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Making an Impression Through Openness: How Open Strategy-Making Practices Change in the Evolution of New Ventures

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While previous open strategy studies have acknowledged open strategy's function as an impression management instrument, their focus has mostly been on short episodes. The impression management literature, meanwhile, pays openness scant attention. By studying how new ventures engage in open strategy-making, we track how open strategy-making and respective impression management benefits evolve over time. Specifically, we draw on a comparative case study of two firms' blog communication on strategy-related issues and corresponding audience responses over a four-year period. We identify three distinct modes of how organizations engage in open strategy-making with external audiences and show how each mode is related to a specific set of impression management effects. Having established the impression management functions of these modes, we then demonstrate how open strategy-making contributes to new ventures' quests for legitimacy as they evolve. In the launch phase, dialoguing with blog audiences helps a venture attract endorsements for its organization and products. As the venture grows, concentrating on broadcasting relevant strategic information may attract media audiences' additional support for pursuing openness as a desirable organizational practice.

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Introduction

Open strategy-making challenges the traditional perspective on strategy-making as being pursued by an exclusive group in an organization's upper echelons, that often envelops strategic processes in a veil of secrecy (Chesbrough and Appleyard, 2007; Doz and Kosonen, 2008; Whittington et al., 2011). Essentially, openness in strategy-making implies increasing transparency and the scope of actors being involved at various stages of the strategy-making process (Whittington et al., 2011). Examples of open strategy include transparently communicating strategy through public presentations (Whittington and Yakis-Douglas, 2012; Whittington et al., 2016), voluntary merger and acquisitions announcements (Yakis-Douglas et al., 2016), utilizing social software (Cox et al., 2008; Haefliger et al., 2011; Whittington et al., 2011), as well as involving wider internal and external audiences into strategic decision-making (Aten and Thomas, 2016; Dobusch and Müller-Seitz, 2012; Haefliger et al., 2011; Luedicke et al., 2016; Matzler et al., 2014). Benefits attributed to open strategy-making include improved understanding of strategic decisions, increased commitment to those decisions, and access to more diverse sources of information, which can result in better overall decision quality (Lakhani et al., 2013; Matzler et al., 2014; Whittington et al., 2011).

Recent work, however, points to an additional function of open strategy-making as an impression management instrument seeking to manipulate the perceptions of external audiences. Drawing upon strategic disclosure literature, Whittington et al. (2016) show how new CEOs openly communicating strategic plans in strategy presentations positively influences shareholder perceptions, then in turn, stock market prices (for a similar approach, see Yakis-Douglas et al., 2016).

These studies convincingly establish the link between open strategy and impression management. However, these studies neither distinguish between separate modes of open strategy-making beyond increased transparency (e.g., including external audiences in decision-making) nor do they link those to various impression management strategies. The impression management literature paid similarly little attention to this issue, since exploiting openness to impress external audiences runs counter to impression management's traditional focus. Most impression management strategies create a favorable appearance at "front stage" while hiding or downplaying less favorable information (Ashforth and Gibbs, 1990; Elsbach, 2003; Überbacher, 2014; Zott and Huy, 2007).

Investigating specific impression management effects of various open strategy modes allows for a longitudinal assessment of open strategy as impression management; such a longitudinal perspective is missing in previous open strategy studies, which mostly look at singular episodes, temporary projects, or short time periods (Aten and Thomas, 2016; Dobusch and

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Müller-Seitz, 2012; Matzler et al., 2014; Stieger et al., 2012; Whittington et al., 2016; Yakis-Douglas et al., 2016). Similarly, in the rare cases where openness is discussed in the impression management literature, it is as a short-term strategy to cope with failure (Bolino et al., 2008; Elsbach, 2003; Marcus and Goodman, 1991). To fully understand and utilize potential impression management benefits of open strategy-making, we need to understand how open strategy-making plays out over time.

A promising setting for studying open strategy-making's evolution and respective impression management effects over time is that of new ventures. New ventures suffer from "liability of newness," a venture's lack of legitimacy, or social acceptance in the marketplace (Aldrich and Fiol, 1994; Stinchcombe, 1965; Zimmerman and Zeitz, 2002). Research shows that new ventures manipulating their audiences' perceptions substantially aids in overcoming the liability of newness (Fischer and Reuber, 2014; Fisher et al., 2016; Lounsbury and Glynn, 2001; Parhankangas and Ehrlich, 2014; Überbacher, 2014; van Werven et al., 2015; Zott and Huy, 2007). Presumably, these manipulation strategies change as a new venture evolves (Fisher et al., 2016), but corresponding empirical evidence is scarce. Hence the calls in the literature for a better understanding of temporal dynamics of new ventures' efforts to shape audiences perceptions to gain acceptance in the marketplace (Fischer and Reuber, 2014; Fisher et al., 2016; van Werven et al., 2015). We therefore ask the following research question: How do new ventures use open strategy-making as impression management over time?

