

## DISRUPTION AND SOCIAL MEDIA — ENTRANT FIRMS AS INSTITUTIONAL ENTREPRENEURS

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Technological change often leads to competitive turbulence in established industries. Little is known about how the introduction of social media affects incumbent and entrant firms. This paper explores the impact of social media on the fashion journalism industry. Our findings show that entrant fashion bloggers have toppled incumbent fashion journalists. Through a netnographic analysis of published blog content, we argue that entrants have become dominant by transforming the profession of fashion journalism and in doing so, they have acted as institutional entrepreneurs. We argue that entrants are less bound by established institutional practices and that their ability to redefine the dominant logic of an industry can explain why they have outperformed incumbents.

*Keywords:* Institutional entrepreneurs; disruptive innovation; social media; blogs; fashion journalism, fashion.

### Introduction

The introduction of information and communication technologies (ICTs) has frequently altered the competitive landscape, resulting in turmoil and structural change in established industries. Social media, defined as interactive communication solutions which build on ICTs, have received a lot of attention in recent

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years. Blogs have become powerful intermediaries between firms and consumers, sometimes reaching more readers than regional newspapers (Pihl, 2011) and on-line communities have become an important source of innovation for firms (Janzik and Raasch, 2011).

Social media has enabled established actors to communicate with stakeholders such as customers in new ways, crowdsourcing can be regarded as one such important trend (Simula and Vuori, 2012; Colombo *et al.*, 2013). On the other hand, this new plethora of technologies has created new opportunities for entrants. Amateurs have successfully created large readerships in the blogosphere and at times also found ways to capture this value (Pihl and Sandström, 2013). At the same time, established firms have increasingly filled the digital media landscape with their own blogs (Cox *et al.*, 2008). This turbulence remains understudied and there is a need for both empirical accounts and a better theoretical understanding of how social media affects the competitive dynamics between entrants and incumbents.

Much scholarly attention has been devoted to explaining how and why incumbent firms are displaced by entrants when an industry undergoes radical technological change (Tripsas, 1997). There are many historical examples of established firms collapsing due to a technological discontinuity, including ice harvesting companies being toppled in the transition to mechanical refrigeration (Utterback, 1994) and analog radio manufacturers missing out on the shift to transistor radios (Christensen and Raynor, 2003). The recent bankruptcy of the former photographic film giant Eastman Kodak can be largely attributed to the shift to digital imaging.

A large body of research has investigated this pattern, sometimes referred to as the incumbent's curse (Foster, 1986). This literature has either studied a technological discontinuity's impact on firm internal factors such as competencies (Tushman and Anderson, 1986) or incentives to invest in the new technology (Christensen and Rosenbloom, 1995). Less attention has been given to how entrants and incumbents differ in terms of how they make use of new technology and how they influence institutionalised practices in an industry.

In sum, this paper addresses two gaps in existing research: (1) there is a need for empirical descriptions of how social media has affected the competitive dynamics in established industries and (2) it is theoretically unclear how entrants and incumbents differ in their capability to transform norms and practices in an industry that undergoes discontinuous technological change. Our paper aims to address these empirical and theoretical gaps by exploring how the introduction of social media has affected an established, information-based industry, in this case fashion journalism.

This purpose is approached through an observational netnographic study (Beaven and Laws, 2007; Kozinets, 2010) of fashion bloggers in Sweden. This industry setting provides an interesting venue for research since it has been populated both by fashion journalists with a background in this profession, and by entrant individuals who have built a business around their blogging activity. Interestingly, entrant bloggers (EBs) have done better than incumbent journalists in terms of readership. By analysing and comparing contents of EBs and incumbent journalists, we argue that entrants are less bound by established institutional practices and that their ability to redefine the dominant logic of an industry can explain why they outperform incumbents. Put differently, they are better positioned to act as institutional entrepreneurs, i.e., actors who alter the norms and practices that prevail in a certain industry.

