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Feedback approaches and knowledge intensity in new ventures

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Abstract

New ventures face difficulties as they often lack the market information required to make well-founded decisions. While all new ventures suffer the increased likelihood of failure, feedback could be a technique to minimize knowledge gaps between the new venture and the market. The aim of this study is to explore feedback in an entrepreneurial context and contribute to the term feedback in new venture literature. The study analyzes feedback behavior, different types of feedback from various feedback sources in new ventures. The study takes a “grounded like” approach focusing on iterations between emerging theoretical findings and established theories with the purpose of finding and bridging research gaps. Data for this study were collected through semi-structured interviews with the founders of nine selected new ventures.

The results suggested that there may be a relationship between the factors entrepreneurial openness, feedback types, and feedback sources. Moreover, it was revealed that current entrepreneurship literature could not explain the complexity of the term feedback in new ventures. The interconnection between the factors were thus conceptualized into the new factor and model “Feedback approach”. The study concluded that, that understanding the factors behind “Feedback approach” could support ventures’ awareness of feedback’s value. It may also aid new ventures in accelerating the process of knowledge acquisition from different knowledge domains. Hence the study has initiated an extension of the theoretical understanding of the term feedback, describing its driving forces, content and origin in a new venture setting. The shortage of existing literature on this subject has increased the study’s relevance.

Keywords: Feedback, Knowledge Intensive Entrepreneurship, Knowledge gaps, New Ventures, Feedback type, Feedback source, Entrepreneurial openness, Knowledge acquisition

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Dictionary

Academic actor - An institute with close connection to academia such as schools, academic incubators, research centers etc.

Business concept - The business concept is defined as the basis for starting a venture, developing the business concept is to clarify what is offered to have a closer fit to market needs. (Bhave, 1994). In prior literature by Bhave (1994) the business concept has been connected to pre-startup context. However, this study has taken the ideas presented and connected them to a broader sense as a continuous development process, pre-startup as well as during management of the venture.

Consumer/user - An individual who consumes the product or service from the venture. Does not need to have direct contact with the producing venture.

Customer - A person, entity or other form of organization who purchase a product or service. Not necessarily the actor that consumes the offering, could be distributor, wholesaler or other type of middleman.

Exploitation - Activities which aims to generate profits of something which already exist (McKelvey & Lassen 2013a).

Exploration - Activities often involving seeking, creating, and the generation of something new (McKelvey & Lassen 2013a)

High tech and low tech sector - Economics' classification for whether a sector is high tech or low tech is done based on how much out of an organization's sales is invested into research and development. Business economics on the other hand would instead look at how advanced technologies are used and how much knowledge resides within the organization (McKelvey & Lassen, 2013). This study has used a combination of the two different viewpoints. Combining how much efforts needs to be spent on research and development and how much prior knowledge is needed to stay competitive within the sector.

Industry actor - Several actors have been merged within the variable industry actor to simplify the coding and analysis as they appeared less frequently during the data collection. The following has been referred to as industry actor: industry specialist, social media influencers, competitors, and individuals in similar ventures with similar problems targeting another market.

Influencer – The thesis uses the term influencer also defined as Social media influencer, as an individual or independent endorser who can shape opinions of a consumers through blog

and social media platforms (Freberg et al., 2011). From a feedback perspective this thesis considers influencers as an industry actor.

Informal network - A group of individuals with close and often personal relationships with the individuals in the venture.

Intuition - *“a non-sequential information processing mode, which comprises both cognitive and affective elements and results in direct knowing without any use of conscious reasoning.”* (Sinclair & Ashkanasy, 2005).

Mentor - In this study the mentor is defined as an external person who acts like a coach or advisor to a specific venture. The person should be addressed as a mentor by the case venture otherwise referred to as industry actor.

New Venture - The definition of new venture is expressed through the startup definition presented by Blank (2012), we define a new venture as an “organization formed to search for a repeatable and scalable business model”. This definition has been broadened in order study knowledge intensive entrepreneurship as such this study follows the frame presented by McKelvey & Lassen (2013) restricting the age of our chosen case ventures to a maximum of eight years in business, for this study we have extended the years in business to ten years to fit our cases within the age range. The study seeks to explore how knowledge intensity relates to Feedback approach in practice as the knowledge intensive venture definition does not bound us to any specific industry or business model. The study has actively chosen to interview a variety of firms ranging from ventures offering strictly manufactured goods to software service based ventures.

Operational feedback - Defined in this study as strictly product related feedback; feature, quality related to market knowledge and needs.

Professional network - A group of individuals with a similar professional interest collectively meeting in a formal setting with a specific purpose (e.g. conferences, meetups or organized communities).

Research - The term research is used in connection to existing literature.

Strategic feedback - Defined in this study as feedback affecting the business concept, including more general feedback not directly related to products, such as business, scientific, creative and scientific knowledge.

Study - The term study has been used in reference to this thesis.

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1. Introduction

1.1 Background

New ventures suffer from an increased likelihood of failure. It is an inherent effect to the cost of learning, adapting to new roles, setting up communication between stakeholders, creating structure (Singh et al., 1986) and the levels of stability versus speed in the organization (Hannan & Freeman, 1984). These factors relate back to liability of newness that is a concept explaining why new ventures are more likely to fail than older organizations (Stinchcombe, 1965). The survival rate for new ventures is low, some more optimistic research suggests a fail rate of around 45 percent while government based data indicates a higher percentage, however they agree that failure is a rule rather than exception for new ventures (Spinelli & Adams, 2012). Sheperd et al. (2000) found that factors such as degree of novelty could decrease the ventures' chances of survival even further.

Repeatedly, new ventures face difficulties as a result to their lack of sufficient market information (e.g. prices, production processes, costs and competition). Information is divided between different actors in the new venture's ecosystem (Laužikas & Dailydaitė, 2015; Zahra & Nambisan, 2012). The implicit meaning is that new ventures need to gather information from a variety of actors to gain different types of knowledge about important aspects of the business. Hoang and Antoncic (2003) stress that networks are a necessity even after the startup phase, new ventures rely on them for business information and advice aiding them in their problem solving.

Entrepreneurs are often seen as knowledge operators who need to combine and utilize different types of knowledge to understand and act upon external information (McKelvey & Lassen, 2013a). When developing a novel business concept many theorists have stressed the importance of having a good fit between the true needs of the customer and the ventures perception of those needs (Bhave, 1994; Brentani, 2001). A new venture does not have existing customers or offerings that can be used for the development of new offerings, similarly to when an existing company's new offering is vastly different from the existing offerings. They must use a different approach to how their business speculations match the needs of their customers, more attention is on the problem and solution before market launch

(Giardino et al., 2014). With an emerging venture in a novel industry comes challenges, such as uncertainty of appropriate organizational structure, characteristics of product, what production technology to use (Gartner, 2016).

Feedback could therefore be a tool for new ventures to minimize the gap between the perceived market demand and the actual demand. The definition of feedback speaks about information as two gaps where the information is intended to decrease the gap (Ramaprasad, 1983). Despite the lack of information in new industries about which customers to contact and how to approach them (Gartner, 2016). By engaging with different actors, new ventures can thus gain information necessary to minimize the knowledge gap between the new venture and the desired knowledge domain. Entrepreneurs can control actor engagement by choosing when and how to interact with them, hence the skillful entrepreneur can utilize feedback as a key resource in the new venture. By using feedback in the right way, the odds of developing a successful opportunity increases (Maidique & Zirger, 1985). Moreover, by gaining a deeper understanding of the market, entrepreneurs are better equipped to find strategic relationships and improve the feedback collection capabilities in the venture. As such, the market knowledge is a vital part for new ventures in their future search for the right information (Laužikas & Dailydaitė, 2015). Subsequently, feedback practices in new ventures can enable them to find a closer fit between business concepts and customers (Bhave, 1994).

Although prior literature has stressed the importance of feedback in new ventures, pointing to knowledge and interaction from a variety of sources (Hokkanen & Leppänen 2015; Shepherd, Douglas and Shanley, 2000; Zahra & Nambisan, 2012). Feedback beyond customer orientation in new ventures has not been given much attention in entrepreneurship literature. Moreover, feedback seeking literature has tended to focus on the outcome of feedback seeking, and not the actual process of seeking feedback (Levy et al., 1995). In addition to this, predominantly, existing theory connects feedback seeking to larger and established organizations, focusing on employees (Gong et al., 2017; Ashford & Cummings, 1985; Ashford & Tsui, 1991).

The apparent research gap of feedback from contrasting perspectives including feedback processes, behavior, types and sources in new ventures thus enabled this study to contribute to the existing field of feedback in entrepreneurship. More specifically, there is a lack of

theoretical ground for feedback and its connection to its source in entrepreneurship literature (Crommelinck, 2013). The emergent gap in entrepreneurship research has increased the relevancy of this study. Since different types of knowledge can be gained from various actors'. The feedback from each actor would seemingly, be different. Although, some efforts have been made to categorize different types of feedback in new ventures (Bhave, 1994). There is still room to be filled with new contributions on defining feedback types for new ventures (Crommelinck, 2013; Bhave, 1994). Thus, the aim of this study is to dig deeper into the understanding of different types of feedback from various types of actors. The study further seeks to explore how Knowledge intensity relates to feedback approach in new ventures.

1.2 Purpose

The purpose of the study is to compare feedback approach with Knowledge intensity. The findings suggest that there is a relationship between entrepreneurial openness, feedback type and feedback source. Combined the factors entrepreneurial openness, feedback source and feedback type create this study's contribution, the Feedback approach. Subsequently, Feedback approach as an independent variable will be analyzed and compared to the knowledge intensity of the firm. The emergent research gap and lack of feedback theories in entrepreneurship literature has brought upon this study's research questions.

1.3 Research Questions

Main: How is feedback connected to knowledge acquisition and decision-making in new ventures?

Sub: Are there different types of feedback in new ventures?

Sub: What type of feedback sources are visible in new ventures?

Sub: Is there a connection between entrepreneurial openness, feedback source and type in new ventures?

1.4 Delimitations of the study

Due to the limited amount of time available to perform this study, convenience was an important factor for the chosen cases. Only founders were interviewed and some interviews did not involve all founders, the answers were viewed as representative for the venture. All interviewed founders were Swedish, however three of the interviews were performed at New York offices where those founders were currently residing. The study does not consider one approach or method of management and strategy better than the other. Rather the focus is on the phenomena of feedback and how it could be utilized to access different types of knowledge. How successful the case companies are, have not been considered due to the subjective nature of “success”.

Due to the grounded-like approach each interview has been performed differently in accordance to Eisenhardt (1989) with the possibility to make emergent adjustments to the data collection process. The data from the interviews are therefore different, making some interviews more focused on certain aspects. As a result, the study does not take a comparative shape rather the interviews were performed to find meaningful patterns for theory generation. Thus, the cases merely represent different approaches to feedback. The decision to keep the cases anonymous was therefore partially to take focus of the venture and focus on its feedback approach.

1.5 Limitations

The study could have been executed in a variety of ways given a longer time frame, one aspects would have been to conduct more interviews to rule out the possibility of new emerging themes, although we got indications of a saturated result more interviews would have more accurately ensured saturation.

The study takes a grounded like approach, meaning that there are similarities to the grounded theory. However, our study is not strictly grounded in the case ventures but also considers theoretical iterations more so than in the grounded theory.

All cases interviewed for the study had relatively young founders with an online presence making them easy to locate and contact. It is possible that due to our own age these companies were more easily accessible for us and in turn being at risk of a sample less generalizable. The interviews were held from 40 minutes up to one hour, we considered it to be a sufficient length to explore the processes of the venture as well as an appropriate duration for the interviewees. However, it would have been favorable to have longer interviews or multiple interviews with the same founder allowing for periods of reflection between the interviews to create more depth within each case analysis.

2. Literature review

The second chapter sets the theoretical foundation for the study that is used to review and further build upon the empirical findings. It targets prior research within knowledge acquisition as well as its connections to feedback in the context of new ventures. The cornerstones of the study are presented; Entrepreneurial openness, feedback source, feedback type and Knowledge Intensive Entrepreneurship.

2.1 Knowledge acquisition in new ventures

Centobelli et al. (2017) describe the scarcity of resources often symbolic in a new venture context as argument for leveraging intangible assets. To meet sustainable goals of the business the venture could use knowledge and human capital. Many contributions have been made suggesting that knowledge creation, storage and transfer is often a human embedded phenomenon in new ventures. Moreover, there are factors influencing knowledge management in new ventures. One suggestion is that new ventures may be able to act upon business opportunities because of knowledge spillovers. In this sense knowledge application is the driver of incremental innovation such as product improvements. It has been argued that knowledge spillovers have a relationship with entrepreneurial activities in a new venture context (Acs et al., 2009).

Furthermore, evidence has shown that knowledge-based ventures are more efficient and effective in their entrepreneurial activities. The continuous knowledge creation process enables the venture to act upon new technological opportunities. Moreover, knowledge sharing allows firms to achieve sustainable success. Similarly, others have suggested that involvement of customers, suppliers and partners are all contributing factors significantly impacting the key results of a new venture (Centobelli et al., 2017). However, others have argued that knowledge by itself does not explain economic growth. It is when knowledge spillovers are transferred through entrepreneurship that knowledge may be a key factor to be successful in a growth model (Acs et al., 2009).

Bandera et al. (2016) also stress that knowledge management is a vital part across all areas of the business. This is notably true for new venture firms facing challenges typical for different kinds of transitions all at once. Challenges include the transition of handling research and development funding to financing sales revenue. Making the transition from a founder mentality, focused on innovation, towards the mentality of striving for efficiency as well as the strategic business, transition from verifying and perfecting a business model to its execution. When looking at knowledge management in new ventures the transition means moving from tacit knowledge to explicit knowledge. When a new venture makes that transition, the gap is referred to as the “valley of death”. Challenges connected to the valley of death is something both lifestyle entrepreneurs and innovation driven entrepreneurs encounter, since both base their decision-making on tacit knowledge for their investments. However, as the innovation-driven entrepreneur often experience information asymmetry enabling the innovation, meaning that there is also less explicit knowledge on how to mitigate the risks involved with the innovation (Ibid; Smith et al., 2009).

Knowledge has been discussed in terms of different types of knowledge. Knowledge differs from data and information. Rather than a set of raw material or a series of patterns enabling meaning, knowledge has been described as a possession while knowing is about interaction between the individual possessing the knowledge and the external environment. Moreover, knowledge is the capability to identify and later acquire information (McKelvey & Lassen, 2013a). Bandera et al. (2016) states that to scale a business, theory indicates that tacit knowledge needs to be codified and diffused into the ecosystem of the firm, making the knowledge explicit. One way of doing this is by seeking the opinions of external assets such as through customer reviews.

2.2 Feedback

2.2.1 Definition of feedback

The term feedback is defined as communication from the external environment to a specific individual or system (i.e. organization). If the specific organization accepts and considers feedback, the information or content of feedback can be used to learn and change characteristics and behavior of the organization. Feedback also supports learning useful for aiding the organization in making the appropriate decisions. Moreover, specific feedback can

be the reason for choosing a specific strategic behavior (Boero & Novarese, 2012). In entrepreneurship literature, feedback has not yet gained a commonly accepted definition. Similarly, in management theory feedback has been defined by Ramaprasad (1983) as information about a gap between the reference level and the actual level. Feedback is used to minimize the distance of the gap. When there is no gap between the levels feedback can still be used as a confirmation of success (Strijbos et al., 2010). If the same information were to be stored without any intentions to utilize it for adjusting the gap, it would not be viewed as feedback (Ramaprasad, 1983).

2.2.2 Feedback in new ventures

Theory has suggested that entrepreneurs are more likely to repeat choices that result in positive feedback, while discarding choices that result in negative feedback. Hence, actions randomly resulting in positive feedback are more likely to become a systematic process as basis for the new venture's decision-making (Minniti & Bygrave, 2001). Traditional new product development research has been connected to a linear way of thinking where the product is developed in sequential steps and any iterations or looping back are viewed as negative. However, more recent new concept development processes are geared towards interactive activities such as in-depth interviews and brainstorming with current and potential customers or other stakeholders (York & Danes, 2014). Following the same principle, Hokkanen & Leppänen (2015) stress that new ventures even at an early stage need to validate their business idea by seeking feedback and measurable proof of the value the venture creates for its stakeholders.

There is a rich amount of research showing that efforts on front-end activities where entrepreneurs focus on meeting customer needs in product development explains why some products succeed while others fail (York & Danes, 2014). Although, many researchers have stressed the fact that responding to customer feedback is an essential process in connection to new product introduction (Bhave, 1994). However, the challenge for new ventures is to develop a clear product concept enabling the venture to acquire meaningful feedback from the market (Smith & Ulrich, 2001). Failing to do so while still investing in the idea is one of the reasons why new ventures fail. Investing money in the business infrastructure before having product or business validation is often referred to as premature scaling (Marmer et al., 2011).

2.3 Entrepreneurial openness

In prior literature feedback seeking behavior has been introduced, and for the most part focused on, as an occurring phenomenon in larger organization from an employee or managerial perspective (Gong et al., 2017; Ashford & Cummings, 1985; Ashford & Tsui, 1991). Similar ideas have been presented in entrepreneurship literature through the notion of entrepreneurial openness. It has been conceptualized by Slavec et al. (2017) who refers to three dimensions of characteristics in an individual, namely to engage in learning, seek for novelty and pursue feedback (Ibid). Open entrepreneurs are continuously searching for new opportunities, and actively seeking feedback to evaluate feasibility of the opportunities as well as matching them to market needs (Burmeister & Schade, 2007). Moreover, Frese (2007) emphasizes that due to the complex and ambiguous nature of entrepreneurship, entrepreneurs need to actively seek for feedback to aid them in their strategizing. If entrepreneurs embrace this form of feedback seeking mentality it can contribute to the success of the venture and personal growth of the feedback seeker (Ibid). However, this activity needs to be controlled and evaluated. Seeking feedback on minor issues to reach higher level gains may be unnecessary and give the opposite effect (Slavec et al., 2017). Frequency of feedback seeking has also indicated positive effects during uncertainty. In addition to the potential benefits of venture, performance is one of the reasons individuals seek feedback (Vancouver & Morrison, 1995). However, feedback seeking involves time, effort and social costs for the feedback seeker who may fear being perceived as insecure, or incompetent. Thus, these are all factors need to be considered when seeking feedback (Ibid). In relation to seeking support, Brixy et al. (2013) intended to explain the reasons why some entrepreneurs may not seek professional assistance, saying that it may be a result of the entrepreneur's knowledge level on how to start a business. Another reason for not seeking assistance may be overconfidence in one's ability, or the entrepreneur's lack of knowledge on the availability of professional assistance. It was found that having industry experience may increase the likelihood of seeking assistance while those without industry experience may be less likely to seek assistance. Moreover, serial entrepreneurs were found less likely to seek assistance (Ibid).

