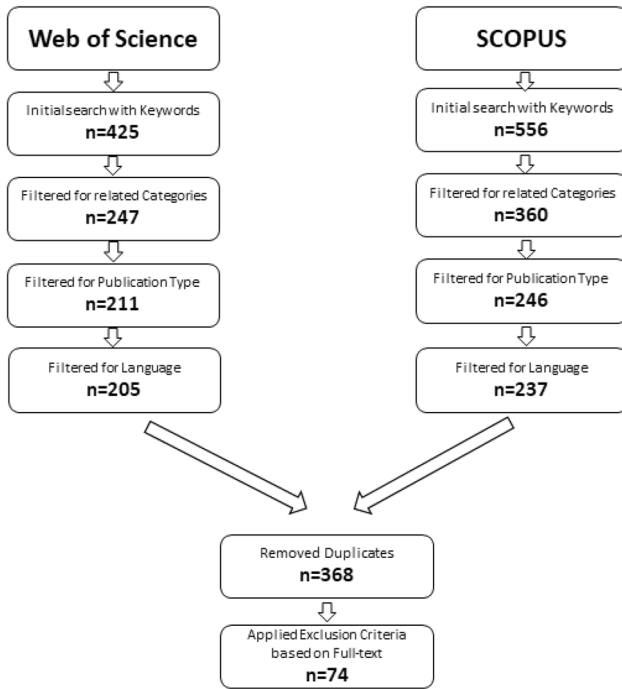


Fig. 1 Flowchart Illustrating the Main Steps in Data Collection

Qualitative empirical articles are 33%, and quantitative articles are 55% of the sample (See Table 4). More specifically, 22% have employed qualitative, while 17% have employed quantitative methodologies in developed countries. In comparison, 11% have employed qualitative and 38% qualitative methodologies in developing countries. In these numbers, 3 and 2 mixed-method articles in developing and developed countries accounted for 1½+1 qualitative and 1½+1 quantitative articles, respectively (See Table 5).

The majority of the qualitative studies in developed countries have conducted case studies. Most have employed multiple case studies (Beaulieu and Lehoux 2017; Turcan and Juho 2016; Wallin and Fuglsang 2017). However, Hall et al. (2019), Santos (2021), and Smith et al. (2021) have conducted a single case study. The authors have collected the primary data in these articles with semi-structured and in-depth interviews. This technique allows collecting provisional descriptions to generate an in-depth and theoretical understanding of concepts (Bagwell 2017; Solano 2020). Quantitative articles studying developed countries have generally used longitudinal panel data and employed regression models (Murtinu 2020; Rutherford et al. 2018). Only two articles have employed qualitative comparative analysis (McKnight and Zietsma 2018; Srikant 2019), and one article conducted a case.

Qualitative articles studying developing countries have mainly employed multiple case studies (Lin et al., 2010; Zhang and White 2016). Only two studies have used different methods: the life story method (Nayir and Shinnar 2020)

Table 3 The list of journals and articles over time

	2001–2005	2006–2010	2011–2015	2016–2021	Total
Academy of Management Journal	1				1
Academy of Management Review	1			1	2
American Behavioral Scientist				1	1
Asia Pacific Business Review				1	1
Asia Pacific Journal of Innovation and Entrepreneurship				1	1
Asia Pacific Journal of Management			1		1
Asian Business & Management			1		1
Business Horizons		1			1
Chinese Management Studies			2		2
Competitiveness Review				1	1
Cross Cultural & Strategic Management				1	1
Entrepreneurship and Regional Development		1			1
Entrepreneurship Theory and Practice		2			2
Group & Organization Management				1	1
Industrial Marketing Management				1	1
International Entrepreneurship and Management Journal				1	1
International Journal of Emerging Markets				3	3
International Journal of Entrepreneurial Behavior & Research				2	2
International Journal of Human Resource Management				1	1
International Journal of Innovation Management		1			1
Journal of Business Research				1	1
Journal of Business Venturing				2	2
Journal of Entrepreneurship				4	4
Journal of Entrepreneurship in Emerging Economies				1	1
Journal for Global Business Advancement				1	1
Journal of Global Responsibility				1	1

Table 3 (continued)

	2001–2005	2006–2010	2011–2015	2016–2021	Total
Journal of International Management				1	1
Journal of Management and Governance	1				1
Journal of Management Inquiry				1	1
Journal of Marketing		1			1
Journal of Service Management				1	1
Long Range Planning				1	1
Management and Organization Review				1	1
Management Decision		1		1	2
Organization Science		1	1		4
Research Policy				2	2
Small Business Economics				3	3
Social Enterprise Journal				1	1
Strategic Entrepreneurship Journal			1	4	5
Strategic Management Journal	1	1	1	1	4
Systems Research and Behavioral Science			1	1	2
Technological Forecasting and Social Change				1	1
Technology Analysis & Strategic Management				2	2
Technology Innovation Management Review				1	1
Total	4	9	9	52	74

Table 4 Article types, methodologies, and data collected over time

	Qualitative				Quantitative				Empirical	Conceptual			Grand Total	
	2001-05	2006-10	2011-15	2016-21	2001-05	2006-10	2011-15	2016-21		2001-05	2006-10	2011-15		2016-21
2001-05	-				2				2				2	4
2006-10		2½				3½			6			3	3	9
2011-15			1				8		9		-		-	9
2016-21				21				27	48			4	4	52
Grand Total	24½ (33%)				40½ (55%)				65	9 (12%)				74

Mixed method studies are accounted as ½ qualitative+½ quantitative. For example, 3 and 2 mixed-method articles in developing and developed countries accounted for 1½ (= 3*(1/2))+ 1 (= 2*(1/2)) qualitative and 1½+ 1 quantitative articles, respectively. Zhang and Wong (2008), Zhang et al. (2016), McKnight and Zietsma (2018), Du and Kim (2021), and Srikant (2019) have used mixed approaches

Table 5 Methodologies and geographies of reviewed articles over time

	Qualitative				Quantitative				Grand Total
	2001–05	2006–10	2011–15	2016–21	2001–05	2006–10	2011–15	2016–21	
<i>Developing countries</i>									
2001–05	–				1				1
2006–10		1½				1½			3
2011–15			1				4		5
2016–21				6				21½	27½
Total	8½ (11%)				28 (38%)				36½
Africa & Mid-east	–				IR (1), SA (1), PK (2), IN (2 + 1/9)				
Asia					CN (20 + 1/4), NP (1/9), SG (1/4), VN (1/9), TH (1/9)				
Europe					–				
Latin America					MD (1), TR (1)				
					AR (1/10), BO (1/10), BR (1/10), CL (1/10), EC (1/10), PY (1/10), PE (1/10), UY (1/10), VE (1/10), MX (1/9), CO (1/10 + 1/9)				
Total	7 countries				20 countries				
<i>Developed countries</i>									
2001–05	–				1				1
2006–10		1				2			3
2011–15			–				4		4
2016–21				15				5½	20½
Total	16 (22%)				12½ (17%)				28½

Table 5 (continued)

	Qualitative			Quantitative			Grand Total
	2001–05	2006–10	2011–15	2016–21	2001–05	2011–15	
Africa & Mid-east	–				IL (1/9)		
Europe	BE (1/5), DK (1), DE (1/2 + 1/5), FI (2 + 1/5), IR (1), NL (1 + 1/5), SE (1), UK (1/5)				BE (1/7), DE (2 + 1/7), FI (1/7), FR (1/7), IT (1/7), SP (1/7), UK (1/7), MT (1/9)		
North America	CA (4), US (3 + 1/2)				CA (2 + 1/2), US (6 + 1/2)		
Oceania	NZ (1)				AU (1/9)		
Total	11 countries				12 countries		
	17 countries						

Gegenhuber and Dobusch (2017), Murtinu (2020), Sanchez-Ruiz et al. (2021), Wallin and Fuglsang (2017), Yang et al. (2018), and Zhang and Wong (2008) researched multiple countries. In the countries section, each article is divided by the number of studied countries for these articles to show the relative density of studies across countries

Petkova et al. (2013) did not mention the country name for the research sample. However, we estimated the article is discussing the US

Sanchez-Ruiz et al. (2021) conducted quantitative analysis in developed and developing countries. The table accounted for this study as 1/2 developed + 1/2 developing country

Numbers with brackets are weighted article frequencies concerning countries in an article. Percentages in brackets are calculated over the entire sample of 74 articles. Numbers without brackets or no country counts are article frequencies

