

DOCTOR OF PHILOSOPHY

**The Examination of Taobao E-commerce Platform Exploitation from an Entrepreneurial Perspective
The Case of Chinese Pure-play Fashion E-retailers**

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**The Examination of Taobao
E-commerce Platform Exploitation
from an Entrepreneurial Perspective:
The Case of Chinese Pure-play
Fashion E-retailers**



By

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PhD

January 2018

***A thesis submitted in partial fulfilment of the University's
requirements for the Degree of Doctor of Philosophy***

Abstract

Purpose– The aim of this thesis is to assess and examine the impact of entrepreneurship characteristics upon the firms' ability to exploit the Taobao e-commerce platform for market opportunities. These research enquiries are interrogated through an exploration of pure-play e-retailers in the Chinese fashion industry. The thesis responds to the dearth of extant research investigating this area and also the rapid growth of the e-commerce market.

Design/Methodology/Approach– The need to examine *how* and *why* entrepreneurship characteristics impact upon the exploitation of the Taobao platform justifies a qualitative, case study approach. In total, eight pure-play e-retailers were examined, drawn from the Chinese fashion industry, on Taobao.com. In-depth interviews were carried out with the firms' entrepreneurs and staff members, alongside observation of the firms' webpages and social media activity. The qualitative data from interview and observation were analysed by thematic analysis.

Findings– Drawing out from thematic analysis, these findings highlight that the Taobao e-commerce exploitation process is underpinned by five significant entrepreneurship characteristics (innovativeness, forward-looking perspective, fast-mover, business knowledge, relationship-building & networks). The Taobao e-commerce exploitation process is situated within the external online environment (lack of trust, the relatively homogenous market environment, fast-changing online market needs, aggressive competition and technological development) and the entrepreneurship characteristics are shaped by these.

Originality/Value–The research has provided an initial understanding of e-commerce exploitation through an entrepreneurship lens and of EM in an online context and calls other researchers to further examine e-commerce platform exploitation for market opportunities. The research recommends e-commerce firms to develop an entrepreneurial perspective when interacting with the online environment and to adopt an entrepreneurial outlook in exploiting the e-commerce platform.

Keywords– Entrepreneurship, Pure-play, e-retailers, Entrepreneurial Marketing, E-commerce, Online Marketing

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Chapter 1: Introduction

1.1 Introduction to the Research

The aim of this thesis is to assess and examine the impact of entrepreneurship characteristics upon the firms' ability to exploit the Taobao e-commerce platform for market opportunities. In order to enhance our understanding of this research, there will be an examination of how and why entrepreneurship characteristics emerge in the process of Taobao e-commerce platform exploitation. These research enquiries are interrogated through an exploration of pure-play e-retailers in the Chinese fashion industry.

In this chapter, the contextual background of the relevant research issues is highlighted, which includes the importance of the internet technologies in social and economic spheres both at the global level and in the specific context of China, notably the e-commerce industry in China. Following this, there is an identification and assessment of deficiencies in extant relevant literature bases in seeking to understand the exploitation of e-commerce platform through an entrepreneurial perspective. This enables a positioning of the research within relevant theoretical contexts and an understanding of the value of the research topic to emerge. Following this, the principal research question of the thesis is introduced, along with the research objectives, each of which relate to a specific chapter of the thesis.

1.2 The Growth of Internet Technologies

Internet technology began developing in the 1950s when computer scientists were attempting to build global communication networks via computers which provided many of the underlying science and technologies that are fundamental to the internet today (National Research Council 1999, Byung-Keun 2005). By the mid-1960s, a number of military-funded projects (from the US Department of Defence) emerged which focused on the development of experimental communications networks. However, industry did not realise the benefits of such technology until the 1980s when networks began to be widely deployed. It was in the 1980s that Tim Berners-Lee's research at CERN (European Organisation for

Nuclear Research) resulted in the invention of the World Wide Web (National Research Council 1999, Couldry 2012).

By the late 1990s, internet technologies were international in scope and fully-commercialised. Following this period, the widespread adoption of the internet was rapid and almost instantaneous, compared to other historical forms of telecommunications (Feldman 2002). Indeed, following commercialisation of the internet in 1993, it took only four years to reach 50 million users. The widespread and rapid dissemination of the internet since the early 1990s has resulted in revolutionary developments in communication and information-sharing (National Research Council 1999, Feldman 2002, Hilbert and Lopez 2011)

Today, there are significant numbers of internet users on a global scale, which are increasing year-on-year. Indeed, the Boston Consultancy Group (BCG) estimate that over half of the world's population is now connected to the internet (Dean et al. 2012). The current 12 billion devices connected to the internet is expected to increase to 20 billion by 2020 with an increasing proportion of these set to include mobile devices (Dutta, Geiger and Lanvin 2015). Indeed, significant increases in internet usage has been noted in both developing and developed countries. According to the BCG, the developing countries in G20 (e.g. China, South Korea) have 800 million internet users thus far (Dean et al. 2012). The rapid growth and widespread use of the internet has opened up a number of opportunities for individuals, firms, government and other organisations (Dutta, Geiger and Lanvin 2015, Box and West 2016).

1.3 The Social and Economic Benefits of Internet Technologies

The widespread and rapid global diffusion of the internet has changed people's lives and facilitated opportunities for enriching well-being (Box and West 2016). The global reach of the internet allows greater interconnectedness between people, including family and friends despite geographical separations (Dutta, Geiger and Lanvin 2015, Box and West 2016). Additionally, the internet offers opportunities for education, through for example e-learning, in ways that are more affordable and varied than were previously possible while the fundamental

openness of the internet allows the sharing, accessing and co-ordinating of knowledge, through a free flow of data (Box and West 2016). The fast speed of information delivery on the internet has facilitated enhanced exchanging and sharing of ideas and knowledge on a global scale.

The widespread and international growth of internet technologies has opened up opportunities for business information exchange between buyers and sellers, as well as enhancing possibilities for economic growth, productivity and international trade (Dutta, Geiger and Lanvin 2015, Box and West 2016). The flow of information via the internet can be delivered between firms and customers on a global scale, enabling a greater reach of a firm's potential customer base and of promotions. Additionally, it means that business can more closely keep in touch with customers in richer ways than were previously possible (Dutta, Geiger and Lanvin 2015, Box and West 2016). The increased adoption of the internet by firms has led to the emergence of research concerns over how firms grasp and exploit the opportunities facilitated by evolving internet technologies.

In particular, for SMEs, the adoption of the internet could enable enhanced productivity, increased innovation and technological advancements (Manyika and Roxburgh 2011, Zhao, Xiong and Fang 2016). It can also improve export capabilities, where SMEs sell to overseas customers through online marketplaces. In adopting and exploiting the internet, it is found that even tiny SMEs can compete with larger corporations in accessing and sharing information, as well as communicating with suppliers and establishing business networks (Poon and Swatman 1997, Box and West 2016).

Indeed, the internet can allow those who were previously excluded to access economic opportunities (Dutta, Geiger and Lanvin 2015). In addition, it is noted by Box and West (2016) that the internet has enabled lower trade costs in digitally-intensive sectors. Poon and Swatman (1997) identified a number of direct and indirect benefits in both the short-term and the long-term that adoption of the internet could provide for SMEs. For instance, direct benefits for the SMEs include reduced communication costs and generation of short-term revenues (see Figure 1.1 below).

The importance of the internet for firms is evidenced by the significant impacts that the internet has had in the global economy (Choi and Yi 2009). Indeed, increased internet connectivity is reported to have resulted in increases in a country's GDP (Dutta, Geiger and Lanvin 2015). Notably, the BCG state that the 'internet economy' is expected to reach \$4.2 trillion (approx. £3.3 trillion, XE) by 2020 (Dean et al. 2012). The potential for emerging countries in developing their economies through internet usage is substantial. Research by the World Bank indicates that there was an increase of 1.3 percentage points in economic growth for every 10 percentage point increase in internet connectivity (Dutta, Geiger and Lanvin 2015).

Figure 1.1 Benefits of Firms' Internet Adoption (Poon and Swatman 1997)

<p>Direct benefits</p>	<p>Examples:</p> <ul style="list-style-type: none"> – Save in communication costs – Generate short term revenues 	<p>Examples:</p> <ul style="list-style-type: none"> – Secure returning customers – Long term products or services delivery
	<p>Examples:</p> <ul style="list-style-type: none"> – Potential business opportunities – Advertising and marketing 	<p>Examples:</p> <ul style="list-style-type: none"> – Ongoing business transformation – New business formation delivery
Indirect benefits	Short term	Long term

BCG indicate that in 2010 the 'internet economy' formed an average of 4.1% of G20 countries GDP average (Dean et al. 2012) (see Figure 1.2. below). Here, there were significant variations among countries, with the UK, South Korea and China evidencing percentages of over 5%, compared to 1.3 and 1.7% in Turkey and Indonesia. Nevertheless, the overall trend suggests growth of the internet economy and a shift towards usage of internet by firms as an increasingly significant aspect of global GDP (Dean et al. 2012). Thus, considering the importance of the internet for boosting economic growth, it is critical to better

understand how firms exploit the benefits of the internet for developing online businesses.

Figure 1.2 Internet Economy as a percentage of 2010 GDP (Dean et al. 2012)

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The G20 membership comprises a mix of the world's largest advanced and emerging economies, representing about two-thirds of the world's population, 85 per cent of global gross domestic product and over 75 per cent of global trade. The members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union

Figure 1.3 The Estimated Internet Economy as a Percentage of GDP for 2016 (Dean et al. 2012)

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1.4 The Expansion of the 'Internet Economy' in China

There has been a noted 'digital revolution' in China with substantially increasing numbers of people using the internet on a daily basis (Manyika and Roxburgh 2011). Indeed, in 2015, China Internet Network Information Centre (CINIC) (2016) stated that there were 688 million internet users in China, increasing by almost 40 million from the previous year. In particular, use of mobile internet is increasing, with the number of mobile internet users reported to have grown by 63.03 million from 2014 to 2015 (CINI Centre 2016).

In line with this growth in internet usage, the internet economy is of increasing importance in China, with China's e-commerce market estimated to now be the world's largest (E-Marketer 2016). According to E-Marketer (2016), China is the country with the highest number of online retail sales worldwide in 2015, with sales of \$672.01 billion (approx. £528 billion, XE). E-Marketer projects that the size of China's e-commerce sales is set to increase further, up to around \$2 billion (approx. £1.57 billion, XE) by 2019.

Indeed, Dutta, Geiger and Lanvin (2015) indicate that if it were considered as an industry sector, the internet economy would be among the top six in China. As indicated in Figures 1.2 and 1.3, the internet economy accounted for 5.9% of China's GDP in 2010, larger than that of the US, France and Germany, and was estimated to rise to 6.9% by 2016. This is expected to rise, with the internet's contribution to GDP in China to be between 7 and 22% by 2025 (Manyika and Roxburgh 2011).

The internet economy in China is rapidly growing. China's revenue from the internet economy (including shopping, advertising, gaming and payment) rose 23.1% between Q2 2016 and Q2 2017 (iResearch 2017a). Additionally, the internet economy in China is evolving with evidence of a significant shift towards mobile internet. 2016 was the first year that the contribution of mobile internet to the internet economy in China has moved ahead of PC internet. Indeed, iResearch (2017b) estimates that in 2016 the mobile internet contributed to 53.8% of China's internet economy, compared to the PC internet's contribution of 46.2%.

Among the most successful internet-based firms in China are Alibaba (e-commerce), Tencent (social media) and Baidu (search engine). According to iResearch (2017c), as of August 2017, these three websites have the highest numbers of monthly unique visitors. These are today considered to be "monsters" in China's internet economy, "with increasingly hefty international ambitions" (The Economist 2017).

1.5 Definition of E-commerce and E-retailers

E-commerce Definition

E-commerce forms a significant component of the internet economy. In the literature, a narrow definition of e-commerce refers to the electronic exchange of transactions or value between buyer and seller (Payne 2002, Chaffey 2011, Allison 2017). This primarily considers the purchase of goods by customers from online retailers through electronically-mediated financial transactions. However, broader definitions go beyond an understanding of e-commerce as simply

referring to financial transactions or value exchanges via electronic networks to consider *all* forms of exchange between an organisation and its stakeholders, including customers and suppliers. This includes exchange of information, pre-sales marketing, after-sales support and other forms of non-financial transactions between organisations and stakeholders (Timmers 2000, Payne 2002). Indeed, Payne (2002: 6) adopted the following broad definition of e-commerce for their research:

“Any use of information and communications technology by a business that helps it improve its interactions with customers or suppliers.”

Kalakota, Stallaert and Whinston (1996) propose that there are a number of broad perspectives on viewing e-commerce:

Table 1.1 Different Perspectives of E-commerce Definition

Perspective	Description
Communications Perspective	The electronic delivery of products, services and information.
Business Process Perspective	The use of e-commerce technologies to enable automation of business transactions and processes.
Service Perspective	Enabling the increased efficiency, speed and quality of service delivery through digital means.
Online Perspective	The online purchasing and selling of goods and services.

The distinction between narrow and broad understandings of e-commerce aligns with its historical development. Since its emergence in the 1990s, the e-commerce industry has evolved from a simple exchange of goods and services via electronic means towards a more holistic and broader engagement by firms with customers and stakeholders. Although some scholars in the field continue to refer to a narrower definition of e-commerce (e.g. Allison 2017), there has been

an identified general trend towards a broader understanding of e-commerce. From 2001-06, Lauder and Traver (2015) note a move by traditional firms towards a strengthening of market positions and brand-building using the web via PCs. Moreover, from 2007 to the present, firms are increasingly using social media to communicate with customers and as an advertising tool via smartphone and tablet devices. There has also been a shift towards increasingly segmented marketing through the use of powerful analytic tools. Thus, the identified trends in e-commerce adoption have been driven by broader developments in internet technologies (Lauder and Traver 2015).

Based on the above review, this thesis considers e-commerce to include a firm's pre-sales marketing, after-sales service and other forms of interaction with customers and stakeholders, via internet technologies such as the web, social media and analytical software. Thus, the focus of this research is upon how e-commerce firms use the internet technologies (e.g. social media, e-commerce platforms) to seek and respond to opportunities in the e-commerce market. The most frequently discussed form of e-commerce is Business-to-Consumer (B2C) which has grown rapidly since the mid-1990s (Lauder and Traver 2015). This refers to the purchasing of goods and services from firms operating online by individual consumers. There are other forms of e-commerce that have been identified in the literature (See Table 1.2).

Table 1.2 Different forms of E-commerce Transactions (Chaffey 2011)

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Definition of E-retailers

E-retailer, also known as e-tailer or online retailer, is a type of e-commerce firm that sells goods and services online directly to customers, encompassing all of the B2C activities (Lauder and Traver 2015). It includes pre-sales marketing activity, online retail transactions and after-sales services, in line with a broader understanding of e-commerce (Harris and Dennis 2002, Pantano and Dennis 2017). In this research the focus is upon examining the e-retailer's e-commerce activity considering the e-commerce definition. The history and development of e-retailing follows that of e-commerce in that evolution of internet technologies especially e-commerce infrastructure is driving this process (Chaffey et al. 2009).

There are two major forms of e-retailers identified in the literature, in which a distinction is made between pure-play e-retailers and 'click-and-mortar' stores (Nataraj and Lee 2002, Steinfield 2002, Standifird 2002, Toufaily, Souiden and Ladhar 2013, Herhausen et al. 2015, Papagiannidis et al. 2017). Pure-play e-retailers refer to stores that have started-up with an online-only presence. On the other hand, click-and-mortar stores are traditionally physical but have expanded their operations onto the internet. On occasions in the literature, these are called 'bricks-and-clicks' stores, but these refer to the same phenomenon. Some scholars have examined 'pure-play' e-retailers and 'click-and-mortar' stores to investigate how various factors may differ between the two, including performance, trust and reputation (Nataraj and Lee 2002, Steinfield 2002, Standifird 2002, Toufaily, Souiden and Ladhar 2013, Herhausen et al. 2015).

It is largely proposed in the literature that click-and-mortar stores may have advantages in comparison to pure-play e-retailers, as they have an already-established reputation and pre-built relationships with customers, as well as existing supply chain structures (Nataraj and Lee 2002, Harris and Dennis 2002). In contrast, pure-play e-retailers rely on the internet for every aspect of their operations and start-up on the internet without these pre-existing advantages. By examining pure-play e-retailers, an understanding can be developed of how firms

can make use of solely e-commerce platform (e.g. e-commerce platform and social media) in order to seek and respond to opportunities in the market and offset these pre-existing disadvantages.

1.6 The Expansion of the E-commerce Market in China

E-commerce has the largest share of the internet economy in China: 60.8% in 2016 (iResearch 2017a) (See figure 1.4). Indeed, online shopping and mobile shopping contribute the most to the internet economy. For instance, in Q2 2017, the gross merchandise volume of China's mobile shopping approached 1.173 billion yuan, rising from 40.8% in Q2 2016 (iResearch 2017b) (See Figure 1.5). It can be suggested that there is significant demand for e-commerce in China, given the lack of physical retailing infrastructure in the country (e.g. one shopping mall per 1.2m people) (The Economist 2017). This growth of online and mobile shopping in China highlights the need to further investigate the country's e-commerce sector.

Figure 1.4: Structure of Internet Economy Market by Revenue in China in 2016 (iResearch 2017a)

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Figure 1.5: Gross Merchandise Volume of China's Mobile Shopping Q1 2016- Q2 2017 (iResearch 2017b)

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Despite the rapid and recent growth of Tencent and other firms, Alibaba remains China's largest e-commerce firm, holding 70% of the market currently, through operating two of China's domestic e-commerce platforms: Taobao and Tmall. Taobao is the largest third-party, e-commerce platform in China, comprising of 96.4% of online customer-to-customer transactions in China (Gao et al. 2016).

Indeed, e-commerce growth in China has been facilitated by the development of online marketplaces, such as Taobao, where, in 2010, more products were sold than at all of China's top five brick-and-mortar retailers combined (Dean et al. 2012). Indeed, rapidly increasing numbers of users and sales on e-commerce platforms in China have been noted. For instance, as can be seen in Figure 1.6 below, there is evidence of year-on-year growth on Taobao since 2011. The gross merchandising volume on Taobao increased in quarter 1 of 2016 by 18% in comparison to the same quarter of 2015, totalling 449 RMB (The Alibaba Group 2016). Taobao's revenue increased by 39% from 2015 to 2016.

**Figure 1.6 Taobao's Gross Merchandise Volume from Q2 2012 to Q2 2016
(in billion yuan) (The Statistics Portal 2016)**

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In addition, it is noted that there were 423 million active annual buyers on Taobao in March 2016 compared to 350 million in March 2015 (The Alibaba Group 2016) (See figure 1.2). There were sales of almost \$6 billion (approx. £4.6 billion, XE) in sales on Taobao in only 24 hours on 'Singles Day' in 2014, one of the special sales events in China (Manyika and Roxburgh 2011). The online marketplaces have particularly benefitted SMEs in China. Indeed, around 25% of SMEs in China have adopted the internet as part of their business activities (Manyika and Roxburgh 2011). Given the rapid development of the e-commerce market (and the internet economy more broadly) in China, there is a need to improve understanding of the adoption and exploitation of the internet, specifically on the Taobao e-commerce platform in the specific context of China. In particular, there is a need for greater insight into how the firms which operate on Taobao exploit the e-commerce platform in this competitive online environment.

On these platforms, SMEs can launch online stores with lower barriers and cheaper costs. However, the environments tend to be hyper competitive and there lies significant need for firms using these platforms to have competitive advantage and to stand out from their competitors. Here, the e-commerce firms on third-party platforms evidence significant differences from traditional companies (Gao et al. 2016). Taobao's online marketplace makes use of

innovative communication and online payment technologies which is proposed by Gao et al. (2016) to lead to increased transparency and to facilitate consumer trust and loyalty.

1.7 Internet Environment in China

The internet is heavily politically censored in China which has significant implications for the ways in which e-commerce firms can operate online. For instance, foreign search engines (e.g. Google) are either heavily restricted or blocked in China. The Internet Content Providers in China are under direct control of the Department of Propaganda of the Central Committee of the Communist Party of China. Nevertheless, there are few economic regulations surrounding e-commerce which has facilitated the rapid expansion, growth and domination of certain e-commerce firms in China (The Economist 2017). The political atmosphere and the rules and regulations surrounding internet use are ever-changing. This results in a continually changing internet environment (Batjargal 2007). Thus, e-commerce firms in China need to follow sophisticated and complex government regulations but those firms which use third-party e-commerce platforms need to follow the rules set by the platform providers, such as Taobao.com.

It is well-established that the e-commerce market is rapidly and significantly growing in China. Given the growth of e-commerce firms and the increasing numbers of users, it is timely to investigate this phenomenon. There is a need to further examine e-commerce firms in this specific context, which contains a number of special features, e.g. politically censored internet. The internet economy has significantly contributed to recent economic development in China; however, this contribution has been partly driven by the development of internet technologies, and partly by how firms make use of these technologies to improve their performance and maximise business growth.

The Taobao platform operates as a third-party e-commerce platform that firms can use to start their online business with fewer technical constraints. It is important to better understand how firms effectively adopt and exploit this

platform to seek opportunities in the increasingly competitive nature of the e-commerce market. It is expected that this research will provide an insight into how the firms are exploiting the Taobao e-commerce platform to survive and grow in this intense and ultra-competitive online environment i.e. how they make use of the e-commerce platform to contribute to this growth.

1.8 Challenges to E-commerce Development

Although the emergence of the internet is mainly beneficial, there are nevertheless a number of concerns and challenges associated with the use of the internet for e-commerce development. Primarily, these refer to breaches in data security and unauthorised uses of personal data which may lead to people perceiving risks or insecurity in using the internet (Box and West 2016). It has been detailed in the literature that the online environment presents particular challenges for internet firms who may encounter difficulties in gaining the trust of their customer base (Hong and Cho 2011). It is suggested that customers' perceptions of risk and security when shopping online and their trust in the company are likely to significantly impact upon their behaviour and intention to purchase (Lu, Zhao and Wang 2010, Hong and Cho 2011).

In the e-commerce environment, the third-party e-commerce platform acts to offer a form of 'intermediary trust', whereby it provides basic security assurances to customers, e.g. payment security through institutional mechanisms (Hong and Cho 2011). However, there is a further level of trust for e-commerce firms on third-party platforms: the seller trust. Although there are basic security assurances from the platform, the firm still needs to build trust with the customer through interacting with them online and to make them comfortable and secure in purchasing unfamiliar items that they cannot touch in an online environment (Hong and Cho 2011). Thus, it is necessary to further investigate how firms exploit the e-commerce platform to gain competitive advantage in this online environment which presents particular challenges in gaining customer trust.

1.9 Research Deficiencies in Extant Research

In the previous section, it was highlighted that the use of the internet can enable increased flows of knowledge and sharing of ideas which can be beneficial for business development. The section also outlined the importance and urgency of better understanding the developing e-commerce phenomena. Gaps have been identified in the extant research which link the phenomena of entrepreneurship and e-commerce platform exploitation in the pure-play e-retailer's context. Research concerns have been raised over the need to examine the exploitation of the internet for seeking opportunities in the market. Additionally, gaps have been identified which include the relationship between entrepreneurship and the process of e-commerce platform exploitation, entrepreneurship in the context of e-retailers and the role of entrepreneurship characteristics in the process of e-commerce platform exploitation.

Firstly, the extant literature highlights the benefits of the internet for firms' business growth. Notably, it outlines the key strategic roles of the internet for firms in increasing their business growth (Loane 2006, Akhtar, Azeem and Mir 2014). In the extant literature, firms' 'adoption' of the internet primarily refers to the firms' decision to integrate internet technologies into their business processes. However, although the strategic roles offered by internet adoption are examined in the literature, it is less clear how the firms are exploiting the internet for opportunity-seeking purposes.

In this research, it is understood that 'exploitation' of internet technologies refers to how the firms are using these technologies for advancement or development. Indeed, the Cambridge English Business Dictionary defines 'exploitation' as "the use or development of something for profit or progress in business". In this way, 'exploitation' is understood as 'commercial exploitation', whereby internet technologies are exploited for the 'economic success' or 'development' of the firm. Thus, 'exploitation' of the internet is considered in this research to be a step beyond internet adoption, in seeking to enhance understanding of how the firms make use of the internet technologies in advancing or developing the firm, rather than simply introducing these into the firms' business processes.

While adoption of the e-commerce platform can certainly facilitate business processes, there needs to be more than simply adoption in order to successfully seek and exploit the opportunities for firms' long-term growth. Loane (2006) and Samiee (1998) suggest that is insufficient for firms to solely have an online presence. Firms' adoption of the internet could provide long-term and short-term benefits, but this would depend on how the internet technology is innovatively or proactively applied. Thus, there needs to be increased research into precisely *how* firms are exploiting internet technologies for seeking and exploiting opportunities in the online market.

Secondly, current scholarship also indicates the benefits of the internet for entrepreneurs. Notably, the global knowledge-sharing and collaboration facilitated by the internet can provide a platform for innovation and the development of new business ideas. Flows of knowledge are argued to underpin innovation (Box and West 2016) and the entrepreneur's new ideas can be shared on a global level through the internet. The use of the internet as a platform also enables entrepreneurs and firms to commercialise their innovations. In addition, by removing barriers to market entry, resources can be freed up for innovative activity by firms (Box and West 2016). Given that the features of the internet facilitate these benefits for entrepreneurs, it is necessary to understand how the e-commerce platform has shifted the landscape of entrepreneurship through enhancing understanding of the e-commerce platform exploitation for seeking and maximising market opportunities from entrepreneurial perspective.

The extant research has primarily focused upon the adoption of e-commerce (See appendix H for the searching process of claiming this knowledge gap). Such literature has examined firms' adoption of e-commerce from both macro and micro perspectives, including evaluating the benefits and barriers of e-commerce adoption (e.g. Mazzarol 2015), as well as the role of contextual factors in the firms' engagement with e-transactions, considering e-commerce entrepreneurship as a new Information Communication Technology (ICT)-enabled business venture (Fillis, Johansson and Wagner 2003, Stephen, Childers and Offstein 2007, Mazzarol 2015, Effah 2016). Such research has

highlighted the impacting factors upon the firms' decision to integrate internet technologies into their business processes.

Thirdly, limited research has thus far made connections between e-retailers and entrepreneurship. The focus of researchers that did so was upon the use of the e-retailing firms as an object for exploring entrepreneurship development processes (e.g. Ashworth 2012), rather than upon the e-retailer's online activities or the role of the entrepreneur in the online environment. Here, scholars are concerned with how the entrepreneurs of e-retailers started-up and developed the firms (e.g. Deprez, Leroy and Euwema 2018). Extant research has also examined e-commerce firms' successful business strategies (e.g. Ashworth et al 2006a, Polatoglu 2007). In this research, the focus is upon assessing and examining how and why entrepreneurial behaviour are reflected in exploiting the Taobao e-commerce platform for market opportunities, in the context of pure-play e-retailers operating in China.

Fourthly, there is limited research that uses entrepreneurship characteristics to examine the e-commerce platform exploitation process. The literature highlights a number of competing perspectives on the role of the entrepreneur in firm-level processes. The entrepreneurship literature has identified a number of key dimensions of entrepreneurial orientation such as proactiveness, innovativeness and risk-taking taking (Miller and Friesen 1983, Lumpkin and Dess 2001, Oviatt and Mcdougall 2005, Glavas and Mathew 2014). Although key dimensions of the entrepreneurship characteristics have been outlined and examined in the entrepreneurship literature, there remain significant knowledge gaps with entrepreneurship in the context of e-retailers. As Glavas and Mathews (2014) suggested, the research area is still evolving and there remains a need to further explore the role of entrepreneurship in internet-enabled environments in new contexts.

There is insufficient research which examines the entrepreneurship characteristics in the process of e-commerce exploitation and how the identified entrepreneurship characteristics emerge and are reflected in the firms' exploitation of the e-commerce platform. Notably, despite the recent and

significant growth in the e-commerce market in China and the increasing numbers of firms in China which are adopting e-commerce platform as their primary business platform, the entrepreneurship literature has paid little attention to this phenomenon in this context.

1.10 Principal Research Question and Objectives

In the previous section, a gap in extant literature was identified in terms of the impact of entrepreneurship in e-commerce platform exploitation in the context of e-retailers. In addition, it was highlighted that there is increasing urgency to conduct research in this area, considering the increasing importance of the internet in the global economy and the increasing numbers of online users and sales worldwide. More specifically, there is a necessity to explore this phenomenon in the context of China, as there is a recent, significant expansion of the e-commerce market in China. Subsequently, the following principal research question was formulated:

Principal research question:

How and why do the entrepreneurship characteristics impact upon the exploitation of the Taobao e-commerce platform to seek market opportunities in the context of pure-play fashion e-retailers in China?

This research question seeks to assess and examine how and why the entrepreneurship characteristics impact upon the exploitation of the e-commerce platform in China. In order to better examine the process of e-commerce platform exploitation, this research focuses upon pure-play e-retailers, rather than click-and-mortar firms in examining how firms exploit the e-commerce platform. Given that pure-play e-retailers are firms which operate solely online without a physical presence, there may be distinctive elements characterising how they exploit the e-commerce platform in comparison to traditional firms.

The strategies of pure-play e-retailers in exploiting the e-commerce platform have thus far been under-investigated. Thus, this research assesses and examines the decisions taken and strategies devised by the pure-play e-retailers in relation

to the exploitation of the Taobao e-commerce platform. The Taobao e-commerce platform is used by firms to conduct pre-sales marketing, after-sales service and other forms of interaction with customers and stakeholders, via internet technologies such as the web, social media and analytical software. The research goes beyond an identification of what business strategies have been undertaken by the pure-play e-retailers to focus upon understanding how and why these strategies have been developed by the firms in the context of Chinese pure-play e-retailers through a specifically entrepreneurial lens.

In order to respond to this principal research question, a number of objectives have been generated, each of which will be addressed by chapters within this thesis:

1. To outline the contextual background of the enquiries of this research, specifically in relation to the technological development of the internet and e-commerce at the global level and in the context of China's recent e-commerce expansion and in relation to existing theoretical deficiencies of entrepreneurship research in the e-commerce context.
2. To overview and assess existing understandings of the strategic roles of the internet for businesses, entrepreneurship, Entrepreneurial Marketing (EM) and the environmental and organisational impacting factors through a review of extant literature of relevance to the enquiries of this research.

In Chapter 2, there is an assessment and critical evaluation of current thinking in relevant research areas, providing a research base and a theoretical background for this thesis. Subsequently, deficiencies in the current literature are identified which drive the areas of focus for this thesis.

3. To develop an appropriate methodological approach that responds to the principal research question of this thesis and guides an empirical investigation of the relationship between entrepreneurship characteristics and the exploitation of the Taobao e-commerce platform.

In Chapter 3, a research methodology is selected and justified. Firstly, an interpretivist epistemology is outlined, acting as a basis for the methodology of the research. Secondly, the selection of a qualitative, case study approach for this thesis is detailed and justified. Thirdly, the data collection and data analysis processes for this research are outlined in detail, thereby allowing fellow researchers to replicate this project's empirical examination, if necessary.

4. To evaluate the key entrepreneurship characteristics that emerged from the findings, in relation to the firms' exploitation of the Taobao e-commerce platform.

Chapters 4-8 assess and examine how and why each of the key characteristics is reflected in the firms' exploitation of the Taobao e-commerce platform. These chapters discuss the findings in the context of relevant theoretical literature, comparing and contrasting the findings in this research with research contributions from elsewhere.

5. To develop an exploratory inductive conceptual framework to highlight the theoretical contribution and positioning of the findings, considering their significance and what the research did and did not achieve in responding to the principal research question of the thesis.

In Chapter 9, based on the findings which emerged from chapters 4-8, an exploratory inductive conceptual framework is developed to demonstrate the impact of entrepreneurship characteristics upon exploitation of the Taobao e-commerce platform in the process of market opportunity seeking. The theoretical contributions of the key findings of this research are indicated and detailed, situating these in the context of extant theoretical work on entrepreneurship and entrepreneurial marketing. This considers how the overall findings of this research contributes to different schools of knowledge and broader theoretical debates. Following this, there is a critical assessment and evaluation of what the research did and did not do. It establishes a foundation for future study and

highlights a number of directions for future studies to move towards. Subsequently, a number of research implications are drawn out for improving e-commerce platform exploitation practices, based on the findings of the research.

1.11 Chapter Summary

This chapter provided an outline of the importance of the internet in current social and economic spheres. It also highlighted the expansion of the e-commerce market in the specific context of China. These provide a contextual background into this area of concern and underlines the importance and timeliness of conducting research into this phenomenon. Subsequently, a number of gaps were identified in the extant literature, which led to the formulation of the principal research question. In the following chapter, there will be an in-depth evaluation and review of the relevant extant literature, in order to provide a research foundation for this thesis and to identify deficiencies in the current literature.

Chapter 2: Literature Review

2.1 Chapter Introduction

The purpose of this chapter is to review the extant literature to assess and critical evaluate the current thinking in relevant research areas. It seeks to provide a research base and a theoretical background to provide a platform to respond to the principal research question of this thesis. The chapter outlines and critically reflects on the existing literature bases that could provide insight into the impact of entrepreneurship upon Taobao e-commerce platform exploitation. Subsequently, deficiencies in the current literature are identified which drive the areas of focus for this thesis. Thus, the structure of this chapter is as following: (2.2) Strategic Role of the Internet for Business (2.3) Entrepreneurship and the Entrepreneur (2.4) Entrepreneurial Marketing (EM), and (2.5) Contextual Factors for Entrepreneurship.

Figure 2.1 Literature Review Structural Map



2.2 The Strategic Role of the Internet for Business

As highlighted in Section 1.3, the openness of the internet enables multiple benefits for firms adopting internet technologies. However, all firms adopting the internet can access similar benefits and cannot achieve competitive advantage by simply adopting the internet alone. Rather, firms need to exploit internet technologies and integrate these into their business strategies in order to differentiate themselves from competitors. Firms can deploy the internet in different roles for building competitive advantage. It is necessary to understand the existing research on internet adoption and exploitation in order to examine potential e-commerce exploitation.

Following a review of the extant literature, a number of strategic roles of the internet for firms have been identified. It is offered that these strategic resources and capabilities can enable firms to penetrate and develop markets, as well as increase their competitiveness. More specifically, these can allow SMEs to overcome resource constraints. This section is structured by the four key strategic roles of internet exploitation for firms: Business Processes; Marketing Communication; Marketing Intelligence; Business Collaboration.

2.2.1 Business Processes

Business processes refer to firms undertaking sales, administrative, manufacturing and human resources functions (Loane 2006). Regarding sales, the adoption of the internet may enable a faster and more cost-effective transaction process, including ordering, billing and payments. As well as this, the use of the internet can be used for order tracking and as a point of contact. Indeed, compared to traditional local agents or distributors, the internet can act as a vehicle for market entry for SMEs, enhancing effectiveness of consumer orders and responding to customer enquiries regardless of physical location. An online presence acts as an alternative to a physical market presence (Sinkovics and Sinkovics 2013).

For SMEs, the internet can be regarded as important for the firm's development as it can offer benefits in their business processes, specifically concerning the cost-effectiveness of operations and the range of market reach (Yin Wong and Merrilees 2005, Sinkovics and Penz 2005). Thus, for SMEs, who tend to be resource-poor and geographically isolated, adoption of the internet can support their business processes to help them overcome their resource constraints (Loane 2006, Loane and Bell 2006). However, Loane McNaughton and Bell (2004) argue that in order to access its benefits, the internet needs to be fully integrated into the entrepreneurial firm's overall business strategy rather than only being used to expand the sales channel.

As internet usage is beneficial for improving access to information and markets, SMEs believe that the internet could help them reduce the demands of having

different entry tactics for different markets, mitigate their resource-poverty and minimise travel and distribution costs (Arenius, Sasi and Gabrielsson 2005, Berry and Brock 2004). Nevertheless, it is still vital to consider the different aspects of specific markets when attempting to enter them.

This research specifically examines pure-play e-retailers who are based solely online, all of which have online presence and adopt the internet for their business processes, e.g. online sales points, business transactions. Thus, the simple adoption of the internet is insufficient in ensuring competitive advantage for pure-play firms. The firms need to integrate the adoption of the internet into their business strategies and processes in a wide variety of ways which need to be further explored.

The integration of a firm's technology with day-to-day business processes depends on their online technological capabilities. These are the specific resources which can play a core role in supporting a firm's internet usage. The firm's online technological capacity and capabilities can aid or constrain the development of a sustainable competitive advantage, especially in an environment with rapidly developing technology (Moen, Endresen and Gavlen 2003, Loane, McNaughton and Bell 2004, Sinkovics and Penz 2005). Thus, it is necessary to consider the role of technological capabilities in the operation of the firm's business processes and if these are significant in driving the processes.

2.2.2 Marketing Communication

The internet can be adopted as a tool for marketing communication. Keller (2001) explains that, "*Marketing communications are the means by which firms attempt to inform, persuade, incite, and remind consumers – directly or indirectly - about the brands they sell*". As well as encouraging increased product sales, marketing communications can also enable the formation and building of brands in the market (Madhavaram, Badrinarayanan, and McDonald 2005). Mediums of marketing communication have become increasingly diversified and fragmented in recent decades, with evidenced movement away from traditional forms of marketing communication, with the internet now acting as a key medium of

communicating marketing to customers (Keller 2001).

Marketing communication via the internet can include website, email and social media. In communicating with customers via the internet, firms can access a larger customer base than was previously possible in a more cost-effective manner. Through advertising and promotions, adoption of the internet by firms can enable greater numbers of potential customers to be reached. Internet adoption for marketing communication purposes can enable market expansion and increased exposure of products and services, regardless of geography (Loane 2006, Celluch and Murphy 2010). Ahktar, Azeem and Mir (2014) indicated that marketing communication through the internet has a positive effect on market development (i.e. opening up new markets or expanding markets regionally and globally), although the nature of this relationship is unclear.

Social media is increasingly used by SMEs for firms' marketing purposes in order to more frequently and more easily communicate with their customers. Indeed, social media can be used by SMEs to increase the speed, interactivity and responsiveness of communication with customers and potential customers (Verhoef, Reinartz and Krafft 2010). Social media is an internet-based form of communication, comprising texts, pictures, videos and networks. Examples of social media include blogs, picture-sharing websites, video-sharing websites and relationship networking. Social media marketing differs significantly from traditional marketing and is considered to be essential in the modern business world in staying competitive (Erdoğan and Çiçek 2012).

In such a way, social media fosters greater interactivity between buyer and seller, creating the potential to allow firms to better understand and serve its customers (Sashi 2012). SMEs can use social media to provide precise and appropriate content to inform its audience about promotional information and reply appropriately to their concerns about the firms' products and services. Shlinke and Crain (2013) stress the importance of communicating with customers whenever possible, which includes asking questions aimed to better understand the customers' needs, or gaining feedback from buyers.

Selecting an appropriate platform is another important part of building an online presence. It is important to consider the type of social media which may be used by a target audience, as well as which online marketing strategy would best suit the audience (Schlinke and Crain 2013). However, in order to improve the efficient use of the internet, it is important to develop a promotional strategy for websites by using the appropriate communication media (Samiee 1998, Sinkovics and Sinkovics 2013).

Barnes and Mattsson (2011) outline 'virtual-world brand value', which not only requires an understanding of communication with customers about how well the brand is perceived, but also understanding of how the type of brand fits in with the desired online presence. Therefore, this suggests that an organisation must consider not only what the brand currently has to offer, but also which channel is suitable and which would help a brand reach a target audience, and progress as a company (Barnes and Mattsson 2011).

It is proposed that social media marketing facilitates the building of closer, more intimate relationships with customers (Colgate, Buchanan-Oliver and Elmsly 2005, Erdoğan and Çiçek 2012). The immediacy and real-time nature of social media allows more frequent and more intimate interactions between buyer and seller (Colgate, Buchanan-Oliver and Elmsly 2005). There is a perceived greater sincerity to social media communication which can highlight a brand's selling points in an organic way (Erdoğan and Çiçek 2012). It is argued that having built more intimate relationships and emotional bonds with customers via social media, the firms' customers are more likely to spread awareness of the brand online and engage in e-word-of-mouth (Colgate, Buchanan-Oliver and Elmsly 2005, Sashi 2012). This highlights the importance of building relationships with customers online and the key role that social media can play in this process.

It is recognised in the literature (Loane 2006, Celluch and Murphy 2010, Erdoğan and Çiçek 2012) that the internet can provide a number of benefits in terms of marketing communication for the firm, primarily a more cost-effective and far-reaching communication between firm and customer. However, it is less clear how pure-play e-retailers may build relationships with customers and

engage with customers online, considering their lack of physical presence, compared to traditional firms which have both physical and online presence. There needs to be greater research carried out into how pure-play e-retailers exploit the internet in conducting marketing communications strategies. As all firms have access to the benefits from the internet, it is necessary to explore how firms exploit the internet for communication in their specific context.

2.2.3 Marketing Intelligence

Through adoption of the internet, firms are able to access knowledge and information that would not otherwise be possible or at least unaffordable (Loane 2006). For lower costs than previously, firms using the internet can gain increased knowledge of markets, industry trends, competitor knowledge and customer needs. This can give firms insight into the changing demands in the market and future expectations of customers (Ahktar, Azeem and Mir 2014). In particular, for SMEs, adoption of the internet offers an opportunity to broaden the firm's knowledge at relatively low costs (Loane 2006). Improved knowledge of these aspects can allow firms to develop a range of new product ideas that align with the identified customers' needs.

Adoption of the internet can allow greater insight to be gained into the needs and behaviour of a firm's customer base. Indeed, it can enable firms to more flexibly cater for changing market needs. Firms can capture customer information more quickly through the internet, and, subsequently can respond to the identified needs of the customers, making a more flexible adjustment of strategy possible (Loane 2006, Celuch and Murphy 2010) and aiding firms in developing a competitive advantage in product design and customer service (Bhatt et al. 2010).

In particular, firms can encourage customers to write online reviews, in order to aid their decision-making processes and the development of new products (Lee and Bradlow 2011). It is recommended by Lee and Bradlow (2011) that firms should listen to the 'customer's voice' when analysing product quality and future product development, as customers often place significant emphasis on online reviews when judging product quality. Indeed, Zhu and Zhang's (2010) study

asserts that, over time, online reviews are likely to be increasingly influential for the marketing designs and process within a company. Thus, it is vital that firms pay close attention to online customer reviews, analyse feedback and encourage customers to engage with the process (Zhu and Zhang 2010).

In addition, firms can gain greater insight into customers' needs and behaviour through the use of e-CRM. E-CRM manages customer information through recording of customers' personal details, unique requirements, web site activity, order histories, value to the firm and projected future orders (Rai, Patnayakuni and Seth 2006, Keh, Nguyen and Ng 2007, Hutchinson and Quintas 2008). The use of E-CRM can support SMEs to manage and analyse customers data. It is proposed by Harrigan, Ramsey and Ibbotson (2011) that the use of e-CRM by firms can allow greater insights to be gained into the behaviour and needs of customers, as well as to develop effective communication with customers and to build customer relationships. SMEs can develop a marketing strategy to improve customer service and better cater for customers' needs based on this information (Harrigan, Ramsey and Ibbotson 2012).

In line with this, Ashworth et al. (2006a) highlight the importance of e-portfolio management strategies for fashion e-retailers. The e-portfolio management strategy helps firms to understand customers to predict potential customers and to estimate different customers' value. The firm creates and adds customer value through integrating strategy with the e-portfolio of customers. The firm proactively develops unique customised services and products on the basis of feedback from customers (Ashworth et al. 2006a). However, the researcher emphasises that the e-portfolio information should be used flexibly and creatively by firms to create unique customer value so that firms are able to develop customer advantage.

Moreover, firms use the internet to enhance their product development and marketing activities through engagement with suppliers and other stakeholders as well as customers (Bell and Loane 2010). Some firms build online open innovation communities to engage customers in their strategy and product innovation processes (also known as 'co-creation'). Fleming and Waguespack (2007: 166) claim that an open innovation community is a "*group of unpaid*

volunteers who work informally, attempt to keep their processes of innovation public and available to any qualified contributor, and seek to distribute their work at no charge". In doing so, firms can gain greater insight into the needs of its customers, to steer product development and the innovation processes. Engaging customers in an online community can act as a firm's specific competitive advantage (Franke and Shah 2003). Thus, the entrepreneur's role in leading the customer engagement for product and marketing strategies development in the context of pure-play e-retailers needs to be examined in greater detail, considering the lack of current literature on this subject.

2.2.4 Business Collaboration

Firms can use the internet to seek the most suitable partners and to build better cooperative networks and acquire cost-effective partnerships with suppliers and distributors regardless of their physical locations (Drew 2003, Ahktar, Azeem and Mir 2014). Using the internet can increase a firm's opportunities for business collaboration by allowing them to develop better network coordination and to identify suitable potential partners (Drew 2003, Ahktar, Azeem and Mir 2014). In doing so, firms can form alliances with complimentary partners, which can be mutually beneficial for both parties. The internet can act as a tool for knowledge-sharing between collaborative partners across multiple sites, through speedy and lower-cost dissemination of information (Loane 2006). For example, the internet enables firms to exchange knowledge with partners online, allowing ease of communication despite geographical distances.

Therefore, it can be proposed that the internet plays a crucial role in accessing networks of suppliers and customer contacts which may lead to improved customer services and increased cost-effectiveness. In particular, SMEs can make use of the internet to develop better network coordination with their stakeholders, in order to overcome resource constraints.

2.2.5 Current Research Deficiencies in the Exploitation of the Internet

Overall, the literature examined above provides a knowledge base for examining e-commerce platform exploitation of pure-play e-retailers in this thesis. It provides

an overview of strategic internet adoption and exploitation for firms, allowing insight to be gained into the specific ways in which firms can benefit from engagement with internet technologies for e-commerce activities(See table 2.1) . More specifically, the literature highlights the benefits that SMEs can gain from internet adoption and exploitation, allowing them to improve market access and overcome their resource constraints.

However, while much extant literature has highlighted the multiple benefits that may arise from internet adoption and the strategic roles associated with internet adoption, there is a need for more research which focuses on precisely *how* firms may exploit the internet for building competitive advantage. Given the open nature of the internet as a technological resource, all firms can access these benefits, and thus the simple adoption of the internet is unlikely to lead to increased competitiveness in and of itself. Here, online marketing research asserts that a firm's online business activities should be driven by pursuit of a specific competitive advantage (Loane, McNaughton and Bell 2004). It is not enough for firms to solely have an online presence (Loane 2006, Samiee 1998). The important factor here for firms is *how* they exploit internet technologies and integrate these into their business strategies. Thus, there needs to be greater research into the 'how' of internet exploitation.

Therefore, it is necessary to investigate how these pure-play e-retailers exploit the benefits that the internet provided to seek opportunity in the market. This research focuses upon examining the pure-play e-retailers' exploitation of the Taobao e-commerce platform in China. The strategic roles of the e-commerce platform exploitation need to be explored in the specific context of these pure-play e-retailers in order to further examine how these strategies have been conducted. As pure-play e-retailers are based solely online, there may be distinctive elements characterising how they adopt and exploit the internet in comparison to traditional firms. This research seeks to give insights into the exploitation of the Taobao e-commerce platform in this specific context.

E-business or e-marketing research tends to focus on examining how firms adopt internet technology for developing business strategies. This research is

examining how the firms are exploiting the Taobao e-commerce platform, which includes examining the firms' business activities employed on the platform and, more specifically, its marketing activities. However, instead of focusing on the successful strategies that firms pursue, this research is taking an entrepreneurial outlook to improve understanding about how and why particular strategies (e.g. promotional strategies, communication strategies) emerge on the e-commerce platform in the context of a changing environment and what underlies these strategies.

Moreover, there has been insufficient research on examining the entrepreneur's role in driving the firms' exploitation of the internet. The limited research that there has been on this topic has tended to concern the entrepreneurs' attitudes towards technology more broadly (Parasuraman 2000, Dobrev and Barnett 2005, Astuti Novika and Nasution 2014,). In particular, Dobrev and Barnett (2005) explored the relationship between technology and entrepreneurship and how the entrepreneur's attitude towards technology impacts upon the firms' competitiveness and innovativeness. This research proposes that entrepreneurs have varying attitudes to the adoption of technology.

These attitudes can be both positive and negative in nature. For the former, this may concern the entrepreneur's engagement with technology advancements or where the entrepreneur may even be a pioneer in the technological field (Branett and Dobrev 2005). Entrepreneurs' negative attitudes to technology adoption may encompass discomfort and insecurity. Here, entrepreneurs may be sceptical towards technological progress (Parasuraman 2000, Astuti and Nasution 2014). The entrepreneurs' attitude towards technology adoption impacts upon the extent to which they integrate the technology into their business strategies and processes, which ultimately affects the firm's competitiveness and innovativeness. However, this research switches focus towards the firms' exploitation of the internet, specifically the Taobao e-commerce platform.

Other research on the use of the internet by entrepreneurs highlights the role of entrepreneurs in technology firms and the ways in which they facilitate the development of new technological innovations. As firms' decision-making is

guided by entrepreneurs, entrepreneurial support for technology plays a critical role in attaining a leading position in the market (Liang et al 2007). Therefore, the progress made by firms in technological development is likely to depend on the role adopted by the entrepreneur in this process (Newbert, Gopalakrishnan and Kirchhoff 2008, Acur et al 2010). The ways in which the entrepreneur adopts technology impacts upon the firm's ability to integrate new technologies into their core strategies and to adapt swiftly to new opportunities in the market (Prahalad and Hamel 2006).

The e-commerce platform is one type of technology. Despite increased understanding of the entrepreneur's attitudes towards technology and their role in the adoption of technology more broadly, there remains a lack of research on the entrepreneur's specific role in the exploitation of the e-commerce platform. As the entrepreneur plays a key role in driving the processes and strategies in SMEs (Covin and Slevin 1991, Lumpkin and Dess 1996, Franco et al. 2014), there needs to be greater consideration of how they drive the SMEs' exploitation of the e-commerce platform, as well as how they perceive the opportunities that may arise from the use of the platform.

In addition, limited research exists on how these business strategies of the e-commerce platform exploitation are conducted from an entrepreneurial perspective (See Appendix H for the evidence of knowledge gap claim). The research on examining the link of 'e-business' and 'entrepreneurship' has tended to concern the adoption of internet technology (e.g. Fillis, Johansson and Wagner 2003), while the research on 'e-marketing' and 'entrepreneurship' largely refers to the success of marketing strategies in the online environment. Scholars which examined the links between "e-commerce" and entrepreneurship focused on examining firms' adoption of e-commerce from macro and micro perspectives. For example, this included the benefits and barriers of e-commerce adoption (e.g. Mazzarol 2015), and the macro and micro impacting factors upon the firms' readiness of engaging with e-transactions (e.g. Stephen, Childers, Offstein 2007 and Effah 2016).

The importance of contextual factors in e-commerce adoption has been

highlighted in extant research, which considers e-entrepreneurship as a new business venture that uses ICT (Fillis, Johansson, Wagner 2003, Stephen, Childers, Offstein 2007, Mazzarol 2015 and Effah 2016). It also emphasises the contribution of e-entrepreneurship to the economy. However, there is a lack of research which examines the e-commerce platform exploitation from an entrepreneurial perspective. Therefore, the next section focuses on looking into in-depth details of entrepreneurship theory in order to improve understanding of entrepreneurial behaviour in extant theory and to build a knowledge base to better examine firm's e-commerce exploitation from an entrepreneurial perspective.

Table 2.1 Strategic roles of Internet adoption of SMEs

Business Process	<p>Business processes refer to firms carrying out sales, administrative, manufacturing and human resources functions.</p> <p><u>Benefits:</u> may enable faster and more cost-effective transaction processes (e.g. ordering, billing and payments), can increase the range of market reach, reduce barriers to market expansion.</p> <p>(Loane 2006, Ahktar, Azeem and Mir 2014)</p>
Marketing Communication	<p>Refers to communication with customers via the internet, in order to promote products and build branding.</p> <p><u>Benefits:</u> firms can access a larger customer base than before, in a more cost-effective manner, firms' exposure of products and services can increase despite geographical distances.</p> <p>(Loane 2006, Celluch and Murphy 2010)</p>
Marketing Intelligence	<p>Concerns knowledge and information acquisition, enabling analysis of markets,</p>

	<p>industry trends, competitors and customer needs.</p> <p><u>Benefits:</u> Enhanced insight into customers' needs and behaviour, improve understanding of competitors and the market, improve product development and innovation processes (Celuch and Murphy 2010, Ahktar, Azeem and Mir 2014)</p>
Business Collaboration	<p>Refers to seeking suitable partners and to developing improved network coordination.</p> <p><u>Benefits:</u> cost-effective, speedy dissemination of information, increased range of potential collaborative partners. (Loane 2006)</p>

2.3 Entrepreneurship and the Entrepreneur

To better understand the relationship between entrepreneurship and Taobao e-commerce platform exploitation, it is necessary to outline the definition of entrepreneurship and the entrepreneur from different perspectives. Firstly, there is a need to retrospectively outline the origins of entrepreneurship and introduce the main theoretical approaches of entrepreneurship in order to indicate the primary entrepreneurship approach adopted in this research.

Following this, the psychological traits of entrepreneurs are outlined. Subsequently, the current definitions of entrepreneurs and entrepreneurship are discussed from an individual and firm-level perspective. The dimensions of entrepreneurial orientation and key characteristics of entrepreneurship are also then outlined and examined to improve understanding the entrepreneurial behaviour more broadly in the firm. The final part of this section considers current research concerns of entrepreneurship in the e-commerce context to identify the knowledge deficiencies related to the research topic.

2.3.1 The Main Theoretical Approaches of Entrepreneurship

It is well-established in the entrepreneurship literature that there is no universal definition of entrepreneurship; instead, there are competing, theoretical approaches of entrepreneurship, all emphasising different aspects of the entrepreneur, entrepreneurial behaviour and entrepreneurial processes. Thus, this section is structured according to the identified four main approaches to entrepreneurship in the literature: the entrepreneur as the bearer of uncertainty and risk; the entrepreneur as exceptional leader; the entrepreneur as innovator; the entrepreneur as an individual who is opportunity-alert. Although these theories were primarily developed by economists, this review emphasises the role of the entrepreneurs from other perspectives as well.

2.3.1.1 The Entrepreneur as 'Bearer of Uncertainty and Risk'

In the 18th century, Cantillon was the first person to distinguish the entrepreneur from the capital provider as someone who is willing to take risks- a 'risk-bearer'. Cantillon identified that the entrepreneur bought goods at a certain price and sold them at an uncertain price and bore the risk of such a transaction (Cantillon 1952). Von Thunen similarly considered the entrepreneur to be a 'risk-taker' (Ripsas 1998, Deakins and Freel 2012).

An American economist Frank Knight (1933) concurred with Cantillon that entrepreneurs are 'risk-takers' yet understood the idea of 'risk' in a much more complex, nuanced way. Here, Knight highlighted the differences between 'risk' and 'uncertainty'. While 'uncertainty' refers to business opportunities where the risk is unknown or cannot be calculated, 'risk' concerns the measurable, known risks, where the outcome can be calculated (Ripsas 1998).

Thus, Knight (1933) proposed that the defining function of the entrepreneur is bearing the burden of uncertainty. Here, they must have the ability to deal with elements of uncertainty in business practices that are incalculable (e.g. changing consumer demands, technological developments). In Knight's view, the entrepreneur needs to have strong ability in decision-making and in taking control and responsibility for the firm's activity. Therefore, Knight links the importance of

the entrepreneur's leadership ability with bearing the burden of uncertain business practices (Venkataraman 1997, Ripsas 1998). As with Knight, in the 1980s, Casson highlighted the importance of judgement in the entrepreneur's activity and proposes that the entrepreneur profits from making difficult decisions which have uncertain outcomes (Venkataraman 1997, Ripsas 1998, Van Praag 2005).

2.3.1.2 The Entrepreneur as 'Exceptional Leader'

Jean-Baptiste Say is the first theorist to emphasise the managerial role of the entrepreneur. Say extended Cantillon's theory, acknowledging that the entrepreneur is a risk-taker but highlights the many different abilities required in order to succeed, e.g. judgement, perseverance, business experience. From this perspective, the entrepreneur was considered to be a co-ordinator, manager and risk-taker (Ripsas 2002, Van Praag 2005, Deakins and Freel 2012).

In the 19th century, Alfred Marshall concurred with Say in emphasising leadership skills as a key characteristic of entrepreneurs (Ripsas 2002). It is proposed that it is one of the few innate abilities that entrepreneurs require to be successful. Marshall (1961) highlighted that to adequately perform their role, the entrepreneur needs to have strong leadership skills, acting as both a manager and employer: "a natural leader of men". Considering the high requirements, very few people have such specialised ability. Marshall (1961) also highlighted the importance of risk-taking and forecasting-ability for entrepreneurs to perceive future opportunities in the market.

2.3.1.3 The Entrepreneur as 'Innovator'

Joseph Schumpeter (1911) proposed that the key role of an entrepreneur is an 'innovator' where they initiate and develop new innovations or 'new combinations' (Backhaus 2006). It was considered by Schumpeter that there are five different types of 'newness' in innovative entrepreneurial activity (what he called 'forces of creative destruction': new goods, new production methods, new markets, new sources of material, new organisations (Ripsas 1998, Van Praag 2005, Backhaus 2006). The introduction of 'new combinations' results in a breaking up of the

equilibrium in the economy and a process of change to occur. He referred to the change enacted as 'creative destruction' as innovation replaces the old with the new (Venkataraman 1997, Ripsas 1998).

In order for firms to grow and to gain an edge over its competitors, Schumpeter asserts that the firm needs to engage in continued innovative activity. Therefore, according to Schumpeter, the entrepreneur's innovative behaviour acts as the 'engine of growth' in the economy (Van Praag 2005, Deakins and Freel 2012). For Schumpeter, without continual innovation, entrepreneurship acts as a temporary condition (Ripsas 1998, Ramsey and Ibbotson 2006). As well as being an innovator, the other role for the Schumpeterian entrepreneur was as leader, in leading the new combinations. As part of their leadership role, the entrepreneur needs to decide which objectives are the best to pursue.

Schumpeter considered that entrepreneurs need to be *extraordinary*: "The Schumpeterian entrepreneur changes technological possibilities, alters convention through innovative activity and, hence, moves production constraints" (Deakins and Freel, 2012: 9). Indeed, for Schumpeter, the entrepreneur's role, and of relevance to this thesis, includes their innovation in regard to technology. Here, the entrepreneur can act to instigate new technological development; in Schumpeter's view, this form of creativity was key in aiding the growth of the firm (Venkataraman 1997, Ripsas 1998, Van Praag 2005). Thus, the key role of the entrepreneur for Schumpeter is as 'innovator'; while the entrepreneur acts as innovator, they do not necessarily need to be the owner of the business, the supplier of capital or the risk-taker (Ripsas 1998, Van Praag 2005, Deakins and Freel 2012).

2.3.1.4 The Entrepreneur as 'Opportunity-Alert'

According to the Austrian economist Kirzner (1979), the entrepreneur is an individual who is alert to new opportunities in the market. It is proposed that entrepreneurs need to have 'alertness' to perceive opportunities earlier than others which can be subsequently exploited. Exploitation of the opportunity is not entrepreneurial itself, however; it is the perception and seeking of the opportunity

which defines the role of the entrepreneur for Kirzner. According to Kirzner, entrepreneurship requires the “highest order of knowledge”, knowing “where to look for knowledge”, i.e. alertness (Kirzner 1979, Van Praag 2005).

The entrepreneur acts as an intermediary between supplier and customers and identifies the specific suppliers and customers, facilitating trade between them. In the process of trade and identifying supplier and customers, information in the marketplace has a critical role. Due to this, the entrepreneur can take advantage of information gaps to profit from trade.

For Kirzner, the entrepreneur does not require an extraordinary ability, in contrast with Schumpeter’s and Say’s assertions who emphasised the innate abilities that entrepreneurs need to succeed in their business practices (Van Praag 2005, Kirzner 1979). To carry out innovative activity, for instance, creative employees could be hired. The entrepreneur does not necessarily have to be innovative; they simply have to be alert to opportunities earlier than others. Regarding technological development, there is another contrast between Kirzner and Schumpeter. While Schumpeter places great emphasis on the development of new technology, “the Kirznerian entrepreneur operates on opportunities that arise out of new technologies” (Deakins and Freel 2012: 9).

Table 2.2 The Main Theoretical Approaches of Entrepreneurship
(Venkataraman 1997, Ripsas 1998, Van Praag 2005, Ramsey and Ibbotson 2006, Deakins and Freel 2012)

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Therefore, it can be identified in the literature that there are multiple, competing approaches to entrepreneurship, emphasising different roles for the entrepreneur in firm-level processes. The role of the entrepreneur has been emphasised by

different theorists (see Table 2.2) as: exceptional leader, manager, innovator, risk-taker, co-ordinator, owner, or opportunity-alert. These understandings of the entrepreneur's role exist alongside and compete with each other. Thus, there is no universal definition of entrepreneurship, as Kilby (1971) suggested:

"The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump...All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities" (Kilby 1971: 275).

Different scholars have divergent views and perspectives on the definition of entrepreneurship and what exactly it incorporates. In this research, analysis of pure-play e-retailers in China through an entrepreneurship lens is influenced by each of the aforementioned understandings of entrepreneurship. Following the key paper by Shane & Venkataraman (2000), interest has grown in entrepreneurship literature on how and why opportunities emerge in markets. Shane and Venkataraman (2000) engaged in understanding the creation, discovery and exploitation of opportunities. It can be proposed that there are two main schools of thought and research streams in entrepreneurship, in relation to opportunity-seeking.