In the next section, we review existing research on technological discontinuities and pay special attention to institutional entrepreneurship. This is followed by a description of the employed method. The subsequent section contains empirical data regarding the main activities of EBs and incumbent journalists. These findings are then analysed and eventually, a discussion and a concluding remark are provided.

### **Elements of the Topic**

There is abundant research on how and why entrants displace incumbents when an industry undergoes discontinuous technological change. This literature can be divided into two main categories, one being concerned with firm-internal factors (e.g., Henderson and Clark, 1990) and the other one relates to how the surrounding environment affects firms (e.g., Afuah and Bahram, 1995).

Starting with literature on firm-internal factors, much attention has been given to the role of competencies and whether those retain their value. If the knowledge required to develop a new technology differs significantly from the previously dominant one, entrant firms are often better positioned to benefit from a technological discontinuity (Tushman and Anderson, 1986). Other studies in this tradition have highlighted the role of complementary assets and to what extent they remain intact. Entrants may not prevail despite having the right technological competencies, primarily because incumbents may possess specialised complementary assets protecting them from competence destruction (Tripsas, 1997).

Another domain of research has argued that an established firm serving a lucrative market will not explore new technologies if these are not demanded by their existing customers (Christensen and Bower, 1995). An asymmetry of incentives might occur where it is financially irrational for incumbents to invest in

a new technology as they face high opportunity cost, while small entrant firms might be highly motivated to develop a technology that initially offers low profits and is only appreciated by a fringe market.

Building on previous work in this area, some scholars have pointed at entrepreneurial explanations of the competitive dynamics between incumbents and entrants. These researchers underline the importance of proactively changing the market (King and Tucci, 2002; Danneels, 2004; Kassicieh *et al.*, 2004), but little empirical evidence has been provided thus far.

This line of reasoning was further developed by Dew *et al.* (2008) who argued that the key differentiator and determinant of entrant or incumbent success is related to a firm's ability to create or transform markets. According to this perspective, the main challenge for incumbents is not related to internal factors such as resource allocation, competence renewal or timing of entry. Instead, it is a matter of possessing the entrepreneurial capability to proactively, and in interaction with external stakeholders, construct, shape, and change markets. While presenting an intriguingly different perspective, this idea still lacks empirical illustrations and remains largely unvalidated.

Summing up, much research has been devoted to firm-internal challenges and how the market influences a firm's resource allocation processes. Less attention has been given to the different ways in which incumbents and entrants relate to the environment. At the same time, there are good reasons to believe that these differences can have significant impact on the relative performance of entrants and incumbents facing a technological discontinuity, especially when adoption of a new technology enables new ways of creating value. A better theoretical and empirical understanding of how entrants and incumbents relate to the environment is therefore needed. In the following sub-section, we turn to literature on institutions and institutional entrepreneurship, a body of research that is largely concerned with the issue of embedded agency, i.e., how actors are constrained by the environment and under what conditions they are capable of transforming it.

## **Institutional entrepreneurship**

The importance of institutions and how they shape firm behaviour has been increasingly recognised within the more general field of strategic management over the last two decades (Peng and Heath, 1996; Oliver, 1997; Peng *et al.*, 2009). Institutions can be defined as “*the humanly devised constraints that structure human interaction*” (North, 1990:3) and include issues such as laws, regulations, taxation, culture, habits, and practice. When it comes to technology, principles and behaviours related to its usage and perceived benefits can be regarded as

institutions as they are largely taken for granted by all actors and at the same time impose constraints upon action.

Over time, this body of literature has also come to deal with institutional entrepreneurship, i.e., how actors change institutions. Institutional entrepreneurs are thus actors who initiate changes that alter an established institutional regime or create a new one (DiMaggio, 1988; Battilana *et al.*, 2009), a kind of change often referred to as divergent. In doing so, they encounter challenges related to interdependencies with other actors and their abilities to obstruct. Institutional entrepreneurship is thus concerned with the paradox of embedded agency (Garud *et al.*, 2007), i.e., how actors are able to change institutions, despite depending on them (Holm, 1995; Seo and Creed, 2002; Kalantaridis, 2004).