Further, openness in entrepreneurship literature has stressed the entrepreneur's acceptance of change and openness to new perspectives of the venture. How entrepreneurs process information, base decision and solves problems may therefore reflect their openness, enabling

them to adopt innovations (Marcati, Guido & Peluso, 2008). Research have also considered entrepreneurship to be a feedback-driven process (Bhave, 1994). It has been suggested that successful entrepreneurs share a desire to continuously evaluate their performance, they share a belief that feedback is vital to enhance their performance and increase the odds for success (Spinelli & Adams, 2012). Further, evidence for the use of feedback in new ventures comes from Collewaert et al. (2016). They showed that entrepreneurs in the founding phase confronted with role ambiguity cope better with these types of issues if they actively seek feedback from external sources. By extensive search for feedback from external sources, entrepreneurs with a feedback seeking behavior can also keep their passion in times of uncertainty and when changes are made to the idea (Ibid). In connection to feedback seeking behavior, Crommelinck (2013) introduced the concept of proactive feedback-seeking entrepreneurial employees. In relation to entrepreneurship, proactive feedback seeking behavior could enable entrepreneurs to understand what stakeholders expect. By proactively seeking feedback, the entrepreneur can also build social support structures to maintain the passion in the venture (Ibid). Connected to feedback in entrepreneurship, Crommelinck (2013) is assisted by the concepts first introduced by Ashford & Cummings (1983), the two researchers proposed that individuals do not only wait passively for feedback but rather act proactively in seeking information.

Moreover, ventures with formal processes for collection of market knowledge are more likely to also have formal processes for utilizing market knowledge. The relationship is stronger in established markets. Having formal processes for the collection of market information has a positive correlation with new venture performance (Song, Wang & Parry, 2010). However, researchers have suggested contrasting ideas that entrepreneurs make their decisions regarding their ventures through their own intuition, as opposed to formal planning (Zahra & Nambisan, 2012). Early stage ventures has been found to experience high levels of uncertainty, consequently they often lack structure and formality on the organization. The transition to a more structured organization needs timing, as it may hinder the creativeness and entrepreneurial spirit of the venture (Gilmore & Kazanjian, 1989). Intuition has also been found to impact important decisions in new ventures. The intuition support entrepreneurs with solving problems and they often consult their network to confirm the decisions, share responsibility and gain social comfort (Vershina, Barrett & McHardy, 2017). Moreover, researchers have also found that founder cognitive biases affect decisions related to the

formation and potential failure of the venture (Hayward, Shepherd & Griffin, 2006). In relation to management of the venture research has suggested that management needs to utilize analytical tools and intuition equally in their decision-making processes, as venture often need to make rapid decisions (Simon 1987; Dane & Pratt, 2007).

2.3 Feedback types

Bhave (1994) explores different types of feedback in entrepreneurship and states that signals obtained from customer feedback, affecting the business concept, is referred to as strategic feedback. Strategic feedback could threaten the existence of the venture. More specifically, developing the business concept means to improve the fit between customer needs and the new venture's perception of those needs. If there is a large gap between how the entrepreneur view the customer needs and the actual customer needs it is an indication that the venture might need to make major changes. Less dramatic changes are made from a feedback type referred to as operational feedback. Quality and features is its focus as this type of feedback generally only requires improvements in production technology affecting the competitive stance of the venture (Ibid).

Further, firms need to be entrepreneurial and focus on the generation, acquisition and transfer of intangible assets such as knowledge. The venture should aim to combine the assets to meet customer needs (Teece, 2000). In accordance, knowledge about customers' preferences as well as current and future market dynamics could be referred to as market knowledge (McKelvey & Lassen, 2013a). Developing the business concept involves the venture's efforts of utilizing market knowledge to achieve a good fit between their perceptions of the needs and the actual needs (Bhave, 1994). However, other researchers have implied that competences necessary for venture survival are not always strictly industry specific. Causing a shift in focus towards more general competences in how to run the business. Knowledge on market needs should be coupled with knowledge on how to meet those needs for example in terms of marketing. These skills may be learned need to be learned and developed through educational programs and through interaction with other entrepreneurs (Shepherd, Douglas & Shanley, 2000). Moreover, business knowledge regards both internal and external management of the venture such as the organizational design, management techniques and managing the external network (McKelvey & Lassen, 2013a).

Another type of knowledge has its basis in scientific, technological and creative knowledge. This knowledge is often a result of years of experience and studying a certain field, such as creative artists, designers, scientist and engineers (McKelvey & Lassen, 2013a). Tapping into this type of knowledge and exploiting technological opportunities may also improve the chances for receiving financing and ultimately venture success (Almeida, Dokko & Rosenkopf, 2003). The utilization of knowledge is highlighted as an important factor in innovation contexts, referred to as the assimilation, transformation and exploitation of new knowledge. In an entrepreneurship context, the utilization of knowledge thus concerns the routines and process which all contribute to the interpretation and analysis made by the entrepreneur to understand and act upon external information. The entrepreneur is described as a knowledge operator who needs to combine different kinds of knowledge (e.g. Market, creative, technological, and business knowledge) (McKelvey & Lassen, 2013a).

Table 1. Knowledge domains

These knowledge domains are explained to be key factors for KIE Ventures. (McKelvey & Lassen, 2013a)

Market knowledge	Scientific, technological and creative knowledge	Business knowledge
Gathered from past/current customer and the market, including future needs Understanding market dynamics and industrial dynamics over time	Learned through years of experience Apply expertise to solving problems and offer solutions	How to manage the internal and external side of a business Decision-making under risks and uncertainty

Overview of knowledge domains, adapted from McKelvey & Lassen (2013a).

2.4 Feedback sources

In the creation of a new venture, entrepreneurs often lack sufficient market information (e.g. prices, production processes, costs and competition). Most of the time entrepreneurs need to search for information in different places as the information is distributed between a variety

of market participants, such as customers and suppliers. More profound market knowledge could aid entrepreneurs in finding key-strategic relationships and strengthening feedback collection capabilities, improving the future search for the right information (Laužikas & Dailydaitė, 2015). Lahikainen (2016) extends this notion and argues that strategies of new ventures should consider that novelty could relate to how value is created in the marketplace. By being a center piece in the ecosystem the venture could overcome knowledge gaps and gaps in skill set (Zahra & Nambisan, 2012). Cope (2005) emphasizes an interactive learning relationship between the entrepreneur and the surrounding environment. Entrepreneurial learning is said to take place in the dynamics of learning from peers, learning by doing, learning from customer and supplier feedback, by experimentation, learning from problem solving, opportunity taking and learning from mistakes (Ibid). Individuals are also more likely to seek feedback from a source they have a good relationship with, is easily accessible to the venture, experts in the field or in other ways can affect the outcomes of the venture (Vancouver & Morrison, 1995).

Although a lot of attention regarding feedback in entrepreneurship has been directed towards customers and consumers, researches have focused on the integration of more stakeholder feedback (Cope, 2005; Hokkanen & Leppänen, 2015). Lahikainen (2016) and Zahra & Nambisan (2012) stresses that entrepreneurs need to attain different knowledge and skills from multiple places in the ecosystem. It is therefore viewed as essential to connect to multiple sources such as innovation networks and research centers (Ibid). In their research Kirchoff et al. (2007) found that increased university research and development spending have a positive correlation with the creation and growth of innovative firms. Perkmann & Walsh (2007) has argued that relationships between research organizations and industry, are key drivers of innovation in open innovation contexts. This is specifically true for small businesses who get a better innovation performance when utilizing internal and external knowledge inputs (Gallego, Rubalcaba & Hipp, 2013).

Other researchers, Ozgen and Baron (2007) found in their study that mentors, industry networks and professional forums have implications for opportunity recognition. They noticed that the extent to which the ventures utilized mentors, used informal industry networks and were active in professional forums, increased their alertness to new business opportunities. In other words, all three sources had a direct and positive correlation to

opportunity recognition. Their contribution emphasized the value of mentors and professional forums for entrepreneurs to gather information. Opportunity recognition requires entrepreneurs to collect and analyze information about several different factors concerning the opportunity (Ibid).

The ecosystem of the venture has also been highlighted as an important factor for Knowledge intensive ventures. The emphasis on network activities affects the search for resources, ideas, and management of the venture. Networks are defined as a set of individuals or organizations, the venture could through informal and formal relationships with academia, industry representatives and customers find support in the entrepreneurial process and further improve the performance of the firm (McKelvey & Lassen, 2013a). In relation to Knowledge intensive entrepreneurship McKelvey & Lassen (2013a) describe sources of knowledge inputs as a vital part of venture creation. Individuals within a venture will identify opportunities based on their prior knowledge and experience making it likely that KIE ventures appear based on knowledge gained from organizations specialized in knowledge creation. Therefore, knowledge intensive ventures are perceived to be academic spin-offs, corporate spin-offs and or independent startups which are ventures started by someone with industrial experience.

2.2 Knowledge Intensive Entrepreneurship (KIE)

Knowledge intensive entrepreneurship could be described as a specific species of new ventures. The term was developed by the two research McKelvey & Lassen (2013a) who suggested that there are differences between KIE ventures and other forms of new ventures. The researchers define KIE Ventures as young ventures, no older than eight years old, focusing on knowledge and innovation as a key competitive asset in their processes and practices. The definition of a KIE is consequently not bound to a certain industry. It concerns the decision-making leading up to the balancing act between business planning and emergence of unpredictable opportunities (Ibid). The notion of KIE venture in low tech industries has been a widely discussed with multiple perspectives. Gifford (2017) points to the arguments by (Zahra & George, 2002) who argues that research and development expenditures may not be an appropriate measure of KIE in low tech sectors as many ventures do not rely on major expenditure in the research and development process. The research suggest that knowledge intensity is about the venture's ability to evaluate, assimilate and utilize new knowledge in the venture. Understanding new knowledge however, relies on

proper research and development activities by the firm. Therefore, what differentiates knowledge intensive ventures from other form of entrepreneurial ventures is the integration of knowledge and innovation in business processes with interactions across different levels (Ibid).

McKelvey & Lassen (2013a) argue that research favors knowledge intensive ventures as opposed to ordinary firms. This is based on the notion that if knowledge intensive firms survive, they tend to grow faster and stimulate growth on a larger scale. In order to be regarded as a knowledge intensive venture, the venture needs to focus on selling novel products or services and incorporate knowledge intensity excluding well known, established knowledge that is routinized and repetitive. KIE also excludes the NGO's and lifestyle firms if they do not have a profit motive (McKelvey & Lassen, 2013a). The KIE literature presented by McKelvey & Lassen (2013a) utilizes Design Thinking to explain the process used by a knowledge intensive entrepreneur. Emphasis is on the required ability to continuously explore the problem and solution space, it explains that reason why two essential aspects of KIE are emergence and proactivity. Participatory design is another principle used to increase the user's participation for the creation and development of products, technologies and services. It is a process that involves gathering and utilizing feedback during the development rather than after launch (Ibid).

3. Method

This chapter provides an overview of how the study has been performed in terms research areas and research design, data analysis and research quality. The chapter includes an explanation of the process we used to conduct the study from finding the theme of feedback to creating a model and comparing empirical findings to existing theories.

3.1 Research design

The study is designed as an explorative multiple case study of eight entrepreneurs in different case ventures to examine the similarities and differences of the ventures in a comparative and explorative study with an abductive approach. By the framework and ideas presented by Eisenhardt (1989) and systematic combining (Dubois & Gadde, 2002). The study uses a qualitative method to gather empirical data. To ensure cross-case comparability in accordance to Bryman & Bell (2011), semi-structured interviews has been chosen as a sampling method supporting the purpose of the study to identify potential nuances in the different cases and analyze the contrasting findings from the cases (Bryman & Bell, 2011).

3.1.1 Selection of research area

The selection of studying feedback in new ventures came as a natural choice after studies from the entrepreneurship program and experiencing the entrepreneurial process in an academic setting. In our own experience, we have seen the impact of feedback and how the iterative process of feedback is tightly linked to our own learning. Theorist have argued that entrepreneurs who are slow learners or do not learn are more likely to fail with their ventures (Aldrich & Yang, 2014). Hence, we want to explore how feedback is linked to knowledge in entrepreneurship and more specifically in knowledge intensive entrepreneurship. As the empirical data collection progressed we saw a research gap unfold. Crommelinck (2013) highlights the research gap related to type of feedback entrepreneurs seek and from whom entrepreneurs seek feedback. Enhancing that knowledge base will enrichen the theoretical understanding of the feedback seeking behavior in entrepreneurship. More specifically Crommelinck (2013) suggests researchers to further describe the differences between operational and strategic feedback, two types of feedback established by Bhave (1994) that represents the differences between feedback affecting quality and features or business model.

3.1.2 The grounded like approach

This study takes a “grounded like” approach; it is a less restrictive approach to the grounded theory. The structure of this study is adapted from the ideas of Eisenhardt (1989). The fact that the focus is on organizational process research also favors the iterations of the grounded theory where the back and forth relationship between theory and data is evident (Orton, 1997). Hence, multiple iterations were the basis of this study to find research gaps and to explore empirical evidence from the case ventures. The second step in the process of additional data gathering had a deductive logic. A back and forth process between the inductive and deductive logic is called abductive (Oktay, 2012; Eisenhardt, 1989; Dubois & Gadde, 2002). Similarly, Glaser & Strauss (2006) stresses that the aim of these types of studies is to analyze real-world situations. In this study, we explore the entrepreneurial process such as how feedback is used to obtain knowledge. Subsequently, the aim was to create theoretical contributions in the form of new theories. These emerging theories are grounded in empirical evidence (Oktay, 2012). As the study takes a grounded like approach we were uncertain of what would be found, therefore the choice of method was dependent on flexibility and openness in every step of the process. Eisenhardt (1989) describes that this type of research approach is appropriate when studying new topic areas. It was our idea during the initial search for a research gap. Due to the shortage of research, empirical findings would dictate what theoretical turns the thesis would take thereby enabling patterns to be followed as they emerged (Charmaz, 2014).

Table 2. Thesis process

Part	Activity	Rationale, adapted from Eisenhardt (1989)
Getting started	<ul style="list-style-type: none"> - Brainstorming and defining initial research question, searching databases for keywords - Discussing interesting keywords with the thesis supervisor - Getting familiar with existing field of research - Defining ambitions, gaining consensus within the group. 	Improves the focus of the study, coping better with the amounts of data in a structured way.
Selecting cases	<ul style="list-style-type: none"> - Not random sampling - <i>Theoretical sampling</i>, choosing ventures in line with the definition of a KIE venture - Multiple cases 	By using the theoretical sampling method, we could choose meaningful case ventures to support the KIE literature. Multiple cases also suggest a stronger generalizability, ground for theory building and increases the accuracy in the findings (Eisenhardt, 2007).

Crafting instruments and protocols	- Researching case ventures	Gaining a better understanding of the case ventures and what areas to focus on during the data collection.
Entering the field	- Semi-structured interviews coupled with analysis through theoretical and empirical iterations. - Each interview uses unique format - Searching for patterns, following emerging themes	The flexible data collection structure, enabled us to quickly analyze and follow emerging paths found in specific cases.
Analyzing data Coding	- Detailed single case description. - Descriptions sorted by theoretical categories. - Coding three step process <ul style="list-style-type: none"> • Quote • Code • Theme - Coding presented in a table overview.	The initial single case analysis improved our own understanding of each case as a separate entity familiarity with data and preliminary theory generation. The cross case enabled new patterns to emerge which help us build our theory and factor feedback approach.
Shaping hypothesis	- Cross case comparison. - Similarities and differences based on the coded categories and themes. - Search for novel relationships. - Data was iterated with existing theory. - Grouping of cases based on similarities and differences. - Sorting cases in three groups based on their feedback degree.	By comparing our emergent findings to existing theories this improves the validity as well as the measurability of the study.
Enfolding literature (Discussion)	- Comparing empirical evidence with existing theories. - Building theory (Feedback approach) - Introducing feedback model	By comparing the enfolding theory with existing literature, the internal validity as well as the generalizability strengthens. It also improves the construct definition by highlighting similarities and differences.
Reaching closure	- Saturation, decision upon more cases.	After conducting the later interviews, we saw that no significant themes started to emerge rather the case could be fitted in an existing theme thus we took these signals as signs of saturation.

Adapted from Eisenhardt (1989)

The table show the steps we have taken in the study process. The table presents activities in each step of the process and a rationale why we have chosen a particular step, the rationale is adapted from the ideas and steps by Eisenhardt (1989).

3.1.3 Thesis process

Getting started – Part one

The thesis process began by brainstorming different sides of existing research areas in the entrepreneurship literature. We started out by defining our initial research question before reshaping it at a later stage, due to the grounded like approach. We did not have any pre-

determined research problem, instead problems emerged during the empirical data collection, some of them more interesting than others. The grounded approach stresses that we should not get too acquainted with existing literature, as this will create biases and restrict the flexibility of the study. Therefore, we were used initial theories moderately. However, it was also necessary to continuously get familiar with existing literature. We sought to find a gap in current research enabling this study to be more novel as the intention was to foster theory building rather than confirm or deny an existing framework. The process of basic research in existing literature thus supported us in the forming of research questions and finding potential research gaps.

Selecting cases – Part two

A broad definition by McKelvey & Lassen (2013a) provided the study with some guiding principles during the case selection process. The main rationale of not choosing a representative sample from a population is that the purpose is to build a theory, not to test established theories. Thus, theoretical sampling is appropriate (Eisenhardt & Graebner, 2007). The chosen sampling strategy is diverse sampling, with the aim to enhance the generalizability (Eisenhardt, 1989) but more so to study ventures in different stages of Knowledge intensity. The multiple case study may be appropriate when a phenomena is thought to exist in different situations (Yin, 1981), this was our initial idea when choosing the multiple case design. Moreover, as presented by Eisenhardt (1989) multiple cases in a study enables numerous levels of analysis. It also enables better generalizability and improved our ability to explore research questions and theoretical paths (Eisenhardt & Graebner, 2007). Consequently, this study aims to gather data from multiple case ventures. The response rate for this study was approximately 25 percent. We contacted the ventures through email, if the ventures did not reply we tried to reach out again after a few days. Social media platforms were helpful in targeting and reaching the founders directly. In accordance with the ideas of Eisenhardt (1989) this study combines the data from interviews, archived interviews and webpages of the case ventures. Most of the archived interviews were used to improve our own understanding of the venture and their business. It increased the question focus during the interviews with less time spent on explanation of the general business offering. The choices of startup ventures were partly based on the definitions of Knowledge Intensive Entrepreneurship but also we wanted to have a diverse set of ventures in different industries with a variation of business models and founder backgrounds. The selection was also based

on the founder(s) role in the venture, where the condition was that the founder(s) still worked actively in the venture.

3.2 Data collection

Crafting instruments and protocols - Part three

Secondary data

Multiple methods of data collection is often used in theory-building research (Eisenhardt, 1989). This study has gathered data from multiple sources to gain more knowledge about the case companies, archived interviews, press statements as well as the company home pages were used to gain a good understanding of the venture and to develop the interview guide. For some case ventures, secondary interviews were used to describe the relationship between feedback and source. However, it was not consistently used for all of the cases.