Firstly, influenced by Schumpeter, there is an understanding that opportunities emerge out of the entrepreneur's innovative tendencies and disposition to cause 'creative destruction', thereby disturbing the economic equilibrium during periods of uncertainty and change (Roininen and Ylinenpää 2009, De Jong and Marsili 2010). In other words, Schumpeter suggests that entrepreneurs proactively generate opportunities for themselves through breaking the equilibrium. Although Schumpeter highlights innovation as the key component of entrepreneurship, innovative process is linked closely to the seeking and exploiting of opportunities.

Secondly, the Kirzner school of thought considers entrepreneurs to be an alert individual that responds to opportunities as they arise in the market, capitalising on gaps in knowledge (Roininen and Ylinenpää, 2009, De Jong and Marsili 2010). Roininen and Ylinenpää (2009) indicate a distinction between a proactive and a

reactive entrepreneur in understanding the differences between Kirzner and Schumpeter's theories. While Schumpeter's theory highlights the importance of technological and product innovation and of proactively generating these opportunities for entrepreneurs, Kirzner's theory does not suggest that entrepreneurs would be necessarily proactive in technological developments and might be reactive to them, but instead highlights that they would be proactive to the opportunities that emerge from these developments.

While often the two understandings are interwoven in research or act as 'two sides of the same coin', there nevertheless remain fundamental differences between these two schools of thought. The Schumpeter school of entrepreneurship seeks to understand how entrepreneurs innovate through technological developments to cause 'creative destruction' and to generate opportunities for themselves in the market. However, this understanding is not appropriate for this research which aims to understand how pure-play enterprises seek and respond to opportunities that emerge out of the technological developments.

Given that innovation is a discontinuous process, it cannot be assumed that firms are consistently engaging in 'creative destruction' and innovative processes. The Schumpeter school is interested in the innovative outcomes, but less in how firms maintain success following innovation in the long-term. These theorists suggest that a Schumpeterian understanding of opportunity generation is somewhat narrow in its focus on the entrepreneur's innovative tendencies and their linkages to breaking the economic equilibrium.

Accordingly, it is inappropriate to take a solely Schumpeterian perspective in the context of an e-commerce market. The pure-play e-retailers in this research are not innovating in technology but are perceiving and responding to opportunities in the e-commerce market that have been enabled through technological developments. Here, what is of interest in this research are the opportunities that may emerge from e-commerce developments.

Kirzner defines the entrepreneur as an individual who is opportunity alert and can discover opportunities in the market based on knowledge gaps. However, the Kirzner school only considered the identification of opportunities in the market, but not the exploitation of the opportunities, which is arguably vital for understanding the entrepreneurial processes in a firm. Without encompassing opportunity exploitation in a theory of entrepreneurship, it is limited. Thus, this research seeks to extend Kirzner's theory of entrepreneurship to move beyond opportunity-alertness towards exploitation of opportunity.

As a result, this research is influenced by both Schumpeter and Kirzner schools of entrepreneurship. It seeks to understand how the pure-play e-retailers perceive and exploit opportunities in the Chinese e-commerce market, encompassing both the Schumpeterian and Kirzner theories of entrepreneurship. At this stage, it is not assumed that the opportunities in the e-commerce market are being driven by innovative or reactive processes. Instead, the focus is upon how the pure-play e-retailers perceive and respond to the market opportunities embedded within the e-commerce platform.

2.3.3. Current Definitions of the Entrepreneur and Entrepreneurship

As well as the multiple schools of thought on entrepreneurship, there are also two broad streams of current entrepreneurship research: individual-level entrepreneurship and firm-level entrepreneurship. Firstly, individual-level entrepreneurship is concerned with the behaviours and attributes of individual entrepreneurs and what differentiates them from others (Gartner 1988). In current entrepreneurship research, it is generally considered that an entrepreneur is an individual who has founded, owns and operates a business, in contrast with a manager, who is considered as an employee. Indeed, Franco et al. (2014: 266) distinguishes between the two: the entrepreneur is “...*a person who creates a business, an owner and self-employed, whereas a manager is a paid employee who works under the entrepreneur.*” The entrepreneur can be managerial in leading his or her team, but is more likely to be an innovative manager in creating and implementing ideas. Therefore, not all managers are necessarily entrepreneurial, yet some entrepreneurs can have strong management skills

(Foo 2004).

From this perspective, the entrepreneur operates the business and undertakes marketing activity as well as being the founder of the firm. Entrepreneurs can make use of strategic management practices in the workplace, can lead a team and reposition the resource to discover and exploit opportunities (Carland et al. 1984). The entrepreneur as the founder of the firm aligns with Lumpkin and Dess's (1996: 136) understanding of entrepreneurship as 'new entry', which is defined as "*the act of launching a new venture, either by a start-up firm, through an existing firm, or via 'internal corporate venturing'*". Indeed, the perspective is taken in this research that the entrepreneur adopts multiple functions in the process of business operation.

Secondly, firm-level entrepreneurship refers to the ways in which firms behave entrepreneurially (Miller 1983, Covin and Slevin 1991, Zahra 1993). In other words, firm-level behaviour describes the adoption of entrepreneurial characteristics or behaviours by firms themselves, reflecting the individual entrepreneur's "strategic philosophy" (Covin and Slevin 1991). Hence, firm-level behaviour originates from entrepreneurial decision-making and reflects the efficiency and effectiveness of entrepreneurs (Miller 1983, Covin and Slevin 1991).

Firm-level entrepreneurial behaviour also relates partially to the conceptualisation of 'intrapreneurship', which refers to both the adoption of entrepreneurship characteristics by the individual employees of the firm (or 'intrapreneurs') and the integration of entrepreneurial behaviour, or "spirit of entrepreneurship" (Antoncic and Hisrich 2003) at the organisational level. Thus, it is a broad, holistic concept which embodies firm-level entrepreneurship.

Moreover, developing strategies also relate to the firm-level process, comprising of a range of activities including analysis, planning, decision making, and management based on organisational resources and culture. Strategic entrepreneurship implies repositioning resources, and developing specific resources which are difficult to copy and are controlled by the firm. Accordingly,

the entrepreneur's ability to deploy, exploit and integrate different resources may facilitate the development of a long-term competitive advantage (Barney, 2002). Hofer and Schendel (1978) categorise resources into four different types: monetary resources, material resources, human resources and technological means (Barney 2002, Peteraf 1993). Thus, here, it is the entrepreneur's decision-making which determines how the resources are deployed and integrated.

Firm-level entrepreneurship was initially conceptualised as comprising of product and technological innovation, risk-taking and proactiveness (Miller 1983, Covin and Slevin 1991). However, Zahra (1993) revised and extended this theory to more fully incorporate the nature of entrepreneurial behaviour, offering insight into how entrepreneurial behaviour is actually carried out at the firm-level. Rather than simply assuming the existence of entrepreneurial orientation at the firm-level, Zahra (1993) proposes that there should be an improved understanding of how the entrepreneur's behaviour impacts on organisational processes.

This thesis draws upon the literature through an investigation of the impacts of the behaviour of individual entrepreneurs upon the firm-level activities of pure-play e-retailers. Considering that there is no universal definition of entrepreneurs and that entrepreneurs adopt multiple functions, this review suggests that entrepreneurs cannot be defined according to a particular function. Rather, entrepreneurs adopt different functions based on the specific context in which they are operating. Thus, this thesis adopts an understanding of the entrepreneur as a founder or owner of the business to examine the firm's opportunity exploitation process on the e-commerce platform, rather than as manager, as offered by Lumpkin and Dess (1996) and Franco et al. (2014). Over the course of this research, the individual entrepreneur's behaviour driving the firm's entrepreneurial process in the specific context of pure-play e-retailers in China will be explored. In order to better understand entrepreneurship, it is necessary to review the dimensions of entrepreneurial orientation that have been discussed in existing research, as discussed in the following section.

2.3.4 Dimensions of Entrepreneurial Orientation (EO)

According to Lumpkin and Dess (2001), Entrepreneurial Orientation (EO) refers to:

“...the strategy-making processes and styles of firms that engage in entrepreneurial activities. A popular model of entrepreneurial orientation (EO) suggests that there are five dimensions of EO—autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness” (Lumpkin and Dess 2001: 429).

Lumpkin and Dess (1996, 2001) built on Miller and Friesen's (1983) conception of firm-level EO, who identified three dimensions of EO: innovation, risk-taking and pro-activeness. Innovativeness means the search for some creative or unusual response to problems and demands (Miller and Friesen 1983). This component also involves product innovation, exploiting new markets and new technologies, organising new processes for engaging the firm's functions; the risk-taking dimension is regarded as the willingness of the manager to commit important resources to opportunities when faced with uncertain environmental factors.

Lumpkin and Dess (1996) extended this concept of EO, by adding two supplementary dimensions (competitive aggressiveness and autonomy). Additionally, Lumpkin and Dess (2001: 432) distinguished EO from entrepreneurship:

“EO represents key entrepreneurial processes that answer the question of how new ventures are undertaken, whereas the term entrepreneurship refers to the content of entrepreneurial decisions by addressing what is undertaken.”

From their perspective, entrepreneurship is defined as ‘new entry’, with the dimensions of EO referring to the “processes, practices and decision-making activities that lead to new entry” (Lumpkin and Dess, 1996: 136). Considering such an understanding of EO, Lumpkin and Dess (1996) extended and refined the previous definitions of EO dimensions, as part of a multi-dimensional

construct. Here, the usefulness of pro-activeness, innovative risk-taking and competitive aggressiveness was highlighted.

Thus, in the entrepreneurship literature, proactiveness, innovativeness and risk-taking are largely considered to form the key dimensions of firm-level EO (Covin and Slevin 1989, Lumpkin and Dess 1996, Miller and Friesen 1983, Oviatt and McDougall 2005). These dimensions have also been examined in the international entrepreneurship context (Shane and Venkataraman 2001, Oviatt and McDougall 2005, Glavas and Mathews 2014). It is worth firstly defining these three key dimensions of EO.

Firstly, proactiveness refers to the ability of the entrepreneur to take the initiative and aggressively respond to market opportunities in a competitive, hostile environment (Miller and Friesen 1983, Lumpkin and Dess, 1996). Entrepreneurs with proactive tendencies are also more likely to take a forward-looking approach when implementing marketing activity.

Secondly, innovativeness refers to the exploitation of creative ideas or unusual responses to market needs and problems. This encompasses both technological and non-technological innovation, including the development of both creative products and strategies. Miller and Friesen (1983) assert innovativeness is often considered as synonymous with entrepreneurship itself.

Thirdly, risk-taking refers to a willingness to commit firms' resources towards new opportunities in the market when the outcomes are uncertain (Miller and Friesen 1983, Lumpkin and Dess 1996, Knight 2001). There is always uncertainty and risk involved when firms aim to gain entry to a new market (Lumpkin and Dess 1996). However, Glavas and Mathews (2014) extended the theory further on EO to include two supplementary dimensions, as part of an examination of *entrepreneurship characteristics* of firms: networks and business experience. Glavas and Mathew's (2014) identified characteristics incorporate both individual and firm-level entrepreneurship.

Firstly, networking can be defined as a way of leveraging and taking advantage of relationship networks among stakeholders, including customers, suppliers,

distributors, rivals and intermediary agents for developing operations of business (Coviello and Munro 1995, Oviatt and McDougall 1995, Etemad and Lee 2003). Secondly, business experience refers to the experiences and knowledge accrued by entrepreneurs, specifically in relation to business operations.

This thesis adopts the approach developed by Glavas and Mathews (2014), considering the authors' broader conceptualisation of entrepreneurship and use of entrepreneurship characteristics theory in examining firms' e-commerce platform exploitation. This is based on an approach which understands entrepreneurship as an opportunity-seeking and exploitation process. The identified key entrepreneurship characteristics in the extant literature act as a research base for this thesis in identifying the entrepreneurial behaviour in the specific context of Chinese pure-play e-retailers which operate on the Taobao platform. It is necessary to understand how the emerging entrepreneurship characteristics impact upon the e-commerce platform in this context.

2.3.5 Research Concerns and Deficiencies in the Entrepreneurship Literature

The extant entrepreneurship literature has identified key entrepreneurship characteristics in the process of opportunity seeking and exploitation. There is a lack of consensus on a universal definition of the entrepreneur and entrepreneurship literature often assumes the entrepreneur to have multiple roles in different contexts, stages of a firm's development and for different business needs. Therefore, considering the importance of the context, it is necessary to examine the nature of the entrepreneurship characteristics in an online context.

Limited research has thus far linked e-retailer and entrepreneurship. Of those that did, the focus was not the e-retailer's online activities or related to how the entrepreneurs operate in the online environment, but rather e-retailing firms as an object for exploring entrepreneurship development processes (e.g. Ashworth 2012). These researchers consider how the entrepreneurs of e-retailers built up and managed their companies (e.g. Deprez, Leroy and Euwema 2018). Thus, it is necessary to identify the "online" entrepreneurship characteristics in the

process of the e-commerce platform exploitation in the pure-play e-retailers in China.

Moreover, there exists some research on examining 'e-entrepreneurship' and 'online entrepreneurship' (See Appendix H for the evidence of knowledge gap claim). Extant research understands 'E-entrepreneurship' and 'online entrepreneurship' to relate to the use of technology by firms to initiate start-up or to develop the firms, considering these firms to be technology-oriented enterprises (Gruber and Henkel 2006). Thus, attention in this literature is directed towards firms' adoption of technologies for start-up business (e.g. Mand et al. 2018 and Rachid and Juiz 2018) and the opportunities that these present for the firms. The scholars also examined the successful entrepreneurial business strategies that emerged in the e-retailer environment (e.g. Ashworth et al. 2006a, Polatoglu 2007). However, these strategies may not be successful in every context. The scope of this body of research is limited and narrow, with little attention paid to the entrepreneurial behaviour reflected in the exploitation of technology for developing business strategies by firms. Accordingly, emphasis in this research is placed upon understanding how business strategies are conducted in particular company contexts.

Moreover, in the extant literature, there are a small number of studies which consider the impact of entrepreneurship characteristics upon internet exploitation for business process (Guillén and Suárez 2001, Batjargal 2007, Reuber and Fischer 2011, Glavas and Mathews 2014,) but these are insufficient and limited in nature. These studies have tended to concern themselves with *international* entrepreneurship (Loane 2006, Reuber and Fischer 2011, Glavas and Mathews 2014). These researchers have focused on integrating the internet into the business process of the firms pursuing international entrepreneurship. Notably, Reuber and Fischer (2011) highlighted the key role that technological ability plays in pursuing international market opportunities. However, the nature and extent of this role is left largely unexplored. These studies focus on international entrepreneurship whereas this thesis focuses on pure-play e-retailers operating in the domestic context of China.

Thus, this thesis is driven by different research enquiries as to the role of entrepreneurship in integrating the e-commerce platform into business processes, building on the above limited studies. While the extant literature investigated the impact of entrepreneurship characteristics more broadly (i.e. upon the firm's business processes (e.g. Glavas and Mathew 2014), there is a specific focus in this thesis on the impact of the entrepreneurship characteristics upon the firm's e-commerce platform exploitation activities. This involves an examination of how and why the entrepreneurship characteristics and entrepreneurial behaviour are reflected in the firms' e-commerce platform exploitation.

2.4 Entrepreneurial Marketing

In order to improve the understanding of the interface between entrepreneurship and marketing in the online context, the researcher used multiple resources for accessing articles on entrepreneurial marketing, including Emerald Insight and Business Source Complete. Firstly, in order to gain an initial insight into EM research, 'Entrepreneurial marketing' was searched for on Google Scholar, whereby the researcher identified the most-cited articles on the topic. The selected articles needed to be located in reliable academic databases (e.g. Emerald Insight, Taylor Francis, Sage). Journal articles were also accessed through in-text citations in the selected articles. Through these articles, the researcher was able to gain a grounding in basic EM concepts, considering the nature of EM and the role of entrepreneurship characteristics in the EM processes.

Secondly, in order to build further understanding of EM in the online context, the researcher used the two main databases (Emerald Insight and Business Source Complete) to access the resources of EM research in the online context. To access the most relevant research on the topic, the researcher used different combinations of keywords to search for articles in the two databases (see Appendix I for the different combinations of keywords). EM studies were searched for that had been undertaken in the online context or in relation to the internet. Five different keywords ('e-retailer', 'e-tailer', 'online', 'e-commerce', 'internet') related to the internet were used in combination with EM in the two databases.

As the results that appeared were lacking, another set of keyword combinations were used: 'entrepreneur' with three key terms and 'entrepreneurship' with three different key terms in those two databases.

Given the focus of this research, interest in these articles was restricted to understanding how the EM strategies were integrated into the online context. The journal articles and content were selected which specifically referred to EM in relation to the exploitation of the internet or in an online context. Those articles which detailed purely online-based marketing strategies for the entrepreneur but did not specifically relate to EM were not selected. The focus in this search was EM studies that engaged with internet technologies, or, more specifically, online EM. It is worth noting that some overlapping articles appeared in the search results using different keyword combinations.

2.4.1 What is Entrepreneurial Marketing?

Since the 1990s, there has been increasing interest in the entrepreneurship/marketing interface. The concept of 'Entrepreneurial Marketing' has grown as the significant link between marketing and entrepreneurship has become recognised (Hills and LaForge 1992, Morris, Cason and Gilmore 2000, Schindehutte and LaForge 2002, McGown and Durkin 2002). Indeed, Hill and Laforge (1992) claim that "marketing behaviour" and "entrepreneurial behaviour" are similar in nature, given that they both interact through environmental and uncertain factors, they both require evaluation of risk and they both provide increased commercial value. From this perspective, there is understood to be considerable overlap between marketing and entrepreneurship and accordingly scholars seek to examine the nexus or interface between these two (Hills and LaForge 1992, Morris, Schindehutte and LaForge 2002).

The definition of entrepreneurial marketing from Morris, Shindehutte and LaForge (2002: 5) has been cited by many researchers (e.g. Jones and Rowley 2011):

"The proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation"

Moreover, Hills et al. (2010:6) identify EM as:

“a spirit, an orientation as well as a process of pursuing opportunities and launching and growing ventures that create perceived customer value through relationships, especially by employing innovativeness, creativity, selling, market immersion, networking or flexibility”.

As evident in the definition, the processes of pursuing opportunities and creating customer value are driven by entrepreneurship characteristics, such as networking and innovativeness. The entrepreneurial form of marketing highlights the importance of proactively seeking and exploiting opportunities in the marketing process. This proactive opportunity-seeking process was similarly identified in the entrepreneurship literature but from an EM perspective, it is linked more specifically with a marketing purpose. Thus, it can be suggested that EM is a subset of entrepreneurship.

Furthermore, some scholars have also suggested that EM could be a subset of marketing (Kotler 2003). As an alternative to traditional marketing approaches, an EM perspective understands that marketing strategies embedded in the four Ps (Product, Promotion, Place, Price) are aided and augmented by the entrepreneur's characteristics and perspectives in order to successfully exploit emerging opportunities (e.g. through networking). Kotler (2003) proposes that EM is a stage in the evolution of a firm's marketing development and acts to augment traditional marketing processes. This perspective would consider that marketing processes are driven by the entrepreneur's preferences and beliefs.

On the other hand, Morrish, Miles and Deacon (2010) consider EM as both entrepreneur-centric and customer-centric, where both entrepreneur and customer play significant roles and are in equivalent positions to conduct marketing activities and strategy. Indeed, Morrish, Miles and Deacon (2010: 304) stated the following:

“This paper...takes the perspective that EM is both wholly traditional AM (Administrative Marketing) and wholly entrepreneurship and not a subset of marketing combined with a subset of entrepreneurial processes;

therefore the construct of EM is not simply the nexus between the sets of marketing and entrepreneurial processes that has emerged as the conventional conceptualisation of EM...but fully includes all aspects of AM and entrepreneurship.”

It is identified in the literature that there are significant differences between EM and traditional (or conventionally accepted) marketing (Strook 2000, Freel, 2000, Collinson and Shaw 2001, Collinson 2002, Morris, Schindehutte, and LaForge 2002, Hills, Hultman, and Miles 2008)(See table 2.3 for the comparison of differences between EM and traditional marketing) . EM has been often defined in contrast to Traditional Marketing (TM). Thus, it is worth explaining the concept of EM in how it relates to traditional marketing, allowing a more in-depth understanding of EM to emerge.

While Traditional Marketing (TM) tends to emerge in established and relatively stable markets, EM typically operates in emerging and fragmented markets. Traditional marketeers operate based on current customer needs and use this as the starting point of the marketing process (Stokes 2000). TM places emphasis upon perceiving and understanding the needs of a current customer base through formal marketing research. These needs are perceived to be clear in a market environment which is stable, has a supportive regulatory structure and the technology is static (Morris et al. 2002).

However, for EM, the focus is placed upon perceiving emerging customer bases in new markets or in markets that are going through turbulent change and where the needs are as yet unclear. In other words, entrepreneurial marketing researchers seek to perceive opportunities in changing or emerging markets ahead of others. At the centre of an EM approach is guiding market strategies towards identifying and responding to evolving customers' needs. The emergence of new or changing markets could be closely interlinked with technological developments (Morris et al 2002 and (Schindehutte, Morris and Kocak 2008). EM firms tend to be driven by the entrepreneur's experience, preference and intuition for perceiving the future imbalances in the market.

TM is more likely to use formal market research to establish the state of current customers' needs. TM research typically relies on quantitative, large-scale surveys that are often delivered through professional research firms or in formal marketing departments. It is a formalised research process that seeks to identify existing trends in the market and the current preferences of customers (Schindehutte, Morris and Pitt 2009).

However, an EM approach to research operates by focusing upon gaining richer insights into the customers' emotions and desires and understanding the customers' journey. In other words, EM research considers what is behind the customers' decision-making process and develops insights based on how and why customers formulate their purchase decisions, rather than simply examining what they are purchasing (Schindehutte, Morris and Pitt 2009).

Additionally, EM research practices are often innovative, operating outside of the boundaries of formalised marketing research structures. Here, it is through continual, day-to-day interactions with customers that EM firms accumulate knowledge on the needs and preferences of customers (Mort, Weerawardena, and Liesch 2012). These interactions can emerge through technology where employees of EM firms can collect information on customers through social media or use specialised software to record the customers' journey. Accordingly, EM research strategies tend to be low-cost, qualitative and informal, in contrast with those of TM research.

Moreover, the customer plays different roles in EM and TM. In TM, the customer acts as simply an external source of intelligence and feedback. For instance, traditional marketers may make use of surveys or questionnaires to inform their future marketing strategies and business operations. However, in EM, the customer plays an active role in firms' marketing decision processes, what EM scholars have referred to as customer 'intensity' (Morris et al. 2002, Jones and Rowley 2007).

Accordingly, EM adopts a customer orientation and places significant attention on reinforcing passion for the customer and on bringing the customer into the

firm's marketing operations. The EM approach is driven by the need to establish a close, intimate bond with the customer and to establish a relationship with the customer in the long-term (Jones and Rowley 2011). Notably, entrepreneurial marketeers intimately involve customers in firms' marketing strategies through 'co-creation', a collaborative and interactive process to develop marketing strategies between the firm and customer (Romero and Molina 2011, Agrawal and Rahman, 2015).

Differences also emerge between TM and EM approaches in the management of resources. TM firms operate according to a budget orientation and a scarcity mentality, whereby the focus is placed upon the efficient use of resources and short-term financial metrics (Hills et al. 2008). However, the EM approach is not limited by resource constraints and emphasises the leveraging of resources.

EM firms leverage resources as a strategy for overcoming resource constraints, often through creative approaches to resource management, thereby maximizing the value of current resources (Morris et al 2002). The entrepreneurs' experience and networking skills can also effectively exploit the value of the resources. For instance, with networking, strategic alliances can be formed to enable firms to share, borrow or co-operate on other firms' resources (Hill et al. 2008).

This section has indicated the multiple definitions of Entrepreneurial Marketing (EM) that exist in the extant literature. With growing interest in EM scholarship (Hills and LaForge 1992, Morris, Schindehutte and LaForge 2002), different scholars have approached EM from different perspectives. Some consider EM to be a subset of marketing or EM to be a subset of entrepreneurship, rather than sitting alongside one another. For example, Hill et al. (2008) and Mort, Weerawardena and Liesch (2012) consider EM as a school of marketing thought that is distinctive from conventional marketing. Notably, EM is often understood as a proactive and opportunity-seeking form of marketing. However, on the other hand, other scholars (e.g. Morrish, Miles and Deacon 2010:304) conceptualise EM as comprising of "wholly entrepreneurship" and "wholly marketing". From this perspective, EM is a comprehensive construct and distinct school of thought developing from both core aspects of entrepreneurship and marketing theory.

Moreover, there are different ways of examining EM. Firstly, scholars explore EM through examinations of the marketing activities of SME firms (e.g. Carson and Gilmore 2000, Ashworth 2012 and Harrigan and Ibbotson 2012). Secondly, researchers may use different orientations (e.g. market orientation, innovation orientation, customer orientation) to examine EM (Jones and Rowley 2011). Thirdly, marketing activities could be examined from an entrepreneurial outlook (Shaw 2004). Fourthly, scholars may use EM theoretical lens to explore firms' EM strategies (Miles and Darroch 2006, Mort, Weerawardena and Liesch 2012, Anwar and Daniel 2016).

In this research, in line with the selected school of entrepreneurship, EM is understood to focus on the ways in which firms are using marketing strategies to exploit opportunities in the market, as suggested by Shane and Venkataraman (2000). As Morris et al. (2002) claim, EM is a form of marketing that is fundamentally opportunity-driven and opportunity-seeking. Indeed, it can be identified that all of the above definitions of EM are opportunity-driven. Thus, this research suggests that EM is closely linked with the entrepreneurial processes of seeking and exploiting opportunities.

Table 2.3 Comparison of differences between EM and traditional marketing (Morris, Schindehutte and LaForge 2002, Hills, Hultman, and Miles 2008, Mort, Weerawardena and Liesch 2012).

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2.4.2 The Role of the Entrepreneur in Marketing Processes and Strategies

EM theory can be used to understand firms' marketing behaviour and how the entrepreneur's behaviour impacts upon this. In particular, it can enable an examination of the impact of entrepreneurship on the internet-led strategic roles adopted by firms for marketing purposes. Using an EM approach is useful for theory development at all stages of a firm's life-cycle (Morris, Schindehutte and LaForge 2002).

In EM research, firm-level marketing activity is proposed to be influenced directly by entrepreneurial behaviour. Indeed, Franco et al (2014) argue that the entrepreneur acts as a central actor in the marketing process rather than through layers of management. An entrepreneurial orientation describes the strategic processes where the firm's behaviour is defined by the actions of the firm's decision-makers (Lumpkin and Dess 2001).

Indeed, in the entrepreneurial process, the entrepreneur's behaviour and actions are key (Covin and Slevin 1991, Lumpkin and Dess, 1996). The entrepreneurial process involves three key stages: (1) the discovery phase; (2) decision phase (3) materialising the idea (Kirzner 1999, Shane and Venkataraman 2000, Baltar and De Coulon 2014). Thus, there is a distinction between the discovery phase which describes the origins of the start-up idea and the exploitation phase, which refers to materialising the idea and the actions associated with this, such as acquiring resources. Indeed, from an EM perspective, the entrepreneur is an individual who undertakes actions to discover opportunities, innovates products and services and meets the need of target customers (Shane and Venkataraman 2000, Hills et al. 2010, Jones and Rowley 2011, Mort, Weereawardena and Liesch 2012). The entrepreneur's opportunity creation can facilitate firms to expand their existing markets and access new markets.

From an EM perspective, the entrepreneur is driving the firm-level marketing processes, facilitating SMEs to gain competitive advantage through proactively seeking opportunities, innovatively conducting strategy and configuring unique

combinations of social networks (Miles and Darroch 2006 and Hills, Hultman and Miles 2008). Indeed, a firm's competitive advantage or strategy formulation is influenced by a high level of entrepreneurship characteristics, reflected in the organisational processes and decision-making style of an organisation. Entrepreneurship characteristics have implications for SMEs through management processes and strategy developments, enabling them to overcome, to a lesser or greater extent, their resource constraints (Oviatt and McDougall 2005).

In EM strategy, entrepreneurs tend to conduct marketing strategy reflecting their characteristics such as experience and intuition. Entrepreneurs use their own customer knowledge and market probing to develop innovative products (Berends et al. 2014). The entrepreneur tends to discover opportunities proactively in order to innovatively exploit them for existing and potential customers (Morris, Schindehutte and LaForge 2002, Miles and Darroch 2006,).

EM research emphasises the importance of seeking and proactively anticipating future customers' need, in contrast to the traditional marketing perspective, with greater emphasis placed upon the importance of formal market research in conducting a marketing strategy (Miles and Darroch 2006). If the firms' marketing strategies are based on formal market research, they are likely to be driven by the needs of the current market.

In EM research, emphasis is placed on the importance of resource leveraging, in order to gain entry into 'difficult to penetrate' markets (Mort, Weerawardena and Liesch 2012). Indeed, entrepreneurship research has recognised the key role that the entrepreneur can play in mobilising resources external to the firm and enriching the internal resources of the firm (Barney 2002). Therefore, the role of the entrepreneur needs to be investigated in the exploitation of the e-commerce platform to build understanding of how they seek and exploit the market opportunities.

Moreover, research suggests a number of EM practices which can enable enhanced customer retention, acquisition and development (Mort,

Weerawardena and Liesch 2012). In particular, the EM perspective places greater value on the firm establishing a long-term relationship with customers, as well as developing innovative strategies and products, in order to build competitive advantage in the market (Miles and Darroch 2006, Jones and Rowley 2011). Indeed, it is necessary to further investigate the role of the entrepreneur in driving the long-term customer relationship-building processes. Mort, Weerawardena and Liesch (2012) indicated the importance of customer intimacy in EM.

They suggested that the intimate involvement of the customer in the design and commercialisation of products can enable innovative outcomes in terms of product development, as well as increased customer intimacy. Thus, Mort, Weerawardena and Liesch (2012) propose the formation of a close linkage between customer intimacy and innovative products, whereby these two exist in one strategic dimension rather than two separate dimensions. This alludes to the concept of 'co-creation', which can be defined as the firm-level processes of developing goods, services and experiences in co-operation with consumers, leading to a reward of some kind. (Romero and Molina 2011, Agrawal and Rahman 2015)

EM scholars indicate the importance of 'co-creation' in EM practices (Morris, Schindehutte and La Forge 2002, Jones and Rowley 2011). Indeed, Lee Olson and Trimi (2012) suggest that customers should be involved in the customer value creation process. Thus, the customers themselves can be engaged in the firm's innovative processes (Hills and Hultman 2006, Lee, Olson and Trimi 2012). From an EM perspective, it is claimed that interaction between entrepreneur and his or her customer will facilitate entrepreneurs to gain knowledge of the customers' needs, enabling enhanced marketing practices (Morris, Schindehutte and LaForge 2002, Deacon 2002, Jones, Suoranta and Rowley 2013).

It is proposed that the entrepreneur can utilise the internet to develop innovative strategies which improve the interaction with customers and encourage them to engage in co-creation (Bell and Loane 2010). Through this, they can access the information from interaction with customers and online customer reviews (Lee

and Bradlow 2011). Consequently, the entrepreneur can better understand customers' needs, can proactively identify opportunities such as potential customer needs and can use an innovative approach to exploit the opportunities such as developing new products. Thus, entrepreneurship research needs to take into account how the characteristics of entrepreneurship influence the development of co-creation strategies.

Lumpkin and Dess (1996) propose that further research needs to be carried out to explore how entrepreneurial behaviour or characteristics could affect the competitive advantage and performance of SMEs. As the marketing activity in EM-oriented firms is led by the entrepreneur, it is necessary to explore how the entrepreneur's characteristics influence firm-level marketing behaviour. Morris, Schindehutte, and La Forge (2002) highlighted the importance of exploring the relationship between the entrepreneur's unique capabilities and the firm's marketing strategies. While it has been identified that the entrepreneur's characteristics impact upon marketing activity, less has been said about how the two interact. Therefore, this thesis will examine the role of entrepreneurs in undertaking marketing from an entrepreneurship characteristics perspective in the context of pure-play e-retailers in China.

2.4.3 Entrepreneurship Characteristics in the Marketing interface

This section outlines the characteristics of entrepreneurship which have been identified and examined in the EM literature in order to improve fundamental understanding of the role of entrepreneurship characteristics in EM processes. This section aims to provide an increased understanding of the relationship between entrepreneurship characteristics and firm-level internet adoption and exploitation. It provides a theoretical lens and basis for examining the relationship between entrepreneurship characteristics and the exploitation of the Taobao e-commerce platform for marketing purposes.

2.4.3.1 Proactiveness

The entrepreneur's proactive posture may facilitate the firms' identification of potential opportunities in the online market. The entrepreneur needs to perceive

the potential opportunities from the integration of internet adoption in the firms' business strategies. Kreiser et al. (2010) propose that proactiveness can aid firms in seeking and exploiting beneficial business opportunities through the process of strategic renewal. Indeed, it has been identified that firms which are proactive evidence a readiness to create opportunities and become market leaders instead of followers, thereby allowing them to be distinguished from other types of firms.

EM research places an emphasis on opportunity-seeking (Morris, Schindehutte, and LaForge 2002). EM-oriented firms' ability to seek and respond to market opportunities is driven by the entrepreneur's proactive tendencies. By proactively seeking and exploiting arising opportunities, EM-oriented firms can gain competitive advantage in the market (Hills, Hultman and Miles 2008). As Lumpkin and Dess (1996) suggested, proactiveness refers to the entrepreneur's ability to take the initiative and to aggressively respond to market opportunities in a competitive, hostile environment. Thus, the entrepreneur with a proactive posture may identify and grasp the opportunities in the online market.

In addition, Glavas and Mathews (2014) highlight the importance of proactiveness in the adoption and exploitation of the internet. In their study, the entrepreneurs were identified to proactively anticipate future customer needs through the use of Customer Relationship Management (CRM) systems in order to optimise business processes and reduce business running costs. Thus, Glavas and Mathews (2014) recommend firms to concentrate on developing proactive behaviours in their activity. Similarly, McGowan and Durkin (2002) indicated the significance of the entrepreneur perceiving how to exploit the internet to achieve benefits. Pro-activeness is identified in entrepreneurship research to be a beneficial factor at the firm's growth stage or in a rapidly changing environment which provides numerous opportunities (Lumpkin and Dess 2001).

2.4.3.2 Innovativeness

In EM literature, innovativeness has been identified as a critical element in firm's development (Morris, Schindehutte and LaForge 2002, Hills et al. 2010, Jones and Rowley 2011). EM-oriented firms often take a creative approach to

marketing, which could include innovative products or strategies (Morris, Schindehutte and LaForge 2002). The firm's ability to develop innovative strategies and products is emphasised as a way of creating added value for the customer and of creating an advantageous position in the market (Morrish, Miles and Deacon 2010, Jones and Rowley 2011).

Indeed, it is indicated that innovativeness could facilitate firms to develop competitive advantage in catering for customer's needs since firms will develop innovative products or business strategy (McGowani And Durkin, 2002). EM firms are more likely to lead the market with innovative activity rather than following other firms' strategies (Morris, Schindehutte, and LaForge 2002). Indeed, Morrish, Miles and Deacon (2010) indicate that innovative strategies in EM firms include interactive marketing methods such as e-word-of-mouth.

McGowani and Durkin (2002) and Glavas and Mathews (2014) both highlight the importance of innovativeness in an internet-enabled environment. For instance, McGowan and Durkin (2002) indicated that innovative adoption of the internet allows the firm to develop new products and formulate new ways of conducting business activities in order to meet current customer needs. Meanwhile, Glavas and Mathews (2014) detailed the ways in which SMEs in their findings used the internet to carry out innovative activity, e.g. developing innovative software to meet customers' needs.

As previously identified, innovativeness refers to both technological and non-technological innovations (Miller and Friesen 1983 and Lumpkin and Dess 1996). However, the research enquiries in this thesis are driven by an interest in non-technological innovations: here, it is not the technology itself which is viewed as innovative, but rather the ways in which the examined firms are making use of such technologies. The study of non-technological innovation in entrepreneurship literature has thus far been limited in nature; as a result, there needs to be further investigation of specifically how firms are adopting and exploiting the internet technology in innovative ways.

EM literature has placed an emphasis on the importance of co-creation strategies as an open-source innovative practice (Lee, Olson and Trimi 2012, Jones, Suoranta and Rowley 2013). Co-creation is considered to be an innovative marketing strategy carried out using the internet which may convert new business opportunities to be more efficiently, effectively, and speedily implemented by reducing the time and costs of the new product development. This leads to both technological and non-technological innovations since the entrepreneur can take advantage of customers' feedback for developing his business (Bell and Loane 2010). Therefore, it is recognised that co-creation is an innovative online practice which has multiple benefits for firms; however, there is insufficient exploration of the entrepreneur's innovative role in the process and how the firm can engage customers in co-creation.

2.4.3.3 Risk-taking

Risk-taking in the firms' context refers to a willingness to commit resources towards new opportunities in the market when the outcomes are uncertain (Miller and Friesen 1983, Lumpkin and Dess 1996, Knight 2001). It is argued that entrepreneurs engaging in e-commerce may need to take higher risks, considering the unpredictable, uncertain and rapidly changing nature of the e-commerce market (Ensley, Pearce and Hmieleski 2006). Mostafa (2006) proposed that managers who were risk-seeking were more likely to exploit opportunities provided by the internet.

However, given the openness of the internet and the fewer resource demands required to engage in international business activities online (as discussed in Section 1.3), Glavas and Mathews (2014) argue that adoption of the internet by firms has reduced perceived risks in the internationalisation of firms. In addition, in their findings, they identified the majority of the entrepreneurs, who were engaging in the e-commerce market, to have generally low risk-taking propensity. However, this remains unclear in the context of Chinese pure-play e-retailers, where market conditions and entrepreneurial behaviour may differ.

2.4.3.4 Networking

Significant importance is placed upon networking in the EM literature (Franco et al. 2014, Hills, Hultmann and Kilenthong 2016, Resnick et al. 2016). Indeed, Franco et al (2014) argue that, “Networks and networking are fundamental to how the entrepreneur does business and the intrinsic value of an entrepreneur’s business lies in its networks”. For EM firms, networking is linked with informal and interactive communication forms with multiple stakeholders (Franco et al. 2014).

Networking can act as a source of extended knowledge for the firms, e.g. knowledge of new markets. This can aid firms’ development, particularly in the early stages and can improve their competitiveness (Glavas and Mathews 2014). In addition, from building networks, the entrepreneurs are argued to have greater access to financial resources (Zhang 2011). It allows the formation of social capital and is argued to be an important skill for entrepreneurs to have when expanding their firm (Shaw 2006, Bowey and Easton 2007, Miller, Besser and Malshe 2007).

The use of networking can allow firms to promote their brand and expand their customer base. Customer contacts can be built through personal contact networks and word-of-mouth recommendations (Hill, Tiu and Wright 2001, Gilmore et al. 2001). Entrepreneurs in SMEs could gain their first customers from their personal networks, a more cost-effective route than traditional advertising methods (Resnick et al. 2016). Here, firms can gain access to potential new customers and gather important information through informal networks. Networking can allow entrepreneurs to communicate with customers in an informal, interactive way (Franco et al. 2014). Networking with the customers can allow the firm to maintain a loyal customer base in the long-term. Networking can be with customers, suppliers as well as competitors (Hills, Hultmann and Kilenthong 2016).

Moreover, guanxi is a Chinese form of social networks, in which greater emphasis is placed upon emotional ties, high intimacy and frequent interaction (Lin 2001, Tsui et al. 2002, Batjargal 2007). Researchers suggest that guanxi networks can

enhance the performance of firms, as they can access diverse information, resources and opportunities. As well as this, guanxi relationships may ensure greater protection for entrepreneurs and trust among individuals.

In addition, while networking can be applied to both online and offline environments, as Glavas and Mathews (2014) indicated, there is insufficient engagement in the literature with how firms are using network resources and networking skills in the adoption and exploitation of the internet. Indeed, the role of networking skills in an e-commerce exploitation remains unclear. For Glavas and Mathews (2014), it does not act as a key entrepreneurship characteristic in the adoption and exploitation of the internet. Thus, despite the significant amount of research which has detailed the benefits of networks, it is less clear how exactly the network resources impact upon the exploitation of internet for seeking market opportunities. There needs to be greater exploration of how the specific strategies are developed through using their network resources.

2.4.3.5 Business Experience

The entrepreneurship literature identifies the importance of experience in the behaviour of the entrepreneur (Franco et al. 2014). Previous entrepreneurial experience is likely to influence the ways in which the entrepreneur approaches the firm's marketing activity. Franco et al. (2014) suggest that entrepreneurs with higher levels of experience are more likely to adopt marketing strategies which are opportunity-focused and proactive in nature.

Batjargal (2007) indicates that entrepreneurs with western experience and start-up experience benefit from access to multiple resources (suppliers, clients and investors) to facilitate the effective development of firms. The entrepreneurs with previous start-up experience may access resources and information better as they are more embedded in local relationship networks (Mostafa, Wheeler and Jones 2005, Robson et al. 2012, Glavas and Mathews 2014). It is also identified that experienced entrepreneurs are often more skilled in developing networks (Li, Schulze and Li 2009). The entrepreneurs with western experience could access

a greater diversity of information and opportunities from different regions, and countries (Batjargal 2007).

Serarols-Tarrés, Padilla-Meléndez and del Aguila-Obra (2006) and Batjargal (2007) emphasise the importance of experience in regards to entrepreneurship, since it is positively associated with development of Internet ventures. In particular, entrepreneurs' internet experience is more important for the effectiveness of using the internet for commerce than their international business experience (Berry and Brock 2004, Moini and Tesar 2005). Berry and Brock (2004) and Mostafa, Wheeler and Jones (2005) propose that firms which are more entrepreneur-centric are more likely to commit resources to the adoption of internet.

However, Glavas and Mathews (2014) propose that experience is not an essential ability for entrepreneurs in the adoption of the internet for the international business process. Here, international business experience weakens internet capabilities for internationalisation and results in a reliance on traditional mechanisms of internationalisation such as export via agent (Glavas and Mathews 2014). That is to say, firms may rely more on previous business experience such as searching for customers through exhibitions or intermediaries, rather than investing in developing Internet operations (Mostafa, Wheeler and Jones 2005, Glavas and Mathews 2014).

2.4.4 Current EM Research Concerns and Deficiencies in Online Context

Based on the above, EM research has been conducted in the context of SMEs (Jones, Suaranta and Rowley 2013, Franco et al. 2014), young firms and large firms (Jones and Rowley, Morris, Schindehutte and LaForge 2002, Miles and Darroh 2006, Hills and Hultman 2013). Entrepreneurship characteristics are highlighted in the process of conducting EM strategies. It has been proposed that SME marketing is equivalent to entrepreneurial marketing, mirroring entrepreneurial abilities of innovation, competitor analysis, opportunities seeking and leveraging resources (Jones and Rowley 2011, O' Dwyer et al. 2011). EM-oriented firms can have a superior ability to strategically manage and operate

marketing activities in competitive market circumstances. It highlights the importance of considering EM for this research to improve understanding of entrepreneurial behaviours in marketing process.

Moreover, EM is particularly useful in researching market environments which are rapidly changing (Hills, Hultman and Miles 2008). Accordingly, it is necessary to consider an EM perspective in the exploitation of the e-commerce platform in order to examine how EM is reflected in the online environment which is dynamic. There is limited research examining EM in the online context (see appendix I for the searching results). Research has highlighted the benefits of internet technologies for EM strategies and development and that internet technologies are significantly changing the EM landscape (Indrupati and Henari 2012). In other words, the ways that firms carry out marketing practices is being enhanced by the use of the internet. For example, Harrison and Ibbotson (2012) are concerned with how E-customer relationship management improves the overall effectiveness of customer relationship building and the role that it plays in enhancing customer value.

Scholars have focused attention upon examining how the internet assists firms' traditional, offline marketing processes (e.g. Jones 2010, Harrison and Ibbotson 2012). The internet can be used as a tool to improve the effectiveness of marketing, although this depends on the specific contexts and markets in which the firms are operating. Colton, Roth and Beardon (2010) place emphasis on the importance of understanding customers' needs in different markets, suggesting that an "all fits one" strategy does not work in different e-commerce markets. This highlights the importance of considering different e-commerce market contexts for conducting online marketing strategies of e-retailing firms.

Additionally, there are some concerns raised in conducting online marketing strategies. Thompson-Whiteside, Turnbull and Howe-Walsh (2018) investigate how female entrepreneurs operate firms online and offline to develop personal brands. It is suggested that while social media usage is pervasive, there remain gaps in knowledge of entrepreneurs on building a holistic social media presence. Anwar and Daniel's (2016) also raise the issue of a homogenous online market.

It is suggested that SMEs lack know-how of operating a business online and tend to observe other e-commerce players in learning how to conduct marketing practices, leading to a homogenous market.

Overall, three types of EM articles emerged in the search results. Firstly, articles were identified that examined the integration of internet technologies into traditional offline firms EM strategies (e.g. McGowani and Durkin 2002, Colton, Roth and Beardon 2010, Harrison and Ibbotson 2012, Sinkovics and Jean 2013,). In other words, the internet technologies assisted already existing offline strategies of these firms. Secondly, there could be identified articles in which EM theoretical analysis was carried out on firms that have both online and offline components (e.g. Mort, Weerawardena and Liesch 2012, Sinkovics and Sinkovics 2013, Turnbull and Howe-Walsh 2018,). There were only a few results which examined EM in online business (e.g. Anwar and Daniel's 2016 and Colton, Roth and Bearden 2010). Thirdly, papers emerged that examined EM strategies in the context of businesses that operated solely online as well as e-retailers (e.g. Ashworth 2012).

Ashworth (2012) is the only researcher whose paper specifically examines the context of pure-play e-retailers through an EM lens. Ashworth (2012) provides a strong understanding of the complexities of organisational development in pure-play e-retailing. It looks at the long-term sustainability of firms' strategies, which is valuable for pure-play e-retailers to consider. It considers the mature firms' developing strategies for further growth. However, there remains a need to consider the day-to-day internet exploitation for start-up firms. This research is considering how firms can exploit internet technologies (the Taobao e-commerce platform) for seeking market opportunity. It considers how firms can seek market opportunities in day-to-day operations by using the e-commerce platforms and to understand how to maintain entrepreneurship in a competitive online environment.

Furthermore, there exist insufficient studies of EM in online contexts and in relation to the e-commerce platform exploitation. There lacks an examination of online marketing from an entrepreneurial outlook to uncover how

entrepreneurship characteristics interact with, and underpin, online marketing practices. While EM scholars have identified the key entrepreneurship characteristics for EM processes, these have not specifically been investigated in relation to how they affect firm's online marketing processes.

Thus, there is urgency to conduct EM research in a specifically online context and in relation to the e-commerce platform exploitation. This thesis will examine the marketing issues of pure-play e-retailers through an entrepreneurship theoretical lens, acknowledging the perspectives adopted by a number of EM scholars (Morrish 2010, Jones and Rowley 2011). Here, there will be an investigation of the ways in which the entrepreneurship characteristics impact upon the online marketing activity of firms, in the context of pure-play e-retailers in China.

2.5 Contextual factors for Entrepreneurship

The purpose of this section is to outline the contextual factors surrounding entrepreneurship. By improving our understanding of these, the role of the entrepreneurship characteristics in the exploitation of the Taobao e-commerce platform can be more fully examined. There can be a more comprehensive understanding of *why* specific entrepreneurship characteristics impact upon firms' behaviour. Thus, this section considers both the environmental and organisational factors which may affect the entrepreneurial processes within a firm.

2.5.1 Environmental Factors

Environmental factors are external to the firm and include aspects such as the domestic market environment and industry characteristics (Lumpkin and Dess 1996, Yeoh and Jeong 1995). Indeed, Sarasvathy (1997) identified the importance of environmental factors (including market positioning) upon the entrepreneurial process. Although environmental factors cannot be changed by individual efforts, entrepreneurs need to consider these when operating their businesses.

Previous studies mainly explored the relationship between internal and external factors and the performance of a firm. The environmental factors may vary according to industry sector and countries. As this research focuses on the case of Chinese pure-play e-retailers, environmental factors in this context refer to the Chinese online market environment (domestic factors), and the Chinese fashion industry (industry characteristics). As these pure-play firms are operating their brands on a third-party e-commerce platform, it is worth examining this as an environmental factor.

The online merchant of an e-marketplace acts as an intermediary between buyer and seller, as with Taobao.com, the most popular e-marketplace in China. It provides the online market infrastructure for e-commerce firms to effectively conduct their business in the marketplace, including technologies. As highlighted in Section 1.8, established policies and rules, as well as institutional mechanisms, on the e-marketplace provides assurances to customers that their payment is secure and can enable enhanced trust between buyer and seller (Hong and Cho 2011). The platforms also acts as a source of reliability and confidence for consumers shopping online.

The e-marketplaces can act as online intermediaries, which means that they can support those firms which do not have a high level of online technological capability, such as business experience in internet operations. Sinkovics and Sinkovics (2013) argue that intermediaries can play an important operational role in firms' business processes. Indeed, according to Wynne et al (2001), intermediaries can enable routine transactions to reduce their operational costs and expand standardisation. Wynne et al. (2001) suggest that both buyers and sellers commit their business to intermediaries, due to the depth of experience and information that they offer. Therefore, it can be suggested that high levels of technological capabilities are not a pre-condition for firms' who are operating on e-marketplaces. As the focus of this thesis is the exploitation of the Taobao e-commerce platform by Chinese pure-play firms which use e-marketplaces as their main sales point, it is necessary to explore how entrepreneurs are behaving in this environment.

2.5.2 Organisational Factors

Organisational factors refer to internal aspects of the firm, such as the firm's size, strategy, resources and structure (Lumpkin and Dess 1996). Sarasvathy (1997) particularly highlighted the importance of resources in affecting the entrepreneurial process. The pure-play firms examined in this research are SMEs. Therefore, it is necessary to outline the characteristics of the SMEs, which takes into account the firm's size, strategy, resources and structure. The other organisational factors which are discussed in this section are family involvement and entrepreneurial learning.

It is proposed in entrepreneurship research that there needs to be a greater consideration of the organisational context of firms when analysing the role and behaviour of the entrepreneur (Miles and Darroch 2006). Some internal factors interact with each other, such as organisational resources, process strategies and the management team, as well as the individual characteristics of entrepreneurs. These factors impact upon the firm's entrepreneurial behaviour. While environmental factors cannot usually be changed directly by individual efforts, entrepreneurs can influence organisational factors. Indeed, Naman and Slevin (1993) argue that it is necessary for entrepreneurs to understand the factors that they can influence. Here, an entrepreneur could adjust his marketing strategy by product mix to put his organisation in a more desirable position, fitting the environment and catering for a market.

2.5.2.1 SME Characteristics

There are a number of characteristics of SMEs which distinguish them from large firms, not only related to their size, but also their approaches to marketing, management and structural organisation (Carson et al. 1995, Miles and Darroch 2006, Jones and Rowley 2011). The systems and procedures evident in SMEs are often less complex and rigid than that of large firms, allowing them a higher level of flexibility (Jones, Suoranta and Rowley 2013, Franco et al. 2014, Hills, Hultmann and Kilenthong 2016).

Enhanced flexibility allows SMEs to grasp opportunities faster than large firms,

as well as being able to adapt their strategies based on changes in the environment (Hills, Hultmann and Kilenthong 2016). Despite this, due to their size, there are inherent limitations placed on the competitiveness of SMEs in international and national markets (Carson and Gilmore 2000, Miles and Darroch 2006). Indeed, Franco et al (2014) highlight that there are resource constraints placed upon SMEs which have significant implications for their marketing practices.

SMEs can overcome their resource constraints through strategic alliances, where they build relationships with their suppliers, consumers and competitors in order to build competitive advantage. These alliances can act as innovative marketing tools for SMEs. Through participation in such alliances, SMEs can access additional financial and human resources when engaging in innovative activities, allowing them to potentially overcome resource constraints (O'Dwyer, Gilmore and Carson 2001).

SMEs form innovative strategies through applying and adapting existing marketing ideas or practices to particular situations. Innovative marketing can be identified as a readiness to commit resources to speculative opportunities using creative or novel solutions to barriers, with an emphasis on implementing activities (Carson, Gilmore and Grant 1997). However, Cummins et al. (2000) argued that the marketing activities do not necessarily need to be original to be innovative; the innovation here often relates to how existing marketing concepts or practices are adapted and applied to a particular company or situation.

Moreover, Ashworth et al. (2006a) suggest a cost-effective strategy for online SMEs to build multiple online-stores in order to overcome resource constraints. These multiple online-stores are directed towards different target markets. The target markets are informed by existing customer portfolios from established online stores. The multiple online-store strategy enables firms to take advantage of experience from early established branded sites and spread risk. Additionally, it allows enhanced cost-effectiveness for SMEs, through, for instance, the integration of technology, co-staffing and engaging multiple revenue streams (Ashworth et al. 2006a).

Furthermore, current research suggests that SMEs often focus on immediate benefits when devising marketing strategies, in contrast to the structured and planned nature of the marketing activity in large firms (Franco et al. 2014). Piercy (2009) emphasises the importance of a long-term perspective, learning, the role of the entrepreneur and coordination of different operations departments for SMEs. He suggests that in order to increase competitiveness and to attract customers from larger firms, SMEs can look beyond competing solely based on price. A short-term focus on solely reducing cost and a lack of a long-term perspective will have negative influences on customer service and ultimately profitability. In addition, it is proposed that SMEs should learn from other firms' mistakes in their business operations, allowing them to reduce the costs of 'trial-and-error' (Piercy 2009).

It was identified in the literature that the role of the entrepreneur is highly important for SME growth and performance (Hills, Hultmann and Kilenthong 2016, Lumpkin and Dess 1996). The scope of this research is pure-play SMEs, and specifically how the entrepreneurship characteristics impact on the exploitation of the Taobao e-commerce platform, e.g. how they innovatively overcome the resource constraints associated with SMEs.

2.5.2.2 Entrepreneurial learning

As indicated above, the entrepreneur plays an important role in the development and performance of SMEs. The importance of entrepreneurial learning is highlighted in contributing to firm's innovation, facilitating product and service development and the formation of new skills, capabilities and networks (Zahra, Neubaum and Larraneta 2007, Robson et al. 2012, Alegre and Chiva 2013).

Entrepreneurial learning is considered as a process whereby entrepreneurs acquire, accumulate and update knowledge in order to discover and exploit opportunities during the founding and developing of an enterprise (Rae and Carswell 2000, Minniti and Bygrave 2001, Cope 2005). Learning is also considered to be a dynamic process and is related to the processes of quest, awareness, reflectiveness, integration, and application of knowledge (Rae and

Carwell, 2000, Harrison and Leitch, 2005, Agbim, Owutuamor and Oriarewo 2013). Entrepreneurial learning can also be considered as transformation, assimilation, borrowing and adapting (Politis 2005, Rae 2006 and Aldrich and Yang 2014,).

Wang and Chugh (2014) proposed that there are two types of entrepreneurial learning: 'Exploitation', referring to the use of pre-existing knowledge, and 'exploration', referring to the selection of new actions that have not yet been taken. Tied with entrepreneurial learning, Naman and Slevin (1993) propose that continuous organisational learning acts as an impact factor upon an entrepreneur's behaviour and plays an essential role in improving organisational performance. As part of the entrepreneurial learning process, firms can exploit internal knowledge through the sharing of information among firm members and create new knowledge through a trial and error process, while also expanding their knowledge base through external sources, such as collaborative partners or public sources (e.g. government, industry and consumer reports) (Zahra and Garvis 2000, Dess et al. 2003, Keil 2004, Schildt, Maula and Keil 2005).

Scholars argue that entrepreneurial learning can be defined by experience (Deakins and Freel 1998, Agbim, Owutamor and Oriarewo 2013). The entrepreneur gains this experience through the process of learning-by-doing and reflecting upon their behaviour (Minniti and Bygrave 2001, Cope 2005, Politis 2005). Entrepreneurs' experience also originates from prior successes and failures (Minniti and Bygrave 2001). The entrepreneur can generate knowledge from failures and reflect on why he or she failed in order to further improve their understanding of how to effectively manage the enterprise.

The entrepreneur who has more experience may transform their knowledge into outcomes more effectively, based on reflections from previous experience (Kirschenhofer and Lechner 2012, Rocha, Carneiro and Varum 2015). Experienced entrepreneurs are likely to offer more attractive and operational strategies than first-time entrepreneurs (Westhead, Ucbasaran and Wright 2005). Additionally, Zhang (2011) claimed that experienced entrepreneurs are more likely to access better networks and are more likely to access resources such as

suppliers and customers.

Learning can facilitate a firm's innovative developments as it allows the entrepreneurs to develop new ideas and change pre-existing structures to create new strategies and products. Indeed, learning enables entrepreneurs to generate new skills and capabilities such as new technological skills to support innovation and update strategy (Zahra 2008, Zahra 2012). Learning also plays a crucial role in adapting to changing and uncertain environments which can involve fluctuating market needs and technological developments (Alegre and Chiva 2013). They can learn something about the changing environment, reflect upon themselves and adapt their strategy or products to cater to these changes (Slater and Narver 1995, Harrison and Leitch 2005). As internet technologies are rapidly evolving and the online environment is continuously changing, entrepreneurial learning can be regarded as an important factor for e-commerce firms.

In summary, the environmental and organisational factors should be taken into consideration when analysing the impact of the entrepreneurship characteristics upon the adoption and exploitation of the internet. There is a lack of empirical research data on the impact of these environmental and organisational factors on characteristics of entrepreneurs in the case of Chinese pure-play e-retailers. This thesis will consider the influence of environmental factors and organisational factors in examining the firms' exploitation of the e-commerce platform. In this context, environmental factors refer to the online marketing environment, particularly the e-marketplace platform, the fashion industry and pure-play firms' characteristics. The organisational factors refer to the size and resources of the company, as well as entrepreneurial learning (See table 2.4).

It is important to understand the specific environmental and organisational factors that may affect the entrepreneurial processes, as it allows an enhanced contextual sense of *why* the entrepreneurship characteristics impact upon the firm's exploitation of the internet in such a way. An understanding can be gained of how the entrepreneur deploys the firms' resource when they are attempting to face the challenge of online environmental change and resource constraints.

Table 2.4 Potential Impacting factors on entrepreneurship in the Context of Pure-play E-retailers in China

Environment factors	Domestic market environment (online environment, e-marketplace) Industry characteristics (fashion industry and pure-play e-retailers)
Organisational factors	SMEs characteristics (resource constraints, flexible managerial style) Entrepreneurial learning

Adopted from Franco et al. (2014) and Lumpkin and Dess (1996)

2.6 Chapter Summary

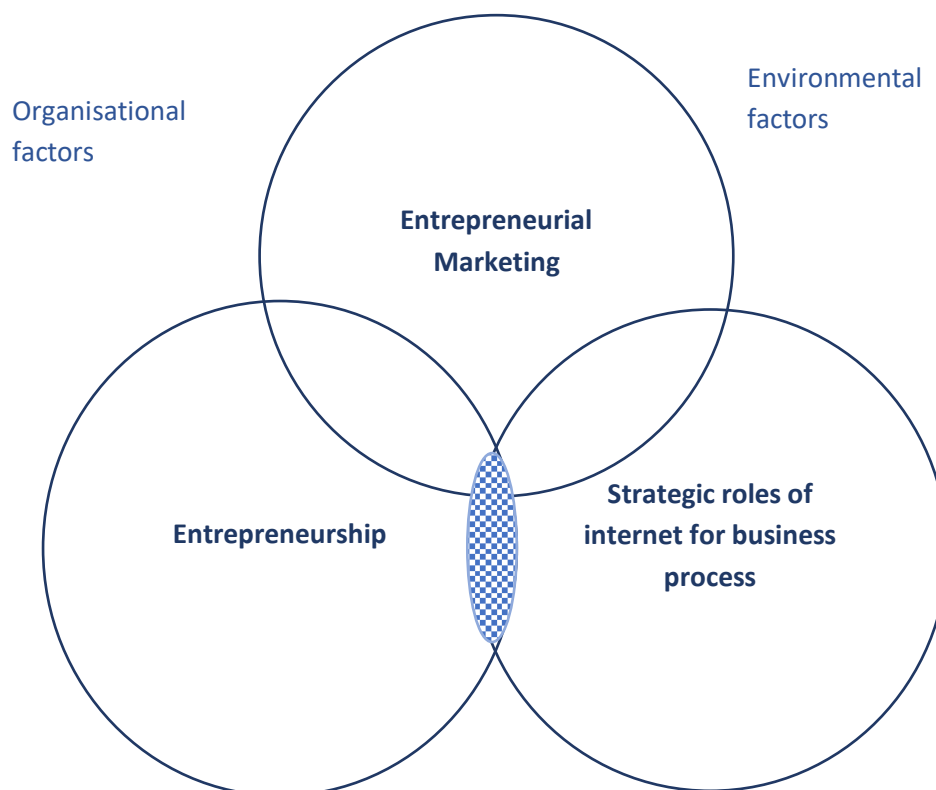
In this chapter, a number of key literature and theoretical bases were assessed and review, notably in relation to the primary strategic roles of firms' internet adoption and exploitation, entrepreneurship, entrepreneurial marketing and the relevant contextual factors impacting upon the entrepreneurial process. Current research has provided the definition of entrepreneurship, identified key dimensions of entrepreneurship and assessed and evaluated the relationship between entrepreneurship and the adoption of the internet. Extant literature has placed emphasis on online marketing, as a key strategic role of internet adoption and exploitation. However, there are deficiencies in research linking entrepreneurship and the exploitation of the e-commerce platform. Moreover, EM literature suggests the importance of the key entrepreneurship characteristics in the marketing interface. However, there is insufficient research which has examined EM in an online context.