The likelihood for institutional change to occur depends on a couple of factors. Institutional entrepreneurship is more successful when several institutions co-exist as actors are then exposed to a range of different selections (Clemens and Cook, 1999). More generally, a higher degree of institutional ambiguity is expected to create opportunities for institutional entrepreneurship (Fligstein, 1997).

An actor's social position also influences its ability to create divergent change. Several studies have shown that peripheral actors are more likely to act as institutional entrepreneurs since they are less bound by the established order (e.g., Haveman and Rao, 1997; Garud *et al.*, 2002). Actors positioned at the intersection between different institutional fields often function as institutional entrepreneurs (Phillips *et al.*, 2000) as they have less need to be considered legitimate by one institutional order (DiMaggio and Powell, 1983). Moreover, outsiders are also more likely to question established rules and norms and hence, they are more likely to enact institutional entrepreneurship (Cliff *et al.*, 2006).

## Method

To study the impact of social media and how entrants and incumbents differ in their conceptualisation of a new technology, the Swedish fashion journalism industry was targeted. This setting provides an interesting case as both entrant bloggers and incumbent journalists populate the online media.

The role of fashion journalists has been described as a gatekeeping function where these actors “*review aesthetic, social and cultural innovations as they first emerge and judge some as important and other as trivial*” (Kawamura, 2005, 80–81).

The contemporary Swedish fashion blogosphere is a place where both professional bloggers and journalist bloggers (JBs) take part in discussing, reporting, and commenting on fashion products and brands. As such, both professional bloggers and journalists utilising these technological solutions compete in terms of

servicing their audiences with fashion advice. In this paper, fashion journalists are conceptualised as incumbents as they have a background in fashion journalism prior to the emergence of fashion blogs. Professionalised and commercialised bloggers, however, could in turn be argued to represent entrant actors as they have no previous experience of fashion journalism.

In order to analyse the interplay between professional bloggers and JB's, the Swedish blog ranking service "Bloggportalen" was used to identify a suitable sample. This blog ranking service offers independently measured data regarding weekly visits on Swedish blogs. This service is the largest of its kind in Sweden and includes such capabilities as listing the most popular blogs in different categories, including fashion. Through this portal, a sample of the eight largest fashion blogs, defined in terms of weekly visits, was created in August 2009. This list represents the four most popular bloggers in each category: EB's and JB's.

Data was collected from the sampled blogs over the year 2009 using a netnographic approach inspired by Kozinets (1997, 1998, 2002, 2010). Netnography allows the researcher to observe or participate in consumer discussions on public websites by drawing on ethnographic approaches (Kozinets, 2002). In contrast to Kozinets' proposed procedures for data collection, this study employed an observational approach (Beaven and Laws, 2007). The sampled material was downloaded and each individual blog post was recorded using the Excel. Field note data and relevant blog posts were collected in individual documents for each blog.

Having collected the data, the two groups of sampled bloggers were first analysed based on the main characteristics of published content, blog-related operations, and collaborations reported in blog posts. After this analysis had been carried out, social network analysis (Knoke and Yang, 2008) was used to study the connectivity of the sampled blogs by mapping references between the studied fashion bloggers. When a blog post contains a reference to another blogger, it was recorded for each blog individually using Excel and was thereafter analysed using UCINET.

Next, the method of content analysis was applied to the data following the sequential steps presented by Silverman (2006:159). Two major aspects of blog content were analysed in further detail: (1) references to fashion brands and fashion e-commerce in blog posts and (2) integration of fashion brands and fashion e-commerce by bloggers in the same blog posts. When a post included a reference, the name of that fashion brand or fashion e-commerce actor was recorded, along with the number of times it was mentioned.