Entering the field - Part four

Primary data

Eisenhardt (1989) stresses the ideas of Glaser and Strauss (2006), the two researchers chose a joint collection of the data as well as coding and analysis. The primary data was collected through interviews with founding representatives from the case ventures. The interviews were semi-structured, the choice was based on the flexible structure allowing for the participants to reflect more freely about the questions. The semi-structured interview also enabled us to ask follow up questions going more in-depth leading to unplanned findings, it allowed us to discover details not evident prior to the interviews. A flexible structure enabled us to iterate between existing theory and empirical findings. As a result each interview had a unique format, although the basic interview guide remained similar. Each of the interviews were audio recorded and transcribed to aid the coding process of discovering important details during the interviews. The analysis process began after the interviews, when more interviews were conducted new patterns emerged and new findings were analyzed, these were later developed into a more structured analysis approach explained in detail in the analysis section.

3.3 Data analysis

Analyzing data – Part five

Below is a clarification over the model of analysis, coding and how theory has been used when analyzing the cases. The aim was to compare Feedback approach to Knowledge Intensive Entrepreneurship, thus the analysis focuses on feedback elements in the venture after iterations between existing literature and empirical findings. Emerging research gaps were found and perceived interesting to study. Result of the iterations was three primary factors; Entrepreneurial openness, feedback types and feedback sources. To analyze Feedback approach, factors feedback types, feedback sources, and entrepreneurial openness, existing theories were used as a frame to guide our theoretical iterations and to analyze the findings in the ventures. A clarification of the feedback factors are presented below.

Factor 1. Entrepreneurial openness

The entrepreneurial openness explains the desire of the venture to seek, base decisions and act upon feedback, displayed by their feedback seeking behavior. This study extends the notion of entrepreneurial openness by Slavec et al. (2017) to include the formality of feedback processes related to the willingness to test offerings.

Factor 2. Feedback types

The feedback type factor is based on two different feedback types, operational and strategic feedback (Bhave, 1994). These two terms have been extended as a result of the richness and depth of our findings that could not be explained by the existing concept introduced by Bhave (1994). The feedback type thus considered the context of feedback from different knowledge domains introduced by McKelvey & Lassen (2013a). Where we define strategic feedback as feedback regarding the venture's business knowledge, creative- scientific, technological knowledge. Thus, this extends the meaning of strategic feedback to include advice on running the business and advice supporting the entrepreneurial process. We define operational feedback as feedback connected to market knowledge. It is feedback more directly related to the offering and preferences of the market in terms of product attributes and design that only require limited alteration for the existing offering.

Factor 3. Feedback sources

Prior research has not focused on all the different feedback sources within the entrepreneur's ecosystem. As an example Ozgen and Baron (2007) emphasize the importance of mentors, industry networks and professional forums, while Kirchhoff et al. (2007) found the value of university research and development for ventures. Therefore, the factor feedback sources was

created using several different researchers findings to establish a broader picture for the most commonly found feedback sources in the study's data collection. The feedback sources used in the study are the following; consumer, customer, industry actor, professional network, mentor, academic actor, investor and, informal network and friends.

The analysis was carried out in two phases in accordance to Eisenhardt (1989) the first part, a within case analysis where each case venture was described in detail as a separate entity. The descriptions had its basis in the combination of feedback theories from entrepreneurial openness, feedback types and sources thus the descriptions were structured under the titles. The feedback factors subsequently, constituted the factor we would later introduce as "Feedback approach" of the ventures. This was the result of multiple iterations and patterns found in the interviews based on our coding.

3.3.1 Coding

In line with Eisenhardt (1989), the coding process was structured through a three-step process, where an initial quote from the interview material was put into a theme, finding a code for that quote by iterations from empirical data and theory. The patterns starting to emerge was transformed into themes. The result of the coding process is visible in the table overview. The coding thus enabled the cross-case analysis to emerge.

Example of data coding

Quote	Code	Theme
<p>"However, we never took as big of a risk as when investors came on board we were persuaded by (investor) to take part in trade shows, be visible all over, buy a car and recruit people. We took part in five shows and this was the first year we lost money...Of course I regret this but we also learned a lot and will never do the same thing again."</p>	<p>Trust in experts</p>	<p>Feedback as basis for decision-making</p>

Shaping hypothesis - Part six

After the within case analysis we analyzed the ventures in a cross-case comparison, the coding process helped us find new patterns of similarities and differences. Hence, the quote, code, and theme process enabled us to take the analysis a step further in a cross-case

comparison. The emerged themes from the literature and empirical iterations brought upon the three themes (e.g. entrepreneurial openness, feedback sources and feedback types).

Example table. Cross case coding

Factors & Sub-factors	Entrepreneurial openness				Feedback sources	Feedback types	
	Feedback seeking behavior	Formal feedback process	Feedback as basis for decision-making	Intuition as basis for decision-making		Strategic Feedback	Operational Feedback
Case 2			Trust in experts (13)		Investor (13)	Investor advice (13)	

The table display how the factors were broken down and coded as sub-factors. Quotes were connected to numbers that were put in parenthesis. Each number can be found in the quote list in appendix 1. An illustrative example is found above using quote (13) in the same way as 3.3.1 coding.

Subsequently, we sorted the ventures into three groups based on similarities. The groups enabled us to gain a deeper understanding of the factors in the single case analysis. The cross-case analysis was the basis for the grouping of the cases in the feedback approach factor. The rationale was like Eisenhardt (1989) and enabled themes and novel relationships discover through the empirical data. The data was iterated with existing theory to become clear. The cross-case analysis showed patterns for the cases enabling us to explore novel nuances not entirely visible in the single case analysis.

Enfolding literature - Part seven

The essence of theory building, according to Eisenhardt (1989), is to compare the empirical evidence with existing knowledge from established theories. As result, the main findings and points from the cross-case analysis got scrutinized through the lens of existing theory where similarities and differences were highlighted and discussed through different perspectives. The main findings not seen in existing literature became the basis for the model presented in the discussion part of the study.

Reaching closure – Part eight

After conducting the interviews, we found that the three groups had enough cases within them to create a profile for each group and that no further value would be added the study by having a larger sample size.

3.4 Research quality

3.4.1 Credibility

The study's credibility is to what extent the findings are trustworthy and can be believed by the reader. To make sure the finding was interpreted correctly at least one feedback session with each of the interviewees was held to eliminate potential misinterpretations of the data. Another applied strategy was using more than one data source when looking for findings. Other public available data such as previously performed interview was used as a complement to the performed interview to confirm the primary data obtained (Frambach et al., 2013).

3.4.2 Transferability

The quality of the study is also dependent on the applicability of the evidence and how well the findings can be transferred and applied to other settings. To improve this aspect of the study a thorough description of the sampling method and rationale for participants were provided under sampling. Moreover, the discussion provides the reader with a rich description of the nature of the findings, enabling future research to be conducted using the same method in another setting. By following the suggestions of Eisenhardt (1989) the case ventures were described in detail to improve the information the reader is given about the ventures and its culture (Bryman & Bell, 2011). All quotes used for the coding have been attached to the study with indicators of how each quotation has been coded.

3.4.3 Dependability

A high level of dependability means that the findings are consistent for the context used in the study. To confirm the dependability of the findings nine interviews have been performed, this number was sufficient as we reached saturation in the results amongst the case companies. After each data collection occasion leading to newly discovered insights, the

older data was revisited and analyzed to see if additional conclusions could be added. The study required a flexible approach towards the process used and intended topic to further maintain a high level of dependability.

Bryman & Bell (2011) refers to researchers adopting an auditing approach entailing record keeping of the research process to a high degree. In this study, to fulfill these criteria, the interview recordings have been saved and the interviews transcribed. All data is in a readily available folder on "Google Drive".

3.4.4 Confirmability

The confirmability describes how well the study is based on the participants and settings. Complete objectivity is impossible to achieve in business research, however remaining objective should be the objective (Bryman & Bell, 2011). To reduce our own biases in the study, throughout the process the study has kept an active dialog with a supervisor as well as discussion with unbiased experts and researchers within the field of study to improve the confirmability (Frambach et al., 2013).

3.4.5 Authenticity

Authenticity involves giving a fair representation of the truth in the case ventures so that the case ventures would recognize the representation (Sandelowski, 1986). The chosen sample addresses this as the cases were chosen to represent ideas and values from different industries. However, the interviews were held with founding representatives and the study is therefore based on their narratives. Other employees' or external actors' opinions have not been part of the study thus the authenticity of the study could be improved.

4. Findings

This chapter presents the empirical findings from the performed interviews. Case companies are initially presented in a description to provide an overview of the case ventures and thereafter analyzed from different feedback perspectives. All descriptions for the cases are based on quotes from the interview transcriptions.

4.1 Case descriptions

Table 3. Case overview

	Founded	Market strategy	Sector
Case 1	2012	B2B	Product
Case 2	2013	B2B(B2C)	Product
Case 3	2013	B2B	Service
Case 4	2015	B2B	Service
Case 5	2011	B2C (B2B)	Service
Case 6	2007	B2B	Service
Case 7	2012	B2C	Product
Case 8	2013	B2B(B2C)	Product
Case 9	2013	B2B	Product

A general overview of the case companies is presented. The main characteristics are provided such as year founded, sector and market strategy, where some cases caters to both businesses and consumers thus the secondary strategy is in a parentheses.

Case 1

The first case is a venture producing and selling personal care products both through online platform and wholesalers throughout Europe. Their products have remained similar since the start and the demand is still high for their early products, even as they are trying to expand into new markets where they can utilize their existing competencies. The company was founded in 2012 by a couple who still owns it today, with the goal of growing the business organically. The founders are satisfied with the venture size and have no plans to change the coming years, partially due to the perceived difficulties and responsibility related to larger companies. The initial intent for the company was to create a product one of the founders needed and to help finance the studies at the time. After setting up a website as a sales channel, the demand appeared to be higher than anticipated and the thoughts of a growing the small business into something substantial came to life. Products and branding were all created in-house with some help from friends and family, the focus was on creating a great product from the founders' point of view. Sales was not something they spent much effort on, no capital was spent on marketing. What enabled the company to achieve such high turnover was through partnerships with wholesalers who contacted the venture wanting to sell their products to new markets, both nationally and internationally. The venture believes that a good product should sell itself and should not demand a high degree of sales effort. The difficulties related to the growth of company seemed to have been related to creating quality products in a high quantity rather than creating a demand through sales and marketing efforts. Manufacturing have become one of their most important competencies giving them a competitive advantage on the market that is quickly becoming crowded.

The case uses individuals referred to as "extra ordinaries" that can be viewed as brand ambassadors. One ambassador is a famous athlete they met by accident in an elevator which in turn led to a longer collaboration. Products are rarely tested against customers. However, the ambassadors are always the first to get any new products. It is partially explained by the fact that the venture rarely release any new products. For the development of new products, the ventures intuition is an important factor, decisions are made based on what the founders themselves like. Only one example exists where feedback has been the source of change for an existing product. It was related to the packaging of a newly released product later removed from their offering to postpone the launch. They describe themselves as being lucky to have satisfied customers with no interest in altering the products. At one time when they were

selling their products at a local fair they started getting requests for a new product, it was not something they were intentionally looking for. Due to those requests, they decided to start selling the requested product. Other industry actors are generally not used to gain knowledge or to develop the venture. At one occasion a former employer to one of the founders have been used as a source of knowledge about marketing.

Case 2

Case venture 2 imports nutritious groceries and distributes them to retailers and cafés primarily in Sweden. The venture was founded by three entrepreneurs in 2013 and is a family business. The venture was part of an incubator in close relation to a business school that provided facilities and early phase consulting (Hhs.se, 2016). The venture was built around a single raw good. Today however, the company has incorporated five different raw goods and the goal is to add three more to the existing product line. Their focus is on creating market shares rather than taking shares as the market is relatively unexplored in Sweden compared to some foreign markets. Early in the exploration process the founders were clear with what they wanted to achieve with the venture. The goal was to become a market leader and have a globally known brand within the industry. The process to reach that goal has been executed in different ways. The new venture development process is described as feedback oriented. The founders tested the initial offering on Swedish consumers to explore the preferences of the Swedish market. The true validation of the offering was during a major Swedish sports event. The feedback was positive from all the people at the event. This gave the founders enough confidence in the product to launch the product on the Swedish market.

In the venture creation phase multiple test methods were used to mitigate risks. For example, a test group with 100 individuals were set up to represent the intended target segment. The venture still frequently asks questions regarding design, flavors and even the name was developed by testing alternatives together with the group. Certain social media influencers were also used to test initial offerings. The venture works actively with benchmarks but also the venture seeks advice across industries. For example, the venture sought out strategic marketing advice from a company with prior success in their marketing efforts. The idea was to receive qualitative feedback and test certain aspects and uncertainties in connection to the new venture. The venture values feedback and believes it is essential to adhere to consumer and customer feedback. One example of feedback that led to alterations and new

considerations was that the customer gave feedback on the time-consuming task of preparing the product to the end consumer. It was the starting point of a feature and packaging alteration allowing the customer to prepare the product and serve the end consumer in a quicker way. The venture describes the importance of being critical to feedback as they previously took a risk by listened to an investor that ended up not paying off. However, the venture seeks out experts and is trend conscious in different markets. The focus of feedback is also internationally from close connections who can support them in achieving their long-term vision. The venture emphasizes the importance of having support from external actors both in terms of financial support but primarily to acquire knowledge and competences.

Early on the venture decided to set up a board of directors with external experts who would bring knowledge and experience from the retail and food industry. The board members had executive positions in major grocery corporations and could relate to the values of the venture (Mynewsdesk, 2016). The founders aimed to bring in people who would help the business to achieve its long-term goals. The board members are also described as a support structure to be able to cope with the high levels of pressure in the venture. Moreover, the venture utilizes multiple mentors who regularly give feedback based on their experience. By being part of an entrepreneurial network the venture came contact with certain expert individuals who can give their feedback on the business.

Case 3

Case venture 3 delivers digital communication tools primarily for larger corporations and organizations allowing them to improve their relationship with their customers. They currently only target the Swedish market. The venture was founded in 2013 by two entrepreneurs. The initial offering was demonstrated via web meetings. The founder describes the first prototype as a poor-quality offering where the customers bought the idea of what the service could be and invested based on future expectations rather than the current state of the product. The startup process is described as a high, but calculated risk. There were paying customers early on thus, the customer validation was there before the founders committed to the venture full time.

The creation of new product features could be described as a mixture of listening to what customers say, but also driven by the venture's own will. There is no process for testing the

offering, instead they listen to customers and when enough customers have had a similar request they consider implementing changes. The venture aims to base development of the offerings on trends in the industry and what strategic direction the founders want the venture to head, therefore customer feedback is not the only factor involved. These three factors are described as the key points for decisions to be based upon. Some key customers are utilized more often to obtain feedback as they are known to be open and have high demands for the offering. The venture stresses that a competitive advantage is closeness to the customers, both geographically but also in terms of communication. It is characterized by fostering a continuous dialog with the customer. The founder stresses that the goal is to be the customer's best friend.

Case 4

Case 4 is a software company focusing on B2B sales with an aim is to digitalize certain aspects of a specific industry. They have a global ambition due to the scalable nature of their offering. In early stages of the venture they managed to develop an offering with the help of a local university who had an existing interest for the targeted industry. With a large and diverse team of founders they managed to self-finance the venture until their global ambitions eventually forced them to seek external financing they eventually received. All the founders were assembled from the start with a mutual understanding of their roles, what was demanded of them and what they wanted to company to become.

The venture describes a close connection with entrepreneurial peers who regularly discusses different ideas. They value a close connection to specific clusters, networks and forums to get the opportunity to discuss specific business related topics. A mentor is something they are currently seeking for, currently they mostly utilize regular feedback from investors and senior, more experienced entrepreneurs. The purpose of having regular meetings is to get specific advice. The first prototype was brought to a university near the business that lead to a collaboration with researchers at the university working alongside potential customers willing to test the prototype. Thus, the venture got the opportunity to test, receive feedback and validate their offering at an early stage. The university, as well as industry actors who were testing the product aided the venture in gaining legitimacy for the software early on. Moreover, new offerings and development is believed to be about adhering to customer feedback. It is also important to consider the scalability of the feedback, the more customers

offering feedback the more likely the venture is to pursue a strategy based on the feedback. Hence, the venture has set up certain systems to lower the barrier for receiving feedback with help of a chat support to collect the feedback from customers.

Case 5

Case 5 is a software company providing an online platform targeting small businesses and consumers. The venture was founded in 2011 by three founders. They were initially self-financed as they had the development know-how in-house but later went on to seek, and receive, substantial amounts of external capital to compete on a global scale. The initial offering had some success on the Swedish market, however it has been altered since then to be competitive globally as they set up their second office in New York. The goal of the company was from day one to become one of the largest companies in their industry.

They describe their initial approach as being more like the company Apple Inc. when it comes to creating new products, meaning they are better at knowing what the customer wants than the customers themselves do. It took several years before they started talking to customer. Nowadays, they spend more time interacting with users and other companies who has done a similar journey. This provides opportunities for inspiration and solutions to specific problems. They describe themselves as having many systems for collecting data. They benchmark against competitors but rather observe them from a distance as opposed to interacting directly with them. The lack of feedback pursuit in the early phases of the venture is not something they regret. However, the venture holds the view that they should have started to use customer feedback earlier than they did. Some decisions made by Case 5 have had clear connections to feedback and they mentioned that it is difficult to measure where the decisions originate from. A lot of time have been spent on understanding and improving the service for the customer, due to the substantial change in the offering the ventures has shifted focus from customers to consumers. Thus, data about consumers is collected to a bigger extent. This is part of a differentiation strategy to avoid the competitiveness of the previous targeted sector. A shift in business focus is not derived from any specific feedback but rather is described as intuition.

Case 6

Case 6 was founded in 2007 by two entrepreneurs, a third member was brought to the team early on. Initially the venture worked with software development, supporting larger corporations with their mobile applications. The goal was to provide world class products and thereby enabling large corporations to outsource their mobile development rather than allocating resources and setting up a team in-house. The vision of the venture is to revolutionize industries by actively seeking problem areas in specific industries and later selling solutions to major actors in those industries. Therefore, Case 6 conducts market research for its customers, this is seen as part of the sales process. Data from a variety of online platforms is gathered and presented to the customers, the venture considers it a part of the product life cycle. Working closely to the customers and confirming every decision is something they consistently do. User studies are performed regularly as consumers are invited to the office, one employee is chosen oversees the feedback collection and prepare a pitch on how products can be further developed. They have a history of benchmarking themselves against similar ventures, by following press releases and meeting them face to face on various conferences and meetups. For example, when they opened an office in New York they contacted other Scandinavian companies to learn about common pitfalls. Most employees are recruited straight out of university which is achieved by having a close relationship with the local university. This involves being present at university fairs, workshops and pub events. Trade shows and other kinds of industry specific events are places where the venture is present. The venture emphasizes talking to other actors within the venture ecosystem, however they note that innovation cannot be gained solely by asking consumers what they want. When launching products and offerings the ventures describes that there is a continuous balance between pushing a product to market and when to pull the customer demand to dictate the offering. Customers are involved in the creation process by validating before proceeding. However, for the most part the venture emphasizes feedback from the end user. They summarize the point by stating that communication is required but not enough.