Thus, the review of the extant literature suggests that there exist overlaps between entrepreneurship, EM and strategic roles of internet adoption and exploitation which act as the research focus for this thesis (see Figure 2.2). Given that a significant research gap remains as to how the strategies of e-commerce platform exploitation are conducted from an entrepreneurial outlook, this research

seeks to assess and examine how and why entrepreneurship characteristics are reflected in the firms' exploitation of the Taobao e-commerce platform. More specifically, this research involves an examination of the marketing behaviour of pure-play e-retailers in the Chinese e-commerce market through an entrepreneurial perspective. In expanding understanding of these issues (how and why), the contextual organisational and environmental factors need to be considered.

The concepts of entrepreneurship, EM and the strategic roles of internet adoption and exploitation form the theoretical base for this research (see Figure 2.2). Following an inductive analysis of the data (see Methodology chapter for further details), the findings of this research will be placed in the context of existing relevant literature and theoretical contributions. The analysis will consider how the findings that emerged from the data compare and contrast with the existing literature bases.

Figure 2.2 The Research Focus



Therefore, the following research enquiries have emerged based on identified research concerns and deficiencies from the literature review in responding to the principal research question:

- To identify the entrepreneurship characteristics of selected Chinese pure-play e-retailers in the fashion industry that are reflected in the process of Taobao e-commerce platform exploitation.
- To examine the specific business practices of these selected Chinese pure-play e-retailers on the Taobao e-commerce platform.
- To examine the impact of entrepreneurship characteristics upon the specific business practices of these selected Chinese pure-play e-retailers in the exploitation of the Taobao e-commerce platform for market opportunities.

Subsequently, it is necessary to consider how to operationalise these research enquiries. In the following chapter, an appropriate methodological approach will be selected in order to enable empirical research to be carried out on the research topic and in response to the enquiries of the research.

Chapter 3: Methodology

3.1 Introduction

The aim of this chapter is to develop a methodological approach that enables empirical analysis and evaluation of the relationship between entrepreneurship characteristics and the pure-play e-retailers' Taobao e-commerce platform exploitation. This chapter justifies and clarifies the adopted approach to collect and analyse the data, as well as explaining the paradigm and methodology which underpins and supports the logic of the research. This research follows the guidance of Crotty (1996) in structuring the methodology. Here, it is suggested that there are four main elements involved in the design of research methodology, which range from higher-level philosophical thinking to the actual practice of the methods. These four elements are: (i) Epistemology (ii) Theoretical perspective (iii) Methodology (iv) Methods and (v) Analytical tool and process. Crotty (1996) asserts that each of these elements is informed by the others, as part of a coherent, holistic approach, e.g. the methodology chosen is significantly influenced by the epistemology and theoretical perspective adopted. Subsequently, the methodology chapter is broadly structured according to these four elements (see Figure 3.1 below).

Figure 3.1: Methodological Framework (Crotty 1996)

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3.2 Epistemological and Theoretical Perspectives

In order to produce more valid and reliable research results, it is necessary to recognise different epistemologies to help the researcher design a rational research method strategy (see Figure 3.1 for the definitions of three key epistemological viewpoints). Philosophy is vital to any scientific research. In social sciences, understanding philosophical issues offers a foundation for establishing scientific methodological procedures in order to produce knowledge (Lewis and Ritchie 2003). It drives how researchers investigate the world around them and how they conduct research.

3.2.1 Constructionism

This research is driven by a constructionist epistemology. A constructionist view of research considers that meaning is generated through construction, between researcher and subject, rather than being objectively discovered. In contrast to an objectivist position, which would propose knowledge to be simply 'out there' ready to be uncovered, constructionism takes the view that there are subjective constructions of reality which depend on the specific contexts being explored.

In this thesis, the researcher constructs meaning of how the pure-play e-retailers exploit the Taobao e-commerce platform. Here, in line with a constructionist epistemology, the thesis places significant importance on the background context of the pure-play e-retailers, including the nature of the online environment and the market environment. Understandings of the world are always affected by contextual factors. In this thesis, the researcher acts as a socially-situated, subjective actor in the research process; they cannot simply achieve an objective understanding of a research area. Thus, there needs to be a self-reflexive examination of the researcher's position in relation to the subject being researched, as part of a constructionist epistemology.

Alongside epistemological commitments sit ontological perspectives. Ontology is the study of being, compared to epistemology's concerns with what it means to know (Crotty 1996). Methodological theorists often have difficulty in separating the two, and epistemological and ontological concerns often tend to merge in

practice. For instance, idealism, an ontological perspective, proposes the existence of multiple realities, acting in alignment with a constructivist epistemology. As a result, Crotty (1996) suggests that due to the overlap between ontology and epistemology, the two do not need to be dealt with separately. Thus, taking Crotty's (1996) perspective, this methodology chapter deals primarily with the research's epistemological commitments and does not separately engage with ontology. Ontological issues can be dealt with as they emerge in the epistemological discussion.

Table 3.1: Definitions of three key epistemological viewpoints (Crotty 1996, Saunders, Lewis and Thornhill 2014)

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3.2.2 Interpretivism

Drawing from a constructionist viewpoint, this thesis adopts an interpretivist theoretical perspective. Interpretivism considers the world to be socially constructed and subjective, in which the perspectives and experiences of social actors are subjective (Snape and Spencer 2003, Hennink, Hutter and Bailey 2011). The interpretivist seeks to understand subjective meanings and social phenomena (Saunders, Lewis and Thornhill 2014). The interpretivist paradigm developed as an alternative to positivism in social sciences during the 1970s

(Hennink, Hutter and Bailey 2011) (see Figure 3.2 for the broad differences between positivism and interpretivism).

While the positivist approach to research seeks universal, generalisable laws and explanations, interpretivism aims to understand the subjective, constructed meanings of complex social phenomena (Lincoln and Guba 2000, Lewis and Ritchie 2003, Saunders, Lewis and Thornhill 2014). Positivism assumes an objective reality, in which 'truth' can be unquestionably accessed; conversely, interpretivism considers there to be multiple, subjective realities (Lincoln and Guba 2000, Crotty 1996). In line with a constructionist epistemology, an interpretivist perspective takes into consideration the multiple interpretations and constructions of social phenomena.

The complexity of the phenomena being explored in this thesis means that it is appropriate to make use of an interpretivist perspective. Here, in-depth, rich and detailed accounts of the entrepreneur's perspectives on internet adoption and exploitation can be accessed. The focus in this thesis is on better understanding *how* the entrepreneurship characteristics impact upon the exploitation of the Taobao e-commerce platform for market opportunities, rather than simply identifying causal explanations between the entrepreneurship characteristic and firms' activities.

In this thesis, the entrepreneur's perspectives are examined. The interpretivist researcher attempts to understand deeply the complicated phenomena of the 'real world' through capturing what meaning the participants give to them (Lewis and Ritchie 2003, Bryman and Bell 2011). The entrepreneurs shared experiences on the e-commerce platform exploitation in their own words; this was then interpreted by the researcher, in line with the enquiries of the research. The interpretivist perspective considers the researcher's position to influence the subjective interpretation of meaning (Lewis and Ritchie 2003). Understanding social phenomena concerns both the participant's and the researcher's understanding.

Research which adopts an interpretivist perspective explores the subjective meanings of phenomena, within a specific context and situation (Lincoln and Guba 2000). The experiences of social actors are constructed within a particular social and personal context (Lewis and Ritchie 2003, Blaikie 2007, Hennink, Hutter and Bailey 2011). In this thesis, taking into account the contextual factors can enable a better understanding of the entrepreneur's perspectives and experiences. The context can provide explanations or reasons for particular findings or patterns in the data.

Table 3.2: Differences between positivism and interpretivism (Lincoln and Guba 2000)

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Thus, better insight can be gained into the complex relationship between the entrepreneurship characteristics, decision-making and the exploitation of the Taobao e-commerce platform in specific contexts. In this thesis, there is a focus on environmental and organisational factors, in understanding the broader context of entrepreneurship. In particular, there is an examination of the specific contextual factors of China's market and internet environment.

Based on the above general characteristics of interpretivism and given the research objectives of the study, the researcher believes the interpretive approach is an appropriate paradigm to use in this study. An interpretivist approach is the most appropriate way to understand the meaning of the complex entrepreneurial process in the internet environment in China, as represented by the design of several case studies.

The interpretivist assumption is to aid researchers understand the relationship between research method and research purpose. The interpretivists are more likely to collect data by conducting in-depth investigations using small samples (Lincoln and Guba 2000, Saunders, Lewis and Thornhill 2009). Klein and Myers (1999) indicate that a case study approach can be used in the interpretive paradigm to help understand the meaning of social activities and the perspectives of social actors explicitly. Therefore, this research will use a case study approach investigating 8 case companies in depth. Furthermore, qualitative research methods are used to analyse and interpret the meaning of the data. Subsequently, the data will be synthesised in order to inductively build theory.

3.3 Case Study Approach

3.3.1 Defining Case and Case Study

In responding to the inquiries of the research, this thesis makes use of a case study approach. This involves the intensive, in-depth exploration of specific cases within a bounded system (Creswell 2007, Yin 2009). Stake (1995: xi) defines a case study as "the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances". A case study approach is primarily used to explore and interpret unclear and complex

phenomena, especially when current theories on the phenomena are inadequate. Thus, it is an approach which is particularly appropriate when investigating research areas in which little is yet known and from which new theories can be developed (Yin 2009).

It is deemed that a case study approach is appropriate in addressing the research concerns of this thesis. It allows the researcher to understand the impact of entrepreneurship characteristics upon the exploitation of the Taobao e-commerce platform in its complexity, richness and detail. In addition, according to Stake's (1995) definition, a case study approach can enable an empirical and holistic understanding of the relationship between phenomenon and context. In this thesis, this would allow a grounded, data-driven analysis of the impact of entrepreneurship on the e-commerce platform exploitation in the specific context of Chinese pure-play e-retailers.

A case study approach is useful in answering the 'how' and 'why' questions at the centre of this thesis's enquiries. This thesis adopted a similar approach to Glavas and Mathews (2014) who used a case study research design to evaluate how and why international entrepreneurship characteristics impact upon internet capabilities in international business processes. Such an approach is appropriate for exploring the complex the relationship between the entrepreneurship characteristics and the exploitation of the e-commerce platform in a new context.

Therefore, the adoption of a case study approach in this thesis enables theory-building. This research uses a case study approach to construct a theoretical platform to explore the relationship between entrepreneurship and Taobao e-commerce platform exploitation which has no systematic or standardised perspective. Additionally, one of the consequences of this thesis is to identify whether there are specific entrepreneurs' characteristics related to the exploitation of the Taobao e-commerce platform for Chinese pure-play e-retailers which will supplement and improve the existing understanding of the role of entrepreneurship characteristics in internet-enabled environments.

This thesis primarily adopts Stake's (1995) approach to case study. Yazan (2015) makes a clear distinction between the epistemological commitments of Stake and Yin. It is suggested that, while not explicitly recognised by Yin himself, Yin's case study approach appears to be underpinned by positivist learnings. On the other hand, Stake's approach to case study is indicated to be driven by the importance of interpretation in research and drawn from a constructionist epistemology. While Yin would suggest a strict, structured and tight research design, Stake supports a case study design which is flexible and liable to significant changes (Crotty 1996, Yazan 2015). Therefore, considering the epistemological commitments of this research, it is appropriate to make use of Stake's approach to case study.

In addition, this thesis adopts a qualitative approach to research which is a key feature of Stake's case study design. In contrast to quantitative research which focuses on the identification of generalisable patterns or prevalence in data, a qualitative approach attempts to understand the meanings and interpretations that the study participants' assign to behaviour, events and actions from their perspective (Mason 2002, Lewis and Ritchie 2003, Hennink, Hutter and Bailey 2011). A qualitative approach seeks to understand and interpret phenomena in their natural setting.

A qualitative approach to case study design aligns with the inquiries of this research which seek an in-depth, rich and subjective understanding of the entrepreneur's perspectives on the relationship between entrepreneurship characteristics and the exploitation of the Taobao e-commerce platform in the specific context of pure-play e-retailers in China. Here, the meaning behind the entrepreneur's beliefs and perspectives is explored. Indeed, qualitative research is often carried out by those drawing from an interpretivist paradigm, although as Crotty (1996) suggests, this does not necessarily have to be the case, as some interpretivist researchers make use of a quantitative methodology.

3.3.2 Case Study Design

Instrumental Case Study

In this thesis, the case study approach is instrumental in nature, which reflects Stake's (1995) distinction between intrinsic and instrumental types of case studies:

For intrinsic case study, case is important; the case is of highest importance. For instrumental case study, issue is dominant; we start and end with issues dominant (Stake 1995: 16).

The focal, driving point of this research is an examination of issue, rather than the case itself. As part of such design, only the contexts relevant to the issue being explored is important; other contexts of the case may be irrelevant. The case study in this thesis is explored in order to examine the primary concerns of this research: *How and why do the entrepreneurship characteristics impact upon the exploitation of the Taobao e-commerce platform to seek market opportunities in the context of pure-play fashion e-retailers in China?* Thus, as Stake (1995) asserts, the issue is driven by the research questions of a project. However, this is a somewhat insufficient explanation of how the issues are identified. Extending this, Merriam (1998) suggests that the issue of a research project (and therefore the research questions) is moulded by the literature review, where the gap in extant literature is identified. Thus, this thesis takes the advice of Merriam in placing significance on the literature review stage.

Furthermore, in line with Stake's (1995) qualitative and constructionist-driven case-study approach, this thesis adopts a flexible case study design. This means that there is flexibility in terms of the stage of research, where Stake suggests going back and forth between different stages of the research (e.g. returning to the literature review following data collection). Stake's flexible case study design also allows the research questions to evolve as the thesis progresses and new issues emerge.

Multiple Case Study Approach

In being driven by the issue, rather than the case, this thesis adopts a multiple-case study approach. Yin (2009) identifies significant differences in designing a case study for a multiple case approach than for a single case approach. A multiple-case study approach can enable an integral understanding of a complicated or little-known phenomenon (Herriott and Firestone 1983, Gummesson 2000).

This is useful in investigating the complex relationship between entrepreneurship characteristics and the exploitation of the Taobao e-commerce in Chinese pure-play e-retailers which would be more limited using a single case study approach. A multiple case study approach can allow the researcher to gain richer, more varied and detailed data than would be possible with a single case design. Indeed, a multiple case study approach has been adopted by a number of entrepreneurial marketing researchers in examining entrepreneurial orientation activities (Mort et al. 2012, Jones, Suoranta and Rowley 2013, Glavas and Mathews 2014).

3.3.3 Sampling Strategy and Criteria

In this thesis, a purposive sampling technique was adopted, as suggested by Stake (1995) and Yin (2014). This is where cases are selected according to their relevancy to the enquiries of the research, allowing a more comprehensive and effective understanding of the research issues (Creswell 2007, Hennink, Hutter and Bailey 2011). In multiple case studies, it is suggested that each case should be selected carefully for a specific purpose within the overall scope of the research questions (Yin 2014). A purposive sampling technique enables the researcher to gain a better understanding of the interaction between issue and particular context (Stake 1995).

Here, cases were selected based on their similarity in size, age and offering fashion-related products, in order to compare the similarities and differences between them. The cases for this research were selected on the basis of four criteria: (1) the age of the firm being over 3 years old (2) the size of the firm being

small-medium and having less than 249 employees (3) the firm being a 'pure-play' e-retailer which describes a cyber-start-up with a solely online-presence (4) the firm having their own-label brand on the Taobao e-commerce platform and producing fashion-related products for online sales (Ashworth et al. 2006b).

Based on these criteria, the selected cases are expected to provide more useful information about entrepreneurial processes and the Taobao e-commerce platform of pure-play e-retailers. Firms over three years old were selected due to their experience and increased knowledge, resulting from the initial growth and sustainability.

Specifically, in this study, all cases are Chinese SMEs who are pure-play e-retailers involved in the fashion industry. The fashion industry was selected due to the significant size and growth of the industry worldwide. In 2018, revenue in the global fashion industry totalled approximately \$524 billion (approx. £412 billion, XE), with an annual growth rate of 9.8% predicted between 2018 and 2023 (The Statistics Portal 2018). A significant proportion of global revenue from the fashion industry is generated in China (approximately \$246 billion, or approx. £193 billion). The online fashion industry in China is large and growing rapidly. Indeed, it has been identified that 79.7% of China's online shopping market purchased 'clothing and shoes' in 2015, the most of any product sector (International Trade Centre 2016). Given the significant size and high growth of the fashion industry in China, it is meaningful to assess and examine how pure-play e-retailers are exploiting the Taobao e-commerce platform in this context. Considering the online fashion market is developing to a significant extent, research into this sector will provide meaningful and useful insight for firms seeking to enter the Chinese e-commerce market.

Within these firms, the focus of the analysis was the individual entrepreneurs and the firms' e-commerce platform exploitation practices. The entrepreneurs selected to take part in this research had to be the founder of the company who were directly involved in managing the company in order to access their higher-level perspective of the e-commerce platform exploitation activities, in line with the definition of entrepreneur adopted from the literature review. They could not

simply be a share-holder in the company. Entrepreneurs are deemed to have qualitative and meaningful insight on the marketplace (Hills 1999). As well as this, given that they have decision-making power, the entrepreneur's behaviour and characteristics significantly affects the firm's actions (Yeoh and Jeong 1995, Hutchinson, Quinn and Alexander 2005, Zahra, Korri and Yu 2005).

Therefore, the importance of entrepreneurs for SMEs means that it is necessary to examine these when considering the specific business practices of the pure-play e-retailers on the Taobao e-commerce platform. Staff members of the firms were also interviewed, as they could provide a second opinion of their employer's characteristics of entrepreneurship and would have a good understanding of how the firm operates and the entrepreneur's role. The staff members can provide an alternative perspective on the entrepreneur's characteristics and firms' Taobao e-commerce platform exploitation.

While the selection of cases in this research was driven by purposive sampling and the selection criteria, this was enabled on occasions by elements of convenience sampling. Convenience sampling is where cases or participants are selected based on 'practical criteria', including ease of accessibility, geographical proximity and willingness of the participant (Etikan, Musa and Alkassim 2016). This is considered to speed up and reduce barriers to the process of selecting participants.

In the beginning, the researcher searched for company profiles online based on the criteria and contacted relevant firms through 'cold-calling'. Two firms were accessed through 'cold-calling'. However, difficulties were encountered in gaining the trust of the firm and in setting up interviews with the entrepreneurs in this way. Accordingly, the researcher began to use their personal network in accessing firms which fit into the selection criteria. Two of the participant interviews were arranged via the researcher's social media network. The researcher posted a call on their social media page (Wechat) for the participation of entrepreneurs or staff members of pure-play e-retailers and contacted their network on social media to ask for potential leads on e-commerce firms that the researcher could pursue. The potential cases needed to fit the already-established purposive criteria. Thus,

elements of convenience sampling were adopted in facilitating or complementing the purposive sampling selection process on occasions in the research process.

In such way, the researcher took advantage of their social network in partially facilitating and complementing the purposive selection of cases for the research. This form of participant recruitment is considered to be advantageous. Indeed, Mason (2002) asserts that the development of a strong social relationship between interviewer and interviewee is significantly likely to lead to greater access to potential participants. Moreover, Kvale and Brinkmann (2014) highlight the significance of social relationships between the interviewer and interviewees which may encourage interviewees to provide more information.

The researcher also made use of snowball sampling in accessing four firms. Snowball sampling is where participants are selected according to suggestions and contacts from previous participants. As with convenience sampling, the use of snowball sampling in this research also facilitated and complemented the purposive selection processes. The participants refer the researcher to other suitable contacts who fit their selection criteria (Miles and Huberman 1994). The snowball technique operates through the use of social networks and shared knowledge about participants (Hennink, Hutter and Bailey 2011). Snowball sampling enables the researcher to recruit participants for interviews more easily through gaining their trust. Thus, participants are more likely to offer a greater amount of, and more detailed, information if they are recommended by a mutual contact (Valentine 2005, Hennink, Hutter and Bailey 2011).

Although a specific number of cases was not sought at the outset of this research, eight cases were examined in this research (See table 3.3 for the profiles of the eight cases). Eight cases were selected in this research, for two key reasons. Firstly, given the purposive sampling and the epistemological framework adopted in this research, it was deemed appropriate to select a small sample size. As methodological researchers suggest (Shakir 2002, Crouch and McKenzie 2006), it is advantageous to make use of a small sample size when carrying out qualitative, case study research, in order to sufficiently access the required depth and richness of data. In other words, these cases were selected through

purposive sampling to provide “information richness” (Shakir 2002: 194) on entrepreneurial behaviour and characteristics in pure-play e-retailers, rather than statistically generalisable data.

Secondly, eight case companies were selected in this research due to the point at which data saturation was reached. It is suggested by methodological scholars (Sandelowski 1995, Baker, Edwards and Doidge 2012) that qualitative researchers should cease data collection once data saturation has been reached, referring to the point at which no new insights are being gained through the data collection techniques. In this research, by the eighth case, findings started to repeat themselves, with interviewees highlighting similar aspects of entrepreneurship. In particular, new entrepreneurial characteristics did not emerge by the eighth case. As Sandelowski (1995) suggested, the balance was achieved in this research between the depth of the case study and ‘informational redundancy’.

Table 3.3 Case Companies' Contextual Background

Participant Case companies	Role of interviewees and number of interviewees	Job title of entrepreneur	of	Participating members' Department	Staff	Firm's Year of establishment	Firm's employee numbers	Entrepreneur's gender	Entrepreneur's year of birth	Firm's product specialism
Case A	1 Entrepreneur and 1 staff member	Founder manager	and	Social department	media	2012	5	female	1981	Luxury Children's party dress
Case B	1 entrepreneur and 1 staff member	Founder manager	and	Operational department		2013	46	female	1981	Casual shoes
Case M	1 entrepreneur and 1 staff member	Founder manager	and	Social department	media		10	female	1986	Chic ladieswear
Case W	1 entrepreneur and 2 staff members	Founder manager	and	Assistant manager Marketing department		2013	49	male	1989	Chic menswear
Case Q	1 entrepreneur and 1 staff members	Founder manager	and	Operational department		2012	13	female	1990	Chic ladieswear
Case Z	1 entrepreneur and 1 staff members	Founder manager	and	Operational department		2012	26	male	1988	Chic menswear
Case V	1 entrepreneur and 3 staff members	Founder manager	and	Operational department Marketing department Assistant manager		2011	200	male	1985	American Chic menswear
Case X	1 entrepreneur and 2 staff members	Founder manager	and	Social department Operational Department	media	2009	75	male	1983	Vintage menswear

3.4 Data Collection Techniques

3.4.1 In-depth Interview Design

The thesis makes use of in-depth interviews as its primary data collection tool. Twenty participants in eight case companies were interviewed (See Appendix F for the dates and locations of each interview). The eight case companies were of varied sizes, ranging from Case A having 5 employees to Case V having 200 employees. For each case company, the entrepreneur was interviewed, as well as up to three staff members. The interviews in this research were conducted face-to-face, in order to take consideration of the interviewees attitude and body language as a way of informing possible follow-up questions.

In this thesis, the interviews are semi-structured, in-depth and qualitative in nature, allowing data to be generated which stems from an interpretivist standpoint, in exploring subjective, multiple realities (McDowell 2010). This technique is interested in investigating the multiple, context-based meanings evident in participants' understandings and experiences. Thus, data is not simply excavated by the researcher outside of the situational context of the interview. The value of the particularities of a specific interview in qualitative interviewing aligns with a case study approach (Stake 1995, McDowell 2010).

The in-depth nature of the interviews is suitable for exploring new and unexpected phenomena rather than testing existing theories and explanations (Lewis and Ritchie 2003: 138). The in-depth interview is a qualitative approach to research which allows the researcher to access the participants' understandings, feelings and perspectives to more comprehensively understand the meanings and explanations behind the interviewees' experiences in a fuller contextual sense (Lewis and Ritchie 2003: 14).

Indeed, in-depth interviews similarly derive from an interpretivist methodology. In-depth interviews are usually designed to answer questions of "what", "how" and "why", instead of simply "yes" or "no". It allows the researcher to explore a topic in detail, as well as developing or building new theory, such as exploring new characteristics of entrepreneurship in the e-commerce environment (Lewis and

Ritchie 2003: 139, Guion, Diehl and McDonald 2011: 107). Thus, the researcher can access a depth and richness from in-depth interviews which can aid investigation into behaviour which is non-observable (Bryman 2004).

The flexible approach to designing a case study informs the semi-structured design of the interviews, where the interviews are more informal in nature and, on the surface, have more in common with ordinary conversations than a more structured, formal approach (O'Connell, Davidson and Layder 1994, Mason 2002). Indeed, Burgess (1988: 102) labels semi-structured interviews as "conversations with a purpose". Here, an interview guide was used rather than a list of structured, rigid questions, allowing open-ended answers to develop. As Stake (1995) suggested, the interview questions varied according to the context and the participants involved, in order to get richer and more effective data. In addition, follow-up questions can be asked, as the project evolves and new issues emerge, considering that not all interview questions can be formulated in advance.

Therefore, the researcher had flexibility in replying to responses and asking follow-up questions (Mason 2002). This links to what Bryman (2004) identifies as 'interviewee-led' interviews, in which the researcher steers the interview according to what the interviewee believes is important. In this way, the use of flexible, open-ended questions means that new, unexpected topics can be explored (Mason 2002, Valentine 2005, Robson 2011). However, the use of an interview guide in a semi-structured format still means that the interviewer will focus on the research enquiries which emerge from the literature.

3.4.2 Design of Interview Questions

In this research, the interview questions were designed based on the three primary research enquiries of this thesis that were drawn out from literature review, which were, as follows:

- To identify the entrepreneurship characteristics of selected Chinese pure-play e-retailers in the fashion industry that are reflected in the process of Taobao e-commerce platform exploitation.

- To examine the specific business practices of these selected Chinese pure-play e-retailers on the Taobao e-commerce platform.
- To examine the impact of entrepreneurship characteristics upon the specific business practices of these selected Chinese pure-play e-retailers in the exploitation of the Taobao e-commerce platform for market opportunities.

Ritchie and Lewis (2003: 141) indicate that the interview guide should cover all of the research objectives and be sufficiently flexible to suit every interviewee. The interview is designed to include the main enquiries of the research and to allow for follow-up questions based on the interviewee's answers. Thus, the interview guide was designed to investigate the research objectives of this study based on other researchers' interview questions (see Appendix C). Kvale and Brinkmann (2014: 34) suggest that different researchers using the same interview guide may obtain different answers on the same topic due to the different levels of sensitivity of interviewees and different objectives of the interview.

The first question asked: 'How would you describe yourself as an entrepreneur?', allowing the interviewee to identify their own characteristics of entrepreneurship, the primary point of enquiry in the research. Opening questions should not contain specific opinions or possible answers. Instead, they should be open, flexible and allow the interviewer to lead the interview towards certain themes (Kvale and Brinkmann 2014: 34). Subsequently, the interviewer asked follow-up questions based on the interviewees' response.

3.4.3 Observation Plan

Observation was carried out in this thesis as a supplementary research method for triangulation purposes. Observation is a research method which enables the researcher to generate data through observing directly particular dimensions in the research setting (Mason 2002, Hennink, Hutter and Bailey 2011). This allowed an improved understanding of the case, in line with the enquiries of the

research. It is established in Stake's (1995) and Yin's (2009) observation protocols to observe programmes, meetings or people. However, here, in this thesis, the case companies' website was observed, specifically the firms' online sales points and social media accounts.

The use of the observation research technique allowed the researcher to compare what the participant said in the interview with the reality on the website. Observation can enrich the information gained through in-depth interviewing, by comparing interviewees' statements with actual practices. Observation can be used alongside in-depth interviewing as a supplementary research method, with the two techniques complementing each other. Similar to in-depth interviewing, observation uncovers knowledge which is rich, detailed and specific, yet also generates data in a natural setting, rather than from the constructed interview setting (Mason 2002).

More specifically, observation can investigate the extent to which the participants' perspectives on the exploitation of the Taobao e-commerce platform correlates with evidence from the firm's website. While in-depth interviews explore the subjective reflection of the participants on their understandings and experiences, observation attempts to access a more objective, bias-free examination of the research questions. Thus, observation provides a greater contextual understanding of the study to be used alongside other research methods (Mason 2002, Hennink, Hutter and Bailey 2011).

In this research, the observation activity was driven by the enquiries of the research and the findings that emerged from the in-depth interviews. Here, the observation was carried out in order to verify what was indicated in the interviews. The importance here is to look beneath the surface level and to carry out the observation based on the enquiries of this research. However, the observation was not carried out solely for the purposes of confirming what the entrepreneur said or did not say in the interview but also for seeking supplementary data.

3.5 Data Collection Process

3.5.1 In-depth Interviews

Before the Interview

Potential respondents were contacted by phone or social media (such as Wechat) to ask for their permission to participate in the research. It proved difficult to 'cold-call' potential participants via social media. Ten entrepreneurs were contacted by social media but only one responded and agreed to take part in the interviews. The researcher also posted a message on social media to ask if anybody in their personal network knew of entrepreneurs in pure-play firms who met the research criteria. Of the eight entrepreneurs interviewed, three originated from the researcher's personal network, four of these were accessed through snowball sampling and one came from 'cold-calling'.

Having agreed to participate in the research, a pre-interview email was sent to them which gave them information about the research and informed them of their rights as participants. Upon acceptance, the location and time of the interview were confirmed by phone or Wechat. The interviews mainly took place at the participants' workplaces to ensure confidentiality of interview content. Alternatively, the respondents were also given the option of being interviewed in a public location, such as a café or restaurant, where the respondent could feel relaxed to talk. A safe and comfortable environment stimulates interviewees to provide a greater amount of information (Kvale and Brinkmann 2014: 79). Before the first question was asked, the interviewer thanked the interviewee for participating in the research and briefly stated the interviewees' rights again.

During the Interview

The researcher conducted the interviews in Mandarin, in order for the interviewees to understand the interviewer's questions and respond easily, without worrying about language barriers. Each interview lasted between 45 minutes and 1 hour 45 minutes, depending on the participants' willingness to expand on their responses and discuss the research topic in more detail. For

some of the interviewees, the research topic is their area of interest and thus they wanted to talk more and expand on their responses. However, other participants spoke for a shorter amount of time, as it may not have been their area of interest or, in the case of entrepreneurs, may have been on a tight time schedule and may not have had extra time to spare.

The researcher scheduled one hour for the interview, but was flexible, according to the willingness of the interviewee to contribute to the interview, and allowed time for the interviewee asking questions, the interview starting late, and opportunities to build rapport with the interviewee by discussing other topics (Lewis and Ritchie 2003: 166). It was also acknowledged by the researcher that it may be difficult for both the researcher and interviewee to concentrate, if the interview lasted more than two hours (Lewis and Ritchie 2003).

With the respondents' permission, the interviews were recorded using a digital recorder pen to ensure accuracy of information. As well as this, the researcher took notes of the main points of the interview to make sure that the correct meaning of what the interviewee said was acquired. However, these notes were limited to allow the interviewer to concentrate on the conversation and consider possible, appropriate follow-up questions.

During the interview, the researcher respected the participants and attempted not to influence their opinions. The researcher was an active listener, and did not express any kind of judgment on their opinions, was sensitive about what they said and how they responded to the questions. Indeed, the researcher ought to be sensitive about what the participant wants to say and what they do not (Kvale and Brinkmann 2014: 33).

The interviewer asked follow-up questions based on the interviewees' responses. If a respondent was interested in a particular topic and was willing to tell more, the researcher asked further in-depth questions (Kvale and Brinkmann 2014). This allowed the researcher to gain a deeper understanding and meaning of the research topic according to what the interviewee valued as important. The researcher needed to respond quickly and flexibly to the interviewee's answers

and decide on whether a question should be followed up and explored in more detail (Kvale and Brinkmann 2014, Lewis and Ritchie 2003).

During the interview, the participant was encouraged to clarify and expand on their responses, as well as to explain how and why they do something. Here, the follow-up questions were presented as 'how, what, and why' (Kvale and Brinkmann 2014: 33). For example, when the interviewee responded, "the online environment is changing a lot", a common follow up question was: "what does that mean?" "what do these changes involve?"

Moreover, the researcher used open-ended questions and left some time for the interviewee to think, which helped them provide more useful information for the research. The researcher also asked the interviewee their opinions on specific important points that came out of the previous interviews with the other interviewees. For example, participants in the early interviews indicated that they felt that 'fast' was an important characteristic of entrepreneurship. In subsequent interviews, participants were asked about their opinion of 'fast' as a characteristic of entrepreneurship.

For staff members, they were asked to give more in-depth details about some business activities conducted on the e-commerce platform and their opinions about some entrepreneurial characteristics in generating the decisions on Taobao e-commerce platform exploitation, considering what their boss said in the previous interview. Moreover, the researcher also asked them to give some more details about what the entrepreneur said about some specific online marketing activities. The interviewees were encouraged to speak openly about the relevant topics, by ensuring them that the data would be used anonymously and confidentially, as well as highlighting the benefits for them of taking part in the interview (i.e. the research's potential to improve e-commerce business practices).

End of the Interview

At the end of the interview with the entrepreneurs, the participants were asked to select other potential, willing participants for the research who would represent a

case company and be a reliable source of information on the research topic. This was usually an employee of the firm. In addition, the researcher asked the entrepreneur if they would like to introduce any potential case companies from their personal network which could meet the researcher's sampling criterion.

The entrepreneurs were also asked to rank characteristics of entrepreneurship. Here, the researcher wrote down the characteristics which had been discussed in the interview and asked the participant to rank them in order of importance for e-commerce platform exploitation. Subsequently, they were asked why they had placed the characteristics in such an order. For example, if specific characteristics of entrepreneurs were raised by the interviewee, the researcher probed these further and encouraged the interviewee to talk about each in turn, e.g. "why do you think innovativeness is an important characteristic of entrepreneurship when your firm uses the internet to build customer relationships"?

Following the interviews, some entrepreneurs were approached again for follow-up questions to clarify certain responses. Some of them were added on Wechat to carry out these follow-up questions. However, some of the interviewees did not respond to these. This acts as a limitation to the research, as it meant that further detail and examples could not be accessed.

3.5.2 Observation Process

Before the interviews, observation of the firms' online webstore and social media page was carried out, in order to gain an initial understanding of the firms' activities. Following the interviews, observation was conducted, in order to verify the findings that emerged from the in-depth interviews on the firm's website and social media accounts. In this research, an observation framework was utilised for carrying out the observation on the firm's websites and social media pages. The observation framework was used to guide what to check on the websites and social media pages, based on the findings from the interview (see Appendix E). Updates on the websites and social media pages were checked every two or three days over a six-month period: November 2015 to May 2016. During special

promotional periods, these pages were checked every day. The observation findings were recorded using notes and screen shots.

All of the firms' social media activity was examined during the observation period, but not everything is shown in the analysis chapters; rather, the observation data is used in the analysis to compare and contrast with the findings that emerged from the in-depth interviews. The layout of product photos and the timing of releasing promotional events were checked on the websites and social media pages in particular, as these were highlighted as important in the interviews. Thus, with the observation data analysis, the significance is placed upon improving understanding of the findings acquired from the interviews.

3.6 Ethical Issues

Kvale and Brinkmann (2014) indicate that ethical issues should be considered during the entire process of the research. Pre-interview emails were sent to potential participants at the first stage of research which included an overview of the study, a participant information leaflet, and an informed consent form (See Appendices A and B). This was to ensure that potential interviewees understood their rights and the purpose of this study, and that the information they provided in this research was treated confidentially, as well as to improve the preparedness of the participant for the interview. The researcher interviewed employees only after having obtained explicit permission from the entrepreneurs of the companies.

The participants' rights were explained at the beginning of the interview. Participants had the right to choose, which means they had the right to decide whether to participate or refuse to take part in the research. They had a right to safety, which relates to psychological harm, meaning that participants had the right to refuse to answer some questions which made them feel uncomfortable. The right to be informed means that participants had the right to know about the purpose of this study and what would happen next with the information they had provided (McDaniel and Gates 2010). A transcript of the interview was sent to each participant in order to make sure that the transcript matches with what was

said at the interview (Kvale and Brinkmann 2014). The researcher also sent participants a progress report and the key findings of the research upon request.

Participants have a right to confidentiality. To safeguard the confidentiality of this study, the researcher set a password for the documents and information provided by the participants. The researcher would present the information given by the participants anonymously, by using a code to replace the identity of the participants and the company to which they belong, e.g. Case A.

3.7 Thematic Analysis

3.7.1 What is Thematic Analysis?

In this research, thematic analysis has been used to make sense of the acquired data. Thematic analysis is not a qualitative *method* but is rather an analytical tool or process that can be used alongside other qualitative methods (such as in-depth interviewing) to help organise and interpret data (Boyatzis 1998). It is about identifying specific patterns, or themes, within the data, before analysing them in relation to the broader literature (Marks and Yardley 2004, Braun and Clarke 2006). Thus, thematic analysis aims to make sense of data, which could otherwise appear to be seemingly random information, according to the researcher's objectives (Boyatzis 1998).

Although the two incorporate a varied set of approaches and procedures, thematic analysis can be broadly distinguished from qualitative content analysis, as Vaismoradi, Turunen and Bondas (2013) have recently argued. While thematic analysis often aims to richly and qualitatively interpret data according to evident patterns or themes in textual data (Boyatzis 1998), content analysis is a systematic strategy for analysing texts, seeking to describe the emergence of patterns in the documents (Vaismoradi, Turunen and Bondas 2013). It is considered that thematic analysis can capture a deeper, more interpretive level of analysis, compared to the more surface-level, descriptive enquiries of content analysis. The interpretive drive of thematic analysis considers how the researcher can begin to analyse their data in relation to their research objectives (, Braun and Clarke 2006, Guest, MacQueen and Namey 2012).

3.7.2 Why Thematic Analysis?

Thematic analysis is deemed to be most appropriate in making sense of the data in the research, particularly in comparison to content analysis. It is identified to be an effective analytical tool when carrying out qualitative research, particularly for those studies which make use of a small sample size, as with this research, where twenty participants were interviewed in eight case companies (Boyatzis 1998). By using thematic analysis, the researcher was able to get a detailed, meaningful and nuanced sense of the interviewee's perspectives and beliefs. While content analysis, even qualitative content analysis, tends to be more concerned with the frequency and occurrence of issues in the document and patterns in large data sets, thematic analysis is an interpretative form of textual analysis that can accurately and 'sensitively' capture the richness and complexities of the research enquiries (Boyatzis 1998, Guest, MacQueen and Namey 2012, Vaismoradi, Turunen and Bondas 2013).

Furthermore, thematic analysis fits well with an interpretivist approach in examining the participants' realities and experiences from their own perspective and how they apportion meaning. Here, the social production and re-production of knowledge, meaning and experiences are acknowledged. With thematic analysis, the researcher is able to make sufficient sense of the meanings in the data within particular contexts, an analytical aspect that content analysis often struggles with (Braun and Clarke 2006, Vaismoradi, Turunen and Bondas 2013). This is useful in this research which places emphasis on the context of the examined firms, such as their target market, size and online market environment. A contextual analysis of the data enabled the researcher to make better sense of the multiple meanings and perspectives in the data.

In addition, thematic analysis enabled the researcher to evidence the way in which they organised and interpreted the data through the use of coding. By dividing the text into clusters of themes and sub-themes, the conclusions drawn are based on more than simply intuition (Stirling 2001). The flexibility of thematic analysis means that it can be used on a wide range of data types, useful in this

research, in which both interview transcripts and the online web pages and social media pages of the firms were examined (Boyatzis 1998).

3.7.3 Analytical Approach

As a number of methodological researchers have identified (Vaismoradi 2013, Braun and Clarke 2006), thematic analysis incorporates a number of analytical approaches and strategies and it is therefore necessary to distinguish the form of thematic analysis that was utilised in this research. Firstly, this research made use of cross-case analysis. A cross-case analysis aims to identify themes or patterns in the data across cases. This means that similarities and differences between and across cases can be established (Koners and Goffin 2007, Eisenhardt 1989, Yin 2009). This is in contrast with a *within-case* approach, which would focus on the historical or contextual conditions in which the case sits (Miles and Huberman 1994).

In line with an instrumental case study approach, this thesis explored the prevalence or pattern of themes across cases, according to the enquiries of the research. The focus here is exploration of issues through the cross-case analysis. In this way, broad, overarching themes can be established as a way of interpreting the data set. In this research, the relationship between variables was important, for instance, in considering the linkages and overlaps between different characteristics of entrepreneurs.

By using cross-case analysis, a pattern of findings can be established beyond a single case. Using cross-case analysis also allows the researcher to broaden and deepen understanding and explanation of patterns in the data. For instance, it can be analysed under what set of circumstances or contextual conditions, particular characteristics of entrepreneurs are likely to be found (Miles and Huberman 1994, Yin 2009). Indeed, the key advantage of using cross-case analysis, and more broadly a multiple case study approach, is that it increases the generalisability of the research, where the evident characteristics and processes can be observed in more than a single case (Eisenhardt 1989, Miles and Huberman 1994, Yin 2009). Enhanced generalisation allows the researcher

to better understand “the relevance or applicability of our findings to other similar settings, to transcend radical particularism” (Miles and Huberman 1994: 173).

Although the case is not the focus of the analysis in this thesis, a background analysis of the cases was nevertheless conducted, before the cross-case analysis began (see Chapter 4). In addition, the underlying historical and contextual conditions of the cases was taken into account when explaining patterns or themes across cases, as recommended by Miles and Huberman (1994). For instance, if there was an exception identified, where all of the cases exhibited a particular characteristic of entrepreneurship except one case, the context would be considered in examining why this specific case did not identify this characteristic.

Secondly, this research adopted an inductive, ‘bottom-up’ approach in the thematic analysis. In contrast to a top-down, deductive approach which aims to test previously developed theories, an inductive approach to research seeks to generate findings based on the data itself (Braun and Clarke 2006, Boyatzis 1998, Marks and Yardley 2004). In other words, the themes developed in this analysis emerge from, and is grounded in, the data. In doing so, the thesis seeks to develop new theories based on emergent, data-driven analysis.

More specifically, instead of testing particular entrepreneurship characteristics or specific theories of entrepreneurship, this research seeks to identify the entrepreneurship characteristics that emerge from the in-depth interviews and observations. The focus here is upon enhancing understanding of how the identified entrepreneurship characteristics impact upon the exploitation of the Taobao e-commerce platform, and how and why the characteristics emerged in this specific context.

Guest, MacQueen and Namey (2012) define an inductive approach as ‘exploratory’, in contrast to a ‘confirmatory’ deductive approach. In this research, the objective of the analysis is to identify themes and sub-themes from the data, rather than testing a set of pre-determined themes. It can be argued, as Boyatzis (1998) has, that an inductive approach to analysis has higher reliability and

validity than a deductive approach. Given that the themes emerge from the data, the identified codes, sub-themes and themes could be corroborated by other researchers in analysing the themes.

Thirdly, both manifest and latent forms of analyses were used in this research when organising and interpreting the data. Often, a decision is made with other approaches to analysis, including content analysis, over which level to focus the analysis on: the surface content of the data (manifest analysis) or the underlying meaning behind the text being studied (latent analysis) (Boyatzis 1998, Marks and Yardley 2004, Braun and Clarke 2006). The manifest analysis is generally descriptive in nature, while latent analysis requires the researcher to interpret the data. However, with thematic analysis, it is argued in the literature that the best approach is to analyse the data on both levels (Boyatzis 1998, Marks and Yardley 2004). Thus, the interpretation of the data in this research attempts to draw from the literature review, in explaining particular patterns or findings.

3.7.4 Analytical Process

The thematic analysis in this research was carried out using Braun and Clarke's (2006) six 'phases' (see Table 3.3 below and Figure 3.2 for the specific flowchart of the thematic analysis process). In Phase 1, the researcher familiarised themselves with the data, a necessary process prior to coding. In this case, the interview transcripts were read through twice, once when being transcribed and once when being translated (as the original transcripts were in Mandarin). Notes were made at this stage on possible patterns or ideas that were emerging from the texts, in preparation for the coding stage.

In Phase 2, sentences, phrases or passages of the texts were coded according to the main ideas that were flowing from, at both manifest and latent levels of analysis. A code represents and captures the 'essence' or key content of a portion of text (Marks and Yardley 2004, Saldana 2009). The complexity of the topic means that some passages of text were labelled according to multiple codes. Braun and Clarke (2006) discuss the importance of not 'smoothing out inconsistencies', of not disregarding the exceptions. Indeed, in this research, the

main patterns were identified but the exceptions or inconsistencies were also taken into account and explored. The labelling for the codes was both descriptive (a one or two-word phrase which summarises the main idea of the passage, e.g. 'innovative business mode'), or 'In Vivo' (where the label directly quotes the participant, e.g. 'be persistent').

Table 3.4: Braun and Clarke's (2006) Six Phases of Thematic Analysis

Phase 1	'Familiarising yourself with the data'
Phase 2	'Generating initial codes'
Phase 3	'Searching for themes'
Phase 4	'Reviewing themes'
Phase 5	'Defining and naming themes'
Phase 6	'Producing the analysis chapters'

The coding was carried out in two steps, in relation to the enquiries of the research developed from the literature review. In the first step, the researcher searched for entrepreneurship characteristics in the textual data and coded specific forms of entrepreneurial behaviour that emerged in the interviews. The first step relates to a macro level analysis of the data, which provides an overview of the emergent entrepreneurship characteristics in this specific context. Subsequently, the researcher carried out phases 3 to 5 of the thematic analysis with the first set of coding to generate the themes and sub-themes of the entrepreneurship characteristics (see below).

After carrying out phases 3 to 5 of the thematic analysis with the first set of codes, the researcher returned to the coding process to carry out a second set of coding. The second step involves a micro level analysis of the business practices conducted by the pure-play e-retailers on the Taobao e-commerce platform in this context. In the second step of the coding, the researcher identified what the

firms in this research were using the e-commerce platform for (e.g. building customer intimacy). This step was carried out in order to more specifically examine how the identified entrepreneurship characteristics (from set 1) impact upon the specific business practices of the pure-play e-retailers, which will be reflected upon following the completion of Phase 5 of the thematic analysis.

In Phase 3, the large number of codes in the coding framework (i.e. the total set of codes) were combined to form sub-themes and themes. This is where the research re-focuses the analysis to the broader level of 'theme' by integrating the initial codes into larger sub-themes and themes (Marks and Yardley 2004, Braun and Clarke 2006, Saldana 2009). A theme is defined by Vaismoradi (2013: 402) as "a coherent integration of the disparate pieces of data that constitute the findings". Thus, here, the codes were 'spliced' or linked together to form broader categories, following which the sub-themes were merged to form overall themes.

The themes and sub-themes are explicitly grounded in the data and were generated based on 'groupings' of codes, which had analytical linkages between them, as suggested by Saldana (2009). Indeed, Leininger (1985: 60) argues that, "Themes are identified by bringing together components or fragments of ideas or experiences, which often are meaningless when viewed alone". Thus, at the end of this process, there emerged a number of themes, sub-themes and coding, all of which were linked together. These summarised and organised the key ideas which emerged from the data. The themes were formulated based on their significance in relation to the enquiries of the research, rather than being driven by frequencies of occurrences, in line with Vaismoradi's (2013) suggestion. For example, the entrepreneur's ability to 'appropriately perceive the timing' of releasing products online was not highlighted frequently by the interviews, but emerged as a significant entrepreneurial process in exploiting the Taobao e-commerce platform.

In Phase 4, the generated themes, sub-themes and coding were revised. After having reflected on the data, based on understandings of pre-existing theories and literature, the researcher reviewed and revised the initial collection of themes, sub-themes and coding. Notably, it became evident that particular coding

categories and sub-themes were not relevant or useful in addressing the enquiries of the research and were removed from the analysis. For example, 'interest in their work' was an initial code which was deemed to be subsequently inappropriate with regards to the research objective and the focus of the analysis: it is not a characteristic of entrepreneurship.

Furthermore, some coding categories and sub-themes were moved from one main theme to another. For instance, 'risk-taking' was originally a sub-theme that existed under the 'self-improvement', but it became apparent that it was more accurate to have 'risk-taking' as a standalone theme. Meanwhile, some sub-themes and main themes merged together, as conceptual overlap was identified. For example, previously, 'E-commerce Knowledge' and 'Experience' were separate main themes but after revision, they were merged together under one over-arching main theme of 'Business Knowledge'.

Moreover, it also became clear that some coding needed to be further broken down, as the previous codes were considered to be too broad. For instance, there was previously a code, 'Creativeness', which was broken down further to highlight the distinctions within this, into: 'Innovative business mode', 'Innovative products' and 'Creative Marketing Strategy'. Patton's (1990) dual criteria for categories was taken into account in this research, 'internal homogeneity' and 'external heterogeneity', where "data within themes should cohere together meaningfully, while there should be clear and identifiable distinctions between themes" (Braun and Clarke 2006: 20). After having reviewed and revised everything in detail, a coherent collection of themes, sub-themes and coding emerged, which told a 'story' about the data (Braun and Clarke 2006).

In Phase 5, the themes and sub-themes were accurately and appropriately named. The themes were named based on pre-existing understandings of entrepreneurship theories and literature (e.g. innovativeness), as well as the 'in vivo' terms or phrases that the interviewees specifically used (e.g. 'being fast'). After having initially labelled the themes and sub-themes, these were reflected upon and revised to more accurately reflect the context of the data. For instance,

the researcher changed the theme of 'taking initiative' to 'fast-mover' and 'sales process' to 'webstore construction' to contextualise the data.

To illustrate, the coding and grouping process can be demonstrated through the example of 'Business Knowledge'. Firstly, during the initial coding process where texts were searched for evidence of entrepreneurship characteristics, a number of connected ideas were identified and coded in the texts, e.g. industry experience, e-commerce experience, entrepreneurial experience. Given their overlapping concepts, these codes were grouped together to form the sub-theme 'experience'. Subsequently, this sub-theme 'experience' joined together with another sub-theme called 'e-commerce knowledge' to form 'business knowledge' as an overall theme and a key entrepreneurship characteristic of the findings.

Subsequently, two sets of coding, sub-themes and themes were generated from the thematic analysis, related to the primary research enquiries of this thesis (see figures 3.2-3.6 for the coding tree which illustrates the two sets of coding in this research). The first set of coding relates to the seven entrepreneurship characteristics which emerged as important in the data, which are: innovativeness, proactiveness, business knowledge, self-improvement, modest risk-taking, executive ability, relationships and networks.

The second set of coding relates to the key business practices of the Taobao e-commerce platform for market opportunities and the identified entrepreneurship characteristics which impact upon the firms' e-commerce platform exploitation practices. Four key business practices of the Taobao e-commerce platform were identified (building online customer relationships, webstore construction, online promotions and web analytics-based marketing intelligence),

Following this, the researcher reflected upon the business practices of the pure-play e-retailers in the second set of coding through an entrepreneurial lens, in order to better understand the impact of the entrepreneurship characteristics upon the e-commerce exploitation process. Here, the insight gained into the emergent entrepreneurship characteristics of the pure-play e-retailers (from the first set of coding) was used to analyse and interpret the firms' strategic use of

the Taobao e-commerce platform. This involves an examination of how the identified entrepreneurship characteristics are reflected in the firms' business practices (e.g. long-term perspective impacting on the customer relationship-building process). The key business practices of the pure-play e-retailers were indicated to be impacted upon by the following five entrepreneurship characteristics: innovativeness, forward-looking perspective, fast-mover, business knowledge and relationship-building and networking.

In Phase 6, the analysis chapters were organised according to these five entrepreneurship characteristics from the above thematic analytical processes. Each analysis chapter demonstrates how these entrepreneurship characteristics impact upon the firms' exploitation of the Taobao e-commerce platform. As this research analyses the e-commerce platform exploitation process from an entrepreneurship outlook, it makes sense to structure the analysis chapters accordingly. Some of the characteristics were presented together in one analysis chapter or section as they were closely linked to each other and formed part of the same argument(s).

Other characteristics that were identified in set 1 of the coding process but not highlighted to be directly impact upon the firms' specific business practices were included as supplementary elements of chapters (e.g. executive ability). Set 1 of the coding provided some macro-level understanding of the research enquiries, including offering an initial insight into the entrepreneurship characteristics in the online context and responding to the broader, contextual 'why' questions of the thesis, i.e. 'why the entrepreneurship characteristics emerged as important in this specific context and in line with the features of the online environment'

Given that these reflect the key arguments of the thesis, the labelling of the themes in the analysis chapters does not always exactly align with the coding labelling (see Figure 3.2-3.6 for the coding trees). For example, 'online customer service' was linked to 'long-term perspective' in the set 2 coding tree (See Figure 3.5), but in the analysis chapter, this concept was referred to as 'proactive but defensive customer service'. Additionally, the forms of the e-commerce platform exploitation which do not reflect entrepreneurship characteristics are not shown

in the coding tree or in the analysis as these are considered to be irrelevant for addressing the research enquiries of the thesis.

In the analysis chapters, the findings that emerged from the data were situated within the extant literature and theoretical bases. In such a way, this seeks to place the findings in the context of wider research and theoretical contributions. For example, the proactive behaviour that was identified in the e-commerce context in these findings was understood in comparison to existing understandings of proactiveness in the entrepreneurship literature.