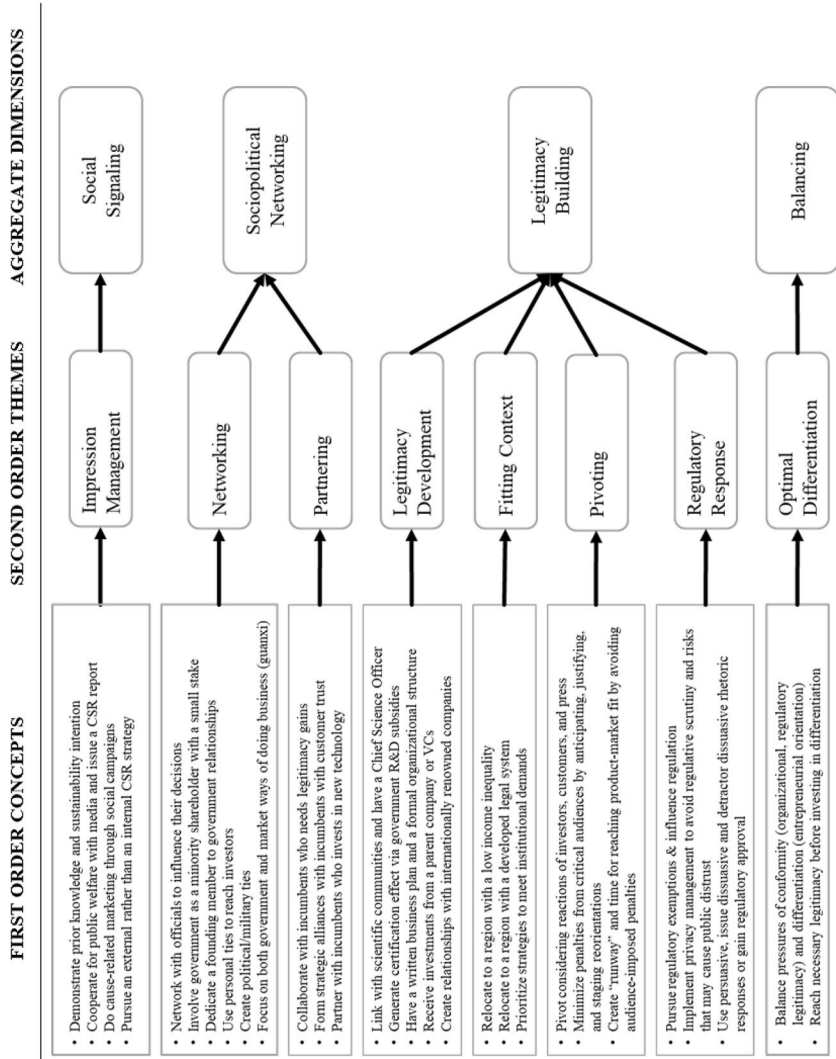


Fig. 2 New ventures' nonmarket strategies: Concepts, themes, and aggregate dimensions

and semi-structured interviews (Prasetyo 2021). Most of the quantitative studies employed regression analysis. They primarily analyzed the relationship among the nonmarket strategies and their impact on other variables such as new venture performance, growth, and survival in developing countries (Du et al. 2016; Guo et al. 2014; Lin et al. 2014; Luo et al. 2020; Wei et al. 2018; Zhu 2020). Three studies in developing countries employed mixed methods (Zhang and Wong 2008; Zhang et al. 2016).

3.3.2 Thematic analysis

The study employed a systematic inductive approach for analyzing 74 articles to provide a deep and rich understanding of new ventures' nonmarket strategies (Glaser and Strauss 1967; Heidingsfelder and Beckmann 2020). It analyzed the papers using the "Gioia" methodology to systematically move from raw data to theoretical interpretations (Corley and Gioia 2004; Gioia et al. 2013). Following the methodology, both authors separately read the articles. They coded the "nonmarket strategies studied in each article" with open, axial, and selective coding (Strauss and Corbin 1990). The authors first did open coding separately by identifying and writing down initial concepts (nonmarket actions in the articles) and grouped them into categories. They used in-vivo codes (the concept used by the authors in the article) or different descriptive phrases representing the nonmarket actions of new ventures. Then both authors discussed their open codes to identify first-order concepts until reaching interpretive convergence. Upon identifying the first-order concepts, the research team engaged in axial coding by looking for relationships among these categories to reach second-order themes. Finally, the authors employed selective coding to elaborate and integrate second-order themes into aggregate dimensions (Gioia et al. 2013). These dimensions summarize and typify new ventures' nonmarket strategies (See Fig. 2 for data structure). The following section presents the review results.

4 Results: new ventures' nonmarket strategies

The study has identified social signaling, sociopolitical networking, legitimacy building, and balancing as new ventures' nonmarket strategies to Manage dependencies, Scale fast, and Test options. Eight of the nine conceptual studies in the review sample focused on legitimacy-building strategies. Lounsbury and Glynn (2001) proposed a framework for the impact of entrepreneurial stories on gaining legitimacy by external stakeholders. Zimmerman and Zeitz (2002) studied sources and the impact of legitimacy. They also explored new ventures' legitimacy-gaining strategies and legitimacy thresholds. Kuratko and Brown (2010) outlined the legitimacy challenges facing life-science startups and proposed guidance for strategically gaining legitimacy. They suggested that entrepreneurs must be aware of the strategic issues that influence legitimacy in external stakeholders' eyes. Bloodgood et al. (2017) outlined the legitimacy diffusion process. They offered that new ventures must receive favorable judgments of appropriateness from members of a given network for effective diffusion. Kuratko et al. (2017) also addressed legitimacy diffusion. They described

how different types of venture newness implement different legitimation strategies, resulting in different legitimacy diffusion levels. De Lange (2016) offered propositions for the legitimation of cleantech ventures in emerging economies. She proposed legitimation strategies, including gaining recognition by exporting to wealthy markets, making meaningful non-market partnerships, and being promoted by iconic local entrepreneurs. Fisher et al. (2016) researched the new venture legitimation stages following the organizational life cycle. They offered three key insights: institutional pluralism, venture-identity embeddedness, and legitimacy buffering. Rutherford et al. (2009) reviewed new ventures' ethical decision-making literature to understand legitimacy lies. They offered guidelines for new ventures after researching acceptable & unacceptable behaviors in legitimacy building. Morse et al. (2007), on the other hand, focused on virtual embeddedness as an alternative strategy for overcoming the liability of newness.

Empirical studies most frequently examined nonmarket strategies for *managing dependencies*. They specifically studied nonmarket strategies of Social Signaling, Sociopolitical Networking, and Legitimacy Building which new ventures employ to manage their dependencies in their environment.

Besides managing dependencies, the review also observed new ventures' non-market strategies related to *scaling fast* in the empirical articles. Researchers studied strategies related to Sociopolitical Networking, Legitimacy Building, and Balancing for this objective.

In addition to these two groups of nonmarket strategies, others empirically studied strategies for *testing options* in the nonmarket environment as Sociopolitical Networking and Legitimacy Building.

The following sections describe the nonmarket strategies of new ventures empirically identified as social signaling, sociopolitical networking, legitimacy building, and balancing based on the review. While studies in the review reported their country information, some did not control, identify, or report their industry. As nascence is a particular condition and mature industries are common, the study assumed these as "probably" mature industries and mentioned them explicitly in the review results (See Table 6).

