Aalto University
School of Business

SWIFT TRUST AND CLIENT ACQUISITION IN TECHNOLOGY CONFERENCES

A start-up entrepreneur's perspective

Master's Thesis
Dmytro Syrotkin
Aalto University School of Business
Management and International Business
Spring 2020

Aalto University
School of Business

Aalto University, P.O. BOX 11000, 00076 AALTO
www.aalto.fi

Abstract of master's thesis

Author Dmytro Syrotkin

Title of thesis Swift trust and client acquisition in technology conferences - A start-up entrepreneur's perspective

Degree Master of Science in Economics and Business Administration

Degree programme Master's Programme in Management and International Business

Thesis advisor(s) Teemu Kautonen

Year of approval 2020 **Number of pages** 45 **Language** English

Abstract

The author, being a CEO of a Finnish startup Panda Training, noticed that 90% of the startup's clients were acquired during technology conferences and events. This sparked two research questions. Firstly, why might events and tech conferences work better than cold calls or social media as a client acquisition channel for new ventures whose entrepreneurs are young or are entering an industry they do not know? And secondly, why is it that short personal contact so important for establishing the trust required for the client to place their first order?

Young entrepreneurs that are entering the industry often lack established connections and reputation. This leaves them without good channels for early client acquisition and testing. As a result, entrepreneurs are often left guessing if the root cause behind the lack of growth is a product or a marketing challenge. This thesis aims to clarify the feasibility of technology conferences as a client acquisition channel and understand if this channel has an advantage in comparison to more traditional channels like cold calling and social media for young entrepreneurs.

The author examined the theory in the light of his personal experiences as an entrepreneur. The literature on client acquisition was scarce in relation to technology events, but the literature on trust provided some insight into the role trust might be playing in the relationships formed at the conferences. Exploration of the theory of swift trust provided a better picture. The literature on swift trust revealed that technology conferences have attributes required for building swift trust and thus might be a very good source of initial client acquisition for new ventures which don't yet have an established reputation.

That is why we need more empirical studies that could compare the effectiveness of conferences and tech events as the channels for client acquisition versus more traditional channels such as cold calling, and social media marketing.

Keywords swift trust, technology conferences, client acquisition, start-up

TABLE OF CONTENTS

TABLE OF FIGURES

1 INTRODUCTION

The writing of this thesis began with a simple insight: more than 90% of the clients of the startup I am the CEO of were acquired at events and tech conferences. The company name is Panda Training and it was founded in March of 2016. After a few changes in the strategy and the product we still work primarily in the 'HR Tech' or HR Technology space which means that most of our clients are from the Human Resources department, change management steering groups or are managing related issues. The service we currently provide is a scalable coaching solution that allows companies to follow up on training and change management programs to increase their effectiveness and collect qualitative data on their progress.

For any startup client acquisition is tough and we are no exception. For a while, we have been focusing on cold calls but being a new venture with no brand, being young, and not having any social capital certainly weren't helpful. The client acquisition process often relies upon trust (Dwyer et al., 1987; Hawes et al., 1989; Prus, 1989; Schurr & Ozanne, 1985; Swan & Nolan, 1985) and trust is hard to build without any reputation of social capital. Our track record shows that a short (often, 15-20 minutes meeting) is more likely to turn into a sale than a 1-hour meeting following a cold call or an engagement with 850 followers over the social media channels. One of the factors that could influence this outcome is the emergence of the new networking apps that allow people to schedule the meetings for the upcoming conference beforehand. Conference participants can then comfortably come to a pre-assigned table and discuss business with the other counterpart. This approach gives conferences an edge from a simple numbers perspective: you are able to send a huge amount of meeting invitations and end up with more meetings in a day than you could end up with were you doing cold calling for a month. Due to the fact that the potential clients have to accept the meeting invitation, the system acts as a filter of quality: people who accept the startup's invitation are already interested. That being said, there might be more at play from a trust-building perspective: for example, the institutionalization of trust towards entrepreneurs at tech conferences and events, the hype and excitement of the conference atmosphere and associated positive feelings, or the face-to-face nature of the encounter.

Our startup's experience suggests that (a) events and tech conference could be a great channel for client acquisition, and (b) it is currently underutilized. Underutilization of events and tech conferences by entrepreneurs is important because in their core startups are businesses that are trying to find a sustainable business model. To achieve that objective they heavily depend on sales and client acquisition and it is often a way bigger struggle than building a product. In the absence of good client acquisition channels or pre-existing trusting relationships, entrepreneurs are left guessing if the root cause of the startup's lack of growth is indeed the lack of demand for their product, or simply suboptimal marketing and sales strategy. The distinction between the two is crucial as the former means that the startup needs to change its product and that, likely, a problem they are trying to solve doesn't exist while the latter means that they need to find more effective client acquisition channels, which is often a lot easier.

Given these circumstances, the core research questions for this thesis are:

- Why might events and tech conferences work better than cold calls or social media as a client acquisition channel for new ventures whose entrepreneurs are young or are entering an industry they do not know?
- Why is it that short personal contact so important for establishing the trust required for the client to place their first order?

I would, therefore, want to start by exploring the existing literature on startup client acquisition with the purpose of understanding the playing field it offers for entrepreneurs, then go deeper in the direction of trust and see how the two subjects interact, and especially how our understanding of trust could affect our understanding of tech conferences and events as a channel for client acquisition.

2 STARTUP CLIENT ACQUISITION: LITERATURE REIVEW

Existing research into startup client acquisition is quite scarce. There are nonetheless many tangential subjects that have been explored that are relevant to review for this paper. A big chunk of client acquisition research is on the relationship aspect of sales. I will review the literature on this concept briefly in order to analyze if it offers any value to our inquiry. The main idea behind relationship sales is that salespeople need to change their priorities from paying the most attention to influencing buyer behavior to a more 'sales partner' role where the main task becomes conflict mitigation and prevention (Weitz & Bradford, 1999). The reasoning behind it is the following: companies start prioritizing long-term relationships over short-term sales. Weitz and Bradford say that this kind of relationship marketing is called a new marketing paradigm and it's based on the thinking that relationships constitute a strong competitive advantage which is becoming more critical with every passing day as the market becomes more crowded. This change is, of course, influencing how firms do every aspect of sales management from sales and marketing to training and recruitment.

It's hard to imagine how relationship marketing relates to startups though since, while they also care for the long-term outcomes, short-term sales are often a higher priority for them since the primary startup objective is to build a business model, experiment and move fast past products that don't have any customer demand. This desire to move fast has crystallized around the 'lean startup' movement. Lean startup is a methodology described by Eric Ries (2011) in his book 'The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses'. Its roots can be traced from Toyota's 'lean manufacturing' documented in the book by Womack, Jones, and Roos (2007) 'The Machine That Changed the World'. Lean manufacturing is a methodology that strives to eliminate as much 'waste' (the expenditure of resources for any goal other than the creation of value for the end customer) from the production process as possible by optimizing the production process. Lean startup is different, the aim is to optimize the learning process of the company and find the product that satisfies customer demand by experimenting fast. Ries advocates the learning loop which consists of building a part of the product, measuring its success, learning from the data and pivoting or continuing. This logic makes lean startup methodology inherently short-term and risky at every turn since there is no commitment to continuing with the same product at any time. Of course, a startup following the lean startup model might still benefit from relationship marketing if the client relationship allows a startup to experiment with them again and again without losing the trust of the customer.

A number of researchers explored the notion that the relationship built with the client is part of the provided value as well (Haas et al., 2012; Hohenschwert & Geiger, 2015). How relationship value is built by the salespeople has been explored too. One model cites combining of resources from both parties, soliciting and interpreting customer voices, facilitating interactions and extracting value from them, and, finally, bringing parties on the same page in regards to the subjectivity of the value provided (Haas et al., 2012). Authors conclude that, while the value of sales in relationship value has long been confirmed, their framework could be a step in the direction of understanding the mechanics of the relationship value building and enable us to equip the future generations of salespeople with the needed structures and strategies.

Another paper has relied on two bodies of research, the B2B marketing literature on value creation in sales and the research on sales influence tactics, to explain how relationship value is created by the salespeople (Hohenschwert & Geiger, 2015). The authors define that most of the salespeople's behavior is directed towards changing, strengthening or expanding customers’ value perceptions. They write that most of the B2B companies 'neglect the existence of value in the customer’s perception that lies in the interpretation of interpersonal interactions and fall into the trap of objectivity that suggests all value to be identified, documented and communicated'. The importance of the subjective perception of value is no exception in the startup world, too.

Now, how does the relationship marketing influence our understanding of the question behind the client acquisition at conferences and tech events? I would argue that, while in its essence conference client acquisition strategy is very short-term and doesn't strive to keep up with the old relationships, the sales relationships can be turned into long-lasting client relationships after the acquisition. In this regard, cold calling is similar in its tactics while social media can be called more relationship-oriented. The question though is whether the long-term orientation of social media is worth it for a startup that's trying to experiment and move fast. I would argue that no, considering the lean startup approach in most cases short-term client acquisition is more important for startups, while the long-term client relationships can be adjusted along the road.

Let's now look at other parts of the client acquisition literature. Beyond the relationship marketing, some research has focused on the fundamentals of marketing and sales success. For example, innovation and branding have been investigated as the most probable reasons for marketing success and consequently the financial success of companies (Merrilees et al., 2011). The authors concluded that innovation was a bigger factor, but both factors have been strong contributors. This, too, is aligned well with the lean startup methodology that puts a high priority on innovativeness and the culture of 'move fast and break things'. Nowadays innovation and branding are considered a given for any startup and thus it can't be treated as a separate channel for client acquisition and as such doesn't influence our research question.

The relevance of B2B marketing research has been questioned by practitioners during the last 20 years. Looking at the future of B2B marketing, one paper has proposed a framework of 6 relevant topics for the upcoming research: innovation, customer journey and relationship value, data analytics, harnessing technology, marketing/finance interface and revenue growth, and industry context or ecosystem (Cortez & Johnston, 2017). This approach is also aligned with startup thinking, taking the more rational approach and focusing on a number of business aspects that are quantifiable, controllable and often data-driven with a flavor of service design on top while not even putting branding on the list. Once again, these approaches can't be treated as separate client acquisition channels, but rather serve as a way to optimize the marketing and sales process and thus don't affect our research question.