Figure 3.2: Set 1 Coding Tree- Proactiveness and Innovativeness

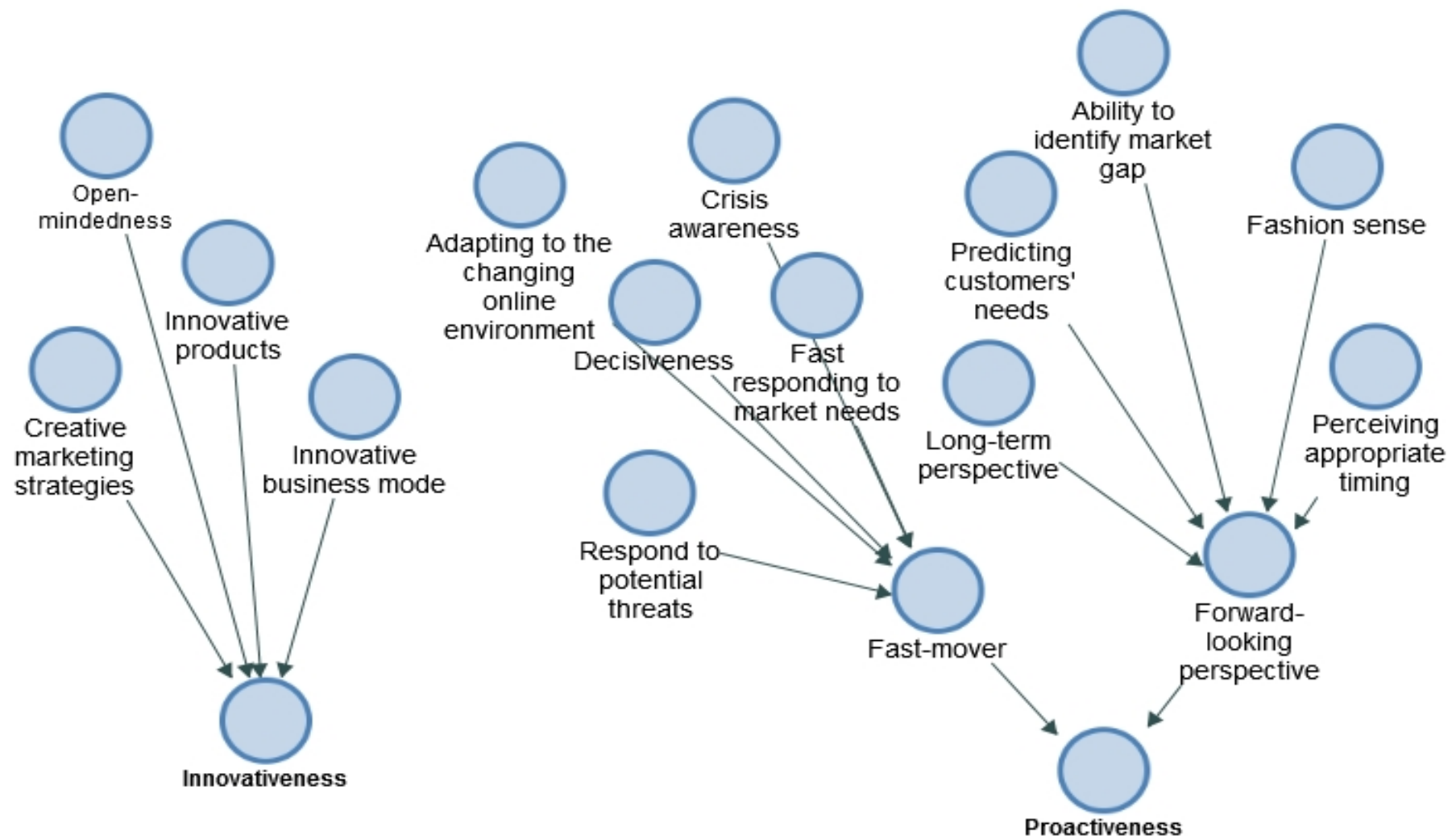


Figure 3.3: Set 1 Coding Tree- Business Knowledge & Relationship-building and Networks

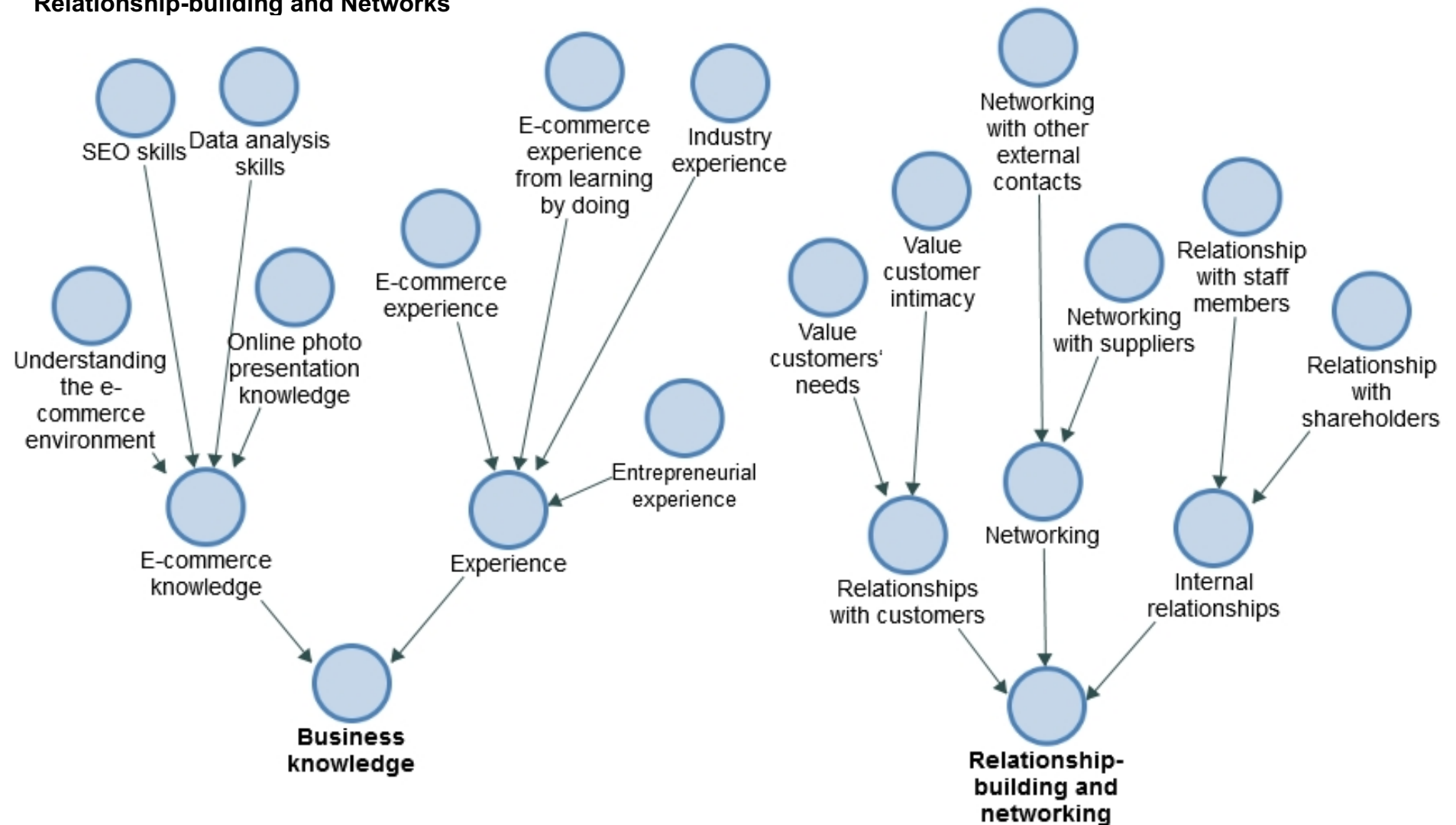


Figure 3.4: Set 1 Coding Tree- Executive Ability, Self-Improvement & Modest risk-taking Propensity

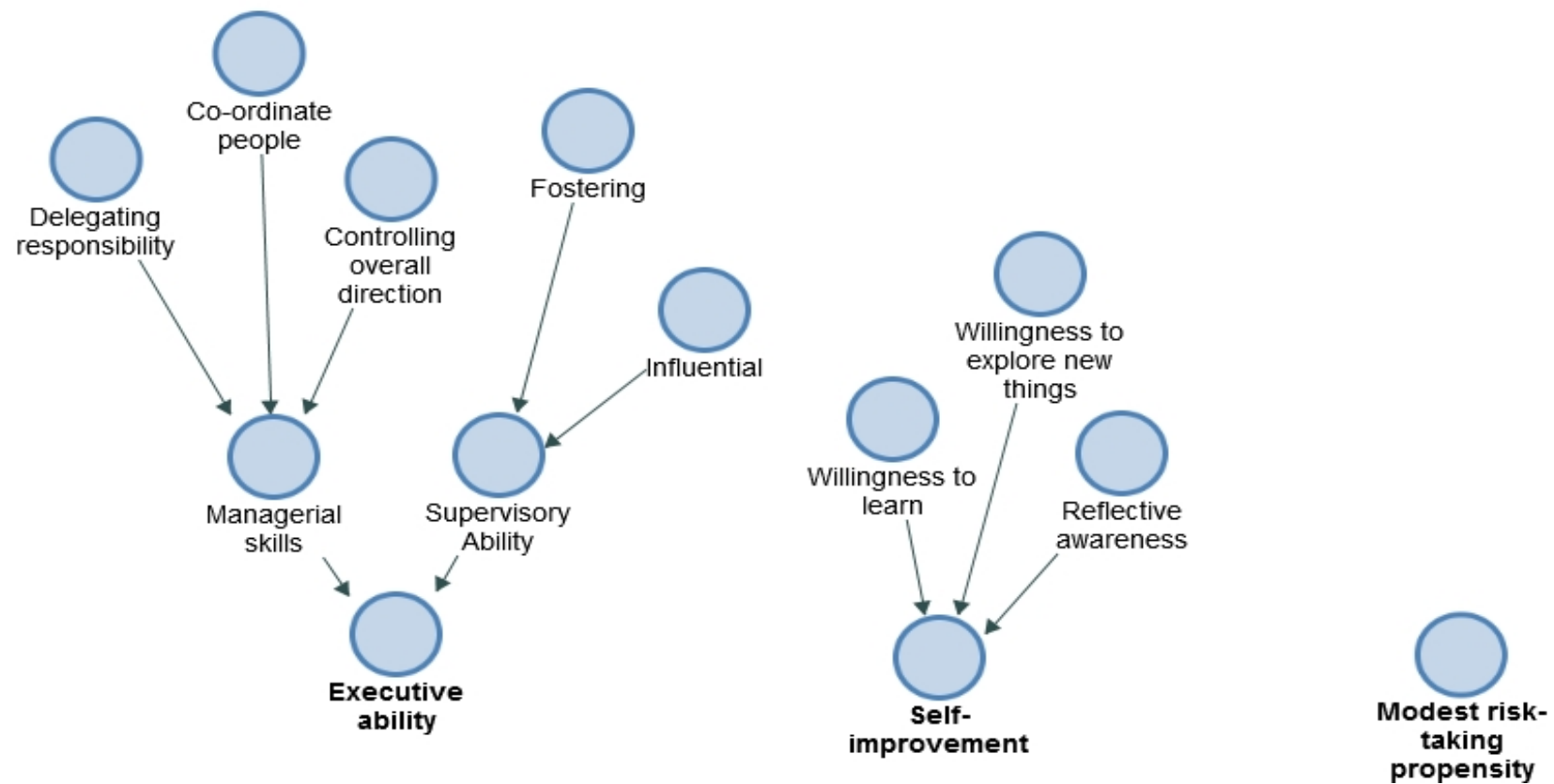


Figure 3.5: Set 2 Coding Tree- Relationship between Entrepreneurship and Building Online Customer Relationships & Webstore Construction

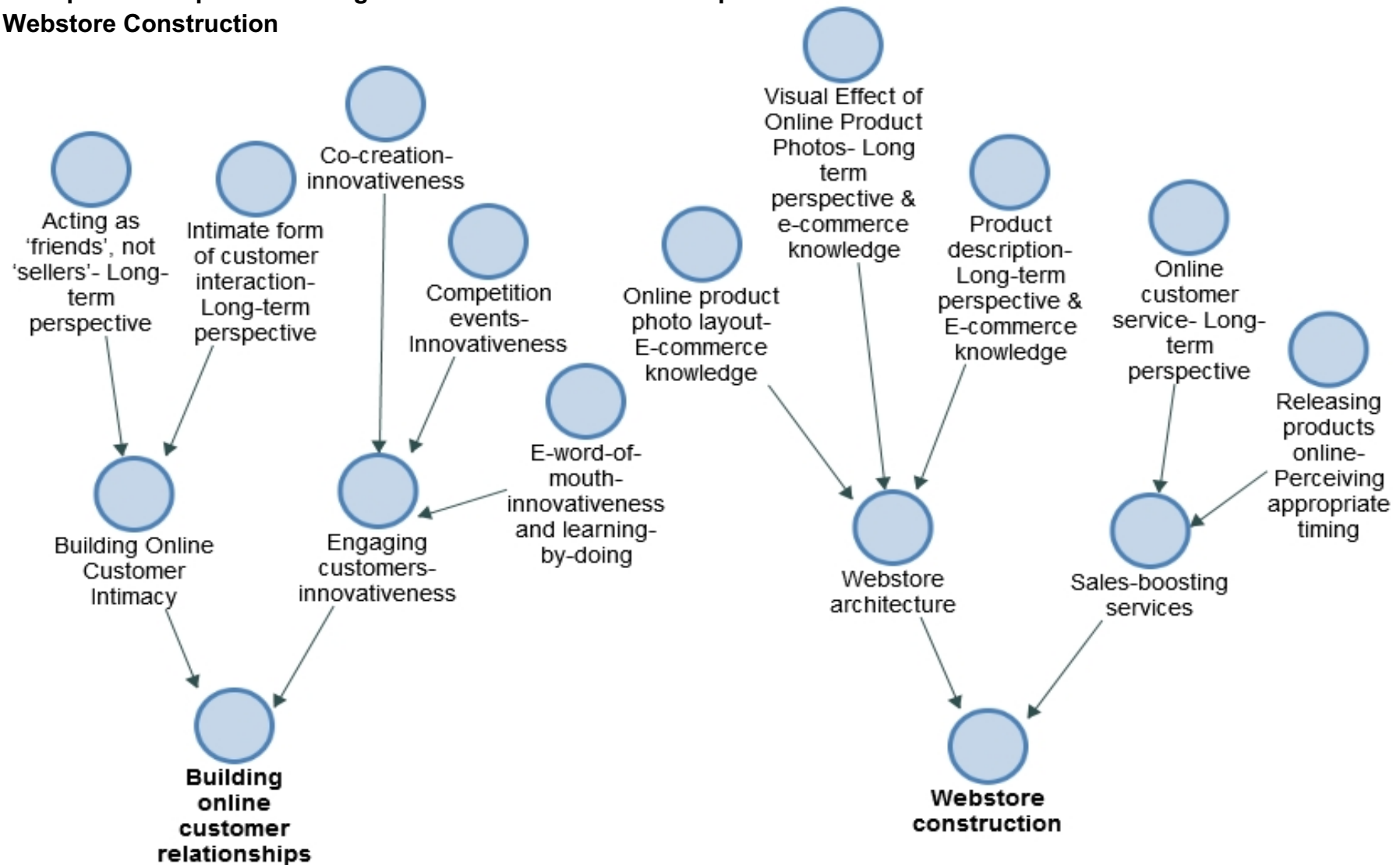


Figure 3.6: Set 2 Coding Tree- Relationship between Entrepreneurship and Online Promotions and Web-analytics based Marketing Intelligence

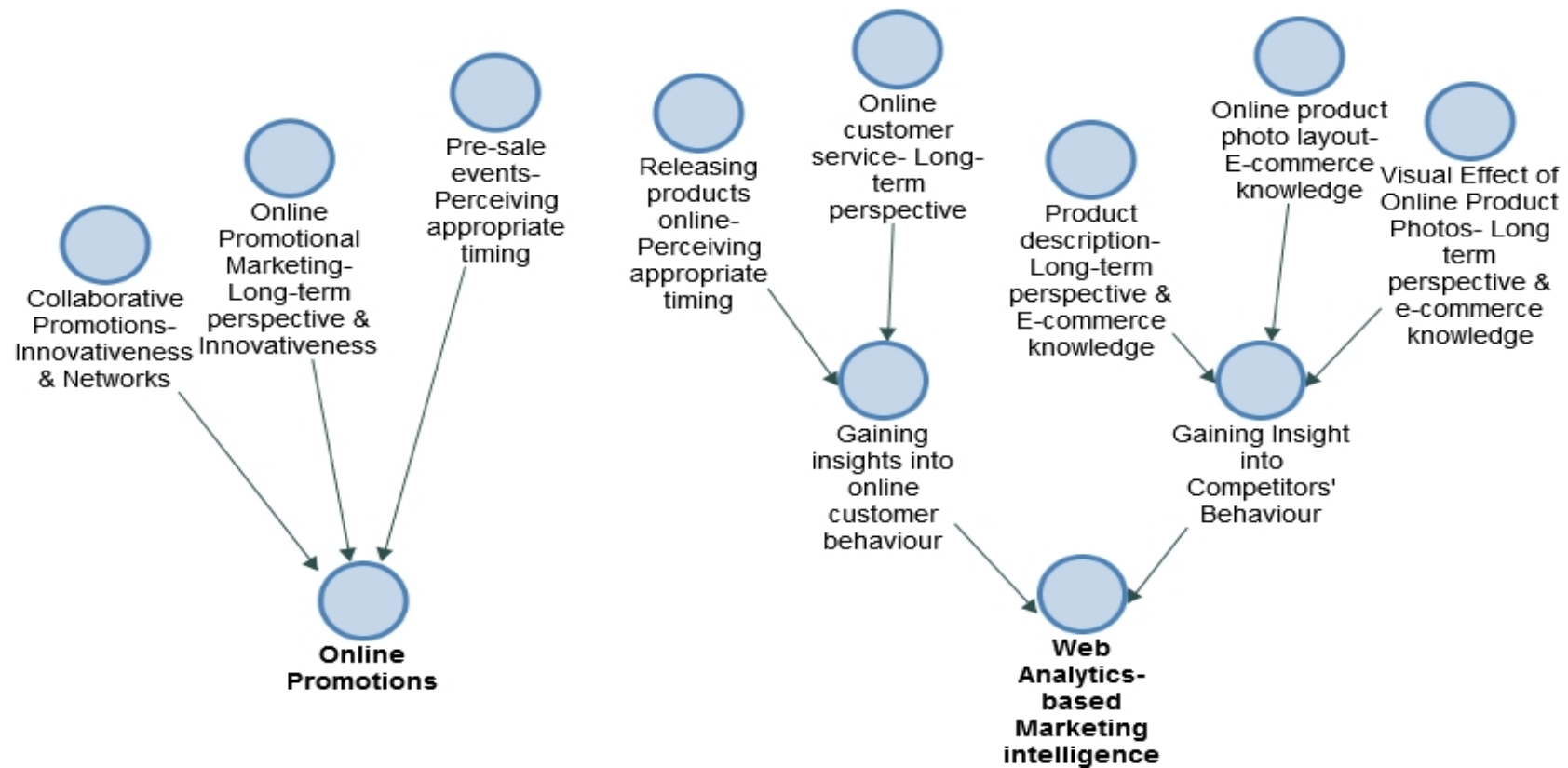
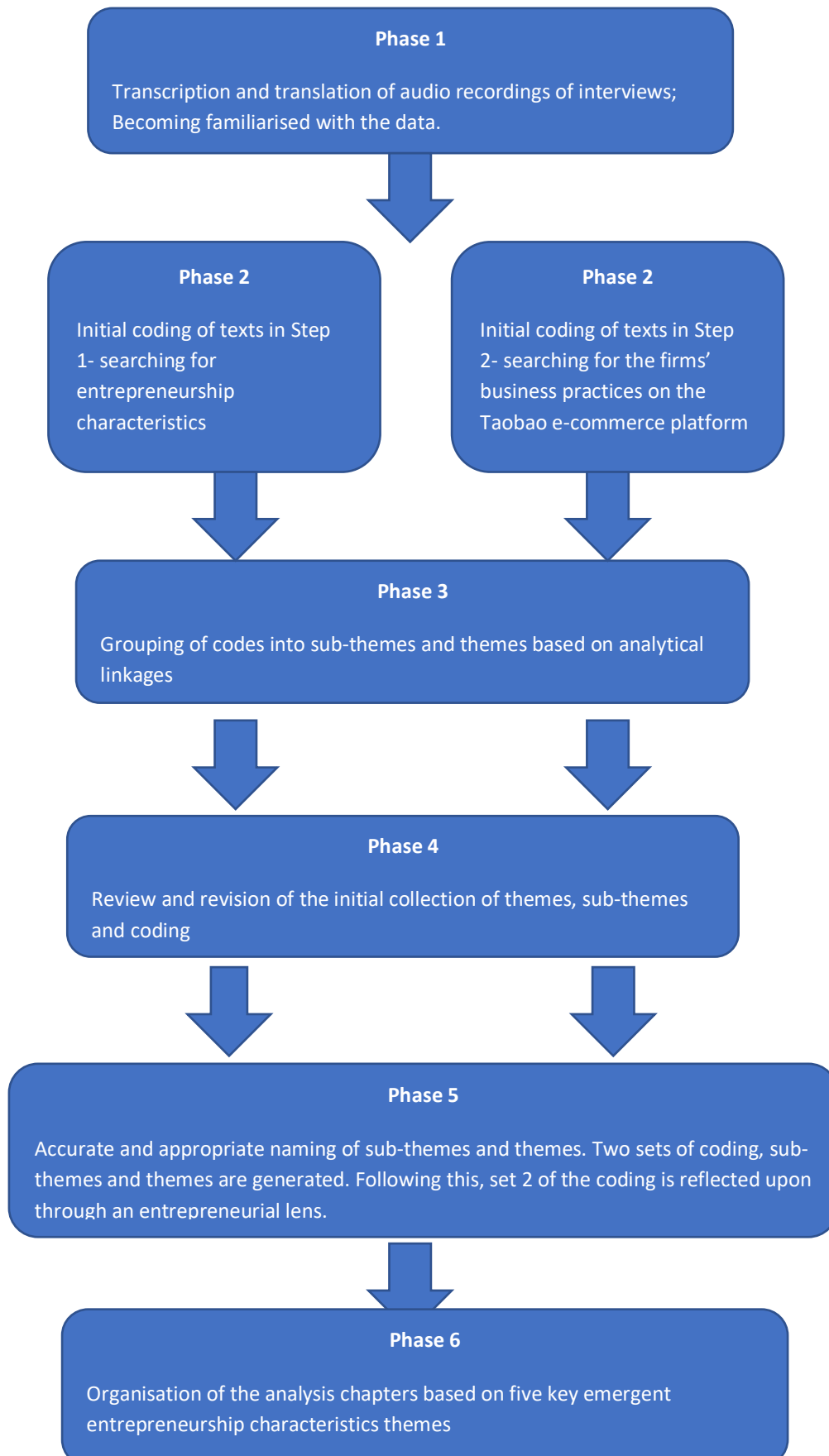


Figure 3.7: Thematic Analysis Process Flowchart



3.8 Validity

Although the concept of 'validity' derives from a constructionist epistemology and is primarily located in quantitative research, a number of qualitative methodological scholars highlight the ways in which the validity (or research quality) of a research project can be enhanced (Stake 1995, Creswell 2003, Mason 2006). One of these includes 'methodological triangulation', where supplementary research methods can be used to support, confirm or challenge the findings from the primary methodological tool (Stake 1995). Indeed, in this thesis, observation was used as a form of methodological triangulation.

As previously outlined, observation of the firms' website and social media pages allowed an examination of the online activity of the pure-play e-retailers, in order to identify if the content and interpretation of the interviewees aligned with what was present online. Thus, the use of observation was partly about triangulating the data between the two different methodological tools. However, as Denzin (1989) asserted, methodological triangulation in qualitative research often refers to providing additional perspectives or interpretations, rather than necessarily confirming or refuting the findings gathered using the other methodological tools.

In addition, the thesis also made use of 'member checking' in order to enhance the validity of the research. This is where the participants of the research are asked, following the interview, to review and check that the data collected is accurate (Stake 1995). In this thesis, three of the entrepreneurs checked their interview transcripts to see if they accurately reflected what they were trying to say. However, although all of the interviewees were contacted, most of these were either not willing or did not have time to review the interview transcriptions.

A limitation of this research is that some interviewees were not willing to answer or interested in answering some of the interview questions. Despite encouraging them to answer the questions, some of the interviewees remained reluctant to answer these in sufficient detail. Additionally, some of the interviewees simply replied to some questions positively or with what they considered to be the 'best practice' for the firms, rather than sufficiently engaging with the question. It is for

this reason that the researcher used observation as a supplementary data collection technique, in order to verify if the interviewees' responses aligned with what the firm is actually practicing online.

3.9 Chapter Summary

This methodology chapter critically links the enquiries of the research and the theoretical framework outlined in the literature review to practice. In this chapter, the methodological and epistemological approach for this thesis was outlined: a qualitative, interpretivist and case-study-led approach, rooted in a constructionist epistemology. This approach was deemed to be the most appropriate in accessing the required contextual depth and richness for investigating the entrepreneurship characteristics in the exploitation of the Taobao e-commerce platform in eight Chinese pure-play e-retailers. Following this, the use of in-depth interviews and website observation was explained and justified. In analysing and making sense of the collected data, this research makes use of thematic analysis.

Through the thematic analysis, the following five key entrepreneurship characteristics were identified which impacted upon the exploitation of the Taobao e-commerce platform: innovativeness, forward-looking perspective, fast-mover, business knowledge and relationship and networks. The following chapters (4-8) will demonstrate how and why these entrepreneurship characteristics impact upon the Taobao e-commerce platform exploitation process, responding to the key principle research question of this thesis.

Chapter 4: The Pure-play E-retailers' Entrepreneurship Characteristics - Innovativeness

4.1 Introduction

Following the inductive thematic analysis, the subsequent analysis chapters are going to evaluate how the identified entrepreneurship characteristics of the thematic analysis impact upon the ability of the firms to exploit the Taobao e-commerce platform, i.e. the principal research question of this thesis. These findings indicate that the firms in this research to varying extents, use social media platform to facilitate the exploitation of the Taobao platform.

Innovativeness has been identified as a key entrepreneurship characteristic. This chapter aims to demonstrate how innovativeness is reflected in pure-play e-retailers' exploitation of the Taobao e-commerce platforms. Responding to the principal research question, the chapter considers how and why an entrepreneurial innovative perspective is important in this particular online environment. The innovative behaviour that is reflected in the process of Taobao e-commerce platform exploitation includes (i) the development of innovative products (ii) creative marketing strategies which include innovative forms of customer engagement and promotional events, and (iii) innovative business modes (See figure 4.1).

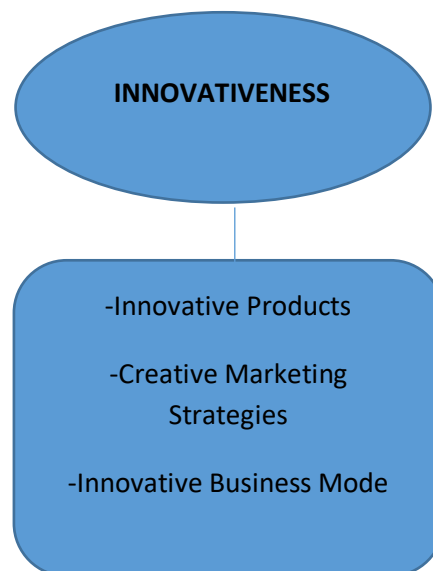
Innovativeness has been identified as a critical element in firms' development, (Morris, Schindehutte and LaForge 2002, Hills et al. 2010, Jones and Rowley 2011). Indeed, Miller and Friesen (1983) state that innovativeness is often considered as synonymous with entrepreneurship. In this thesis, innovativeness was indicated to be important by all of the cases. The majority of the interviewees highlighted this on numerous occasions, particularly in relation to product design and strategy renewal. Case Q and Case V regard innovativeness as a basic element in their firm's business operations. The entrepreneur in Case Q stated that,

“I put innovativeness and proactiveness in the top two because I use these every day and I think they are very important because customers need to have different shopping experiences in services and products”.

Similarly, the staff member in Case V highlighted that:

“I think innovativeness is a basic element of e-commerce. We will remind ourselves that our products should be different to other firms’ products for being outstanding and to be accepted by lots of customers and the public. We need to be different and develop some new products and strategies every time. That is our basic standing in the market”.

Figure 4.1 Key Dimensions of ‘Innovativeness’



4.2. Innovative Products

In this research, the entrepreneurs’ innovativeness is partly demonstrated by the firms’ engagement in innovative product designs, where they aim to have their own style of products in order to differentiate themselves from their competitors and to stand out in the market. In these findings, the cases make use of special material in production which few firms are currently using as a form of product innovation. For example, Case A is a luxury children’s brand which is using

cashmere as the material for their children's clothes. The entrepreneur in Case A explained that:

"We always try to innovate some new styles and try to use some new material to make the clothes. For example, I will use cashmere to make the children's jacket. I think few companies will do that but because we are a luxury brand, we do this".

Moreover, the entrepreneur in Case X discussed the benefits of introducing a new product material and design:

"We designed a sandal which you can take out the soles to wash and it's a new invention in China. In that time, I realised that there would be a lot of stress involved in investing in the mould, but although I considered it for a while, I made the decision to make something that people haven't already done".

In these findings, the firm is not using a unique material for their products, but instead is introducing a novel element into this e-commerce platform market, by making their children's jackets using cashmere, a material which is not commonly used in the children's clothing online market in China. Wang and Ahmed (2004) proposed that, for SMEs, product innovativeness may relate to products which can be considered both as 'unique' and 'novel'. Indeed, for the pure-play e-retailers studied in this research, the innovative nature of their products is driven by the need to introduce a novel element of product design into the online environment. Such a novel aspect can be found in the product material, the product style or the cutting of the product. These aspects may not be totally unique or new as such, but rather applied from other contexts, in which they are perhaps popular elements of product designs in other markets or other time periods. Thus, the innovation identified in this research results from the introduction of 'novelty', rather than a completely new aspect, in accordance with Salavou's (2004) definition of innovation.

According to Lumpkin and Dess (1996), product innovativeness can be defined by technological innovation as well as innovation in product design. However, in

this research, there is low engagement with technological innovation in products. Instead, it is the introduction of novelty into the product design which defines these cases' product innovativeness. The firms need to continually innovative the designs of their products and adapt to the changing customers' needs and the online environment. For instance, the entrepreneur in Case B highlighted that they are focusing on continuing to innovate the external designs and styles of the products rather than technology:

“So, if the rate of updating the style is fast and the style is innovative, the sales will be very good. Normally, we will just be innovative in style because for shoes you don't need advanced technology. Innovation of technology in shoes is limited. It's more about the style because the technology is advanced now. It's more about external design.”

Moreover, the importance of creating a novel product design was highlighted by the interviewees as a way of attracting greater numbers of customers, in responding to a potential gap in the Chinese online fashion industry market. As these cases are in the fashion industry, they focus on introducing new innovative styles which also respond to the current fashion trends or lead customers' demand for new products. Cases X, M, B and Q indicated that they sought to introduce some novel products to the market which are able to attract customers' attention. For example, the entrepreneur in Case Q asserted that:

“I think creativeness is very important. Even if the buyer already gets used to your brand's style and even if the products are very beautiful, they will become fatigued after a while. So, you need to frequently make some products which haven't been sold before to revitalise the customers”.

The pure-play firms in this research indicated the need to continually innovate products to keep customers' interest. Creating and developing novel product designs also allows the firms to be distinguished from their competitors. This builds upon the assertions made by Wang and Ahmed (2004) who outline the importance of the role of product innovativeness in SMEs in competing and establishing themselves in the market. These findings specifically highlight the

importance of innovative products in the context of the fashion industry and the online environment. Indeed, the entrepreneurs in Cases M and Q proposed that they are running a fashionable chic brand where it is important to have their own style of products. In this way, they can put themselves ahead of the market and introduce some novel product styles to their customers.

Most of the cases indicated the importance of continual innovation of products on the Taobao platform in which product imitation is normal. Given the homogeneity of products on the platform, creative product design can allow firms to be ahead of their competitors in the online market. For example, the entrepreneur in Case B explained:

“You know in China, copying is a normal thing. The price of these shoes in my store is 88 but other people sell it for just 70 yen but we have some added value services like you can return it in 3 months if you are unhappy about the shoes. We create some new styles of shoes in a short time. So, other people cannot follow us”.

In developing an innovative style of shoes, the firms highlighted the importance of “fast innovating” in response to the threat of product imitation and in seeking to lead the Taobao market. The pure-play firms need to maintain high levels of innovativeness and continually update their products online, considering the nature of the internet is open and product imitation is prevalent in this environment.

While their competitors are making imitations of current products, innovative firms in this research are already developing new products. Their innovative behaviour therefore enables a proactive exploitation of the opportunity, highlighting potential linkages between innovativeness and proactiveness for the entrepreneurs in these cases.

Furthermore, the innovative nature of the firms’ strategies and product design is underpinned by the individual entrepreneur’s drive to differentiate themselves in the market. Creative product development originates from the entrepreneur’s strong autonomy and sense of independence. They seek to implement their own

ideas and develop an original style instead of simply imitating other brands' styles and ideas. As the entrepreneur in Case Z argued:

“You should have your own ideas, you shouldn't listen to many people's ideas. If many people think that an idea is good and you put it on the market, it may lead to homogenisation”.

In these findings, the entrepreneurs highlighted the importance of innovative products to exploit the opportunities that emerge in a homogenous market environment. However, the innovative nature of product design is driven by other aspects of firms, including the creative ideas generated by entrepreneurs, the entrepreneur's relationship with suppliers and how the entrepreneur perceives their market needs. Due to the firms' resource constraints, it is unrealistic to continually carry out high-level product innovation. The firms also need to leverage resources to improve the level of innovation. From observation, it was identified that the cases in this research are not always selling innovative products. Sometimes, they introduce novel products onto the platform or sell some products which follow the current fashion trends.

4.3 Creative Online Marketing Strategies

Innovativeness also emerged in these findings through the firms' adoption of creative online marketing strategies. Morris, Schindehutte, and LaForge (2002) highlight that EM-oriented firms often take a creative approach to marketing. The firm's ability to develop innovative strategies is emphasised as a way of creating added value for the customer and of discovering and exploiting opportunities in the market. In these findings, all of the case companies in this research highlighted the importance of having a creative online marketing strategy in differentiating themselves from their competitors. Such creative marketing strategies can include customer engagement activities, promotional events and displaying their products online in novel ways.

The staff member in the interviews highlights the importance of the firm having their own ideas and distinguishing themselves in the market from their competitors. It was noted in Cases Q, Z and V that the entrepreneurs' personality

means that they are the kinds of people who want to be different from others and stand out from the crowd, not just in business but in all aspects of life. Here, the findings indicate that the firm's innovative behaviour is impacted upon by the entrepreneur's tendency to "want to be different from others". For instance, the entrepreneur in Case Q stated:

"I am the kind of person who likes to stand out from the crowd, not just about my style of clothes; in other areas, I also like to be different from others...I also have some innovative marketing strategies which I always try to distinguish from other people. If other people use this marketing approach, I will take another approach to do that. I like to stand out, so my marketing approach will be different from others."

The innovative nature of the firms' strategy and product design is underpinned by the drive of the individual entrepreneur to differentiate themselves in the market. By adopting an innovative approach, the firm can stand out from their competitors. As identified in the literature review, this is particularly important for SMEs who are more likely to find creative or novel solutions to barriers in order to overcome resource constraints (Carson, Gilmore and Grant 1997).

4.3.1 Creative Online Promotions

In this research, the importance of developing diversified promotions through social media and the Taobao platform was strongly highlighted. Indeed, the staff member in Case V asserted that, *"Actually, even though the nature of the events is similar, e-commerce is like that, you need to make different promotional events to keep the customers interested"*. The importance of diversified promotional events is highlighted in this competitive Taobao e-commerce environment in which imitation is common and in which each brand needs to stand out from its competitors. These promotional events are carried out, in order to attract new customers to try the brand, as well as for enhancing interaction with customers. While the fundamental aims of the promotional events are similar, these are conducted in different ways to maintain customer engagement and interest.

Firstly, the significance of online promotional marketing has been highlighted in this research, including special promotional offers, discounts or vouchers. These forms of promotions are based on reductions in price and are intended to raise the interest of customers, encouraging them to make the purchase. In these findings, it was identified that the firms carried out a number of different kinds of promotional activities, in order to distinguish themselves from the competition.

For example, Case V had a special promotional event for the 'Double 11' period, where different gifts were given away at different times of the 'Double 11' night. For one hourly period (e.g. midnight to 1am), customers would receive a particular gift if they made a purchase at that time. The gift that the customers could claim changed each hour, which customers were only made aware of at the beginning of the hour. Case V believed that this stimulated the customers' curiosity and encouraged them to make the purchase.

Case X indicated that they had a different promotional event for their 'Double 11' period called 'One More One':

“One more one’ for double 11 is just a hyped event because Double 11 is a famous shopping day now...They have lots of different ways to explain this ‘one’. For example, one yen to buy one product, or 10% off discount. You can get the cheap price in a particular time, like 11:11am...”

By carrying out the 'One More One' promotional event, Case X is attempting to motivate customers to get involved in their Double 11 promotions. It acts as a kind of promotional gimmick, where the selling point of 'One More One' is not the reduction in prices, which may not be significant in and of themselves, but rather to engage and generate interest in the customers. It is a fun, promotional gimmick to have discounts or offers at particular periods of the Double 11 event. While the customer is on the website for Case X's promotional event, they may be attracted to purchase products outside of the promotion.

Furthermore, Case M had a 'lucky bag' promotion, where the customers who made a purchase during the promotional period were sent a 'lucky bag', full of surprise products. The lucky bag products were tailored to each customer's

shopping preferences, as they were based on their previous purchases. In this way, the firm can promote the products, by allowing customers to test some of their other products. The customers may later purchase these products if they like them. In this way, the firm is promoting their products in a more subtle, customer-friendly way.

The evidence from the examples above indicates multiple, creative ways in which the firms are attempting to encourage customers to make purchases through price reduction promotions. Therefore, an entrepreneur's innovative tendencies aid the designing of creative promotional events or gimmicks which allow the firms to stand out from their competitors. Indeed, creative promotional strategies are particularly important in the Taobao e-commerce environment to increase the opportunity to attract more customers' attention and to allow the firms to stand out in an environment in which many marketing events are likely to be homogenous. This is supported by Wu et al. (2015), who asserts that marketing strategies which are inspiring and engaging are more likely to be effective in terms of brand exposure.

Secondly, the findings highlight the important of diversifying E-Word of Mouth (E-WoM) strategies in order to attract customers and to improve customer engagement. As supported by the online marketing literature (Colgate, Buchanan-Oliver and Elmsly 2005, Sashi 2012), E-WoM is indicated in these findings to be an important marketing tool for spreading brand awareness and accessing a new customer base. In this context, E-WoM refers to customers being encouraged to share competitions, events or updates from the firm to improve brand awareness.

In these findings, it was identified that the entrepreneurs' innovative tendencies impacted upon the firms' E-WoM techniques. Firms tended to engage customers to spread their brand through E-WoM in creative ways. Those entrepreneurs who are innovative are more likely to introduce creative events which encourage E-WoM. For instance, the entrepreneur in Case W indicated that he created an event called 'sharing', where customers can win a red packet if they share the

brand's event on their social media page. This actively incentivises customers to spread awareness of the brand among their friends.

Through observation, it was identified that the firms carried out a variety of promotional strategies. Although all eight cases send vouchers or give special offers during promotional events (e.g. if you make purchases up to 300 yuan, you can get 50 yuan off your order), there emerged a number of supplementary promotional strategies that varied according to the specific case. For instance, during 'Double 11', some cases were found to use the 'cashback' promotion, while others used a lottery, where they had a chance to win a prize if they spent a certain amount (e.g. Case V ran a promotion where the customers had a chance to win a prize of a holiday in Thailand if they made purchases of more than 999 yuan).

These firms are following the promotional trends set by the platform, e.g. cashback. Specific promotional strategies are popular on Taobao during particular periods and are promoted by the e-commerce platform. Through observation, it was found that the cases are sometimes carrying out more original and alternative marketing strategies, but on other occasions, they simply respond to the call of the platform to adopt a particular kind of promotional strategy during a particular period. As a result, many firms on Taobao are often adopting similar forms of marketing strategies during the same period.

In terms of promoting products, it was found that Cases M and Q took some pictures of their new arrivals and posted these on social media to inform customers about them. Additionally, there was evidence of Cases M and Q conducting 'lucky bag' promotions, although these tend to primarily take place during bigger events (e.g. Double 11). Case W has another event during the 'Double 11' period, where customers receive vouchers and are encouraged to share these amongst their friends. Meanwhile, other companies give vouchers or exclusive gifts for certain shopping festivals when the customer makes purchases up to a certain amount.

These findings highlight the innovativeness of the entrepreneurs in implementing multiple creative marketing strategies to promote the firm's products. The pure-play enterprises in this research seek to carry out different E-WoM practices in order to enhance customer engagement and to attract customers' attention, particularly during shopping festivals. Ultimately, this allows the firms to distinguish themselves from the other firms in a competitive and homogenous online environment.

4.3.2 Co-creation

Jones and Rowley (2007) have highlighted the importance of innovatively carrying out co-creation activity in the entrepreneurial marketing process. Co-creation refers to the active involvement of customers in firms' creative and production processes (Romero and Molina 2011). In the context of pure-play e-retailers, the online environment enables the generation of continuous real-time feedback from customers through social media and online marketing events and understand customers' needs immediately. For these pure-play e-retailers, co-creation can have multiple benefits, including aiding firms in better innovating products and marketing strategies, building stronger bonds with customers, creating customer-centric products and reducing the costs of product development.

In this research, the cases highlighted that they engage their customers in co-creation through social media and their webstore for co-developing innovative products and marketing strategies. In order to engage the customers in their co-creation processes and tap into their intellectual capabilities, firms offered them incentives and rewards. In these findings, those entrepreneurs who can be identified as innovative indicated creative ways of engaging customers in co-creation. Indeed, Case X ran a customer event, in which those customers who offered the best slogan for its brand could receive a prize. Indeed, the entrepreneur in Case X explained how they carry out a co-creation event:

"We expect the customers to tell us what this brand is about. The customers would know more about the brand's story and through this, they

can give us some ideas. The customers could give us some new ideas, including current customers or potential customers. They could engage in this event. I hope they could give one slogan for that and then we would give a good reward for them. We set different levels of rewards. So, the slogan of my brand is not just from the top management team, it is also from customers.”

This event is creative in the way in which it engages customers in asking for their suggestions and in the power it gives them as consumers in changing the brand's slogan. It allows the customers to feel empowered and part of the brand's future. The innovative ideas that are co-developed by the customers and the firms are indicated to drive the creativity behind the brand's co-creation event.

By driving innovative co-creation strategies, the entrepreneur suggested that they could increase levels of customer engagement in co-creation events, which can subsequently lead to innovative outcomes: both creative product design and creative marketing strategies. Moreover, these findings indicate that the innovative entrepreneur is more likely to be open-minded to accept new ideas from customers when co-creating new products or strategies.

Therefore, it is important to take into account the entrepreneur's innovative outlook when researching firm's online co-creation strategies and the implications of this especially in this homogenous online environment. It can be suggested that entrepreneur-oriented online marketing strategies facilitate the development of creative environments in firms, whereby, even if the entrepreneur themselves are not naturally creative, their open-mindedness can encourage innovative ideas from staff members.

Moreover, Case X's co-creation strategy displays elements of both the 'customer-driving' approach and 'customer-centric' approach, proposed by Merrilees (2016): 'customer-driving' strategy in that they are engaging the customers in co-creating their new brand slogan and 'customer-centric' strategy in that the results of the co-creation event will give the firm a greater insight into their customers' needs when designing future products and marketing ideas.

More specifically, the ways in which Case X develops co-creation strategies is influenced by the background context of the firm. As this brand was founded in 2009, they are older than the other cases examined and therefore have more experience with these kinds of events. Although experience is not indicated to be significantly important in successfully operating on this platform in these findings, it can be suggested that Case X has had more opportunities to see what strategies work (or not) in engaging or generating interest for the customers.

Therefore, it can be proposed that there are two ways that innovativeness and co-creation link together in the online context: innovative ideas improve customer engagement in co-creation activities, while enhanced customer engagement improves the level of firms' innovativeness in product and marketing strategies. Mort, Weerawardena and Liesch's (2012) asserted that customer intimacy and innovativeness are closely linked together and exist in the same strategic dimension. Similarly, the role of continual innovation in building and maintaining customer relationships has been highlighted in the literature (Covin and Miles 1999, Miles and Darroch 2006). However, these findings extend these to specifically highlight the role of the customer and entrepreneur in the online co-creation process to improve the effectiveness of the innovation.

4.3.3 Innovative Online Product Presentation

In these findings, it was indicated that Cases A and V use a creative way of displaying product photos in order to help them build brand identity. The interviewees suggested that the visual effect of the photos should be unique in order to distinguish the brand's style and personality from their competitors. Case V use a Western model and 'street snaps' to present their products, as they are running an American-style chic brand, as the entrepreneur explained:

“At that time, everyone thought that they should use the Chinese model. In that time, I thought that if you want to be chic, you need to follow the trends in Europe and the US, so the picture should be like the ‘street snap’. So, we used a Western model.”

Initially, 'street snaps' were not used for product promotion but were instead used as a way of capturing celebrities in Western culture. However, Case V identified the popularity of street snaps in Western celebrity culture and adapted it for the online Chinese fashion industry market. This is therefore a novel and creative way of displaying products online, where the case has adapted a creative design from another context.

In these findings, Cases Z and W highlighted the importance of innovative product presentation for selling products. In contrast, Cases B and X primarily used traditional forms of product presentation. However, while the entrepreneur in Case V comprehensively outlined how they develop strategies for presenting products online and how these link to performance, the entrepreneurs in Cases Z and W did not significantly highlight this. Thus, it remains unclear if they are sufficiently knowledgeable to successfully conduct innovative forms of product presentation and how their innovative product presentation links to firm performance. There is a need for further examination on the link between firm performance and creative marketing strategies.

4.4 Innovative Business Mode

A further way in which innovativeness emerged among these case companies was through the adoption of an innovative business mode. In these findings, the pure-play firms are engaging in innovative business modes to overcome resource constraints and distinguish themselves from competitors in the market. Three case companies expressed that they use an innovative business mode where the firms are creative in the ways in which they carried out business activities, including co-operating with fashion bloggers and specialists in an innovative way, as well as separating the production process.

It was identified in the findings that Case M co-operates with other fashion bloggers stores, as the entrepreneur is a fashion blogger herself. Indeed, the entrepreneur in Case M explained:

"I co-operate with other bloggers who are also doing fashion brands. She (the other blogger) wore my shoes when she displayed her clothes on their

webstore... Lots of her customers think that the shoes match the outfit very well, so when they buy the outfit, they want to buy the shoes too, like a set.”

Case M is the only case which highlighted that they co-operated with other blogger stores to promote their products. This acts as an innovative way of attracting new customers to their brand. Instead of promoting their brand using advertisements on the third-party platform or social media, as with most other e-commerce brands, Case M innovates a new form of co-operation by exploiting their existing network resources. In doing this, they can share the profits made with the fashion bloggers. Thus, this innovative business mode arguably acts as a form of market innovativeness (Wang and Ahmed 2004) where the case is aiming to expand their market and promote their products to a new market by co-operating with blogger stores in this way.

Furthermore, through observations, it was indicated that Case W adopted the business mode of a fashion blogger store. Here, the entrepreneur has a personal social media account to interact with their customers. By adopting this mode, Case W is able to approach the customers more personally and informally. Case W has creatively adapted this mode, and the ways in which the fashion blogger store operates to their own needs.

The entrepreneur in Case W believes that “this kind of brand has soul and personality” and that it is beneficial for them to adopt this business mode. As a result, by doing this, Case W is adapting a particular business mode from another context; they adapted the ‘fashion blogger’ idea to a ‘fashion buyer’ idea for their brand, enabling a novel way of doing business. However, when the researcher interviewed Case W, they had only recently begun to adopt this business mode. The success of the fashion blogger business mode also depends on how the firm operates its social media account, their persistence in interacting with customers online and their ability to adopt suitable ways of interacting with customers as a blogger store.

Moreover, in order to avoid imitation of their products by other firms, Case X adopted an innovative business mode by separating the production process, whereby they are using their own exclusive material supplier. They can order the specific material they want from this supplier to make their own style of shoes. The supplier can customize the material for them. They are developing an innovative business mode to avoid being imitated, improve the production cycle and reduce stock risks. The staff member in Case X explained that:

“We are trying to co-operate with the factory in Guangzhou but it’s hard to control the quality because we have no professional quality control there. But because of our situation now...we are thinking about another mode to make sure that we have control of our supply chain. We are trying to have our own cladding supply chain.”

By using their own supply chain for cladding, they have greater control and can have their own special material; in this way, it becomes more difficult to be imitated by competitors. The city that Case X is based in is famous for producing shoes, but there are risks of other shoes factories knowing about their designs. Thus, by using their own supply chain in another city, Case X is better able to keep its product design secrets to themselves, allowing them to maintain their own style and maintain their originality. Even though their competitors may be able to find the material supplier, it will take them some time and most likely, by this time, Case X will have already designed another style of shoes. In order for a firm to distinguish itself from its competitors, it is particularly important to avoid being imitated in the online Chinese market in which many products are homogenous.

Case X’s use of an exclusive cladding supplier in a different city acts as a form of innovative business mode. However, this does not align with Wang and Ahmed’s (2004) definition of ‘process innovativeness’, which describes, “the introduction of new production methods, new management approaches, and new technology that can be used to improve production and management processes”, nor the similar definition provided by Hilmi et al. (2010). Here, Case X is not being creative in its use of technology or machinery, but rather in how they collaborate

with their suppliers to differentiate themselves from competitors. These findings indicate how the entrepreneur deploys their network resources to make a new combination as a form of innovative business mode. This specific innovative business mode can reduce the threat of imitation in the online market for firms who are working under resource constraints.

In addition, Case X adopted an innovative business mode by working in partnership with relevant specialists, instead of hiring them. The entrepreneur in Case X identified the difficulties of keeping specialists in the long-term, as they are unlikely to want to remain at a small company for a significant period of time. To overcome this problem, Case X decided to adopt an alternative business mode: working together in partnership with the specialists. In this way, the firm can benefit from the specialist's expertise but not have to deal with the issue of keeping them in the long-term. It can also reduce the risk for the specialist when they are running their own business. This acts as an alternative way to respond to human resource constraint for SMEs.

The adoption of an innovative business mode that was identified in these findings has not been well discussed previously in the entrepreneurship literature (Miller and Friesen 1983, Lumpkin and Dess 1996, Salavou 2004). Innovative business modes highlight the creative ways that SMEs can operate their business, in order to help overcome resource constraints. As the pure-play e-retailers in this research are SMEs and have inherent resource constraints, innovatively stretching the resource in such a way is deemed to be of significant importance as they can save time and money. In addition, this thesis highlights innovative ways in which the entrepreneur manages relationships with staff members who have left the firm and creatively deploys their network resources as part of an innovative business mode. This highlights the link between the entrepreneur's innovativeness and their relationship characteristics.

4.5 Chapter Summary and Conclusion

This chapter has sought to respond to the primary research question of this thesis and centred on evidence arising from a series of case studies with a specific focus

on the entrepreneurial characteristics of innovation. Emerging from the thematic analysis, the entrepreneurial theme of innovativeness was identified to be important in the firms' exploitation of the Taobao e-commerce platform, in a number of different ways.

Firstly, innovativeness emerged in these findings in the context of pure-play e-retailers through the entrepreneurs' willingness to distinguish themselves from their competitors by having an original style. Original style refers to both creative marketing strategies and innovative products which allow the firm to access and exploit market opportunities. Miller and Friesen (1983) and Lumpkin and Dess (1996) indicated that innovativeness refers to both technological and non-technological innovations.

However, in this research, the pure-play e-retailers are less engaged in technological innovation as they are operating in the fashion industry and run their business on a third-party e-commerce platform. The pure-play firms' innovativeness is reflected in non-technological innovation in novel products design on the platform, creative online marketing and business modes which can allow them to overcome resource constraints and respond to the opportunities in the e-commerce platform development. The firms' non-technological forms of innovation in the e-commerce market have been enabled by technological innovation elsewhere.

Secondly, these findings extend the assertions of Wang and Ahmed (2004) who similarly identified the key role that innovativeness plays in the development of SMEs: namely that by adopting an innovative approach, firms can differentiate themselves from their competitors in the market, allowing them to survive and thrive. Innovativeness is becoming more and more important, where firms need to continually evolve and be creative to adopt a secure position in an increasingly competitive and dynamic marketplace (Gilbert 2007, Hilmi et al. 2010).

However, these findings highlight why innovativeness is important in the specific context of the Taobao e-commerce platform. It can be suggested that innovativeness is particularly important for e-commerce firms competing in an

aggressive and homogenous online environment where it is difficult to stand out from competitors. These pure-play e-retailers highlighted the need to continually develop innovative products and marketing strategies in order to combat threats of imitation in the online marketing environment and to differentiate themselves from competitors in a fast-paced and relatively homogenous e-commerce market. Their strategy was to de-homogenise where possible.

More specially, the environment stimulates the e-retailers to quickly innovate products, in response to the threat of imitation and to rapidly changing customer needs. The pure-play e-retailers in this research innovate products through creating novel designs or embracing novel styles from other environments and adapting it for this online platform. Creative product development is also driven by the entrepreneur's personality and perspective, where they seek to distinguish themselves from their competitors by having an original style. They are able to perceive future customer needs, gaps in the market and exploit this opportunity by introducing novel products.

Moreover, the fast-changing online environment stimulates firms to continually innovate new forms of marketing communication through engaging with new features on the e-commerce platforms. As the Taobao e-commerce platform technology is developing, pure-play e-retailers need to continually innovate to create new combinations of marketing ideas and develop new features of the platform to communicate with customers. As their competitors can access the same e-commerce technology to interact with customers, what is important is how firms create new content through this platform to exploit this opportunity.

Therefore, these findings provide empirical evidence for how the pure-play e-retailers innovatively exploit the Taobao e-commerce platform to differentiate themselves from competitors in a homogenous market. These findings add empirical evidence for the research (e.g. Daniel and Anwar 2016) which has indicated the tendencies of online firms to imitate each other and to minimally innovate in a homogenous marketing environment, as well as the subsequent need for e-commerce firms to adopt an innovative outlook. This research highlights the importance of innovativeness for pure-play e-retailers in creative

product and strategy development and in catering for customers' needs to build competitive advantages, as has been similarly highlighted in an offline context (McGowani and Durkin 2002).

Thirdly, the findings identified a two-way link between co-creation and firms' innovative tendencies. Here, creative techniques can incentivise engagement in co-creation while co-creation can also result in innovative outcomes (such as innovative products or marketing strategies), building on the findings of Mort, Weerawardena and Liesch (2012) who highlighted the close linkage between customer intimacy and innovative product development in one strategic dimension. While the creative elements of co-creation have been highlighted in the literature (Mort, Weerawardena and Liesch 2012, Jaakkola and Alexander 2015) this research extends these to propose a link between the entrepreneur's innovative characteristics and their tendency to use co-creation in their firm's activity.

Finally, the pure-play firms in this research demonstrate examples of flexibility in resource leveraging in order to create new business modes and to build competitive advantage in the e-commerce platform. While these practices cannot be applied in every context to respond to the opportunities, these innovative modes highlight the importance of flexibility in creating new combinations of offline and online resources to exploit emerging opportunities in the continually changing online environment.

The identification of flexible forms of resource deployment in this research is reflected in the findings of Daniel and Anwar (2016) who suggest that marketing in e-commerce is not haphazard or chaotic, but instead reflects the flexible use of resources. However, the findings in this research extend this to highlight the importance of innovatively combining offline resources to respond to opportunities on the Taobao e-commerce platform. Indeed, in the literature, innovativeness has been considered as an unusual response to firms' problems. It is understood that firms need to innovatively deploy resources to overcome resource constraints and to resolve the issues that emerge in SMEs' business

processes. Innovativeness is reflected in SME's response to resource constraints and lack of experts in order to maintain competitive advantage.

Overall, this research expands on existing theories of innovative behaviour identified in the literature to draw out the role of innovativeness in the firms' exploitation of the e-commerce platform. It provides a detailed examination of innovative practices for pure-play e-retailers (e.g. an innovative business mode). However, there are not universal innovative practices for all pure-play firms, given that these should be applied based on firms' specific contexts. The next chapter is going to evaluate the emergence of the entrepreneur's forward-looking perspective, another key entrepreneurship theme underpinning the process of pure-play e-retailers' e-commerce platform exploitation.

Chapter 5: The Pure-play E-retailers' Entrepreneurship

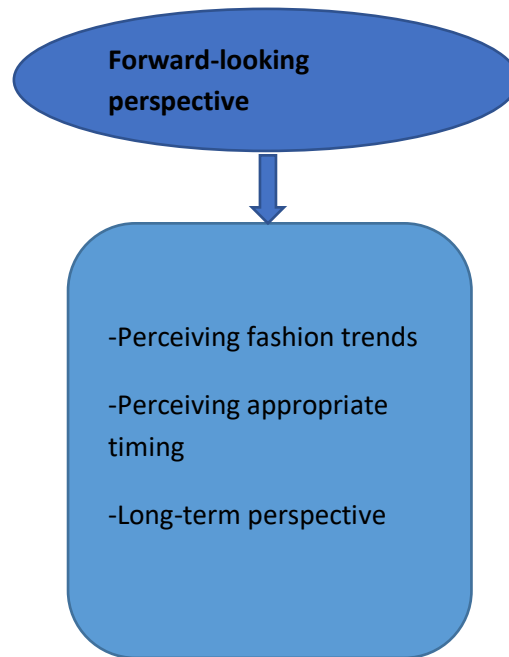
Characteristics- Forward-looking Perspective

5.1 Introduction

The forward-looking perspective has been identified as a key sub-theme of proactiveness in the methodology chapter. This chapter aims to assess and examine how and why the entrepreneur's forward-looking perspective is embedded in their marketing outlook and how it underpins the firm's exploitation of the Taobao e-commerce platform. The analysis here focuses upon how the entrepreneur perceives the market opportunities in the e-commerce platform, the future benefits of exploiting of the e-commerce platform and future customer needs. In these findings, a forward-looking perspective emerged as a key dimension of proactiveness, concurring with Lumpkin and Dess's (1996) definition of proactiveness which emphasises the entrepreneur's role in being able to perceive gaps in the market.

Thus, the chapter seeks to better understand how a forward-looking perspective underpins the marketing approaches in the e-commerce environment. In this thesis, the entrepreneur's forward-looking perspective emerged through their ability to perceive the fashion trend and appropriate timing and their long-term perspective in seeking opportunities for exploiting the e-commerce platform. Accordingly, the chapter is structured according to these dimensions: (i) fashion sense (ii) perceiving appropriate timing and (iii) a long-term perspective (see figure 5.1).

Figure 5.1 Key dimensions of ‘Forward-looking Perspective’



5.2 Perceiving Fashion Trends

Perceiving fashion trends was identified to be a key element of proactiveness in this research. Due to the presence of these firms in the fashion industry, the entrepreneur's fashion sense plays an important role in predicting customers' needs. Indeed, the entrepreneur in Case Q asserted that, *"I think, for me, proactiveness means that you need to have fashion sense"*. Similarly, the entrepreneur in Case M stated that:

"I'm doing a fashion brand so I think that fashion sense is also very important because you can predict the fashion trend and then lead the market."

The entrepreneurs in Case B also highlighted that if their products are not fashionable and do not meet the current fashion trends, they would not be able to achieve high sales. Cases Q and M, as fashion blogger stores, highlighted the importance of fashion sense in supporting them to introduce some new fashion

styles to meet or lead the market needs. Often, it was suggested that the customers would follow the fashion blogger stores as the bloggers tend to have good fashion sense and the customers can gain insight into current fashion trends.

The findings in this research also indicated that entrepreneurs rely on their fashion sense to aid their market predictions and proactive tendencies. Therefore, they design their products according to perceived future fashion trends. When selecting products, the entrepreneur shapes the future customer needs. For example, the entrepreneur in Case M asserted:

“I don’t rely on that (web data) a lot for choosing the style of clothes, because I am doing a fashion brand. I should be ahead of the market. I should introduce my customers to some styles that the market doesn’t have...They (the customers) know and like some styles of clothes because of the blogger wearing that. The blogger should lead the fashion trend. I should have the fashion sense to perceive what the customer would like.”

Case M, the blogger store, is proactively introducing new products to create a demand in the market. Thus, entrepreneurs with a high level of fashion sense tend to lead the demands of the market and shape the fashion environment, instead of following what their competitors are selling. They create the future needs, rather than catering for customers’ current needs. This supports the assertions of Lumpkin and Dess (1996) on the definition of proactiveness. This is particularly important for the fashion industry where firms will lead their customers’ demands; customers may not know what they want until they see the product. The customers’ demands are therefore governed by the fashion trends which are instigated by the firms in the fashion industry. Therefore, it can be argued that perceiving fashion trends is an important element of proactiveness in the fashion industry.

Moreover, in these findings, the entrepreneur’s experience was indicated to impact upon the entrepreneur’s fashion sense. Their experience of working in the

fashion industry helps them to perceive the fashion needs of the market. For example, the entrepreneur in Case B indicated:

“I think this is about experience. We had been working in the shoes industry for a while and so we have an idea of the popular fashion trends in the shoe industry and which styles could generate more sales. We will create some shoes according to the current fashion trends and the sales will increase.”

Furthermore, the entrepreneur’s fashion sense can also be linked to their learning process and personal business knowledge of the industry. For example, the entrepreneur in Case V indicated:

“I think a forward-looking perspective is important for sensing the market. For predicting some future trends, I go to other cities to get some more inspiration and learn more new things because I think lots of current e-commerce brands, they are in the stage of copying other people, but for me, I have no concept of copying.”

Meanwhile, the entrepreneur in Case Q stated:

“So, in this way, because I link every aspect of my life to my work, I will have better fashion sense, When I am watching a popular tv show, I already have some ideas about the styles of clothes, so that I can respond to the market faster than others. I always think about some innovative products and strategies in my life, I can get that inspiration from everywhere.”

Here, the interviewees indicated the importance of fashion sense in predicting market needs. Fashion sense allows them to respond quickly to fluctuations in fashion trends. It was indicated that entrepreneurs’ willingness to learn allows them to improve their own fashion sense and to keep up with fashion trends. They can also get inspiration for new fashion ideas from all aspects of life. By continuing to improve their fashion sense, this can aid the entrepreneurs to predict the fashion trends in the e-commerce market. In this way, the

entrepreneurs can develop their own style and lead the market when other e-commerce firms remain as 'followers'. Thus, these findings indicate tentative linkages between “predicting fashion trend” and innovativeness and suggest that entrepreneurship research should take fashion sense into account when examining proactive tendencies in firms in the fashion industry.

The entrepreneur's own passion and business-related professional knowledge need to be considered in predicting customers' needs and building customers trust in the process of customer interaction. While Cases Q and M highlighted the importance of fashion sense for predicting customers' needs, Cases W and Z primarily used data analytics to aid them in predicting customers' needs and fashion trends (see Section 7.3.2). While the entrepreneur's forward-looking perspective is driven by fashion trends in innovating products and interacting with customers, it also comprises of the entrepreneur's ability to perceive the appropriate timing for launching products and marketing activities.

5.3 Perceiving Appropriate Timing

5.3.1 Timing of New Products Online

In this research, the findings suggested that the entrepreneur's ability to perceive appropriate timing formed a significant component of their forward-looking perspective. It was identified that the entrepreneurs perceive and grasp the appropriate timing of launching new products which can allow them to access greater opportunities for taking the initiative in the market. For example, Case V released their Autumn collection online during the summer, earlier than their competitors. The entrepreneur in Case V stated that:

“When other people are selling the summer collection, we are starting to do the Autumn collection because we are already selling a lot of Summer clothes. It's reached a peak. So, we will just sell Autumn clothes straight away. We put them on the shelf earlier than our competitors, so in Autumn and Winter, we are ahead of them. You have a good head start, so if you do not do anything wrong, you keep the lead”.

Here, it is indicated that Case V grasps the appropriate timing to put the new autumn collection on the shelf, during a period when there is still high demand for summer clothes in the market. Case V decided to concentrate on selling autumn clothes, instead of putting more effort into improving sales of their Summer clothes. In these findings, grasping the timing is not only about putting the products on the shelf online ahead of their competitors, it also considers the insight that the entrepreneur gained into identifying the timing of when the summer clothes market is saturated.

The importance of appropriately timing the launching of new products was highlighted in these findings for increasing sales. There has been a lack of research so far on this topic in the online marketing literature, which has instead focused on the speed with which e-commerce firms update their products (Begalli, Codurri and Gaeta 2009). However, these findings indicated that it is not just the speed of updating products that it is important, but also timing (see Section 4.3.1 for further details on 'Perceiving Appropriate Timing').

Although, Lumpkin and Dess (1996) indicate that firms act as 'early movers' in order to establish brand recognition, these findings suggest that acting earlier or being ahead of competitors is not enough on its own to grasp the opportunity in this context and build competitive advantage. Rather, it can be suggested that firms also need to perceive and grasp the right timing of when to respond to a market opportunity. Therefore, Case V's behavior supports and expands upon the 'early movers' theory (Covin and Miles 1999, Kreiser et al. 2010).

Indeed, the entrepreneur in Case V perceived the correct timing to sell a product which did not previously have high sales among their competitors. He stated that:

"For example, the material called 'space cotton'...Every firm used this kind of cotton last year because it was popular but they don't all sell it well. So, lots of brands aren't using space cotton this year, but I think in China, the customers need time to accept new things...I perceived this at that time, so we continue to use the material this year and we found it sold very well."

The timing came from the entrepreneur's own judgement. The entrepreneur of Case V grasped the appropriate timing to sell a particular style of products, "space cotton". In such a way, the entrepreneur demonstrated the ability to grasp the correct timing to release the product onto the market (i.e. the timing for which demand would be high for this type of product), rather than necessarily introducing new elements to the market ahead of competitors. Thus, it can be suggested that the entrepreneurs need to perceive the right timing in selling products, based on changes in customers' needs, driven by the continual fluctuations in fashion trends.

Therefore, taking initiative and being ahead of the market is not simply about moving earlier than competitors, it is also about grasping the opportunity by moving at the appropriate timing. The important factor here is for the entrepreneur to perceive the correct timing ahead of competitors, and to grasp the timing when the market demands are fluctuating. As the pure-play e-retailers are operating their business in a dynamic environment, customers' needs, and the nature of the online environment are rapidly changing. Thus, the "timing" concept is important for entrepreneurs in this dynamic market environment in order to identify and grasp opportunities.

Moreover, by grasping the correct timing, the firm can adopt an initial position in the market and become a leader rather than a follower in the particular market. However, when considering the entrepreneurial process of seeking and exploiting opportunities in the market, there is a lack of consideration of the importance of 'timing' for entrepreneurs in the entrepreneurship literature. Timing is important for entrepreneurship researchers to understand the process of opportunity-seeking in the context of e-commerce.

5.3.2 Perceiving Appropriate Timing of promotional events

In Cases M and Q, as micro-enterprises, the focus for the entrepreneurs is upon perceiving appropriate timing of promotional events, as a way of mitigating potential threats from competitors. These entrepreneurs indicated that they time 'pre-sales' events to enhance the opportunity for attracting customers. The 'pre-

sales' events normally take place before big marketing events such as 'Double 11' with the aim of 'warming up' the atmosphere. There are normal different stages to a big marketing event, where there is a build-up to the event for a period beforehand. The firm is not aiming to improve sales significantly by carrying out this pre-sales event but rather they are attempting to attract the customers' attention towards the big event and keep this attention until the main event takes place. In such a way, they seek to increase traffic to their site during 'Double 11' and increase sales.

For instance, Case W noted that they send out vouchers worth 150 RMB for a promotional event which takes place on 21st October, in advance of 'Double 11'. Through observation, it was identified that, while all eight cases send out vouchers or give special offers, only Case W used this kind of event, which involves customers sharing vouchers with friends. The entrepreneur in Case W gave details about this:

"This voucher is only valid during 'Double 11'... We wanted to do an event before 'Double 11' because our brand wasn't doing very well in the last 'Double 11', So we have to think how to attract more visitors before 'Double 11'. We need to bring our old customers back and attract some new customers to 'Double 11' because the advertisement fee is very high between 1st November and 10th November so I think it's a good idea to do this event in October because the sales are very low during this period."

More specifically, the staff member in Case W explained the following:

"So normally, the company will start to do promotional activities from the beginning of November but we started to do that from October. The purpose of doing this promotional event is to get some traffic for Double 11 and motivate some old customers to make some purchases. We conduct this event at the end of October but we start to do the advertisements for this event at the beginning of October so basically we have a 1 and half month plan for Double 11."

This example reflects the entrepreneur's perspective in identify the timing for carrying out promotional event by scanning the timing of other firms' promotional activities on the platform. By doing pre-sales events, the cases in this research can avoid the intense competition of the main event. They can find opportunities to attract customers during the pre-sales events with greater ease and to increase the visiting volume of the main event. The firms find it is more difficult to attract customers when other firms have begun promotions and the competition has become intense, as they do not yet have a well-built reputation given that they are a firm that has only relatively recently formed and are in the start-up stage.

Therefore, this acts as a good strategy for SMEs, who can more effectively and efficiently compete with the bigger firms in e-commerce. However, the advantage that the SMEs have acquired through timing would not be applicable if all of the e-commerce firms began to do their pre-sales at the same time. Rather than introducing a pre-sales event earlier than their competitors, the advantage here comes from the firms perceiving and grasping the appropriate timing in order to avoid intense competition on the Taobao e-commerce platform.