Case 7

Case 7 is a company founded by a single founder and is active in the fashion industry selling only B2C with sales in both Sweden and USA. The growth is organically financed to this date. There are plans of seeking external capital in the future and the long-term goal is to become a global brand. Sales are made through customer meetings which is done with the

help of two employees. The current business model was found in the later stages of the venture development and has served its purpose to acquire customers cost efficiently. Meetings allow for customer interaction where insights about the products are shared. However, the venture describes that during the initial meetings, feedback was received randomly. The venture stumbled upon most feedback after displaying the product for potential customers, the venture received feedback after catering the first orders but this was not a planned approach rather the feedback came naturally. Feedback was initially not always adhered to resulting in costly mistakes, one example is when the venture decided to manufacture large quantities of a new product even though people advised them to benchmark the demand beforehand. Although the venture still believes that customer feedback should come naturally the venture has since then setup methods to test its offerings. Testing is done by utilizing the venture network and customer base to get quick responses on ideas through social media platforms. The venture also works with the business model of selling at customer held events. These types of events create a venue for interacting with customers while they test the products. Customers communicate their thoughts and feelings in a way the venture can benefit from. Moreover, one way they collect feedback is through brainstorming sessions where a diverse group of individuals are invited to give their ideas on strategies to bring the venture forward. The purpose of the brainstorming events is to get support with both product related questions but also more strategic perspectives of how to take the business forward. The founder made efforts from the beginning to meet people with different expertise to learn from a variety of perspectives of the venture. This is how most of the knowledge has been accumulated in the venture. Further, knowledge is sought after at various events where the venture meet industry specific individuals. The venture also attends more general events to spot similarities and learn business strategies from other type of industries. Moreover, by being part of an entrepreneurship program the ventures could acquire knowledge on how to run the business and meet other new ventures in a larger network. Entrepreneurial peers are regarded as an important source of advice who can share experiences on their own businesses, helping the venture reflect on its own journey.

Case 8

Case 8 works with high-end designed and manufactured products for exterior use sold to the international markets. The company primarily sells through wholesalers and retailers but also through their own website targeting consumers directly. A majority of sales are currently

done through retailers. The ambition is to increase sales on the website due to the favorable margins. The company was founded in 2013 by a single entrepreneur who began searching for the offering on existing markets because of a personal preference. The venture's initial market research was conducted by reading blogs and browsed through search engines to find the right product. No indication of existing products were found and hence started to develop it on her own. The first sale happened while the first batch of products was being produced, it was done with concept 3D sketches shown to a merchandiser. Production costs had already been paid, however the customer bought the concept of the product rather the product itself before the finished product existed. The first sale was done after the production had already started the rationale behind the decision was the strong belief in that the product would be successful. Consequently, the venture never felt the need to find orders before starting production.

Aesthetic design is viewed as one of the most important aspects of the venture and is always done in-house without any feedback from external parties, except for meeting quality standards. Design is affected by scanning the market for similar products to make sure the design is novel and recognizable to the consumers. Design aspects are not tested against anyone outside the venture before launch. Social media is a source for consumer feedback, positive feedback is taken as a sign of approval while negative feedback is solved by communication. At several occasions consumer requests for new products have emerged on the social media channels. Customers are used to get an indication of production quantity before production starts. An important learning was obtained from the customers who requested more products, both the distributors and retailers preferred to buy products from companies with a wide range of products to minimize the number of suppliers. Initially the venture utilized a mentor from a local entrepreneurship organization but later stopped seeing the mentor due to the perceived lack of time. Moreover, Knowledge is gained through the interaction with other brands on trade shows.

Case 9

Case 9 was founded in 2013 by a single founder. The venture provides discounted booklets to students in both physical and digital forms making its offering different from the other actors targeting the same customers. The customers are student organizations who utilize the discounts to recruit new members to their organizations. The venture holds the belief that

feedback needs to be sought after, the venture does not expect that feedback comes naturally. The venture also describes that feedback is a broad phenomenon that needs to be sought after in different areas of the business. It is viewed as important to evaluate the feedback received and not blindly adhere to the feedback, the venture stresses the need for an open mind to feedback but keep a trust in the venture's own judgements. The venture also believes that it is important to consider the source of feedback as the venture experienced negative outcome from discussing aspects of the business with a competitor. Knowledge acquisition is viewed as coming from a variety of sources. Further, by seeking feedback from customers who are often executives with a lot of insights the venture could benefit from external knowledge. Moreover, mentors are utilized as a knowledge source filling the knowledge gaps in the venture. Feedback from consumers is also seen as a feedback source for the venture and the venture uses surveys to gather feedback from consumers. However, most of the ideas from the consumers are gathered through the customer's own systems. The venture works closely with universities and has started a collaboration with a university innovation program which will act as consultants to analyze the business. The venture regards this as a source of feedback.

5. Analysis

The collected findings are analyzed through theoretical lenses. Hence, the findings are structured based on existing theories. The analysis is based on emerging codes which are later compared in a cross-case analysis to explore possible patterns and relationships.

5.1 Entrepreneurial openness

Table 4. Entrepreneurial openness factors

	Feedback seeking behavior	Formal feedback process	Feedback as basis for decision-making	Intuition as basis for decision-making
Case 1	-	-	(X)	X
Case 2	X	X	X	-
Case 3	-	-	(X)	X
Case 4	X	X	X	-
Case 5	X	(X)	(X)	X
Case 6	X	X	X	X
Case 7	X	X	(X)	X
Case 8	-	-	(X)	X
Case 9	X	(X)	X	X

The table provides a categorization of the openness factors found in the cases. "X" represents evidence for a factor while "(X)" represents a weak evidence signal of a factor. If there was no evidence for a factor in the venture, this is presented with a "-".

In Case 1 feedback is not sought after and is not seen as an important factor affecting the creation of new offerings. This is displayed as the founder develops products based on personal expertise and preferences. Taken together the founder's intuition plays a more significant part in opportunity recognition and new offering development than feedback from any other source. It became clear when the founder described development of new offerings as a process to create something he himself wanted rather than what potential customers want.

Case 1 - Illustrative quote

Quote	Code	Theme
"I know when what I do is good, I base it on what I want myself... I utilize my own needs."	Personal preference development	Intuition as a basis for decision-making

Case 2 describes itself as always minimizing risks by testing their offerings and strategies in the early development stages through different methods. They have plenty of examples illustrating how they have actively sought feedback both before and after launching an offering or trying a new strategy. Formal processes are generally used to gathered feedback to achieve consistency and justify their decisions. Most of the important decision made since development of the initial offering has been affected by feedback.

Case 3 does not have any formal process is in place for gathering feedback from customers or end-users. The process of analyzing feedback is described as driven by quantity, when a certain feedback on a specific area is received from a large portion of the customer base the venture believes that it is worth considering as it is likely more customers with the same thoughts that have not yet communicated it to the venture. That feedback is then discussed in-house whether making changes based on it will improve the product for most of the existing customers and future customers.

Case 3 - Illustrative quote

Quote	Code	Theme
"...mostly we listen to requests from existing customers. If it is something we hear frequently, we send it to the development department... But it also depends on trends in the industry... And also what we feel ourselves about how we want our products to be and what direction we want to head. Those three factors are key. No formal process."	No strict feedback collection	Formal feedback process

Case 4 stresses the importance of testing offerings, iterations and validating before launch which was done in collaboration with researchers at a university. The venture show signs of the desire to seek feedback and they value feedback by seeking specific advice and develop its offerings based on feedback often together with the feedback source. Moreover, the venture holds the belief that there are low barriers to receiving feedback if it is sought after.

Case 5 believes that the best knowledge is gained from personal experience. They describe the early phases of the venture as knowing best what the customer wants. Today the venture stress that way of conducting business as a naive. The venture has since then put a lot of effort into formalizing processes for feedback collection from different actors in the ecosystem to avoid “reinventing the wheel”. The venture showed no clear examples of occasions where specific feedback had affected decision-making. Similarly, one of the venture’s most significant decisions to change its business concept was described as based on intuition. Consequently, experience and intuition are still important factors for decision-making in the venture although feedback has gained more importance in recent years to build the venture’s knowledge base.

Case 6 describes their process as always being close to their customers in everything they do and collect data from both the customers and consumers. Formal processes such as having user test groups or monitoring online reviews to collect data and utilizing that data by assigning an employee to compile and present that data is common practice. Before starting a new office, they reached out to similar companies in that areas to get feedback about common dangers and pitfalls. A point they make when describing collection of feedback before or after launching a product is that it sometimes is more time and cost efficient to develop the product before testing it against consumers instead of trying to collect feedback before developing the product. Moreover, they emphasis the importance of not only focusing on what the consumer or customer want when trying to be innovative. Innovation is something they believe needs to come from in-house development.

Case 7 provided several occasions where feedback had played a part in how the offering evolved into its current state. However, admittedly the venture did not believe it had formal processes to gather or utilize the feedback rather most of those occasions appeared by

coincidence. The mindset of the venture is to avoid taking large risks, which translate to avoiding high production costs before finding customers. However, the findings suggested that the venture may use formal processes to gather and utilize the feedback although the venture itself did not regard it to be formal processes. Firstly, the venture uses its network to test new products. Social media platforms are used to test customer response before launching new products. Secondly, formal process of gathering feedback is also described by the venture. The process involves inviting people of different backgrounds to brainstorming events once every quarter to get multiple feedback perspectives on a variety of business areas.

In Case 8 there was no clear evidence for the use of formal and regular processes for gathering, interpreting and utilizing feedback during the development of the venture or its offerings. The founder describes the lack of feedback seeking behavior to be a result of a high confidence in the success of their offering. Feedback seems to be viewed as a rare occurrence that is generally of a functional nature, such as quality issues, or pleased customers and consumers requesting a larger product line.

Case 9 stresses the importance of venture openness and continuous development when discussing feedback. The venture believes that the knowledge internally in the venture is not enough and that knowledge needs to be sought after. Knowledge is acquired through formal processes of seeking feedback from customers through regular phone calls, users' feedback from surveys and mentor feedback. The venture believes that it needs to be active and ask for feedback and help as it would not be given naturally without any effort. Moreover, there is an awareness in the venture of different kinds of feedback and that the venture needs different strategies to receive different forms of feedback. In contrast, the venture also describes that feedback and its source needs to be evaluated before seeking. At times there needs to be a trust in the venture's own intuition although remaining open for new perspectives.

Case 9 - Illustrative quote

Quote	Code	Theme
"I believe that you have to ask for feedback to receive it. People do not often leave feedback. You must think about how you are going to receive feedback. And you need feedback for different areas. We need feedback as an organization, employer etc.... There are several areas we need to evaluate."	Importance of feedback	Feedback seeking behavior

5.2 Feedback type analysis

Table 5. Feedback types

	Operational feedback	Strategic feedback
Case 1	2	1
Case 2	4	8
Case 3	3	1
Case 4	3	3
Case 5	2	2
Case 6	3	1
Case 7	2	9
Case 8	2	2
Case 9	5	3

The table provides an overview, the numbers in each cell represents the times evidence was found for the different types of feedback in the ventures.

Case 1 has occasionally utilized test individuals for new product launches. The test individuals are given products before any other customer and the operational feedback given by the test individuals on products are considered and seen as valuable information. One incident of strategic feedback was found. The feedback was based on marketing feedback and given by an industry actor and friend.

Case 2 uses formal processes for both strategic and operational feedback. Examples range from the operational feedback received from their Facebook group to help develop the name

and brand, to strategic feedback received from successful entrepreneurs and business people within retail who give advice related to the foundation of the offering.

Case 3 rely on feedback from their customers give feedback by themselves which they do regularly. When enough customers give feedback on a specific feature they consider if it is something to be added that can create value for all the customers. This feedback is more in line with operational feedback as it targets functionality of the existing offering. No signs of processes for collecting strategic feedback was found with Case 3. Instead they emphasized researching the market and comparing themselves to other actors.

Case 4 strive to get feedback from the users and customers by making it accessible for them to leave feedback. This is achieved through a fast chat support for all customer and by being available as much as possible. Their customers tend to give feedback regularly. A system for the venture to ask their customers about feedback is also in use for when they are actively looking for feedback on a specific area or feature. This feedback is in line with operational feedback as it targets functions and usability of the existing offering.

Case 4 - Illustrative quote

Quote	Code	Theme
<p>“After creating our first prototype we involved a local university who do research within the same field to put together a study... a couple of industry actors agreed to help and take the prototype into their organizations to try and give us feedback. We got to try our product in a very early stage, they helped us develop and validate.”</p>	<p>University feedback</p>	<p>Strategic feedback</p>

Initially Case 5 did not use much feedback to validate their business concept. Their approach is described as knowing best what the customer wants. They do however regret not communicating with customers at an earlier stage to improve the opportunity of receiving operational feedback. Feedback is currently an important part of the venture and processes for the collection of operational feedback is in place. While strategic feedback is collected on occasion from other companies with similar characteristics in different industries.

Case 6 has several examples of seeking and utilizing both operational and strategic feedback to improve their offering and business model. They use different platforms to monitor how the users respond to the products to improve them and present the responses to the customers. It is viewed as a crucial part for them to make decisions about future improvements and projects. The received information matches the description of operational feedback; it mainly targets the current product and its features. An example of strategic feedback can be seen in the development of their initial offering. They started by reaching out to companies and trying to figure out how to help them within the targeted problem area which subsequently, led to Case 6 being asked by the customer if they could create and maintain the discussed tool.

Case 6 - Illustrative quote

Quote	Code	Theme
<p>“We have user studies in which we invite people to our office to try new products. For each product, we have a person that receives feedback and prepares a pitch on how to further develop the product.”</p>	<p>User testing groups</p>	<p>Operational feedback</p>

Case 7 has several decisions affecting the venture that can be traced back to feedback. Initially the early customers were the ones who gave operational and strategic feedback on the prototype-like products, leading to the continuation of the venture. One good example of operational feedback that helped fuel the venture is how customers did not mind long delivery time or paying in advance for their customized products. Strategic feedback is collected through other actors such as a network of entrepreneurs with knowledge of areas related to the venture. Brainstorming events are held to gather feedback on broader aspects of the business such as business concept.

Case 7 - Illustrative quote

Quote	Code	Theme
<p>“For our brainstorming sessions I try to bring in people with different backgrounds to help with both the product and the strategy of how to move forwards... I have tried to meet as many people as possible with different expertise to ask about things, that is my main source of knowledge gathering.”</p>	<p>Brainstorming events</p>	<p>Strategic feedback</p>

Case 8 does not work systematically with seeking out operational or strategic feedback. To gather operational feedback, they strive to keep an active presence on social media to see what consumers say about specific products. They have an example of when someone had criticized one of their products on social media which allowed the venture to notice and solve the problem, which in this case was only a quality issue of a bad production batch. Social media is also the platform where the venture gets indications that the consumers want to buy a wider range of products which are not currently available. Strategic feedback on the other hand is looked after through an investor that they currently are looking for or through other local entrepreneurs even if that is not a regular occurrence.

Case 9 looks for regular operational and strategic feedback. They strive to create long term relationships with their customers to utilize their feedback for improving the venture. Both small and big customers are viewed as valuable with their different types of feedback. The founder of Case 9 utilizes the customers by developing personal relationships to individuals in the customer company with competencies to give valuable feedback, both operational and strategic.

5.3 Feedback source analysis

This factor entails the most common sources for feedback found in the interviewed cases. The chapter includes illustrative quotes to clarify the reasoning in the analysis. The quotes are illustrative in that they represent part of the coding thus not all cases have representative coding quotes.

Table 6. Feedback sources

	Consumer	Customer	Industry actor	Professional Network	Mentor	Academic actor	Investor	Informal networks & friends
Case 1	X	X	X	-	-	-	-	X
Case 2	X	X	X	X	X	X	X	X
Case 3	-	X	-	-	-	-	-	-
Case 4	-	X	X	X	X	X	-	X
Case 5	X	X	X	-	-	-	-	-
Case 6	X	X	X	X	-	X	-	-
Case 7	X	X	X	X	-	-	-	X
Case 8	X	X	-	-	-	-	-	-
Case 9	X	X	X	-	X	X	X	-

The table provides an overview of the feedback sources found to influence the venture. "X" represents the evidence for a source found, while "-" represents the lack of a specific source.

Case 1 displays a tendency to work with feedback sources with a pre-existing relationship in place, the sources are often linked to the venture or the founders' personal networks. Most of the initial feedback regarding the offering has been tested on friends and the minor alterations have been made to offerings. The main sources of feedback are brand ambassadors and customers who give feedback on the finished products and certain quality aspects post launch as opposed to being part of the development process.

Case 2 display an active pursuit for multiple sources, the ventures sought out mentors by posting a question on a professional forum platform. Through the forum the venture was recommended a mentor with experience from the industry and working in major corporations with strong market positions. Moreover, through the founder's active pursuit of knowledge at various events, the venture came in contact with other mentors. The venture seeks out successful companies in different industries for knowledge exchange. The advice could be on certain areas of the business, for example to improve future marketing efforts. The founder also speaks about being open to co-creation and collaboration between actors. After attending

a trade show they found a local factory with the ability to refine their product making it more accessible for the customers. After producing a first batch for testing of the refined product they presented it to both their customers and the end-users to see if they approved the new altered product before launching it and potentially replacing the old. Through this process they could receive feedback from the retailers and from consumers.

Case 2 - analysis

Quote	Code	Theme
“Initially we only took in a small amount of product to try recipes for the Swedish market. And through our Facebook group with 100 members. Even the name was chosen by the Facebook group.”	Consumer	Feedback source

Case 3 tends to utilize feedback received from the customers, the customer is viewed as a valuable source, causing the venture aims to work near the feedback source. The absence of other feedback sources comes because of the venture’s strategy to base their product development and decision-making on trends in the industry and the strategic direction the founders want to pursue. Consequently, customer feedback is not the only factor involved.

Case 4 works with regular meetings to exchange knowledge from informal sources, which are industry actors and share the entrepreneurial lifestyle. The meetings occur in casual settings. Moreover, the venture also seeks sources of feedback by attending more formal meetings. This enables the firm to access sources with similar business models and share, learn and be inspired by other’s journeys in more professional settings.