Social media is, naturally, another big topic for research in the marketing and sales domains. The use of social media by salespeople has been found to enhance salesperson responsiveness and communication, which in turn has positively influenced customer satisfaction (Agnihotri et al., 2016). The fact that social media has been found to be an antecedent enhancing salesperson behaviors rather than a direct contributing factor to customer satisfaction, nonetheless, doesn't make it less important as a tool in the salesperson's arsenal. Moreover, the cheapness of social media makes it a highly attractive tool for startups that use it for stakeholder engagement, generating awareness, cultivating relationships, and development of new business (Chen et al., 2017). Social media is perhaps one of the biggest contenders for tech conferences as a client acquisition channel, and a very popular one among startup due to its cheapness and appeal to often young founders. But is it better as a client acquisition channel? Later I will try to explore this question.

Finally, the research into trade shows, conferences, and industry events as a marketing channel and a good path towards client acquisition have been extremely scarce. Some old research points out that trade shows are a great, cheaper alternative to cold calling (Browning & Adams, 1988). Cheap, of course, is always very attractive to startups. The emergence of new non-equity related startup-corporation collaboration models (Weiblen & Chesbrough, 2015) has likely made the supply of corporate representatives at events significantly higher, too, making it easier for startups to find potential clients at such events and conferences. Indirect positive impacts of events and professional forums are also evident, for example, their impact on opportunity recognition by the entrepreneurs (Ozgen & Baron, 2007). The topic of the effectiveness of events and conferences as a startup client acquisition channel is especially interesting since the industry of trade shows and conferences has itself lately been subject to huge changes with a new type of tech conferences like Slush in Helsinki and technological innovation like conference matchmaking apps, for example, Brella.

To sum up, a big portion of client acquisition literature focuses on long-term relationship marketing and sales. For our purposes and within limitations of looking only at young startup entrepreneurs who are founding new ventures in new fields, this topic is not of utmost importance. There is also a portion of the literature that looked at the sales and marketing process and different attributes of how that process is managed. Since this paper is focused on the client acquisition channels, I won't the process-oriented approach in-depth. The channel that the literature highlights is social media, and along with the cold calling, it will be the main comparison point with the conferences and tech events for us. Now let's look at trust literature and see if it brings clarity to the research question.

3 TRUST: LITERATURE REVIEW

A number of authors have shown that trust is a crucial element of successful sales relationships (Dwyer et al., 1987; Hawes et al., 1989; Prus, 1989; Schurr & Ozanne, 1985; Swan & Nolan, 1985). 'Trust through safety, credibility, and security reduces the
sacrifices for the buyer and is assumed to be of value by itself' (Selnes, 1998, p. 305). At the same time, relatively few studies have concentrated on how trust is built in entrepreneurship (e.g. Bergh et al., 2011; Neergaard and Ulhøi, 2006; Nguyen and Rose, 2009; Smith and Lohrke, 2008; Tillmar, 2006). That's why, now that we have looked at the client acquisition literature, let's look at the literature on trust and highlight relevant interactions with client acquisition and entrepreneurship. The question I would like to explore is whether the trust would emerge quicker in certain circumstances (for example, at conferences and tech events), which could lead to a smoother and quicker client acquisition process.

One widely accepted definition of trust is that trust is ‘a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another’ (Rousseau et al., 1998, p. 395). As highlighted by Möllering (2006), at the heart of the concept of trust is the 'leap of faith', 'as-if attitude' of accepting vulnerability and uncertainty but acting as if nothing bad will happen. Möllering writes that ‘willingness to be vulnerable’ (Mayer et al., 1995) is related to optimistic, positive expectations and embracing vulnerability rather than avoiding or eliminating it, which makes trust different from other social processes.

At the center of the book by Möllering (2006) and his research is the framework of trust that he calls 'the wheel of trust', which is portrayed in Figure 1. In the center of the wheel is the trust itself, which through suspension ('leap of faith', 'as-if attitude', which we touched upon briefly in the previous paragraph) interacts with reason, routine, and reflexivity, the pillars of trust that are all contributing to trust and interacting with each other. In one of his papers, Möllering refers to trust and control as a duality, where each can't exist without the other and contributes to the relationship (Möllering, 2005). Suspension allows the actors to suspend the doubt and make the leap of faith towards increased control that might grow over time, to jump-start the vehicle of trust, to take the first step towards a process that could become self-reinforcing. Möllering (2006) emphasizes: 'It is not merely the case that trust rests on imperfect bases which leave a residual gap that needs to be crossed. Rather, by successfully crossing the gap, trust also validates those bases.' Suspension then is the irrational element that is like the glue for the different elements of trust, making them work together without making trust arbitrary or trivial.

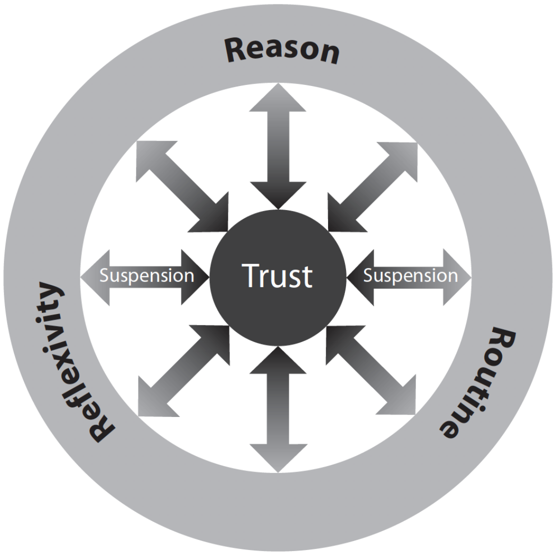

Figure 1 - Möllering's (2006) model of trust.

In the discussion of suspension noteworthy is the notion of 'fiction of a reality in which social uncertainty and vulnerability are unproblematic' that Möllering (2006, p.112) brings to light. In his own words, 'the fiction co-produced by trustor and trustee remains a fiction, potentially a dangerous ‘fake’, and it is ultimately still up to the trustor to suspend uncertainty and vulnerability'. Ortmann (2004) refers to a similar notion of 'fiction' saying that countless daily activities are only made possible because people behave as if certain things were true. Möllering explains that actors arrive at constructing this fiction by taking a hypothesis, some information that serves as a basis for trust and overinterpreting it, stretching it to 'serve as a springboard into uncertainty' (Luhmann, 1979, p. 33; Simmel, 1950). This points to the fact that trust or leap of faith can't be made from anywhere, but requires certain conditions.

Some sources indicate that faith can be an attractive choice because it brings people the feelings of safety, comfort: 'It just makes you feel comfortable going through the process if you have confidence in the doctor', say some patients facing brain tumor surgery (Bernstein et al., 2004). More than that, often the suspension doesn't happen in isolation and is enabled by the social networks and the support from other actors as trustors and trustees and embedded in relationships with each other (Brownlie & Howson, 2005; Brunetto & Farr-Wharton, 2007).

Let's look at the 3 pillars of trust of Möllering's (2006) model and how they relate to other trust literature. The first one is the reason. A notion that trust is based on the rationality of the actors and that trusting behavior is rational. Looking at the research on trust in economics, it's clear that it's been dominated by exploring the rational choices of the actors and seeing actors as inherently opportunistic (Lindenberg, 2000). Opportunism is understood as (often, short-term) temptations of the actors to betray the trust agreements and exploit opportunities that would favor their personal gain and outweigh the gains of a trustful behavior. This notion unavoidably leads to a line of thinking that's focused on avoiding exploitation by the bad actors and averting negative outcomes. Calculativeness becomes the central mechanism in explaining trust and behavior that surrounds it, according to economists and rational choice theorists (Bradach & Eccles, 1989; Williamson, 1993)

Calculative thinking leads to the question of trustworthiness, which has been one of the answers to the game of trust. A classic study by Henslin (1968) found that taxi drivers
use a number of criteria such as sex, age, ethnicity, neighborhood and the person's degree of sobriety in order to decide the trustworthiness of their passengers. This led to a number of studies into the trustworthiness indicators, for example, a study by McKnight et al. (1998) exploring the characteristics of benevolence, competence, honesty, and predictability. Nonetheless, the relevance of such signals in sales and client acquisition has been doubted by Dasgupta (1988), who studied trust signaling in sales relationships, and concluded that 'there is nothing which enables the honest salesman to distinguish himself from the dishonest one' (p. 70). There is a significant exception to Dasgupta's finding: 'no poisoner seeks to demonstrate his honesty by drinking from the poisoned chalice' (Bacharach & Gambetta, 2001, p. 159). What this phrase means is that there are indeed certain characteristics that can't be faked. One example could be technical characteristics of a product that could be demonstrated by two competing salesmen: certain technical standards will enable one of them to prove himself being correct in assessing his offering as superior. Nonetheless, this argument explains trust away, bringing it to the territory of complete control where overwhelming evidence reduces the vulnerability and uncertainty to zero.

Trustworthiness indicators do not always represent the rational approach to trust though. Some researchers such as David Lewis and Andrew Weigert (1985) have also explored the notion of emotional trust that relies on the notion of 'I trust him because I like him'. A similar notion has been discovered by Gulati (1995) in an even broader sense: he states that familiarity breeds trust, whereas familiarity is defined as favorable previous ties between actors. In the same vein, Lorenzen (1998) described how trust is often facilitated by communities with common rules and history.

Another famous rational explanation of trust explored by a number of researchers is the 'shadow of the future' (Axelrod, 1984; Gibbons, 2001; Granovetter, 1985; Pruitt & Kimmel, 1977). It states that the actors' awareness of the possibility of future interactions will decrease the number of bad acts in the anticipation of retribution. Axelrod studied 'prisoner's dilemma', a game analyzed by the game theory where players can either engage in trustful or exploitative behavior. If players both engage in a trustful behavior, the return on their actions will be higher than if they both engage in exploitative behavior. Exploitative behavior does bring big returns, but only if the other player was trusting. When the game is repetitive, 'the shadow of the future' nudges both players towards a more trustful behavior because they don't want the other to switch to an exploitative mode in the following rounds. One example of this principle in real life could be Airbnb startup, an online marketplace for booking accommodation from strangers. Airbnb instituted references that hosts and travelers can leave for each other to ensure that trust develops on the platform (Zervas et al., 2015). Hosts and travelers know that bad behaving will lead to negative references and the inability to engage in future transactions on the platform.