Moreover, Case V indicated that they plan and design promotional events and attempt to think further ahead than the other cases in this research by having three periods of promotional events. The entrepreneur of Case V is able to identify the timing of conducting different price promotions to maximise the opportunity for sales boosts. Indeed, the staff member in Case V explained:

"We will have a plan. For example, if we are doing a promotional event, we will divide the promotional event into three periods: a warm-up period at the beginning, a break-out in the middle and then a continue period at the end. Maybe lots of companies, if they think of a promotional event, then they will do the event the next day. They won't have a long-term plan. I don't think it will be effective. We consider in this period how many days we need to warm up this event, what performance we expect to achieve at this event... according to this, we need to know how to attract website traffic, how to promote, how to make the marketing schemes and then what kinds of resources we need."

This quote highlights the importance of designing appropriate promotional activities in different promotional periods, in order to maximise the effectiveness of the promotions and the opportunities of increasing sales. Such appropriate design requires the entrepreneur's ability to perceive the appropriate timing and customer concerns in different promotional periods, including before the main promotion, the beginning of the promotion, during the promotion and after the promotion.

However, only Case V, as the largest case company in this research, significantly highlight the value of conducting different promotional events in different timing and promotional periods, as part of a comprehensive and pre-planned strategy. It can be suggested that the other cases need to greater consider the appropriate timing of promotional activities when designing them. While the entrepreneurs need to perceive the appropriate timing of promotional strategies, the findings suggest that they also need to adopt a long-term perspective when conducting the promotional strategy.

5.4 Long-term Perspective

5.4.1 The Importance of Long-term Perspective

The entrepreneur's forward-looking perspective emerged in these findings through their long-term focus. The firms' long-term marketing approach is reflected in the entrepreneurs' awareness of perceiving potential long-term benefits of customer interaction, notably promotional events, daily conversations on social media and customer service and through product descriptions. The majority of the entrepreneurs in this study are identified as having long-term perspectives through their focus on customer retention and frequently interacting with customers. It is indicated that the entrepreneurs perceive that their future long-term development is dependent on their ability to retain customers. For instance, the entrepreneur in Case X asserted that:

"If you do lots of marketing, lots of advertisements, lots of promotional events, lots of customers may purchase on your website, but if you can't retain them, then your firm won't have a future. We use social media to

interact with them. The aim is to keep them, retain them, if you have “precipitated”, you have a future.”

In these findings, most entrepreneurs plan to use social media as a platform to develop their brand in the long-term, instead of as a way of increasing traffic and sales in the short-term. Thus, a proactive entrepreneur is more likely to perceive future benefits that they may receive, instead of focusing solely on the short-term gains. Such entrepreneurs are planning for the long-term as they perceive the value of future benefits. However, an entrepreneurial long-term perspective is not sufficiently recognised in the extant entrepreneurship literature (Section 2.3) despite proactiveness being understood to suggest a forward-looking perspective (Lumpkin and Dess 2001, Wiklund and Shepherd 2005, Glavas and Mathews 2014).

Moreover, while the importance of long-term growth for the firm is emphasised in the entrepreneurial marketing literature (Piercy 2009, Franco et al. 2014), there is a lack of focus on the *entrepreneur’s* long-term perspective. In this research, having such a perspective can allow the firms to perceive future benefits and to achieve this by carrying out activities which are long-term focused in nature. The aim is not about short-term survival but rather about long-term prosperity.

Indeed, the entrepreneur in Case X explained that, *“The reason that we are focusing on retaining existing customers is because we have moved past the period of survival.”* Case X is the oldest firm of the examined eight case companies starting-up their business online since 2009. The entrepreneur in Case X is considering long-term brand development rather than short-term growth. The functions of entrepreneurs’ long-term perspective in this internet-enabled environment will be discussed more in the following chapter.

The entrepreneurs’ long-term perspectives are reflected in the pure-play firms’ customers interaction strategies which include conducting competition events on the Taobao platform and day to day communication on social media platforms. Customer interaction is oriented towards long-term needs and for building customer intimacy and trust. In this research, the entrepreneurs’ long-term

perspective is linked to their ability to perceive the opportunities that exist in a long-term approach in this online environment, including gaining customers' trust and building customer loyalty.

Indeed, the entrepreneur in Case X proactively perceived the benefit of retaining customers in the future. From his perspective, retaining customers is the key approach to achieving business success. As demonstrated by the entrepreneur in Case X:

"...they (the customers) trust my attitude towards making every single pair of shoes, so no matter what I do, handbags or clothes, they trust I will have the same attitude towards these lines. In this way, we can improve customer intimacy. We will make the people who like us like us more. We will make the people who dislike us like us in the future. We are not expecting to provide services to customers who are not in our target market. I don't have to provide services to customers who are not in our target market. There is no point. I can't 'retain' customers in this way."

These findings highlight that the entrepreneur's long-term perspective strongly influences the way that these pure-play enterprises conduct marketing strategies. Here, there is a direct link between the building of customer intimacy and the entrepreneur's long-term perspective, as customer intimacy cannot be built in a short-term period. The entrepreneurs who can perceive the opportunities in a long-term approach are more willing to deploy resources to carry out long-term customer relationship building, in order to exploit these opportunities in an online environment in which exists a lack of customer-seller trust. The proactive, long-term approach carried out by the entrepreneurs in these findings is supported by the long-term customer relationship-building suggested in the relationship marketing literature (Colgate, Buchanan-Oliver and Elmsly 2005, Sashi 2012)

Although Case X has a long-term vision for the brand, they lack the resources to implement social media communication (i.e. an expert in this area), and so are focusing greater efforts on brand events on the Taobao platform currently.

Therefore, it is a combination of entrepreneur's characteristics and firm's current resources which can be useful when considering carrying out marketing events.

5.4.2 Long-term Brand-building

In these findings, the entrepreneurs' highlighted their long-term perspective by demonstrating a willingness to plan and build the brand for the long-term. The entrepreneurs would not sacrifice long-term development to gain short-term profit. For instance, a staff member in case W expressed that he had been told by his boss that:

"We should have a forward-looking perspective. We shouldn't just focus on short-term profit because he thinks that if you give the customer the impression that you have cheap products, it damages the brand reputation, then it's hard to change the brand image in the future and make customers think that the products are worth a higher price. We should have a systematic marketing strategy to improve our brand image, not just to attract customers by low price"

The entrepreneur in Case W was identified as having a long-term perspective from the vision he gave to his staff members. It can be suggested that he is not willing to compromise the brand image to gain short-term profit. Moreover, it was highlighted that the entrepreneurs in Cases A, W and V are using product photos to convey brand image from a long-term perspective. As these case companies are online fashion brands, product photos act as the primary way of conveying brand positioning to customers. Indeed, the entrepreneurs in the majority of cases strongly indicated that they use product photos to convey their brand image. For instance, the entrepreneur of Case V highlighted how they select models in delivering their brand image:

"Actually, there are a lot of handsome models. It is a common thing in online photos. It won't make a big difference. What I'm looking for is a model who has good temperament and could represent our brand image and match our brand positioning. It will improve our brand image, where our photos make us appear more like a luxury brand. Building an online

brand also includes products, photographs and the vision of photos. Lots of elements could affect the vision of photos and then it will affect your brand image and then customers purchase intention straight away...some people may just want to show the products details clearly. We are not just doing this. We also want to show our brand attitude, a kind of lifestyle. You need to have some emotion in the photo, not just showing the products.”

This highlights the significance of aligning the visual effect of the product photos with the brand positioning of the firm, rather than simply ensuring that the product photos are clear and well-presented. Thus, the firms in this research build their brand image through their product photos that they presented on their online store, aligning with Wu et al's (2014) assertion that brands are built through their visibility. For offline brands, the architecture of their physical stores would help to develop their brand identity.

However, for the e-commerce firms in this research, the website design instead acts as a key factor in building their brand image, whereby the visual images and design of the website contributes to customers' perception of the brand's identity. This is linked to the entrepreneur's knowledge of understanding and controlling the impacting elements of visual effects of photos to create opportunities. In this way, they are able to present product photos which can satisfy the customers' needs in order to develop brand coherence and to build brand identity through a long-term approach.

The process of product photo presentation requires the entrepreneur to have a forward-looking perspective in catering for customers' needs and in innovatively designing photo styles which can align with potential customers' aesthetics. For example, the entrepreneur in Case A perceived that

“The future market will belong to those born in the 2000s. So, I think that this kind of style (Gothic style) is innovative and refreshing and could care for their aesthetic demands.”

The entrepreneur in Case A chose a dark background to represent their brand's 'gothic' style. For instance, she explained that:

“As you can see, the picture we put on the product’s page, the background of the picture is dark, a little bit gothic to give a cold elegance. In the traditional way, people will think that children should wear bright colours and that they should be sweet or cute and that the background should be green or colourful, but if we do this, it is hard to stand out, so we wouldn’t have our own unique style.”

Moreover, e-commerce firms in the fashion industry need to pay attention to the visual effect of their photos, in order to reduce or minimise customer concerns. It is important for entrepreneurs to consider and perceive what the customers are expecting from the product photos. Additionally, innovativeness was indicated to aid the process of displaying products online. Indeed, the entrepreneurs who were identified to be innovative tended to be more creative in the design of the product photos and deliver the brand image through these.

Through observation, it was identified that the entrepreneurs in Cases M and Q modelled their brand’s clothes themselves in recognisable settings rather than simply in a photo studio. For instance, the entrepreneur in Case Q modelled the brand’s clothes in a chic, London setting (e.g. when having afternoon tea), in order to better connect with the customer’s interests and fashion tastes. Although Cases V, A and W highlight the importance of improving the visual effect of product photos for building brand image, throughout the overall findings they were found to build the firm’s brand image from different aspects through customer interaction strategies and promotional activities.

5.4.3 Proactive and Defensive Customer Service

Vivek, Beatty and Morgan (2012) categorised an ‘offensive’ and ‘defensive’ approach to marketing strategies. For the most part, the customer relationship strategies of the firms in this research focus greater efforts on a ‘defensive’ approach, where they aim to retain customers in the long-term through building customer intimacy and engaging customers. It is asserted that while an offensive strategy may focus more on attracting new customers and increasing purchase

frequency, a defensive form of marketing concerns the development and maintenance of current customer relationships.

In these findings, the case companies strongly highlighted the importance of 'defensive' forms of customer service in retaining customers in the long-term. The internet facilitates customer communication and carrying out customer service. However, it is acknowledged in the literature that firms need to go beyond using the internet for basic functions to instead conduct online customer service which is personalised, interactive and friendly (Yang, Jun and Peterson 2004, Klaus 2013, Suryandari and Paswan 2014).

The cases in these findings have an overall balance between offensive and defensive marketing strategies; however, when building customer relationships on social media, the firms' defensive strategy was highlighted. Those firms in the e-commerce industry place significant importance upon building a long-term, loyal customer base. Indeed, the cases in this research, as SMEs in the e-commerce industry may be attempting to save money by focusing greater efforts on retaining customers rather than attracting them.

The firms in this research carry out a 'defensive' form of marketing communication in order to build customer intimacy in the long-term. As part of such an approach, the customer service team would feel comfortable in chatting with the customers, allowing the customers to get to know the firms more and develop a relationship with them, even if they do not immediately make a purchase. In adopting a proactive approach to customer service, the team can build trust and intimacy among its customer base.

For example, both Case W and Case Z highlighted the importance of talking with customers in a friendly, personal way. The entrepreneur in Case Z explained their focus on good quality customer service:

"The customer service team needs to be trained very well to talk to the customers. Normally, they are talking to the customers in a friendly and funny way, so they will enjoy their shopping experience. The customer service team needs to be pro-active in talking with customers..."

While traditional companies may typically interact with their clients in an impersonal, formal and professional way, Cases W and M engage with them in an informal, personal way, suitable for their target market (for Case M- 27-35 years old females and for Case W- 20-25 years old males). For instance, Case M communicates with its customers on Weibo in an informal and personal way, e.g. 'hey, you guys, I'm gonna recommend these clothes to you today!' Moreover, when talking with customers by live chat on their website, Case W communicates with its customers in a charming manner, as the entrepreneur explained:

"Most of our target market are males.... the customer service uses humour and a cute way to talk with customers. We also gave a nickname to every customer service staff member. We also altered the way we address the customers, like dear, honey, etc. This approach works very well because the customer would be more likely to talk to you and the customers are more likely to be satisfied". (from observation on the social media account)

In interacting in such a way with their customers, the customers can feel closer and more intimate with the customer service team in these two cases in the virtual online environment. This potentially enables the firm to build stronger customer relationships and to distinguish themselves from competitors in the e-commerce market.

All of the case companies prefer to use WangWang, a live chat app associated with the Taobao e-commerce platform, instead of email when contacting customers, as they can communicate with them in real time. From observation, there is evidence that every case is using live chat software as part of their customer service (including both pre-sales and after-sales) for communicating with customers. Almost every online brand uses this software as it comes with the Taobao e-commerce platform.

A customer service simulation was carried out for all of the cases, which indicated variable results on the form of customer service conducted. It was found that while all of the cases were personable, some cases interacted differently with the customer compared to others. For example, when asked to give

recommendations for products, some of the cases only gave links for the best-selling products and interacted in an impersonal manner. They were not proactive in providing personal recommendations to the customer. In one of the cases, the customer service team just simply suggested to check the website for learning about the products.

However, Cases W and M interacted in customer service live chat in a friendlier, more accommodating way. During the observation, the customer service teams were asked for help by the customer in purchasing products, as a first-time shopper, but were not given indications of a strong intention to purchase. The customer service agents from these two cases chatted in a casual and friendly manner, even after it became evident that the customer was unlikely to buy something.

Additionally, the customer service agent from Case M recommended specific products, based on their suitability to the customer's weight, height and personal preferences. By providing a tailored service that gives specific, individual recommendations to each customer, Case M is attempting to facilitate greater interactivity with the customer. The importance of customisation and personalisation in the e-commerce environment indicated by these cases aligns with the assertions of Klaus (2013). These findings are supported by Suryandari and Paswan (2013)'s proposal that 'empathy' is an integral element of customer service, where the employee needs to swiftly understand and appreciate each customer's individual needs. By carrying out customer service in a warmer, friendlier manner, the firm can build a brand image based on its positive customer service experience. The ways in which the customer experiences the firm will help to determine how they perceive its brand identity.

In these findings, the entrepreneur manages staff members to communicate with customers in a customer-friendly, personable and intimate way. Here, the entrepreneur who has strong executive ability is likely to be more adept at managing and co-ordinating his customer service team to do so. If the employees see that their boss is interacting with customers in a friendly, non-promoting manner, they are likely to follow and do the same.

Subsequently, if the whole customer service team interacts with customers in this way, the firm can build good rapport with the customers and develop customer intimacy, a strategy recommended by Chiu et al. (2009). Such an approach can be linked to Berry's (1995) conception of 'social benefits', which describes the personal, informal and friendship-like interaction between customer and firm. In communicating in such a way, the customer service team can make the customers feel more comfortable and to trust them more. Indeed, as suggested by Naumann and Bowden (2015), intimacy is directly linked with trust and a crucial element of customer loyalty. Klaus (2013) indicated that once a relationship is established with the e-commerce firm, the customer is more likely to trust them and find them credible, increasing the likelihood of the customer's purchase intention and reducing their risk perception.

Furthermore, it is asserted by Suryandari and Paswan (2014) that despite the firm's best efforts in making their customer service more human and interactive, this does not necessarily lead to success in the market. However, the entrepreneurs in Case Z and Case W lead their customer service team to build closer relationships with customers, rather than focusing on achieving immediate sales.

The performance outcomes of this form of customer service is difficult to measure in a short period. The firm needs to be persistent in carrying out this approach to build a brand image based on friendly customer service, which would necessitate a longitudinal study. There needs to be further examination into how such an approach to customer service impacts upon the firm's success in building relationship with customers.

5.4.4 Long-term Approach to Competition Events

While the firms aim to build and maintain the relationships with existing customers in the long-term, they still pay attention towards attracting new customers and enlarging the customer base through diversified online promotions. The diversified promotions also enhance customer interactions and contribute to customer relationship-building. The entrepreneur's long-term perspective aids

the development of diversified promotions, whereby the firms in this research deploy competition events that are engaging and seek to build strong customer relationships in the long-term.

In this research, the findings strongly indicated that the firms engaged customers by encouraging them to take part in competition events, in order to build stronger bonds and relationships with the customers. For example, the entrepreneur in Case X explained an innovative competition event called 'Guess the price':

"My top management team give a special promotional offer which is 'guess price' which is about asking the customer to guess the amount of a product. If they guess correctly, they will have a reward. Some customers may just come to buy some products and while they are there, they will notice that there is an event taking place. They will just send a random price to me which is the price on 'double 11'. To check if they will get the reward or not, they will come to my website on 'double 11' and then they will realise, actually, these shoes are quite nice."

It can be suggested that the entrepreneur's innovative tendencies can aid the firm in developing creative competition events that have synergistic outcomes. For example, Case W engages the customers in a special promotional event called 'white or red', where the customer can bet on which will sell more: the white or red clothes. If they bet correctly, then they can win a voucher or reward. As with the relationship between co-creation and the entrepreneur's innovativeness, there is a similar relationship identified here between innovativeness and creative competition events. By innovatively carrying out competition events, the firm attempts to build long-term relationships with customers, which ultimately allows them to stand out from their competitors and to retain more customers. From observation, the cases were identified to carry out diversified forms of competition events to interact with customers and to let the customers know the brand more.

In addition, as suggested by Vivek, Beatty and Morgan (2012), there is a need for firms to engage customers in activities which are not primarily purchase-driven, i.e. the main aim of the activity is not to directly increase the purchase

intention of the customer. In these findings, the cases made use of competition events to engage the customers in their brand. There is no immediate, tangible benefit for the firm in organising such competition events, but these allow the firm to build intimate relationships with the customers in the long-term. As mentioned in section 4, the pure-play enterprises in this research conduct diversified competition events for interacting with customers and for building customer relationships in the long-term.

Simultaneously, the events allow firms to have a greater understanding of their customers' shopping preferences, e.g. by asking them to choose 'white' or 'red', Case W can develop a better understanding of their customers' colour preferences. Similarly, with 'Guess the Price', Case X can get to know what kinds of prices the customer considers to be acceptable. Thus, these customer engaging events were also identified to aid the decision-making processes of firms in designing and pricing products. The entrepreneur with innovative ideas enables firms to carry out creative competition events that can lead to synergistic outcomes being realised.

Notably, Case A indicated that they opted not to reduce product prices during their promotional events, as they are trying to establish themselves as a high-end, luxury children's brand in the e-commerce world and did not want their brand to be perceived as cheap or low-cost by reducing their prices in promotional periods. For instance, the staff member in Case A explained:

"We promote some events but because our brand positioning is luxury children's dresses and we are a high-end brand so we won't just reduce our price for improving sales. When we do some promotional events, we prefer to send the customers a dress for free instead of selling it for a discounted price."

Therefore, Case A carries out promotional events as part of long-term, brand-building and customer-relationship building processes. In these findings, Case A was the case which most emphasised this approach to promotions in order to attract customers attention and to interact with them. The entrepreneur hired a

specialist to maintain their social media account in order to carry out promotional events on social media for long-term benefits.

However, it can be identified that the other cases are also carrying out such promotional events, even though they did not explicitly highlight this (e.g. Case M and the lucky bag promotion). Pauwels, Hanssens and Siddarth (2002) suggested that the effects of promotional strategies upon brand identity are more pronounced for start-up firms in the market, which may not yet have established a brand reputation. Thus, it can be suggested that the firms in this research which are seeking to establish themselves in the e-commerce market should develop promotional events which are driven by a long-term, brand-building initiative.

In this research, promotional activities driven by the entrepreneur's long-term perspectives do not simply focus on reducing the price of products. Instead, the cases tend to carry out promotional events and activities which are more subtle, engaging and intriguing in nature and which are focused on long-term brand-building. Indeed, Pauwels, Hanssens and Siddarth (2002) propose that, while price reduction promotions can lead to immediate, short-term benefits (e.g. through impulse buying), if they persist over a period of time, they may not be ultimately beneficial in the long-term, as customers may begin to negatively perceive the brand and its promotions.

Furthermore, all eight cases indicated that they use social media and the third-party platform to interact with customers, such as via WeChat and specialist, live chat software on Taobao, such as WangWang. Primarily this is to inform them of promotions, where the firms let their customers know about upcoming promotions by text, live chat software on the third-party, e-commerce platform or social media. Using specialist software, such as Shuyun, a customer relationship management software, the firms were able to contact customers, based on their profile or shopping preferences, to inform them of promotions. However, in order to develop customer relationships in the long-term and build customer intimacy, simply informing customers about new arrivals and upcoming promotions was strongly indicated to be insufficient in these findings. The customers are unlikely to be retained if the firm has not been building intimacy with them.

Indeed, Colgate, Buchanan-Oliver and Elmsly (2005) assert that use of the internet and social media facilitates greater customer intimacy as it allows repeated, two-way interactions to occur in real-time on a regular basis. Customers can continually interact with the entrepreneurs over social media. The use of the internet is therefore conducive to more frequent and more intimate interactions between customer and firm (Colgate, Buchanan-Oliver and Elmsly 2005)

Moreover, Naumann and Bowden (2015) assert that building intimacy with customers can lead to increased customer loyalty and a greater likelihood that the customers will engage in repeat purchasing. By retaining a number of loyal customers, firms can establish stability in the long-term. The importance of building customer intimacy for maintaining customers has been highlighted by Mort, Weerawardena and Liesch (2012). These findings highlight that building customer intimacy is particularly important in the online environment in which a lack of customer-seller trust often exists. Accordingly, this research aligns to an extent with Branett and Dobrev's (2005) assertions that by having quick reactions and adapting faster to new online technological changes, the firms are able to move ahead of their competitors in the market.

5.4.5 Acting as 'Friends', not 'Sellers' on Social Media

In this research, it was identified that the cases regularly interacted with customers on social media in a non-transactional manner, acting as a 'friend' rather than a 'seller', as demonstrated by the entrepreneur in Case X:

"We will use this social media to carry out a marketing strategy and keep communicating on a day-to-day basis. The messages I send to them is more about what they need in life or health or career, it is not just about promoting products. I will be like a friend, not a seller. We act like one of their friends on their account"

As part of such a customer interactional strategy, the entrepreneur tends to share posts on social media, such as news stories, fashion advice or travel tips, which are not directly transaction-driven. In this way, the customer would begin to check

the brand's social media for fashion advice, for example, rather than necessarily for buying products. By building up a large amount of posts and information on their social media page and updating their social media accounts on a day-to-day basis, the entrepreneurs can build customer intimacy in the long-term.

Sharing Updates from Personal Life

In these findings, it was identified that the entrepreneur of Case Q shares updates from their personal life with their customers on social media. The entrepreneur in Case Q does not simply upload photos of her brand's clothes on social media but also other clothes from her personal collection which fit with the tone of the new collection. Indeed, the staff member in Case Q explained:

“In this account, she won’t just post some promotional information, it is like a real personal account, she will share updates on her real life, just like the customer’s friend. So, the customer would know her more...and would trust her more. This would improve customer intimacy. The customer can feel closer to the firm. So, the relationship between firm and customer is more like buying clothes from a friend...”

By using her personal account on social media, the entrepreneur can be perceived as more ‘human’ to the customers, enabling enhanced customer intimacy and simultaneously subtly promoting the firm's products to the customers. Indeed, this approach supports the claims of Thompson-Whiteside, Turnbull and Howe-Walsh (2018) who assert that there do not exist strict boundaries between an entrepreneur's personal life and professional life.

Sharing Non-Promotional Information

The entrepreneur in Case Q indicated that she posts fashion-related information on social media on a daily basis, which is not directly promotional. She strongly highlighted the importance of her fashion sense for interacting with customers on social media. This means that customers are able to get to know the entrepreneur's fashion sense and more likely to trust their ability and taste in

selecting a good quality, standard and style of clothing, and, ultimately, the brand as a result.

These findings build upon the assertions of Baird and Parasnis (2011) who indicated that customers are more likely to stay with the company in the long-term if they are offered added value, which, in this case, is increased fashion knowledge. If the customer gains benefits from the firm, they can build trust with them in the long-term. Indeed, the entrepreneur in Case Z felt that a more effective form of advertising was through sharing humorous posts on social media:

“Some customers would like to follow your Weibo or visit your website, to find a funny post. For example, you post 100 humorous things, but just 2 times it relates to promotion. That is enough. That is ‘soft advertising’.”

Similarly, the entrepreneur in Case Q explained:

“The competition is intense, why customers would stay with you is because they feel your fashion style suits them and they trust your fashion sense, they would try to get some fashion sense from you in your Weibo or in your webstore.”

By posting fashion-related information on social media, the findings highlight that customers can become more intimate with the firm, indicating one of Berry's (1995) conceptions of relational benefits: ‘confidence benefits’, which refers to the customers’ perceptions of a firm’s reliability and trustworthiness. Here, customers can become less anxious and more comfortable if they have trust in the firm and know what kinds of services and products they can expect from the company.

In these findings, the firms’ trust-building process is driven by the entrepreneur’s fashion sense and long-term perspective. In particular, Cases M and Q aims to lead customer needs through posting fashion related information on their social media pages. They seek to lead the customers’ fashion preferences in order to increase the opportunities of improving sales in the long-term. The entrepreneur’s

long-term perspective leads the staff members to interact with customers in daily conversation and on their shopping preferences, despite there being few immediate, short-term benefits to be gained from doing so.

From observation, all eight cases indicated that they inform customers of promotions using social media. Half of these cases only occasionally post promotional information and instead concentrate on sharing non-promotional information on social media (e.g. fashion advice, travel tips). However, the observations indicate that Case X focuses primarily on sharing promotional, brand-related posts, although these tend not to be 'hard-selling'. They often only use one-way communication on social media, only interacting with customers when they have a special event.

Moreover, Cases M and Q were identified as the most active on social media, in comparison to the other case companies (evident by Case Q having 1990 posts since 29-08-2012 and Case M 1550 posts). These active social media pages and followers demonstrate the firms' long-term approach to customer interaction as well as their well-built customer base. These firms regularly update their social media accounts. For instance, having launched her personal social media account in 2010 before forming her business, Case Q had accrued more than 167,000 followers on her Weibo account. Cases M and Q are the two cases which share the most non-promotional posts as they mentioned in the interviews (as of January 2016).

Aligning with what the entrepreneurs indicated in the interviews, these firms do not post much brand-related information and treat their social media account more like a fashion blog. Moreover, Case Q and Case M adopt multiple social media channels, including Yingke, a live video platform. The entrepreneur can stream live videos of herself on Yingke and Yizhibo to interact with the customers in real time. Thus, the entrepreneur in Case Q adopts different forms of social media in comparison to the other cases, when communicating with customers.

The entrepreneurs in Case Q and Case M not only post brand-related promotional information but also share their own personal life in a casual way.

They interact with customers often in their social media posts. Case Q tends to share more fashion related information such as clothes matching tips while the entrepreneur in Case M tends to share broader everyday updates through 'vlogging' such as makeup tutorials. From these, it was identified that cases Q and M interact with customers by continually adopting new forms of customer communication as part of a long-term approach.

The entrepreneur in Case Z identified social media as an important online promotional channel. However, during observation, it was found that Case Z are not very active on their Weibo account and do not make posts very often. They did not post anything between August and November 2015. However, they were very active in their Weitao (an information share channel on the Taobao app) and QQ forum groups from November 2015 to June 2016.

While the entrepreneur of Case Z values the importance of long-term interactions with customers, the observation indicated that they do not practice it significantly in reality. Case X placed significant focus upon the importance of maintaining customers in the long-term, but they also indicated they lack an expert to sufficiently practice this. Thus, the case seeks to focus more on interaction with customers on the Taobao platform or through one-way interaction with customers on social media, such as WeChat.

These findings are supported by Jones and Rowley (2011) who suggest that intimate relationships between firm and customer is easier to be built up in SMEs, in which the lines of communication between the two are often short and where the entrepreneur often has personal interaction with the customers. This research extends these assertions to highlight how micro e-retailers are building customer intimacy and trust in the online context. Both Cases M and Q have less than 20 employees. They operate a personal social media account themselves when interacting with customers in order to build customer intimacy and to gain long-term trust in the online environment.

However, relatively larger pure-play e-retailers such as Cases X and V focus less attention on interacting with customers themselves. Due to their larger size, they

indicated difficulties in maintaining close relationships with their customer base. Instead, these cases tend to value customers to a greater extent than through data analytics. Given that these have a larger customer base than the micro companies, there remain significant challenges for Cases X and V in building close, intimate relationships with their customers.

Moreover, it is proposed that 'customer intimacy' is where firms can tailor products and services according to different customers' needs and expectations (Treacy and Wiersema 1993, Mort, Weerawardena and Liesch 2012), including market segmentation and operational flexibility, where firms can respond to each and every request personally and ensure that each customer is satisfied with the product or service that they have received. In these findings, 'customer intimacy' largely refers to intimate forms of customer interaction and the entrepreneur acting as a friend rather than as a seller on their social media page. It remains unclear how the cases in this research are tailoring products and services to different customer bases and it can be suggested that they also need to consider this when designing products and service.

While the literature (Carson et al. 1995, Hills and Hultman 2013) highlighted the importance of reacting flexibly and quickly to customers' needs, the entrepreneurs in these findings emphasise the need to interact with customers closely and intimately to make them feel close to the brand and to build long-term relationships with customers in an online environment. In the e-commerce environment, interacting with customers in a friendly and approachable manner acts as an antecedent for building a strong customer base. Frequent interaction also increases the opportunities for building trust with customers.

Although the customer intimacy-building approach to marketing enables the customers to feel closer to the brand and to trust it more, its success ultimately depends on the quality of the products being sold by the firm. The firm's claims of good quality and style in their marketing approach need to be supported by social media credibility and the actual quality of the product. Indeed, this supports Naumann and Bowden's (2015) proposal that customer satisfaction acts as one component of customer loyalty. This means that if the customers are more

satisfied with the product quality offered, the customers are likely to develop stronger and more intimate bonds with the firm. For instance, the entrepreneur in Case V asserted:

“If the customer can know you more, they can trust you more and they would like to buy your clothes. In the meantime you need to make sure you offer them good quality of clothes so that they won't be disappointed after they make the purchase. If they trust you, but you don't offer them good quality clothes, they won't return to your store, because in e-commerce, trust is very important...In e-commerce, the customers can't try the products in person compared to an offline store, so if you let the customer down the first time, they probably won't come back because the way they can judge your products is solely through your online photos and product descriptions. So, it's hard to make them trust you a second time, because they won't believe what you present online...”

Indeed, there tends to be a lack of trust between customers and sellers on the e-commerce platform. Klaus (2013) highlights the importance of website security in making the customers feel secure in making their purchases online and in trusting the e-commerce firm. However, the firms in this research do not focus on website security, as they are operating on a third-party e-commerce platform, which already offers basic security assurances to customers and a form of intermediary trust (Hong and Cho 2011). In this context, issues of trust relate to the relationship between customers and sellers, rather than between customers and the Taobao platform itself. Building customer intimacy and close relationships with the customers enables the firm to respond to these issues of trust, but it ultimately depends on the quality of the products being sold by the firm.

Therefore, the firms need to ensure that their products' quality is as described in its marketing communication, in order to gain trust and retain customers in the long-term. Equally, the entrepreneur considers maintaining customers in the long-term rather than gaining short term profit by selling low-quality products at a high price. The pure-play firms trust-building with the customers is important for these pure-play firms which use the customer interaction and online product

photos and description as the primary 'path' for customers to get to know the brand. As well as building trust and intimacy with the customers through daily interaction, they also need to develop product descriptions which can capture the concerns of the customers and build trust with the customers.

5.4.6 'Empathetic' and 'Socially-rich' Product Descriptions

While the firms in this research carry out significant interaction with customers on social media, they also emphasise the importance of product descriptions in building customer intimacy. The literature highlighted the importance of writing the product descriptions in a more personal or emotive manner (Hassanein and Head, 2007, Chiu et al. (2009). By doing this, it is identified by Hassanein and Head (2007) that e-commerce firms can increase the social richness of their website design. This describes the evoking of social connectedness and psychological warmth by firms using their product descriptions. Additionally, by providing all of the necessary details in the product description, the firms can help the customers make their purchase decision (Chiu et al. 2009).

In particular, for fashion pure-play e-retailers, where the products presented online are intangible and cannot be touched or felt by customers and there is no physical store support, there needs to be a detailed and informative product description which goes beyond giving basic information (e.g. the price and dimensions of the product). The product description is vital in the online fashion industry in allowing the customer to understand the design of the products (e.g. its cutting) and perceive the quality.

Supporting this, these findings highlight the importance of pure-play e-retailers writing 'empathetic' product descriptions in order to improve customers purchase intentions. For example, the staff member in Case W highlighted its importance:

"... because we are doing an e-commerce brand and the customers know our products from the photos we put on the product page and the description we wrote on the product page, so these two are very important for our customers to know our products well. It is a skill to write a good product description. We need to write the information that customers want

to know and introduce the products from the buyer's side, how comfortable this product is, how to match these clothes.”

Indeed, as well as emphasising the special features of the products, including the design of the product or the special material used to make the product, the cases also revealed the product development process online to build trust with customers. For example, they describe the reason why they choose the material for designing the products and not simply give the material name. More importantly, the findings also indicate that the entrepreneur attempts to better describe the products from the customer's point of view. The firms need to proactively perceive the needs and concerns of the customers when making the purchase decisions. Therefore, by having a high quality and empathetic product description on their webpage, the cases in this research can enhance the customer shopping experience and acknowledge and minimise customers' concerns. Accordingly, these findings suggest that the product description needs to go beyond providing neutral information to the customer.

Similarly, the entrepreneur in Case A concurred about the importance of the product description for an e-commerce brand, considering the difficulties in customers appreciating the quality of the product in an online environment compared to a physical store. At the same time, despite not being skilled in this herself, the entrepreneur recognises the importance of writing product descriptions in a more personal and informal style, as blogger stores tend to do. Here, the product descriptions are written as if recommending a product to a friend, in order to build customer intimacy. The entrepreneur is aiming to become better at this skill in the future as she recognises that is an important aspect of a long-term approach in communicating the quality and style of the products to the customer in order to build up trust and intimacy.

More specifically, these findings reveal the way pure-play firms use products description as an approach to build long-term customers intimacy. As with the blogger stores, only the entrepreneurs in Case Q and Case M write the product description by themselves. Their style of writing is more informal, as if recommending the product to friends. The pure-play firms in this research give

lots of details about the product, about how it was made and designed, and write in a personal, friendly style. The entrepreneur in Case M stated:

“I write the products description on the product page by myself. I will tell them (the customers) the process of designing the products, why I chose this material, what is the advantage of this material and this style, how to match the clothes. I will try to tell the customers every detail they want to know. I write it like I recommend some clothes to my friend, like I’m talking to them as a friend. I think for some traditional brands or for some e-commerce brands in Tmall.com, they write the product description in a depersonalised, formal way, just to present the product details in a table. I think my way allows me to get more intimate with the customers and they will understand my working attitude and they will trust me more as I recommend them some styles in a sincere way.”

The staff member in Case M concurred with their boss:

“...sometimes, when she introduces the clothes on her account, she will highlight what kind of occasion the clothes are suitable for and what kind of body shape they are suitable for. Sometimes, she says if you are too tall, these clothes are not for you.”

With Cases M and Q, both entrepreneurs give product recommendations or advice to the customer, rather than simply basic product details. For instance, the entrepreneurs may highlight how the clothes could match with particular styles or outfits, and what kinds of customer the clothes may suit. They may also detail how the colour of the clothes in the photo could differ in reality in order to reduce customer dissatisfaction. Thus, the entrepreneurs proactively take into account what the customers may be concerned with before they make a purchase decision and try to give sufficient information about the product in order to minimise the customers’ concerns.

These findings extend Chiu et al. (2009)’s claims that online stores should provide all of the necessary product details to aid customers in their purchase decision-making. In this research, the importance of the entrepreneur’s proactiveness is

highlighted in carrying out product descriptions that consider the customers' needs and concerns. Moreover, the entrepreneur in Case Q use the product description to reveal the production process to build trust with customers:

"I won't let other people write the product descriptions as I think I know my customers well and I think I know what they want. I write my descriptions like I am talking to a friend and I tell them how to match the clothes and sometimes I tell them the process of how I made these clothes, how I negotiated with the factory, etc. In this way, I think they will know me and trust me more."

The above entrepreneur is attempting to let the customers know about their products and their brand's ethos through personally-written product descriptions, in order to build customer intimacy and trust. By writing the descriptions in a personal and informal way, this acts as a way in which the entrepreneurs are aiming to form closer, more intimate relationships with customers. The entrepreneurs in Cases M and Q write the product descriptions by themselves. They believe that they know their customers better than their staff members as they interact with them frequently on social media.

From observation of the website, all of the cases gave details about the material, sizes (including size measurements for each specific products) and function of the products in their description. They also described the special design features of each product. Two cases in particular need to be highlighted here. Firstly, Case V described the products in a poetic way. For example, they described a shirt, which had a customised button, exclusive to their brand "A special memory of our brand for you". Secondly, Case M wrote the product descriptions emotively, referring to the customer as 'you' and recommending products as if they were friends. For example, a product description for a jumper read:

"When I touch it [the jumper], I feel full of joy and I am dedicated to customising the product's colour. I have a decision problem about which colour I should choose, so I just kept every one of them, so I will leave the decision problem for you guys...I recommend you [the customers] to

match this jumper with white socks and white trainers. You will look younger in this way. It will leave some hairs when you wear it at first, but it's normal and it will be ok after the first few times, so don't worry about that".

Indeed, Hassanein and Head (2007) assert that the language of product descriptions is one technique in which e-commerce firms can increase the social richness of their website, as with product photos. By increasing the social richness, empathy and human interactivity in the language of the product description, the e-commerce firm can increase "the sense of psychological closeness and warmth" (Hassanein and Head 2007). This is likely to lead to increased customer trust, enhanced customer service experience and increased purchase intention.

Those entrepreneurs write product descriptions in a socially-rich and friendly manner, as this forms part of a long-term approach to brand-building. They also have strong products-related knowledge (e.g. fashion sense) and are therefore able to give fashion advice to cater for customers' needs and minimise the concern. Additionally, to write a good product description, the entrepreneurs' level of business knowledge (industry knowledge) is deemed to be important. In such a way, they are able to show that they have a professional attitude to customers.

With the exception of cases M and Q, whose entrepreneurs write the products descriptions themselves, the entrepreneurs in this research are not involved in the process of writing product descriptions and delegated this task to their staff members. For example, the entrepreneur in Case W guided their staff members to value the customer's needs and write the description from the buyer's perspective. In this way, this can be identified as a form of 'intrapreneurship' (Antoncic and Hisrich 2003), whereby the staff members adopted elements of proactive behaviour in writing the product description. The entrepreneur can lead and facilitate this process to occur among its staff members. The entrepreneur in Case V indicated that they do not want the firm to write the product descriptions in an informal way as they are seeking to build a 'professional' brand image. Thus, there is a need to further examine the effectiveness of product descriptions in the

context of the e-commerce market and how these can aid firms in building customer intimacy.

5.6 Chapter Summary and Conclusion

This chapter sought to address the primary research question of the thesis centered on evidence arising from a series of case studies with a specific focus on an identified entrepreneurial theme, a forward-looking perspective. In this research, a forward-looking perspective relates to the proactive entrepreneur's ability to identify unnoticed opportunities on the Taobao platform and to exploit the opportunities based on the features of the online environment, including the features of Taobao e-commerce platform and the market environment, e.g. the behaviour of competitors and online customers. The forward-looking perspective in the online context is reflected in the entrepreneur's ability to perceive the appropriate timing of offering products and of launching marketing events, to perceive the long-term benefit of different marketing strategies and to perceive customers' needs and concerns of online shopping. Such findings support Kreiser et al's (2010) definition of innovativeness.

Firstly, these findings highlight the need for the entrepreneur to identify the appropriate timing of launching new products and marketing events, given the intense competition in the online environment and the customers' fluctuating needs on the e-commerce platform. The ability to meet the customers' needs at the right timing present opportunities for firms to improve sales. In order to grasp opportunities in the market, the entrepreneur needs to be alert in perceiving the appropriate timing to release products and marketing events. More specifically, the cases grasped the correct timing to have their pre-sales activity take place in advance of their competitors, allowing them to avoid the intense competition of the main promotional event. Here, the entrepreneurs were forward-looking and planned ahead in order to make effective use of the pre-sales marketing events.

Secondly, this research highlights the importance of the entrepreneur's long-term perspective in the exploitation of the Taobao platform for grasping and exploiting opportunities in the market. The long-term approach to customer interaction is

driven by the entrepreneur's opportunity alertness in online marketing while the long-term approach also aids the entrepreneur's opportunity seeking. The entrepreneur needs to perceive the benefits and opportunities of a long-term marketing approach for responding to these features. Aligning with Elliott and Boshoff (2007), the findings indicate the need for the entrepreneur to understand the broad business implications of the internet for successful marketing but extend this to highlight the importance of understanding the online environment.

As the online environment is characterised by a lack of trust between customer and seller, the pure-play firms in this research highlight the importance of a long-term approach in conducting marketing practices for building trust with customers and for enhancing the opportunity seeking process. The long-term customer relationship building has been discussed frequently in the relationship marketing literature (Colgate, Buchanan-Oliver and Elmsly 2005, Sashi 2012, Naumann and Bowden 2015), although these primarily consider offline businesses. This study thus specifically highlights the importance of the entrepreneurs' long-term perspective and vision in improving the process of opportunity-seeking in the e-commerce market and how entrepreneurs' forward-looking perspective interact with the long-term customer relationship building.

Moreover, in this research, the long-term perspective of the entrepreneurs is reflected in various aspect of marketing practices including "defensive" promotional events, non-purchase driven, daily conversations on social media and empathic customer service. Building on the emphasis placed on 'planning' for pure-play firms long-term growth by Ashworth (2012), these findings specifically place significant focus upon "long-term planning" for customer relationship building in response to the competitive and lack of trust evident in the online environment. The current findings therefore differentiate this group of firms from the majority of SMEs which tend to not sufficiently plan in the long-term.

In this research, the long-term approach to customer interaction is also indicated to allow the firms to gather customer information. Building on previous research that highlighted the importance of firms using the internet to collect customers' information and aid decision making (Colton, Roth and Bearden 2010, Sinkovics

and Sinkovics 2013), this research indicates that firms can carry out frequent defensive customer interaction to gather rich and real-time customer insights in long-term in order to understand customer current needs and to perceive future needs. The pure-play firms can access customer information in the process of interacting with them, including the customers concerns and needs. In this way, the entrepreneur can better identify and exploit the opportunity based on the knowledge they gain from customer interaction.

Thirdly, for fashion pure-play e-retailers, the disadvantage is that the products being presented are intangible and cannot be touched or felt by customers and that there is no physical store support to enable customers to gain initial trust with the products quality. To offset these disadvantages, the firms should be able to perceive their customers' needs and minimise the concerns of online shopping. Accordingly, these findings suggest empathetic ways of writing product descriptions and presenting the online products photos to reduce perceived customer risk. Compared to offline firms, e-commerce firms are also deemed to be lacking in warmth, interactivity and human contact (Hassanein and Head 2007, Cyr 2008). Consequently, the firms in this research are minimising this problem by making their product description and customer service as empathetic and as socially rich as possible. This requires the entrepreneurs to be sufficiently proactive to be able to perceive the concerns and needs of the customers.

Overall, this chapter provides an enhanced understanding of the entrepreneur's forward-looking perspective allows researchers to appreciate the impact of this characteristic upon the ability of pure-play e-retailers to exploit and adapt to this e-commerce platform. In the following chapter, another identified entrepreneurial theme, fast-mover, will be discussed, considering how this impacts upon the pure-play enterprises ability to exploit and adapt to the e-commerce market.

Chapter 6: The Pure-play E-retailers' Entrepreneurship

Characteristics- Fast-mover

6.1 Introduction

In these findings, the importance of the identified entrepreneurial theme of 'fast-mover' emerged, indicating the quick-responding behaviour of firms operating in this competitive and evolving online environment. In this research, 'being fast' forms a key dimension of proactiveness. Although the importance of 'taking initiative' has been previously indicated in entrepreneurship research (e.g. Lumpkin and Dess 1996, Casillas and Moreno 2010), this research highlights the specific value of being a fast-mover in the process of Taobao platform exploitation.

In this research, the entrepreneur's role as a 'fast-mover' exists alongside and complements their forward-looking perspective, as part of their proactiveness characteristic (see Chapter 5 for in-depth discussion of the entrepreneur's forward-looking perspective). When the entrepreneur perceives the opportunities in the fast-changing Taobao platform, they need to be able to quickly respond to it. In this research, the entrepreneurs emphasise the importance of being fast to respond to market opportunities, market needs and changes in the online environment.

This chapter aims to assess and examine how the entrepreneur's fast-moving ability is reflected in the firm's marketing approaches and exploitation of the e-commerce environment. In these findings, the entrepreneur's role as 'fast-mover' emerged in the exploitation of the Taobao platform through responding quickly to market needs, adapting to the changing online environment and crisis awareness. As well as this, it was indicated that the entrepreneurs also need to be willing to learn and explore new things, be decisive and co-ordinate employees in order to facilitate their fast-moving tendencies. In this process, the entrepreneurs tend to have modest risk-taking.

Accordingly, in this chapter (see Figure 6.1), there is firstly a discussion of the entrepreneur's ability to respond quickly to market needs, their adaptation to the

changing online environment and their crisis awareness. Secondly, there is an assessment and examination of the enabling elements for the entrepreneur's fast-moving tendencies: willingness to learn and willingness to explore new things. Thirdly, the entrepreneur's modest risk-taking is outlined and detailed.

Figure 6.1 Key Dimensions of 'Fast -mover'



6.2 Quick Reactions to Market Needs

In these findings, the entrepreneur's quick reactions to market needs formed a significant component of the 'fast-mover' characteristic. The entrepreneurs highlighted the importance of being fast in responding to market needs in operating an e-commerce brand in the fashion industry. For example, the entrepreneur in Case B explained their strategy for moving ahead of competitors:

"We need to be creative and have some creative marketing strategies. For e-commerce, you need to be fast to follow the rhythm of the change and you should have a forward-looking perspective."

You should look further and look correctly because we are in the fashion industry. We are making shoes, we need to know how to grasp the current fashion element. We should keep our eyes on what kinds of styles are popular at the moment. We need to design popular shoes and put it online in a short period of time and then we need to produce mass batches of these products in a month or we will miss the timing”.

The use of ‘*at the moment*’ and ‘*current fashion trend element*’ by the entrepreneur highlights the continual fluctuations in market needs and that these may change at any moment. The entrepreneurship research indicates the importance of firms acting “as an early mover” and being “ahead of competitors” (Miller and Friesen 1983, Covin and Miles 1999, Lumpkin and Dess 1996, Ardichvili, Cardozo and Ray 2003). Similarly, these findings also emphasise the necessity of these actions for the pure-play e-retailers.

In the context of the Taobao platform environment, the entrepreneurs indicated the importance of ‘being fast’ in responding to changes in the dynamic online environment. This refers to the quick response by the firms to the current market needs and quickly grasping the associated opportunities. The entrepreneur’s ‘fast-moving’ ability can enable the firm to also move ahead of competitors in the market, by taking the initiative and having quicker reactions to the opportunities.

With ‘being fast’, the important factor here is for the firms to quickly respond to opportunities rather than necessarily being the ‘first-mover’ or ‘early-mover’ in the market as the entrepreneurship literature suggested (Miller 1983, Lumpkin and Dess 1996, Covin and Miles 1999). Miller’s (1983) definition of proactiveness placed great emphasis on being the ‘first’ to introduce a product to the market; however, these findings rather highlight the importance of ‘being fast’ in responding to market opportunities. In distinguishing the differences between a ‘fast-mover’ and ‘early-mover’, these findings extend current theorisations of proactiveness to incorporate the entrepreneur’s initiative-taking.

In these findings, it was identified that the individual founder/manager’s decisiveness is important when the firm needs to make a decision fast. The

entrepreneurs in half of the examined cases highlighted their decisiveness. If they want to do something, they do not hesitate too much. Case Z indicated that entrepreneurs should not hesitate too much when an opportunity presents itself. For instance, some offline stores hesitated in moving into the e-commerce environment and missed a business opportunity. If an entrepreneur is decisive, this can allow them to have quick reactions in the dynamic market. There is a lack of consideration of the role of the entrepreneur's decisiveness in influencing firms' behaviour (McGowan and Durkin 2002, Glavas and Mathews 2014) In contrast, these findings indicate decisiveness to be an entrepreneur's individual characteristic which enables firms' to quickly respond to opportunities.

These findings also highlight the need for the entrepreneur to have the ability to co-ordinate their employees to work in the same direction, in order to respond to opportunities in the market as quickly as possible. Emphasis is placed upon putting staff members in the right position and hiring the correct person for the role. Case W indicated the significance of the entrepreneur's ability to manage people. Furthermore, the staff member in Case X perceived that:

"...my boss plays an important role in the co-ordination of different departments and if different departments can co-operate with each other very well, it means that you can respond to the market opportunity."

Such evidence aligns with the theories of Say and Marshall who both emphasised the importance of the entrepreneur having the ability to manage their team members and exploit their abilities (Marshall 1961, Deakins and Freel 2012). These highlight the need to judge the staff members' skills and to put them in the right place in order to maximise their effectiveness. Although the entrepreneur may have identified an opportunity in the market, this can only be exploited by managing and directing the team.

These findings highlight the importance of the entrepreneur's skills in managing or co-ordinating staff members to work towards the same goals. In doing so, firms can reduce the time it takes to put its objectives into practice, allowing the

processes to run smoother. In this way, the firm can more quickly respond to opportunities in the market and move ahead of its competitors.

There is a similarity between the executive ability indicated in the findings and the leadership ability proposed by Say and Marshall (Marshall 1961, Deakins and Freel 2012). As discussed in the literature, leadership also concerns the entrepreneur's ability to manage and lead staff members to respond quickly to the opportunities (Ensley, Pearce and Hmieleski 2006). However, the entrepreneur's executive ability is particularly important in a rapidly changing and dynamic e-commerce environment. Broadly, there is a need to better understand how firms move fast to respond to the opportunity needs in the e-commerce market. Accordingly, the next section will discuss how the firms adapt to the changing online environment to quickly respond to evolving customer needs.

6.3. Adapting to the Changing Online Environment

These findings indicate that being fast and adapting to the changing online environment is essential for an e-commerce brand. Case W quoted Mark Ma (the CEO of AliBaba): *"In the world of Kung Fu, nothing is indestructible except speed"* to highlight the importance of "being fast" for e-commerce platform exploitation. The entrepreneur in Case B argued that, *"For e-commerce, you need to be fast to follow the rhythm of the change"*.

The entrepreneurs suggested that the online e-commerce environment is changing rapidly each day, with fluctuations in online market needs, changes to the settings of third-party e-commerce platforms and developments in internet technology. Therefore, the firms need to be fast when both sensing and adapting to the changes. The entrepreneur in Case X asserts that, *"If you choose to do your business online, you should never stop or some firms will overtake you"*. The market needs (e.g. customers' shopping preference) are fluctuating, driven by evolving developments in internet technologies and aggressive competitors' responses.

The entrepreneurs in this research emphasised a recent shift in internet technologies, with most customers now accessing the firms' webstores through

a mobile device or WIFI connection rather than through a PC connection, as the entrepreneur in Case W explained:

“A few years ago, lots of people used PCs and on the ranking of the search engine pages, the high price products would be on the top, but now the traffic will be mostly from WIFI. Its ranking will support low-price products more”

Following developments in internet technology, WIFI-enabled mobile shopping has become more widespread allowing for enhanced affordability and greater reach of internet access. Based on this, the platform changed its settings to target those in second-tier or third-tier cities, who are more likely to have lower incomes. Thus, Case W perceived these changes and adapted to them quickly by developing a more affordable line of products.

Similarly, the entrepreneur in Case X argued that they needed to have a forward-looking perspective to sense changes in the future market which may occur and then take action to respond to these before they happen. For example, the entrepreneur in Case X stated:

“In 2013/2014, we transferred to mobile e-commerce... We have done something before the change happened. For instance, if the mobile e-commerce is already very popular and you just start to do it, it's already too late but we already started doing that before the mobile e-commerce age came”

The entrepreneur in Case X perceived the change of technology from Web e-commerce to Mobile e-commerce in the Chinese market. More specifically, in order to respond to the changes, Case X also adjusted their marketing strategy. The entrepreneur stated that:

“Why I decide to focus on online marketing more in this year is because I realised the way we were going about buying traffic, it wouldn't make profit anymore. So, I need to change to a new style of marketing...”

When the entrepreneur in Case X discussed 'online marketing', he is generally referring to social media marketing. Previously, Case X paid for improving the visiting traffic on the third-party e-commerce platform (i.e. an internal source). Now, they have shifted their focus towards getting traffic through social media platforms (i.e. external source). For example, this year, as more people began to use Wechat and Weibo, the entrepreneur began to get traffic more from social media. The firms cannot just stay at the same stage; they need to adapt quickly to the changing environment. Here the changing environment refers to changes in customer preference from doing online shopping by PC to doing it by mobile.

The entrepreneur in Case X emphasised the importance of perceiving the changes in the online environment and quickly adapting to the changes. He stated that:

"...if you didn't have the ability to predict this situation and were not adjusting quickly to the online environment, you will be out and it is horrible because you don't know why you are 'dead'. You need to predict future changes and then respond to the market quickly because Chinese e-commerce is developing very fast. The online environment is changing all the time".

The entrepreneurs need to have a proactive perspective to perceive the developing trends in the third-party e-commerce platform and make adjustments quickly to adapt themselves to the changing online environment. If the firms can adapt to the changing online environment fast, it means that they can be ahead of their competitors. Indeed, quickly adapting to the online environment changes can help these pure-play e-retailers build competitive advantage in the market. However, this not only highlights the importance of quickly adapting to the changing environment for moving ahead of competitors but also for being able to perceive the emerging opportunities in the online market and to improve their marketing outcomes.

In addition, if the entrepreneur has the ability to perceive the changes of the e-commerce platform, there remains a need for the entrepreneur to have the ability

to leverage resources in response to these changes. The staff members of Case X highlighted that although the entrepreneur has perceived the switch to mobile e-commerce on Taobao, the firm still lacks resources to sufficiently exploit this opportunity. Case X is seeking to focus more on social media marketing to get traffic from outside of Taobao but have encountered challenges in employing an expert to operate the social media account. In order to maximise the exploitation of this opportunity, the entrepreneur in Case X uses existing staff members to form a new department call “social media department” and has promoted an existing employee to learn how to operate social media account and allowed her to take charge of this department.

For example the staff in Case X said:

“He is good at planning and organising because the online environment keeps changing, so we will have a plan to respond to these changes and what we should do next. For example, social media is very active and popular now. But before it became popular, he has already developed a new social media department and then hired some specialists to manage a firm’s account in social media to build customer relationships... but he found it hard to hire a social media specialist, so he promoted me to take in charge of the department as he found that I am always passionate about new social media...”

As well as sensing the market opportunities in the platform, the firms also need to be fast when responding to such opportunities innovatively. For example, the entrepreneur in Case X asserted that:

“Fast, which means you need to respond to the market quickly and approaching market opportunities from an unusual angle, like create some innovative products or promotional events.”

Here, quickly responding to market opportunities indicates a link between proactiveness and innovativeness where the entrepreneur perceives opportunities in the market proactively and then responds to them in an innovative way. Therefore, they use creative methods to exploit these market opportunities.

This builds upon the assertions of Kusumsiri and Jayawardane (2013) who describe the accompaniment of innovative behavior with proactive, opportunity-seeking. In order to have the ability to sense and adapt to the fast-changing online environment, the entrepreneur's willingness to learn has also been highlighted.

Case X places focus on emphasising the importance of the entrepreneur's alertness to opportunities which emerge from the macro-environmental changes in the online context. Except Cases V and W, the cases generally highlighted the value of being alert to competitors' movement in the online environment. It was indicated that the firms need to have crisis alertness to the changing behavior and action of their competitors in the online market which will be discussed in the following section.

6.4 Crisis Alertness

The findings highlight the importance of crisis alertness in this environment. As it is a highly competitive environment, the firms need to quickly respond to emerging problems. A number of the cases indicated the importance of the entrepreneur's crisis awareness in identifying small problems and solving the problems in time. When others perhaps would not notice such changes in the data, the entrepreneur is able to identify them, linking with their ability to identify potential threats. For instance, the staff member in Case W highlighted the strong crisis awareness of his boss:

"When he (the entrepreneur) realises a small problem, he just sorts it out straight away, or when he notices a small change in the data, he will investigate the reason for that and if necessary make some adjustments."

Similarly, the entrepreneur in Case V indicated that he is the kind of person who has strong crisis alertness, where, without this ability, the firm would not be able to develop further. It is suggested that the entrepreneur should not ignore small problems or they could become significant later; instead, they should respond to them immediately and quickly. Indeed, the speed with which the entrepreneur responds to the problem is identified to be important. If the entrepreneur is ready to solve the problems without hesitation, this may lead to opportunities arising

(Hsieh, Nickerson and Zenger 2007). For example, the entrepreneur may re-take the photos used for a product on the website if there are low sales which may lead to sales increasing. Thus, it can be suggested that the entrepreneur's problem-solving can lead to opportunities arising in terms of improved sales potential.

The entrepreneurs need to have strong crisis alertness in order to respond to potential threats from competitors. These findings indicate that they used the internet for observing other e-commerce companies to identify how they operate their brand and to get inspiration from that to improve themselves in order to not fall behind in this environment. Case V highlighted that they analysed their competitors if they see that they are doing particularly well and then investigated the reason behind their success. The entrepreneur in Case V explained:

"We can't see their specific promotional data but we can see their promotional events and the benefits of their promotional events and their promotional channels and we will analyse their marketing strategy. If a brand suddenly breaks into the market, it must be about their marketing strategy to make them stand out. We will analyse this".

This quote highlights the strong crisis alertness of the entrepreneur when identifying a competitor breaking into the market. They are trying to improve themselves and respond to the potential threats by analysing their marketing practices. The entrepreneur assessed how their competitors were promoting their brand and what made them stand out. More specifically, for instance, Case V's competitors began using the 'cashback' promotion, where customer can claim a certain amount of money back on each purchase. The staff members in Case V investigated this promotional event to identify its effectiveness and to see how it was carried out. Subsequently, they made adjustments to their own marketing strategy.

Observing other online companies is not just about copying them but getting some inspiration from them. The cases indicated that they learnt and developed themselves by observing the successful practices of other online companies (e.g.

marketing strategies). While all of the firms in e-commerce can observe each other, the benefits of this depends upon how the entrepreneur reflects upon themselves and assimilates and adapts other firms' advantages to their own needs.

Indeed, Celuch and Murphy (2010) highlight the ways in which SMEs can acquire knowledge from observing competitors, adjust themselves and improve their own strategies as a result. The firms can do this by identifying the advantages and disadvantages of their competitors and adopting effective strategies for themselves: through borrowing, imitating, assimilating and adopting (Loane 2005, Celuch and Murphy 2010, Ahktar, Azeem and Mir 2014). Existing in the online environment where there is no copyright for marketing strategy, it is easy to observe and subsequently copy different marketing strategies in e-commerce. As Case B suggested, the only way to avoid being copied is to move faster than competitors.

The findings also indicated the importance of reflective awareness for the entrepreneurs when observing other companies. The entrepreneurs need to reflect upon themselves and to be willing to learn from their competitors in order to continue improving themselves. In the e-commerce environment, the competitors can monitor each other's marketing approach easily. In these findings, it is indicated to be important for the entrepreneurs to reflect on their own advantages and disadvantages to response to potential threats from competitors. Indeed, the entrepreneur in Case W stated:

"We will reflect on the problem and our boss will analyse the competitor and think about our strengths and weaknesses and get some inspiration from somewhere else, added to his own ideas to improve our online store."

Therefore, reflection is one of the ways in which the entrepreneurs can improve themselves. The entrepreneurs can gain experience and learn lessons from reflecting upon what they have done before. Their ability to reflect upon themselves is related to "learning by doing". The entrepreneurs reflect on themselves in relation to their competitors, based on data analysis and

experience. The entrepreneurs' strong crisis alertness has been highlighted in this aggressive and rapidly changing online environment.

In this dynamic environment, it is unlikely that sales will be consistently high, meaning that the entrepreneur needs to be persistent in addressing the firm's problems and improve themselves to keep up with development of the platform. If they do not sustain self-improvement and update their knowledge base, they may get left behind. The next section is going to discuss the entrepreneur's willingness to learn in order to quickly respond to the changing needs of the online environment.

6.5 Willingness to Learn

Willingness to learn formed a significant component of the entrepreneur's fast-moving tendencies in these findings. All of the case companies strongly indicated the entrepreneur's willingness to learn when operating the Taobao platform. As the online environment and technology is consistently evolving at a rapid pace, the entrepreneur needs to keep up with the changes by learning new things and improving themselves when adopting these changes. Additionally, the policies and settings of the third-party platforms are continually fluctuating which entrepreneurs need to keep pace with. The entrepreneur in Case M stated that you "*cannot stay at the same stage forever*", indicating the need for the entrepreneur to sustain self-improvement to match the changing online environment.

Therefore, the entrepreneur needs to learn some technical skills, such as Search Engine Optimisation (SEO), or learn some new fashion information to make sure that they have a good sense of the continuously changing current fashion trends. The entrepreneur is motivated to learn and keep up to date with the changes. In particular, the staff member in Case Q stated that their boss had organised some staff training to learn about emerging fashion trends. Similarly, the entrepreneur in Case W expressed that:

"I think we need to learn lots of stuff. For example, regarding SEO (Search Engine Optimisation), we learn this from an internet forum or by online

videos. I will use other people's theories and something that I can accept to develop my work."