4.1 Social signaling

While the study named social signaling from the open-coded data to identify an aggregate dimension, extensive literature describes social signaling. That literature describes social signaling as the actions of an individual or a group as a means of communicating social relation information to others about themselves for impression management and reducing information asymmetry (Batra et al. 2000; Pentland 2010; Lisjak et al. 2014; Johnson and Chattaraman 2019). The context of our review is in line with this conceptualization. Articles in our review described social signaling with actions like demonstrating prior knowledge & sustainability intention to others, cooperation with media for public welfare and issuing a CSR report, doing

Table 6 Articles over contexts, strategies, and objectives

Social signaling	Sociopolitical networking			Legitimacy building			Balancing			
	Managing dependen- cies	Scaling fast options	Testing options	Managing dependen- cies	Scaling fast options	Testing options	Managing dependen- cies	Scaling fast options	Testing options	
Developing Countries / Mature Industry										
Probably mature: Aggarwal and Singh (2019); Ye and Li (2021); Zhang et al. 2020	Probably mature: Hiatt et al. (2018)	Probably mature: Anwar et al. (2018), Chitsaz et al. (2017), Du et al. (2016), Du and Kim (2021); Ge et al. (2017), Li and Atuahene-Li and Atuahene-Gima (2001), Li and Zhang (2007), Lin et al. (2014), Luo et al. (2020), Ma et al. (2020), Mai et al. (2015), Shan and Lu (2020); Yin and Zhou (2021); Zhang and Wong (2008), Zhang et al. (2016), Zhou et al. (2020); Zhu (2020)	—	Li et al. (2014); Yang et al. (2018), Zhang and White (2016)	Su et al. (2015)	Almobaireek et al. (2016)	—	Probably mature Guo et al. (2014)	—	—
Developing Countries / Nascent Industry										
Turcan and Fraser (2016)	Lin et al., (2010)	Zhou et al. (2021)	—	Lin et al., (2010)	Turcan and Fraser (2016); Su et al. (2015)	—	—	—	—	—

Table 6 (continued)

Social signaling	Sociopolitical networking			Legitimacy building			Balancing	
	Scaling fast	Testing options	Managing dependencies	Scaling fast	Testing options	Managing dependencies	Scaling fast	Testing options
Managing dependencies	Scaling fast	Testing options	Managing dependencies	Scaling fast	Testing options	Managing dependencies	Scaling fast	Testing options
Developed Countries / Mature Industry								
Gegenhuber and Dobusch (2017); Srikant (2019)	Probably Mature: Howard et al. (2021);	Probably Mature: Semrau et al., (2012), Svensson Tocher et al. (2019)	Probably Mature: Beaulieu and Lehoux (2019); Probably Mature: Jansma et al. (2018); Murtinu (2020)	Probably Mature: Srikant (2019); Wallin and Fuglsang (2017) Khaire (2010)	Probably Mature: Chen et al. (2018); Peikova et al. (2013); Reynolds et al. (2018)	Probably Mature: Rutherford et al. (2018); Wang et al. (2017)	Probably Mature: Beaulieu and Lehoux (2017);	Probably Mature: McDonald and Gao (2019)
Probably Mature: Turcan and Juho (2016); Wang and Bansal (2012)	Probably Mature: Sanchez-Ruiz et al. (2021);	Probably Mature: Murtinu (2020)	Probably Mature: Murtinu (2020)	Probably Mature: Chen et al. (2018); Peikova et al. (2013); Reynolds et al. (2018)	Probably Mature: Rutherford et al. (2018); Wang et al. (2017)	Probably Mature: Rutherford et al. (2018); Wang et al. (2017)	Probably Mature: Beaulieu and Lehoux (2017);	Probably Mature: McDonald and Gao (2019)
Developed Countries / Nascent Industry								
—	—	—	—	Andersen et al. (2020); Hall et al. (2019); Santos (2021)	Rao et al. (2008)	Smith et al. (2021)	Grunde and Talaulicar (2002); McKnight and Zietsma, (2018)	—

cause-related marketing through social campaigns, and pursuing an external CSR strategy.

Researchers have mainly studied social signaling strategies to manage dependencies in developing and developed country settings in mature industries. Gegenhuber and Dobusch (2017) and Srikant (2019) reported their study in a mature industry in a developed country. The other studies spanned probably mature industries in developing (Aggarwal and Singh 2019; Ye and Li 2021; Zhang et al. 2020) and developed countries (Turcan and Juho 2016; Wang and Bansal 2012). The only nascent industry the research could locate is Turcan and Fraser (2016) for managing dependencies (See Table 3).

In a developing country context and most probably in mature industries, Ye and Li (2021) studied a sample of Chinese new ventures. They identified that implementing an external rather than an internal CSR strategy to meet external stakeholders' expectations is more effective. Similarly, Aggarwal and Singh (2019) studied cause-related marketing with campaigns with social concerns. They argued that new ventures in India had influenced consumer purchase intention by implementing cause-related marketing through social campaigns. In parallel, Zhang et al. (2020) studied women entrepreneurs in China. They observed that they have significant challenges in reaching financial resources. In order to overcome these barriers and challenges, they implement strategies to counter gender bias. They manage their resource dependency by conducting public welfare cooperation with the media and issuing CSR reports.

Researchers studied specific signaling styles and contents in developed country contexts with new ventures' development phases. Some of these studies openly reported their industry as mature (Gegenhuber and Dobusch 2017; Srikant 2019). We assumed industries of unreported or uncontrolled articles (Jansma et al. 2018; Reynolds et al. 2018; Turcan and Juho 2016; Wang and Bansal 2012) are also probably mature industries. Because nascence is a relatively rare phenomenon, mature industries are more common and usual. Gegenhuber and Dobusch (2017) reported case studies of two new ventures in the USA and Germany that do social signaling by implementing open strategy-making with honest and transparent communication. They reported these new ventures to reveal and communicate with external audiences by implementing heavy broadcasting over strategic information. They asked for opinions and engaged in an open conversation with external audiences with dialoguing. They also involved them in organizational decision-making, including their launch phases. These new ventures emphasize broadcasting in the growth stage.

Turcan and Juho (2016) studied two high-tech new ventures in Finland. They reported that new ventures might deliberately use lies to misrepresent the facts to overcome newness, smallness, and foreignness liabilities. While we assumed maturity of industries, software and Health Tech industries may involve nascence in this example. They may provide a specific context for these lies as a denial mechanism to cope with the uncertainties of the respective industry of the new ventures. Similarly, Srikant (2019) studied the impression management strategies of new ventures in the energy industry in the USA. With qualitative comparative analysis, they reported that new ventures implement evasive, positive, defensive, and exuberant impression

management for receiving approval from the regulations and combine persuasive, issue dissuasive, detractor dissuasive rhetoric. The research concludes that the effectiveness of these strategies depends on the specific combination of contextual conditions.

Despite the relative frequency of the studies working on the specific signaling styles and contents of new ventures in developed countries, the study also located an empirical article studying new ventures' CSR activities in a developed country. Wang and Bansal (2012) analyzed the CSR activities and the financial performance of 149 new ventures in Canada. They argued a negative relationship, reporting an adverse impact. However, they report that the long-term orientation of the new venture positively moderates these effects.

Turcan and Fraser (2016) was the only study identifying social signaling for managing dependencies in the review sample. According to their study, entrepreneurs engage in persuasive argumentation using familiar cues and scripts with internal and external stakeholders. This result indicated that social signaling, in this case, represents a level of legitimacy building (see Sect. 4.3). However, the following section describes sociopolitical networking as the second class of new ventures' nonmarket strategies.

4.2 Sociopolitical networking

The study has used the term "sociopolitical networking" to describe connection-building and maintenance activities in social and political circles. It is more advanced than social signaling because it involves other stakeholders' social/political actions and reactions and building relationships. Articles in our review described sociopolitical networking with actions like "networking with officials to influence their decisions (Beaulieu and Lehoux 2019)," "involving government as a minority shareholder with a small stake (Murtinu 2020)," "dedicating a founding member to government relationships (Luo et al. 2020)," "using personal ties to reach investors (Zhang and Wong 2008)," "creating political/military ties (Hiatt et al. 2018)," and "focusing on both government and market ways of doing business (guanxi) (Mai et al. 2015)." In addition to social and political networks established and maintained, the review considered business partnerships related themes as part of sociopolitical networking. For example, "collaborating with incumbents who need legitimacy gains (Svensson et al. 2019)," "forming strategic alliances with incumbents with customer trust (Svensson et al. 2019)," and "partnering with incumbents who invest in new technology (Svensson et al. 2019)" are examples of this nonmarket strategy.

The coding stage aggregated social and political actions in this category. However, the study also observed that researchers primarily focused on political strategies in developing countries and social strategies in developed countries. As a more extensive class of nonmarket strategies for new ventures than social signaling, sociopolitical networking is also one of the two most studied nonmarket strategies for new ventures. Researchers almost exclusively studied that in mature and probably mature markets, except Lin et al. (2010) on managing dependencies in a nascent industry. They studied three new integrated circuit design ventures in Taiwan

to explore resource accumulation, survival, and competitive advantage in high-tech new ventures. They argued that networking based on relationships and trust is one of the leading social strategies for new ventures to reach resources during the emergence in Taiwan. However, new ventures should complement these resources with technology and legitimacy strategies (Lin et al., 2010).