Lastly, a notable rational approach to trust by Hollis (1998) considers that actors recognize their need to be a member of the community and that changing the question from 'What is good for me?' to 'What is good for us?' allows for the trust to emerge. This is somewhat related to the 'shadow of the future' in a specific context. Hollis uses the same prisoner's dilemma game to show that if we were to look for the best collective outcome for us then it is clearly trusting behavior that becomes an answer. For Hollis, this argument is primarily about the drive to be part of the community, as long as the community doesn't deny the right to individual identity and freedom.

To sum up on the rational views on trust, according to Möllering (2006), there may be an element of reason in all trust, but trust as such can not be explained solely by rationality and that rational trust theory runs into paradoxes. ‘If one trusts another, because there are incentives for the other to be trustworthy, then the vulnerability to exploitation is removed which gives trust its very meaning’ (James, 2002, p. 291). Möllering concludes that perhaps non-rational trust should be distinguished from the rational acts of cooperation. It seems that, as per Möllering's model, rationality isn't the full explanation of trust, nor can it be excluded as a part of explaining how trust forms and always being taken into account. Actors look for rational and non-rational reasons to trust. Information though often is not available. Therefore, when they collect a certain amount of evidence, actors make the leap of faith trusting that their hypothesis will turn out to be true.

Let's continue with the second pillar of Möllering's (2006) trust model, trust as routine. The core concept in enabling trust as a routine is its institutionalization, such that trust becomes taken for granted. Institutional trust is studied by researchers in this context as a system of rules and meanings, not a third-party guarantor or enforcer as it would be looked at in rational trust theory (DiMaggio & Powell, 1991; Zucker, 1986). An example to explain this concept would be that people trust others because they are aware that there is, in theory, state police and a lot of other diligent citizens who can protect them not because they have one hundred percent certainty that police will show up within a 10 minutes after their call. 'In theory' is a key remark here because quite often an actor could have never experienced a bad event and might not even know how to act if one were to happen: proving that their trust is based more on the system of rules and meanings surrounding the police, rather than confidence in a third-party guarantor. Moreover, actors make society and are made by society (Berger & Luckmann, 1966). Actors have agency and apply it to create institutions, but those institutions then, in turn, shape the actors themselves. Someone institutionalized the police force. And the police institution, the rules and meanings surrounding it started affecting the actors since the day it was founded. While, of course, the actors continue influencing the police institution too, and for example have the power to shut it down.

In his paper, Möllering relies heavily on the established notion of embeddedness of trust (Meyer & Jepperson, 2000). Meyer and Jepperson write that both the trustor and the trustee are embedded into the social context which influences how they act. The authors question the free will of individual actors and say that actors' choices are socially constructed. This, in turn, questions the agency of the individual actors. Meyer and Jepperson talk about a number of features of individuals, organizations, and states that point to their embeddedness: isomorphism (similarities in structure), standardization (standardization of the formulations that define entities), decoupling (i.e. discourse and attitude being disconnected from behavior and decisions - global standardization that meets local constraints), structuration (increasing structure of the entities, in case of individuals - i.e. more thorough plans), and collective action. Let's give a few examples to explain these concepts in our context. People in both startups and corporate clients have specific structure and roles (CEO, CTO, Startup scout, Head of Innovation) that define how they collaborate with internal and external parties and stem from similar structures - isomorphism. The processes within and across organizations are standardized i.e. collaboration with any big client starts with a pilot - standardization. Most companies talk about sustainability nowadays, but not always those values are upheld in small interactions - decoupling. An example of structuration could be for example that over time companies developed complex processes for innovation, startup collaboration and incubation. Lastly, all of the above enable lots of people to organize and come to huge tech conferences with similar goals, that's collective action.

DiMaggio and Powell (1983) studied 'institutional isomorphism', which they divided into coercive, mimetic and normative isomorphism. The concept of institutional isomorphism explains how institutions normalize, standardize and make structures of entities that surround them similar to each other. Coercive isomorphism relates to external pressure to conform as a way to preserve legitimacy. The old fairytale of the naked king tells of a king that was sold an invisible dress. In reality, there was no dress at all. Nonetheless, no one dared say to the king that he was naked because that would have undermined the legitimacy of the citizens. That's a coercive isomorphism in action. Mimicry refers to the imitation of the behavior of others. Using the same story of the naked king, no one dared to say anything because they didn't see anyone else speak up. Everyone was silent, which only reinforced the silence even further. As soon as one person speaks up - that allows others to mimic, but being the first is hard. That's the mimetic isomorphism in action. Normative isomorphism describes how institutions shape what is normal, thus framing the world of the actors in a certain way. In the naked king story's case, it was normal that you don't say to the king that he is wrong. The institution of monarchy constitutes that kings are above other citizens and, thus, can't be made fun of, at least not in public. That's the normative isomorphism in action.

In order to promote trust, institutions have to be trusted. Thus, trust in the system has been explored by a number of researchers, especially in political science (Barber, 1983; Coleman, 1990; Dunn, 1988; Fukuyama, 1995; Putnam, 1995; Sztompka, 1999; Warren, 1999). Luhmann (1979) writes that ‘the person trusting realizes his dependence on the functioning of a highly complex system which he cannot see through, although it is, in itself, capable of being seen through’, so that in effect the individual actor ‘has to continue trusting as though under compulsion to do so’ (p. 50). Luhmann (1988) also recognizes the social elements of the system trust where the actor assumes that everyone else trusts the system too. Another social element of system trust is that it depends on the representatives of the system that the trustor encounters. It's been shown that patients develop their trust or distrust towards medical institutions though their interactions with doctors and other representatives of these institutions (Brownlie & Howson, 2005; Lowe, 2005).

The last of the three pillars of trust is what Möllering (2006) called reflexivity. In his own account, Möllering's concept of reflexivity is related to that of Giddens' (1994) 'active trust' and Zucker's (1986) 'process-based trust' both of which describe trust as dynamic and dependent upon the actions of the actors and the development of their relationship. A few authors name communication and information exchange, which are dynamic in their nature, as prerequisite factors for the development of trust (Cannon & Perreault, 1999; Morgan & Hunt, 1994). Another model that seems to describe the thinking behind reflexivity is an integrative model of organizational trust (Mayer et al., 1995). A defining feature of this model is that it starts with the assessment of the factors of perceived trustworthiness and ends with a certain outcome of trusting behavior, which then feeds back to the factors of perceived trustworthiness creating a loop of trust.

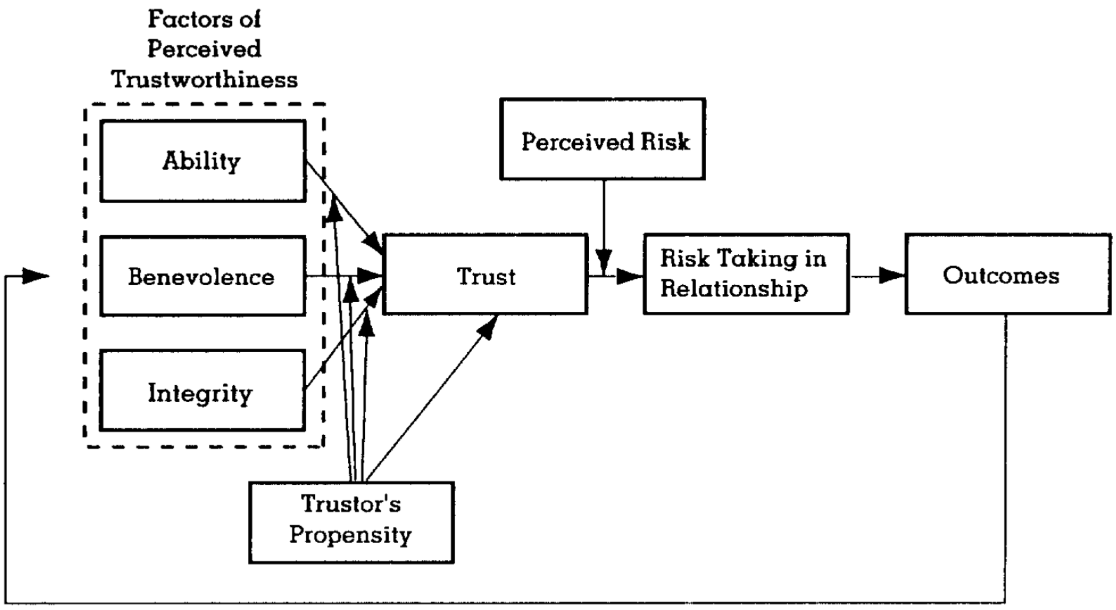

Figure 2 – Integrative model of organizational trust (Mayer et al., 1995).

Understandable feature of the reflexivity of trust is that it builds slowly, step by step. 'Social exchange relations evolve in a slow process, starting with minor transactions in which little trust is required because little risk is involved and in which both partners can prove their trustworthiness, enabling them to expand their relationship and engage in major transactions. Thus, the process of social exchange leads to the trust required for it in a self-governing fashion' (Blau, 1968, p. 454). The concept is also referred to as the 'principle of gradualness' (Luhmann, 1979). Another interesting feature of the reflexivity of trust is that trouble has been found to also contribute to the trust-building and not necessarily being detrimental, allowing the actors to prove their trustworthiness (Six, 2005).

Now that we've looked at the trust literature, let's sum up the findings that are relevant for our research question of why potential clients might be more likely to trust new entrepreneurs at tech conferences and events.

4 THE ROLE OF TRUST IN CLIENT ACQUISITION

Let's look at what we learned and how it impacts our understanding of the research question. The notion of the leap of faith and optimistic, positive expectations as a precursor of trust is very interesting in a startup and entrepreneurship context since optimism is recognized as a primary characteristic of business owners (Cassar, 2010; De Meza, 2002). Welter (2012) also notes the similarity: 'When pursuing entrepreneurial activities and trusting, individuals deal with the unknown; when acting entrepreneurially, we do not know whether we will achieve the intended results; and when trusting, we do not know whether the persons in whom we trust will be worthy of it.' This means that at least on the side of entrepreneurs trustfulness can be very common, which could contribute to the trust of potential clients. Nonetheless, this notion doesn't affect our comparison of how trust affects client acquisition at tech conferences, in cold calling or social media as entrepreneurs participate and remain common denominators in all three of those channels.