As internet technologies are continuously evolving, e-commerce firms need to keep pace with the changes by improving their knowledge of the SEO operations. Learning is needed not only by the entrepreneurs themselves but the staff members too. The entrepreneur's willingness to learn will motivate and affect their staff members to learn. The entrepreneur needs to test the new social media platforms and functions and learn how to use them, in order to retain their customers. Indeed, the entrepreneur in Case M asserted that:

"...you need to be open-minded to try some new things, like I used Weibo when it was popular to build customer relationships and then when Wechat was popular, I started to use this. You have to know how social media works so you can run an effective social media account to keep your customers."

Considering the fluctuating nature of internet technology and social media, popular social media platforms can vary according to different periods. While continually learning when running a business is important to keep pace with the evolving online environment, it is the entrepreneur's willingness which is arguably more important. If the entrepreneur is not willing to improve themselves, they will not be successful in adapting to a changing and hostile online environment. Here, the entrepreneur needs to learn new business models, such as blogger business models, as well as new marketing strategies.

For instance, Case V highlighted that they need to continually adapt to the promotional strategies that are called for by the platform in different periods. The platform promotes new promotional activities in every "double 11" shopping festival. The firm needs to adapt to the promotional strategies set by Taobao in these "shopping festival parties" and, accordingly, the Taobao platform will promote these firms to attract more customers to engage in the shopping festival. Thus, adapting to these promotional strategies means exploiting more opportunities to increase visiting traffic for these pure-play firms.

Moreover, the cases in this research can learn from other e-commerce firms which involves not just competitors, but other non-competitor online companies in other markets. They can apply what other companies are doing for their own needs. For example, the entrepreneur in Case M stated:

“You should spend time on learning some new things and how other companies operate. At the same time, you should have your own ideas, you can’t just follow other people. For example, there are some popular marketing approaches, at this time, you should follow the trends but you should make this applicable to your own situation.”

“Follow the trend” means that the firms are able to perceive some opportunities by adopting this marketing approach. Case M highlight that they are not always the first-mover in the market and that they are sometimes followers but that they are learning from others to develop their own products and strategies. These findings support Cummins et al’s (2000) assertions that marketing strategy does not have to be original but instead can adopt and apply existing marketing strategy to meet a firm’s specific situation and needs.

More than that, the findings highlight that innovative practices do not necessarily refer to the application of existing marketing strategies to the firms’ own contexts but could also be about getting some inspiration from other contexts and appropriating marketing activities for their own purposes (e.g. Case V’s ‘street snap’ ideas for product presentation). The entrepreneur in Case Z gave an example of how he gets inspiration to develop new marketing ideas to increase visiting traffic:

“If we are a traditional firm, we may just pay for advertising to promote the products, but just because we like to play tricks, we are always doing some interesting tests to understand customers. For example, these clothes, I can give customers for free, but they need to put some effort to get it. The purpose of this is to increase the traffic is to make more people see these clothes. According to human psychology, some people prefer something they can’t get. If something is unavailable, they will want it more, but it is

not 100% sure that you can't get it. I get this inspiration from a case I saw on the news. There is a website in France. If the customer wants to see the video for free, they need to share their website and keep clicking the mouse so that they can see the video for free."

As these pure-play firms are SMEs and have resource constraints, they are less likely to hire marketing experts. Accordingly, the firms in these findings do not always engage in high-level innovative marketing techniques. Instead, the firms are more likely to rely on learning from existing marketing ideas and gain inspiration for creating some new online marketing ideas from other contexts.

The entrepreneur's willingness to learn is critical to the future success and survival of the firm. Continually learning is highlighted in operating e-commerce firms which can allow firms to acquire accumulated knowledge for quickly responding to marketing opportunities that emerge from changes in the platform technology and customers' needs. A willingness to learn can also result in the entrepreneur encouraging his staff members to learn and for the firm to become what is termed a 'learning organisation' (Easterby-Smith 1997, Dess et al. 2003, Keil 2004). Through learning, the organisation can change the way it functions in response to new knowledge acquisition and improve itself as a result.

In these findings, a willingness to learn new marketing approaches and to gain new marketing knowledge are accompanied by a willingness to explore new things, whereby the entrepreneur also needs to be bold in exploring new forms of online marketing. As Naman and Slevin (1993) suggested, learning is identified to be an important factor for firms adapting to a changing environment, allowing them to improve their strategic flexibility and cater for changing customer needs. As well as willingness to learn, the entrepreneurs in this research also need to be willing to explore new things in order to be alert to the emerging opportunities in the changing online environment and to quickly respond to these.

6.6 Willingness to Explore New Things

As a key element of the entrepreneur's fast-moving tendencies, it was indicated in this research that the entrepreneurs need to be willing to explore new things.

They need to be daring and bold. Indeed, the entrepreneur in Case Z stated that, *“The first thing you need to do is bet, because the online environment is changing a lot, so you will encounter lots of different situations...You need to do lots of things you haven’t done before”*. Indeed, when the entrepreneur explores new things, it is not clear if the results will be successful or not, but they need to be daring in trying that. Supporting the comments of Case Z, the entrepreneur in Case X explained:

“As an entrepreneur, the most awesome thing is that he can keep challenging himself and say no to the ‘old me’. I will do lots of things that I haven’t done before. I think that entrepreneurs should have this ability. If I feel my company will fail soon, I should have the ability to build a new one, just like I did back in 2009. I should have the ability to keep creating new things”.

The willingness to try new things refers to the entrepreneur’s open-mindedness to accept new internet platforms or software for marketing purposes which acts as an antecedent to the firms’ innovative practices on the new online platform. More specifically, when there are limited opportunities in the Taobao platform, the firms need to try new things to seek and create more opportunities. For example, the staff member in Case X stated that:

“He [the entrepreneur]...has an innovative thought process.... For example, before, we just used internal channels [Taobao] to get traffic for the website...but now there is limited traffic we can get from the third-party e-commerce platform, so we need to change the way we are thinking. We need to think about some external channels to get the traffic...So, now we are trying to use a new social media platform to improve the website traffic and manage our current customers.”

While a few years ago, the majority of e-commerce companies relied on advertisements on the Taobao platforms to expand their traffic, Case X began to focus on getting traffic from social media and designed a social media department to respond to this change in the market, in line with the increasing popularity of

social media. In this way, the firm was able to implement an innovative solution to attract more traffic and respond to the challenges of limited traffic. The importance of the entrepreneur being open-minded in developing new marketing approaches has been highlighted in this context, considering the continual evolution of internet technologies.

Moreover, three case companies (Cases M, W and X) indicated that they were open-minded and could accept new things easily. Case M highlighted that the entrepreneur is open-minded in using new e-commerce platforms or new functions on the e-commerce platform to market their brands. For example, the staff member in Case M stated:

“She [the entrepreneur] is willing to accept some new ideas. Just like now that there is a new function on Wechat where you can share videos and she has already started to think that we can use video to introduce our products”

As soon as it was released, the entrepreneur in Case M was open-minded to adopt and innovatively exploit this new feature for introducing their products by video to their followers on Wechat and Weibo. The firm created some short videos in Weibo and Wechat for interacting with the customers.

This is innovative in the way that the entrepreneur of Case M was inspired by an external source in implementing a creative way of promoting products. Indeed, the firm is taking advantage of emerging technology by applying this to their own business needs. Although other competitors may adopt the same social media platform to do marketing, what is important is how firms innovatively develop content by using these platforms to communicate with customers. They are not developing the social media technology themselves but using technology which has been developed elsewhere. The firms develop creative ideas with new technology to generate new combinations of marketing strategies.

Similarly, Glavas and Mathews (2014) found that Australian SMEs rarely engage in developing their own software and internet technologies, due to the high level of financial investments needed. Instead, they integrated low-cost, convenient

technology from elsewhere to save time, effort and money. This could be proposed to be a similar driving force behind why the SMEs in this research also engage rarely with technological innovations, instead focusing on using external technologies and implementing these as part of creative solutions. In addition, the pure-play firms in this context are operating their brand on a third-party e-commerce platform. The platform provides technology support to these pure-play e-retailers. These pure-play e-retailers rely on existing technology to develop marketing strategy rather than developing their own innovative technology.

The above findings highlight the awareness of the entrepreneurs to try new things in this environment. As technology and the e-commerce environment is continually evolving, it can be suggested that entrepreneurs in the e-commerce industry need to try many new things that they have not done before which are emerging from the changing environment, e.g. new promotional channels. The entrepreneurs need to be daring when they are trying new things, even though there are uncertain benefits and risks. Indeed, as the entrepreneur in Case W said *“running an online brand is a process of experimenting and then learning from the failures”*.

6.7 Modest Risk-taking Propensity

In the process of the e-commerce platform exploitation, this research highlights that the firms have modest risk-taking propensity. The findings of this research indicate that although the firms are modest in taking risk in the process of exploring new things, the entrepreneurs should be open-minded to explore some new things in this fast-changing environment. However, it was suggested that the risks taken need to be controllable and calculable. For example, the staff in Case X explained this:

“I found some new stuff and then I will tell him, and he will only know because of this but he is open-minded to accept these new ideas. He also dares to try some risky stuff, like we are always thinking about some new modes but sometimes these new modes will have a risk. He is a boss who is easy to communicate with and he is an open-minded boss. We can

always say no to him. Sometimes if he asks me to do something, and then I will say no, he will ask why and I will tell him the reason. At the end, he will feel that it is better not to do that because I will tell him what the risks will be and what results we may have. If he feels that he can take the risks, then we will do that.

The entrepreneur in Case X highlighted the reasons for why they do not have high-risk propensity

“I have to say, an e-commerce company, the ability to resist risk is very weak because it is affected by the external environment a lot.”

It was highlighted by the entrepreneurs that they do not have high propensity to commit resources to high-risk activity and are more conservative when taking part in new business activity. Similarly, the entrepreneur in Case V indicated that although he is not a risk-taker, he only takes risks that he believes that he can control. Therefore, in general, the entrepreneurs indicated that they are willing to try new things which are risky and have uncertain benefits, but, at the same time, they do not commit a significant amount of resources to new, risky business activities in exploiting the e-commerce market. However, it is evident that the firms do need to take some risks in the uncertain and fluctuating e-commerce environment. It can be anticipated that the entrepreneurs in these findings cannot completely avoid taking risks. In these findings, the firms adopt strategies that have uncertain or risky outcomes. These can be considered as ‘moderate risks’. Thus, there is a distinction to be made between the risks that the entrepreneurs believe they are taking and the risks that they are actually taking in seeking and grasping the market opportunities on the Taobao e-commerce platform. In this research the level of the risk cannot be measured but it can be suggested that they are modest in risk-taking.

Furthermore, the entrepreneurs in this research also attempt to avoid some risks, particularly in stock management. Customers’ needs change particularly often in the fashion industry where popular styles can vary from year to year. Therefore, if the firm has lots of stock left over at the end of one season, they may find it

difficult to sell them the following season. Indeed, stock management risk was mentioned frequently by the entrepreneurs in this research. For example, the staff member in Case X stated that:

“The e-commerce market is changing very fast, where companies can make billions of yuan one year and then close down the next year. That is because of the stock, they leave lots of stock and can’t sell it but now we will try some new business models to avoid this risk”.

As a result, the firms are trying to avoid any stock management risks. For instance, Case V re-takes photos for products from last season and matches the clothes in an alternative way to potentially give the products a ‘second life’. The entrepreneurs’ innovativeness may help them to manage such risks, by finding creative ways to re-promote last season’s products and solve the problem of left-over stock.

6.8. Chapter Summary and Conclusion

This chapter sought to address the primary research of the thesis centred on evidence arising from a series of case studies, with a specific focus on the entrepreneurial characteristic of ‘fast-mover’. The findings highlight that in order to realise the emerging opportunities associated with this e-commerce platform, “being fast” is an important behaviour to consider. Without quickly responding to the opportunity or grasping it in a timely manner, the value of the opportunity may be reduced or the opportunity may disappear. This research emphasises the importance of “being fast” for firms operating on the e-commerce platform, allowing them to aggressively respond to intense competition and a fast-changing environment. The nature of “being fast” emerged in different forms in these findings.

Firstly, quickly updating products has been strongly highlighted by some research, in relation to fast fashion companies, such as Zara, which are well-known for having a short production cycle to quickly respond to customers’ needs (Lopez and Fan 2009). This research acknowledges the importance of quickly updating products for these fast fashion retailers. However, the findings also

highlight the need for these e-retailers to continually renew their marketing strategies in response to the threat of imitation from other competitors on the platform, given that Taobao is an open environment. The aggressive and competitive environment motivates and forces the e-commerce firms to be fast. If they want to survive, they need to be fast.

Secondly, these findings highlight that the entrepreneur needs to be alert to changes in the online environment in order to grasp opportunities. The environmental changes require the firms to move quickly. Thus, these findings highlight the importance of “being fast and moving ahead in the market” rather than “moving ahead of competitors”. Being fast can involve aggressively responding to imitation from competitors. However, this research also emphasises ‘being fast’ in responding to the changes in the online environment rather than in response to competitors. In order to be fast, the entrepreneur needs to be decisive in responding to opportunities and to have strong executive ability to make sure they can be able to response to the opportunity immediately.

Moreover, the findings also highlight the importance of the entrepreneur perceiving potential threats from competitors and having crisis alertness to respond to these threats quickly. By responding to competitor behaviour rather than identifying a market gap, according to Lumpkin and Dess (1996), such firms are identified to be ‘followers’ rather than ‘leaders’. These pure-play firms, however, do not always focus on reacting to competitors’ behaviour when they conduct marketing practices on the platform, but instead identify and exploit opportunities from changes in the e-commerce platform. In this context, “fast-mover” refers to the entrepreneur’s ability to identify opportunities in the changing environment and to take initiative to exploit them. In such a way, they can be considered as a leader, but not necessarily as a ‘first mover’ on the platform.

Thirdly, these pure-play firms need to adapt to the environment and respond to the opportunities that emerge from the platform development. While innovativeness is identified to aid the entrepreneur’s ability to respond to the opportunities, it can be suggested that they do not always need to be innovative. The entrepreneurs in this research indicated that they quickly explore and adopt

new marketing approaches and business modes to exploit emerging opportunities in the market. However, these new approaches do not necessarily need to be original or innovative.

It can be proposed that the entrepreneurs in these pure-play e-retailers may find it difficult to be leaders in all aspects of business. While they may proactively grasp some opportunities in the market and gain competitive advantage, they are likely to fall behind their competitors in other areas. Therefore, in some areas of business, firms may tend to be responsive to the leading competitors. As seen in Chapter 4, the cases in this research are likely to respond to leading competitors by adopting creative solutions. Here, the firms need to react to changes in the market in a fast and aggressive manner. If they find that a competitor is leading because of a particular aspect, they cannot hesitate in responding to this.

Fourthly, in order to be fast, it can be proposed that these pure-play e-retailers need to keep learning from the surrounding environment such as emerging marketing strategies from other e-commerce firms and changes in the e-commerce platform. The openness of the online environment enables the firm to learn from competitors but also presents a challenge to the firms of how to avoid imitation and to keep their advantageous position. This highlights why the firms need to reflect not just simply on copying, but also be open-minded in engaging with new forms of marketing that emerge from the Taobao platform. However, while the competitors are able to access the same resources on the platform, their success depends on how they creatively leverage the resources for marketing purposes. For example, it depends on how the firms creatively design the content on the new function of social media to carry out effective customer interaction. Continually learning and trying new things on the Taobao platform act as antecedents of innovativeness and being fast.

Finally, while risk-taking has been highlighted by multiple entrepreneurship scholars to be a key dimension of firms' business process (Miller and Frieson 1983, Lumpkin and Dess 1996, Knight 2001), these findings indicate that the entrepreneurs have modest risk-taking propensity in the process of Taobao platform exploitation, do not commit significant resources and are more

conservative when taking risks. However, the entrepreneurs in this context cannot avoid taking risks in an unpredictable, dynamic and rapidly changing e-commerce environment when exploiting opportunities in the platform, which have inevitably higher risks associated with them.

In conclusion, an enhanced understanding of the entrepreneur's fast-moving ability allows researchers to appreciate the interaction between this characteristic and the ability of pure-play e-retailers to exploit this e-commerce platform. In the following chapter, another identified entrepreneurial theme, business knowledge, will be assessed and examined in relation to the exploitation of the Taobao e-commerce platform.

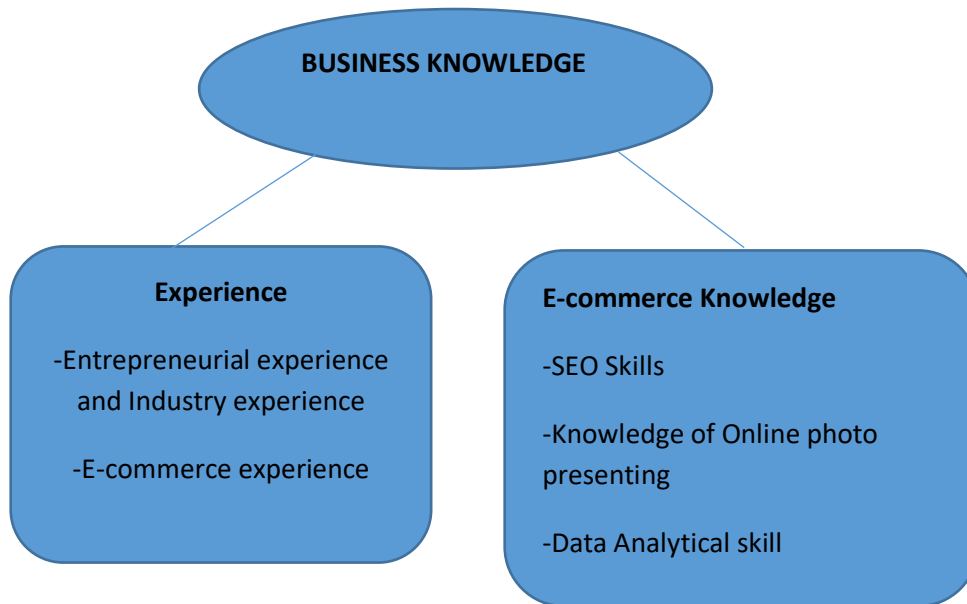
Chapter 7: The Pure-play E-retailers' Entrepreneurship Characteristics-Business Knowledge

7.1 Introduction

In this research, business knowledge emerged as another identified theme, acting as a key characteristic of entrepreneurship in these findings. It refers to the experience and knowledge of e-commerce which can allow the business to build a stronger competitive advantage and to aid the market opportunity-seeking process utilising the Taobao e-commerce platform. In these findings, the entrepreneur's business knowledge derives from learning by doing as well as the experience they gained while operating their e-commerce brand.

This chapter aims to assess and examine how and why the entrepreneur's business knowledge underpins the firm's exploitation of the Taobao platform. Experience and e-commerce knowledge, as dimensions of business knowledge, emerged as important in this specific context. For experience, this refers to entrepreneurial experience, industry experience and e-commerce experience (See figure 7.1). In terms of e-commerce knowledge, the findings indicate the value of SEO skills, knowledge of online photo presenting and data analytical skills. The chapter is structured according to the two key dimensions of 'experience' and 'e-commerce knowledge'.

Figure 7.1 Key dimensions of ‘Business Knowledge’



7.2 Experience.

7.2.1 Entrepreneurial and Industry Experience

Cases Z and A argued that past entrepreneurial experience was not significantly important in helping them to operate a business in the e-commerce environment. For example, the entrepreneur in Case Z said that:

“The internet environment is changing a lot; nobody could say they have experience, because new things come out every day. If you gain some new experience this year, it may not be applicable next year. So, I think learning is the most important thing”.

Similarly, Case A asserted:

“I think experience is not very important because...the online environment is developing and changing, so your experience may not be applicable to

this environment. Experience could also restrict you in accepting some new ideas.”

These two negative aspects of having experience concur with much of the entrepreneurial literature, part of what is identified to be ‘biases’. Case A and Case Z argued that experience is not essential in operating e-commerce firms as the online environment is changing all the time. It may be that a vast amount of experience leads the entrepreneur to being complacent or over-confident, and unwilling to try new things. Indeed, Ucbasaran, Westhead and Wright, (2009) argued that, beyond a certain point, previous entrepreneurial experience begins to be a hindrance rather than helpful in achieving success with the current firm. In this context, the entrepreneur’s previous ideas and ways of doing things may not be applicable in the e-commerce environment.

However, despite this, previous industry or entrepreneurial experience was identified to be useful with some aspects of firm-level processes, particularly experience of selecting products and dealing with shareholders. Thus, the entrepreneur’s previous experience was found to be helpful only to some extent in this context. The entrepreneur in Case V highlighted that entrepreneurial experience aided him in knowing how to manage relationships with the shareholders which has a direct impact upon the firm’s e-commerce platform exploitation.

It was indicated that entrepreneurial experience is where the entrepreneur may have built a number of experiences of running previous firms, identified in the literature (Ucbasaran, Westhead and Wright 2009) as a ‘repeat entrepreneur’. The entrepreneur in Case V is the only entrepreneur who indicates having entrepreneurial experience, stating that:

“We have about ten years entrepreneurial experience so we have been through a lot of changing situations with shareholders so now we know how to deal with this kind of situation and we would be more tolerant. We know how to get along with other shareholders.”

If the entrepreneur has previous entrepreneurial experience, it can prove beneficial in a number of ways in the running of the current firm which can include a wider network of contacts, improved recognition of market opportunities, managerial and technical skills, as well as improved problem-solving ability (Westhead, Ucbasaran and Wright 2005, Politis, 2008, Ucbasaran, Westhead and Wright 2009).

Moreover, it was also indicated by the entrepreneurs in these findings that there are benefits from having specific experience of working in the fashion industry. Case B and Case V expressed that they found having experience of the fashion industry to be important in giving them greater confidence to predict online market needs. Such experience gave them inside knowledge of how the industry works. For instance, the entrepreneur in Case B stated that:

“We had been working in the shoes industry for a while and so we have an idea of the popular fashion trends in the shoe industry and which styles could generate more sales. We will create some shoes according to the current fashion trends and the sales will increase.”

Here, the fashion industry experience that the entrepreneurs accrued enhanced their fashion sense and played an important role in product selection and design. The entrepreneur who has fashion industry experience is more likely to have more knowledge of product material and know what kind of product will meet customers' needs. Indeed, this is supported by Johanson and Vahlne (2003) who highlighted the importance of industry knowledge and experience in understanding the customers and production process. Thus, previous experience of working in the fashion industry is identified as having an impact on responding to customers' needs in the fast-changing Taobao platform to some extent.

While Case V highlighted the importance of entrepreneurial experience in managing the company, the entrepreneur of Case W indicated that he is continually learning-by-doing to accrue relevant knowledge and experience. However, the entrepreneur of Case W pointed out that he was struggling to hire employees as he has little experience in doing so, indicating that experience did

have some indirect impact on the firms' e-commerce platform exploitation. The other cases generally indicated that experience is not particularly important in the exploitation of the Taobao platform which may due to their lack of previous entrepreneurial experience. The following section will examine how the entrepreneurs in this research gained e-commerce experience and how this experience has impacted on the firm's e-commerce platform exploitation.

7.2.2 E-Commerce Experience

The majority of cases in this research highlight that the entrepreneurs gained experience and knowledge of e-commerce through 'learning by doing'. Learning by doing is where entrepreneurs learn from their own experiences of operating the firm on the Taobao e-commerce platform. As e-commerce is an emerging industry, the entrepreneurs in this research had not gained significant e-commerce experience prior to forming their business. They learnt business knowledge from running their firm and from the mistakes they made. After they gained experience, they know how to operate an online brand better. For example, the entrepreneur in Case B stated that:

"We have always been working in an e-commerce environment, so we know it very well. If I wasn't ever involved in this environment, I wouldn't have the correct forward-looking perspective. Just like in 2013, we asked our employees, the director of operations, to take charge of everything. We didn't get involved ourselves. The sales weren't very good. We didn't understand why. We just operated our e-commerce brand like an offline brand. We didn't update our styles as frequently as other e-commerce brands would. We couldn't sell our products very well. In the end, we found the operational model of offline business doesn't work online."

The entrepreneur of Case B formed the firm with limited e-commerce experience. Subsequently, they employed a "specialist" to operate the brand for them as they had strong financial support from family. They found that a significant number of people in the e-commerce industry just worked in e-commerce for one year and

would change their job to another company and ask for higher salary with the new experience.

The entrepreneur of Case B found that the firm would not succeed if they themselves did not understand e-commerce operations and, consequently, they decided to not simply delegate everything to the staff members, but instead get involved themselves in controlling the overall direction of the firm. The entrepreneur learnt from failure, finding what did and did not work. By operating the brand themselves, they were able to learn about the importance of frequency of updating products for fashion e-commerce brands. Therefore, it is argued that the entrepreneur can only gain new market knowledge by experiencing it, or learning by doing. If the entrepreneur experienced prior failure or success, they would learn from this and know how to better operate the brand the next time.

More specifically, the entrepreneur of Case Q indicated that they had good knowledge of how to effectively post on social media platforms to interact with customers and to improve customer intimacy which she learnt from previous social media operational processes. Indeed, the entrepreneur of Case Q stated that:

“I design my posts on Weibo, like I arrange my pictures, the colours, the order. The maximum is 9 pictures on each post, but if I want to promote a style of clothes, I won’t put 9 pictures about clothes. I will just make each post look chic, stylish and well-co-ordinated, so the customers want to share my posts and they follow me because I share some chic pictures and some useful information. Actually I just learnt this this year, I would post 9 pics all about clothes before, but now I know it works better if I post some fashion related stuff.”

Moreover, these findings highlighted that the entrepreneurs cannot rely on experience too much and that they need to learn from experience and new things but also continuing to adapt themselves in this e-commerce platform. For instance, the entrepreneur in Case Z explained that:

“If I’m doing something wrong, I will take a step back because if I have experience, I wouldn’t dare try that. The internet environment is changing a lot; nobody could say they have experience, because new things come out every day. If you gain some new experience this year, it may not be applicable next year. So, I think learning is the most important thing.”

In other words, the experience the entrepreneur gained on a particular platform may not be applicable for a new platform. For example, the staff member in Case W stated:

“Some of them didn’t work very well but we still keep trying. We are learning by doing and we get some experience from that. The forums group in QQ and Wangwang, we found that they didn’t work very well, so we started to focus on Wechat and WeiTao. We use Wechat and WeiTao to communicate with customers and post some useful information, not just promotional information, like fashion information to share with customers the experience of how to match clothes, how to wear clothes in a chic way.”

The entrepreneur and staff in Case W highlighted that the ability to learn the functions of new e-commerce platforms is linked to the firm’s adaption to the changing online environment. According to the literature, the new technological competencies that the entrepreneur acquires allows them to identify and exploit new opportunities (Prahalad and Hamel 1990, Newbert, Gopalakrishnan and Kirchhoff 2008, Acur et al. 2010). Additionally, the entrepreneur needs to be persistent in pursuing new forms of customer communication even if there might be failure and not immediate benefits in order to respond and adapt to the emerging forms of social media communication.

Indeed, the entrepreneurs in this research expressed the value of learning from their mistakes and improving their processes as a result. The entrepreneur in Case W asserted that:

“I think experience is very important. It’s a learning process but you need to reflect on this. I will gain some experience of this when I am learning. I think doing e-commerce is an evolving process where you may make

mistakes but if you make the mistakes, you learn fast. It's a process where you keep trying new things, but you may make mistakes but you will get experience from this".

As e-commerce is a new, emerging industry, it was suggested by the entrepreneurs that the only way to gain knowledge in this context is from experimenting. As indicated by Politis (2005), entrepreneurial learning can result from the accumulation of experience. Thus, experimental learning results in knowledge acquisition and the generation of new ideas (Minniti and Bygrave 2001, Politis 2005). If the entrepreneurs can effectively learn from previous experience by quickly adjusting themselves, this can transform the new process into an effective and successful outcome (Pretorius and Le Roux 2011). These findings highlight more than just learning from previous experience, instead suggesting that the e-commerce firms need to do experimental learning and quickly adjust themselves in exploiting emerging opportunities in an evolving online environment.

The majority of cases in this research strongly emphasised the importance of knowledge gained from learning by doing in the entrepreneurial process. The entrepreneurs of Cases Z and A indicated that learning from making mistakes is more important than the experience they gained in the running of a traditional company. However, it is worth highlighting that none of the entrepreneurs in this research were over 35 years old and are unlikely to have significant business experience. With the exception of the entrepreneur in Case V, the other entrepreneurs did not have experience of running a traditional company before they started e-commerce.

In these findings, the emphasis is placed more on experimental learning in the whole business operation process. The process is about the entrepreneur seeking to reflect, revise and improve themselves in experimenting with some online marketing practices. The firms engage in a trial-and-error process, whereby they can continually learn while making mistakes.

As the entrepreneur in Case W expressed, the experience gained from one year may not necessarily be applicable to the next year as the nature of the online environment is constantly changing. Therefore, the entrepreneur needs to reflect, learn and revise their strategies based on previous learning by doing experience rather than just rely on it. Here, they can apply their experience, but they need to revise and improve their strategies according to the evolving context.

To some extent, the findings concur with the ideas proposed by Johanson and Vahlne (2003), that the experiences and knowledge of one particular market cannot be easily applied to another market context, requiring the entrepreneur to learn again about all aspects of business relevant for the particularities of the new market. In this research, it is highlighted that entrepreneurs' offline experience cannot be easily applied to online business operations due to the unique and evolving nature of the online environment, although the previous experience can have some indirect impact. While this section highlighted the importance of the entrepreneur accruing e-commerce experience, the following section discusses the other key component of business knowledge: e-commerce knowledge.

7.3 E-commerce Knowledge

7.3.1 Search Engine Optimisation (SEO) Skills

In this research, e-commerce knowledge was the second main component of business knowledge. The case companies identified that having business knowledge, specifically e-commerce knowledge, was an important characteristic of entrepreneurship. The entrepreneur in Case W explained that:

“If the entrepreneur in e-commerce firms doesn’t understand e-commerce, their firm won’t be successful because now there are few people who have e-commerce skills.”

When the entrepreneur says “e-commerce skills”, they are referring primarily to their search engine optimization (SEO) skills and an understanding of the e-commerce platform environment including the platform setting, customers and competitors. The entrepreneurs in this research use their SEO skills to make the

products ranking rise to the top of the search engine page on the Taobao platform. While some cases may delegate to staff members to carry out SEO, the entrepreneurs of Cases V, Z and W focus on using SEO to increase traffic rather than from social media, as they have a greater understanding of how the Taobao platform works and how to set the key words for the products.

For example, the entrepreneur in Case Z stated that he uses his SEO skill to reduce the cost of promoting products on the platform:

“Other people use money to get their dream, we use skills or technology to get our dream”.

He also highlighted the importance of understanding the Taobao platform to be able to effectively use SEO to increase traffic:

“Our profit is from free traffic. Other people may pay a lot for the traffic. Some companies may just have 30% free traffic, but we can have 70% free traffic, but it’s also about being able to do SEO work and we also know the setting of the platform very well.”

The entrepreneur explained that knowledge of the policy of third-party platforms, enabled them to adapt themselves to policy changes and follow what the Taobao platform requires, stating that:

“... the system of the platform has been set and the code has been written. If you meet the conditions, they will put you on the top of the rankings but if you don’t have the skill, you have to pay”

In these findings, the entrepreneur in Case Z uses the e-commerce knowledge he has to reduce the cost of marketing. He knows the “trick” of the e-commerce platform and makes use of it. As a small firm, they have limited investment for advertising and are not able to spend lots of money on improving the ranking. Thus, the firm focuses on SEO and seeks to gain free visiting volume to improve the ranking.

The majority of case companies strongly highlighted the importance of understanding the e-commerce environment in operating their firm (e.g. see Section 6.3). One aspect of understanding the e-commerce environment is having SEO operation skills of relevance to the platform, given the particular settings of the Taobao platform. In these findings, the entrepreneurs' e-commerce knowledge and their understanding of the e-commerce environment derive from different sources. It could be from learning-by-doing through the entrepreneur operating their e-commerce brand and network, such as with Cases W and B, as well as from the workshops organised by the Alibaba company that the entrepreneur has attended, such as with Case X.

7.3.2 Data Analytical Skill

7.3.2.1 Gaining insight from visiting traffic and conversation rate

As well as SEO, the findings also indicated the importance of gaining insight from visiting traffic and conversion rate on the Taobao platform. Notably, Case W indicated experimental learning from website data who increased traffic by using specific marketing techniques (e.g. red packet) in order to get feedback from the data. For instance, the entrepreneur in Case W explained:

"For example, I sent 400 red packets. How many people will come to get my red packet? If 80% of people come to get my packet, this is 320 people. Of this 320 people, how many people would like to share this with their friends. That's more data. This data would help us to improve our next event. It also gives us feedback on the layout of the webpage. Why the rate of conversion is not high through this event. If these people just want to win the red packet and so on, we will think of the reason. We will get the data. If you have data, you can do things well. I will reflect on why I got this data."

By increasing their traffic, firms have access to a larger sample of customers when analysing their data, crucial for gaining better insights into their customers' behaviour. A larger sample of customers means that the data is more robust and reliable. After the firm gains a better understanding of their customers, they can

begin to interpret why the click rate may be low on the website. Case W suggested that a larger sample can allow better insights to be gained into how to more effectively layout the product photos, an innovative approach to gaining marketing insights.

Moreover, it is important to highlight the entrepreneur's ability to integrate this data to improve the marketing outcome. It was indicated in the findings that while it was important to increase traffic and subsequently the visiting volume, this alone would not lead to sales improvement. Rather, there needs to be also an improvement in conversion rate in order to increase sales. Conversion rate is the rate at which customers visiting the website are making a purchase (i.e. from traffic to sales). Some cases identified that while their traffic was increasing, their conversion rate remained low. The customers were visiting their website but they were not making a purchase. Thus, after identifying the problems with visiting traffic, the firm needs to respond to the problems to improve the conversion rate. For instance, the staff member in Case W indicated that they made adjustments to their website in order to increase the conversion rate:

"He [the entrepreneur] used some innovative ways to improve the traffic and then to get some feedback from the data and in this way, he can find the problem with our website layout. He can realise the problems we have now. For example, at the beginning, we used lots of channels to advertise our promotional events and we got high traffic on our webstore but the conversion rate was low. We made some adjustments like changing the main photos of the product page and then change the arrangements of the photos on the webstore, changing the order of the photos on the products page."

It is noticeable from the quote that the entrepreneur did not know which channel is more effective for the firm and if the website layout was effective or not when he first designed it. Problems were identified with the website layout after they carried out some initial marketing practices. It is important for the entrepreneur to gain insight of how to position the photos correctly on the web-page by using web data analysis, in order to immediately attract customers. As smaller e-commerce

firms may not be well-known to customers, they need to attract the customer immediately with some eye-catching photos before the customer leaves the webpage. The customer may not stay on the webpage of an e-commerce brand that they do not know well for long. Accordingly, it is imperative for the firms to have attractive photos to encourage the customer to click on their products.

Unlike offline shopping, where the salesperson can persuade and charm the customer, the e-commerce firm relies on attractive imagery in the most eye-catching position in order to entice the customer to stay for longer at the store. However, there are not principles for effectively laying out the products on the webpage. Instead, the entrepreneur needs to experiment to identify the most appropriate solution. By gaining insights into customer behaviour and shopping preferences from the web analytics, the firms can understand what kinds of product photos and layouts will attract customers. It is worth noting that, for these e-commerce brands, they do not design the webpage themselves but rather purchase a template from the third-party platform. Therefore, their design and individuality relies on product photos and their positioning. As a result, if done successfully, the re-adjusted layout and positioning of product photos is likely to lead to an improved conversion rate.

In addition, the feedback that Case W gained from increasing traffic could allow them to gain a better insight into customer behaviour, by measuring the performance of the firms' marketing practice and tracking customers' activity. This aligns with Järvinen and Karjaluoto (2015)'s assertions that web analytics can be exploited in order to gain improved customer insights. The feedback can be acquired from the web analytics which can aid understanding and measurement of customer behaviour during their web visits. After having gained such insights, certain successful elements of digital marketing can be optimised in order to increase sales on the website (Järvinen and Karjaluoto 2015).

Thus, the findings suggest that the entrepreneur experiments with the website layout based on the data to find the most effective solution. The entrepreneur's analytical skills were reflected in the process of Taobao platform exploitation. The findings highlight that the entrepreneur in Case W has a high level of e-commerce

knowledge in data analysis and SEO skills. He focused efforts on increasing traffic from internal channels (the third-party platform) instead of from external channels as with Case M and Case Q, believing that this would be more effective. The entrepreneur in Case W subsequently preferred to analyse online store traffic data to improve marketing intelligence. However, the reason why they have a low conversion rate compared with external channels might be that they do not have a specialist who operates external channels to increase traffic.

The importance of the entrepreneur's e-commerce knowledge in the firm's adoption of digital marketing and web analytics has been similarly highlighted in the online marketing literature (Royle and Laing 2014, Taiminen and Karjaluoto 2015). These findings, however, highlight the process of using these skills to develop marketing intelligence. Indeed, it is not enough for the entrepreneur to simply understand the data and gain insights into customer behaviour, they need to know how to apply this to the firm's business operations and adjust themselves according to the web analytics.

Royle and Laing (2014) concurred with these findings, identifying that a gap may exist between the entrepreneur's technical understanding of the data and the entrepreneur's knowledge of how to put the data into action and subsequently improve the firm's business activity. It is proposed that in order to make effective use of web analytics, the skills gap needs to close between technical and business knowledge (Royle and Laing 2014). Therefore, the entrepreneur needs to have knowledge of how to interpret the data and identify the opportunity from the data to implement the data into practice. As well as gaining insight from visiting traffic and conversion rate data, the firms in this research were also found to analyse click rate data to identify the opportunities in the market.

7.3.2.2 Click Rate Data

The research findings indicated that the case companies use click rate data to arrange the product layout on the website. For example, the staff member in Case V explained :

“He has a good sense of changes in the data. For example, the click rate of the main picture on the product page changed a little bit yesterday. The boss will try to make some changes...He will predict which product will be the best-seller according to the small change in the click rate. If he found the click rate went down a little bit, he will react immediately to this. For example, if the click rate of the main picture on the product page went down, we will think about if the product picture has been chosen correctly or not. If not, we will change for another picture. After we change it, if the click rate increases, it means these clothes have potential...it could mean that this product has very high potential to be the best-seller.”

Case V analysed the click rate for predicting the potential best sellers, which they would then focus on promoting. The case would put the photo of these potential best sellers as the main picture on their homepage. Similarly, the entrepreneur in Case Z gave an example about how they tested the click rate of their products:

“The design department will give me lots of options and then we will take photos of these styles and we will put these photos online as a test. According to the customer data, we will make a decision. The test is like you put the photos online to test the preferences of customers. We will make the decision according to which styles have the most traffic. Just like traditional offline firms will have a fashion exhibition for the new range and then the agent will come to make the order and then the firm will produce the styles which have the most orders. We will produce more of each style and we will see which style has been added to the basket more or the sales of each style to decide the level of production.”

In these findings, the entrepreneurs of Cases V and Z indicated that they used data to predict which clothes have potential, as part of a forward-looking perspective. According to changes in click rate data, they would make adjustments to the position of the product photo. After they put the new product photo on their web store, the cases would test the click rate and make subsequent adjustments. The entrepreneur's ideas come first and he uses the e-commerce platform to assist his decision making. The findings can be interpreted in terms

of the distinction between traditional marketing, which makes use of large-scale data, and entrepreneurial marketing, which is driven by the entrepreneur's perspective (Stokes 2000, Collinson and Shaw 2001, Hills and Hultman 2013).

While traditional marketing makes use of large scale data analytics to understand customer needs, entrepreneurial marketing typically relies on proactive and innovative behaviour when making decisions in uncertain market conditions (Morris, Schindehutte and LaForge 2002, Miles and Darroch 2006). The cases in this research use their proactive tendencies to predict the customer needs. However, the firms' decision-making is also informed by web data which acts to aid these proactive tendencies.

Therefore, these findings indicate that the entrepreneur's business knowledge interacts with their proactiveness whereby business knowledge and proactiveness are complimentary in aiding the entrepreneur's product selection process. Cases V and W tend to analyse the web data every day and use this to predict customers' needs in order to aid the entrepreneur's marketing decisions. As the cases are operating in the e-commerce environment, it is necessary for them to make use of data in decision-making on a day-to-day basis, highlighting the importance of the skill of data analysis and interpretation for day-to-day online marketing operations. As well as click rate, the firms in this research also analyse their sales trends to aid them in identifying emerging opportunities in the e-commerce market.

7.3.2.3 Analysing sales trends

A number of the cases in this research (Cases B, W, Z, V) highlighted that they use back-end data for analysing sales trends in order to inform future marketing practices. These cases analysed the sales data in order to gain insight into customers' behaviour and shopping preferences and to aid the entrepreneur's decision-making processes. From the data analysis, the cases identified which products are selling well and which products are not selling so well. This informs future production orders, whereby more products which have high sales will be ordered than those with low sales. Therefore, production is driven by the sales

data. For example, the entrepreneur in Case B explained that they use a specialist for analysing the sales data:

“He (the specialist) needs to analyse the data and see which styles of shoes are selling well, which styles of shoes aren’t selling so well, how many of each style will sell each day. He will give us this data and we will take orders according to the data. For example, if I have 1,000 of a style of shoe in stock, if every day, I sell 200, I can sell all of them in five days. I will use this data to take more orders including when we should take the orders. By taking orders from suppliers based on the sales data in our online store, risk can be mitigated”

Case B analysed the sales data to identify the speed at which products are selling. Such data informed the next production in order to ensure that they are not out of stock. Thus, it was indicated that the firms adjust according to the sales data. If they adjust to this data quickly, they can grasp the opportunity by meeting customers’ demands immediately and to be ahead of the market and their competitors.

While Case B highlighted in the interviews that they had the strong financial support from family to allow them to hire a specialist, the entrepreneurs in the other cases (Cases W and Z) indicated that they operated the data analysis by themselves so as to be more cost-effective. However, even if the firm has enough resources to hire a specialist to take charge of data collection and analysis, the entrepreneur still needs to have the ability to monitor the data and identify the opportunity and problems from the data to improve the firm’s marketing intelligence. The firms analysed the sales data, as an indicator of potential problems, in order to identify why some products are not selling very well. For instance, the entrepreneur in Case B indicated that they carried out these adjustments after analysing the sales data:

“...the sales are going down, so we need to talk to the staff who are promoting this to check if the promotional approach has a problem and

they may need to change the keywords of the products. We need to look for the reason why the sales have gone down”.

Based on visiting traffic data, Case B found that the keywords used for the product could be adjusted to increase sales, as, otherwise, customers may not be able to find the products that Case B is selling using the search engine. If the e-commerce brand does not yet have a well-built reputation, it may be difficult for customers to find them using their brand name. At this stage, the firm is likely to get the majority of its sales through customers searching for a style of clothes (e.g. down jacket, jeans). In this way, the skill of setting targeted key words is very important.

These findings also indicate that the firms need to adjust the keywords if they find that they were not gaining high visiting traffic. The entrepreneur in Case B is not operating the SEO herself but she needs to have relevant e-commerce knowledge in order to monitor the overall direction and identify the problems in time if there are any. Therefore, it can be suggested that the entrepreneur needs to have broad knowledge about the meaning of the sales trend data and of how to identify the opportunities and problems from the data. While the findings indicate the importance of analysing sales trends for these firms, they also highlight the value of analysing the sales trends of other e-commerce firms and competitors.

7.3.2.4 Gaining Insights into E-commerce Competitors' Behaviour

Half of the cases in this research highlighted that they use the back-end data for gaining insights into e-commerce competitors' behaviour. Due to the openness of the internet, the cases can demonstrate how their competitors are undertaking their strategies. From the data, it can be identified which styles of clothes are selling well in other firms. As a result, they may adjust the design and production of their clothes styles according to this data. By analysing competitors, the entrepreneurs can proactively identify the market opportunities and predict the potential popular styles for next season based on small changes in sales trend data.

For example, some firms, such as Case W, analyse the overall sales trend of particular competitors to better understand potential customers' needs and fashion trends. The entrepreneur in Case W explained that:

"I don't feel like betting. I will make the decision according to data and next year's trends. For example, I can see from the data, this material corduroy is selling very well this year and that cardigans are also selling very well this year."

He claims that he does not like betting, but it is betting based on this year's sales trend of the clothes to predict next year's sales. In other words, the entrepreneur prefers to bet based on the existing data. Indeed, four case companies strongly highlighted that they value using their web-store data and then make decisions based on this data.

Meanwhile, Case Z adjust their designs based on changes in the back-end data, as the entrepreneur explained:

"For example, now, we should be starting to sell clothes from the Autumn or Winter collection. When we are not sure about the fashion trend of the next season, we should analyse the data to know our competitors. For example, some competitors may start to sell the Autumn and Winter collection from August. We can see the data from August, which style is selling very well in August and September. So, this style would be the potential best-seller in winter. Then you need to ask the design department to design this style of clothes... For example, we can see how many of each style are sold per day and how much traffic clicks on a particular product, where the traffic is from, if it is from advertisements or search engines. We can see why they are selling well. We will put clothes into production according to what we find in this data. The data indicates the competitors' sales trends. It means that lots of customers like this style."

More specifically, the entrepreneur in Case W indicated a more specific example of the way that he identifies opportunities by analysing the overall sales trends of different categories of products. The entrepreneur in Case W highlighted:

“I will decide the styles of clothes we are going to sell based on the data we have got. For example, this Autumn, at the beginning, when we are carrying out a promotional event, we found that in the jumper category, more people would choose the round neck than v neck. We also found that few sellers are selling polo necks sweaters but lots of people are searching for these kinds of products. The sellers who are selling polo neck sweaters have high sales. So, we decided to promote a polo neck sweater.”

The nature of the Taobao platform allows the firms to access the back-end data for the category of products that they are selling on this platform, including sales trends and search rates. This data can be accessed from some free or paid software associated with the Taobao platform. The entrepreneurs use day-to-day data analysis to understand the market environment and perceive future customers' needs. Indeed, this supports the idea in the marketing literature that web data can aid e-commerce businesses by allowing them to collect a vast amount of information on their customers. However, this process is driven by the entrepreneur's ability to collect, compare and analyse the data in order to perceive the emerging opportunities. Through analysing the back-end data, Case Z could get inspiration for what styles may sell well in the following season. In this way, they are able to anticipate future trends and predict future best-sellers.

In the EM literature, firms typically check for market acceptance following the entrepreneur's idea development (Stokes 2000). In these findings, it was identified that the entrepreneur's innovative ideas were influenced by the back-end data. After analysing the back-end data, the entrepreneurs test ideas in the e-commerce market. Thus, the entrepreneur's proactive forms of products offerings arise from the back-end-data associated with competitors and their customers.

Similarly, Case V found that a company had already started to promote their Autumn collection in July when most other companies were still selling their summer collection (as discussed in Section 4.3, proactiveness). As sales in this company were increasing, the entrepreneur in Case V perceived there to be an

opportunity to start selling the Autumn collection at this time. These findings indicate that the entrepreneurs were able to identify a trend and opportunity from sales trend analysis, thereby supporting and improving their future business operations. In doing this, the firms in this research can exploit different competitive advantages.

The importance of gaining insight into customer behaviour through web analytics is highlighted in the online marketing literature (Leeflang et al. 2014, Järvinen and Karjaluo 2015). Järvinen and Karjaluo (2015) assert that the use of web analytics is primarily backward-looking and has limited use in predicting future customer trends. This is in contrast with the ways in which the cases in these findings have made use of its click rate and back-end data. For both back-end data and click rate analysis, the cases in these findings interpret their web analytics in order to predict future trends and adopt a forward-looking perspective.

However, what is of importance for the firms in this research is how entrepreneurs perceive the opportunities in the web analytics and how they respond to these. One of these may be the ways in which the firm make sense of data and adjust according to the data. As the e-commerce platform is an open-ended platform, firms can monitor each other's data. It is worth noting that the generation of data alone is insufficient for the firms to gain benefit. Masera, Dawson and Edwards (2006) assert that to exploit data effectively, it is necessary to have sufficient knowledge of how to analyse and make sense of the data.

Indeed, Järvinen and Karjaluo (2015) propose that due to the limits of web analytics, these should act as just one component of performance improvement. Web data does not include other qualitative forms of measurement (e.g. spreading e-word-of-mouth or customer satisfaction), which may be relevant when a firm is attempting to build closer customer relationships with its customers (Järvinen and Karjaluo 2015). Building customer relationships is certainly a key objective of the cases in this research and therefore, it could be proposed that the pure-play e-retailers can make use of both quantitative and qualitative performance measurement indicators for improving business operations. While Case W is analysing quantitative data to aid the opportunity-seeking, Cases M

and Q collect qualitative data from day to day customer interaction on social media platform, given their respective forms of expertise.

7.3.3 Knowledge of Visual Effect of Photos

For pure-play firms, the product photos act as the only way to deliver the product image to the customers. The majority of cases strongly highlighted the importance of online product photos in minimising customers concerns, increasing customers' intention to purchase and maximising product sales. These are strongly influenced by the style and quality of the product photo, as demonstrated by the entrepreneur in Case V who stated:

“I think for e-commerce platforms, if I am being honest, I think I am selling products but actually I am selling pictures.”

Similarly, the entrepreneur in Case V asserted that:

“The way you take the photos, including the lighting and background will affect how customers perceive the product. If you do it well, it will make a big difference. I think the way you match it and the way you take the photos will revitalise the clothes by 50%. The other 50% is about the clothes themselves. If you put the same clothes in a store you like, you will like it, but if you put it in a market stall, maybe lots of people won't care about that at all.”

The entrepreneurs in this research emphasise the value of displaying product photos online for increasing sales opportunities. They are dedicated to improving the visual effects of products photos. The form of business knowledge identified in these findings concerns the entrepreneur's understanding of the value of product photos for an e-commerce brand. The entrepreneurs understand how to design product photos for boosting online sales and how to present it, as customers often judge the products by their photos and make their purchases according to these. For example, the staff in Case V stated that:

“In terms of the competitive advantage about vision of the photos, I think it's related to entrepreneurship a lot. It needs a person who knows fashion

to know what kind of vision is correct and good because the vision of the photos is easy to be known by our competitors. Why I say it is related to entrepreneurship is because the entrepreneur has overall control of the pictures from the start of the process to the end. For instance, some competitors used the model we used to present the products but they still can't really copy us because if they change some aspects of the photos (such as the way they match clothes or the alignment of the colour of the clothes with the photo background), it will change the whole feeling about the photo."

In this quote, Case V highlighted that they make use of the visual effect of product photos to differentiate themselves from their competitors. If they use product photos which make them stand out in the market, it can be difficult for their competitors to copy their style. Surprisingly, Case V was the only case which highlighted that the visual effects of product photos acts as their primary competitive advantage, as the entrepreneur of Case V has expertise knowledge in this area.

Thus, in this context, the entrepreneurs need to have good knowledge of important elements of online product photos which may impact upon the customers' intention to purchase. Indeed, the entrepreneur in Case V placed significant focus on the importance of improving the visual effect of online products photos. For instance, he indicated that:

"Some clothes, if you see them without a model, it's different to seeing them with a model. So, lots of elements will affect how you feel when you look at the photo. The photos that you put online are very important to fashion brands in e-commerce."

More specifically, the entrepreneur in Case V highlighted the process of every step of building competitive advantage through maintaining a coherent brand image:

"I am responsible for the products and the photographic vision. Other companies, they may have lots of people to choose the products and a

few people to take charge of the photograph vision, but I will do all of this. In my case, I will take charge of the products and the photograph vision, including brand operation...Every season, the products come from me. I am still making proposals for photographs, like taking the picture and matching the clothes and setting the background of the picture. Some things, I am not just in charge, I am actually doing that on my own. So, other brands want to copy us. They can't make it, because when I am doing the first step, I am already thinking about the last step. The brand image and the photograph vision should link to each other and be coherent. The product styles should match the brand positioning...The marketing strategy and web design should match brand positioning. So, I'm taking charge of all these things and trying to connect them in a coherent way, but other firms will delegate the tasks to different staff members and do it step-by-step, but if there are some differences at each step, the results will be completely different. For example, when I design the products, I already have an idea how to match the look, what kind of model to use, what kind of feeling from the picture could go with these clothes. They may have 5 or 6 people to design the products but I think that different people will have different styles. They will have different people to match the clothes to take the photo, so the result will be different at the end because the people who take the photo wouldn't know what you were thinking about when you designed the clothes."

This quote indicates that the entrepreneur has good knowledge of presenting product photos online and is dedicated to controlling the overall direction of the firm by ensuring that there is brand coherence in each aspect of the firm's business activity. The entrepreneur in Case V has a good sense of how to take and present product photos which align with the brand image and how to control the different aspects of online product photo delivery, enabling the firm to stand out from their competitors by having a recognisable brand image in all aspects of the firm's activities. Thus, the firm's brand image, delivered through product photos acts as its competitive advantage, which cannot be duplicated, as the

entrepreneur controls the whole process to maintain their own style and brand coherence.

The significance of brand coherence has similarly been indicated in the marketing literature (Vallaster and De Chernatony 2006, Wu et al. 2014). It is proposed that the development of a strong brand image is formed through brand consistent behaviour (Vallaster and De Chernatony 2006). Brand design and visual elements can help to reinforce the brand's identity. Wu et al. (2014) suggested that brand image can be partly strengthened through the coherence of the firm's website architecture. These findings highlight that the entrepreneur's knowledge is needed to control the brand image by managing the visual effects of photos.

Building on Vallaster and De Chernatony's (2006) notion that entrepreneurial leadership plays a significant role in brand-building and the transfer of brand identity from concept into action, these findings specifically highlight the individual entrepreneur's knowledge of the visual effects of photography as a source of competitive advantage in the Taobao platform e-commerce. Although Case V is the largest of these eight case companies, the entrepreneur remains in control of the brand coherence rather than delegating to his staff members, as he perceives brand coherence and the visual effect of products photo to act as their key competitive advantage.

As well as this, there was an identified link between self-improvement and the visual effect of the firm's photos, where the entrepreneur is continually willing to learn and improve their e-commerce knowledge and fashion sense in order to improve the firm's photos over time. Indeed, a number of cases expressed that they continually adjust their visual effect of products photos to respond to the evolving online market environment, as the entrepreneur in Case V explained:

“Actually, the vision of the photos is improving every year. If you look back at the 2011 photos, you will feel that that is awful. I have an example. If you look at clothes, they can be just displayed on the model without pose or background, they are just standing there. These clothes were not selling very well with these kinds of photos, at the end we changed the model and

then changed the scene and then the sales increased a lot. From products to packages to vision, everything is improving each year.”

It is indicated in these findings that Case V has advance knowledge of how to present products online, but that they are continuing to improve and adjust the presentation of their products based on market feedback. Similarly, the entrepreneur in Case M explained the importance of re-taking product photos:

“The customers were visiting the website but they weren’t making a purchase. She started to think that it was about the product photos. We found the photos were beautiful but fake and so in the end, we re-took some photos, including the customer’s showcases with their permission and we added more details about the products to highlight their quality. We informed customers of the changes we made to the photos on social media. As a result, the sales went up.”

These two examples highlight the entrepreneur’s continuous willingness to learn and improve by adjusting their product photos according to customers’ needs and fashion trends. Indeed, the extent to which the photos (and associated brand image) are fashionable determines how successful the product is likely to sell. If the product photos appear out of fashion, they are unlikely to attract customers.

Subsequently, firms need to continually improve the visual effects of their product photos by aligning with or leading the current fashion trends. Due to these case companies operating an online fashion brand, the fashion trends and customers’ needs are changing all the time. The cases in this research operate their brands in a competitive and rapidly changing online environment, meaning that their competitors are also improving the visual effect of their products, requiring the entrepreneur to continually improve their knowledge of market needs and the environment, and to continually enhance the visual effects of their photos.

Case V placed focus upon understanding how to improve the visual effects of their photos in the interviews. As the entrepreneur of Case V is an expert in this area, he exploits his own expertise in this area to develop a competitive advantage in the market. For other cases, even though they may value the visual

effects of photos, it does not form a significant component of their day-to-day operations. It remains unclear to what extent the entrepreneur's expertise impacts upon the visual effects of photos. Nevertheless, it is worth further exploring the entrepreneur's perspective in relation to the visual effects of photos and improving sales.

7.4 Chapter Summary and Conclusion

This chapter sought to address the primary research question of the thesis centred on evidence arising from a series of case studies, with a specific focus on the entrepreneurship characteristic of business knowledge. Glavas and Mathews (2014) argued that the entrepreneur's experience may limit firms from integrating internet technologies into business processes, as it acts to restrain the tendencies of entrepreneurs to take uncertain risks and to explore new things that emerge in the online environment. This research acknowledges the point made by Glavas and Mathews (2014) that the entrepreneur's previous experience could restrain their experimental tendencies; however this research also highlights the indirect impact of some specific forms of experience and e-commerce knowledge upon the entrepreneur's Taobao e-commerce platform exploitation.

Firstly, these findings suggest that the individual entrepreneur's expertise and some experience are necessary to exploit and to develop a competitive advantage in the e-commerce market. Some expertise that the entrepreneur gained prior to the current firm affects the way that they seek to build competitive advantage. Different entrepreneurs with varying forms of expertise and e-commerce knowledge focus on different aspects when they are undertaking business activity. For instance, while Case Q and Case M tend to use social media for marketing products, Case W and Case Z prefer to use SEO to improve the exposure to their brand.

For SME pure-play e-retailers, the findings suggest that the entrepreneur focuses on developing certain expertise to offset the firm's resource constraints, where it may be difficult and costly to hire a web analytics expert. Indeed, it is proposed in the online marketing literature that SMEs are facing multiple challenges in

adapting themselves to the digital changes in the online environment, including resource constraints (Karjaluoto and Jyväskylä 2013, Royle and Laing 2014, Taiminen and Karjaluoto 2015). The firm's resources can include the technical e-commerce skills and experience of its staff members. The findings highlight the importance of entrepreneur's expertise knowledge in building competitive advantage in the e-commerce market.

Secondly, the entrepreneurs of these pure-play firms gained e-commerce experience from learning by doing in the process of Taobao platform exploitation. The experience the entrepreneurs gain from learning by doing in operating in this environment can help them to understand the e-commerce platform environment and customers better in order to carry out more effective marketing practices. At the same time, they highlight that they cannot rely on these experiences too much as they are not always applicable in a continually changing environment. Accordingly, they need to reflect upon themselves and adjust themselves to respond to the changes of the environment. These findings act in contrast with Ashworth's (2012) assertions that pure-play e-retailers should utilise cumulative e-retail experience as a way of developing multiple revenue streams and cost-effective solutions.

Moreover, building on Anwar and Daniel's (2016) research which highlight the tendencies of online firms to use an experimental approach in marketing, these findings emphasise the need for the entrepreneurs to continually carry out 'trial' and 'error' strategies in order to enhance their e-commerce operational knowledge. In the process of e-commerce operations, the concern here is not that the entrepreneurs do not have previous e-commerce experience, but that they need to use this 'trial-and-error' approach in operating in a fast-changing online environment. Subsequently, these findings suggest that the entrepreneurs need to quickly adjust themselves after they better understand what does and does not work. In contrast with Thompson-Whiteside et al. (2018), who suggested that an experimental approach should be linked to the entrepreneur pursuing what they feel is right, the entrepreneurs in this research rely on the data and continual experimentation to test if they are pursuing the correct approach.

Furthermore, these findings highlight that the entrepreneur's e-commerce knowledge interacts with the e-commerce platform as the back-end data on the Taobao platform acts as an important path to gain customer insight. The entrepreneur's data analytical skills aid them to better perceive opportunities on the e-commerce platform. The entrepreneurs need to use their data analytical skills to analyse the conversion rate, the traffic and the sales trends, etc to identify the opportunities in the e-commerce market. However, this finding acts in contrast with those of Järvinen and Karjaluoto (2015) who assert that the use of web analytics is primarily backward-looking and has limited use in predicting future customer trends. While data relates to customers feedback in the past, it can also predict future sales trends, depending on how the entrepreneur perceives opportunities from the data. Thus, it is necessary to combine the entrepreneur's data analytical skills with their proactive perspective when interpreting and acting on the data. This research also provides empirical findings about how the entrepreneur interprets data and seeks opportunities from the data.

However, Royle and Laing (2014) highlight that a gap may exist between the entrepreneur's technical understanding of the data and the entrepreneur's knowledge of how to put the data into action and subsequently improve the firm's business activity. Therefore, these findings suggest that in today's 'big data' age, firms often adjust their future business activities according to web analytics. However, it is also suggested in this research that firms need to innovatively and proactively exploit the opportunities that emerge from the data. Royle and Laing (2014) propose that in order to make effective use of web analytics, the skills gap needs to close between technical and business knowledge. Therefore, there is a need to further examine how the entrepreneurs improve the knowledge and skills of how to interpret the data and to identify the opportunities from the data in order to implement the data in practice.

In conclusion, this chapter enhanced the understanding of the role of business knowledge, an entrepreneurial characteristic, in underpinning the decision-making behind Taobao e-commerce platform exploitation. It has considered how

business knowledge impacts upon the opportunity-seeking processes and e-commerce platform exploitation strategies of pure-play e-retailers. In the following chapter, another entrepreneurial theme emerging from the thematic analysis, relationships and networking, will be discussed, with focus on how it relates to the firms' exploitation of the e-commerce platform.