The sociopolitical networking studies in developing countries mainly studied the phenomena in mature or probably mature industries for managing dependencies (Hiatt et al. 2018; Anwar et al. 2018; Chitsaz et al. 2017; Du et al. 2016; Ge et al. 2017; Li and Atuahene-Gima 2001; Li and Zhang 2007; Lin et al. 2014; Luo et al. 2020; Ma et al. 2020; Mai et al. 2015; Shan and Lu 2020; Zhang and Wong 2008; Zhang et al. 2016; Zhou et al. 2020; Zhu 2020).

Hiatt et al. (2018) examined new ventures in ten Latin American countries. They argued that dealing with heterogeneous government stakeholders is a tremendous challenge for new ventures in developing countries. Especially when there is violence and conflict, survival may depend on building political and military ties. New ventures develop political ties in declining economic conditions, and prevalent political actors influence state policies. However, security concerns are essential in countries facing armed conflicts with revolutionary movements. Therefore, new ventures operating in these conditions develop relationships with military leaders to increase their chances of survival. In a similar study, Anwar et al. (2018) argued a robust positive relationship linking financial, business, and political networking and firm performance in new ventures operating in Pakistan. They suggest that new ventures get concerned with the three forms of networking since a single network is insufficient to manage dependencies. They also argued that competitive advantage partially has a mediating role in political networking and new venture performance.

Chitsaz et al. (2017) argued that new ventures operating in Iran under global economic sanctions mainly use their political connections to overcome legitimacy and financial challenges. Their political connections with the ruling party enable them to build trust, gain legitimacy and provide funding for their RandD activities. Therefore, in this case, building political connections provided these new ventures with some access to financial resources (Chitsaz et al. 2017).

Lin et al. (2014) and Du et al. (2016) also support establishing political ties. Lin et al. (2014) argued that political connections lead to higher new venture performance when a new venture has a higher outward growth orientation. Similarly, Du et al. (2016) suggested implementing strategies that hybridize political networking and market orientation strategies, depending on the perceived “dysfunctional competition” (Li and Atuahene-Gima 2001). In this context, the authors argued that political networking increases the positive impact of market orientation strategies on new venture performance in the condition of low-level dysfunctional competition. However, political networking negatively moderates the relationship between market orientation strategy and performance when dysfunctional competition is high. Therefore, the effectiveness of incorporating hybrid strategies depends on their context. Ge et al. (2017) also studied 1289 new ventures in China for the role of political networking in managing resource dependency. They argued that political connections encourage entrepreneurial reinvestment in a ‘harsh business environment.’ Political connections inspire entrepreneurs to access more resources and seize

growth opportunities. Entrepreneurs lacking political ties focus on environmental threats and lessen their reinvestment in the business. Similarly, Li and Zhang (2007) supported the positive relationship between political networking and new venture performance, studying 300 venture firms in China.

More specifically, Luo et al. (2020) investigated the impact of political connections on new ventures' acquisition of suppliers and buyers. They argued that building political relationships by dedicating one founding member to building government relationships enhances a new venture's legitimacy and bargaining power. Therefore, it positively influences the acquisition of suppliers and negatively affects buyers' acquisitions. Moreover, the enhanced legitimacy attracts suppliers, whereas increased bargaining power discourages buyers. Considering local styles of business conduct, Ma et al. (2020) related the salience of a new venture's nonmarket strategies with the new venture's life-cycle stages. They considered *guanxi*, a Chinese method of conducting business based on individual relationships, in their study. They suggested focusing on the market *guanxi* and the government *guanxi* in the early growth stages and paying more attention to enhancing the market *guanxi* in the mature stage.

In line with the above results, Mai et al. (2015) argued that governments have the control and the power to allocate critical resources. They suggest a positive relationship between entrepreneurs' socioeconomic statuses and political characteristics and establishing formal political ties. In this relationship, the innovation level is a negative moderator, and the internationalization of new ventures is a positive moderator. Therefore, new ventures must consider their status (socioeconomic status and political characteristics) and market strategies (innovation and internationalization) when establishing formal political connections. The research, therefore, suggests establishing and using formal political connections considering an entrepreneur's status and her/his market strategies. Similarly, Shan and Lu (2020) argued that new ventures' political connections enhance their entrepreneurial knowledge acquisition, studying 200 new ventures in China. They also argued that cognitive learning positively mediates social ties and entrepreneurial knowledge acquisition.

In another comparative study, Zhang and Wong (2008) compared tech new ventures in Singapore and China to examine their social strategies for managing resource dependencies. The study considered the Chinese institutional environment unfavorable, based on (1) the high social obligations, (2) the underdeveloped legal/regulatory system, and (3) the immature venture capital (VC) market. They argued that Chinese new ventures operating in an unfavorable institutional environment utilized networks to approach potential investors and reach financial resources. In contrast, Singaporean new ventures, which operated in a more favorable institutional environment, employed market methods and used business ties instead of personal ties to approach investors. In another comparison, Zhang et al. (2016) examined two periods in China: the beginning and the after periods of China's market-oriented reform. New ventures founded in the first period faced a more unfavorable institutional environment than in the second. Unstable and fluctuating policies, negative discrimination against private enterprises, and market entry barriers without political acquaintances characterize the second period. However, a relatively favorable institutional environment characterized the second period with more supportive

policies and less bureaucratic control. At the beginning of market reform, the authors argued that new ventures implemented a network-deepening strategy by maintaining solid and non-diverse political and market ties. In contrast, new ventures employed a broadening network strategy in the second period by establishing fewer political ties and weaker and more diverse networks. They suggest that different founding conditions' imprinting effects might explain these strategies in developing countries.

Especially in developing countries with high-income inequality or less-developed legal systems, government expropriation becomes a significant risk. Political ties may be a way to avoid or receive early warnings about this risk. Studying 1.164 new ventures in China, Zhou et al. (2020) suggested that the level of an entrepreneur's socioeconomic status is a salient indicator of government expropriation. Therefore, cofounders with high socioeconomic status need to build political connections to reduce the risk of government expropriation or relocation. In a similar study, Zhu (2020) argues that political ties positively affect new venture performance until a certain point, describing an inverted U-shaped relationship between profit growth and political ties due to political ties. These political ties become too costly for new ventures over time. They become incompatible with new ventures' value maximization orientation.

Li and Atuahene-Gima (2001) is the only study in our sample that argues that political networking does not enhance venture performance. The authors explain their results with the transaction costs of building political connections. According to this study, political networking does not enhance new ventures' product innovation performance. However, they still suggest that environmental and relationship-based strategies should run simultaneously as moderators in the discussion of product innovation strategy (Li and Atuahene-Gima 2001).

Studies in developed countries focused on mature or probably mature markets for managing dependencies (Beaulieu and Lehoux 2019; Jansma et al. 2018; Murtinu 2020), scaling fast (Tocher et al. 2012; Semrau et al., 2012), and testing options (Svensson et al. 2019).

Beaulieu and Lehoux (2019) examined 20 entrepreneurs and strategic partners in the Canadian Healthcare industry on the strategies and the emergence of new ventures in managing dependencies. They identified institutional triggers, enablers, barriers, and constraints concerning the three stages of the firm emergence: (1) "opportunity identification," (2) "design of the new organizational form," and (3) "legitimation of the new organizational form and alignment with trusted actors." In this study, the nonmarket strategies mainly correspond to the third stage with strategies of "making their way to access lobbyists and experienced partners," "Making direct contact with healthcare organizations' decision-makers," "networking as a central activity," "lobbying, releasing press releases," "building alliances with highly legitimate actors," "hiring prestigious actors on the boards," "influencing key players to disseminate information" (p. 1124).

Jansma et al. (2018) and Murtinu (2020) studied the role of political networking in managing resource dependencies in multiple industries in the Netherlands and multiple countries (Belgium, Finland, France, Germany, Italy, Spain, and the UK), respectively. Jansma et al. (2018) argued that new ventures use social strategies to manage their human resource dependencies. According to the study, new ventures

build strong relationships with professors and student associations to reach high-quality human resources. The study also identifies political networking to influence the government to change regulations on subsidy programs with media attention. The study observed that new ventures network with officials in government to identify the correct subsidies for funding their R&D activities. Their relationships provide information about upcoming programs earlier. New ventures develop political networking with government officials to argue the correct subsidies and learn about upcoming funding programs. They also carry on activities to gain media attention and thus influence subsidy screening committee members' decisions (Jansma et al. 2018). Murtinu (2020) identified that new ventures involve the government as a minority shareholder with small stakes to become aware of future policy shifts in a different path toward networking with the government. In this way, they might be able to respond to those changes faster and more preparedly. As the stake is small, it also enables new ventures to avoid adverse effects of government ownership, such as following political goals that eventually lower firm performance.