Another interesting factor of the interaction of trust and entrepreneurship is the principle of gradualness that we explored when talking about the reflexivity of trust. This principle mirrors the startup-corporate collaboration well: in the vast majority of cases, such relationships start with a pilot project, which is a project that has small costs or is free and enables the client to try out the product. Another finding worth highlighting is that mistakes during pilots don't undermine trust in themselves but actually serve as a test for the trustee. This could play well for startups since mistakes in the early stages of product development are a given. These findings, though, also don't contribute much to our understanding of the client acquisition itself.

What then are the factors that could explain a trustful attitude towards new startup entrepreneurs at the conferences and tech events? The institutional trust could very well be the most significant influence on many startup-corporate interactions, especially at conferences and tech events. Studies show that institutional trust contributes to entrepreneurship and economic growth (Knack & Keefer, 1997; Lane, 1997; Özcan and Bjørnskov, 2011; Welter, 2012; Zak & Knack, 2001). This is explained primarily by the fact that trust promotes business and startups are perceived as a risky business, thus they especially depend on trust. At events, notable is the influence applied to potential clients. Coercive isomorphism and mimicry might be making corporate representatives to come to tech conferences, to showcase how innovative they are, to engage in startup relationships. A related concept is one of social embeddedness, which undoubtedly also plays a role in client acquisition processes for startups. A group of researchers (Mitchell et al., 2002) described that entrepreneurs from eleven countries shared a common culture that was distinct from the beliefs of the non-entrepreneurs. Perhaps normative isomorphism at tech conferences helps to bring corporate clients along for the ride with startup hype, dark conference buildings with neon lights, epic stages and performances, and overly optimistic entrepreneurs with their unrealistic ventures. DiMaggio (1988) and a number of others studied the role of 'institutional entrepreneur' as an important influence on such processes of institutionalization: 'New institutions arise when organized actors with sufficient resources (institutional entrepreneurs) see in them an opportunity to realize interests that they value highly' (p. 14; see also Beckert, 1999; Garud et al., 2002; Munir & Phillips, 2005). Fukuyama (1995) introduced the concept of high-trust and low-trust environments, where both are self-reinforcing and high-trust environments, among other things, foster productive entrepreneurship. Fukuyama described 'trust clusters' where a large number of actors have trust relationships between each other that are qualitatively different from the average relationships outside the cluster. Such clusters can be represented at different levels of granularity (country, region, sector, organization) and vary across them (Ferrin & Gillespie, 2010; Welter & Smallbone, 2006). An example that can help to illustrate the concept is an NGO that the author used to be affiliated with called AIESEC. The defining feature of that network is the high-trust environment inside the network. When alumni of AIESEC meet, even if they know nothing about each other, they are likely to trust each other only due to a common alma mater. This could mean that one of the most important roles of the institutional entrepreneurs behind the tech conferences and events is to enable and build a high-trust environment.

Another interesting aspect of institutional trust that's relevant to our research question is trust in the system. While most of the startups fail, the corporate actors have seen startups being around for a couple of decades already and, even though their immediate experience might be negative, they must act with the faith that they will encounter the unicorns that media preaches about. And startup media is the loudest at tech conferences and events, which also partly explains why those could be more effective channels of client acquisition than cold calls or social media.

As we've been paying special attention to conferences and events as contexts for building trust, it is interesting to take a look at the added benefits of face-to-face interactions for the emergence of trust. Wilson et al. (2006) showed that while eventually, trust reaches similar levels, it starts higher in face-to-face teams. A number of researchers have shown the benefits of face-to-face interactions for trust development (Burt & Knez, 1996; Wichman, 1970). Behavioral clues, facial expressions and voice tone reveal intentions and thus help to build trust, and face-to-face interactions enable those (Frank, 1993, p. 165; Orbell & Dawes, 1991). Interpersonal trust is based on the social information which is less readily available online (Zucker, 1986). Möllering (2006) presented emotional trust (i.e. ‘I trust him because I like him’) mostly as the evidence of paradoxes in the rational theory and as a tool to rescue actors from the 'dilemmas and dysfunctional social paralysis'. Nonetheless, emotional trust and trustworthiness indicators might have a noteworthy relationship with startup sales and client acquisition at conferences and events. In such events, startup representatives give corporate clients a better chance to evaluate themselves in the face to face interaction, which could lead to a faster emergence of trust by providing potential clients more information to base their decisions on. In comparison, cold calling offers fewer opportunities to communicate emotion and trustworthiness indicators. Face-to-face interactions enable trust and might be a clue as to why startups could have an easier time selling face-to-face at tech conferences than via cold calls.

Institutional trust and the face-to-face nature of tech events don't fully explain how trust is formed so quickly at tech conferences, without any prior history of interaction between the parties. My own startup has had an experience of for example meeting a huge American film studio with multi-billion revenues at the conference in Helsinki on Friday and then signing a pilot deal with them the following Tuesday. How can a 20-minute meeting lead to such results? Perhaps one concept in trust literature that we haven't explored yet could come to rescue: 'swift trust'.

5 SWIFT TRUST: LITERATURE REVIEW

So far we've seen that trust could play an important role in many entrepreneurial relationships and especially at tech conferences and events. These conferences constitute a special case because trust tends to form rather quickly there, and accounts of signing deals within days are not unusual. That's why next we shall look at the concept of 'swift trust' developed by Meyerson, Weick, and Kramer (1996) and see if it could explain certain elements of such quick instances of the client acquisition.

Meyerson et al. (1996) studied temporary work groups and found that trust that develops quickly between the team members of such groups is different from the trust in its traditional understanding. Robert et al. (2009) compared knowledge-based-trust developed through interactions and swift trust developed prior to interaction and concluded that the two are formed through fundamentally different processes. Meyerson et al. divided swift trust into having cognitive and normative elements. Cognitive elements emphasize the beliefs in the other party's trustworthiness and make swift trust fragile, or withdrawn readily at the first sign of trouble (Cramton, 2001; Griffith, et al., 2003; Watson-Manheim et al., 2012). Normative elements then refer to 'active, proactive, enthusiastic generative style of interaction between the system members' (Meyerson et al., 1996, pp. 180–187). Norms provide guidelines for what is acceptable behavior within a team and can be both explicit and implicit. The authors argue that swift trust hinges upon the team members' belief in the team's capability and competence. Thus actions that violate norms and assumptions about the competent behavior of the team erode swift trust. This increases the importance of team members' actions and how they use their agency in swift trust. Swift trust 'is not so much an interpersonal form as it is a cognitive and action form' (Meyerson et al., 1996, p. 191).

Meyerson et al. (1996) distinguished a number of causes for a swift trust formation, prior to the interaction: contractor's reputation, reputations of the team members themselves, interdependence, role clarity, category-driven processing, and the context. 'Contractor' is the person assembling the work group, who often knows all the team members. This thus is similar to the factors of social embeddedness we discussed earlier. The same mechanism has been documented previously and can be explained simply as 'if Bob trusts him, I trust him' (Burt & Knez, 1995; Uzzi, 1997). Robert et al. (2009) called it 'third-party recommendation–based trust' (p. 245). Unsurprisingly, if we look at client acquisition in the B2B space, references often play a crucial role in every sales process.

Another factor influencing the emergence of swift trust is the reputation of the team members themselves. This is similar to the previously mentioned concept of the 'shadow of the future' (Axelrod, 1984; Gibbons, 2001; Granovetter, 1985; Pruitt & Kimmel, 1977). Meyerson et al. (1996) wrote that in most cases the reputation of the team members is often at stake alongside their prospects for involvement in future projects. This factor could get fueled even further by the tight-knit community of people who know each other, as, for example, in an entrepreneurship community in Finland. Finland is a relatively small country and thus the business circles are quite small, making entrepreneurship community an even smaller group of people who are probably connected to each other at least as second-degree connections.

Meyerson et al. (1996) also highlighted the importance of the interdependence of the temporary work group members as an important factor. The idea is that the fate of the team in interdependent and thus leaves team members no other choice but to trust others if they want to succeed. The authors mention that presuming that others are trustworthy often leads to a self-fulfilling prophecy. This notion of a self-fulfilling prophecy is similar to Möllering's (2006) concept of the leap of faith.

Another big influential factor for swift trust is role clarity (Jarvenpaa & Leidner, 1999). 'If people in temporary systems deal with one another more as roles than as individuals … then expectations should be more stable, less capricious, more standardized, and defined more in terms of tasks and specialities than personalities' (Meyerson et al., 1996, p. 173). Role-based trust is a heuristic or a rule of thumb based on the team member's role and can be simplified as 'she is an accountant, she must be good with numbers' (Bettencourt et al., 2001). A noteworthy parallel with tech conferences and events is that at such events participants get different badges: 'startup', 'executive', 'investor', 'attendee', 'student'. It might seem like a minor detail, but a startup representative with the badge 'attendee' or 'student' might raise suspicion.

In the same chapter, Meyerson et al. (1996) mentioned that innovators might be discriminated based on their behavior outside the defined role. It could be interesting to explore if startup communities and specifically tech conferences and events normalize such idiosyncratic behavior and make it something corporate representatives appreciate, look out for and trust, not something they avoid.

Meyerson et al. (1996) described a mechanism they called category-driven information processing. The authors explained that under the circumstances of lack of personal knowledge and the pressure to start working and produce results fast the team members resort to the categorization of the other people, often based on stereotypes. The trust is then derived based on how much individuals trust other members from the same category (Jarvenpaa et al., 1998; Lea et al., 1992).

McKnight et al. (1998) developed a theory that category-based processing promotes favorable in-group ‘‘prototype-based’’ beliefs and actions (Hogg & Terry, 2000; Terry, et al., 1999; Tyler & Blader, 2001). Self-categorization processes have been found to generate high initial trust perceptions (Polzer et al., 2006; Robert et al., 2009). Zolin et al. (2004) have also found support that actors with high early trusting beliefs will notice evidence that confirms their team's competence and will tend to miss information that speaks of the contrary. Interestingly, ad hoc factors such as shirt colors can also influence categorization (Oakes & Turner, 1980). That might mean that instances such as events give actors more opportunities to categorize each other and startups are often proud of jeans and branded t-shirts as a source of startup identity, and those can't be seen during calls.

Lastly, Meyerson et al. (1996) noted that context disproportionally influences swift trust, although the question wasn't explored in-depth. Indeed, it seems like one of the most important factors for the emergence of swift trust could be institutional trust. Robert et al. (2009) described rule-based trust along the same lines as institutional trust and mentioned subcomponents like 'the situational normality and organizational/team structures, explicit and tacit understandings regarding transaction norms, interaction routines, and exchange practices' (p. 245). People start thinking more about being freelancers once it becomes commonplace to be one with the rise of the gig economy (Friedman, 2014). The same way tech conferences could be playing a big role in making it normal for corporations to buy from startups by making these transactions visible.