Similarly, the integration of brands or e-commerce actors by bloggers in blog posts was analysed by categorising blog posts in the following way: (1) blog posts that did not contain references to fashion brands or fashion related e-commerce, referred to as private posts, (2) blog posts which contain commercial references to

fashion brands and e-commerce businesses but simultaneously include a private context, shorthand referenced as posts referring to brands, and (3) blog posts that did not contain a private context but only references to fashion brands or references to e-commerce businesses, referred to as advertisement posts. A post was considered to include private content when it included narratives of a blogger's everyday life, such as writing about jobs, education, pets, friends, vacation plans, etc. Thus, in blog posts that contained commercial references but also private material, the commercial references in these cases became integrated into these narratives.

To determine which fashion brands that the two groups of bloggers frequently integrated, all fashion brand references were aggregated in the two respective groups. Thereafter, the proportions of each referenced fashion brand was calculated for the two groups separately. This was done by dividing the number of references to a fashion brand by the total number of references to fashion brands, thereby providing the proportions of all individual brands of the two blogger groups. To identify the brands that, together, were commonly recurring among the two groups, the most referenced fashion brands, in terms of their proportions, were sequentially aggregated until the total proportion reached 75%. This measure gives an idea about the distribution between brands as well as the diversity of brands that represented a significant part of the two blogger groups' expression of style and fashion. In addition, three recurring blog activities were identified from field note data collected through the netnographic study. These included "today's outfit," question times and competitions and are described further in the empirical section.

## **Results**

This section first presents the studied blogger groups and their main characteristics, which is followed by a presentation of how the groups of EBs and JBs interact in the blogosphere. Subsequently, more information is given on how bloggers publish private and commercial content and how brands are integrated in the material they publish. In the third and final sub-section, three identified practices related to integrating fashion brands and e-commerce on blogs are described.

### **Main characteristics of bloggers**

Since the Swedish fashion blogosphere started to emerge in 2005, several bloggers have generated large audiences. Among popular blogs in 2009, both EBs and JBs

Table 1. Characteristics of the sampled fashion bloggers.

ID	Age*	Gender	Operation time (months)*	Visits per week (August 2009)	Category
1	19	Female	60	642,182	EB
2	18	Female	48	641,989	EB
3	27	Female	24	153,509	JB
4	30	Female	22	92,732	JB
5	25	Male	24	75,877	EB
6	25	Female	60	70,761	EB
7	29	Female	60	61,045	JB
8	27	Female	48	55,349	JB

\*Up until 2010.

can be found. Table 1 describes characteristics of the sampled fashion blogs and their respective category. EBs have on average operated their blogs during a longer timespan (48 months) and generated a significantly higher readership (357,702 visits per week) compared to JBs (385 months and 90,658 visits per week).

Table 2. Main revenue sources, main characteristics of published content, and blog related businesses and commercial collaborations of journalist fashion bloggers and non-journalist fashion bloggers.

Main traits	JBs	EBs
Revenue sources	Employment in media businesses	Limited companies and sole proprietorships
Published content	The published material is filtered through their journalistic role in terms of providing fashion advice, combined with glimpses of their private lives.	Combine narratives of their everyday lives with stories of their entrepreneurial successes.
Blog related businesses and commercial collaborations	<ol style="list-style-type: none"> <li>(1) Owner of a virtual community</li> <li>(2) Book contract</li> </ol>	<ol style="list-style-type: none"> <li>(1) Owner of a blog network</li> <li>(2) Owner of an e-commerce business</li> <li>(3) Owner of a fashion design company</li> <li>(4) Design collaborations with fashion design businesses</li> <li>(5) Modelling</li> <li>(6) Host of a program broadcasted by MTV</li> <li>(7) Lectures services</li> <li>(8) Book contracts</li> </ol>

Table 2 presents main revenue sources, characteristics of published content and blog related businesses and collaborations of the two groups. Among the sampled group of JB's, members were in all cases employed by traditional media companies publishing newspapers and magazines, or broadcasting television channels.