On scaling fast, Tocher et al. (2012) and Semrau et al. (2012) identify that an entrepreneur's political skills, such as networking ability, positively influence the financial performance of a new venture. Tocher et al. (2012) studied 163 entrepreneurs in the USA for the relationship between their political skills and new venture performance. Political skill is a subset of social competence that examines a person's capacity to influence the behavior of others in the business. The study argues that entrepreneurs' political skills to leverage their social capital positively influence their financial performance. Semrau et al. (2012) studied 146 founders in Germany in multiple industries. The study suggested a positive relationship between founders' networking ability and a new venture's financial performance. The study argues that the network size and the strength of network relationships mediate this relationship, specifically in a salient manner for new ventures.

On testing options, Svensson et al. (2019) studied 15 new Fin Tech ventures and four investors in Sweden for the transformation of the financial ecosystem. Entrepreneurs in the Fintech sector form a strategic alliance with incumbents trusted by customers, who invest in new technology, and who might support a Fintech new venture in navigating the regulatory framework. While the new Fin Tech ventures establish legitimacy, incumbents work to maintain and restore theirs. The article outlines what these parties look for when forming their alliance and how these factors fit their legitimacy requirements, strengthening each party's legitimacy. Therefore, this study's networking between new ventures and incumbents brings an advanced sociopolitical networking level toward legitimacy building. The following section describes legitimacy building as the third type of new ventures' nonmarket strategies.

4.3 Legitimacy building

As one of the core concepts of sociological and organizational thinking, legitimacy has diffused a great range of literature and influenced nonmarket strategy research. Legitimacy is "a generalized perception or assumption that the actions of an entity

are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman 1995: 574). Therefore, new ventures need to gain legitimacy and become legitimate to get acceptance from stakeholders. Articles have used this concept and related lenses to analyze new ventures’ nonmarket strategies. The articles in the review mentioned how startups develop their legitimacy. Examples are “linking with scientific communities and having a Chief Science Officer (Ho et al. 2010),” “generating certification effect via government R&D subsidies (Li et al. 2019),” “having a written business plan and a formal organizational structure (Almobaireek et al. 2016),” “receiving investments from a parent company or VC firms (Lin et al., 2010),” and “creating relationships with internationally renowned companies (Lin et al., 2010).” The study considered actions that aim to develop a contextual fit, such as relocating to a more enabling and secure environment and prioritizing strategies to meet institutional demands as legitimacy building. The review also considered new ventures’ activities that search for a better fit in its nonmarket environment as legitimacy building. “Pivoting according to stakeholders’ reactions (McDonald and Gao 2019),” “minimizing penalties from critical audiences (McDonald and Gao 2019),” and “avoiding audience-imposed penalties (McDonald and Gao 2019)” are examples of legitimacy-building strategies. As a particular case of legitimacy building, regulatory response activities are also legitimacy building. “Pursuing regulatory exemptions and influencing regulations with lobbying or direct relationships (Jansma et al. 2018),” implementing privacy management to avoid regulative scrutiny and risks (Chen et al. 2018),” and” using rhetoric responses or gaining regulatory approval (Srikant 2019)” are all legitimacy-building strategies.

Legitimacy building is one of the most studied areas in new ventures’ nonmarket strategies and sociopolitical networking, mainly in mature industries. The primary motivation for legitimacy building has been managing dependencies in the empirical work in the review. Researchers studied this phenomenon in mature industries in developing (Li et al. 2014; Yang et al. 2018; Zhang and White 2016) and developed countries (Ho et al. 2010; Srikant 2019; Wallin and Fuglsang 2017).

In mature industries in developing countries, Li et al. (2014) simulated a representative environment for the fast-moving consumer goods industry and engaged students like customers in China. The study addressed the legitimacy problems of new ventures. The results imply that the cognitive legitimacy of a company relates to the information quantity and quality. Additionally, cognitive legitimacy encompasses both corporate recognition and reputation. As a result, presenting favorable information about a new venture’s products, social responsibility, and management’s educational background helps build a strong reputation and cognitive legitimacy. In addition to the type of legitimacy, the loci of their legitimacy emphasis also change between new ventures. Yang et al. (2018) compared the resource acquisition strategies of two social enterprises in Taiwan and South Korea. In South Korea, social enterprises are formally registered and supported with tangible and intangible support, including monetary assistance, tax breaks, and preferred partnerships for public institutions. There is just an unofficial registration in Taiwan that does not provide direct support. Therefore, social enterprises are more bottom-up and voluntary. They argued that new ventures in South Korea have an external locus of legitimacy. They

prioritize nonmarket strategies for the government's demands for resource acquisition. However, new ventures in Taiwan emphasize internal legitimacy and prioritize financial viability as a critical priority to fit their environment. They employ market strategies for resource acquisition and focus on profit generation.

In addition to the above concerns, early and later entrants' legitimation activities also differ. Zhang and White (2016) examined legitimacy-building strategies for a new organization of China's ten largest solar energy firms. They argue that early entrants that introduced a new organizational form implemented strategies to leverage the existing legitimacy. Aligning with established rules and norms, they attempted to change the perception of what is legitimate while enacting in the environment. New ventures utilize these strategies to build their legitimacy and the new form. Later entrants, on the other hand, mainly employed market strategies to succeed since the resource holders already accepted the form as legitimate. New ventures' legitimation activities to convince the government for financial support or access to regulatory working groups are examples of political strategies addressed in the article.

Ho et al. (2010) examined the legitimacy-building strategies of three biotechnology firms in New Zealand in mature industries of developed countries. They studied how these new ventures gain access to human and financial resources. They argued that founder-scientists gain scientific legitimacy by maintaining linkages with the scientific communities and taking on a Chief Science Officer (CSO) title and the CEO role. They adopt isomorphic 'business' structures emphasizing professional management practices to gain scientific legitimacy. In a similar study, Wallin and Fuglsang (2017) researched seven new ventures from Germany, Belgium, the Netherlands, the UK, and Finland, attending an accelerator. They argued that entrepreneurs employ storytelling according to the different target groups to enhance their legitimacy gains. They convince stakeholders by writing articles or posts on professional forums and attending fairs and conferences. Other legitimacy-building activities include benefiting media, using innovation awards for promotion, accessing key opinion leaders, performing pilot studies, publishing scientific articles, using the founder's charisma or conducting strategic recruitment, collaborative agreements with customers, and strategic partnerships.

As mentioned above, most studies did not control or report the maturity of their sampled industries, representing a probably mature industry in developing (Li et al. 2019; Nayir and Shinnar 2020; Wei et al. 2018) or developed countries (Chen et al. 2018; Petkova et al. 2013; Reynolds et al. 2018).

Li et al. (2019) studied 741 entrepreneurial firms in China in developing countries. They argued that obtaining government R&D funds provides a kind of certification for the new venture, especially where intellectual property rights are weak. Nayir and Shinnar (2020) studied 19 social entrepreneurs in Turkey to determine how they use rhetoric to gain legitimacy. The study identified four critical rhetorical strategies (1) Distinguish the venture from other firms for cognitive legitimacy, (2) Focus on social impact to establish moral legitimacy, (3) Use a higher authority or establish oneself as an authority as a source of legitimacy, and (4) Tailor the message to their audience. In addition to receiving government certification and rhetorical strategies, business planning also provides legitimacy to new ventures. Wei et al.

(2018) studied 311 entrepreneurs in China. They identified that business planning at the early stages of new ventures is critical for gaining legitimacy.

Petkova et al. (2013) examined IT new ventures on legitimacy building in mature industries in developed countries, most probably in the US (no report). They argued that legitimation starts with attention attraction. New ventures employ sense-giving activities to allocate attention. The authors observe that engaging in more sense giving positively affects the media attention towards receiving VC investment. Reynolds et al. (2018) also explored the legitimation process of sustainability-oriented new ventures. They suggest that entrepreneurs' prior knowledge of social and ecological environments and intention to overcome sustainability challenges through entrepreneurial initiatives are essential for gaining legitimacy. However, new ventures focus only on demonstrating sustainability intention at the maintaining-legitimacy stage. As prior knowledge becomes taken for granted, its importance decreases over time. (Sustainability-oriented) New ventures need to demonstrate prior knowledge and sustainability intention for legitimacy (Reynolds et al. 2018).