Robert et al. (2009) mentioned one more factor as a contributor to the emergence of swift trust: dispositional-based trust (also called propensity to trust). Disposition to trust is a tendency of certain people to be more trustful than others. Robert and colleagues noted that while sometimes referred to as a personality trait (Mayer et al., 1995), the disposition to trust is rather a general tendency resulting from past experiences (McKnight et al., 1998; Rotter, 1967; Rotter 1971; Rotter, 1980). Negative consequences of trusting behavior can be quite rare and yet concentrated for a few unlucky individuals. It is unsurprising then that their experience would teach those individuals engaging in trusting behavior less. This could explain the existence of people with different propensity to trust even if they come from the same environment. Robert et al. (2009) stated that alongside category-based processing disposition to trust was the most significant factor for the development of swift trust. The authors wrote that once an individual gains personal knowledge about the behavior of other team members, the disposition to trust becomes a less significant factor.

It is important to note that perceived risk plays an important role in how easily trust can be formed (Mayer et al., 1995; Rousseau et al., 1998). If I stand to lose more by trusting you and being wrong, I am less likely to trust. Perceived risk is partly an environmental factor, heavily dependent on the environment, outside of the inherent attributes of the actors (Mayer et al., 1995). Perceived risk is situational and is connected to the assessment of potential losses and gains by the actor (Bierman et al., 1969). My trust in the same person would change depending on whether I trust her with the keys from my house or my phone. Mayer et al. (1995) pointed out that the calculation in the mind of an actor is the following: if the level of trust is higher than the perceived level of risk, the actor will engage in the trusting behavior and accept the risks. This, once again, is a good justification for the 'let's do a pilot first' approach in the startup-corporate collaboration.

In terms of the later stages of the relationships based on swift trust, Jarvenpaa and Leidner (1999) provided a contribution. While in most cases swift trust starts with the category-driven information processing and categorical social structures, at the later stages trust is maintained by actions, which further increase the team's belief in the feasibility of success (Ehrhart & Naumann, 2004). Moreover, it has been argued that the earlier stage factors of trust disposition and in-group bias stop being significant at the later stages when the reflexivity of trust has kicked off (Robert et al., 2009). It is unclear when swift trust stops being swift trust and converts into the 'normal' trust, and it might very well be that that is exactly what the research mentioned above describes: the process of transformation from the swift trust to 'normal' trust.

To sum up, it seems like swift trust in combination with institutional trust can be a big part of why tech conferences and events might work well as acquisition channels. In the last chapter, we have explored institutional trust. Here we have seen that institutional trust and the specific context might lead to the emergence of swift trust, which allows the parties to start trusting each other much quicker. Tech conferences enable many elements of swift trust. For example, Category-based trust is reflected in clear categories of startups and corporates coming to the events, and normative trust is established by the tech events and the rules and norms surrounding them. This is why swift trust and institutional trust seem to be the biggest factors contributing to the appeal of tech conferences and events as a client acquisition channel for young startup ventures. Next, let's try to see if these insights are backed up by empirical experiences.

6 AUTHOR’S PERSPECTIVE AS A STARTUP ENTREPRENEUR

I previously briefly mentioned my empirical experience of the effectiveness of startup conferences and tech events. Let me provide some more background for the reader to understand better where I and my company are coming from.

I am the CEO of a Helsinki-based startup Panda Training, which was founded in March 2016. I wrote my Bachelor's thesis about the beginnings of the company (Syrotkin, 2017). In short, I was working as a trainer for a global student-led NGO AIESEC and, having a network in training circles, have heard the same idea from two different sources. One was my future co-founder who shared his idea of a coaching marketplace with me, the other was a group of trainer friends talking about a marketplace for training. Thinking about these ideas for a bit I realized that it's both something that I believed had great potential and something I was able to execute with my skills. I talked to my future co-founder and, having settled on a B2B training marketplace, we co-founded the company.

The idea was to create a marketplace for corporate training where corporate clients could easily get in touch and purchase training from training providers. We found a CTO from my network and started hunting for investment and getting initial pilot clients. Many potential clients told us that the idea was brilliant and that they were interested, but since we didn't have the product yet they couldn't buy anything. We eventually managed to get 80.000 EUR from the bank as a loan backed up by family and friends, plus the Finnish government grant of 50.000 EUR. Once we eventually shipped a prototype after summer, clients backed off. Suddenly their interest evaporated and they didn't want to sign up even for a cheap pilot.

To make matters worse, before this happened, pleased with the initial 'market validation' and taking into account a summer vacation in Finland, we went to conquer the US and New York in July. Our usual client acquisition tactic in Finland was cold calling. Too bad only upon arrival to New York we realized that cold calling doesn't work there. In Finland you can just call the CEO of Nokia, in New York, you would have to go through 5 gatekeepers (lower-level managers who pick up the phone on behalf of their boss and ask you a lot of questions about why you are calling) and even then no one would pick up unless you are an existing contact in the phone book. We ended up having a business trip filled with anxiety and a semblance of vacation and came back earlier than planned. These events led to some of the biggest lessons from that period: interest doesn't mean purchase, and expanding too early, especially to the US, is quite foolish.

Even after selling to a couple of unfortunate clients we realized that the product has many concerns. First of all, even despite our filters, customers were lost in 400 trainer profiles. One of our accomplishments was signing up so many trainers. One of the keys there was a couple of very popular LinkedIn articles (that popularity of 2 of my articles has yet been unmatched by me in dozens of other articles), another successful tactic was the pure quantity of connection requests towards trainers on LinkedIn. Nonetheless, it was hard to differentiate between all the trainers or trust the system in arbitrary evaluations of trainers' quality. Furthermore, we realized that finding trainers was not at all a need for our clients. Finding good trainers is what was truly hard, and the root of that was knowing which training worked and which didn't.

All this was happening during the span of the year, and we ballooned in the number of employees. Bit by bit we churned through a lot of interns, and a few people stayed with us. At our peak, we were 12 people. Except for the founders, we had two salespeople, a marketing manager, a community manager, and 5 developers, which even included iOS mobile app development - a 'wise' investment in the future. Most of the people weren't highly qualified in what they were doing, being paid the lowest wages. Of course, as every respectable startup we had our board of advisors, too. This was another huge learning for us: we were going big with only a false promise of a demand. All this was painful when we ran out of money and had to fire people one by one. And money ran out fast. Have seemingly so much on the account you start spending like crazy only later to realize how the expenses quadruple and money goes down the drain with the speed of light.

One year in, after the company has essentially collapsed, it was only I left and I still continued to work on the idea. I believe that even though we didn't get the product right, the need was there and the vision of "bringing corporate education to the next level" is still justified. I thought to try taking a narrower approach and instead of building a full-blown marketplace, build a marketplace for emerging technologies (Artificial Intelligence, Blockchain, Internet of Things), which were hyped quite a bit back then. I somehow managed to recruit a reasonably big team of interns-volunteers who were ready to work on commission or getting paid only if we get revenue. All in all, spending another half a year on that, we came to the conclusion that this approach didn't work either.

That is when in one of the conversations with my first co-founder I came to the realization that perhaps the key to everything was not in finding trainers through the marketplace, but finding especially good trainers, and even knowing what good training is. We thought that we could pivot to evaluating corporate training. We would collect feedback from the training participants through questionnaires, both straight after the training and some months after and try to measure both the immediate effects of the training and the long-term impact. In the future, the initial idea was to turn the evaluation data back into a marketplace, but one where the key was in comparing the trainers based on their effectiveness and the training evaluation metrics that we developed. This time around we decided to stay lean and only brought on board one more person, social psychologist, and data analyst who we needed for delivering the service and who joined as the third founder.

We continued with the good old cold calling as our primary channel for client acquisition. Things we going a lot better than in our first iteration. We even got our first big client: Bayer, a German chemical corporation. We helped them to evaluate their digital transformation trainings on Office 365 that were rolled out to 1000 employees around Nordics and Baltics. Despite this big win, sales still felt like pushing a huge boulder up the mountain. Many companies already had some sort of evaluation practices, and even though ours could have been superior, it didn't seem important enough to change the system. We also had a huge churn of the pilot customers, many of them not actively requesting new projects with us. Of course, in comparison to the first iteration, at least we had clients. We weren't rich by far but could pay ourselves modest salaries without any investment.

Except for just the sales concerns, we had a bunch of concerns about our methodology itself. First of all, it relied on the self-assessment of the employees. Second, our data samples were often very small. Third, the rigorous standards for evaluation were near impossible to develop due to survey fatigue and the fact that we can only ask 10 questions, not 100. Also, we were concerned about scalability as one of the founders was doing all the work for the clients and we were not sure if we were able to automate the process. Most important of all though, we found out that corporate training itself, for the most part, is done well enough. The problem in training effectiveness mostly comes to be caused by what comes after the training. Lack of follow up, getting back to a familiar environment, the hard reality of building new habits and changing behavior all lead to only 15% of participants applying the knowledge they acquired at the training to their work. That was especially true for soft skills trainings, where the application was harder than with hard skills like learning a new programming language that you can apply immediately in your work. We ended up in a position where we would report these problems to our clients, but we could rarely do anything about them. As a result, our reports had a minimal tangible impact on the everyday work of the companies and thus produced only minimal value.

Even though we had one loyal client from the IT industry who we serve until this day, one year into the execution of the training evaluation idea we realized that we had to find a way to transition the business into some other direction. The insight came from something we've been thinking for a bit. A chatbot to collect the data from the participants instead of a questionnaire, which no one likes. The idea was that the chatbot could also help participants implement the lessons of the training easier, i.e. by helping them set goals. Slowly we realized that training effectiveness might be the primary, not the secondary problem we want to solve. We started planning a pilot of the chatbot to help people reflect and set goals with one of our most loyal customers, who were open to experiments. At first, the idea was to have a human who writes pre-scripted text as if he is the chatbot so that we wouldn't need to hire any developers. Sometimes this way of doing things is called a Wizard of the Oz method, where you imitate automation with human work at the early stages of development in order to test the business model with low costs. We were afraid though that the chatbot would not provide sufficient value. After some consideration, we decided to ditch the chatbot idea and instead go for full-blown human-led coaching, albeit done through text in Teams or Slack to save the time and energy of the coach. This is how the idea of micro-coaching was born.