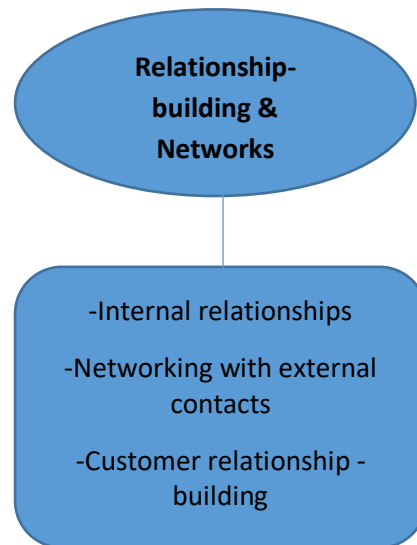
Chapter 8: The Pure-play E-retailers' Entrepreneurship Characteristics- Relationship-building & Networks

8.1 Introduction

Drawing from the thematic analysis, the findings of this research highlighted the relationship-building & networks as an entrepreneurial theme. While researchers (Franco et al. 2014, Hills, Hultmann and Kilenthong 2016, Resnick et al. 2016) have examined and assessed the entrepreneur's 'networking', the findings of this thesis indicate the importance of the entrepreneur's relationship-building skill with staff members, shareholders and customers. Thus, this research emphasises the importance of *network resources* as well as *relationship building skill* for the firms in exploiting the e-commerce platform.

This chapter aims to enhance understanding of how and why the entrepreneur's relationship-building skill and network resources aid the process of Taobao platform exploitation. It considers how the entrepreneur can leverage their network resources to create added value when carrying out marketing activities on the e-commerce platform. It was identified that the entrepreneurs were able to build relationships with multiple actors: firstly, internal relationships with staff members and shareholders, secondly, relationships with customers and, thirdly, external relationships with suppliers, competitors and other firms (See Figure 8.1).

Figure 8.1: Key Dimensions of ‘Relationship-building and Networks’



8.3 Internal Relationships

8.3.1 Highly Tolerant Working Environment

In these findings, a significant component of the entrepreneur's relationship and networking skill is related to internal relationships. The entrepreneurs' internal relationships were demonstrated by their relationship with staff members and shareholders. Three case companies highlighted the importance of relationships with staff members. The relationship with staff members is related to the entrepreneur's leadership style and how the entrepreneur manages relationships with their employees to make them work for the firm in a productive way. For example, the entrepreneur in Case V highlighted that the firm should allow employees to make mistakes when they are trying new things, allowing the firm to develop from the mistakes:

"In the process of making the change, we will also make some mistakes but just because our team is tolerant, as it is impossible to be perfect every time. If the organisation won't allow any mistakes, this company won't develop because you need to try some new things, you need to make mistakes. Everybody will make mistakes."

In these findings, emphasis was placed upon ways in which the entrepreneurs create a positive psychological environment for their staff members. If the psychological environment is tolerant, the staff members are more likely to develop and be creative. Similarly, the staff in Case X highlight that the entrepreneur is not dictatorial in making decisions which motivates them to be open to express their innovative ideas. For example, the staff in Case X said:

“He is a boss who is easy to communicate with and he is an open-minded boss. We can always say no to him. Sometimes if he asks me to do something, and then I will say no, he will ask why and I will tell him the reason..... He is a boss who is easy to communicate with.”

The above process could allow the firms to engage in more creative strategies and solutions. Indeed, in this context, the entrepreneur is open-minded to accept the staff members' ideas, enabling them to evolve to the current online environment and engage in multiple creative activities. If the entrepreneurs are open-minded, it can facilitate the generation of an innovative environment and the development of innovative ideas from staff members.

Cases V and X indicated that they were inspired by internal sources in developing creative strategies and solutions. Here, the staff members of Cases V and X indicated that as the entrepreneur is open-minded, they are more likely to support and encourage the employees to propose and try out some new ideas. As Phan, Zhou and Abrahamson (2010: 181) assert, allowing creative ideas to emerge from an open-minded environment can act as “the starting point of innovation”. The definition of open-minded as an antecedent to innovative practice in this context aligns with this assertion. In this context, if the entrepreneur is open-minded, it can allow them to adopt ideas from external (e.g. other e-commerce companies) and internal (e.g. staff members) sources, enabling them to evolve to the current online environment and engage in multiple creative activities.

8.3.2 Influential

In these findings, it was indicated that the entrepreneur has an influential role when managing his team, meaning that the entrepreneur's behaviour can impact upon the staff member's attitude to work. For instance, the entrepreneur in Case M indicated the influence that his persistent nature had on his employees:

"...being persistent is very important and this persistence would affect your staff members. When the sales are going down, the staff members may start to give up. At this time, you shouldn't give up on your beliefs and that will encourage your staff members to pull themselves together."

In these findings, the staff members may adopt the spirit or characteristic of the entrepreneur. Similarly, Cases Q and W highlighted that the entrepreneur having a willingness to learn is influential upon the staff members as they are likely to learn from their boss, influenced by their characteristics. These findings highlight the key role that the entrepreneur plays and the significant influence that they have in the firm-level entrepreneurship processes. Such an influential role means that the entrepreneurs can motivate their employees to work more effectively for them.

Therefore, these findings highlight the nature of firm-level entrepreneurship, where the staff members may adopt some of the characteristics of the entrepreneur. This could be also considered as 'intrapreneurship', as highlighted in the entrepreneurship literature (Antoncic and Hisrich 2003) where the entrepreneur can influence their staff members to adopt the 'spirit of entrepreneurship' within the firm.

8.3.3 Fostering Staff Members

In these findings, it was indicated that, as well as being influential towards their employees, the entrepreneur would also guide and foster his staff members in a supervisory role. Here, the entrepreneur would guide them according to the overall direction and vision of the firm but would allow the employee to put their ideas into practice themselves. The entrepreneurs in this research encourage

their staff members to be autonomous in their own work. For instance, the staff member in Case W explained that: *“He (the entrepreneur) will give us guidance, help and support if we have any problems. He will help us to sort it out. He is just like our supervisor.”*

Moreover, the entrepreneur in Case V discussed the importance of allowing their staff members to be autonomous: *“Actually, before, we won’t get involved in our employees work that much so we hope they can gain experience by themselves and then we can let them be autonomous.”* The staff member in Case V concurred:

“I know entrepreneur V better because I am in his department. He is the kind of person who cares about details more and he is high-demanding. He will influence our work but he won’t exclude anybody. He won’t disrupt other people’s thinking.”

The importance of giving the employees autonomy is highlighted by Case V. The entrepreneur gives the staff members an overall direction to work towards but allows them to put the firm’s aims and objectives into practice autonomously. In such a way, the staff members can learn by themselves and gain experience of working for the firm. Here, the entrepreneur takes on a fostering role in supporting and guiding the staff members in working towards the firm’s overall aims and objectives, while, at the same time, allowing the employees to express themselves and gain experience from carrying out work, uninterrupted by the management. In placing greater trust in the staff members, the entrepreneur can expect their team to be more motivated and willing to work for them.

The entrepreneur of Case V is concerned with how to manage, guide and direct staff members in order to meet the overall objectives of the firm. Thus, these findings highlight the importance of managing the relationships with the staff members. Here, the entrepreneur is not always a leader or manager but also sometimes a friend or supervisor to guide the employee which can allow the entrepreneur to effectively maximise and exploit the abilities of the employee.

As well as this, the entrepreneur of Case X focuses intensely on internal relationships in management and regards relationship with staff members as crucial. He greatly values his staff members and tries to build “Guanxi” with them in order to instigate the whole team to work towards the firms’ vision together e.g. frequent informal interaction outside the office together. The entrepreneur in Case X specifies ‘Guanxi’ building, regarding the staff as a “family member” and “helping them develop”. For example, he indicated that:

“I also focus on internal relationships. I focus on my colleagues, even if they don’t have the ability to do their job. I won’t give up on them straight away. I will regard them as a family member. For example, a human resource manager, I put him in this position for three months. She wasn’t ready to do that at the beginning, but I realised her logic is good, but she just doesn’t have enough experience, I think she can do that so I encouraged her to develop. I try my best to help her. If we are colleagues, I think I will have responsibility to help you. We are developing together. I won’t give up anyone unless I don’t have any another choice”

8.3.4 Relationship with shareholders

In this research, the findings also examined relationships with shareholders in considering the entrepreneur’s internal relationship-building. However, only Case V placed significant importance upon relationship with shareholders, as the entrepreneur of Case V stated:

“I think why our team develops is just because each shareholder works well with each other and knows each other’s responsibility...You are in charge of your own specialist field and lots of companies fail because the entrepreneurs can’t get on along with each other”.

Thus, it is recommended that the entrepreneurs in e-commerce environments should allow the shareholders to work independently on their own ideas and with their own perspectives and skills, in order to ensure the smooth running of different departments within the firm. This is particularly applicable for Case V as the largest company in this research, employing over 200 staff members. If the

entrepreneurs do not know how to manage the “Guanxi” with the shareholders, the firm is liable to eventually go bankrupt.

These findings build on the literature (Hambrick and Mason 1984), where the importance of allowing shareholders to be autonomous and express their own ideas is highlighted. Hambrick and Mason (1984) propose that in dynamic environments, heterogeneous management teams perform best. It is important to have diverse teams when working in dynamic environments, such as e-commerce, where wider perspectives and a range of skills can be accessed.

Therefore, in order to better access their skills, these findings highlight the entrepreneur's ability to manage relationships with their shareholders and employees. The ways in which the entrepreneurs manage the relationships with their employees and shareholders impacts upon the nature of the working environment. In this way, the entrepreneur can build trust by developing ‘Guanxi’ with the staff members and shareholders. The findings suggest that the staff members are more likely to be creative in a friendly working environment. Building a good relationship with shareholders and staff members tends to positively impact on overall business management and indirectly the exploitation of the e-commerce platform for opportunity-seeking.

The entrepreneur's internal relationships with employees and shareholders primarily concerns how to motivate them to work for them as they are SMEs. In this research, rather than managing them, the entrepreneurs seek to build close relationships with the staff members and shareholders. With staff members, the entrepreneur is driven by motivating them to be innovative and by enabling them to be fast to respond to opportunities in the e-commerce market. Without management experience, these entrepreneurs may lack know-how of managing employees and demonstrate limited evidence of how to do this, but they indicate willingness to coordinate and manage the team to enable fast response to opportunities in the market. As well as internal relationships, the entrepreneurs in this research also need to build and manage relationships with external contact and use the external network resources to exploit the Taobao platform.

8.2 Networking with External Contacts

A significant element of the entrepreneur's relationship-building and networking emerged through their networking with external contacts. Coviello and Munro (1995) and Etemad and Lee (2003) suggest that firms can improve their position in the market and gain new clients, suppliers and customers in a cost-effective way by forming relationships with a number of different stakeholders. In this research, the external contacts which were identified to have impact upon Taobao platform exploitation include suppliers and other e-commerce firms. External networks enable the firm to access extended resources and information in order to build a competitive advantage.

The majority of cases strongly indicated that they have a good relationship with the supplier in order to shorten the production cycle and in order to get the products delivered on time, allowing them to respond to market opportunities in a timely fashion. For example, Case B expressed that they benefit from a good relationship with the supplier:

"We can have a short production cycle...So, it means we have a good relationship with the factory. We can make a new style of shoes in a week...we can respond to the market opportunities very fast. We can produce the products that the customers need in a short time."

The entrepreneurs can also delay the payment time with the supplier if they have a good relationship with them. Having a good relationship with the supplier means that the entrepreneurs can build trust with them, allowing them to overcome some problems related to turnover of capital. As highlighted in Chapter 6, the ability to quickly update products can aid firms to grasp the opportunities in a timely manner.

Indeed, Golicic et al. (2002) highlighted the importance of supply chain management (i.e. the management of relationships with those in the supply chain) when the firm is dealing with the uncertainties of a market, particularly important as the selected pure-play firms are operating their businesses in dynamic markets characterised by uncertainties. Effective supply chain

management can reduce the stock and investment risks associated with the implementation of business activity and can result in a creative form of cost-cutting and profitability.

However, the entrepreneur in Case X also stated that:

“if you are talking about external relationships, it’s not that important now because if you can develop the brand very well, potential partners will be attracted to approach you”

In these findings, the entrepreneur in Case X believes that if their brand develops very well and has a good reputation, the suppliers are more likely to trust them. The entrepreneur asserted that external relationship building is not the essential element of firm development, where a well-established firm would normally find it easier to build relationships with suppliers compared to start-up firms. He gave an example: the firm needed to pay the shoe supplier immediately in the early stages, or the supplier would cut off production. However, now they do not need to pay immediately and they can even use the suppliers’ warehouse to stock their shoes. This highlights the strong relationship between the firm and the supplier that was enabled after the brand developed its reputation. In this way the firms can overcome their resource constraints and improve their ability to better respond to customers’ demand.

Moreover, networking with external contacts enables the firms to access more resources and more opportunities. The entrepreneurs utilise their network resources by co-operating with other firms in order to reach more customers. A number of cases in this research indicated that they make use of collaborative promotions in order to attract new customers to their brands. Cases A and M highlighted that they use their own network resources to conduct diversified online promotional events in interacting with customers and in getting to know customers’ preferences. For instance, Case A indicated that they co-operated with other firms’ accounts on WeChat, although there was no evidence of this in the observation. The staff member in Case A also expressed that they use the

internet for co-operating with a specialist photography store in Shanghai. They are the only case identified to co-operate with a physical store.

As part of a competition event called 'Looking for an Angel', children were invited by the firm to go to the specialist photography store and have a photo taken wearing a party dress. Later, the children were asked to display the dress at a catwalk show in Shanghai and walk on the catwalk like a model. The brand asked the followers on Wechat to vote for their favourite photo and video, with the winner receiving a free party dress.

Thus, the entrepreneur of Case A co-operated with the specialist photography store to make the promotional event more interesting and to help spread awareness of the brand and to increase customer engagement with the firm. The entrepreneur exploited her network resources when developing the firm's competition events, in line with Mort, Weerawardena and Liesch et al.'s (2012) recommendations for SMEs to maximise their network resources. In doing so, the firm's competition events can become more diversified and creative.

Moreover, Case M uses social media and Taobao to seek potential collaborative partners for online promotions. For example, Case M indicated that they co-operate with other bloggers and online blogger stores as a way of promoting their brand online. The firm sent shoes to other fashion bloggers for them to wear when sharing posts online. The entrepreneur of Case M chose fashion blogs which were not very well known at that time and who would be more willing to co-operate. When Case M began to promote their brand in this way, few other firms were doing this. The entrepreneur in Case M did not insist that the blogger does this, but instead simply sent the shoes to them. The bloggers felt more comfortable in this way and were more likely to wear the shoes when doing an online showcase.

In addition, Case M promoted collaboratively with fashion bloggers by targeting those potential customers who already visit fashion blogs online and who are more likely to be interested in discovering new fashion e-commerce brands. Case M indicated that they attracted many more customers in this way. Here, the

entrepreneur needs to know how to manage the relationship with the fashion bloggers to make their collaborative promotion work effectively, highlighting the importance of the entrepreneur's ability to deal with network relationships.

The entrepreneur in Case M explained the success of doing this:

"She (the other blogger store's entrepreneur) wore my shoes when she displayed her clothes on their webstore. In the end, I found that this worked very well. Lots of her customers think that the shoes match the outfit very well, so when they buy the outfit, they want to buy the shoes too, like a set. They found my blog because of this and it works very well, the conversion rate is very high now. I think that it's because I target this promotion towards a specific group of people".

Here, Case M may be able to get supplementary online traffic from collaborating with other blogger stores. As the visitors are from the other online blogger stores, they are subsequently more likely to make a purchase. The entrepreneur in Case M cooperated with a fashion blogger brand which is selling different types of products but which have similar 'chic-styles'. In this way, both Case M and the fashion blogger store can achieve a win-win as they have similar target customers. This relates to how the entrepreneur exploits their network resources and integrates these into their business strategy.

Moreover, the entrepreneur in Case M highlighted their co-operation with a TV host in Shanghai:

"At the beginning, I worked with a tv host. I co-operated with them and asked them to wear my shoes on their tv show. I thought in this way, I could spread awareness of my brand because my partner is a tv host and she will ask her colleagues to wear my shoes in their tv show.... At the beginning, the tv hosts in Shanghai wore my shoes. I would just send them the shoes as gifts because my partner is their colleague so they were happy to wear them. I was trying to make my brand famous in this way and improve the sales and although I found that it spread my brand awareness, it didn't improve my conversion rate"

In practice, most of the TV show's audience was not the firm's target market, as this group of people may not do shopping online often: even though they may know what brand of clothes the TV host is wearing, most of the audience are unlikely to make the purchase. Thus, the conversion rate did not increase, and the entrepreneur changed strategy to instead cooperate with blogger stores, which is considered by the entrepreneur to be more likely to reach their target market.

To an extent, co-operation with competitors aligns with Byun, Song and Kim's (2016) definition of 'co-promotion' where it is seen to be highly beneficial and efficient for SMEs to pool their limited resources together when devising promotional strategies. Indeed, by co-developing marketing activities, SMEs can form strategic alliances with other firms in order to overcome traditional resource constraints (O' Dwyer, Gilmore and Carson 2011). The use of the internet can allow firms to develop better network co-ordination and enhanced network resources (Drew 2003, Ahktar, Azeem and Mir 2014)

The entrepreneur innovatively exploits their current network resources to develop promotional techniques that are more subtle or creative in nature. Collaborative promotions can therefore act as an innovative marketing tool; however, Cummins et al. (2000) suggests that the activities do not necessarily need to be original in order to be innovative. By promoting collaboratively, in a similar way to advertising more broadly (e.g. on TV or on the third-party e-commerce platform), the firms' co-promotional events in this research could expand the market and attract more customers to their brand.

The entrepreneur's networking skills are identified to be key in facilitating the diversification of promotional events. The use of offline resources as a complementary element in this research acts in contrast to the findings of Harrigan and Ibbotson (2012) and Sinkovices and Jean (2013) who indicate that traditional SMEs use the internet as a complementary tool to improve the effectiveness of offline marketing practices. In the pure-play e-retailers context, online marketing acts as their main marketing approach. Here, entrepreneurs need to stretch their resource to add to the diversity of online marketing events.

Case Z indicated a novel form of product promotion whereby they manage relationships with some of their competitors by co-operating with them. These competitors may be former staff members who left to form their own businesses and become competitors. Indeed, the entrepreneur in Case Z gave an example:

“Actually, in our company, some staff members work here and then they left to do their own business after gaining some experience from here.... Some of them make their own businesses but they become our co-operators because our brand is not a big brand at this stage. Some people may be upset, but I think it’s fine. I think that’s normal. You teach other people, they make their own business. They may make similar stuff to your brand, but some people may feel that they can’t bear this or that that is ridiculous, but in this online environment, it is ok. The nature of the online environment is that you can see other people’s actions. It’s good to have one more co-operator. For example, you can promote the same style of clothes at the same time (by SEO) but because your brand has been built for a few years, the customer may prefer to buy the products from you. We are just sharing the cake. Male clothes are different to female clothes. Males don’t worry about clashing outfits. For example, we have a down jacket which has been a best-seller for four years in a row and then I will ask my co-operator to sell these.”

Whereas some large firms may aim to lead the market, Case Z rather wants to simply ‘share the cake’. In this way, the entrepreneur in Case Z is able to save the cost of promoting new products. Their cost-effective form of promotions is benefitted by the entrepreneur’s relationship-building with competitors. These competitors had only recently launched their business and were more than happy to co-operate with a well-established company to promote their products. Although they may not gain the maximum profit from this form of promotion, they can share certain benefits with Case Z to meet their current goals. From observation, there is no clear evidence that the cases are co-operating with other brands, but it can be identified that the same styles of clothes are being sold in multiple stores on Taobao.com.

According to the research findings, Case Z is seeking to use different ways to reduce the cost of promotions and overcome their resource constraints. Here, the entrepreneur in Case Z manages the relationship with the firm's competitors in an innovative manner, by creatively exploiting their network resources to reduce the costs of promotions. While a traditional perspective would not recommend co-operation with competitors, these findings suggest that what is important is the co-operative mode that the firm uses: as long as there is an appropriate co-operative mode, even competitors can have limited co-operation with each other. Here, the entrepreneur in Case Z knew how to deal with the relationship with their competitors in that time and achieved a 'win-win'. Accordingly, both firms can benefit from this innovative form of cooperation.

The entrepreneur's networking resources also helps them to build a competitive advantage in product design. For example, the entrepreneur in Case Q was able to access more ideas for clothes design by networking with Western designers. As the staff member in Case Q described:

"Most of the styles are from foreign designers because she [the entrepreneur of Case Q] studied in the UK so she has some contacts there...She is living in London, so she can access more contacts there."

These findings suggest that exploiting their network resources can aid the firms to build competitive advantage in the digital economy, concurring with the assertions of entrepreneurship scholars (Oviatt, McDougall and Loper 1995, Coviello and Munro 1995, Braun 2002, Glavas and Mathews 2014). Indeed, in this thesis, networking with suppliers and firm collaboration is identified to be particularly useful for SMEs in the e-commerce industry which may be resource and time-poor. By taking advantage of network relationships, SMEs can overcome traditional financial constraints and develop more cost-effective marketing strategies. These SMEs can benefit each other and achieve a 'win-win'. Networking effectively with suppliers and other companies can allow the firm to access more resources and information, leading to more opportunities being created. Effectively, networking for e-commerce firms acts as another kind of resource that they can use.

In these findings, not every case highlights the importance of networking resources or shows evidence of using networking resources, perhaps due to their lack of networking capabilities. However, it is nevertheless evident that these cases are seeking to stretch their current network resources to exploit the e-commerce platform. It can also be suggested that if the firms can use their network resources to better understand the changes in the online environment or use external network resources to cooperate, they can improve their e-commerce operations. As well as building and maintaining relationships with external network contacts, the findings also indicated the importance of online customer relationship-building which will be discussed in the following section.

8.4 Customer Relationship-Building

The entrepreneurs' relationship characteristic in these findings is also demonstrated by their skill and knowledge of customers relationship-building online and their ability to build an online customer base. Building relationships with the customers can allow the firm to maintain a loyal customer base in the long-term. As well as this, forming 'guanxi' relationships may allow greater protection for entrepreneurs and trust among individuals. In this research, the majority of cases highlighted the importance of building customer relationships. For example, the entrepreneur in Case Q stated:

"I don't need to use the government's networks, I don't think that is important for e-commerce but I care about customer relations a lot because when my employees saw the data, they were surprised, because around 60-70% of sales are from return customers. Lots of customers will become return customers. I think it's not just about the quality of the products, it's that they trust me. Sometimes, I will communicate with them myself online, not just on Weibo. Sometimes, I will work in customer service to talk with the customer. I regard each customer in the same way, no matter if they are VIP customers or normal customers. I also ask my customer service team to do this."

She also explained how she builds relationship with the brand's followers:

“I share my life, my work, so that the customers could know me more, some followers who have followed me for a long time, it is like we are old friends. “

This not only demonstrates the long-term benefit of customer relationship building but also highlights the importance of the individual entrepreneur's skill and perspective in customer interaction for small firm's long-term growth. It requires the entrepreneur's online social networking skills in managing a social media page to retain and develop followers. This is more than simply the technical skills of operating a social media page but knowing how to build intimate contact with customers in a virtual online environment and to build trust with them. They call this building “friendship” with customers. This does not refer to the entrepreneur's personal social contacts as the literature suggests (Shaw 2006, Bowey and Easton 2007, Miller, Besser and Malshe 2007, Franco et al. 2014).

Rather, in these findings, the entrepreneur's networking with customers is driven by their ability to interact online. As they are an e-retailer, it is less likely that the entrepreneur's personal network would be made use of in accessing potential new customers as Franco et al. (2014) suggested. This is not like B-2-B networking where personal contacts may lead to additional orders for the firms. It is about their willingness to deploy the firm's resource to build and maintain customer relationships.

Moreover, as blogger stores, the entrepreneurs in Cases M and Q have already built up a large number of followers which act as their customer resource. Both Cases M and Q have a high rate of return customers as they have built strong relationships with their customers compared to the other six case companies. In this way, the relationship is between the customers and the entrepreneur rather than the brand itself, whereby the customer has formed a strong relationship with the entrepreneur and is more likely to trust the products that they are selling. Indeed, Gefen and Straub (2004) highlight the importance of a high level of social presence and customer interaction for e-commerce firms.

These findings highlight the importance of the entrepreneur's personal account for developing closer customer relationships. By interacting directly with the entrepreneur, the customer can feel closer to and more intimate with the brand. In this way, the customers are following the entrepreneur and can get to know the brand through the entrepreneur, rather than interacting with the brand itself. Subsequently, if they feel personally connected to the entrepreneur, they are more likely to stay loyal to the brand and make return purchases.

Indeed, the entrepreneur in Case M said:

"I think our competitive advantage is that we have built good customer relationships. At the beginning, I was just selling shoes, but even though I started to sell clothes, the customer still wants to buy clothes because they trust me whatever I sell."

Thus, this represents a key benefit of forming strong online relationships with customers, whereby the customer base can act as a resource for the firm. Not every entrepreneur has such resources. For example, Case Q has approximately 100,000 followers in their Weibo account which acts as one of the main sources of Case Q's online traffic.

This research highlights the role that the entrepreneur's online customer interaction can play in small firms in aiding the relationship building between the brand and customers. By establishing a stronger social presence in the e-commerce environment, through multiple channels (e.g. social media, live chat), the entrepreneur can build trust and familiarity with the customer, which can increase purchase intention and, in the longer-term, customer loyalty (Gefen 2000, Gefen and Straub 2004). Ultimately, by forming close relationships with its customers, firms can gain a competitive advantage in the market, with the customers acting as their asset to differentiate them from other firms.

Moreover, the entrepreneurs in this research indicate that they have built up personal, intimate relationships with their customers which impacts on the activeness of customers' engagement including spreading awareness of the brand by e-word-of-mouth and co-creation (Naumann and Bowden 2015). The

specific ways that the firms are building long-term customer relationships online were discussed in greater detail in Section 5.4.

Thus, the individual entrepreneurs' skill in building relationships with customers on the e-commerce platform has been highlighted in these findings. This skill can be beneficial for micro-firms in retaining customers in the long-term. For larger firms who need to deal with a greater number of customers, it is not feasible for the entrepreneur to personally interact with every customer online: this would instead require support from the staff members.

8.5 Chapter Summary and Conclusion

This chapter has responded to the primary research question of the thesis centred on a series of cases in drawing out a specific entrepreneurial characteristic based on thematic analysis, namely relationship-building and networking, linked to the firm's exploitation of the e-commerce platform. These findings highlight the importance of network resources as well the "relationship-building skills" in the process of Taobao platform exploitation for seeking opportunities. As the literature suggests, by exploiting the entrepreneurs' network, firms can have greater access to financial resources and social capital too (Bowey and Easton 2007, Miller, Besser and Malshe 2007, Zhang 2011). Thus, the findings in this research build upon the understanding of networks and networking in the entrepreneurship literature (Gefen 2000, Hill and Wright 2001, Gefen and Straub 2004) where the role of relationship-building in generating social capital resources to aid e-commerce operation is highlighted. Networks and networking can become one of the firm's resources and sources of competitive advantage if carried out effectively, supporting the assertions of Braun (2002) and Glavas and Mathews (2014).

Firstly, this research highlights the importance of managing relationships with internal contacts, including shareholder and staff members, rather than simply managing them or leading them as employees. Here, the entrepreneurs seek to generate a highly tolerant working environment to motivate 'intrapreneurship' (Antoncic and Hisrich 2003), especially related to innovation, to respond to the

competitive fast-changing e-commerce platform environment. The findings also highlight the importance of the “influential” and “fostering” role of the entrepreneur in managing relationships with staff members. As the case companies in this research are SMEs, they have resource constraints in hiring specialists or experts to work for them. It is important for the entrepreneur to influence and foster the staff to more effectively respond to the developing market environment.

Secondly, these findings highlight the innovative ways in which the pure-play e-retailers employ network resources to generate online marketing strategies on the e-commerce platform. By collaborating with other firms and individuals, SMEs can more efficiently and effectively make use of their limited resources in attracting customers to their brand (O’ Dwyer, Gilmore and Carson 2011, Byun, Song and Kim 2016). The entrepreneurs’ offline personal contacts were complementary to their online marketing strategies to aid their diversity and effectiveness. This finding is distinct from the research (Harrigan and Ibbotson 2012 and Sinkovices and Sinkovices 2013) that highlights the use of online resources in aiding the effectiveness of offline marketing of traditional SMEs. The entrepreneur stretches their offline resource to facilitate the exploitation of the e-commerce platform to respond to the fast-changing online environment. In addition, the external network resources are used to aid the firms to reach a broader range of customers in a cost-effective way.

Thirdly, the individual entrepreneur’s “online relationship building” skill with customers has been strongly highlighted in the entrepreneurial process in this context, relating to frequent interaction with customers and to building customer intimacy. In these findings, the networking concept is placed in an online context. These findings shift the focus of relationship-building with customers from an emphasis on the entrepreneur’s personal social contacts for business growth (Franco et al. 2014) to online social networking. The importance here is not simply about the entrepreneur’s network resources, but rather about their customer relationship-building skills. It is suggested that the individual entrepreneurs online network skill should be emphasised for e-commerce firms to build intimate online contact with customers. The entrepreneurs build the firm’s brand through

developing a brand of themselves on their social media page. They build “friendship” with customers online to aid firms’ long-term growth, relating to the concept of ‘Guanxi’ (Lin 2001, Tsui et al. 2002, Batjargal 2007), a Chinese form of social networks that places greater emphasis upon emotional ties and the intimacy of interaction.

Overall, this chapter sought to enhance understanding of one of the identified key entrepreneurship characteristics in this research, relationship-building and networking. It has considered how this characteristic impacts upon the pure-play e-retailers’ ability to exploit and adapt to the Taobao platform and how it underpins the firms’ decision-making in the online context. In the following chapter, the findings from Chapters 4 to 8 will be synthesised in order to develop an exploratory inductive framework and draw out the primary contributions of this research.

Chapter 9: Conclusion

9.1 Introduction

The previous five chapters provided a detailed examination of the identified entrepreneurship characteristics that emerged from thematic analysis in relation to pure-play e-retailers and the Taobao e-commerce exploitation. The key findings of these five chapters are synthesised to develop an inductive and exploratory framework in order to respond firstly to the principal research question of the thesis and secondly to consider how these contribute to broader theoretical debates. This chapter thus develops an inductive framework to demonstrate how the entrepreneurship characteristics impact upon the exploitation of the Taobao platform based on the findings and summarises how these contribute to a greater knowledge and understanding of entrepreneurship and entrepreneurial marketing in an e-commerce context.

Following this, there is a critical reflection on what has and what has not been achieved in the thesis, given the scope and scale of the research. Accordingly, suggestions for future research to pursue are given that build upon the research carried out in this thesis. Subsequently, the research implications for e-commerce firms are outlined, in light of the key findings and contributions of this research.

9.2 The Exploratory Conceptual Framework

Drawing out from the five chapters, this research builds an inductive conceptual framework in order to illustrate the impact of the entrepreneurship characteristics upon the exploitation of the Taobao e-commerce platform for market opportunities (See figure 9.1). This framework demonstrates that the Taobao e-commerce exploitation process is underpinned by five identified entrepreneurship characteristics (innovativeness, forward-looking perspective, fast-mover, business knowledge, relationship-building and networks). The Taobao e-commerce exploitation process is situated within the external online environment (lack of trust, the relatively homogenous market environment, fast-changing online market needs, aggressive competition and technological development) and the entrepreneurship characteristics are shaped by these.

The relationships in the conceptual framework are indicated by two-way arrows. These arrows refer to the relationship between the entrepreneurship characteristics and the exploitation of the Taobao e-commerce platform. While the way that the Taobao e-commerce platform is being exploited is influenced by the entrepreneurship characteristics, these characteristics are also being developed in the process of e-commerce exploitation. How and why each of the entrepreneurship characteristics impact upon and are reflected in the process of Taobao e-commerce platform exploitation is detailed below.

Innovativeness emerged in this pure-play e-retailers context as a non-technological form of innovation. These findings highlighted the firms' continual innovation of products and marketing communications in the exploitation of the Taobao platform. Innovativeness was indicated to be important in an aggressive and relatively homogenous market to enable the pure-play e-retailers to stand out from competitors. The entrepreneur's innovative ideas enable the firm to develop co-creation events in order to engage customers on the platform, while, at the same time, the creative ideas introduced by customers during the events enhance the entrepreneur's innovative tendencies. The online environment stimulates the e-retailers to quickly innovate products and marketing campaigns. In the process of Taobao platform exploitation, it is important for pure-play e-retailers to innovatively deploy resources to respond to the opportunities and challenges which emerge in the online environment. In order to effectively respond to these opportunities and challenges, there is a need for innovativeness.

Innovativeness was indicated to facilitate the entrepreneurs' ability to fast respond to opportunities in the market. In these findings, **fast-mover** relates to quickly responding to the online environment and to the emerging opportunities in this environment. In exploiting the Taobao e-commerce platform for launching new products and marketing events, the findings indicated the importance of being fast for pure-play e-retailers in taking the initiative, responding to threats of aggressive competitors and grasping the opportunities which emerge from the

fast-changing online environment. While innovativeness has been identified as an aid for the entrepreneur's fast-moving tendencies, they do not always need to be innovative in the process of quickly responding to opportunities in the market.

Forward-looking perspective refers to the entrepreneurs' ability to perceive unnoticed opportunities in the online market environment. After the entrepreneurs perceive the opportunities in the market, they need to be fast to respond to them. In the process of Taobao platform exploitation, it is important for the entrepreneurs to perceive timing in the launching of marketing events in order to grasp the opportunities in the fluctuating market. It is also important for them to have a long-term perspective in exploiting the e-commerce platform in an online environment which is characterised by a lack of trust. In conducting marketing campaigns from a long-term perspective, firms can build trust with customers, which is beneficial for customer interaction and product presentation.

Business knowledge was highlighted as important in the process of the e-commerce platform exploitation in the big data age. Effectively analysing the back-end data of this Taobao e-commerce platform can aid the entrepreneur's forward-looking perspective in identifying opportunities in the market. The entrepreneur's data analysis skills facilitate their forward-looking perspective as the analysis can indicate future customer needs and market opportunities. Indeed, there is a complementary relationship between business knowledge and a forward-looking perspective. Business knowledge primarily refers to the entrepreneur's data analysis skills and the knowledge that the entrepreneurs collect from learning by doing in the process of operating on the platform.

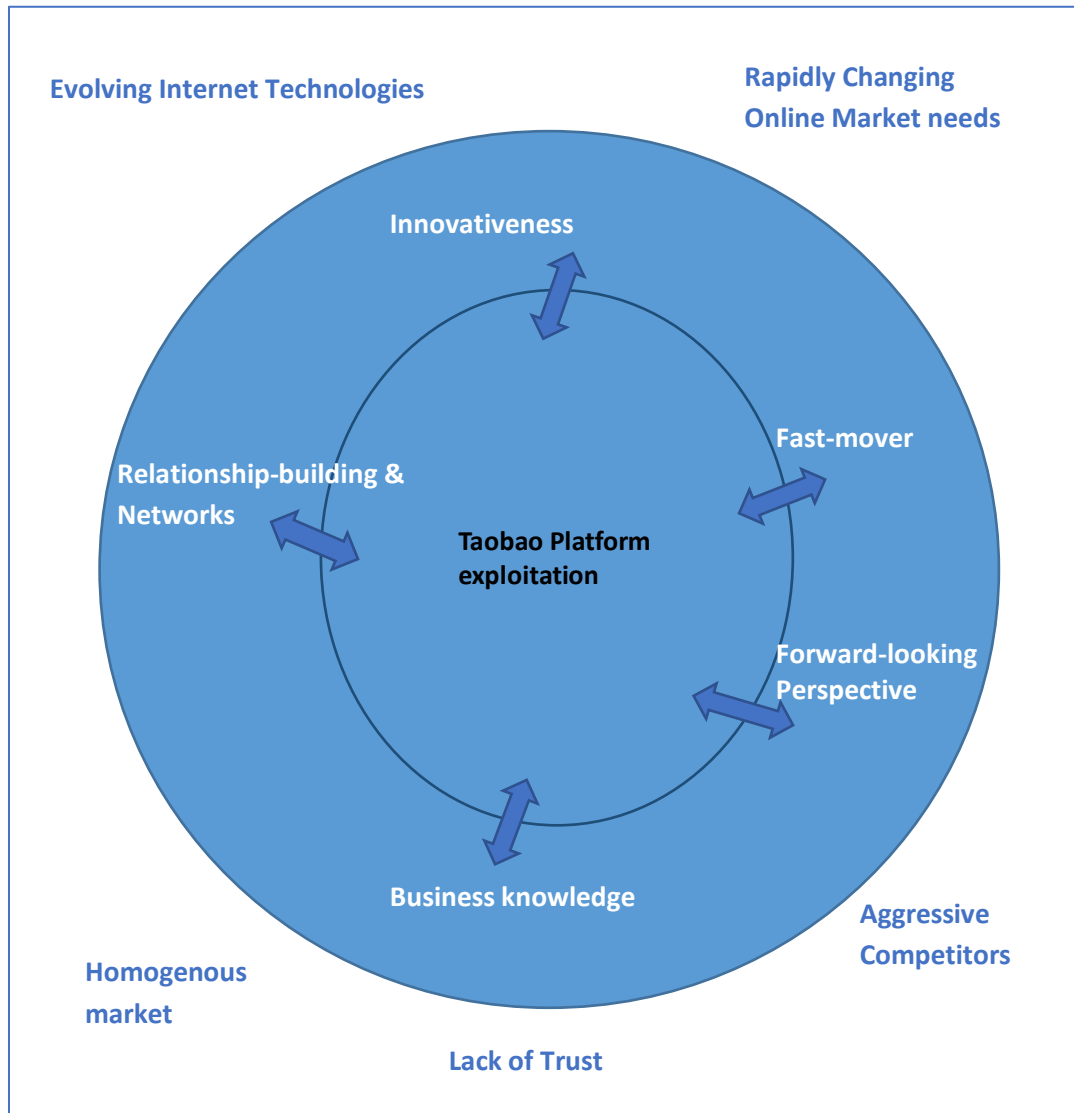
The entrepreneur's expert knowledge and previous experience influences them to build a specific competitive advantage in the online market. The entrepreneurs need data analysis skills to make sense of the data and the fast-changing online environment enables them to understand the market needs and to gain customer insight. The fast-changing online environment and continual developments in technology contains uncertainties which requires the adoption of a learning by doing and a trial-and-error approach. There does not exist a well-established framework or method for successfully responding to uncertainties in the market.

Business knowledge also aids **relationship-building and networks**. From their previous experience and knowledge from learning by doing, the entrepreneurs can better manage and build relationships. In this context, relationship-building and networks refers to the entrepreneur's ability to form and build relationships with staff members, shareholders and customers. Innovatively building relationships with customers and network resources can act as a supplement for conducting innovative marketing campaigns. The findings identified the importance of innovatively deploying networking resources to conduct creative marketing campaigns. The entrepreneur's customer relationship-building skills is important on this platform to achieve effective customer communication and to build trust in this environment. Moreover, building relationships with staff members is able to generate a highly tolerant environment which can foster innovative ideas for market opportunities.

The interaction between business knowledge and the e-commerce platform exploitation is two-way in nature. While the entrepreneur's business knowledge impacts on the process of Taobao e-commerce platform exploitation, they can also gain knowledge through learning by doing from operating on the platform. Thus, business knowledge impacts upon the exploitation of the e-commerce platform but is also shaped by it. Additionally, business knowledge indirectly impacts upon all of the other four characteristics.

The knowledge that the entrepreneurs gain from learning by doing continually shapes the other characteristics, including improving understanding of the online environment and gaining customer insights. Thus, it can be suggested that the entrepreneur's perspectives of innovativeness, forward-looking, fast-mover and skills of relationship-building and networking are shaped by a number of features of the online environment, including competitor behaviour, changing customer needs and changing e-commerce marketing technologies. In other words, how the entrepreneurs seek and exploit the opportunities are influenced by what they learnt. The next section is going to discuss how the specific aspects of the findings contribute to existing entrepreneurship and EM theories.

Figure 9.1 The Impact of Identified Entrepreneurship Characteristics upon the Pure-play E-retailers' Taobao E-commerce Platform Exploitation



9.3 Contribution to Knowledge

As indicated in Chapter one, a number of business opportunities have arisen from the revolutionary development of the internet and its widespread and rapid dissemination (Dutta, Geiger and Lanvin 2015, Box and West 2016). The fundamental openness of the internet has brought about a number of social and

economic benefits, including an enhanced flow of information globally and a greater reach of customers (Box and West 2016). The e-commerce market has emerged out of the technological developments of the internet.

The development of the internet has allowed firms to gain low-cost entry to the e-commerce market (Poon and Swatman 1997, Dutta, Geiger and Lanvin 2015). While all firms can easily access the benefits from the adoption of the internet, this research evidences how e-commerce companies are able to seek opportunities and stand out in a competitive market by exploiting the Taobao platform to seek opportunities in the market.

A 'digital revolution' has been noted in China, with significant growth in the country's internet economy and the e-commerce market (Manyika and Roxburgh 2011, CINI Centre 2016). The growth of a large, competitive e-commerce market in China is well-established. Notably, Taobao is a Chinese e-commerce platform that has rapidly and significantly developed in recent years (Gao et al. 2016). Thus, given the large-scale and rapid expansion of Taobao and the e-commerce market in China, it has been identified that it is necessary to examine this phenomenon. This research builds an inductive framework to improve understanding of this phenomenon (see Figure 9.1) which has specifically contributed to an enhanced understanding of how pure-play e-retailing firms exploit the Taobao e-commerce platform to seek market opportunities. This research has responded to a number of deficiencies that are present in the extant literature.

9.3.1 Contribution to Entrepreneurship Knowledge

There are three key contributions to entrepreneurship knowledge. *Firstly*, this research has built upon Kirzner's theory of 'opportunity-alertness'. This thesis is based on an understanding and acknowledgement that entrepreneurship refers to opportunity-seeking. It has added empirical findings on opportunity-seeking, contributing to scholarship on entrepreneurship through an 'opportunity' lens (Shane and Venkataraman 2001, Brown, Davidsson and Wiklund 2002, Oviatt and McDougall 2005 and Zahra et al. 2009). The research has expanded upon

Kirzner's theory to emphasise the importance of exploiting opportunities, rather than simply seeking them. It has evidenced empirical findings to understanding the process of opportunity-seeking in the online context.

The focus of this research has been to better understand how and why e-commerce firms in China are specifically perceiving and exploiting the market opportunities on the Taobao e-commerce platform. These findings highlighted the importance of quickly grasping opportunities that arise in the online market. Emphasis was placed by the entrepreneurs upon the need to improve their ability to be able to quickly respond to opportunities in the market and to leverage resources to act as a 'fast-mover'. Indeed, this research indicated the importance of being a 'fast-mover' rather than an 'early-mover', as suggested elsewhere (Miller 1983, Lumpkin and Dess 1996, Covin and Miles 1999).

Secondly, the findings of this research highlighted the presence of Schumpeter's form of innovation, whereby creative developments in products and market strategies increase the chances of identifying the market opportunities and facilitating the exploitation of these opportunities. Opportunity exploitation is found to be driven by the entrepreneur's perspective (e.g. their innovative or proactive tendencies). Through exploiting the e-commerce platform, the entrepreneur's perspectives could bring about new combinations of product offerings and new forms of customer communication.












The findings of this research emphasised continuous innovation in responding to the opportunities in the homogenous environment, in order to stand out and to build competitive advantage. However, at the same time, it is also highlighted that for responding to, or exploiting, opportunities, it is not always necessary for the firms to develop innovations. In this research, the importance is placed upon the identification of the market opportunities in the fast-changing e-commerce environment (e.g. at the correct timing) and responding to these quickly and effectively. For example, the findings indicated that the firms quickly adopted and exploited new social media platforms for engaging with customers. However, this process does not necessarily need to incorporate developments of entirely original products or market strategies.









It was indicated in these findings that the firms are not behaving innovatively in every aspect of their business operations. Rather, they tend to act innovatively in relation to particular aspects. For instance, the firms may creatively develop the ways that they present their products online, as a way of creating customer needs to exploit opportunities in the market. However, in many other aspects, the firms were enacting strategies to maintain their position with competitors. In other words, they do not have to be leaders in all aspects of their business operations.

Thirdly, it has been identified that there is a lack of research on entrepreneurship in the context of e-retailers, especially pure-play e-retailers. Building upon previous theorisations of entrepreneurial orientations and entrepreneurship characteristics (Covin and Slevin 1991, Lumpkin and Dess 1996, 2001, Glavas and Mathews 2014), this research identifies entrepreneurship characteristics emerging in the process of e-commerce platform exploitation in the context of Chinese pure-play e-retailers. In these findings, five key entrepreneurship characteristics were indicated to be important: innovativeness, forward-looking perspective, fast-mover, relationship-building & networks, business knowledge (See table 9.1).

More specifically, the research has provided empirical findings to understanding the dimension of proactiveness (Miller and Friesen 1983, Lumpkin and Dess 1996 and Krieser et al. 2010). Notably, the findings indicated the importance of a long-term perspective in exploiting opportunities in a competitive environment in which exists a lack of trust between customers and firms. The nature of the e-commerce environment requires entrepreneurs to be able to perceive the potential benefits of a long-term approach. The research recommends long-term planning for firms when interacting with customers and in maintaining customers, as well as flexibility in adjusting themselves to respond to the changes. However, these forms of customer interaction do not necessarily need to be innovative in nature all of the time. Rather, importance is placed upon the need for the firms to interact with customers regularly on a day-to-day basis.

Table 9.1 Key Dimensions of Entrepreneurship Characteristics in the Exploitation of the Taobao E-commerce Platform

The Key Emerged Characteristics	Key dimensions
Innovativeness	<ul style="list-style-type: none">  Fashion Product innovation (novel product material and design in the platform)  Creative marketing strategies  Business mode innovation
Forward-looking perspective	<ul style="list-style-type: none">  <i>Long-term perspective</i>  Perceiving appropriate timing  <i>Predicting fashion trends</i>
Fast-Mover	<ul style="list-style-type: none">  Quick reactions to market needs  Adapting to the Changing Online Environment  Crisis Alertness  Willingness to learn  Willingness to explore new things

	 Modest risking-taking
Business knowledge	 Entrepreneurial experience  Industry experience  E-commerce experience  E-commerce knowledge
Relationship-building and networks	 Internal relationships  Networking with external contacts  Customer relationship-building

The existing literature focuses more on the relationship between entrepreneurship and the adoption of the internet and internet technologies (e.g. Branett and Dobrev 2005, Elliott and Boschoff, 2007 and Astuti and Nasution 2014), with a notable lack of research upon the exploitation of the internet platform. This research enhanced understanding of how entrepreneurship characteristics are reflected in, or interact with, the exploitation of the Taobao e-commerce platform. For example, this included assessing and examining how the characteristics interacted with the e-commerce environment which is relatively homogenous, open and is connected with continuous technological developments. Given the aggressive, competitive nature of the e-commerce environment and the continually changing platform settings and technological developments, this research focused on understanding how and why entrepreneurship characteristics impact upon these evolving processes to enhance the effectiveness of exploitation of the Taobao e-commerce platform. Thus, this research has acted to improve understandings of the entrepreneurial

process, considering how and why the entrepreneurial strategies and decisions have been formed, rather than assessing what these are.

9.3.2 Contribution to Entrepreneurial Marketing (EM) Knowledge

This research brings entrepreneurship to the online-marketing interface. In the literature review, it was identified that there is insufficient research that has examined EM in the online contexts. Accordingly, this research has contributed empirical findings to the study of EM in the e-commerce environment. The main activities that these firms use the e-commerce platform for are marketing-based. Here, the findings attempt to further our understanding of the interface between marketing and entrepreneurship and draw attention to the discipline of entrepreneurial marketing in the online interface. The research takes into consideration the impact that the entrepreneurship characteristics may have upon the firm's marketing activity. Thus, it makes use of an entrepreneurial perspective as the basis for assessing how marketing activity carried out by pure-play e-retailers can be enhanced in the e-commerce market.

Firstly, this research builds upon previous scholarship (Morris, Shindehutte and LaForge 2002, Hills et al. 2010, Hill and Hultman 2013) that has identified EM processes and sought opportunities for creating customer value and retaining customers. The development of knowledge on opportunity-seeking at the EM interface in the online context has been insufficient thus far. However, in this research, it is suggested that the identified five entrepreneurship characteristics drive these EM processes and are reflected in, and underpin, the firms' Taobao platform exploitation for marketing purposes (See figure 9.1). This research focuses on how the different characteristics of entrepreneurship drive these online marketing activities.

These findings indicated that the entrepreneurs focus on exploiting their expert business-related knowledge or specialist skills (e.g. social media interaction, data analysis skills) to build their own competitive advantage in the e-commerce market. This research assesses and examines how the characteristics interact with the online marketing activity. For instance, in these findings, there was an

identified two-way interaction between co-creation and innovativeness, as well as a close link between long-term customer interaction and proactive tendencies.

Secondly, the research provides evidence for a number of entrepreneurial online marketing strategies and adds to the literature base of other researchers that have examined EM strategies (Miles and Darroch 2006, Mort, Weerawardena and Liesch 2012, Jones, Suoranta and Rowley 2013). Notably, the trial-and-error marketing approach was indicated to be important in a dynamic and evolving e-commerce environment, with the firms testing out new marketing strategies on the e-commerce platform and identifying what does and does not work. When the marketing approaches are identified to be ineffective based on customer feedback and data or when changes in technology or platform settings arise, the findings suggest that the firms need to adjust themselves quickly, as well to conduct marketing strategies to grasp the opportunity in these changes.

In this research, entrepreneurs generate initial ideas for new marketing strategies and subsequently reflect on these through existing customer trends, marketing data and the features of the online environment. The entrepreneur's ideas are modified based on these and are then tested out online using a trial-and-error approach. Based on customer feedback and emerging data, the entrepreneur generates new ideas, continually refining the firms' marketing strategies.

Additionally, the research highlights the importance of a long-term approach in online customer relationship-building through social media and the Taobao platform and brand-building through improving the visual effect of online product photos. The long-term approach allows the firms to acquire qualitative and rich customer information. This finding provided empirical evidence of how pure-play e-retailers build customer intimacy online. The firms in this research use customer intimacy as a long-term approach to accessing customer information in order to gain their trust and build customer intimacy (Morrish, Miles and Deacon 2010, Mort, Weerawardena and Liesch 2012, Kilenthong, Hill and Hultman 2015).

Thirdly, networking resources play a complementary role in strengthening and diversifying the firms' online marketing strategies in order to reach more

customers and to better respond to their needs. Conflicting with what previous research has suggested (e.g. Franco et.al. 2014, Andersson, Evers and Gliga 2018), networking is not indicated to be a primary source of information and customers in this context. Thus, it depends on how the entrepreneur leverages these networking resources to enhance online marketing strategies. This research also highlights the importance of innovative content design for enhancing customer interactions and the use of the data in aiding the proactive tendencies of predicting customers' needs.

Fourthly, Morrish, Miles and Deacon (2010) and Jones and Rowley (2011) suggest a multi-dimensional approach to EM, including entrepreneur orientation, marketing orientation, customers orientation and innovation orientation. This research builds on these to tentatively suggest the addition of a data and e-commerce platform orientation in this context, as a way of enhancing firms' EM strategies. Additionally, building on Mort, Weerawardena and Liesch (2012), who suggest that EM development is based on learning from customers and that entrepreneurship characteristics are influenced by customers, this research suggests that learning from data, competitors and the platform environment, as well as customers, can allow firms to gain richer insights and information that go beyond simply learning from customers. These findings indicate the importance of continually learning in this dynamic and evolving e-commerce environment in order to be able to quickly identify and respond to opportunities in the market. Entrepreneurial learning is vital in the online environment in light of suggestions by Anwar and Daniel (2016) and Thompson-Whiteside, Turnbull and Howe-Walsh (2018) that e-commerce entrepreneurs lack knowledge about how to operate an online business.

9.4 Limitations and Suggestions for Future Research

Considering the increasing importance of the internet for firms' business strategies and growth, as well as the well-established key role that entrepreneurs play in SMEs, there is a clear need for further research on evaluating how entrepreneurs adopt and exploit the e-commerce platform to build competitive advantage and to better clarify the entrepreneur's role in this phenomenon. This

thesis offers an initial understanding of a topic upon which others will build upon. As the internet (and the e-commerce industry by association) is an evolving and growing phenomenon and has become increasingly important as a key tool for firms in determining their business strategies and outcomes, the findings in this thesis remain tentative and exploratory.

This research has contributed knowledge of the impact of entrepreneurship characteristics upon ecommerce platform exploitation. However, there is a need for greater empirical research on this topic to enhance our understandings of entrepreneurship in the context of the e-commerce industry. Future research could further consider how firms are using e-commerce platforms to seek and exploit opportunities from an entrepreneurial outlook. More specifically, there is need for more in-depth research on the function of being fast in responding to opportunities in the fluctuating online environment.

This research is focused on understanding how and why the entrepreneurship characteristics are reflected in the firms' exploitation of the Taobao e-commerce platform. Due to the qualitative nature of this research and limited geographical and industry scope of the research setting, the findings of this study are limited in generalising to all contexts. Nevertheless, the richness and depth of the research findings enable a significant contribution to theory building in entrepreneurship and EM in an online context.

However, future research could test the conceptual framework developed in this thesis across different contexts. Through a large sample and quantitative methods, researchers could assess and examine the degree of impact that the characteristics have upon the exploitation of the e-commerce platform. The extent to which different entrepreneurship characteristics lead to improved performance in the firm could be investigated. For example, this could involve testing the impact of the entrepreneur's long-term perspective upon the firms' future performance across different contexts.

The sample could be widened to include a greater number of pure-play e-retailers within China or outside China in other contexts, including in a Western setting.

This would enable the researcher to compare results between contexts to identify if the same entrepreneurship characteristics are evident or have the same level of significance. It would be particularly intriguing to identify potential similarities and differences between a Western and an Asian context.

In addition, further qualitative research can be carried out in other contexts to investigate how entrepreneurship characteristics interact with other online contextual factors. For example, while this study focused on pure-play e-retailers, identification and assessments of entrepreneurship in 'click and mortar' stores could be carried out. As these firms have a physical presence, it could be examined if there are any variations between the entrepreneurship characteristics and that of the pure-play e-retailers.

These findings suggest that instead of considering characteristics as single dimensions, there needs to be explorations of the relationship between the characteristics and the complementary role that these can play in determining business outcomes. Future research should consider the multi-dimensional role that the characteristics play when examining how these enhance the effectiveness of firms' business strategies. It is important to enhance our understanding of entrepreneurship characteristics in the pure-play e-retailers context. This research can act as a platform for further examinations of entrepreneurship in pure-play e-retailers and assessments of the role of entrepreneurship characteristics in achieving positive business outcomes.

Given its rapid and significant development, it is important to further examine the e-commerce industry in the context of China from an entrepreneurial perspective. Notably, while the relationship between entrepreneurship characteristics and the e-commerce platform exploitation was examined at one specific point in time, due to time and resource constraints, this could be examined at a later point to identify and assess any similarities and differences over time. In particular, the importance of past experience may be greater as the e-commerce industry becomes more established and mature. Thus, it may be beneficial to conduct a longitudinal study to assess the changes in the entrepreneurship characteristics over a period of time.

Moreover, as the e-commerce industry is young, it may be easier to access the younger, more inexperienced entrepreneurs. Indeed, the entrepreneurs who were studied as part of this research were all under 35 years old. However, there may be differences in characteristics of entrepreneurs who are more experienced or older and it may prove beneficial to include them in the research in order to identify if there are any differences between age groups concerning the nature and impact of the entrepreneur's characteristics.

Furthermore, the findings in this research enhanced understanding of the interface between marketing and entrepreneurship and drew attention to the discipline of entrepreneurial marketing in the online interface. However, limited research has brought entrepreneurial marketing into the online context and further research needs to investigate how EM emerges in other online environments. There is need for more examinations of how EM has been changed by the online landscape and how EM evolves as the internet technology develops. It is also necessary to conduct more in-depth analysis of how online firms leverage resources to respond to emerging opportunities in the e-commerce market.

More specifically, further research should be directed towards enhancing understanding of how firms are able to conduct more effective innovative marketing strategies to interact with customers online. It is also necessary to further examine how firms integrate online customer information and data into their business strategies in line with Sinkovics and Sinkovics (2013) and, relatedly, how they exploit the opportunities that arise from customer information and data. More broadly, considering the placing of strong emphasis of a long-term approach there is a need for more research on how firms effectively build long-term online customer relationships to develop trust with customers.

It is necessary to further examine and assess how entrepreneurs are building long-term relationships with customers in online virtual environments, as well as how this affects performance. There is a need to better understand how entrepreneurs perceive fluctuating online customers' concerns and needs and how they respond to these. EM research also needs to generate new opportunity

recognition knowledge at the EM interface and how opportunities emerge in firms' day-to-day operations (Hills and Hultman 2013). This could involve conducting a comparison between the marketing strategies of SMEs and that of larger e-commerce brands.

Thus, this research identified the entrepreneurial marketing practices of pure-play e-retailing firms which provides an initial understanding of an entrepreneurial online marketing approach. Some key online entrepreneurial strategies were identified in this research, acting as a base for further in-depth investigation of the EM strategies and practices of SMEs. This thesis calls for more researchers to examine EM in the online context, in order to test the applicability of the identified EM strategies in other contexts. The online marketing literature could be engaged with the entrepreneurship concept to better understand the emergence of entrepreneurial strategies in the online environment.

9.5 Research Implications

Arising from the research findings, it is recommended that e-commerce firms should consider the conceptual framework including the specific online environmental factors and the five different entrepreneurial perspectives in the process of e-commerce platform exploitation (see Figure 9.1). Below is a list of more specific research implications which respond to this conceptual framework.

1. Considering their resource constraints, e-commerce firms need to innovatively leverage resources to maximise the opportunities in the market.

It is recommended that firms should stretch their existing resources, such as network resources, to develop new forms of online marketing, in order to increase customer reach and to more effectively expand their customer base. For example, in these findings, the entrepreneurs were found to carry out diversified promotional events to improve customer engagement by innovatively combining their network resources with online resources. They can re-combine their resources to respond to imitation from competitors and a relatively homogenous e-commerce environment in China.

Even if the SMEs are not in the e-commerce industry, they will still use the internet to some extent and can stretch their current resources to enhance the effectiveness of using the internet. Additionally, they will still be affected by the online environment and need to be aware of this, considering the indirect threats and opportunities of the online environment.

2. As SMEs are considered to be more entrepreneur-centric, these findings recommend that SMEs should take into account the effect that entrepreneur's individual characteristics have upon their online marketing activity and put significant effort into developing their competitive advantage according to these characteristics.

It is suggested that entrepreneurs should be aware of their own characteristics and behaviour and the impact that these will have upon the exploitation of the e-commerce platform. Entrepreneurs should exploit their strengths and recognise their limitations and plan to develop or seek appropriate personal development. While some characteristics (e.g. innovativeness, risk-taking) cannot be so easily trained or learned, the entrepreneur can instead play to their strengths and focus on marketing activity which exploits their strengths. The entrepreneur can use their innovative perspective to keep developing innovative content for promoting their products.

If the entrepreneurs are aware of the characteristics that they are weaker in, they can plan to develop or seek personal development. Some of the entrepreneur's characteristics identified in these findings can be trained, such as business knowledge or networking skills. For instance, SME entrepreneurs could develop their social media operation skills and data analysis to aid the opportunity seeking process.

As the entrepreneur can represent the brand image of the firm and act as a bond between brand and customers, it is necessary for them to build their 'personal brand' in order to better deliver the firm's brand image to

customers. As suggested by Hills and Hultman (2013), successful entrepreneurs need to recognise their own limitations and if they do not have a specific skill, then they should look to bring in an expert staff member for conducting marketing strategies. Nevertheless, the entrepreneurs are still leading these marketing efforts. The SME e-commerce firms tend to encounter difficulties in hiring an expert due to resource constraints. Thus, in developing the entrepreneur's skills and characteristics, the SMEs can avoid the high costs of hiring an expert.

3. E-commerce firms need to understand the features of the online environment in order to perceive the opportunities in the market.

E-commerce firms should understand the barriers and benefits of e-commerce platform and features of the online environment. For example, in this research, when the cases are developing marketing strategies, they need to consider the homogenous, rapidly changing and aggressive e-commerce environment in which exists a lack of trust and fast-changing customer needs. Entrepreneurs need be aware of emerging environmental changes (e.g. social media platform development) to perceive opportunities in this evolving environment.

4. Following the above, e-commerce firms need to be alert to the opportunities that arise in the online environment and to quickly respond to these.

As the environment is evolving and changing fast, the competitors are aggressive in responding to these changes. Given that market needs are fluctuating, these findings suggest that the e-commerce firms need to be fast and quickly respond to these needs in order to improve the effectiveness of marketing practices. For example, when they identify that there is an appropriate timing for releasing new products, they need to grasp it quickly. This research also suggests that SMEs can improve knowledge of some online marketing approaches in order to be alert to the opportunity. Additionally, the findings recommend that SMEs can take advantage of their flexibility and respond to opportunities faster. More than

this, the entrepreneur need to improve their executive ability, which could enable them to co-ordinate and lead staff members to respond to opportunities faster. This acts as a way of enabling the entrepreneur's behaviour and putting their ideas into practice.

5. A long-term approach towards marketing strategies is recommended for e-commerce firms, considering the lack of consumer-seller trust in the online environment.