EBs exhibit several entrepreneurial traits. All of them operate their blogs through registered companies. In addition, their current businesses stretch beyond blogging and are manifested through different commercial collaborations. This behaviour stands in contrast to JB's whose published content seems to be filtered through a professional lens. A common characteristic among blog posts published by EBs is that narratives of their everyday lives are combined with reports on their entrepreneurial ventures.

Figure 1 presents how fashion bloggers refer to each other in blog posts. In total, 1,695 references were recorded. As the sociogram illustrates, a number of bloggers show a high degree of centrality within the network, i.e., a greater degree of opportunity to influence and be influenced by others within the borders of the network. Additionally, relatively strong ties between a number of bloggers can be identified. These are represented by thicker lines between the nodes. These strong ties were to be found within the respective groups, i.e., JB's tend to refer more to each other while EBs prefer to connect with other EBs.

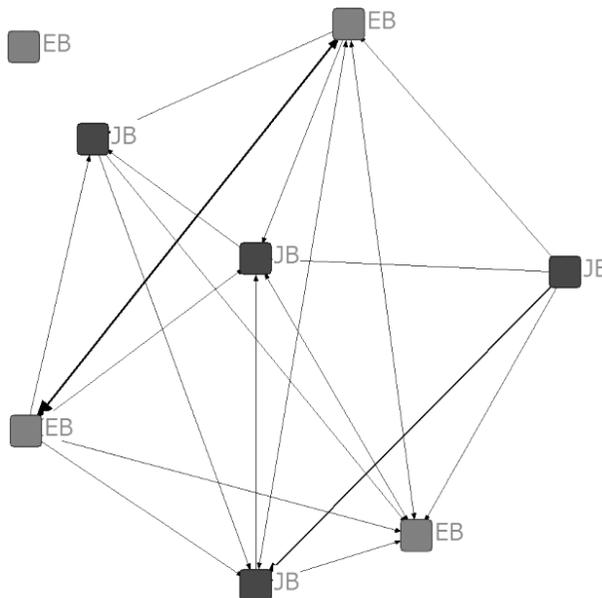


Fig. 1. Sociogram illustrating the studied bloggers network relations.

Table 3. Frequency and share of fashion brand references, e-commerce references, and total references for 2009.

Category	Fashion brand references	Fashion brand share (%)	E-commerce references	E-commerce share (%)	Total references
EB	2,052	86.66	316	13.34	2,368
JB	9,820	99.13	86	0.87	9,906
Total	13,379	96.68	402	3.32	12,274

### Blog content

Table 3 presents frequency and share of references to fashion brands and e-commerce in the two different blogger groups. As illustrated, EBs post a combination of references to fashion brand and fashion e-commerce while JB's almost exclusively focus on fashion brands.

Table 4 illustrates that private posts represent a majority and can be regarded as a characterising feature of the material bloggers in both groups publish. EBs, however, have a considerably larger share of private posts while JB's commonly combine publishing private posts and posts that refer to fashion brands. The share of advertisement posts is relatively even between the groups. A comparison of the total number of references to brands and e-commerce (12,274) with the aggregated number of posts referring to brands and advertisement posts (4205) suggests that the mean post includes 291 references for the aggregated sample, 243 references for the EB group, and 356 references for the JB group.

Table 5 presents the most referenced fashion brands by EBs and JB's. In the case of EBs, both Swedish and international brands, mass-produced as well as high-end fashion brands, are included. Also, EBs own fashion brands (e.g., Classified & Jofama by Kenza) and these are among the most referred brands. In total, EBs referred to 69 fashion brands five times or more over 2009.

Table 4. Frequency and share of private posts, posts referring to brands, and advertisement posts for 2009.

Category	Private posts		Posts referring to brands		Advertisement posts		Total posts
	Private posts	Private posts share (%)	Post referring to brands	Posts referring to brands share (%)	Advertisement posts	Advertisement posts share (%)	
EB	3,840	79.77	759	15.77	215	4.47	4,814
JB	2,587	48.20	2,491	46.41	289	5.38	5,367
Total	7,011	68.86	3,681	36.16	524	5.15	10,181

Table 5. Referenced fashion brands together constituting 75% of total references.