Micro-coaching was first a service that was provided as a follow up on training programs to help participants apply lessons in practice. The coaching happened through the company's internal communication software like Teams of Slack to avoid face to face interactions and thus drain the coach less, allowing the coach to handle more coachees at a time. The current estimate is that through the micro-coaching framework one coach can work with 50 people per week, which is a big jump from traditional 10-20. There was another unexpected benefit of doing coaching via text. We were able to collect high-quality qualitative data about the companies' culture and processes. Seeing this data as valuable we decided to anonymize it and deliver it as an additional part of the service providing extra value for the clients.

Slowly we got access to a few bigger clients (i.e. Universal Pictures in Los Angeles headquarters) and started working more on the side of change management rather than only training follow up. There the idea was to support middle managers in implementing the changes in their teams, often supporting them in time management prioritization, communication. It is still very early to say more, but this iteration of Panda Training definitely was the most successful so far. In the year 2019, we made 50.000 EUR revenue, which is very modest, but still enough to give two full-time and one part-time founder a 'student' salary.

What is perhaps the most interesting in the context of this thesis is that more than 90% of our clients came from tech conferences and events. Some examples of these conferences are Slush, Arctic15, Nordic Business Forum, SHIFT, Stream. We were attending the conferences in the earlier iterations of Panda Training too, but our primary client acquisition channel for the training marketplace and the training evaluation products had been cold calling. That changed slowly. First times around, we didn't even know that much about matchmaking apps at the tech events that allow participants to schedule meetings beforehand. One example of such an app popular in Finland is Brella. Then, as it was positioned in many events, we started using it for booking meetings with investors as we were, quite unsuccessfully, trying to raise money back then. While working on the training evaluation product I also managed to book a couple of meetings with potential clients or corporate venture funds. That's how we got some of our most loyal customers. Starting with micro-coaching we made a decision that we are not raising money as long as we can and that the primary focus during tech conferences should be on booking meetings with clients. Slowly this led us to treat conferences as our main client acquisition channel where we have a calendar of upcoming European events and the first thing we check when finding a new one is whether they have Brella or similar matchmaking application.

A surprising insight is that traditionally tech conferences have been positioning meetings as the connection point for startups and investors (sometimes, corporate investors, but investors nonetheless). Indeed, at least my observation is that many startups heavily underutilize the matchmaking at conferences and spend a lot of time meeting investors but often almost none meeting potential clients.

That being said, why did conferences work out so well for us? This is what I would like to analyze next.

7 ANALYSIS

After doing the extensive reading on trust it is evident that trust plays a significant role in why conferences might facilitate better and more efficient client acquisition for startups and new ventures founded by young entrepreneurs. I came to such a conclusion because (1) trust has been shown to play an important role in sales and customer acquisition (Dwyer et al., 1987; Hawes et al., 1989; Prus, 1989; Schurr & Ozanne, 1985; Swan & Nolan, 1985), and because (2) I have found many instances (which will be explored one by one next) where theory shows us that trust with the potential clients is very likely to be easier to develop for young entrepreneurs at tech conferences than elsewhere.

The context is, perhaps, the key. As we have seen in previous chapters, there are a variety of theories that emphasize the importance of context. Some examples would be Möllering's (2006) routine trust, Meyer and Jepperson's (2000) embeddedness into the social context, Zucker's (1986) and DiMaggio and Powell's (1991) framework of institutional trust, Berger and Luckmann's (1966) notion that actors both make society and are made by society, and, last but not the least, Meyerson et al.'s (1996) statement that context disproportionally influences swift trust. Tech conferences and events create the context for the conversation between corporate and the young entrepreneurs without reputation or connections. Context is a big driving force behind the emergence of swift trust (Meyerson et al., 1996) and is also interrelated with institutional (or 'routine') trust. When you meet someone at a tech conference as a startup you are suddenly not just a nobody, you are a representative of the community that gave birth to Google, Apple, Facebook, and other tech giants. More than that, tech conferences create an atmosphere of hype. If you were to attend Slush, it might look very strange: it's loud, neon lights are everywhere and it is dark, the event space is huge, the light shows are amazing, the smartest entrepreneurs on Earth are on stage all around you, and everyone is excited. In such an environment it is hard not to get excited about the future. And that is exactly what startups sell - a better future. Tech conferences institutionalize excitement.

Many elements of swift trust are positively impacting the connections at tech conferences. A startup and a corporate representative both attending the same event suddenly put them into the same 'category' of people who attend tech conferences. Extensive studies have shown that category-based processing is essential to swift trust (Hogg & Terry, 2000; Jarvenpaa et al., 1998; Lea et al., 1992; McKnight et al., 1998; Meyerson et al., 1996; Polzer et al., 2006; Robert et al., 2009; Terry, et al., 1999; Tyler & Blader, 2001). People like other people who are similar to them and tech events allow startup entrepreneurs with zero background to suddenly have something in common with the Chief

Innovation Officers of huge corporates like Nokia, Siemens, KONE and many more. Not only that, but category-based processing also works to showcase young and unknown entrepreneurs as part of the same tribe that is often represented in the media by the Unicorns or companies with a billion-dollar valuation. Companies like Stripe, Zynga, Airbnb, and Uber all wear jeans, t-shirts, and hoodies with their logo and slogans about changing the world and even such seemingly subtle symbols have been shown to affect category-based processing (Oakes & Turner, 1980). Have you ever seen corporate representatives wearing t-shirts that announce how their company will change the world? At tech events, even executives do that. And all the young nascent entrepreneurs do so too. Conferences allow them to dress up and showcase that in real life. It is hard to show that you are 'cool' via a cold call only with your shaky voice and engineering background.

Role clarity plays a significant role in building swift trust (Bettencourt et al., 2001; Jarvenpaa & Leidner, 1999; Meyerson et al., 1996) and is in effect here, too. Not only do startups and corporate executives have badges with different colors, but their intents are also well defined, too. If you are a startup attending a huge tech conference, it means you mean business. You aim to pitch on stage, attract investors, scale and take over the world. If you are a corporate executive attending a tech conference, it means that you are open to innovate. You realize that impending doom that is upon you and you are ready to take the necessary action to break free. The tools might differ, but corporates that attend tech conferences aim to cooperate with startups in one way or another (Weiblen & Chesbrough, 2015). Be it corporate venture capital, acquisition, being a client, or something else. Corporate representatives at tech conferences are on the hunt, they are open-minded, and they are ready to buy. And that makes both startup entrepreneurs and executives realize their interdependence. Interdependence is another crucial factor for swift trust. People realize that they are 'in the same boat' and are ready to make the leap of faith way faster and easier than they would have otherwise. The leverage is suddenly not only on the side of the corporation that has all the money anymore. Both parties came to the conference, both parties have a certain need, and that need equalizes them in their discussions and makes it easier even for young entrepreneurs without any reputation to negotiate fairly.

Tech conferences institutionalize and normalize risk-taking. Perceived risk is another crucial component of swift trust (Mayer et al., 1995; Rousseau et al., 1998; Bierman et al., 1969). The education at tech conferences and events is not only for startups, in some way it greatly influences corporations too. They hear case studies from top-notch entrepreneurs, they see the numbers of Unicorn companies and realize that anything is possible. They also see their colleagues. This creates a small gamified community. Is our corporation more startup-friendly than yours? Can we show to our shareholders that we are innovative? Is our stand bigger? These are probably some of the questions that tech events nudge corporate executives to ask themselves.

Tech conferences also connect people in a normative way. Alongside cognitive factors, normative ones are a big contributor to swift trust formation (Meyerson et al., 1996). At the tech conferences and events, we all have a badge, we all eat from the same biodegradable plates, we all adhere to the event's rules of conduct. These seemingly small norms are helpful for establishing swift trust. Having no experience young entrepreneurs might not know how to approach and executive and what language to use. At tech conferences and events, the stage is set, there are tools available for every kind of task or challenge, and there are plenty of examples all around.

The last but not the least contributor to the swift trust in tech conferences and events is the shadow of the future, the fear of losing your reputation (Axelrod, 1984; Gibbons, 2001; Granovetter, 1985; Meyerson et al., 1996; Pruitt & Kimmel, 1977). The entrepreneurship community is quite small. Tech conferences and events make it even smaller. You see the same people over and over at the same events year-to-year. This creates a sense of familiarity, even if you don't know them all too well. Especially in a small country like Finland, everyone in the tech community is connected to everyone else as a 2nd or 3rd-degree connection. That raises the probability of catching the bad actors, which in turn makes everyone feel safer and more trustful. If you don't deliver on your promises, would you be able to show up to the event next year and be seen by all the people whose expectations you have betrayed?

From a classical trust perspective, the sheer face-to-face nature of the conference engagements could also be a beneficial factor in building high-trust relationships. The benefits of face-to-face interactions on the development of trust have been extensively studied (Burt & Knez, 1996; Frank, 1993; Orbell & Dawes, 1991; Wichman, 1970; Wilson et al., 2006; Zucker, 1986). Seeing the person is somehow always more assuring, and the cold calls or social media don't have that advantage.

We also shouldn't underestimate non-trust related factors that could contribute to the success of conferences as an effective customer acquisition channel. One recent technological innovation is responsible for a big chunk of the success of sales engagements at tech conferences and events. That innovation is called 'matchmaking apps'. These apps allow attendees to create a profile on the online platform, connect with other attendees and book meetings with each other. When they come to the conference, the meeting is already scheduled not only with assigned time but also with a convenient place - usually, these are numbered tables in a specified matchmaking area. This makes both the outreach to potential clients and arranging meetings extremely easy and convenient. When preparing for a conference, I would go through all the profiles of people registered in the app and send invitations to everyone who seems relevant. It is easy to reach a lot of people with minimal time spent, and this game of numbers plays in favor of such conference engagements. Not all of the people would accept my meeting request. This is a natural filter that allows me to screen out people for whom our value proposition is not of interest and only meet those who are intrigued and already have some motivation to meet. In comparison, sometimes it is harder for people to say 'no' on the phone which could result in meetings that are useless for both parties. And the amount of meetings my startup is usually able to arrange at conferences is incredible. 20 meetings per day is a norm, with most conferences lasting for 2 days. With cold calling 40 meetings are usually hard to get even in 3 months.