The value of having mentors is known to the venture which is currently seeking mentorship. The venture turns to experienced feedback sources, such as regular meetings with their current investors and meeting other more seasoned entrepreneurs are viewed as important for the growth of the venture. However, the view is that even more mentoring would be beneficial. One example of input received by a mentor is that only 2 percent of the venture’s success is defined by the idea while 98 percent is defined by process, such advice has helped the venture’s motivation and inspired to keep its consistency and work ethic.

Early in the venture creation process the venture involved a local university by setting up a study about how the use of their solution would affect the targeted industry. At the same time this allowed them to test their offering towards a group of industry actors where they got to test and iterate the product in an academic environment. This in turn led to accessing more feedback sources such as industry actors who took the prototype into their organizations to use and give feedback. The process resulted in the venture testing their solution early on to validate its assumptions. Since the industry actors were active in developing a product they needed, they also became enthusiastic about getting to use it.

Case 5 has altered its view on feedback sources and how to utilize different sources in the venture. The use of informal industry actors is used more frequently today than initially in the venture. Competitors are used to compare themselves with on a regular basis but only have a dialogue with companies that are not viewed as competitors but have similar characteristics. What characteristics those feedback sources have depends on what kind of information they are looking for. In the venture's current operations more efforts than previously are made on talking to customers. The shift in focus from customers as a feedback source to consumer has altered the practices of the venture. Until recently, focus was primarily towards making the service better for customers since they are the ones paying for the service. As their offering had some drastic changes made to it, more feedback has been collected from the consumers. The goal is to create more value for the consumer, they made the realization that satisfied consumers would also benefit the customers.

Case 5 - analysis

Quote	Code	Theme
<p>“We have spent 4.5 years serving the supply side and now we’re completely focused on the buyer side</p>	<p>Consumer</p>	<p>Feedback source</p>

Case 6 works with informal industry actors such as companies from similar but not the same industries as feedback sources. The interaction is often carried out in formal setting such as professional networks but also the venture network is utilized and informal meetings are also seen as an important part of gaining the right type of information. The venture describes that a broad personal network makes it easier it to get the information needed. If the venture lacks a personal contact in a specific context or setting the venture needs to work more actively to gain the same amount of information.

By utilizing academic actor as a feedback source the venture benefits with recruitment. By fostering a close relationship to universities and student engagements the venture also gets support with research and development. It is emphasized that students are aware about the brand and how the venture works, resulting in workshops and lectures in academic settings are held regularly. Students writing their thesis on research and development projects within the firm are also common. The venture thus works to bridge the gap from the university and the venture by being visible through student ambassadors are studying in parallel.

In Case 6 the sources customer and consumer are viewed as closely related. The customer is viewed as a central part in the development of new products even though the venture emphasizes the difficulties of being innovative when listening too much to customers. Therefore, they do not only rely solely on customer feedback. Case 6 views their customers more as partners and therefore the venture value customer feedback throughout the process of product development. Their aim is to have the customer's active in everything they do without letting the customers make all the decisions. The venture believes that using consumers as a feedback source this could support them in their sales process as they present the customer with the feedback as basis for building and improving the offering.

In Case 7 the venture utilizes its informal network as a feedback source. The network consists of entrepreneurs who are used to access and share information about different parts of the venture. Emphasis is put on the value of not only getting feedback from actors that have progressed further but also actors that have not gotten as far. Giving feedback to others is viewed as a good way to reflect and getting a new perspective on what has already been done within the own venture. Initially the venture tried to have be present at professional events

related to fashion and retail to access both market and business knowledge for the specific industry. However, the information shared at these types of events felt outdated and inappropriate. Therefore, the venture started to seek for other form of sources at other types of events. Customers are also utilized as a feedback source, as the sales process requires face to face interactions with the customer's feedback comes naturally, these meetings are used as a natural channel for obtaining customer feedback. Most decisions that have been made through feedback have been received in customer meetings.

Case 8 initially were provided with a mentor through a local entrepreneurship organization. The venture had the opportunity of use the mentor as a feedback source to keep regular contact with in the early stages and to receive strategic assistance. Currently however, no mentor is connected to the venture even if they value having someone more senior to discuss ideas and issues with. The venture used the customer as a source to extend its product lines. After having a few products, the venture got feedback that customers prefer as few suppliers as possible thereby making the communication with suppliers easier to manage. The main source for communicating with consumers is through social media. The venture enables the consumer to interact with them on their website, it is also on this platform the venture aims to educate the consumer about the product and how it differs compared to other similar products in other segments of the market.

Case 8 - Analysis

Quote	Code	Theme
<p>“Yes we do, in trade shows we meet other brands who has done the same journey as yourself. This is a place for giving advice and receiving advice. A lot of people are generous and want to help.”</p>	<p>Industry actor</p>	<p>Feedback source</p>

Case 9 works with different types of feedback sources depending on what specific task or problem is at hand. As such the venture seeks out a variety of specialists in the need area to get feedback, the aim is to collect knowledge which does not exist within the venture. Moreover, Case 9 tries to communicate regularly with the consumers on social media platforms and through surveys to understand their perspective on the offering. The venture often works on the behalf of student organizations. By working close to the customer, much

of the feedback collection is outsourced to the customer. The customer thus helps the venture to conduct research about preferences and learn more about the consumers. They also have a routine of contacting all their existing customers once a year to get some feedback on how the year has gone and how they can improve the following year. Furthermore, the venture has utilized an academic actor as a feedback source. The university source is specified in innovation and aims to analyze the business and give feedback to venture such as consultancy.

5.4 Cross case analysis

After the within case analysis, a few noticeable patterns of similarities and differences could be seen across the cases. The cases were structured in three groups to enable the analysis and the comparison of the nine cases.

5.4.1 Cross Case group 1

The cases 2 and 8 are placed in gross case group 1 shared an intuition focus as basis for decision-making. No evidence for the use of formal feedback processes were found in this group, moreover, formal processes were not pursued as a strategy. The feedback received was on already existing products, from customers and/or consumers having positive comments or problems regarding functionalities and quality aspects of the products.

Table 7. Cross case analysis - Group 1 - *Quotes are assigned to different codes that are placed within a cell connected to factor or a sub-factor. The quotes with attached number can be found in Appendix 1.*

Factors & Sub-factors	Entrepreneurial openness				Feedback sources	Feedback types	
	Feedback seeking behavior	Formal feedback process	Feedback as basis for decision-making	Intuition as basis for decision-making		Strategic Feedback	Operational Feedback
Case 1	-	-	Post development feedback (2, 4) consumer testing (2, 4, 6)	Personal preference development (3)	Consumers (6) Customer (5) Industry actor (2,7, 1) Informal networks & friends (8)	Industry actor (7)	Customer complaints (5) Consumer request (6) Industry actor (1)

Case 8	-	Monitoring social media feedback (65)	Post launch consumer validation (66, 67) Giving and receiving advice industry actor (69)	Design not a result of feedback (64, 71) Market research based decision-making (62) Founder belief (67)	Customer (63, 67, 68) Consumer (64, 65) Industry actor (69) Mentor (70)	Mentor advice (70) Preferences of retailers (68)	Increased consumer demand (67) Changed technical features based on customer feedback (64)
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The table show the coding in a cross case analysis, quotes with a in a parenthesis are assigned to different codes that are placed within a cell connected factor or a sub-factor. The quotes with attached number can be found in Appendix 1.

5.4.2 Cross Case group 2

The cases 2, 4, 6 and 9 are placed in cross case group 2 all shared a collective openness and feedback seeking behavior coupled with often multiple formal processes for feedback. In the group the cases seem to rely more on feedback than intuition. However, for some cases in the group intuition still is regarded as important. The group shares the search for feedback from multiple sources and they have contrasting rationales depending on what source they pursue. Feedback is seen and valued differently depending on the source.

Table 8. Cross case analysis - Group 2 - Quotes are assigned to different codes that are placed within a cell connected to factor or a sub-factor. The quotes with attached number can be found in Appendix 1.

Factors & Sub-factors	Entrepreneurial openness				Feedback sources	Feedback types	
	Feedback seeking behavior	Formal feedback process	Feedback as basis for decision-making	Intuition as basis for decision-making		Strategic Feedback	Operational Feedback
Case 2	Mitigate risks (12) Mentor feedback (16) Professional network (17) Early tests (18) Test with influencers (21)	Social media group testing (9) Customer observation (10) Testing product features (20) Testing with industry	Customer observation (10, 18) Risk mitigation (12) Trust in experts (13, 14) Insight from friend (22)	-	Industry actor (14) Customer (11) Consumer (9, 10, 18, 19, 20) Professional network (16) Mentor (14,16) Investor (13) Informal networks & friends (22)	Customer complaints (11) Mentor advice (16) Professional network (17) Investor advice (13) University connections (23)	Testing with consumers (9) Observing consumers (10, 19) Customer complaints (11) Consumer complaints (20)

		<i>actors (21)</i>			<i>Academic actor (23)</i>		
Case 4	Professional network feedback (29) Looking for mentor (30) involving university (32)	Easy access customer feedback (34) From feedback to action (33)	Scalability and customer feedback (33, 34) Industry actor advice (31) Academic study(32)	-	Mentor (30) Industry actor (31,32) Academic actor (32) customer (34) Professional networks (29) Informal networks & friends (28)	Industry actors and professional networks (29) University feedback (32) Advice from friends (28)	Customer request (32,33,34)
Case 6	Part of sales process (43) Work close to customers (45)	Monitoring user feedback (42, 43) User group testing (46)	Customer and user validation(45)	Innovation not a result of feedback (49)	Industry actor (44) Customer (45) Consumer (46) Professional networks (48) Academic actors (47)	Benchmark from industry actors (44) R&D support (47)	User reviews (42) Customer and user validation (45) (Consumer) User testing groups (46)
Case 9	Network for knowledge (73, 74, 75) Importance of feedback (76, 80, 81, 83)	Call customers once a year (85) Consumer surveys (77)	Use knowledge from network (73) Importance of feedback for knowledge (74, 76)	Don't only listen to feedback (82)	Consumers (76, 77) Customer (73, 75, 84) Industry actor (72) Academic actor (78) Investor (79)	Competitor relationship (72) University program (78)	Customer knowledge (73, 75) Customer before consumer (84) Consumer feedback (76, 77)

5.4.3 Cross Case group 3

The cases 3, 5 and 7 in cross case group 3 are the least consistent of the three groups due to the cases having mixed characteristics. They value both intuition and feedback for their decision-making and are the group in between group 1 and 2. There are examples of collecting feedback but also times where intuition has been used for decision-making.

Table 9. Cross case analysis - Group 3 - *Quotes are assigned to different codes that are placed within a cell connected to a factor or a sub-factor. The quotes with attached number can be found in Appendix 1.*

Factors & Sub-factors	Entrepreneurial openness				Feedback sources	Feedback types	
	Feedback seeking behavior	Formal feedback process	Feedback as basis for decision-making	Intuition as basis for decision-making		Strategic Feedback	Operational Feedback
Case 3	-	No formal collection process (25) No formal feedback utilization process (26)	Waiting for certain feedback (26,27) Products partially a result of Feedback (26)	Products partially a result of intuition (26)	Customers (24,26,27)		Customer requests (24,26,27)
Case 5	Seeking feedback (36) Customer demand (40)	Initially no formal process for feedback (35, 38) Process for user interaction (36) Process for industry actor interaction (37)	New approach feedback based decisions (36)	Initially intuition based(35, 38) Intuition based strategy (39) Market based research (41)	Consumers (36,38,40) Industry actors (36)		Consumer preference (36)
Case 7	Testing products (54) Brainstorming events (57, 58) Entrepreneurial fiends (60)	No formal process of gathering feedback(50, 51,50,56, 57) Formal process for testing products (54) strategy and product brainstorming event (61)	Accidental feedback (50,51,52) Validation based on testing products (54) Feedback from informal networks(60) Strategy and product brainstorming event (61)	Ignoring feedback (53, 61)	Customer (50, 51, 52, 53, 55, 54, 56, 57) Industry actor(57) Professional network (59,61) Informal networks & friends (54,)	Brainstorming event (58) Practical education (59) Informal networks & friends (60) Ignoring feedback from industry actor(61)	Testing products with network (54) Customer testing on social media (55)

5.5 Connection between feedback type, source and entrepreneurial openness

Through the data analysis a connection between feedback source and the type of feedback became clear. Operational feedback is found more regularly in feedback from customer and consumer sources as displayed in all cases. While strategic feedback has a stronger connection to mentors, investors, academic actors and professional networks. The relationship between strategic feedback and sources is displayed in Case 2 who utilizes mentors and investor sources to gain strategic feedback through business related knowledge. Industry actor is found to be the only source that was used for both operational and strategic feedback. The cases that relied on customer and consumer feedback were therefore more likely to get operational feedback rather than strategic feedback.

Cases found to have a high level of entrepreneurial openness used more sources for collecting feedback, meaning they were also more likely to get both types of feedback. Case 2 and 8 both demonstrated having a low openness by not prioritizing feedback through their lack of examples on how they receive and utilize feedback, especially from more uncommon actors such as mentors or investors. The effect, for Case 2 and 8 seemed to be that they miss out on actors giving strategic feedback. In conclusion, the connection found was that entrepreneurial openness means using several feedback sources and getting both feedback types.

6. Discussion

The aim of this chapter is to compare the emerging and enfolding constructs in the study to existing theory, consequently the chapter begins with a demonstration of the link between the three feedback factors namely Entrepreneurial openness, Feedback types and Feedback sources to existing literature. The three factors constitute the Feedback approach which is further developed and explained through a model and later compared to Knowledge intensity.

6.1 Entrepreneurial openness

The notion that entrepreneurship is a feedback oriented process has been established by (Bhave, 1994). However, the findings suggest that the extent to which feedback drives the entrepreneurial process varies. Openness in regards to feedback includes the willingness of the venture to actively seek feedback. Evidence presented by Frese (2007) stresses that the high complexity and unpredictable nature of the entrepreneurial environment are contributing factors for an active search and strategy for feedback. Similarly, to this argument the findings in Case 9 suggest an understanding that feedback needs to be sought after and may not always come naturally.

Further openness as an entrepreneurial trait has also been described as a factor enabling the adoption of innovations which involves being open to change (Marcati, Guido and Peluso, 2008). Contrasting evidence from Case 6 offers a nuanced perspective of openness in relation to innovation. Although an open mind to different ideas is valuable, part of the venture's feedback capability is reflected on the ability to value feedback and disregard feedback. Case 6 describes how feedback alone may not be the key to innovations. Rather it is found in an area of ambiguity and thus there is not always an answer from customers or other sources. This perspective is consistent with Bandera et al. (2016) who stress that innovation driven entrepreneurs, often base their decisions on tacit knowledge. Consequently, they may not be able to acquire the information needed to innovate by only interacting with customers.

Theory has stressed that most of the time the venture wants to test their products and identify needs and preferences of the market. This is described as characteristics of the open entrepreneur. Case 4 utilizes its prototype to test their offering, validate and further develop

based on feedback. Similar openness is found in cases 6 and 2 who use different form of test groups to develop their offering and identify need areas (Slavec et al., 2017). Through the process of testing, the venture also displays a continuous search for new opportunities which indicates similarities to the open entrepreneur (Burmeister & Schade, 2007).

The purpose of the study was not to identify whether one way of approaching feedback is better than the other. However, according to Slavec et al. (2017) successful entrepreneurs strive to evaluate their performance through feedback. This view is shared by Spinelli and Adams (2012) who found that successful entrepreneurs see feedback as vital to succeed. For the cases with a higher degree of feedback seeking behavior it is a possibility that they are more likely to survive and grow compared to the less feedback seeking cases. Due to the complexity of explaining success it is however, difficult to measure and compare the cases in terms of success. Hokkanen & Leppänen (2015) points out the need for ventures to validate their business concept early in the venture creation to increase the chances for survival, York & Danes (2014) also emphasize the value of understanding customers during product development. Collectively, these statements indicate that Case 1 and Case 8, who were found to lack a feedback seeking behavior, initially had a relatively low chance of survival. Despite the seemingly low odds of survival both companies were successful with their initial offering and have not made any radical changes in the business concept since the start. According to Vancouver & Morrison (1995) feedback seeking behavior may involve certain costs such as time, effort and social costs of appearing insecure or unqualified, may be contributing factors for why ventures lack a feedback seeking behavior.

When comparing cases 1 and 8 to the literature it may therefore seem that luck and timing could be contributing factors for the success of the business concepts. However, Smith & Ulrich (2001) argue that entrepreneurs need to develop and clarify their concept to get valuable feedback, indicating that there may be a required skill behind feedback collection. Thus, simply looking for feedback may only be one part of the process. For this reason, it may seem unfair to say that one case is better than the other based on feedback seeking behavior alone. Evidence from Case 2 showed that listening to investor feedback possibly caused more damage than if they would have followed their intuition. One reason many ventures fail is due to investments done before validation of the offering, also referred to as premature scaling (Marmer et al., 2001). The clearest evidence of this was found in Case 8

who used personal savings and took a loan on a privately-owned house to start production before any customers or consumers had given feedback on the business concept. In this way feedback, could be a way to mitigate initial risks.

The evidence suggests a contrasting use of formal feedback processes. Cases in the Cross Case group 1 seem to favor an intuition driven process as opposed to feedback seeking process. Thus, Cross Case group 1 follows the notion presented by (Zahra & Nambisan, 2012). Who stresses that new ventures base their decisions on intuition in contrast to formal planning. The structure of Cross case group 2 and some cases in Cross Case group 3 however, display a planning attribute to its formal feedback process. In accordance to Song, Wang & Parry (2010) the cases with formal processes to collect feedback also were found to display an understanding for utilization of feedback.

Following the ideas of Laužikas & Dailydaitė (2015), market knowledge coupled with a strong feedback collection capability may be the result of consistent search for information. Meaning that more time spent searching for feedback will improve future accuracy in matching the offering to fit the market needs. Case 2 may be an example of this phenomenon, the venture had a functional business concept yet they kept looking for improvements, based on feedback, leading to them discover a new version of their product. The new improvements would arguably, create more value for the customers. This may favor new ventures to aim at integrating feedback in an early stage to proficiently collect and analyze feedback as the venture develops.

6.2 Types of feedback

The findings in this study suggest that feedback types are linked to knowledge from different domains. Similarly to the theory on different domains, McKelvey & Lassen (2013a) accentuate that new ventures need knowledge from other domains, implying that feedback types may be found beyond the concepts of Bhave (1994) and in the domain of market knowledge, business knowledge and scientific, creative, technological knowledge. Strategic and operational feedback in its original form by Bhave (1994) may thus only have been applicable to cases which primarily focused on customer oriented feedback such as Case 1

and 8. However, by extending the feedback type terms it enabled the study to describe the findings in a more accurate way.

Previous theoretical perspectives have considered types of feedback and knowledge to be directly connected to products and the fit of the products to market needs (Bhave, 1994; Teece, 2000). Although evidence show that much of the feedback sought by the ventures regards customer needs such as Case 2 exploring preferences and different tastes on the market in order to receive feedback and improve fit between customer needs and the venture's perceived needs of the market.