E-commerce firms need to present products, interact with customers and conduct promotional strategies using a long-term approach. E-commerce firms should plan for the long-term to build trust and customer intimacy through frequent 'defensive' forms of interaction, given the difficulty in building trust in the online environment. Rather than focusing all of their efforts upon attracting customers, e-commerce firms should instead consider ways in which they can maintain customers and improve customer intimacy, in order to improve the re-purchase rate. It is recommended that e-commerce firms should proactively perceive customers' needs and concerns when promoting products and design the products offering in order to increase the customers' intention to purchase. Additionally, while being driven by a long-term vision, they need to be flexible.

6. E-commerce firms need to consider the open nature of the online environment and pursue innovative and distinctive strategies accordingly to stand out in this relatively homogenous market.

In the open e-commerce environment, every firm can see others' strategies and imitation is subsequently common. As a result, they need to think about how to stand out in this relatively homogenous market and to build their own style to differentiate themselves from others in the market. It is also suggested that they can introduce novel products and promotional practices into the platform. As well as this, SMEs need to be open-minded when exploring new things and new ideas to generate an

environment which fosters innovative behaviour. If the entrepreneur is not naturally creative but is open-minded to accept new ideas, they can offset this by fostering and encouraging innovative behaviour among the staff members.

7. In a dynamic and evolving e-commerce environment, the e-commerce firms and the entrepreneur need to continually learn, reflect upon and adapt themselves.

The entrepreneurs can keep learning from competitors, customers, back-end data and the online environment to enhance their proactive tendencies and improve their business knowledge. They can learn and reflect upon their strategies and generate their own ideas to apply in their specific context. Entrepreneurs of e-commerce firms can gain experience from learning by doing and should not rely heavily on previous experience, given the fluctuating nature of the e-commerce environment.

It is also important for the entrepreneur to learn and adopt a trial-and-error approach in the online context. They should be able to adjust themselves to the changing online environment quickly after identifying potential problems and opportunities associated with new marketing approaches. Additionally, they can learn from customers through data analysis and everyday interactions. Firms should continually innovative new forms of customer engagement to gain richer insights into customer behaviour and trends.

8. E-commerce SMEs should use data to aid their entrepreneurial outlook.

While large firms rely more on big data from formal market resources, marketing experts and a marketing department, SMEs focus greater efforts on the entrepreneur's perspective, behaviour and skills given their limited resources.

In the e-commerce context, firms can use the back-end data of online stores to aid their proactive tendencies to predict customer needs, but also

complement this with qualitative analysis of customer feedback and responding to the opportunities identified from the rich data.

9.6 Concluding Remarks

This research has developed an inductive and exploratory conceptual framework to improve the understanding of the impact of entrepreneurship characteristics upon e-commerce platform exploitation in the context of Chinese pure-play e-retailers. This research has identified a number of entrepreneurship characteristics that emerged in the process of e-commerce platform exploitation. It examined how decisions are made in the e-commerce environment, considering the firms' resource constraints and the external environmental context.

The research has provided an initial understanding of e-commerce exploitation through an entrepreneurial lens and of EM in an online context and calls other researchers to further examine e-commerce platform exploitation for market opportunities from an entrepreneurial perspective. There is a need to better understand how entrepreneurship interacts with the online environment which is open, aggressive and continually evolving in line with technological developments and how e-commerce firms adapt their business strategies to this fluctuating market. The research recommends firms to adopt an entrepreneurial outlook in exploiting the e-commerce platform.

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Appendix A: Participant Information Sheet

参与者信息页

1. Information about the project/Purpose of the project 关于项目的信息和项目目的

My name is Yiwen Hong, a PhD student at Coventry University, UK. The purpose of my PhD project is to explore if the entrepreneurship characteristics impact upon adoption and exploitation of the internet for market opportunity in Chinese SMEs; if so, how and why. I will be investigating how entrepreneurs use the Taobao platform specifically.

我是洪逸雯，英国考文垂大学博士生。我的博士研究项目是关于中国中小型企业，探索中国的中小型企业精神特征是否影响开发网络去获得竞争优势。如果是，怎么影响，为什么有影响？我将会具体地调查企业家如何使用网络？

2. Why have you been selected? 为什么你被选中？

You have been selected as you are either an owner or an employee of a pure-play e-retailers who is able to provide perspectives and views on the role of entrepreneurship characteristics in adoption and exploitation of the internet. You are able to offer information on the adoption level of internet in your company and have experience in using internet to build customer relationships. If you are an employee, one of the reasons that you have been approached is that your manager has given permission for you to take part in this research.

选择你是因为你是网络品牌持有者或者你在网络品牌公司内部工作。你可以提供关于企业家精神特征在使用和开发网络中的角色的观点和看法。你可以提供信息关于你们公司网络采用程度以及你有使用网络建立消费者关系的相关经验。如果你是员工，其中一个被选中原因是因为你的管理者同意你参与这项研究调查。

3. Do you have to take part this research? 你一定要参加这个研究吗？

No. Participation is entirely voluntary. 不。你的参与是绝对自愿的。

4. What do you have to do if you agree to take part? 如果你同意参加这个研究你需要做什么？

If you agree to take part in this project to be interviewed, you will be interviewed face-to-face, where you can provide insight into the entrepreneurship characteristics of your firm and how these characteristics impact upon of internet adoption. The interview should last no more than one hour and will be audio recorded with your consent. This is to ensure that your answers are captured wholly and accurately for data analysis purposes. Prior to taking part in the interview you will be asked to sign an Informed Consent Form to confirm your agreement to participate in this research project as well as to ask questions about the project. A convenient time and place will be agreed in advance of the interview to suit your needs, most likely in your workplace.

如果你同意参加这个研究并且被采访，你会以面对面的形式被采访，你可以提供关于你们公司的企业家的特征和这些特征如何影响网络的使用的看法。这个采访不会超过一个小时。如果你同意，这个采访会被录音笔记录下来。只是为了确保我可以获得你准确的回答并且可以准确地使用在我研究的数据分析中。在参与采访之前你会被要求在知情同意书上签名确认你同意参加这个研究，并且有机会提出关于这个研究的任何问题。你可以选择你觉得方便时间地点接受采访，最好可以在你的办公室。

5. What are the risks associated with this project? 参与这个项目有风险吗？

This project involves no risk for participants. 这个项目对参与者来说没有任何风险。

6. Will your taking part in this study be kept confidential and anonymous? 你参与的这个研究会被保密并且是匿名的形式吗？

Information collected about you during the course of the research will be kept strictly confidential and made anonymous. If you consent to having your interview recorded, all recordings will be destroyed once they have been transcribed. Transcripts from the

research will only be viewed by myself and my supervisors. Paper copies will be stored in a locked filing cabinet and electronic files stored on an external hard drive that is password protected. All data from the research will be destroyed after 5 years. 关于你的信息在研究过程中会被严格保密并且以匿名形式保存。如果你同意我在采访中录音，所有录音记录会被销毁一旦这些录音已经被转化成文字（抄本）。研究抄本只有我和我的导师可以阅览。纸质副本会被储存在上锁的文件柜中并且电子的档案会以加密形式储存。所有的数据在五年之后会被销毁。

The names of organisations and participants will be anonymised to protect the identities of everyone who has taken part. Your data will only be identified by a participant number. The Informed Consent Form which has your personal details will be stored in a secure (locked) location and could only be accessed by myself, the researcher. The Informed Consent Form will not be duplicated, scanned or digitally archived in any way. After the research has been completed, the Informed Consent Form will be destroyed. 为了对每个参与者身份进行保密，参与者和组织名字都是匿名的。你的数据只会被以参与者编号形式被识别。具有你个人详细信息的知情同意书会在保存在安全上锁的地方，并且只有我本人，这项研究的研究者，可以看到。知情同意书不会被复制，扫描或者任何形式的电子拷贝。在研究完成之后，知情同意书会被销毁。

7. What are the benefits of taking part? 参与这个研究有什么好处？

By taking part in this research project, you will have the opportunity to communicate your perceptions, views and thoughts on the relationship between characteristics of entrepreneurship and internet capabilities of firms. Moreover, the research project aims to address a gap in current research and improve the knowledge base of entrepreneurship. The impact of entrepreneurship characteristics on adoption and exploitation of internet will be evaluated, which is beneficial for firms' understanding of their ability to build customer relationships and competitive advantage.

通过参与这项研究，你将会有机会交流你个人看法和观点关于企业家特征和公司网络能力的关系。不仅如此，这个研究项目旨在解决现存研究空白关于提高企业家精神知识基础。企业家精神特征对网络使用和开发的关系会被评估，这个有利

用公司提高对于消费者关系和竞争优势建立的能力的理解。提高对公司网络进行营销能力的理解。

8. Withdrawal 撤回

If you change your mind about taking part in the study, you can withdraw at any point during the research by emailing myself (please see the contact details below), by 10th March 2016 and providing the participant number I gave you during the interview. If you decide to withdraw, all of your data will be destroyed and will not be used in the project. You do not have to give reason for withdrawing your participation.

关于是否这个参与这项研究，如果你改变你的想法你可以撤回你的数据在研究期间任何时候。你可以在 2016 年三月十号之前发邮件给我来进行撤回（请看下面具体联系方式），同时你需要提供在采访的时候我给你的参与者编号来撤回。如果你决定撤回，你所有数据会被消费并且不会被用在这个研究中。如果你要撤回你不要提供任何理由。

9. What if things go wrong? 如果有任何问题

If things go wrong, or you wish to complain you can contact me at the first instance or my Director of Studies, Dr. Sophie Yang.

如果你事情出现任何问题，你想投诉，你可以先联系我活着我的导师，Sophie Yang。

Dr. Sophie (Hsiao-Pei) Yang

Senior Lecturer in Marketing 市场营销高级讲师

Coventry University 考文垂大学

Jaguar Building JAG10（地址）

Priory Street

Coventry

CV1 5FB（邮编）

[Email:aa5859@coventry.ac.uk](mailto:aa5859@coventry.ac.uk)

10. What will happen with the results of the study?这个研究结果被用来做什么？

This study is for my PhD project. It may be presented at academic conferences and / or written up for publication in peer-reviewed academic journals.

这个研究是我的博士研究项目。它会在学术会议或者在学术期刊上以书面形式被发表。

11. Who has reviewed this study?谁会看到这个研究

BES Faculty Ethics Leaders, as part of the University Applied Research Committee (UARC) and the researcher's supervisor Dr Sophie Yang 商业环境与科学院系的领导，大学应用研究委员会和研究者的导师 (Sophie Yang)

Further information/Key contact details of researcher and supervisor

研究者和导师的详细联系方式

Yiwen Hong

PhD student

University of Coventry

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Email: aa5859@coventry.ac.uk

Appendix B: Informed Consent Form

知情同意书

Name of researcher 研究者名字: Yiwen Hong

The title of the project 项目的题目

The Examination of the Exploitation of the Taobao e-commerce Platform from an Entrepreneurial Perspective: The Case of Chinese Pure-play Fashion E-retailers 关于企业家精神特征对于电商平台开发的研究 : 案例研究之中国时尚电商零售公司

Please initial box 请填写你名字首字母 比如 Yiwen Hong 可以写 YH

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions. 我确认我已经阅读和明白关于上述研究的信息页并且已经有机会问关于信息页的问题。	
2. I understand that my participation is voluntary and that I am free to withdraw by March 2016 without giving a reason. 我明白我的参与是自愿的。在 2016 年三月之前我可以任意的撤回我的信息和回答, 并且不需要给出任何理由。	
3. I agree to take part in this research. 我同意参与这个研究。	
4. I understand that the research will be strictly confidential and anonymous. 我明白这个研究将会被严格的保密和匿名。	

Please tick box 请在格子里打钩

Yes 是

No 不是

1. I agree to the interview being audio recorded. 我同意我的采访会被录音		
2. I agree to the use of anonymised quotes in publications.		

我同意我提供的信息在出版物中被匿名引用		
3. I agree to my staff taking part in this research (if applicable)我同意我的员工参与这个研究（如果适用）		
4. I agree to the researcher observing and researching my company website and online brand communities operated by my firm (if applicable)我同意研究者观察和研究我公司的网站和公司操作的网络品牌社区（如果适用）		

Declaration of agreement 协议声明

By signing below, you agree that the information you have provided is accurate and that you have given permission for the interview to be used in the way mentioned in the Participant Information Sheet.

通过在下面签名表示你同意你所提供的信息是准确的并且你已经许可在采访中所提供的信息会被以在信息页中提及的方式被使用。

I agree to take part in this interview under the conditions explained to me above:

在信息页中解释的条款的前提下，我同意参加这个采访。

Name of participant 参与者的姓名

Signature of participant 参与者的签名.....

Date 日期.....

Name of researcher 研究者的名字 Yiwen Hong

Researcher Signature 研究者签名.....

Date 日期.....

Are you interested in receiving a report based on this research when the study is complete?

在研究完成的时候你想收到关于这个研究的一份报告吗？

YES.....是

NO.....不是

Contact details 联系方式:

Phone number 电话号码.....

Email 邮件.....

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Independent contact at Business, Environment and Society (BES) Coventry University

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Helen Rowe - email: bsx130@coventry.ac.uk

Appendix C: Interview Guide

✧ *Interview with the entrepreneur* (企业家的采访问题)

. Organisational Background

- Entrepreneur's role in the company 企业家在公司职位 (角色)
- Number of employees 公司人数
- Year established 建立的年份
- Age/gender of the entrepreneur 企业家年龄和性别
- Type of firm (such as the range of products the firm offers or the firm's target market)
公司类型 (销售的商品类型或者目标客户市场是什么)
- Educational background of the entrepreneur 教育背景
- Business experience of the entrepreneur 企业家经验
- Experience of using internet for firm-related activities 与公司相关的网络使用经验
- Experience of working in industry 在这个行业的经验背景
- Experience of founding companies 在这个公司建立之前有创立其他公司的经验吗

1. How would you describe yourself as an entrepreneur?

作为企业家，你会如何描述你自己的？觉得自己经营有什么特征？

2. Do your characteristics as an entrepreneur affect your leadership style in your firm?

If yes, how?

你认为作为企业家，你的个人特征影响你领导能力或者领导风格吗？如果影响，怎么影响的？

3. Do you think these characteristics are important to your firm as a pure-play e-retailers? If yes, why? Could you give an example of a time when these characteristics were important to your firm?

你认为这些企业家特征对于纯使用网络**电商平台**经营的公司来说很重要吗？为什么？可以给一个包括确切时间的具体例子说明为什么这些特征很重要吗？

(a) What was the nature of the example? 这个例子具体是什么？

(b) How did your company achieve a positive outcome? 你的公司如何取得积极的结果？

(c) What were the benefits for your company? 这个事情给你公司带来什么样好处？

(d) Were any changes introduced as a result? 这个事情之后给公司带来什么变化？

4. What do you use the Taobao e-commerce platform for in firm-related activities?

公司利用**淘宝和社交媒体**从事什么活动？（网上商店？营销？）

5. How do you use the internet in firm-related activities?

➤ How do you use the e-commerce platform to build customer relationships? How important is the e-commerce platform for that purpose?

公司如何使用网络**电商平台**进行与相关的商业活动？比如如何使用网络建立消费者关系？网络对于消费者关系建立有多重要？

6. Do you think the characteristics of entrepreneurship can help your firm to exploit the e-commerce platform in order to build customer relationships?

你认为企业家的特征可以帮助你的公司适应和开发网络**电商平台**以此来发展消费者关系吗？

7. If so, which characteristics of entrepreneurship do you think could affect using the e-commerce platform for building customer relationships?

如果是这样，哪个企业家特征你觉得可以影响公司使用网络**电商平台**去建立消费者关系？

8. Why do you think these entrepreneurship characteristics are important for the exploitation of the e-commerce platform? Do you think these characteristics could help you build competitive advantage?

为什么你觉得这些特征对于使用 and 开发**电商平台**来说很重要？你觉得这些特征可以帮助你们公司建立竞争优势吗？

9. How do these characteristics of entrepreneurship impact upon the exploitation of the e-commerce platform to gain competitive advantage?

这些特征如何影响**电商平台**的使用和开发去获得竞争优势的目的？

10. Could you give me a positive example of a time when the characteristics helped you seek and exploit the marketing opportunities by using the e-commerce platform?

你可以给出一个正面积极的，有具体时间例子说明在你使用网络**电商平台**时候，企业家特征如何帮助你找到和开发市场营销机会？

(a) What is the nature of the example? 这件事情具体是怎么样

(b) How did your company use the Taobao and social media platform to seek and exploit the opportunities? 你的公司怎么样使用**淘宝和社交媒体平台**去寻找和开发机会？

(c) What were the benefits for your company? 这个事件使你们公司获得什么好处？

(d) Were there any changes introduced as a result? 给公司带来什么变化吗？

-Could you give me an example of a time when there was a barrier or threat to your firm using Taobao for building competitive advantage and did the characteristics of

entrepreneurship help you resolve the problem? If so, how did it help? 举个具体时间的例子说明当公司使用**淘宝**建立竞争优势时候 遇到过什么样经营障碍或者威胁？你刚才所提及企业家特征有帮助你解决这个问题吗？如何解决的？

(a) What was the nature of the problem? 是个什么样的问题？

(b) Was it resolved? 被解决了吗？

(c) How was it resolved? 如何被解决的？

(d) Were there any changes introduced as a result? 有给公司带来什么的变化吗？

11. Could you put the entrepreneurship characteristics in order of importance?

(showing cards to the entrepreneur) Why have you put these entrepreneurship characteristics in this order?

根据不同重要性，你可以刚才提到企业家特征排序吗？为什么你这样排序？

✧ ***Interviews with staff members who are working on internet-related work*** (公司员工的采访问题)

1. What IT activities does your organisation have in place?

你们公司现在存在什么样信息技术相关的活动（与网络电脑相关的）

2. How many computers does your firm have? How big is the IT team in your firm?

你们公司有多少台电脑？IT团队有几个人？

3. Is there any specific software used for building customer relationships?

有什么特殊软件被用来建立消费者关系吗？

4. What does your company use the e-commerce platform for?

你们公司用电商平台来做什么？

5. How does your company use the Taobao and social media to build customer relationships? 你们公司如何使用网络建立消费者关系？

6. What do you think about your firm's characteristics of entrepreneurship when your firm uses the e-commerce platform to build customer relationships? Why are these characteristics important?

当你们公司使用**电商平台**建立消费者关系的时候，你认为你们公司企业家精神特征是什么？为什么你觉得这些特征很重要？

7. How do you think these characteristics of entrepreneurship impact upon exploitation of the e-commerce platform to gain competitive advantage?

你认为这些企业家特征影响公司开发**电商平台**建立独特的竞争优势吗？

Could you give me a positive example of a time when these characteristics helped you seek and exploit the marketing opportunities by using the e-commerce platform? 可以举一个具体时间例子说明在使用网络**电商平台**从事公司相关的经营活动中，什么时候企业家特征帮助寻找和开发市场机会？

(a) What is the nature of the example? 这件事情具体是怎么样的？

(b) How did your company use the e-commerce platform to seek and exploit the opportunities? 你的公司如何使用网络**电商平台**寻找和开发机会的？

(c) What were the benefits for your company? 这件事给公司带来什么好处？

(d) Were there any changes introduced as a result? 给公司带来什么变化吗？

-Could you give me an example of a time when there was a barrier or threat to your firm using the e-commerce platform for building competitive advantage and did the characteristics of entrepreneurship help you resolve the problem? If so, how did it help? 举个具体时间例子说明当公司使用网络**电商平台**建立竞争优势时候 遇到过什么样经营障碍或者威胁？你刚才所提及企业家特征有帮助你解决这个问题吗？

如何解决的？(下面是样本问题可以根据下面思路回答，也可以根据自己方式回答)

(a) What was the nature of the problem? 是什么样的问题？

(b) Was it resolved? 被解决了吗？

(c) How was it resolved? 如何被解决的？

(d) Were there any changes introduced as a result? 这件事情之后，公司有没有什么变化带来变化？

Appendix D: Observation Guide

观察指南

The observation will focus on observing the firm's official website and online brand communities they operate (if applicable). It aims to investigate the use of the internet by the firm, as well as how the participants' responses are reflected on the website. For example, it will be observed whether innovative ideas or proactive actions are evident on the website, such as customised services.

这个观察会主要集中在观察公司的官网或者网上商店，或者公司操作的 网上品牌社区（微博微信）。这是为了调查公司网络使用情况，同时也是观察被采访者采访过程中提到具体例子同时也是为采访中提到一些想法找到一些补充。比如，观察公司在网站上是否有革新的想法或者前瞻性的行为，像有没有独特定制化服务之类的。

➤ Online store

-What does the firm use its online store for? (such as communicating with stakeholders or transactions or developing market intelligence)公司使用网上商店做什么？（与供应商或者消费者分析，交易或者发展独特市场营销策略）

How does the firm use its online store to build customer relationships? (for example what special way does the firm use to communicate with customers through the online store?)公司如何使用网上商店建立消费者关系？

To what extent is the design of the online store user-friendly to potential customers?

对于潜在客户来说？公司网上商店设计达到什么样“界面友好”程度？

➤ Online brand communities

-What does the firm use online brand communities for? 公司使用网上品牌社区做什么？

-How does the firm use its online brand communities to build relationships with customers? 公司如何使用网上品牌社区与公司与消费者建立关系?

- To what extent are the online brand communities engaging to potential customers?

网上品牌社区消费者的参与程度?

-How does the firm publicly disseminate promotional information or new arrivals via online brand communities?

如何发布和宣传推广信息或者新品通知

Appendix E: Observation Framework

Webstore Construction	Case A	Case B	Case Q	Case M	Case W	Case V	Case X	Case Z
Visual Effect of Online photos	-Long-term Perspective -Innovative	<i>NSE (No significant evidence)</i>	E-commerce operational skills -Fashion sense	E-commerce operational skills -Fashion sense	<i>NSE</i>	-Long-term Perspective - Innovativeness	-Long-term Perspective	-Long-term Perspective -Innovative
The Art of Laying Out Online Photos	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>
‘Empathetic’ and ‘Socially-rich’ Product Descriptions	Forward-looking perspective	Perceive customers’ needs and concerns	-Fashion sense -Perceive customers’ needs and concerns	-Fashion sense -Perceive customers’ needs and concerns	Perceive customers’ needs and concern	Perceive customers’ needs and concerns	Perceive customers’ needs and concerns	Perceive customers’ needs and concerns
Proactive but ‘Defensive’ Customer Service	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	-Long-term Perspective - Innovativeness	<i>NSE</i>	<i>NSE</i>	-Long-term Perspective -Innovativeness
Timing of Updating Products	<i>NSE</i>	Fast-movers	Fast-movers	Fast-movers	<i>NSE</i>	Fast-movers Perceiving timing	<i>NSE</i>	<i>NSE</i>

Building Online Customer Relationships	Case A	Case B	Case Q	Case M	Case W	Case V	Case X	Case Z
Co-creation	<i>NSE</i>	<i>NSE</i>	Innovativeness	Innovativeness	<i>NSE</i>	<i>NSE</i>	-Long-term Perspective -Innovativeness	<i>NSE</i>
Diversified Competition events	-Long-term perspective -Relationship -Innovativeness	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	Innovativeness	-Long-term perspective -Innovativeness	Long-term perspective Relationship Innovativeness	<i>NSE</i>
E-word-of-mouth	-Innovativeness	<i>NSE</i>	Perceive customers' needs and concerns	Perceive customers' needs and concerns	-Perceive customers' needs and concerns	<i>NSE</i>	Innovativeness	<i>NSE</i>
Intimate form of online customer interaction	<i>NSE</i>	<i>NSE</i>	-Long-term perspective -Relationship -Innovativeness	-Long-term perspective -Relationship Innovativeness	-Long-term perspective -Relationship - Innovativeness	<i>NSE</i>	<i>NSE</i>	Long-term perspective Innovativeness
Acting as a 'friend', rather than a 'seller'	-Long-term perspective -Innovativeness	<i>NSE</i>	-Long-term perspective -Innovativeness	-Long-term perspective - Innovativeness	<i>NSE</i>	-Long-term perspective -Innovativeness	<i>NSE</i>	Long-term perspective Innovativeness

DIVERSIFIED ONLINE PROMOTIONS	Case A	Case B	Case Q	Case M	Case W	Case V	Case X	Case Z
Online Promotional Marketing	-Long-term Perspective -Innovativeness	<i>NSE</i>	Innovativeness	Innovativeness	<i>NSE</i>	-Long-term Perspective -Innovative	-Long-term Perspective - Innovativeness	<i>NSE</i>
Pre-sale events	<i>NSE</i>	<i>NSE</i>	-Perceiving timing - Innovativeness	-Perceiving timing -Innovativeness	-Perceiving timing -Innovativeness	-Long-term perspective -Perceiving timing -Innovativeness	<i>NSE</i>	<i>NSE</i>
Collaborative promotions with Online Networks	Relationship	<i>NSE</i>	<i>NSE</i>	Relationship	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>
E-portfolio based Segmented marketing	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>

Web Analytics- based Marketing intelligence	Case A	Case B	Case Q	Case M	Case W	Case V	Case X	Case Z
Gaining Insights into Online Customers' Behaviour	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>
Gaining insight into e-commerce competitors' behaviour	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>	<i>NSE</i>

Appendix F: Interview Location

	Interviewees	Job title	Interview's date	Interview' location
Case A	1 entrepreneur	Founder and manager	02/11/2015	Office (Shanghai)
	1 staff member	Social media Specialist		
Case B	1 entrepreneur	Founder and manager	17/10/2015	Office(Quanzhou)
	1 staff member	Head of marketing		
Case Q	1 entrepreneur	Founder, manager, model of the brand	24/11 /2015	Cafe (London) Telephone interview with Staff member
	1 staff member	Marketing executive(mainly on social media)		
Case M	1 entrepreneur	Founder, manager and model of the brand	02/11/2015	Office(Shanghai)
	1 staff member	Customer service		
Case W	1 entrepreneur	Founder and manager	18/10/2015	Office (Xiamen)
	1 staff member	Manager assistant		
Case V	1 entrepreneur	Founder and manager	29/10/2015	Office(Xiamen)
	3 staff members	Manger assistant Marketing executive Head of marketing		
Case X	1 entrepreneur	Founder and manager	20/10/2015	Office(Quanzhou)
	2 staff members	Manager assistant And Marketing executive		
Case Z	1 entrepreneur	Founder and manager	18/10/2015	Office(Xiamen)
	1 staff members	Marketing executive		

Appendix G: Contextual Background Information of Case Companies

Case A

Case A is a firm which provides middle-to-high-end children's clothes. They are particularly well-known for their delicate party-dresses. The firm was founded in 2012. Their target market is young parents in their late twenties, selected as they are more likely to seek new, fashionable styles, such as the black children's party dress, which are not necessarily traditional in nature. The style of the brand is 'gothic'; they don't sell colourful clothing. T-mall (third-party e-commerce platform, taobao.com) is used as the firm's only sales point. There are currently five employees in the firm at the moment. Of the regular staff members, one works in customer service, one is in charge of stock management, packing and delivery, one manages the website, one is dedicated to managing the firm's social media accounts.

This firm is run by only one entrepreneur. The entrepreneur graduated with a bachelor's degree in the UK, where she studied business management. She did not have any entrepreneurial experience or e-commerce experience before building this brand. Before, she worked at a processing factory, which is her family business. The entrepreneur is high-demanding about the quality of clothes herself. Thus, her firm ensures a high quality of products. This is why she decided to form a brand which provides middle-to-high-end children's clothes, at a time when few other companies were selling these kinds of products. She is indicated that she is aiming to make the most 'beautiful' and 'delicate' party dress on the third-party e-commerce platform.

Proactiveness was identified to be an important characteristic of entrepreneurship in how Case A operates the brand. For Case A, proactiveness means having a long-term approach and forward-looking perspective. Indeed, Case A does not attempt to build competitive advantage according to price and making immediate sales in the short-term. Instead, compared to the other case companies, the case is more focused on building their brand image in the long-

term using a distinctive feature: the gothic style of children's clothes. The firm builds its brand image based on this gothic style in its product photos, social media engagement and website design. Although the entrepreneur is not involved herself in internet-related operations, she hired an expert who is dedicated to building the firm's brand image on social media. The firm's social media activity is not driven by promotion, but is instead focused on customer engagement and interaction and providing useful information to customers.

Case B

Case B is a firm that specialises in sports casual shoes. Their target market is for customers between 20-30 years old. The case has 46 employees in total. The firm's competitive advantage is that they have financial support from the entrepreneur's family members. Indeed, their brother's factory supplies the firm's products. In using this supplier network, the firm can update their products very fast online in their webstore, at a greater speed than its competitors. Additionally, some of the firm's financial backing is put towards regularly buying software and to keep their software updated, in order to keep pace with changes in internet technologies and to reap the benefits of such technology, ahead of their competitors.

Moreover, the firm does not focus on building customer relationships via social media, but instead invests money in promoting products on the Taobao platform. The case aims to gain customer insight and predict customers' need in the market, using back-end data in Taobao.com. The entrepreneur's ability to predict customers' needs in the market was aided by their previous industry experience. Indeed, they had some prior experience of industry, although they did not have previous specific entrepreneurial experience.

It was identified that business knowledge, specifically e-commerce knowledge, is an important characteristic for the entrepreneur in Case B, including their ability to analyse data. Previously, the entrepreneur hired experts to carry out the firm's operational processes, including the Search Engine Optimisation (SEO) work. However, they found that this practice was not successful and, subsequently, the

entrepreneur has since become more involved with the firm's operational processes. Even though the firm has sufficient financial support to hire experts, the entrepreneur found value in controlling the operational processes themselves to ensure that these are moving in the right direction. If the entrepreneur has strong e-commerce knowledge, they can better maximise the performance of their staff members, by directing them to achieve the firm's aims and to make sure that their work activity aligns with the vision of the firm. It is Case B's strong e-commerce knowledge and executive ability to coordinate and manage its employees, in order to effectively respond to the opportunity in the rapidly changing environment.

Case M

Case M is a firm that sells female shoes and clothes. Their target market for selling these is young ladies and 'chic mums'. The firm has ten employees altogether. The entrepreneur did not have any previous entrepreneurial experience before founding this brand. She has approximately 80,000 followers on Weibo (seen November 2016). Indeed, Case M is a blogger store, whereby the entrepreneur is the model of the brand and presents the products online herself.

During the interviews, the entrepreneur did not make much mention of online operational activity, such as data analysis or SEO work. Instead, the firm focuses on customer relationship-building and building intimacy between the entrepreneur and customer on social media. The entrepreneur communicates regularly and personally with customers on social media platforms and shares real-life experiences with the customers. Indeed, most of the firm's customer base is from social media.

The outstanding entrepreneurship characteristics of Case M is innovativeness. In particular, the firm focuses on deploying creative forms of customer interaction and displaying and introducing products in novel ways. Additionally, the case innovatively engages with customers via social media, in order to build relationships and intimacy with customers. For example, the firm used live videos

to introduce new products to customers, at a time when this was not being carried out by other e-commerce firms.

Case Q

Case Q specialises in selling sweet and elegant style female clothes, targeted towards 20-30-year-old ladies. The firm only has 13 employees. The entrepreneur in Case Q did not have previous relevant entrepreneurial or industry experience before forming this firm. She is the youngest of the entrepreneurs examined in this research. The entrepreneur has always been interested in fashion and it is this which motivated her to build this firm. As with Case M, the entrepreneur acts as the model of the brand and presents the products herself to the customers.

While the firm itself is based in Beijing, the entrepreneur lives in London, having previously studied there. Subsequently, the entrepreneur presents the firm's products in the London environment and blogs about herself living. She did not significantly highlight SEO or data analysis in the interviews. These aspects are largely outsourced and, instead, the entrepreneur focused her efforts on customer relationship-building on social media and a form of customer service that is customised and friendly. In such a way, the entrepreneur can gain insights into customer behaviour and needs in a qualitative way through interacting with them.

The entrepreneur continually follows fashion trends and shares her fashion insights with her followers on social media, making sure that she is up-to-date with the latest trends. Indeed, the firm's main competitive advantage is that the entrepreneur has 224,000 followers on her social media account (as of September 2017). This has more than doubled since November 2016. In operating like a fashion blogger, the entrepreneur can better predict the customers' needs and understand their behaviour. Their other competitive advantage is that the entrepreneur updates the styles of clothes on the firm's webstore very often and very fast every month.

Case V

Case V is a male clothing brand that targets 20-25-year-old fashionable males. They have approximately 200 employees and are the largest of the cases examined in this research. The entrepreneur in Case V is the only one in this research who has previous entrepreneurial experience and experience of the fashion industry. Although they have lots of employees, the entrepreneur in Case V is involved in many of the firm's online operational process, notably in terms of selecting the products (e.g. material, style, etc) and of presenting them in their webstore (e.g. in charge of taking the product photos).

Indeed, according to the claims of the entrepreneur in the interview, Case V's main competitive advantage is the visual effects of their product photos. The firm has continually placed significant emphasis on improving the visual effect of the photos, as a way of responding to the needs of the market. When the entrepreneur is taking product photos, he proactively knows what customers need. In controlling the overall direction of the firm and in getting involved in the firm's operational processes, the entrepreneur can ensure that the brand is coherent, from the style of clothes to the product photos. It makes it more difficult for other companies to imitate them. The firm's focus on visual effects of photos is benefitted by the entrepreneur's fashion sense, which comes from his continual willingness to learn from his previous industry experience. If the firm has a strong competitive advantage in terms of visual effects of the photo, it simply needs to maintain similar levels with other firms in regards to all other aspects.

Case W

Case W specialises in selling American-style chic men's clothes, targeting 20-30-year-old fashionable males. They have 49 employees altogether. The entrepreneur previously ran an e-commerce store, but had no prior experience of running an e-commerce brand or prior industry or entrepreneurial experience. The entrepreneur in Case W has specialist knowledge of SEO and subsequently focuses on using web data to gain customer insight and to promote the firm's products. Thus, rather than aiming to build customer relationships through social

media, this firm focuses greater efforts on SEO and back-end data. This data is used to gain customer insight and to improve the firm's marketing intelligence.

Concerning Case W's entrepreneurship characteristics, it was emphasised by the entrepreneur in the interview that he has strong willingness and ability to learn. Additionally, it was identified in the interviews that reacting fast to changes in the online market is important for the entrepreneur. Indeed, it is indicated that the firm's primary competitive advantage is that they can adapt to the rapidly changing online environment quickly. The entrepreneur of Case W highlighted in the interviews that being fast is key in operating an e-commerce brand in maintaining a competitive advantage in the e-commerce market for the firm.

Case X

Case X is a firm selling vintage Men's shoes that are designed for both casual, informal activities, as well as for the office. The target market for these shoes is 25-29-year-old males. Case X has 75 employees in total. The entrepreneur founded the company in 2009, making it the oldest of the selected case companies. Before starting the company, the entrepreneur did not have relevant entrepreneurial or industry experience.

The firm has already passed the survival stage and now is in the development stage. They are now focused on building the brand in the long-term. Rather than simply following the market or gaining short-term benefits, Case X is aiming to build the brand in the long-term and develop its own style to lead the market. This means that they are trying to maintain customers in the long-term, where, on the third-party e-commerce platform, they are involved in regular customer interaction and engagement, events-building and the spreading of the brand image. Here, the firm is seeking to build a customer base in the long-term and to precisely identify its target market.

It was indicated in the interviews that the entrepreneur perceives the changes in the online market and environment and reacts to them before other e-commerce firms become aware of them. Notably, before the mobile e-commerce age had arrived, Case X had already started preparing for it. Thus, the firm is thinking

ahead in the changing online environment, as part of the entrepreneur's forward-thinking tendencies. As well as this, it was identified that the entrepreneur is also fast in reacting to the perceived changes in the online environment. Additionally, the entrepreneur aims to guide the staff members to have similar proactive way of thinking as he does.

Case Z

This firm is a casual male clothing brand, targeted towards 15-30-year-old men. They act as a 'fast fashion' brand and focus on street snaps to promote their products. Case Z has 26 employees in total. The entrepreneur did not have previous entrepreneurial experience before. While the firm is not very active on social media platforms, it was indicated in the interviews that the entrepreneur has a high level of e-commerce knowledge. In being able to conduct the e-commerce operational processes himself, the firm is able to save significant costs, when other brands need to spend money on hiring experts.

Case Z places emphasis on SEO and targeting product promotions. Indeed, the entrepreneur claimed in the interviews that he knows how to effectively target the product promotions to the right customers using SEO in the third-party e-commerce platform. Additionally, he knows the evolving policies of the platforms and keeps up to date with changes to these. The entrepreneur aims to try something new and to be bold and decisive in responding quickly to the market. Here, he can use his e-commerce knowledge to proactively identify the market opportunities from changes in the data, accessed from the back-end of the third-party e-commerce platform. In doing so, the firm can quickly adapt to the changing environment of the platform, including its policy and the needs of the customers.

Appendix H: Searching Process of claiming Knowledge Gap

According to the scope of this research which is examining entrepreneurship in e-retailers context. I used a number of different keywords and different combinations of these (see the tables below). Initially, I searched for 'e-retailer' and 'entrepreneurship' to identify the extant literature that had made linkages between the two phenomena. I used different terms of e-retailers and searched with "entrepreneurship" and I also used different terms of e-retailers and searched with "entrepreneur" (see the tables below). Limited research has thus far linked e-retailer and entrepreneurship.

Of those that did, the focus was not the e-retailer's online activities or about how the entrepreneurs operate in the online environment, but rather to make use of the e-retailing firms as an object for exploring entrepreneurship development processes (e.g. Ashworth 2012). These researchers consider how the entrepreneurs of e-retailers built up and managed their companies (e.g. Deprez, Leroy and Euwema 2018) The scholars also examined the successful business strategies that emerged in the e-retailer environment (e.g. Ashworth et al 2006, Polatoglu 2007). However, these strategies may not be successful in every context. Accordingly, emphasis is placed upon understanding how the successful strategies are conducted in particular company contexts.

Overall, limited studies were found that identified linkages between e-retailer and entrepreneurship (See the searching results in the tables below) and, subsequently, the search was broadened to target the keywords 'e-business' and 'e-marketing', alongside 'entrepreneurship' or 'entrepreneur', in order to access wider resources. The research on 'e-business' and 'entrepreneurship' has tended to concern the adoption of internet technology (e.g. Fillis, Johansson and Wagner 2003). While the research on 'e-marketing' and 'entrepreneurship' largely refers to the success of marketing strategies in the online environment, this thesis is examining how the firms are exploiting the e-commerce platform, which includes examining the firms' business activities employed on the platform and, more specifically, its marketing activities. However, these 'e-marketing' or 'e-business'

aspects do not act as the focus of my research. Instead of focusing on the successful strategies that firms pursue, this research is taking an entrepreneurial outlook to improve understanding about how and why particular strategies emerge on the e-commerce platform in the context of a changing environment and what underlies these strategies.

Given that there are limited studies which identified linkages between 'e-marketing' and "e-business" and "entrepreneurship" (See the searching result on the tables below), I expanded my search further to include 'e-commerce', which, according to the definition (Kalakota, Stallaert and Whinston 1996, Payne 2002, Chaffey 2011 and Allison 2017), refers to any business activity that makes use of ICT for transactions. As 'e-retailer' is considered to be one phenomenon incorporated within the e-commerce definition, it is necessary to search for articles which explore e-commerce.

The overall results show that the research which links "e-commerce" and "entrepreneurship" focused on examining firms' adoption of e-commerce from macro and micro perspectives. For example, this included the benefits and barriers of e-commerce adoption (e.g. Mazzarol 2015), and the macro and micro impacting factors upon the firms' readiness of engaging with e-transactions (e.g. and Stephen, Childers and Offstein 2007, Effah 2016).

The importance of contextual factors in e-commerce adoption has been highlighted in extant research, which considers e-commerce entrepreneurship as a new business venture that uses information communication technology. It also emphasises the contribution of e-commerce entrepreneurship to the economy. However, there is a lack of research which examines e-commerce platform exploitation from an entrepreneurial perspective, more specifically the role of entrepreneurship characteristics, such as proactiveness or innovativeness in the process of e-commerce platform exploitation.

Following this, in order to broaden the search one step further and to exhaust the review of relevant literature which explores entrepreneurship in the online context, I searched for the terms 'e-entrepreneurship' and 'online

entrepreneurship'. These are focused upon the use of technology by firms to initiate start-up or to develop the firms. These may be considered as technology-oriented enterprises (Gruber and Henkel 2006). Thus, attention in this literature is directed towards firms' adoption of technologies for start-up business (e.g. Mand et al. 2018, Rachid and Juiz 2018) and the opportunities that these present for the firms. However, the results highlight a limited scope of the research on 'e-entrepreneurship' and 'online entrepreneurship', with little attention paid to the exploitation of technology for developing business strategies by firms.

In summary, there are insufficient studies that have examined entrepreneurship in the context of pure-play e-retailers and the exploitation of internet technologies especially e-commerce platforms. Given the rapid development of e-commerce platforms, such as Taobao, in the Chinese online economy, it is necessary to further assess and examine these from an entrepreneurial perspective. Thus, this research is going to analyse the relationship between entrepreneurship and Taobao e-commerce platform exploitation in the context of Chinese pure-play fashion e-retailers.

Tables of searching Results

Table 1 Data base: Emerald Insight		
Searching key terms :	Filter	
	Abstract	Keywords
“e-retailers” and entrepreneurship	0	0
“e-retailer” and entrepreneurship	1	0
“e-retailing” and entrepreneurship	0	0
“Internet retailer” and entrepreneurship	0	0

“internet retailing” and entrepreneurship	0	0
“Internet retailers” and entrepreneurship	0	0
“Pure play” and entrepreneurship	0	0
“click and mortar” and entrepreneurship	0	0
“Online retailer” and entrepreneurship	2	
“Online retailing” and entrepreneurship	2	0
“Online retailers” and entrepreneurship	2 (same articles with above 2)	0
“e-tailer” and entrepreneurship	0	0
“e-tailers” and entrepreneurship	0	0
“e-tailing” and entrepreneurship	0	0
“e-tail” and entrepreneurship	0	0
“e-commerce” and entrepreneurship	20	3
“e-business” and entrepreneurship	20	0
“Online business” and entrepreneurship	2	0
“e-marketing” and entrepreneurship	1	0

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Table 2 Data base: Business sources complete		
Searching key terms	Filter: Journal article; English	
	Abstract	Key words
“e-retailers” and entrepreneurship	1	0
“e-retailer” and entrepreneurship	1	0
“e-retailing” and entrepreneurship	0	0
“Internet retailer” and entrepreneurship	0	0
“internet retailing” and entrepreneurship	0	0
“Internet retailers” and entrepreneurship	0	0
“Pure-play” and entrepreneurship	2	0
“click and mortar” and entrepreneurship	1	0
“Online retailer” and entrepreneurship	0	0
“Online retailing” and entrepreneurship	1	0
“Online retailers” and entrepreneurship	0	0
“e-tailer” and entrepreneurship	1	0
“e-tailers” and entrepreneurship	0	0

“e-tailing” and entrepreneurship	0	0
“e-tail” and entrepreneurship	1	0
“e-commerce” and entrepreneurship	22	17
“e-business” and entrepreneurship	11	15
“Online business” and entrepreneurship	3	2
“e-marketing” and entrepreneurship	3	0

Table 3--Data base: Emerald Insight		
Searching key terms:	Filter	
	Abstract	Key words
“e-retailers”	0	0
“e-retailer” And Entrepreneur	1	0
“e-retailing” And Entrepreneur	2	0
“Internet retailer” And Entrepreneur	0	0
“internet retailing” And Entrepreneur	0	0
“Internet retailers” And Entrepreneur	0	0
“Pure-play” And Entrepreneur	0	0
“click and mortar” And Entrepreneur	0	0

“Online retailer” And Entrepreneur	2	0
“Online retailing” And Entrepreneur	2	0
“Online retailers” And Entrepreneur	2	0
“e-tailer” And Entrepreneur	0	0
“e-tailers” And Entrepreneur	0	0
“e-tailing” And Entrepreneur	0	0
“e-tail” And Entrepreneur	0	0
“e-commerce” And Entrepreneur	18	0
“e-business” And Entrepreneur	11	0
“Online business” And Entrepreneur	4	0
“e-marketing” And Entrepreneur	1	0

Table 4--Data base: Business Sources Complete		
Searching key terms:	Filter :journal article; English	
	Abstract	Keywords
“e-retailers” And Entrepreneur	0	0
“e-retailer” And Entrepreneur	2	0

“e-retailing” And Entrepreneur	0	0
“Internet retailer” And Entrepreneur	0	0
“internet retailing” And Entrepreneur	0	0
“Internet retailers” And Entrepreneur	0	0
“Pure-play” And Entrepreneur	2	0
“click and mortar” And Entrepreneur	1	0
“Online retailer” And Entrepreneur	2	0
“Online retailing” And Entrepreneur	3	0
“Online retailers” And Entrepreneur	0	0
“e-tailer” And Entrepreneur	1	0
“e-tailers” And Entrepreneur	1	0
“e-tailing” And Entrepreneur	0	0
“e-tail” And Entrepreneur	2	0
“e-commerce” And Entrepreneur	48	5
“e-business” And Entrepreneur	18	3
“Online business” And Entrepreneur	9	0

“e-marketing” And Entrepreneur	1	0
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Table 5--Emerald insight

Searching keywords	Filter		
	title	Abstract	keyword
“e-entrepreneur”	0	0	0
“Online entrepreneur”	0	0	0
“Online entrepreneurship”	0	1	0
“Online entrepreneurs”	0	0	0
“E-entrepreneurship”	0	4	2

Table 6--Business Source complete

Searching keywords	Filter		
	Title	Abstract	keyword
“e-entrepreneur”	2	6	1
“Online entrepreneur”	0	0	2
“Online entrepreneurship”	3	3	4
“Online entrepreneurs”	1	3	0
“E-entrepreneurship “	5	5	4

Table 7: The key Extant Research relate to this research topic (In the Context of entrepreneurship and e-commerce/e-retailers)

Author	Method	Key findings
Global and National Factors Affecting E-Commerce Diffusion in Singapore (Wong 2003)	Policy review	This article offers an overview of global and national contextual factors that influence e-commerce diffusion in Singapore. Given that previous adoption of ICT technologies in Singapore has been facilitated by active government policies, they suggest areas where enhanced government policies and infrastructure may be needed in the country, including the promotion of technological innovation and strengthening networks.
A qualitative investigation of smaller firm e-business development (Fills, Johansson and Wagner 2004)	In-depth interviews of owner/managers of smaller firms in central Scotland.	In qualitatively investigating the development of SME e-businesses, the research indicates the importance of industry and sectoral factors. They suggest that

		customer needs are important in determining the need for e-business adoption, as are the degree of entrepreneurial orientation and the ability of the entrepreneur to exploit appropriate competencies.
E-business: linking available services and entrepreneurs' needs (Yrle, Hartman and Binder 2004)	Theory review	The paper reviews the challenges for the entrepreneur in entering the e-business market. It recommends the use of an application service provide as a way of minimising risk and highlights the role of expertise in enhancing the effectiveness of the entrepreneurial process.
"Web-weaving": An approach to sustainable e-retail and online advantage in lingerie fashion marketing (Ashworth et al. 2006)	In depth interviews	The findings in this paper identified an approach to transactional cyberstore development that is staged and evolutionary. It outlines and discusses 20 key factors for the success of e-retailers in the fashion industry.

Strategies that work – the case of an e-retailer in an emerging market (Niu and Polatoglu 2007)	Case study approach	The paper identified, analysed and assessed the successful strategies and approaches taken by an e-retailer in an emerging market economy.
Building entrepreneurial e-commerce competitive advantage: A bending of theory and practice (Stephen Childers and Offstein 2007)	Theory review	The researchers seek to better understand entrepreneurial e-commerce initiatives through integrating a resource-based view of the firm with elements of transaction cost economics. They develop theory which suggests that trust is central to the survival of entrepreneurs and competitiveness in the e-commerce market. It is recommended that firms should build and maintain an online framework that offers an inviting and rewarding experience for the consumers and to focus on efforts that build trust

		between the entrepreneur and customer.
The process of business start-ups in the internet: a multiple case study (Serarols 2008).	Case study approach	The paper compares the backgrounds of the pure-play entrepreneurs in comparison to click-and-mortar firms. It also analyses the entrepreneurial processes of the pure-play start-up in Catalonia, Spain.
E-commerce entrepreneurship as a national priority: the case of Thailand (Sukasamea, Seboba and Mohedano-Suanes 2008)	Policy review	This paper seeks to outline understanding of the Thai government's strategies for encouraging e-commerce entrepreneurship as a key aspect of its successful response to the economic crisis of 1997. It suggests how e-commerce can act as a source of future national competitiveness in the country.
E-readiness assessment of non-profit ICT SMEs in a developing country: The case of Iran	Statistical approach based on factor analysis.	The paper assesses the readiness of e-commerce firms in Iran. It extracts a number of key factors: organisational features, ICT

<p>(Fathiana, Akhavanb and Hoorali 2008)</p> <hr/>		<p>infrastructures, ICT availability and security/legal environment. The study is one of the first of its kind in critically examining the e-readiness of SMEs based on macro models in a developing country.</p>
<p>Contrasting e-commerce business models: performance implication for small enterprises (Rasheed 2009)</p>	<p>Comparative case study approach</p>	<p>The paper compares and contrasts the business models of pure-play enterprises and brick-and-clicks firms and considers the performance implications of these. It examines the impact of channel structures and brand equity building strategies upon the growth and profit of both pure-play enterprises and brick-and-click firms.</p>

Entrepreneurial marketing and the Web 2.0 interface (Jones 2010)	Theory review	The paper proposes that web 2.0 can be used as a complementary form of technology for the development of entrepreneurial marketing and entrepreneurship.
Effects of entrepreneurial orientation on online retail performance (Larsen and Korneliussen 2012)	A cross-sectional postal survey	The paper assesses the impacts of the individual dimensions of entrepreneurial orientation upon the performance of online retailers. It suggests that proactiveness has a positive effect on performance of e-retailers, while innovativeness and risk-taking have a negative impact upon their performance.
Marketing and organisational development in e-SMEs: understanding survival and sustainability in growth-oriented and comfort-zone pure-play enterprises in the fashion retail industry	Multiple case study approach	The findings of this paper highlight the importance of developing internet-technology competencies, strategic marketing and service capabilities for successful e-retailing. It also places emphasis upon overseas market

(Ashworth 2012)		development and planning for e-retailer SMEs.
Entrepreneurial success, using online social networking: evaluation (Indrupati and Henari 2012).	Interviews	This research evaluates the success of entrepreneurs that use online social networking. It highlights the multiple benefits of social media adoption for entrepreneurial success. It finds that online social networking acts as a cheap and easy for of advertising, enabling entrepreneurs to better reach their target market and to ultimately succeed in their ventures.
Entrepreneurial marketing in SMEs: the key capabilities of e-CRM (Harrigan, Ramsey and Ibbotson 2012)	A mixed methods approach incorporating an online questionnaire, qualitative in-depth interviews and projective techniques was adopted.	The research examines entrepreneurial marketing strategies for SMEs. It finds that although the communication element of e-CRM is easier for SMEs, they struggle to integrate customer information into their decision-making. They suggest that for SMEs, e-CRM, tends to be <i>ad hoc</i> rather than strategic in nature.

Are UK SMEs with active web sites more likely to achieve both innovation and growth? (Thompson, Williams and Thomas 2013)	Surveys	The findings of this paper suggest that while in theory, the adoption of websites by SMEs can allow firms to increase interaction with customers or to reduce transaction costs, and thus enables them to experience innovation and growth, there is little evidence that this occurs in reality. Although firms with active websites are more likely to be innovative, they do not necessarily achieve growth.
The role of innovation and information and communication technology in development of entrepreneurship in the republic of Macedonia (Janevski 2013)	Review	This paper examines the role of innovation in the entrepreneurial adoption of ICT in firms in Macedonia. It highlights the importance of entrepreneurs recognising the benefits that can be accessed from ICT in terms of total costs of ownership. In other words, the entrepreneurs should understand how to assess benefits and costs of the introduction of ICT in their venture.

<p>Social shopping communities as an emerging business model of youth entrepreneurship: exploring the effects of website characteristics (Zhang et.al. 2014)</p>	<p>Surveys</p>	<p>The paper assesses the impacts of entrepreneurship on customer purchase intention. It identifies that the emotional trust of the customer plays a greater role than their cognitive trust in influencing their intention to purchase through the 'social shopping community'. It also suggests that the relationship between trust and purchase intention is influenced by the customers' involvement in the firm (e.g. co-creation).</p>
<p>SMEs engagement with e-commerce, e-business and e-marketing (Mazzarol 2015)</p>	<p>Review</p>	<p>The paper highlights the importance of digital technologies for SMEs in maintaining relationships with customers. It also suggests that the entrepreneur should assess the costs, risks and benefits of ICT investment in advance of engaging with digital technologies.</p>

<p>Institutional Effects on E-payment Entrepreneurship in a Developing Country: Enablers and Constraints. (Effah 2016)</p>	<p>Interpretive case study approach</p>	<p>This study identifies the entrepreneur's tendency to ignore the contextual differences between the developed and developing world in implementing initiatives. It recommends firms to consider the local institutional environment and the contextual factors of the developing countries and to not assume that technologies (in this case, e-payment technologies) can be applied in the same way as in developed countries.</p>
<p>Understanding the relationships between online entrepreneurs' personal innovativeness, risk taking, and satisfaction: Comparison of pure-play and click-and-mortar. (Lian and Yen 2017)</p>	<p>Surveys</p>	<p>The researchers assess and examine the similarities and differences between entrepreneurs of pure-play firms and click-and-mortar firms, in terms of their personal innovativeness, risk-taking and satisfaction. It indicates that an entrepreneur's personal innovativeness has a significant positive effect on their level of innovation in</p>

		<p>the adoption of information technology. Elsewhere, the entrepreneur's risk-taking propensity has a significant impact upon entrepreneurial satisfaction for pure-play entrepreneurs only, while the entrepreneur's satisfaction level is also dependent upon the specific online business model employed (click-and-mortar vs. pureplay). The paper argues that traditional research on entrepreneurship cannot be fully applied to the online context.</p>
<p>Internet entrepreneurship and "the sharing of information" in an Internet-of-Things context: The role of interactivity, stickiness, e-satisfaction and word-of-mouth in online SMEs' websites (Yu et al. 2017)</p>	<p>Theory review</p>	<p>The research outlines an 'e-stratification' framework, which seeks to facilitate the entrepreneurs of e-retailing SMEs to design appropriate forms of interaction and online strategies in order to stimulate positive e-word-of-mouth from website visitors.</p>

Three chronological steps toward encouraging intrapreneurship: Lessons from the Wehkamp case (Deprez, Leroy and Euwema 2018)	Case study approach	The paper examined the key processes of team management as a way of stimulating intrapreneurship through a case study approach.
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Appendix I: Searching Process of Entrepreneurial Marketing in Online Context

The key strategic role of the internet for business is for conducting marketing. Thus, I use the different combinations of keywords to search articles to understand how EM has been explored in the online context and in relation to the internet. This is for improving understanding of the extant literature about entrepreneurship in the online context. Given the focus of this research, interest in these articles was restricted to how the EM strategies were integrated into the online context.

EM studies were searched for that took place in the online context or in relation to the internet. Five different keywords (see tables 1 and table 2 below) related to the internet were used in combination with EM in two different databases, Emerald Insight and Business Source Complete. As the results that appeared were lacking, different keyword combinations were used: 'entrepreneur' with three key terms ("online marketing", "internet marketing" and "digital marketing") and 'entrepreneurship' with the same three different key terms in those two databases (see table 3 and table 4 below).

The journal articles and content were selected from the search results which specifically referred to EM in relation to the exploitation of the internet or in an online context. Those articles which detailed online marketing strategies for the entrepreneur but did not specifically relate to EM were not selected. The focus in this search was EM studies that engaged with internet technologies, or, more specifically, online EM. It is worth noting that some overlapping articles appeared in the search results using different keyword combinations.

The overall results show limited research examining entrepreneurial marketing in the online context. There is some key research which contributes knowledge of entrepreneurial marketing in the online context, as outlined in the table below. The key research findings of these articles have been examined in the Section of entrepreneurial marketing in the literature review chapter.

Table 1

Emerald insight			
Searching keywords		Filter	
		Abstract	Keyword
Entrepreneurial marketing	e-retailer	0	0
Entrepreneurial marketing	e-tailer	0	0
Entrepreneurial marketing	online	5	0
Entrepreneurial marketing	e-commerce	1	0
Entrepreneurial marketing	Internet	1	0

Table 2

Business source complete			
Searching keywords		Filter	
		Abstract	keyword
Entrepreneurial marketing	“e-retailer”	0	0
Entrepreneurial marketing	“e-tailer”	0	0
Entrepreneurial marketing	online	9	1
Entrepreneurial marketing	“e-commerce”	4	0

Entrepreneurial marketing	Internet	17	0
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Table 3

Emerald insight			
Searching keywords		Filter	
		Abstract	Keyword
Entrepreneur	“Online marketing”	2	0
Entrepreneurship	“Online marketing”	3	0
Entrepreneur	“internet marketing”	31	2
Entrepreneurship	“internet marketing”	0	0
Entrepreneur	“digital marketing”	1	0
Entrepreneurship	“digital marketing”	1	0

Table 4

Business source complete			
Searching keywords		Filter	
		Abstract	Keyword
Entrepreneur	“Online marketing”	1	0
Entrepreneurship	“Online marketing”	1	0
Entrepreneur	“internet marketing”	5	1

Entrepreneurship	“internet marketing”	1	0
Entrepreneur	“digital marketing”	0	0
Entrepreneurship	“digital marketing”	1	0

Table 5. Prior literature of EM in online context

Authors	Method	Objective	Key findings relate to review(this research)
McGowani and Durkin(2002)	in-depth interviews/discussions	those competencies within the entrepreneurial small firm which will determine the potential adoption and utilisation of the Internet in developing and maintaining customer relationships.	Impacting factors of internet adoption for building customer relationship The entrepreneur should be able to see the contribution of the internet and e-commerce toward to business in order to enhance the effectiveness of internet adoption.
Elliott and Boshoff(2007)	questionnaire	to identify those owner-manager factors that are present in a small	the owner-manager having an entrepreneurial orientation, the knowledge of owner-

		tourism business which will influence the success with which the Internet can be used to market the business	managers, the involvement in decision making of owner-managers and a marketing orientation are important to the successful use of the Internet for the marketing of small tourism businesses in South Africa.
Colton, Roth and Bearden (2010)	Survey	enhance understanding of the capabilities international e-tailers can deploy to foster and leverage key strategic resources.	A “one-size-fits-all” e-commerce strategy seems less likely to lead to better performance than strategies that consider market differences. A more marketoriented, customer-centric organizational culture will help a firm strengthen its brand and relationships with suppliers by understanding its customers both domestically and internationally.
Jones 2010	Theory review	It looks at the way in which	The paper proposes that web 2.0 can be

		Web 2.0 technologies are changing the marketing and entrepreneurial landscapes.	used as a complementary form of technology for the development of entrepreneurial marketing and entrepreneurship.
Ashworth (2012)	Case study	to understand and conceptualise the organisational development of pure-play SME fashion e-retailers and to explore the strategies employed in pursuit of sustainable retailing.	Recommend pure-play e-retailers to utilise cumulative e-retail experience, a common technological infrastructure and existing staff/logistics/operational structures in order to develop multiple revenue streams encouraging organisational economies and efficiencies.
Mort, Weerawardena, and Liesch, (2012)	Case study	advance the domain of entrepreneurial marketing (EM) responding to the challenge to EM scholars to more fully develop EM as a school of marketing	Ongoing customer relationships and intimacy resulting in innovative products

		thought.	
Harrigan And Ibbotson 2012	A mixed methods approach incorporating an online questionnaire, qualitative in- depth interviews and projective techniques was adopted.	to present research evidence on the impact of internet-based technologies (IBTs) on the customer relationship management (CRM) activities (i.e. e-CRM) of SMEs in Ireland	SMEs are adopting relatively simple IBTs to improve customer communication and information management capabilities and to create competitive advantage through e- CRM. SMEs find the communication aspect of e-CRM easier, but struggle to integrate customer information into their decision making
Indrupati and Henari (2012)	Interview	to evaluate the effectiveness of online social networking by entrepreneurs in the Arabian Gulf	It is found that social networking is a cheap and easy method of advertising and gives all entrepreneurs a better chance of reaching their target market and, thereby, in succeeding in their ventures.
Sinkovics and Sinkovics (2013)	semi- structured telephone	examine the drivers and performance outcomes of two	This finding is consistent with the RBV, which argues that IT

	interviews and survey	patterns of internet use supporting export marketing: the internet as an alternative to a physical presence and the internet as a sales channel.	resources alone cannot contribute to a firm's competitive advantage (Jean, 2007; Jean et al., 2008). Instead, IT resources should be complemented with both IT capabilities and non-IT resources and capabilities in order to drive higher firm performance levels
Krom 2015	Survey	to evaluate the significance of innovation driven online entrepreneurship as well as the impact of innovation on brand trust, customer satisfaction and brand loyalty in the extent of service innovations	According to the results of this survey, it is observed that a global online entrepreneur like Google, which embraces innovation as a positioning strategy, also increases the brand trust, customer satisfaction and brand loyalty of the users through its innovations in the information communication technology field.
Daniel and Anwar (2016)	Interview and complementary source of	to explore the marketing of	The affordances of online businesses appear to offer

	data e.g. website and press coverage	online businesses operated by ethnic minority entrepreneurs.	opportunities for break out, but the reliance on incremental experimentation and copying others results in highly homogeneous approaches to marketing.
Thompson-Whiteside, Turnbull, Howe-Walsh, (2018)	semi-structured interviews	provide insight into how female entrepreneurs develop and communicate an authentic personal brand.	Training which considers how to develop a holistic online media presence consistent with their personal brand, is recommended. Whilst the use of social media is pervasive, there are still gaps in knowledge and experience.