EB top brands	EB top brands total share (%)	JB top brands	JB top brands total share (%)
H&M	15.91	Acne	10.14
Topshop	8.93	H&M	8.15
Zara	8.20	Topshop	4.73
Gina Tricot	5.59	Alexander Wang	4.61
Jofama by Kenza	5.10	Chanel	4.07
Converce	3.95	Whyred	3.58
DNA	3.34	Zara	3.47
Elise Ryan	3.16	Balenciaga	2.48
Classified	2.98	Hermés	2.30
Marc Jacobs	2.00	Lanvin	2.09
Miu Miu	2.00	Dagmar	1.92
Dinsko	1.76	YSL	1.86
Whyred	1.76	Gina Tricot	1.67
Minimarket	1.70	Monki	1.59
Forever 21	1.64	Converce	1.55
Bik Bok	1.28	Filippa K	1.43
Odd Molly	1.28	American Apparel	1.41
YSL	1.15	Chloé	1.24
Victoria Secret	1.09	Rodebjer	1.23
Chanel	1.03	Marc Jacobs	1.21
MQ	1.03	Sonia Rykiel	1.21
		Balmain	1.14
		Lindex	1.06
		Helmut Lang	1.05
		Margiela	1.01
		Bik Bok	0.99
		Stella McCartney	0.99
		Hope	0.92
		Jimmy Choo	0.90
		Carin Wester	0.89
		Weekday	0.85
		Urban Outfitters	0.83
		Vagabond	0.79
		Blank	0.74
		Forever 21	0.68

Among JB's, the most commonly referred brands are also drawn from the Swedish and international fashion industry. Both cheap fashion and high-end fashion brands are covered. In contrast to EB's, brands are however drawn from the luxury segment to a larger extent. In total, JB's referred to 177 fashion brands five or more times over 2009.

## **Activities in the fashion blogosphere**

While EBs and JBs differ in terms of what brands they cover, the bloggers all take part in three common practices. These practices have over the years evolved in the digital setting of the blogosphere, and have become a central part of the fashion blogging culture. The most popular practice consists of publishing “today’s outfit.” The purpose of doing so is to present garments, shoes, and accessories that the bloggers are wearing on a certain day. A text presents the brands behind certain products, while photos show how individual brands are combined into an outfit.

Another frequently used practice is question times. This activity seems to be especially common in the EB group. During these sessions, readers may question bloggers about anything. Usually, question times are announced through a blog post that encourages readers to post their questions as comments to that particular post. When enough questions have been posted, the blogger publishes another post containing answers to a selected number of questions. A considerable share of the posted questions concern fashion trends, fashion brands, and fashion products. Frequently recurring themes include which garments the bloggers recommend for the coming season, or which brands fashion bloggers like the best.

Competitions are the third frequently recurring activity. In the majority of cases, competitions are announced through a blog post where instructions, prizes, and deadlines are presented. Readers are urged to compete to win products and gift cards, often related to the fashion industry and fashion brands. This activity provides yet another illustration of how commercial content is integrated into blog content. The bloggers usually urge their readers to compete and the exposed brands become an integrated part of the relationship between bloggers and readers.

## **Analysis and Discussion**

As can be seen in the previous section, EBs have come to dominate the social media sphere in fashion journalism. These blogs have been operating during a longer timespan and the four top EBs together reach an audience almost four times as large as the one reached by incumbent JBs.

The empirical results suggest that EBs and JBs differ in several regards. They refer to different brands and EBs more frequently highlight e-commerce products or their own brands. EBs also bundle private and commercial contents to a greater extent, while also being more open about their private lives. Moreover, while the two groups clearly speak to each other, interactions are more frequent within the groups than across them. Our data also indicates that several of the frequently

recurring practices on fashion blogs e.g., today's outfit, question times, and competitions have been initiated by EBs and are used more often by this group.