However, in contrast to the market knowledge perspective of feedback types, Case 9 suggests that it seeks a certain type of feedback based on the task or strategy at hand. This mindset connects feedback type to knowledge as the Case first defines what knowledge is needed and subsequently, seeks a certain type of feedback. The venture describes that this does not necessarily connect to the product or customer needs and may therefore be more general to the entrepreneurial process. The rationale may therefore be to improve the venture's understanding and knowledge in different domains (Shepherd, Douglas and Shanley, 2000; McKelvey & Lassen, 2013a). The findings thus indicated that entrepreneurs seek feedback not strictly or directly related to market needs, making the feedback less industry specific.

When Case 4 utilized a local university to gain scientific knowledge about research and development exemplified how that the lack of knowledge in a venture is a contributing factor for the choice feedback type to pursue. By displaying a strategy to seek a particular type of feedback ventures may connect feedback types to knowledge management and acquisition.

6.3 Sources for feedback

Collewaert et al. (2016) found that entrepreneurs facing uncertainties in relation to their role in the venture could benefit from getting feedback from external sources, it is also said to be a way to maintain passion in times of uncertainty. This phenomenon was visible in Case 2 who seemed to be almost certain about the future growth and success of the venture even if there were no clear evidence for it. Case 2 was also one of the most feedback seeking ventures with a broad network which indicated similarities to the ideas of Collewaert et al. (2016).

Entrepreneurial learning is said to be crucial for entrepreneurs and Cope (2005) points out that part of it is connected to learning from peers, customers and suppliers. All cases were willing to learn from these actors to some degree. However, it was clear that the richness and content of the received feedback differed in the ventures. In addition, the cases 1 and 3 suggested that they tend to seek feedback from actors closer to the venture making them easily accessible such as utilizing one specific customer for recurring feedback and the use of close personal connections. However, the most convenient source may not be the most appropriate source. The cases indicate that some external sources with specific knowledge may require significant seeking effort which may be the reason for the high correlation of feedback from peers in the cases with a feedback seeking behavior as it often involved actively networking and establishing relationships on a personal level.

Brainstorming events, interviews and other interactive activities are becoming more important in the development processes (York & Danes, 2014). Case 7 had a regular event for brainstorming where the aim was to have an attendance of stakeholders' with mixed competencies and backgrounds. The goals for these events were to get feedback on several parts of the venture and its development.

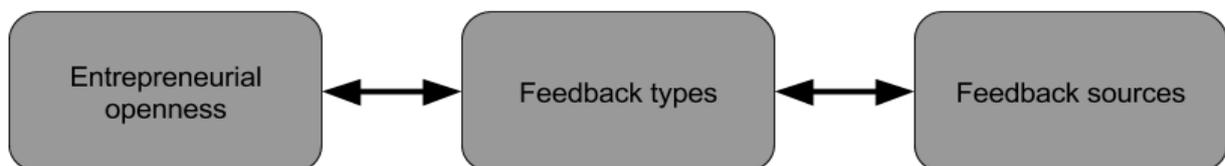
Kirchhoff et al. (2007) researched the connection between universities and innovative firms, concluding that universities are positively correlated to innovation. Case 4 and 9 were driven by innovation for the reason of increasing possibility for high growth while also having close connections to universities for research and development of their offering. While less innovative cases, such as Case 1, 3 and 8 did not utilize academic actors.

Entrepreneurship literature regarding feedback has recently focused more on other sources than only customers and consumers (Cope, 2005; Hokkanen & Leppänen, 2015). Knowledge and skills exist in different parts of the ecosystem and it is difficult or even impossible to get from only one or few actors (Lahikainen, 2016; Zahra and Nambisan, 2012). Cases 2, 4 and 9 illustrated the value of this as they freely discussed the importance of feedback from sources such as mentors, investors and universities equally as from customers and consumers. Every case interviewed showed knowledge about feedback from customers, however only the more knowledge driven cases utilized more sources.

Ozgen & Baron (2007) discovered that ventures using mentors, industry networks and professional forums have superior opportunity recognition. Case 2 demonstrated its ability to find new ways of evolving the venture through utilization of actors in the ecosystem, especially by having several mentors, attending industry events and being member of professional forums. They showed a better understanding for the market and a flexibility to change to achieve growth.

Research has emphasized prior knowledge for the individuals within a venture and connected the knowledge to the impact of the venture's opportunity recognition (McKelvey & Lassen, 2013). Case 6 seemed to be the venture with the highest level of technical and business knowledge, they viewed themselves as being world leaders in their field. The findings suggested that they had a Feedback seeking approach, however they did not have any clear connection to some feedback sources such as mentors or universities. This invites the possibility that due to the already existing knowledge in the venture and the difficulties to obtain valuable external feedback to their existing knowledge. The cases with younger founders such as Case 2 and 9 had less experience and were looking for feedback from all potential actors as they viewed themselves as not having enough knowledge to make the best decisions.

6.4 Connection between Feedback factors



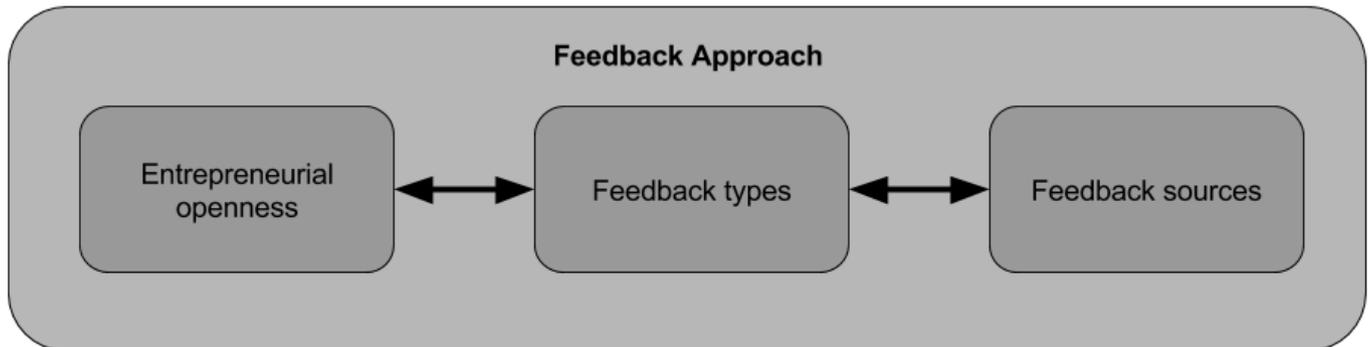
The shortage of prior literature regarding the topic feedback types connected to feedback sources has been explained by Crommelinck (2013) to be an area to be further explored. Vancouver & Morrison, (1995) stressed that the different types of feedback individuals seek may have to do with the attributes of the source it is received from. Additionally, the notion

that entrepreneurs are knowledge operators, combining and utilizing various types of knowledge (McKelvey & Lassen, 2013a) proposes the idea supporting the connection between feedback source, type and openness. When comparing the cases a relationship between feedback types and feedback source was found. Operational feedback was more commonly found through feedback with customers or consumers while mentors and investors seemed to favor strategic feedback.

As found in the cases there were indications for a relationship between feedback types and feedback sources from some cases who displayed a feedback seeking behavior such as seeking for specific knowledge from a specific source to improve a certain knowledge domain or solve a specific problem at hand. The seeking behavior from the findings may therefore suggest that these two factors combined could be related to the entrepreneurial openness in the cases. This may imply that the concepts presented by Shepherd, Douglas and Shanley, (2000) about seeking general business knowledge from other actors than customers could be linked to the openness of a venture.

6.5 Feedback approach

In this section, we introduce our concept of “Feedback approach”. Our aim is to contribute with a new perspective to the existing feedback literature for new ventures. Through the findings the groups have expressed different mentalities in regards to feedback. The aspects affecting ventures’ feedback approach are Entrepreneurial openness, use of feedback source and feedback type.



In this study efforts have been made to explore the link between knowledge and feedback in the case ventures. In new ventures, knowledge management is about transforming tacit knowledge into explicit knowledge. In theory, the transition phase has been described as challenging for any form of new ventures. The reason is that all ventures to some extent base its investment decisions on tacit knowledge (Bandera et al., 2016). Thus, the feedback approach of a venture may reflect the venture’s desire, but also their barriers to seek out information from the right source. These barriers could be physical in terms of accessibility to the source but also mental, for example individuals are more likely to pursuit feedback from sources they have an established relationship with (Vancouver & Morrison, 1995). Moreover, barriers could be linked to factors such as overconfidence (Brixy et al., 2013). Subsequently, a high mental or physical barrier to seek out feedback from sources could explain the venture’s Feedback approach. Moreover, this may have to do with the ability of the venture to transform the tacit knowledge to explicit knowledge to retain meaningful feedback. By looking to how feedback is approached in the venture, there may be some valuable insight to be gained on how knowledge is being acquired and diffused in the environment of the venture and thereby how knowledge could be used to mitigate risks. Moreover, the feedback approach of a new venture is thus defined as the venture’s mentality

in relation to gathering, interpreting and utilizing feedback in its processes, practices and overall strategy. The findings suggest three contrasting approaches to feedback;

- Active feedback approach
- Passive feedback approach
- Semi-active feedback approach

By seeking opinions from external sources tacit knowledge could be codified and diffused in the ecosystem making the knowledge and expectations more explicit (Bandera et al., 2016; Crommelinck 2013). Market information is a key in knowledge intensive ventures as well as those with an active approach. In the same way, understanding the market may enable strategic relationship building it may also affect the overall performance of the venture (Laužikas & Dailydaitė, 2015). Further, the active approach is often supported with formal processes for feedback collection. This may reflect the value of knowledge and knowing for the venture McKelvey & Lassen (2013a), thereby seeking to transformation tacit knowledge to explicit knowledge. Moreover, similarly to Song, Wang & Parry, (2010) the findings suggest that ventures with the active approach also may be more likely to have formalized procedures for utilizing the market information.

6.3.1 The Active Feedback Approach

This group is characterized by an open entrepreneurial mindset. Where formal feedback processes are embedded in the venture and its development. Ventures in this group have formal processes in place to manage feedback from different external sources and utilize the feedback in a structured way as a basis of decision-making, both operational and strategic.

Group active approach	<i>Indicators of active approach</i>
Case 6 Case 2 Case 4 Case 9	<ul style="list-style-type: none"> • <i>Structured/formal process</i> • <i>Multiple sources</i> • <i>Feedback as basis for decision-making</i>

The case ventures in the active approach group are characterized by a feedback oriented culture. Hence, the Active approach is similar to the concepts of the entrepreneurial openness

as the ventures display a continuous search for new opportunities, learning and novelty through feedback (Burmeister & Schade, 2007; Slavec et al., 2017). Feedback is embedded in the venture and not only an inconsistent activity, moreover it is the foundation on which the ventures are built and developed. The venture's belief seems to be that feedback could enhance their performance by bridging knowledge gaps in the venture. Such behavior has been described as characteristics of successful entrepreneurs (Spinelli & Adams, 2012).

The active approach group relies on feedback in all aspects of the business. More specifically, the cases have clear and formal processes to pursue, collect, and make use of the feedback from a variety of actors. What the ventures has in common is that they seek data systematically from a wide range of sources resulting in an increased understanding for the dynamics of knowledge. The information gained from the formal processes could thus improve the performance of the venture (Song, Wang & Parry, 2010). By utilizing a wide set of feedback activities, the ventures all display a willingness to seek knowledge from the different domains which is seen as an important part, as it may help entrepreneurs to cope with role ambiguity as well as support them in keeping their passion in the venture (Collewaert et al., 2016). It is important to highlight that the cases are efficient in their feedback approach and they know what to look for and what source to seek out for specific information. This would support the notion that entrepreneurs willing to utilize mentors and industry actors, are better equipped to recognize opportunities (Ozgen & Baron, 2007).

Further, similarities can be found in their strategy to apply feedback for decision-making. The ventures in the active approach all utilize feedback as a basis for decision-making and as a start of the process of development. The venture intuition may not be the primary basis for decision-making, instead the feedback is a method for testing in the development rather than only a tool to validate products already developed. It is clear in all ventures in the active approach group that science-based activities are highly valued. Moreover, they share a close relationship with academia and strive to incorporate academic actors to be part of the creation processes in the venture.

One of the noticeable differences between the ventures is how the feedback is utilized in the sense of decision-making. Case 2 shows a high level of trust in the feedback received from different actors with examples of choosing a name solely due to customer feedback and

making severe strategic decisions based on recommendations from an investor. Case 6 instead emphasize the restrictions of using feedback when it comes to innovation. All the cases within the group have different formal processes for collecting feedback. Case 4 differentiate by having set up formal process for receiving feedback organically from their customers as they value general feedback and not only area specific feedback. Case 9 stressed the importance of collecting feedback from all actors within the ecosystem as well as seeking particular feedback from a specific source of experts with knowledge connected to the problem.

6.3.2 The Passive Feedback Approach

The passive approach is defined by ventures that do not see feedback as a vital part of the business and there are no formal processes to retrieve and utilize feedback. Feedback is retrieved without being requested and is generally only acted upon when it is of an urgent and functional nature.

Group Passive approach	<i>Indicators for passive approach</i>
Case 1 Case 8	<ul style="list-style-type: none"> ● <i>No formal processes for feedback</i> ● <i>Intuition based decision-making</i> ● <i>Post decision-making feedback</i>

When discussing the passive approach, it is important to consider that this is a contrasting approach where subtle differences may be the defining factor for having a passive approach. At first glance many ventures may seem to have a passive approach to feedback however, when getting a closer look into the underlying factors of decision-making in regards to feedback as well as how feedback is utilized and part of the overall strategy of the firm. It becomes more apparent if the venture belongs in the passive approach or not. The passive approach as opposed to the active approach is characterized by an intuition based decision-making. These ventures are similar to those Zahra & Nambisan, (2012) describes, ventures using intuition rather than formal planning. Even though intuition seem to be part of every decision-making process weather based on feedback or not. When decisions are traced back to its intent the ventures do not have a clear answer as to why a decision was made it is often referred to a feeling or some form of gut feeling which has paid off. This may be signs of cognitive biases affecting the decision-making. These types of biased decisions may thus

affect the direction of the firm thereby driving the creation and affect the survival (Hayward, Shepherd & Griffin, 2006).

Ventures with a passive feedback may value feedback from different sources but does not actively seek out the feedback or the sources per se. These ventures do consult their network for its decisions however this is often post production, to confirm finished products. Vershinina, Barrett and McHardy, (2017) found similar results in their research suggesting that this may enable entrepreneurs to share responsibility and gain social comfort. The ventures in the Passive approach group seem to share the belief that feedback is something which will come organically. The passive approach behavior thus contradicts the ideas of Ashford & Cummings (1983) who found that some individuals do not wait passively for feedback to come but rather seek the feedback proactively.

The ventures share some characteristics, in terms of feedback approach. The ventures are driven by the founder's perspective. These firms were initially, created as a response to the lack of a proper solution on the market. The ventures were thus driven by the founders' own preferences, which still is visible today in new product development stages. This is characterized by the rationale behind the choices for new products. Testing is not structured in a formal process and product features such as colors and design are decided upon in house and the products are pushed to the market, which has been a successful approach for the ventures.

Decision-making in the ventures is based on the intuition of the founder. However, both the founder's intuition has changed over time. Mistakes, production problems as well as successful events have been the primary driver of knowledge and learning in the ventures. The learning by doing approach to feedback, responses and interaction with different actors on the market are displayed through key events although these market responses have come naturally as a response to a problem or to success. What ties these ventures together are their emphasis on production processes and quality which is a sign of the low-tech industry they are active in. The venture both have gained complex and practical, and operational knowledge which has made them experts in their field however, the business side of running a venture is not emphasized in the same way as the knowledge in production and product features.

Noticeable differences can however be found between the two cases. The main one is the different goals related to growth. Case 8 have an outspoken desire to sell the company within the not so distant future and therefore aim towards creating as much value as possible within the venture. While Case 1 do not even strive to grow beyond its current size as they enjoy the management style of a small company. This difference translates into the business mindset of the ventures, as one is line with the traditional growth seeking entrepreneur and the other is more similar to a lifestyle entrepreneur.

6.3.3 The Semi-Active Feedback Approach

This group is characterized by a medium degree of feedback seeking behavior. The ventures in this group view feedback as an important aspect in the venture, the feedback processes can be formal however often less structured and specific in how to collect or utilize the feedback. Founder intuition plays a large part in decision-making in these ventures while still pursuing feedback from different sources to develop the venture.

Group semi-active approach	Indicators Semi-active approach
Case 3 Case 5 Case 7	<ul style="list-style-type: none"> ● Some formal feedback processes ● Feedback as a complement ● Trust intuition and feedback equally

The ventures with a medium approach to feedback all acknowledge the value of using feedback, it is however not seen as the main factor used for decision-making. The Semi-active group has displayed a belief in the balance between feedback and intuition as basis for decision-making. In this sense feedback could be a form of analytical tool of deriving decisions as opposed to intuition. Research has suggested that effective management is not about choosing analytical approaches or intuitive approaches to decision-making. Rather it is about a combination of the two. Due to the dynamic environment of the case ventures, fast decisions may be necessary. This may favor the use of a dual strategy in relation to formalized feedback processes coupled with venture intuition as a basis for decision-making (Simon 1987; Dane, E. & Pratt, M.G., 2007).

Similarly to knowledge intensive firms, ventures with a Semi-active approach continuously balances business planning with emergent strategies for new opportunities (McKelvey & Lassen 2013). This balance is seen as necessary to achieve the venture's vision. However, in contrast to Knowledge intensive firms, ventures with a Semi-active approach are less open to letting more actors be involved in the decision-making process.

This group analyzes their feedback by comparing it to the company vision of growth. This may display that ventures with a Semi-active approach may separate feedback and growth by filtering feedback based on how it relates to growth and vision. In contrast theory seems to stress that feedback could be a mean to enhance growth. Hence growth and feedback may be related (Frese 2007). Creating an offering that is in line with their vision is of a higher priority than feedback from customers, further emphasizing the role of feedback as a complement to the strategy rather than the main influencer. They risk being late with utilizing customer feedback for its decision-making, they wait until a late stage to set up formal processes to collect feedback. It is common to find firms having the view that the customers do not know what they want. All cases within this group do have formal processes for either collecting or utilizing feedback. However, this group is less selective and structured when it comes to what kinds of feedback that has been received as well as how the feedback was attained. It may be a result of the desire to keep the entrepreneurial spirit and creativeness alive in the ventures (Gilmore & Kazanjian, 1989). Thus, the structure of the processes in the ventures may be an active choice to foster an entrepreneurial culture. Important decisions about design and development on offerings based on feedback that was received by the customer spontaneously can be found in this group.