8 CONCLUSIONS

The writing of this thesis started with an insight. Being a CEO of a Finnish startup I noticed that more than 90% of our clients came from tech conferences and events. I wanted to know why this happens, especially since I felt that the matchmaking meetings at conferences were underutilized by startups, focusing primarily on the investment search.

First I looked at the client acquisition literature, which is scarce, especially in relation to the conferences as a client acquisition channel. Part of the reason for why that might be the case is the fact that the client acquisition aspect of conferences has been reinvented fairly recently with the arrival of matchmaking apps that allow relevant parties to connect before the conference and meet on an agreed date at the pre-assigned table. One study from 1988 has shown that conferences are a cheaper client acquisition channel than cold calls (Browning & Adams, 1988), but as said the scene has changed dramatically since then. A bunch of other client acquisition literature has focused on relationship marketing and the importance of long-term client relationships (Haas et al., 2012; Hohenschwert & Geiger, 2015; Weitz & Bradford, 1999), social media (Agnihotri et al., 2016; Chen et al., 2017), and B2B marketing and sales fundamentals (Cortez & Johnston, 2017; Merrilees et al., 2011). The clues for the subject in question are few and far between.

The trust literature was the next place to look into as trust was shown as a significant factor in the success of sales relationships. Relying primarily on Möllering's (2006) model I've looked at what forms trust and whether it can explain the sales success of the young startup entrepreneurs at the tech conferences. The main insight from this work is that institutional trust might be playing a disproportionally important role in client acquisition at tech conferences and events (Berger & Luckmann, 1966; DiMaggio & Powell, 1991; Meyer & Jepperson, 2000; Meyerson et al., 1996; Möllering, 2006; Zucker, 1986). The environment created by tech events glorifies startup entrepreneurs almost as heroes, makes it normal for corporations to infuse innovation in their business by collaborating with startups, and simply makes it 'cool' to hang out with young people with bold ambitions who wear t-shirts plastered with logos of their companies in the light of neon lights. Another important factor is of course that face-to-face interaction is inherent to the conference experience, while it is not there in the cold calling (Burt & Knez, 1996; Frank, 1993; Orbell & Dawes, 1991; Wichman, 1970; Wilson et al., 2006; Zucker, 1986).

That being said, it seemed like something might be missing. How come does trust form so fast at tech conferences and events? Pre-arranged meetings often last 15-20 minutes yet some clients can sign the deal in a matter of days. What helped to resolve this dilemma was the concept of swift trust developed by Meyerson et al. (1996). These researches studied the phenomena of trust forming very quickly under special circumstances. And many of the factors can also be found in the brief connections and interactions at the tech conferences. Clarity of roles, facilitation of easy division of people into categories, interdependence, lower perceived risk, reputational risks, normative standards are some of them (Meyerson et al., 1996; Robert et al., 2009).

Of course, there are also important non-trust factors involved, namely the fact that matchmaking apps make reaching out and arranging meetings with potential clients extremely easy.

The conclusion of this thesis is a call for more research into the effectiveness of tech conferences and events as well as matchmaking apps as client acquisition channels. It's necessary to acknowledge the limitations of this study. What I did essentially is taking a sample of one (experience from my startup Panda Training) and then seeing if the current literature backs up that incident and insight. That is why we need more empirical studies that could compare the effectiveness of conferences and tech events as the channels for client acquisition versus more traditional channels such as cold calling, and social media marketing.

A practical application of this work can be drawn with caution. First of all, tech conferences and events can be more explicit about the utilization of matchmaking apps as vehicles to acquire clients and collect product feedback in B2B space. Secondly, the startups themselves should be more active on the matchmaking platforms and make a wise judgment whether they should watch a talk by a famous founder on stage (which will later be available to watch online) or try and meet as many potential clients as possible.

9 REFERENCES

Agnihotri, R., Dingus, R., Hu, M. Y., & Krush, M. T. (2016). Social media: Influencing customer satisfaction in B2B sales. Industrial Marketing Management, 53, 172-180.

Axelrod, R. (1984). The Evolution of Cooperation. New York: Basic Books.

Bacharach, M., Gambetta, D. (2001). Trust in signs. In: Cook, K.S. (ed.) Trust in Society. New York: Russell Sage Foundation, 148–184.

Barber, B. (1983). The Logic and Limits of Trust. New Brunswick: Rutgers University Press.

Beckert, J. (1999). Agency, entrepreneurs, and institutional change: The role of strategic choice and institutionalized practices in organizations. Organization Studies, 20(5), 777–799.

Berger, P.L., Luckmann, T. (1966). The Social Construction of Reality. Garden City: Doubleday.

Bergh P., Thorgren S. and Wincent J. (2011). Entrepreneurs learning together: The importance of building trust for learning and exploiting business opportunities. International Entrepreneurship and Management Journal 7(1): 17–37.

Bernstein, M., Potvin, D., Martin, D.K. (2004). A qualitative study of attitudes toward error in patients facing brain tumour surgery. The Canadian Journal of Neurological Sciences, 31(2), 208–212.

Bettencourt, B.A.; Dorr, N.; Charlton, K.; and Hume, D.L. (2001). Status differences and in-group bias: A meta-analytic examination of the effects of status stability, status legitimacy, and group permeability. Psychological Bulletin, 127, 4: 520–542.

Bierman, H., Hausman, W. H., & Bonini, C. P. (1969). Quantitative Analysis for Business Decisions: 3d Ed. R d Irwin.

Blau, P. (1968). Interaction: Social exchange. In: Sills, D.L. (ed.) International Encyclopedia of the Social Sciences. New York: Macmillan, 452–458.

Bradach, J.L., Eccles, R.G. (1989). Price, authority and trust: From ideal types to plural forms. Annual Review of Sociology, 15, 97–118.

Browning, J. M., & Adams, R. J. (1988). Trade shows: an effective promotional tool for the small industrial business. Journal of Small Business Management, 26(4), 31-36.

Brownlie, J., Howson, A. 2005. Leaps of faith and MMR: An empirical study of trust. Sociology, 39(2), 221–239.

Brunetto Y. & Farr-Wharton R. (2007). The moderating role of trust in SME owner/managers' decisionmaking about collaboration. Journal of Small Business Management 45(3): 362–387.

Burt, R.S., and Knez, M. (1995). Kinds of third-party effects on trust. Rationality and Society, 7, 3: 255–292.

Burt, R. S., & Knez, M. (1996). Trust and third party gossip. In R. M. Kramer & T. R. Tyler (Eds.), Trust in organizations: Frontiers of theory and research (pp. 68–89). Thousand Oaks, CA: Sage.

Cannon, J. P., & Perreault Jr, W. D. (1999). Buyer–seller relationships in business markets. Journal of marketing research, 36(4), 439-460.

Cassar G. (2010). Are individuals entering self-employment overly optimistic? An empirical test of plans and projections on nascent entrepreneur expectations. Strategic Management Journal 31(8): 822–840.

Chen, Z. F., Ji, Y. G., & Men, L. R. (2017). Strategic use of social media for stakeholder engagement in startup companies in China. International Journal of Strategic Communication, 11(3), 244-267.

Coleman, J.S. (1990). Foundations of Social Theory. Cambridge, MA: Harvard University Press.

Cortez, R. M., & Johnston, W. J. (2017). The future of B2B marketing theory: A historical and prospective analysis. Industrial Marketing Management, 66, 90-102.

Cramton, C. D. (2001). The mutual knowledge problem and its consequences for dispersed collaboration. Organization Science, 12, 346–371.

Dasgupta, P. (1988). Trust as a commodity. In: Gambetta, D. (ed.) Trust: Making and Breaking Co-operative Relations. Oxford: Basil Blackwell, 49–72.

De Meza D. (2002). Overlending? Economic Journal 112: F17–F31.

DiMaggio, P.J. (1988). Interest and agency in institutional theory. In: Zucker, L.G. (ed.) Institutional Patterns and Organizations. Cambridge, MA: Ballinger, 3–22.

DiMaggio, P.J., Powell, W.W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. American Sociological Review, 48(2), 147–160.

DiMaggio, P.J., Powell, W.W. (1991). Introduction. In: Powell, W.W., DiMaggio, P.J. (eds.) The New Institutionalism in Organizational Analysis. Chicago: University of Chicago Press, 1–38.

Dunn, J. (1988). Trust and political agency. In: Gambetta, D. (ed.) Trust: Making and Breaking Co-operative Relations. Oxford: Basil Blackwell, 73–93.

Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. Journal of marketing, 51(2), 11-27.

Ehrhart, M. G., & Naumann, S. E. (2004). Organizational citizenship behavior in work groups: A group norms approach. Journal of Applied Psychology, 89, 960–974.

Ferrin, D. L., & Gillespie, N. (2010). Trust differences across national-societal cultures: Much to do, or much ado about nothing. Organizational trust: A cultural perspective, 42-86.

Frank, R. (1993). The strategic role of emotions: Reconciling under and over-socialized accounts of behavior. Rationality and Society, 5, 160–184.

Friedman, G. (2014). Workers without employers: shadow corporations and the rise of the gig economy. Review of Keynesian Economics, 2(2), 171-188.

Fukuyama, F. (1995). Trust: The Social Virtues and the Creation of Prosperity. London: Hamish Hamilton.

Garud, R., Jain, S., Kumaraswamy, A. (2002). Institutional entrepreneurship in the sponsorship of common technological standards: The case of Sun Microsystems and Java. Academy of Management Journal, 45(1), 196–214.

Gibbons, R. 2001. Trust in social structures: Hobbes and Coase meet repeated games. In: Cook, K.S. (ed.) Trust in Society. New York: Russell Sage Foundation, 332–353.

Giddens, A. (1994). Risk, trust, reflexivity. In: Beck, U., Giddens, A., Lash, S. (eds.) Reflexive Modernization. Cambridge: Polity Press, 184–197.

Granovetter, M. (1985). Economic action and social structure: A theory of embeddedness. American Journal of Sociology, 91(3), 481–510.

Griffith, T. L., Sawyer, J. E., & Neale, M. A. (2003). Virtualness and knowledge in teams: Managing the love triangle of organizations, individuals, and information technology. MIS Quarterly, 27, 265–287.

Gulati, R. (1995). Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. Academy of Management Journal, 38(1), 85–112.

Haas, A., Snehota, I., & Corsaro, D. (2012). Creating value in business relationships: The role of sales. Industrial Marketing Management, 41(1), 94-105.

Hawes, J. M., Mast, K. E., & Swan, J. E. (1989). Trust earning perceptions of sellers and buyers. Journal of Personal Selling & Sales Management, 9(1), 1-8.