In addition to these studies, few articles studied legitimacy building for managing dependencies in a nascent industry in a developing (Lin et al., 2010) or a developed (Andersen et al. 2020; Hall et al. 2019) country. Lin et al. (2010) studied three new ventures in Taiwan doing integrated circuit design. They argued that receiving investment from a parent company or VC and cooperating with renowned international companies build legitimacy. Andersen et al. (2020) studied 11 drone start-ups' and relevant other industry actors' responses to regulations with legitimacy building in Denmark. They proposed a theoretical model to demonstrate how the temporal orientation shapes its response to regulatory constraints. Hall et al. (2019) examined nascent green-technology new ventures in Canada. They proposed a framework in which new ventures engage with stakeholders to identify main opportunities, challenges, and potential unintended consequences. They identify them in technological, commercial, organizational, and societal domains at the early technology development stages to engage with stakeholders (Hall et al. 2019).

Legitimacy building for scaling to higher valuation is also relatively highly studied, mostly in developed countries in nascent (Rao et al. 2008), mature (Beaulieu and Lehoux 2017; Khaire 2010), and probably mature industries (Rutherford et al. 2018; Wang et al. 2017).

Rao et al. (2008) studied product introductions of 93 biotech drugs in the USA, arguing that new ventures most benefit from innovation when their strategies provide legitimacy to their stakeholders. They argue that new ventures externally develop their legitimacy by establishing alliances with large firms. When they do not form such alliances, they internally develop their legitimacy by developing a series of product launches or employing named executives or scientists. Beaulieu and Lehoux (2017) argued that new health-tech ventures build cognitive legitimacy to overcome regulatory bodies' content-related pressures (normalization). They also heavily cast cognitive legitimacy to navigate control-related pressures (conformity) from health-tech professionals. However, researchers suggested that cofounders preferred pragmatic legitimacy to deal with shareholders' contextual pressures (mimesis). Khaire (2010) identified that new firms acquire legitimacy by mimicking the structures and ceremonial activities of established firms in their industry, examining

137 new ventures in the advertising industry in the USA. They can also acquire status by affiliating with high-status entities.

Rutherford et al. (2018) examined nearly 5,000 new ventures in the U.S. (without mentioning industries). They argued that attaining sociopolitical legitimacy positively affects the firms' income and increases the chances of new ventures being top performers. According to their results, engaging in regulatory and normative legitimacy in the new venture phase positively affects a firm's income but negatively affects its profitability (Rutherford et al. 2018). Wang et al. (2017) studied 149 new ventures in the manufacturing industries of Canada for entrepreneurial orientation. They argued that they enhance new ventures' performance. Su et al. (2015) studied this combination across nascent and mature industries of a developing country. They analyzed three new Internet ventures from video-sharing, group buying, and social e-commerce industries on the Internet with different degrees of maturity. The research objective is to explore the needs and strategies for legitimation. The authors argue that new ventures in nascent industries need market and relational legitimacy. They adopt conformance to environmental demands to develop their legitimacy, arguing that industry maturity and legitimation strategies have an inverted U-shaped relationship. When maturity levels are high and low, new ventures require legitimacy building prudently. At the same time, they adopt proactive and aggressive strategies for developing legitimacy when the industry has medium-level maturity.

In comparison, Turcan and Fraser (2016) studied the scaling of a new software venture in Moldova to investigate international new ventures from emerging economies. They studied how such ventures impact new industry creation and legitimation. They argued that new ventures must first achieve cognitive legitimacy by designing a solid business model for stakeholders. They need to engage in persuasive argumentation and invoke familiar cues and scripts. They need to participate in political negotiations to have incentives and operating mechanisms to pursue technological legitimation to weaken the effect of the origin country. The authors suggest that gaining cognitive legitimacy leads to the socio-political legitimacy of a new venture and its new industry. Therefore, initially achieving the legitimacy threshold of a new venture and new industry nationally at micro and meso levels is an appropriate strategy. They argued that understanding the legitimacy needs of new ventures according to the industry's maturity level. They suggested reaching the legitimacy threshold nationally at micro and meso levels and building legitimacy internationally (Turcan and Fraser 2016).

In the review, the least studied legitimacy-building objective is testing options. Only Almobaireek et al. 2016 studied a mature industry in a developing country, while—McDonald and Gao 2019 studied a nascent industry in a developed country. Almobaireek et al. (2016) studied 1223 entrepreneurs in Saudi Arabia. They argued that a written business plan and a formal organizational structure positively affect new ventures' cognitive legitimacy and enable them to build a diverse inter-firm network with enterprise partners. Thus, the study identified gaining legitimacy via formal organization structure or business plan in the early stage of new ventures as a critical social strategy to test business options in developing countries. McDonald and Gao (2019) questioned how new ventures manage strategic reorientations and studied two Robo-Advisory new ventures in the USA. Both new ventures had

undergone similar reorientations, reaching similar products. However, they implemented different strategies to manage their audiences to avoid legitimacy-related penalties during this change. The research has induced a process model that helps new ventures anticipate, justify, and stage reorientations without penalty from respective audiences.

In this group of articles, three studies in legitimacy building have been concerned explicitly with a regulatory response. Few articles focused on managing dependencies to the regulatory uncertainties in this group, all in developed country settings. While Andersen et al. (2020) studied regulatory responses in a nascent industry Srikant (2019) studied a mature, and Chen et al. (2018) studied probably a mature industry (See Table 6).

Studying new ventures' responses to legitimacy-building regulations, Andersen et al. (2020) explained this difference with the temporal orientation. They argued that some new ventures respond to regulation as exogenous. New ventures treating regulation as exogenous have either present or future orientation, avoiding or complying with the regulation. Some new ventures, however, consider regulations as endogenous. These new ventures had a bridging orientation and actively sought to influence regulation. They focused their market actions on current and future potential (bridging orientation), attempting to influence regulations with increased legitimation and resource accumulation.

New ventures also employ impression management strategies to influence the political and social environment to gain regulatory approval to build their legitimacy. Srikant (2019) studied new ventures in the energy industry in the USA. He analyzed 59 liquid natural gas import terminal proposals from various new ventures. He identified four main impression management strategies: evasive, positive, defensive, and exuberant. He also located three rhetorical responses persuasive, issue-dissuasive, and detractor dissuasive. He argued that the evasive strategy is adequate to gain faster regulatory approval under highly favorable conditions, which does not involve rhetoric. However, this did not work when there was an adverse political climate, sustained community opposition, or low community need. Therefore, implementing an exuberant strategy, which includes extensive use of all three types of rhetoric, ensures regulatory approval under adverse social conditions. The positive strategy relied on only persuasive rhetoric to redirect target groups' attention towards the positive attributes of the firm or product. On the other hand, the defensive strategy employed persuasive and issued dissuasive rhetoric, avoiding detractor dissuasive rhetoric.

Similarly, Chen et al. (2018) studied how mobile new ventures use privacy management as a competitive strategy to escape regulatory scrutiny and potential public distrust in the USA. They argued that most new ventures adopted a building-the-plane-while-flying-it approach and postponed privacy management issues to later stages. However, they also argued that some new ventures leverage privacy management as a competitive advantage.

4.4 Balancing

While legitimacy building pushes a new venture for conformity and sameness, competitive behavior demands uniqueness and differentiation in certain aspects of a new venture. Therefore, an essential part of strategic behavior is what, when, and how to differentiate while keeping legitimate in the nonmarket environment. Despite its critical nature in the new ventures, the study could identify this type of nonmarket strategy only from two articles in the review sample, in actions like balancing pressures of conformity and differentiation and reaching necessary legitimacy before investing in differentiation in new ventures.

Firstly, Guo et al. (2014) studied nonmarket strategies in this group for scaling to reach higher valuations in a mature industry of a developing country. Secondly, McKnight and Zietsma (2018) studied that in a nascent industry in a developed country.

In their study, Guo et al. (2014) studied 116 entrepreneurial firms across industries in China to balance pressures of conformity (organizational, regulatory legitimacy) and differentiation (entrepreneurial orientation). New ventures face pressures to become similar to gain legitimacy by conforming to the rules of the institutional environment. On the other hand, they also have an entrepreneurial orientation (EO) and tend to become different from others to compete effectively and grow. Guo et al. (2014) argued that organizational, regulatory legitimacy and EO independently improve new venture performance. However, their interaction negatively affects it. Therefore, the authors suggest that balancing the pressures of conformity (organizational, regulatory legitimacy) and differentiation (entrepreneurial orientation) is crucial for enhancing new venture performance.