Revisiting literature on technological discontinuities and entrant–incumbent dynamics, several explanations of incumbent decline have been identified by previous research, including firm competencies being rendered obsolete (Tushman and Anderson, 1986) and asymmetries in incentives to prioritise the new technology (Christensen and Bower, 1995).

The transition of fashion journalism into social media and the rise of EBs might to an extent be explained by competence destruction and differences in incentives. Online fashion journalism would arguably require a different set of skills related to personal marketing and ways of generating larger audiences. The core competencies of writing and reporting on fashion garments and products, should, however remain largely intact.

We do not have data on investments of EBs and JBs and can only speculate whether there is an asymmetry in incentives favouring entrants. Starting off as amateurs and then gradually becoming more professional, EBs seem to have been attracted by the opportunities offered by the social media. While it is difficult to monetise online traffic, profits seem to have been large enough for entrants, which partially explains why these blogs have on average been operating for a longer time than JBs. As JBs had established revenues from other (printed) publications, they were probably therefore less keen to exploit online media at its inception.

Based on the above, we cannot rule out that previous literature provides some explanations on why entrants have come to dominate online fashion journalism. Our data, however, points at a third, complementary explanation related to institutional entrepreneurship and how entrants and incumbents differ in their ability to make use of a new technology.

In view of fashion journalists' traditional role as reviewers and judges of aesthetic, social, and cultural innovations (c.f. Kawamura, 2005), JBs do enact a traditional role for example by reporting on a wider array of products and brands but have clearly adopted features of EBs' ways of creating value. More specifically, our comparative study suggests that entrants have acted as institutional entrepreneur in terms of redefining and changing the practice of fashion journalism by making fashion journalism and journalists increasingly personal. In doing so, they have gained the upper hand vis-à-vis incumbent fashion journalists. Put differently, EBs employ a different business model in the sense that they not only create value in new ways, but have also developed their own means of appropriating it (Schneider and Spieth, 2013).

As stated in the theoretical review, institutional change is more likely to happen when several institutions co-exist and create ambiguity (Fligstein, 1997).

Also, institutional entrepreneurs tend to be peripheral or outside the established institutional order (Garud *et al.*, 2002). In fashion journalism, EBs have related to the opportunities created by social media in a different way than incumbents. The interactivity that has been enabled along with the possibilities to create large amounts of content at a low cost are clearly different from the printed media where distance between journalists and readers is greater and available space is much more scarce. EBs are characterised by their personal and private approach to blogging and their ability to involve readers in the production of blog content.

Our observations therefore provide empirical support for arguments that have been brought forward previously (Dew *et al.*, 2008; Smith, 2012). Broadly speaking, these conclusions are different from the ones advocated by previous research, which has argued that entrants either posit different competencies and/or incentives. In contrast to this work, our findings suggest that entrants might be better positioned to redefine institutions and practices and that they thereby change the competitive landscape to their favour, hence grabbing market share from established players.

## Conclusion

The purpose of this paper has been to provide a description of how social media affects competition in an established industry and to explore whether entrant firms and incumbents differ in their ability to enact institutional change.

These findings do not only shed empirical light on a subject that has been scarcely studied previously, they are also intriguing from a theoretical perspective. Based upon our empirical data, we add to the literature on entrant–incumbent dynamics and technological discontinuities by arguing that entrant firms may be more likely to act as institutional entrepreneurs, i.e., they are more capable of transforming markets and industries by creating and utilising novel social practices. As entrant firms are not bound to follow established procedures and norms, they are more likely to introduce technology related practices that enable significant institutional changes.

The topic of institutional entrepreneurship and technological change merits further research, especially since the findings in this paper are based on one industry setting. While the presented data suggests that entrants are more capable of institutional entrepreneurship, more knowledge is needed regarding under what circumstances this is the case. Detailed studies of how incumbent firms relate to the environment and the challenges they encounter when trying to enact institutional change are also needed.

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