Despite all the similar traits of the case ventures in the semi-active approach group there are some differences in how they value feedback in their ventures. Some of the firms within the group are found having a feedback approach and system in place to utilize feedback while other firms instead have systems in place to collect feedback, through for an example brainstorming events, while lacking system to utilize the data.

6.4 Differences between the different Feedback Approaches

6.4.1 Active and passive approach

The major differences between the feedback approach of those ventures who are in the active approach group and those who are in the passive approach group is the feedback seeking behavior and how feedback is incorporated in the practices and strategies of the venture. In ventures with an active of feedback approach the ventures actively seeks opportunities to generate feedback the feedback practices are more structured and strategically linked to the ventures overall vision. The entrepreneurial openness is stronger in those ventures with a high degree. This is displayed through their willingness to alter existing products and new concepts and their view on feedback as an important part of the venture development process. The low degree on the other hand does not have the same strive to gather, process, understand and utilize feedback in their venture. Furthermore, passive approach ventures tend to seek or often without an action, gain feedback from a limited number of sources. The cases get feedback from customers and end-consumers and industry actors however, in high degree ventures the cases have separate strategies to gain feedback from different sources.

6.4.2 Active and Semi-Active Approach

Both groups of active and semi-active feedback approach agree that feedback is important in some respect. Within the active approach group feedback is one of the most important factors for decision-making while semi-active approach group puts less importance into feedback and consider it more as complementary. The semi-active group is less likely to let feedback influence the venture's business model and examples of important decisions with no links to feedback can be found.

6.4.3 Passive and Semi-Active Approach

The differences between passive and semi-active approach are slightly subtler though still visible. Ventures with a passive approach do not display an active feedback seeking behavior rather feedback is input which will be considered if agreed with. If the feedback is given in an area which is more subjective involving feelings, preferences such as design or certain quality

aspects the venture will more likely disregard the feedback. However, in the semi-active approach some elements of alterations were made based subjective feedback from customers.

6.6 The Feedback approach model

Arguably, the concept presented by Bhave (1994) is a step towards making sense of the different types of feedback and feedback processes active in an entrepreneurial venture. Throughout the thesis it has been argued that knowledge in different domains from different sources is key features in an effective feedback process. Prior literature aiming to connect feedback in an entrepreneurial context have mainly been focused on the feedback in a customer, employee or managerial perspective (Bhave 1994; Gong et al., 2017; Ashford & Cummings, 1985; Ashford & Tsui, 1991) Consequently, there is room for an extension of the literature on feedback in entrepreneurship linking the venture to a broader set of actors in the ecosystem.

The Feedback approach model is a new model which aims to incorporate the feedback types and connect them to the sources they tend to related to. With the new model the suggestion by Crommelinck (2013) to tie feedback to its source and explore feedback types is addressed. The model does not aim to display how feedback is utilized in the venture but rather to give an overview of the process of seeking feedback, the actors involved as well as the type of feedback connected to the source.

The findings suggest that customers, consumers and users are more likely to give operational feedback in the form of product quality improvements, and minor alterations, giving the venture knowledge on market preferences such as price, design, functionality and other product related feedback. However, through the findings, the model suggests that to tap into more business, market, technological and scientific related knowledge ventures need to seek out other sources. Strategic feedback is feedback which may come to alter the entire business concept. As the business concept differed in the venture so did the sources. Despite this, more institutes in the form of academic actors, mentors and other industry actors were strategic feedback source from most ventures. This could possibly be explained by the legitimacy and trust the ventures put into the sources in the form of track record and experience. Industry

actors were the most diverse group as it included investors, competitors etc. the findings also suggested that industry actors where a bridge between operational and strategic feedback as the model suggest industry actors could be a good way to test hypotheses made post operational feedback from customers, consumers or strategic feedback from mentor, academic actors etc. The challenge however is to seek out the right industry actor stressing the venture's understanding of the industry. By a continuous search for the right information the future search will be more accurate (Laužikas & Dailydaitė, 2015). Thus, with the model the aim is to accelerate the process of knowledge acquisition from the different domains. As stressed by Mckelvey & Lassen (2013a) Creative, technological, scientific knowledge often is a result by years of learning. When identified, the model could be utilized as a form of framework to reflect upon how sources can be utilized to generate this type of knowledge to the ventures, despite the lack of years of experience in these domains from the venture itself.

Figure 1. Feedback approach model

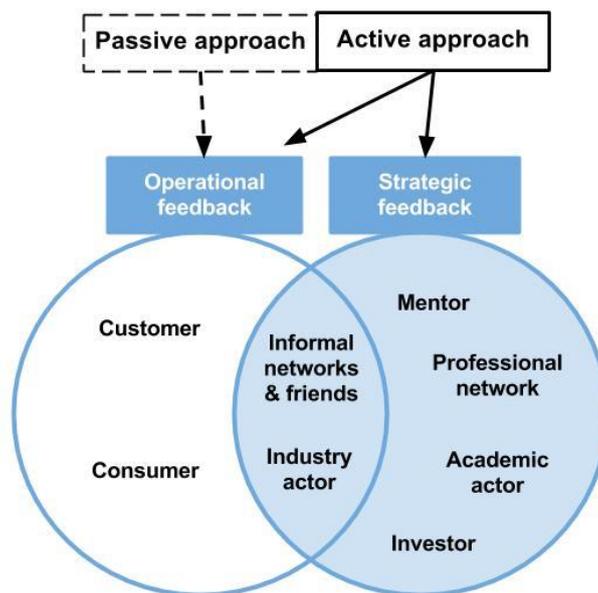


Figure 1. The model suggests a general perspective and aims to illustrate the relationship between types of feedback, feedback sources and entrepreneurial openness. Proposedly, the model extends the notion of Bhave (1994) where strategic- and operational feedback is seen as a customer oriented phenomenon. The model further extends the research on the use of multiple feedback sources from the entrepreneurial ecosystem in new ventures (Cope, 2005; Lahikainen, 2016; Zahra & Nambisan, 2012; Ozgen & Baron, 2007).

6.7 Feedback approach in relation to Knowledge Intensive Entrepreneurship

The utilization of knowledge in a venture has been described as a key indicator of Knowledge Intensive Entrepreneurship (McKelvey & Lassen, 2013a). More specifically, this may relate to how knowledge is deployed into the practices and processes of the venture (Ibid). Similarly, the feedback approach is defined by its formal process and decision-making processes in regards to feedback. The results provide support for the notion that Feedback approach may not be able to describe knowledge acquisition adequately. Knowledge Intensive Entrepreneurship literature offers a broader description of how new venture may acquire knowledge. In contrast, Feedback approach is a more detailed factor, explaining how feedback practices, behavior and interaction could relate to knowledge acquisition in new ventures.

There has been some researchers stressing that knowledge intensive ventures do not belong in low tech sectors, however similarly to McKelvey & Lassen (2013a) and Gifford (2017) Our cases indicate that KIE is not only visible in low tech sectors but the processes of Case 2 are in many ways more knowledge intensive than some of the cases in high tech sectors. As a result, our focus is shifted from sector to processes and practices in the venture. McKelvey & Lassen (2013) stress that knowledge intensity could be a reflection of decisions made in relation to balancing between business planning and emergence of unforeseen opportunities. By having a knowledge intensive approach to decision-making Case 2 were able to be flexible in its exploration and hence discovered its initial basic product into a more novel innovation offering. As a result, the balance between planning through knowledge based processes enabled the firm to be more innovative.

McKelvey & Lassen (2013a) describes a need to develop mechanisms that facilitate entrepreneurial learning. It relates to public policy actions whereas the feedback approach proposed in this study focuses on the venture and its ecosystem. Regardless of perspective, focus needs to be on a variety of knowledge domains, McKelvey & Lassen (2013a) states that knowledge acquisition lies in social relationships. This could be fostered through learning from other entrepreneurs. Ventures need to move beyond knowledge as a possession and into knowing through interaction. Proposedly, the active feedback approach is about a mindset of

willingness to change in combination with a search for interactions from multiple sources as a way to acquire knowledge. This would arguably imply that having an active feedback approach could benefit the search for new knowledge within different domains and also improve the knowledge intensity of the venture.

In their literature on Knowledge Intensive Entrepreneurship McKelvey & Lassen (2013a) focus on different kinds of spin-offs as sources for pre-new venture knowledge inputs. There is a need to separate feedback approach in that it rather views feedback as the main channel for knowledge. The main difference between KIE literature and Feedback approach is that Feedback approach focuses on minimizing existing ventures' knowledge gaps while Knowledge Intensive Entrepreneurship literature incorporates the original source of knowledge that exists before venture creation. In its basic form Feedback approach is independent to knowledge intensity, however, evidence display that the Active approach shares the same characteristics as knowledge intensive firms in respect to design thinking processes and network utilization (Ibid).

Further Knowledge Intensive Entrepreneurship literature has described the activities of the venture, in relation to its environment, as important for knowledge intensive ventures. The suggestion is that network activities help ventures acquire resources, ideas and management of the firm (McKelvey & Lassen, 2013a). Similarly, to the feedback approach a more open entrepreneur would have more of a feedback seeking behavior and Active approach allowing more actors to be involved in their decision-making, hence supporting the knowledge acquisition of the firm. It suggests that ventures having an Active approach gain a deeper understanding of how the network works while also improving the knowledge on how to manage external sources and how benefit from it. Extending the notion by Laužikas & Dailydaitė (2015) that different knowledge and information is distributed on a variety of actors. A venture may be more likely to get exposed to different kinds of knowledge from different domains (e.g. market, business, creative, technological and scientific). By actively pursuing feedback from different sources they may also be able to acquire different types of knowledge. It is important to note that having an Active feedback approach per se does not mean that the firm is more knowledge intensive, rather it is in a better position to acquire and utilize knowledge and become more knowledge intensive.

Feedback could be seen as information that first needs to be accepted in the organization (Boero & Novarese, 2012). Proposedly, the information needs to be countered with an action. However, the venture could move beyond action and first understand the knowledge being transferred, making it explicit, this seems to be a feature of knowledge intensive ventures. As reasoned by Gifford (2017) the assessment of knowledge intensity could rely on the ability to comprehend the meaning and application of new knowledge. It is inevitable for knowledge intensive firms to rule out decision-making based on intuition during uncertainty (McKelvey & Lassen, 2013a). Compared to the Passive approach characterized by how ventures seem to favor intuition based decision-making. The findings also show that the cases with an Active approach also base their decisions on intuition. However, the intuition could be more or less grounded in feedback from a specific type and source.

7. Conclusion

This study has introduced the concept of Feedback approach as an extension of the current feedback literature in entrepreneurship. The Feedback approach stresses three factors related to feedback; feedback types, feedback sources and entrepreneurial openness. The concept of feedback approach has been compared to knowledge intensity of ventures to explore how feedback may be connected to knowledge assimilation in new ventures. In contrast to Knowledge Intensive Entrepreneurship, the factor feedback approach focuses and facilitates the current state of the ventures and disregards how knowledge has been derived prior to the venture formation.

Feedback is seen as an important aspect in Knowledge Intensive Entrepreneurship however it offers a broader perspective on knowledge in different types of ventures as well as different aspects of the business. In contrast to feedback approach, Knowledge Intensive Entrepreneurship literature finds several ways to acquire knowledge. Feedback approach exclusively focuses on knowledge acquisition through feedback practices and the interaction between ventures. Excluding other forms of knowledge acquisition such as recruitment practices. Feedback approach is therefore able to provide a richer description of feedback in a new venture context.

The entrepreneurial openness stresses the entrepreneur's willingness to change and alter conceptions of the ventures. As different types of knowledge could be found from a variety of actors in the ecosystem of the venture. Ventures should consider multiple perspectives regarding its own business to make grounded decisions. Thus, by being open and accepting to new feedback sources and types, the venture could improve its knowledge acquisition as well as decision-making capabilities. On the basis that knowledge is simply a possession while knowing lies in interaction between the individual possessing the knowledge and the environment. Feedback practices could enable ventures to diffuse its knowledge in the ecosystem and generate new knowledge.

The findings suggested that feedback types go beyond feedback received on quality aspects and business concept from customers as initially presented by Bhave (1994). Hence, the study extends the notion to include that different types of feedback present in new ventures may go beyond specific feedback related to the offering. Proposedly, the study includes more general feedback from other sources not directly linked to the venture. The context of feedback could thus be derived in a more inclusive way to different knowledge domains adapted from McKelvey & Lassen (2013a). The detailed approach of this study hence offers a contrasting view to existing literature on feedback in entrepreneurship.

The study suggest that there may be a relationship between entrepreneurial openness, feedback source and feedback type, however this needs further exploration. Ventures with a high degree of entrepreneurial openness appeared to utilize more feedback sources and thereby receive a variation in the content of feedback. Ventures with a more Active approach to feedback could gain a deeper understanding of the importance of feedback from a variety of sources. Thus, more knowledge on how to utilize feedback could aid them in their entrepreneurial process more specifically in accessing resources, solve problems and achieving their long-term vision.

The study further reveals that new ventures do not only seek feedback from customer and consumers but rather utilizes other sources such as mentors, academic actors and professional networks. Some sources are more general to the business and are not always connected to the market per se. While some ventures are more reliant on limited amount of sources in the informal network. In this study it has been found that different sources may give different kinds of feedback, this has been given relatively little attention in prior entrepreneurship literature, and the focus is often directed towards the importance of user, customer and consumer interaction. In business processes and practices, the basis is that the venture needs validation from market participants. Although, the interaction of these actors could contribute to the success of the venture, there are also many other inputs and knowledge domains which are discarded if market validation is the only focus.

It is important to note that the venture needs a proper way of evaluating received feedback. The venture's role on the market becomes not only to gather feedback, but also to analyze

and know when to act upon it. Feedback will not give a true reflection of reality, instead it will show the perceived reality of different actors, meaning that no feedback will guarantee success by merely utilizing it. Implying that an important entrepreneurial quality is to determine whether to listen to or ignore available feedback. Innovation is generally conceived by anticipating future needs and wants rather than looking at past or current market information. That is why it is difficult to be innovative by solely using feedback. The innovation driven entrepreneur often operates under ambiguity and may therefore be more likely to use intuition for creating innovation, due to the lack of information. However, in some cases those innovations could be enhanced by collecting feedback on the market, customer and problem. Even if it is difficult to be innovative through feedback it may be beneficial to use feedback processes to develop innovations, and as research suggests feedback activities may improve the likelihood of achieving higher growth in the long term.

Furthermore, the findings indicated that the ventures had multiple uses for the term feedback. For some ventures, it seemed natural to separate feedback in types and sources, for others the term seemed more restricted to information gained from customers and consumers. It was clear that feedback was not something all entrepreneurs were conscious about, nor was it viewed by all as a vital entrepreneurial activity. The complexity of interpreting feedback is inevitable due to the contrasting uses of the term. Moreover, the findings suggested that the ventures sought after different types of information connected to knowledge gaps in the venture. In this sense theory has focused on customer feedback and its impact on the products of the venture. Needs of the market has previously been the basis of strategic and operational feedback, forcing the venture to make minor alterations in quality or major alterations in the business concept. However, following prior feedback definitions, may lead to the venture's neglect of other knowledge areas in the business beyond market needs. This confined view of feedback could thus threaten the long-term survival of the firm.

7.1 Implications

This research has extended the theoretical knowledge of feedback seeking behavior in entrepreneurship by exploring how entrepreneurial openness, feedback types, and feedback sources are connected. The Feedback approach was compared to knowledge intensive ventures in order to explore how the factor relates to the knowledge acquisition of the ventures. Following these findings there are some implications for a variety of actors.

Firstly, there are implications for nascent entrepreneurs. By reflecting upon what role the venture's offering has on the market, the venture can better reflect on the value of feedback in the venture. Once the venture knows how to value feedback, the nascent entrepreneur can better seek the right type of feedback and the right sources. However, emphasis should be on actively seeking different types of feedback and the setup of separate processes for different kinds of feedback to gain a variety of knowledge (e.g. market, creative, technological, scientific and business). It is built on the notion that feedback and knowledge are spread out on different actors in the ecosystem of the new venture.

Further there are some implications for academic actors. By displaying the importance of a wide set of feedback sources in connection to the entrepreneurial process attention should be directed towards making students more aware of the dynamics of knowledge acquisition through feedback. One way to achieve awareness amongst students and nascent entrepreneurs is to expose them to industry actors and mentors through mentorship programs throughout the education. Moreover, by establishing early on regular meetings, interviews, brainstorming sessions, the students are continuously fed with feedback with different content, making them more accurate in their future search for information. Additionally it may have implications for them keeping their passion in their projects. There is also the possibility that they will be more prone to act upon feedback they sought themselves.

7.2 Future research

This research has introduced the feedback approach model accounting for the activity of the venture, the type of feedback given or sought and the source of the feedback. However, evidence showed that there may be more factors to consider in terms of venture strategy in relation to feedback. It has been argued that feedback should be sought from a wide set of actors as this would enable the venture to tap into different knowledge domains not existing internally. However, there is still a lot of research needed to be done in terms of feedback quality given by the different sources. Feedback quality would seemingly affect the ability to utilize feedback and increase effectivity in feedback processes thus this is something valuable to explore in future research. The Feedback approach factor does not consider how ventures are affected by the choice of approach. Hence, more research needs to be done on the effects of Feedback approach on companies in different sectors. This study has touched upon

feedback as basis for decision-making however, emphasis has not been put whether the ventures make good or bad decisions based on the feedback. There seem to be a gap in the knowledge base for feedback in relation to decision-making. Future research could thus scrutinize feedback and the outcomes of feedback based decisions-making compared to intuition based decision-making in an entrepreneurial context.

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Appendix 1 - Quotes from interviews

Quotes have been translated from Swedish and in some cases slightly altered or censored by avoiding to mention name of individuals, organizations or locations that would reveal the identities of the ventures.

Case 1

1. Industry actor advice

"I might say (to industry expert) I need this, could you help me create it?"

2. When you create new products do you let people test them?

"It has happened, it was a while ago, we haven't created new products in a long time... They (Brand ambassadors) always get the products before anyone else."

3. Intuition based development

"I know when what I do is good, I base it on what I want myself... I utilize my own needs."

4. New product

"We had production and a distributor for it, when we got feedback on the packaging we decided to take it back and wait until we could afford to change the packaging... many got to feel and tell us what they thought about it"

5. Customer product request

"Minor adjustments, yes but we have been lucky to have satisfied customers... we have never had to produce a lot of things and afterwards change them"

6. Consumer request

"Yeah... when we stand on fairs, for example recently at a Christmas fair people asked "do you have this accessory for your products?"...After hearing the question multiple times per day that there is something we need to have. So next year we will have these accessories and maybe get new requests."

7. Using industry actors

"...we talked to a local entrepreneur... he is super hyped within marketing so I keep that in the back of my head until I find a use for it..."

8. How much do you listen to your friends?

"We only listen to friends"

Case 2

9. Testing demand

“Initially we only took in a small amount of product to try recipes for the Swedish market. And through our Facebook group with 100 members. Even the name was chosen by the Facebook group.”