Similarly, McKnight and Zietsma (2018) examine the new Clean Tech ventures in Canada. They identify that new ventures can overcome this dilemma with an optimal distinctiveness strategy adopting a legitimacy threshold. According to their analysis, the successful performance of a new venture depends on contextual conditions. They argued that differentiation is more effective for new venture commercialization in most contexts after gaining a minimum level of legitimacy (exceeding the legitimacy threshold). Researchers identified collaborative strategies such as coming together with other Clean Tech entrepreneurs in Clean Tech associations, working committees, industry groups, or other alliances. They do this to influence regulations and standards are examples of political strategies employed to gain a minimum level of legitimacy. Successful commercialization is contingent on differentiating and conforming strategies according to the different conditions. New ventures reach a minimum level of legitimacy before benefiting from differentiation investments. (McKnight and Zietsma 2018).

5 Discussion

This study systematically reviewed nonmarket strategies of new ventures as a relevant and essential topic theoretically and practically. It focused on variation in studies concerning new ventures' industrial and country contexts. Other

reviews in the literature have focused on firms' responses to public policies (Shaffer 1995), details of their political actions (Hillman and Hitt 1999; Hillman et al. 2004; Lux et al. 2011; Lawton et al. 2013; Hadani et al. 2017) and how to effectively manage the political environment as a dynamic capability (Oliver and Holzinger 2008). Similarly, they studied actions and outcomes of corporate social responsibility at different levels (Aguinis and Glavas 2012; Agudelo et al. 2019). Some reviews attempted CPA and CSR studies to reach a more general view of nonmarket strategies (Mellahi et al. 2016). Studies brought theoretical perspectives to integrate various theories for understanding and explaining nonmarket strategies (Doh et al. 2012; Dorobantu et al. 2017) and their relationship with firm performance (Wrona and Sinzig 2018). Unlike these reviews focusing on specific types of nonmarket strategy, our research focused on the contextual contingencies of new ventures, defining the ground for integrating this literature with strategic entrepreneurship.

In the review sample, empirical articles outnumber conceptual studies. However, these studies often overlook the impact of contexts, such as the industry's maturity and the country's economic development, despite these factors' impact on nonmarket strategy choices and execution. Numerous articles have either not reported or not controlled the nascence or maturity of the new ventures' industry in their study samples. There is still more work to be done to properly embrace and appreciate the nonmarket strategies of new ventures as a rich subject of interest for organizational researchers.

One article (Li and Atuahene-Gima 2001) and two theoretical (Lounsbury and Glynn 2001; Zimmerman and Zeitz 2002) named new ventures' nonmarket strategies first as a topic in 2001–2005. Despite more than twenty years of history, researchers have generated evidence chiefly in the last six years (2016–2021). Despite the growth of nonmarket strategy literature and the emergence of sub-topics (Wrona, 2018), the nonmarket strategies of new ventures have numerous research gaps. The following paragraphs summarize our review by highlighting the research gaps and implications for theory and practice.

The research mainly studied legitimacy building, sociopolitical networking, and social signaling as parallel efforts that bring new ventures towards a better fit and compliance with their environment. On the one hand, these nonmarket strategies force new ventures towards higher similarity between them. Social signaling and sociopolitical networking research also use institutional environment and legitimacy arguments, emphasizing legitimacy-building strategies. However, one can consider them part of a more significant stream moving new ventures towards higher homogeneity in terms of their structures and actions. On the other hand, balancing works in the opposite direction (See Fig. 3). This group of strategies aims to differentiate the new venture or keep its uniqueness at some optimal level. The difference brings a competitive advantage in the market for higher performance. Studies may focus on how new ventures create, maintain, and sustain their differentiation in balance with the legitimacy demands. This approach may help new ventures to develop their identities and communicate with their stakeholders in the nonmarket environment.

Results showed that new venture nonmarket strategies are growing. Moreover, the results indicate that most studies in developing countries have focused on

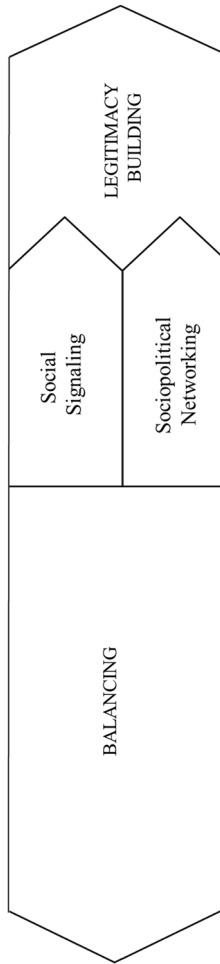


Fig. 3 Dimensions of new ventures' nonmarket strategies

sociopolitical networking strategies. This observation might indicate the primary concerns of new ventures according to the country's economic development. For instance, new ventures in developed countries with solid formal institutions may benefit from legitimacy building. In contrast, formal institutions might be weaker in developing countries, allowing more space for actors. Therefore, sociopolitical networking might be more beneficial.

In contrast, the research interest has been on legitimacy building for developed countries. Studying questions like these requires comparative studies across developing and developed countries. Additionally, qualitative studies in developed countries (22% of the sample) and quantitative studies in developing countries (38% of the sample) have also overtaken research on new ventures' nonmarket strategies in the last six years.

Concerning Social Signaling strategies, researchers studied them mostly in mature industries of developed country contexts. It might be due to the resource-demanding nature of social signaling strategies. Since new ventures in developing countries have more difficulties reaching resources, they might not prefer social signaling strategies.

The review also coded the studies according to the countries. The results demonstrate a clear dominance of China with more than 24 studies. In contrast, no other developing countries significantly have more than three articles in the sample. The US has more than nine developed country studies, followed by Canada with six. Similarly, no other developed countries have represented more than three studies.

The review sample also illustrates the research density of different nonmarket strategies under different economic development and industry maturity combinations. Extant literature involves how new ventures employ strategies of legitimacy building, sociopolitical networking, and social signaling for managing dependencies. Researchers studied legitimacy building, sociopolitical networking, and balancing for scaling fast. For testing new business options, they studied sociopolitical networking and legitimacy building.

The literature is also silent about nonmarket opportunities. Entrepreneurship literature considers opportunities with discovery and creation lenses that could inform new ventures' nonmarket strategies research (Alvarez and Barney 2007). Opportunity discovery argues for an objective existence of entrepreneurial opportunities independent of the new ventures (e.g., Sarason et al. 2006). In contrast, the creation perspective takes a subjectivist perspective and argues that entrepreneurs' actions create opportunities (e.g., Eckhardt and Shane 2003).

Based on our review, new venture founders' entrepreneurial orientation (EO) (Lumpkin and Dess 2015), influences their decision-making and practices, influencing how they select and implement nonmarket strategies in pursuing entrepreneurial objectives. Only two empirical studies in our sample have examined EO concerning new ventures' nonmarket strategies. Guo et al. (2014) studied 116 new ventures in China on how organizational, regulatory legitimacy, and EO simultaneously influence performance in emerging economies. They concluded that while both factors separately improve performance, EO's interaction with legitimacy produces negative performance results. Also, Wang et al. (2017) studied EO and legitimacy in new ventures, studying 149 ventures in Canada. However, they found that the same two

factors jointly enhance the performance of new ventures. The divergence between their results on the same relationship may indicate critical contextual differences between developed and developing countries.

The study also has practical implications for policymakers and new venture executives worldwide. Policymakers might benefit from the findings to gain insights into new ventures' nonmarket strategies and implement more inclusive policies considering economic and industrial contexts. On the other hand, founders and executives of new ventures might consider the findings for choosing and implementing more appropriate nonmarket strategies according to their contexts or objectives.

The review study is also subject to a few limitations. First, following a systematic literature review approach and searching exclusively in peer-reviewed journals might have excluded some relevant studies in books or dissertations. Second, the sample was limited to studies in English, which might have omitted some related studies. Third, some studies in the review sample did not explicitly control, identify and report whether the industry investigated was mature or nascent. As nascence is a particular condition and mature industries are common, the study assumed those as "probably" mature industries and mentioned them explicitly in the review results.