Henslin, J.M. (1968). Trust and the cab driver. In: Truzzi, M. (ed.) Sociology and Everyday Life. Englewood Cliffs: Prentice Hall.

Hogg, M. A., & Terry, D. J. (2000). Social identity and self-categorization processes in organizational contexts. Academy of Management Review, 25, 121–140.

Hohenschwert, L., & Geiger, S. (2015). Interpersonal influence strategies in complex B2B sales and the socio-cognitive construction of relationship value. Industrial Marketing Management, 49, 139-150.

Hollis, M. (1998). Trust Within Reason. Cambridge: Cambridge University Press.

James Jr., H.S. (2002). The trust paradox: A survey of economic inquiries into the nature of trust and trustworthiness. Journal of Economic Behavior & Organization, 47(3), 291–307.

Jarvenpaa, S.L.; Knoll K.; and Leidner D.E. (Spring 1998). Is anybody out there? The implications of trust in global virtual teams. Journal of Management Information Systems, 14, 4: 29–64.

Jarvenpaa, S. L., & Leidner, D. E. (1999). Communication and trust in global virtual teams. Organization science, 10(6), 791-815.

Knack S. and Keefer P. (1997). Does social capital have an economic payoff? A cross-country investigation. Quarterly Journal of Economics 112(4): 1251–1288.

Lane C. (1997). The social regulation of inter-firm relations in Britain and Germany: Market rules, legal norms and technical standards. Cambridge Journal of Economics 21(2): 197–215.

Lea, M., and Spears, R. (1992). Paralanguage and social perception in computer-mediated communication. Journal of Organizational Computing, 2, 3–4: 321–341.

Lewis, J.D., Weigert, A. (1985). Trust as a social reality. Social Forces, 63(4), 967–985.

Lindenberg, S. (2000). In takes both trust and lack of mistrust: The workings of cooperation and relational signalling in contractual relationships. Journal of Management and Governance, 4(1/2), 11–33.

Lowe, P. 2005. Embodied expertise: Women's perceptions of contraception consultation. Health, 9(3), 361–378.

Luhmann, N. (1979). Trust and Power: Two Works by Niklas Luhmann. Chichester: Wiley.

Luhmann, N. 1988. Familiarity, confidence, trust: Problems and alternatives. In: Gambetta, D. (ed.) Trust: Making and Breaking Co-operative Relations. Oxford: Basil Blackwell, 94–107.

Mayer, R.C., Davis, J.H., Schoorman, F.D. (1995). An integrative model of organizational trust. Academy of Management Review, 20(3), 709–734.

McKnight, D.H., Cummings, L.L., Chervany, N.L. (1998). Initial trust formation in new organizational relationships. Academy of Management Review, 23(3), 473–490.

Merrilees, B., Rundle-Thiele, S., & Lye, A. (2011). Marketing capabilities: Antecedents and implications for B2B SME performance. Industrial Marketing Management, 40(3), 368-375.

Meyer, J.W., Jepperson, R.L. (2000). The 'actors' of modern society: The cultural construction of social agency. Sociological Theory, 18(1), 100–120.

Meyerson, D., Weick, K. E., & Kramer, R. M. (1996). Swift trust and temporary groups. Trust in organizations: Frontiers of theory and research, 166, 195.

Mitchell, R. K., Smith, J. B., Morse, E. A., Seawright, K. W., Peredo, A. M., & McKenzie, B. (2002). Are entrepreneurial cognitions universal? Assessing entrepreneurial cognitions across cultures. Entrepreneurship theory and practice, 26(4), 9-32.

Möllering, G. (2005). The trust/control duality: An integrative perspective on positive expectations of others. International Sociology, 20(3), 283–305.

Möllering, G. (2006). Trust: Reason, routine, reflexivity. Emerald Group Publishing.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. Journal of marketing, 58(3), 20-38.

Munir, K.A., Phillips, N. (2005). The birth of the 'Kodak moment': Institutional entrepreneurship and the adoption of new technologies. Organization Studies, 26(11), 1665–1687.

Neergaard H. and Ulhøi J.P. (2006). Government agency and trust in the formation and transformation of interorganizational entrepreneurial networks. Entrepreneurship Theory and Practice 30(4): 519–539.

Nguyen T.V. and Rose J. (2009). Building trust: Evidence from Vietnamese entrepreneurs. Journal of Business Venturing 24(2): 165–182.

Oakes, P.J., and Turner, J.C. (1980). Social categorization and intergroup behavior: Does minimal intergroup discrimination make social identity more positive? European Journal of Social Psychology, 10, 3: 295–301.

Orbell, J., & Dawes, R. (1991). A cognitive miser's theory of cooperators' advantage. American Political Science Review, 85, 515– 528.

Ortmann, G. (2004). Als Ob: Fiktionen und Organisationen. Wiesbaden: VS Verlag.

Özcan B. and Bjørnskov C. (2011). Social trust and human development. Journal of Socio-Economics 40(6): 753–762.

Ozgen, E., & Baron, R. A. (2007). Social sources of information in opportunity recognition: Effects of mentors, industry networks, and professional forums. Journal of business venturing, 22(2), 174-192.

Polzer, J. T., Crisp, C. B., Jarvenpaa, S. L., & Kim, J. W. (2006). Extending the faultline model to geographically dispersed teams: How colocated subgroups can impair group functioning. Academy of Management Journal, 49, 679–692.

Pruitt, D.G., Kimmel, M.J. (1977). Twenty years of experimental gaming: Critique, synthesis and suggestions for the future. Annual Review of Psychology, 28, 363–392.

Prus, R. C. (1989). Making sales: Influence as interpersonal accomplishment (Vol. 172). Sage Publications, Inc.

Putnam, R.D. (1995). Bowling alone: America's declining social capital. Journal of Democracy, 6(1), 65–78.

Ries, E. (2011). The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses. Crown Books.

Robert, L. P., Denis, A. R., & Hung, Y. T. C. (2009). Individual swift trust and knowledge-based trust in face-to-face and virtual team members. Journal of Management Information Systems, 26(2), 241-279.

Rotter, J.B. (1967). A new scale for the measurement of interpersonal trust. Journal of Personality, 35, 4: 651–665.

Rotter, J.B. (1971). Generalized expectancies for interpersonal trust. American Psychologist, 26, 5: 443–452.

Rotter, J.B. (1980). Interpersonal trust, trustworthiness, and gullibility. American Psychologist, 35, 1: 1–7.

Rousseau, D.M., Sitkin, S.B., Burt, R.S., Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. Academy of Management Review, 23(3), 393–404.

Schurr, P. H., & Ozanne, J. L. (1985). Influences on exchange processes: Buyers' preconceptions of a seller's trustworthiness and bargaining toughness. Journal of consumer research, 11(4), 939-953.

Selnes, F. (1998). Antecedents and consequences of trust and satisfaction in buyer-seller relationships. European journal of marketing, 32(3/4), 305-322.

Simmel, G. (1950). The sociology of georg simmel (Vol. 92892). Simon and Schuster.

Six, F. (2005). The Trouble with Trust. Cheltenham: Edward Elgar.

Smith D.A. and Lohrke F.T. (2008). Entrepreneurial network development: Trusting in the process. Journal of Business Research 61(4): 315–322.

Swan, J. E., & Nolan, J. J. (1985). Gaining customer trust: a conceptual guide for the salesperson. Journal of Personal Selling & Sales Management, 5(2), 39-48.

Syrotkin, D. (2017). Development of a marketplace startup in Finland.

Sztompka, P. (1999). Trust: A Sociological Theory. Cambridge: Cambridge University Press.

Terry, D. J., Hogg, M. A., & White, K. M. (1999). The theory of planned behavior: Self-identity, social identity and group norms. British Journal of Social Psychology, 38, 225–244.

Tillmar M. (2006). Swedish tribalism and Tanzanian entrepreneurship: Preconditions for trust formation. Entrepreneurship and Regional Development 18(2): 91–107.

Tyler, T. R., & Blader, S. L. (2001). Identity and cooperative behavior in groups. Group Processes and Intergroup Relations, 4, 207–226.

Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. Administrative Science Quarterly, 42, 1: 35–67.

Walther, J.B. (1997). Group and interpersonal effects in international computer-mediated collaboration. Human Communication Research, 23, 3: 342–369.

Warren, M.E. (ed.) (1999). Democracy and Trust. Cambridge: Cambridge University Press.

Watson-Manheim, M. B., Chudoba, K. M., & Crowston, K. (2012). Perceived discontinuities and constructed continuities in virtual work. Information Systems Journal, 22, 29–52.

Weiblen, T., & Chesbrough, H. W. (2015). Engaging with startups to enhance corporate innovation. California Management Review, 57(2), 66-90.

Weitz, B. A., & Bradford, K. D. (1999). Personal selling and sales management: A relationship marketing perspective. Journal of the academy of marketing science, 27(2), 241.

Welter, F., & Smallbone, D. (2006). Exploring the role of trust in entrepreneurial activity. Entrepreneurship Theory and Practice, 30(4), 465-475.

Welter, F. (2012). All you need is trust? A critical review of the trust and entrepreneurship literature. International Small Business Journal, 30(3), 193-212.

Wichman, H. (1970). Effects of isolation and communication on cooperation in a two person game. Journal of Personality and Social Psychology, 16, 114–120.

Williamson, O.E. (1993). Calculativeness, trust, and economic organization. Journal of Law and Economics, 36(2), 453–486.

Wilson, J. M., Straus, S. G., & McEvily, B. (2006). All in due time: The development of trust in computer-mediated and face-to-face teams. Organizational behavior and human decision processes, 99(1), 16-33.

Womack, J. P., Jones, D. T., & Roos, D. (2007). The machine that changed the world: The story of lean production--Toyota's secret weapon in the global car wars that is now revolutionizing world industry. Simon and Schuster.

Zak PJ and Knack S. (2001). Trust and growth. The Economic Journal 111: 295–321.

Zervas, G., Proserpio, D., & Byers, J. (2015). A first look at online reputation on Airbnb, where every stay is above average. Where Every Stay is Above Average (January 28, 2015).

Zucker, L.G. (1986). Production of trust: Institutional sources of economic structure, 1840–1920. In: Staw, B.M., Cummings, L.L. (eds.) Research in Organizational Behavior, Vol. 8. Greenwich, CT: JAI Press, 53–111.