10. Consumer interaction

“We always ask and listen to customer (consumer) feedback while demonstrating a product. You have to always listen to the customers.”

11. Alterations from feedback

“We have received feedback from customers about the long time it takes to prepare our product... By coincidence we have found a solution... A local factory is going to make our product so that it requires no preparation... We have talked to consumers, mentors and customer, everyone seem to really like the idea.”

12. Risk mitigation

“We look into how we can minimize the risks in development stages. In that respect we are a lean startup where we test everything, we always test in everything we do... We know the mindset and we use a lot of the methods...”

13. Investor advice

“However, we never took as big of a risk as when investors came on board we were persuaded by X to take part in trade shows be visible all over buy a car and recruit people. We took part in 5 shows and this was the first year we lost money...Of course I regret this but we also learned a lot and will never do the same thing again.”

14. Franchise advice

“He is a franchise expert he had different projects before....He knows a lot about franchising and can calculate the cost throughout the supply chain. “

15. Venture mentors

“We have mentors like a X an industry expert and Y a retail expert all together we have three mentors...We have mentors. He who was part owner of (company) and later sold his shares, (name). He is my mentor and also an expert in retail.”

16. Mentor advice

“Yes, we test things with them all the time. It is also nice to have someone who can share the burden and relieve a lot of pressure”

17. Entrepreneur network

“I am part of a network of entrepreneurs and through that group I came in contact with a

retail. He agreed to become my mentor, we meet up from time to time and if I have any specific questions I will call him... Also a lot of times I can get support from my board of directors.”

18. Testing the concept

“We tried our recipe for the first time at a gala where the 30 nominees got to taste. Everyone loved it... that’s where we knew it would work.”

19. Price testing

“We spent a lot of time showing our products to consumers at a grocery store and we noticed people taking our products and then handing them back when they see the expensive price... So we sold them in smaller packages instead.”

20. Ingredient testing

“Another alteration we did was the ingredients, customers found our mix confusing... We decided to stop mixing the ingredients...”

21. Using influencers

“We used different test groups, bloggers and others before taking it to our customers...”

22. Insight from friend

“We want to establish on the Brazilian market. My friend studies in San Paolo and she did an assignment where she noticed a large health trend growth. So we want to create a healthy chain there in the future”

23. Connections to Academic actor

“(University) and (case company name) has been naturally connected since day one. When we decided to make a reality of the idea during the summer in 2013, we held the first planning meeting in an empty classroom at (university). Since then, we have been working from the (university) Business Lab. We have also received help from (university) students as interns and got inspiration and knowledge from some of our courses – at both the undergraduate and graduate level. We also discussed several of our ideas with professors in areas such as marketing, retail, finance and law.”

Case 3

24. Were the newly created features forced?

“Yes slightly but we listen a lot to what the customers say...”

25. Do you have formal process for testing?

“Not really...”

26. Alterations in the offering

"...mostly we listen to requests from existing customers. If it is something we hear frequently, we send it to the development department...But it also depends on trends in the industry... And also what we feel ourselves about how we want our products to be and what direction we want to head. Those three factors are key. No formal process."

27. Testing Key accounts

"We have certain customers we know are very open to test our service and those are customers often have high demands on our product, they are not afraid to speak their minds, which is valuable for us".

Case 4

28. Entrepreneurial friends

"I have friends who run companies in the same stage so I keep contact with them to discuss ideas..."

29. Professional clusters and networks

"I believe it is important with entrepreneurship clusters and networks... There is a local forum that focuses on SaaS companies where we get to discuss everything from customer acquisition to digital marketing to how to exit."

30. Do you have a mentor?

"No but I am looking for one. We meet our investors and some other more senior entrepreneurs....To have a regular connection with a person like that is very valuable."

31. Industry actor

... the purpose is to get specific advice.. my belief is that it is easy to find help if you reach out.

32. University study

"After creating our first prototype we involved a local university who do research within the same field in order to put together a study to research how the use of our service would affect safety in the construction industry and at the same time take our prototype to an industry group with big and small companies to be in an academic environment to test and iterate our idea. A couple of industry actors agreed to help and take the prototype into their organizations to try and give us feedback. We got to try our product in a very early stage, they helped us develop and validate."

33. When you develop new offerings and functions what do you base those decisions on?

"It is connected to scalability, it's about listening to customers and what they want and how our offering is used in their work. When you get similar feedback from customers it indicates this is something more customers can use."

34. Feedback collection and general product

"We aim to have a fast chat support for our customers and always be available... and sometimes we have things we want to run by the customer... We only put in features that can benefit all our customers..."

Case 5

35. Push strategy

"I think the best knowledge is experience...In the beginning we took pride in being an "apple company" meaning the customers does not know what they want, we know best. This was a good approach at the time but it is a very naive way of building your company, more so if you have a customer stock."

36. Feedback seeking

"We put more effort to speak to users and other companies who has done the same journey. Spend less time to reinvent the wheel."

37. Do you have systems for this today?

"Yes a lot of systems... We don't speak to competitors, but we observe competitors. We speak to similar ventures in other industries, companies with similar characteristics but who are not necessarily our competitors."

38. Did you take a big risk not talking to customers in the beginning?

"No we didn't, I don't know what we would have benefited from talking to customers back then. However, I do believe that we as a company could have been much better to talk with customers early. It took us years before we did. We had the approach that we would do our thing and that we knew best which was stupid now in hindsight."

39. On what basis was the new offering implemented.

"It is something you feel and then you know it. You walk around thinking about it, see it happen.. it is difficult to measure, but one day you just know"

40. Changing focus to consumers

"We have spent 4.5 years serving the supply side and now we're completely focused on the buyer side..."

41. How did you decide upon changing the business model?

"We have a good understanding about the customer but how can we differentiate ourselves from the competition... The competitive environment had changed a lot since we started, our analysis was that it was a race to the bottom. As the market was consolidated it felt more important to strengthen our differentiation."

Case 6

42. Monitoring user reviews

“We monitor a lot of things for example app reviews to get feedback and information regarding our products, what we do is to compile the information from a variety of platforms and present the data to our customers.”

43. Market research

Do you conduct market research for the customer?

“Yes, that is part of the sales process for us, that's part of the product life cycle.”

44. Benchmark.

“When we first came to New York we wanted to research other Scandinavian ventures to have a good benchmark. We followed the ventures in the press and by talking to them during conferences and meetups.”

45. Customer and user validation

“We like to work closely to our customers to confirm everything we do. We collect a lot of data from both the customers and end-users.”

46. User test groups

“We have user studies in which we invite people to our office to try new products. For each product we have a person that receives feedback and prepares a pitch on how to further develop the product.”

47. University connection

“Junior recruitment is done through universities. We process students by being present at university fairs, workshops and the school pub... Our employees do their thesis work at companies and therefore a lot of students wants to do their thesis with us... Our employees write a thesis (before employment), many students want to do their project together with us. Currently we have 10 individual R&D projects being done by students”

48. Professional network

“...we go to trade shows, meetups in order to spread our name and presence.”

49. In-house innovation

“We usually say that you cannot be innovative by asking the consumer what they want. Innovation cannot be outsourced. Therefore we explain to our customers why communication is required but not enough.”

Case 7

50. Accidental feedback

"I started wearing my own product which led to people asking me where I bought it... I made the product in different sizes and went to the people who wanted it which in turn led to that they wanted to buy it."

51. Feedback insights

"In the beginning I had to collect a few orders before starting the production and that is when I noticed two things. Number one was that the customers were fine with waiting for their product, number two were that they did not mind paying for it before receiving it."

52. Unintentional feedback

"No I would say it was by coincidence... "

53. Not listening to feedback

"My business idea is based on not taking large risks even though I made the mistake when creating a new product, people told me not to produce before I had customer. I did not listen to the advice and today I still have some of the products left."

54. Testing products

"Testing products is something we do all the time...It does not cost anything to take the product to our network, we get quick responses if the customer like it or not."

55. Customer testing on social media

"I work closely to the customer, sometimes I use social media to get response before launch to see what customers are interested in. This is easily done in on events where we meet and interact with the customer."

56. Planned feedback

"I let the requests come naturally on events, every quarter we invite people to a brainstorming session"

57. Choosing people for brainstorming events

"I try to bring in people with different backgrounds. We have started to focus more on our ideal customer but there are two different types... Both are important"

58. Searching for knowledge

"For our brainstorming sessions I try to bring in people with different backgrounds to help with both the product and the strategy of how to move forwards... I have tried to meet as many people as possible with different expertise in order to ask about things, that is my main source of knowledge gathering."

59. Entrepreneurship program

"I used to be part of an entrepreneurship program for small businesses to start thinking more in terms of numbers and strategy. I lasted for a couple of months and I got to go back to the classroom to work on my business... I think it improved my ability to think strategically and plan... It's a large network that helped me but I have to admit that I have met more useful people through my last employment. I meet them sometimes through alumni meetups."

60. Strategic feedback informal network

"I have many friends who are entrepreneurs, there are both those who has come further in their journey and those who has not come so far yet. It is good to meet those who are behind you it helps you to reflect over your own journey."

61. Professional networks strategic feedback

"When I started out I attended different events for fashion and retail but I prefer events which are not that industry specific...In the beginning I met designers and employees in larger corporations they are schooled to the model launch collections and take them to stores. This is not my approach. It did not suit me. It is a model suited for large corporations and not if you are smaller. You learn a lot by other industries what sales channels they use."

Case 8

62. Market research

"I realized quite quickly that the product I wanted to make did not exist in Sweden. I started googling the global market and did not find anything there either. However I found forums and blogs where I can see other people requesting it... I was studying at the time so it became as a case for me to research the product."

63. No testing

"I called (the distributor), I had very nice pictures and sketches that I showed the purchasing manager and he bought the concept. He put in a huge order for all his locations... the production had already started... I have never tried to get orders before starting production as I truly believe in the products..."

64. Do you change products based on feedback?

"Not the design, which we haven't received yet though, however there are plenty of technical details. For example some geographical areas that require different parts..."

65. How do you connect with your consumers?

"We do it through our website and Instagram... I check it daily, what people write, hashtags and things like that. If there is anything negative on there I connect with them quickly to find out what's wrong... But also the positive feedback. It's our main channel, our customers (consumers) make sure we sell more when they take photos and share."

66. "Do you have any key accounts you use in order to have a good indicator if the product is good?"

"Yes, I have but they differ, I do not ask customers in an early stage it is more to get an indication of the production quantities, but the product is already set."

67. Do you get feedback confirming that customers want new products?

"Yes absolutely, as soon as I launch something people want more and wonder what I am going to do next... I believe that you need a wide arrange of products."

68. Retail and distributor preferences

Distributors and retailers prefer not to have too many supplier, they prefer few large ones. Which is something I did not know from the beginning that I have learned."

69. Do you interact with other actors on the market?

"Yes we do, in trade shows we meet other brands who has done the same journey as yourself. This is a place for giving advice and receiving advice. A lot of people are generous and want to help."

70. Mentor

"I was given a mentor through, a local entrepreneurship organization, I used to meet once a month and it was quite nice to get my eyes of the operative business for a bit... I should probably have gotten a group of people to bounce ideas with. When you're in the middle of everything it is easy to blame the lack of time."

71. Design development

"I do not do any research when it comes to design, besides scanning the market for similar products. Otherwise, it is all done in house and we do not ask anyone if they think the products will sell. We have been lucky that the products have sold. I believe in our own design capability. It is the foundation of everything. The customer needs recognize our products."

Case 9

72. Competitor feedback backlash

"I and (competitor CEO) have met from time to time... Somewhere I might have been a bit naive and though we could discuss the businesses without it causing any issues. I told her about what actor was our best customer and it did not take more than a week before I realized she had closed deals with those customers making us unable to work with them."

73. Networking and customer feedback

"I believe that is important to ask for help and be open for networking. We are the kind of

company that works with marketing and human relations officers which mean we learn a lot. We get to take part of our customer's knowledge when we close deals, whether the customers are big national companies or local restaurants they all have some kind of knowledge."

74. Hiring knowledge

"You have to be open and willing to keep developing... My knowledge is not enough. The company's knowledge only reaches as far as my own knowledge until I hire people with more knowledge, ideas and experience..."

75. Utilizing customer knowledge

"We work with well-established companies, whether they are large or small there will be individuals that have knowledge and experience. That is one channel where we have great exchange both socially and intellectually."

76. Feedback from students and industry actors

"If I for an example need to focus more on digitization I will ask people who know about it, either that is students within the field, media agencies or people in the business that you are connected to. You can't be afraid to ask people for help."

77. Consumer surveys

"...we do surveys with the consumers where we ask them what they like. On Facebook we ask what they think of the offering and if there is anything they would change. We try to learn from the feedback we get."

78. Collaboration with university program

"We just started a collaboration with a university innovation program... We helped finance a project they work on and in return the students will come to us and analyses our organization in order to give us feedback."

79. Using investor for feedback

"A while back I sold 25% of the company to a guy who helped build Let's deal in Gothenburg and he has given us tons of feedback. We stand before a similar journey as he already has been through."

80. Having to ask for feedback

"I believe that you have to ask for feedback in order to receive it. People do not often leave feedback. You have to think about how you are going to receive feedback. And you need feedback for different areas. We need feedback as an organization, employer etc.... There are several areas we need to evaluate."

81. Importance of mentors and feedback

"For me it has always been incredibly important with mentors and people that can provide feedback and constructive criticism... I know a lot of people that have the knowledge I lack. I'm the kind of person who likes to ask for help."

82. Don't listen to feedback blindly

"You should never stop trusting yourself... You need to be open for different mindsets and ideas but I do not think you should ever stop trusting your own judgement."

83. Feedback from different areas

"There is feedback from different areas. How we are as an employer, as an organization, how we are viewed by the consumers. The results we (the offering) get is also something we need feedback on"

84. Utilizing customer feedback instead of consumer

"We work on assignment of student associations or introduction fairs... They do research and ask students what they thought of our offering. So we get some feedback that way... We don't do the research for that offering, unless we are present at an event at one of the schools."

85. Formal process for feedback

"We have a process where we call our customers at least once every year to ask for feedback."

Appendix 2 - Rationale behind coding

Definition of Feedback approach

The Feedback approach variable was defined in the coding process by the cases' use of formal feedback process. The variable also accounted for how feedback was used as a basis for decision-making and the use of multiple feedback sources in addition to the examples given of occasion's strategic feedback and operational feedback was gained. The decisions in the coding process was a result of explanations by the founders and regularity of incidents a variable had been accounted for.

Formal feedback process

This variable maps out how each case are using formal feedback processes with fictional citations to give the reader a better understanding of the coding process. For example if a founder were to state "This process is something we have done occasionally, but not do anymore". The statement would not be coded as a formal process however, if the founders were to state "This is a process we work with continuously and evaluate on a monthly basis" This would be coded as a formal process.

Basis for decision-making

When a quote is related to decision-making it is put into this variable. Whether it is based on feedback or intuition. Cases who are more feedback oriented will have more quotes attached to this variable describing occasions where feedback has helped shape the venture. Such a quote could be formulated as this "We always talk to our customers before deciding on what new products to launch". The opposite are intuition-based quotes with no connections to feedback; "We just knew it was the right time to change our offering and target new markets".

Multiple feedback sources

Each time a case mentions feedback it is coded based on what source it has been received from. The potential sources of feedback were found: customer, consumer, industry actor, mentor, professional network and academic actor. For example "I got the feedback from my mentor" This would be coded as feedback from mentor. Or, "I got this information while attending a conference", this would instead be coded as a professional network despite the individual feedback source. The argument was that the setting formed the type of feedback given.

Strategic and Operational Feedback

The strategic and operational feedback variables were coded by analyzing how the feedback had impacted the venture in connection to the concept presented by Bhave (1994). If the founders would have stated “By talking to customers we found out that our product broke due to the poor quality of the product” This implied a quality issue which is connected to operational feedback. However, if a mentor were give the feedback “This business model is inappropriate for this product and market” this may affect the whole business concept and thus be coded as strategic feedback.

Connection between feedback source and type

The variables “multiple feedback sources”, “strategic feedback” and “operational feedback” are used to map the connection between feedback source and feedback type. Under multiple feedback source it is apparent what sources have been used for receiving feedback. It was then put into either “strategic feedback” or “operational feedback” depending on what type of feedback has been received from each source. The result is clear overview and comparison between the cases of what kind of source is more likely to give a specific type of feedback.

Appendix 3 - Interview guide

Founder background:

How did you come in contact with entrepreneurship?

What are your sources of knowledge for entrepreneurship?

What previous entrepreneurial ventures have you worked with?

Do you apply any theoretical knowledge to the management of the venture? Was/is it worth it? What did it help you with? Where did you learn it?

Any specific literature or theories?

Do you regularly try to find entrepreneurial knowledge outside the venture?

Do you have any entrepreneur or venture you look up to? And learn from?

Entrepreneurial books, videos (YouTube)?

Have you used any organization or similar to get help? (Drivhuset, Almi etc.)

What education do you have?

Is it related to the initial offering?

Is there any parts of the education that you have used?

Has the education led to knowledge important for the initial offering?

How do you view your alternative career gained from education?

Opportunity:

What was your first successful offering? How did you go about executing that offering?

Is that offering still your most important/popular?

What channel was used to sell that offering?

Was the first channel tried successful?

How did you reason when approaching the opportunity? Any growth related goals?

Did you have any evaluation criteria for the opportunity?

Did you listen to gut feeling?

What was the actual cause for that gut feeling?

Why is the design as it is? Logo? Colors?

On what basis do you decide to develop a new offering?

How successful have the new offering been in comparison to the first?

Do you have a process for creating new offerings?

How do you test your offering?

Do you work with customer validation?

How do you discover your customers, do you interact with your customers when creating your offerings?

Can you give an example of when you changed your offering after consulting customers?

Pivot

How do you work/mitigate the risk involved with launching a new offering (assumptions vs. proof)

Resource logic:

Did you perform any financial evaluations for the project? (Potential of the project)

What financial constraints do you face in your business? How do you work to overcome these constraints? Can you specify any situations?

How do you manage your resources?

How do you reason when recruiting people? Take us through the process of weighing need vs cost.

Can you give an example of times you avoided recruiting people? And how you maximize utility of existing human capital.

How do you relate your resources to your overall strategy? What comes first?

How do you work to acquire new resources?

Feedback types:

What type of feedback do you receive most frequently?

How do you test your offering? (push/pull)

Do you have any processes for interpreting feedback?

How do you utilize the feedback you receive?

How do you evaluate feedback? Do you have an example of an occasion where you made changes based on feedback?

Feedback sources:

Who do you most often receive feedback from?

Do you have any mentor or other actor that provides feedback?

Do you talk to other entrepreneurs regularly?

Are you active within any business/professional networks?

Do you frequently attend any kind of events?

Do you have any connection to universities or other form of academic actor?

Do you talk to competitors or other similar companies?

How and when do you get feedback from customer?