6 Future research

Researchers may use this review to find what contextual combinations have never been, or less, studied in what type of industries in countries of which economic development level. The research mainly concentrates on different issues in developing and developed countries. Further research may explore how the roots of this international division of academic labor have created and evolved for different nonmarket strategies. For example, regarding social signaling strategies, there is a need for more empirical studies to understand how firms implement social signaling strategies in developing country contexts.

There is a clear dominance of studies from China in the review sample. In the future, researchers may study diverse country contexts in both groups for further insights into contextual impacts on nonmarket strategies. In order to outline the differential nature of new ventures' nonmarket strategies, researchers may also design comparative studies with enterprises' nonmarket strategies in the same country context.

Additionally, empirical and conceptual development in new ventures' nonmarket strategies may provide a novel area for strategic entrepreneurship research. It may explain how organizations simultaneously create different forms of legitimacy toward sameness and still achieve competitive advantages toward uniqueness.

Researchers can also explore the phenomena at a micro-level. Existing micro-level research in new ventures' nonmarket strategies has generally focused on the founders while ignoring the rest of the new venture teams. However, as new venture teams are relatively small, individuals in their teams are critical for the performance of new ventures. Researchers may examine how and why specific characteristics and actions of management teams of new ventures lead to increased nonmarket

performance across industries at different maturity levels. New ventures' specific nature may contribute to relevant literature streams, such as upper echelon theory (Hambrick 2007; Hambrick and Mason 1984, e.g., Chin et al. 2013).

A closer look into the review sample reveals that studies have not considered the nature and existence of nonmarket opportunities, which is another potential area for future studies. Therefore, future research should investigate nonmarket opportunities and how they can be explored or exploited. Therefore, entrepreneurship concepts, like EO, may further enrich nonmarket strategies literature concerning new ventures. New research may explore and explain the complex relationships between EO dimensions and legitimation.

Integrating insights on new ventures' nonmarket strategies into strategic entrepreneurship may extend the debate concerning strategy-performance links. Future studies might consider whether new ventures in developing countries implement social signaling strategies and may study the content and the implementation process of social signaling strategies. Do new ventures with scarce resources employ social signaling strategies? Alternatively, do only new ventures with profound resources prefer them? Similarly, there is also a need for more studies on networking strategies in developed countries.

Future studies may focus on how nonmarket opportunities are different from market opportunities. Another open question is whether creation, discovery or some combination of these approaches (Zahra 2008) better explains the nature of the nonmarket opportunity phenomena. Due to resource scarcity, resources' efficient and creative use has traditionally focused on entrepreneurial success. Researchers may focus on defining unique resource bundles in the nonmarket environment that enable varieties of nonmarket strategies under resource scarcity.

Balancing emerged as a novel dimension in the review. Therefore, this review calls for future studies to further elaborate it with theoretical and empirical studies. Future studies may also address whether social signaling and sociopolitical networking strategies work for balancing. Other nonmarket strategies and mechanisms may exist that might complement balancing. There is a significant need to study strategies that work antagonistically with legitimacy building to maintain differentiation for new ventures. There were only two papers concerning this focus in the review sample.

This review employed the UN categorizing countries as developed vs. developing. However, various other approaches exist to categorizing emerging, developing, and developed countries. The study also considered China as a developing country. However, it can also be categorized separately as an economy in transition. Future reviews may consider coding these categories and the country differently.

The study also proposes a conceptual framework for future research on new ventures' nonmarket strategies to add knowledge in this field (See Fig. 4). The model describes external and internal drivers that influence the nonmarket strategies of new ventures. External drivers in the economic and industrial context and internal drivers stemming from the objectives, resources, and capabilities of a new venture imply different nonmarket strategies. Economic and industrial contexts not only affect new ventures' nonmarket strategies but also influence the new ventures' objectives, resources, and capabilities. Even the economic context influences the other

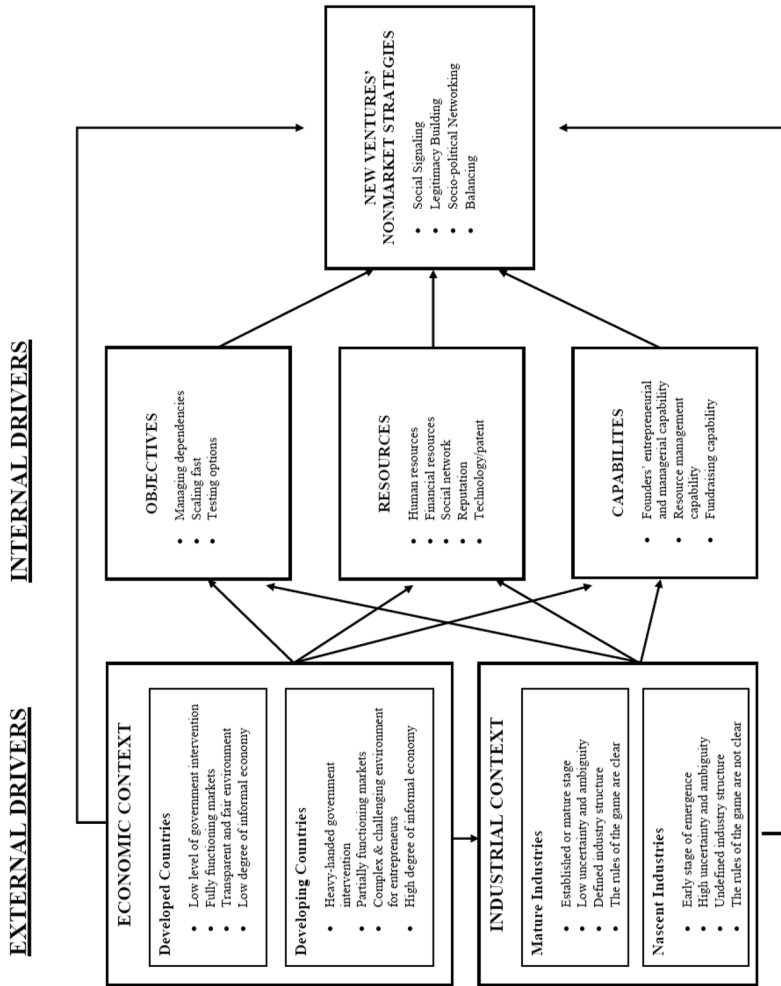


Fig. 4 Conceptual framework

external driver, the industrial context. Therefore, based on this model, future empirical studies might address different issues of new ventures' nonmarket strategies. Several questions arise according to the various combinations of these relationships. Future studies may examine how developing (or developed) countries' legal, social, and political arrangements influence market/industry structures and new ventures' nonmarket strategies. Alternatively, how do different combinations of economic and industrial contexts (developed-mature, developed-nascent, developing-mature, developing-nascent) affect new ventures' resources, capabilities, and objectives? What kind of nonmarket strategies does this relationship imply for new ventures? Future studies might also examine more specific topics; for example, what resources and capabilities do startups need for "balancing" strategy in different contexts? Which nonmarket strategies do new ventures employ to test options in developing and developed countries' nascent or mature industries? How does the fundraising capability of the new ventures affect their socio-political networking strategy in different industrial and economic contexts?

7 Conclusion

The study systematically reviewed (Tranfield et al. 2003) how literature had addressed new ventures' nonmarket strategies in different industrial and country contexts. The results identified that new ventures implement four main nonmarket strategies (social signaling, sociopolitical networking, legitimacy building, and balancing) for three main objectives (managing dependencies, scaling fast, and testing options). The results also indicated that most studies in developing countries have focused on sociopolitical networking strategies for managing dependencies. In contrast, the research interest has been mainly on legitimacy-building strategies for scaling fast and managing dependencies in developed countries.

While researchers studied and identified these combinations, this does not mean they do not use these or other strategies for these other objectives. More studies must reveal what strategies are not relevant or impactful in which circumstances. The study argues that researchers have not studied nonmarket strategies' implications and impacts on new venture objectives in some contexts. Existing studies cannot reach empirical saturation for conclusive results in those studied contexts. For instance, two of the new venture's most pressing objectives, namely scaling fast and testing options, are relatively less studied.

Nonmarket strategies are highly relevant and widely used by new ventures in nascent and mature markets in developing and developed countries. As contextual conditions significantly influence strategy choice and implementation, nonmarket strategy research should focus on these variables. How new ventures engage nonmarket strategies differently for their particular objectives in specific environments makes this area of inquiry a precious domain. Engaging nonmarket strategies literature with new ventures is an excellent opportunity for researchers and entrepreneurs.

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Declarations

Conflict of interest The authors declare no conflicts of interest or competing interests.

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