Our investigation's empirical context is a comparative case study of two tech start-ups' blogs. The main data source for analyzing open strategy-making practices is 702 blog posts and corresponding users' comments on our two cases' blogs over a four-year period. Blogs are an increasingly common instrument for organizations to communicate and interact with external audiences (Cox et al., 2008; Haefliger et al., 2011). The chronologically-sorted blog posts allow us to track organizational communication practices associated with open strategy-making over time and analyze the corresponding blog audience responses as well as relevant business press coverage.

Based on our empirical study, we take our understanding of open strategy-making as impression management two steps farther. First, we find that new ventures use three open strategy modes in their interactions with external audiences: broadcasting (transparently communicating relevant information), dialoguing (asking users for opinions and engaging in conversation), and including (involving external audiences in decision-making). Our data shows that each mode enables organizations to tap into a specific set of impression management effects. For instance, dialoguing with users and soliciting their opinions can be leveraged as flattery (ingratiation) and organizational self-promotion (projecting an image of competence). We thereby also contribute to the impression management literature by providing an understanding how openness enriches the organizational repertoire of proactive impression management strategies.

Second, we show that, over time, both ventures place different emphases on various open strategy modes and associated impression management effects. Our longitudinal data analysis reveals that as new ventures evolve, open strategy-making as an impression management instrument contributes to overcoming liability of newness. An emphasis on dialoguing with users in the launch stage leads to blog audience endorsement for a new venture and its products. As the organization matures, broadcasting strategically-relevant information may yield additional support from media audiences for pursuing openness as a socially-desirable organizational practice.

Open strategy-making as impression management

Chesbrough and Appleyard (2007, 58) develop 'open strategy' as balancing "the tenets of traditional business strategy with the promise of open innovation." Further conceptualizing what lies behind the 'open' in 'open strategy,' Whittington et al. (2011, 531) distinguish between "more transparency inside and outside organizations and more inclusion of different actors internally and externally." Chesbrough and Appleyard (2007) and Whittington et al. (2011) demarcate open strategy as distinct from 'traditional' or 'closed' approaches to strategy-making, which they consider exclusive and opaque.

The underlying premise of open strategy-making is that the benefits of implementing strategic decisions increase when more actors are involved in implementing or otherwise affecting the strategic outcome. For example, a CEO or top management team's strategic plan is toothless without employees understanding and committing to it (Matzler et al., 2014; Mintzberg et al., 1998; Whittington et al., 2011). In general, previous literature on open strategy has highlighted that greater openness in strategy-making increases internal and external audiences' understanding of and commitment to an organization's strategy. Additionally, including more actors in strategic decision-making allows organizations to tap into actors' distributed knowledge and locate useful input (Aten and Thomas, 2016; Dobusch and Müller-Seitz, 2012; Lakhani et al., 2013; Matzler et al., 2014; Stieger et al., 2012; Whittington et al., 2011).

While acknowledging openness' potentially substantial contributions to organizational strategy-making, we instead want to focus on another potential benefit of openness in strategy-making. The strategic disclosure literature already points to an additional open strategy function, namely, revealing strategic information as an instrument for self-enhancement and shaping corporate reputation (Martens et al., 2007; Whittington and Yakis-Douglas, 2012). As Whittington and Yakis-Douglas (2012, 404) state, strategy communication is a reputation management instrument emphasizing "deliberate and discretionary use of communications to construct corporate reputations." More recently, Whittington et al. (2016) are the first to have conceptualized strategy presentations within an open strategy framework as an impression management instrument. In a similar vein, Yakis-Douglas et al. (2016) explore how openness in merger and acquisitions announcements can be used to impress investors and analysts.

Impression management refers to organizational action influencing external audiences' perceptions of the organization (Elsbach, 2003; Goffman, 1956; Überbacher, 2014; Zott and Huy, 2007). This theoretical perspective has a strategic stance and is premised on organizations being able to manipulate environmental perceptions to gain legitimacy (Deephouse and Suchman, 2008; Elsbach and Sutton, 1992; Elsbach et al., 1998; Whittington, 1993). We understand legitimacy as the social acceptability and desirability of organizations and their actions within a given context (Ashforth and Gibbs, 1990; Suchman, 1995).

The literature establishes that organizations can use open strategy-making as an impression management instrument and that openly communicating strategy may have a positive effect on shareholders' and analysts' perceptions (Whittington et al., 2016; Yakis-Douglas et al., 2016). In our paper, we build upon and add to this work in two ways. First, to examine the impression management functions of open strategy, we need to systematically assess the underlying mechanisms driving impression management effects in response to various modes of open strategy-making. The organizational impression management literature, however, has paid openness scant attention. So far, this stream has instead focused on strategies seeking to create desirable displays for external audiences while concealing less favorable aspects of organizational action. Exemplary strategies of this kind include decoupling from talk and action, denying, exaggerating, and customizing messages for specific audiences (Ashforth and Gibbs, 1990; Bromley and Powell, 2012; Brunsson, 1989; Elsbach, 1994; Goffman, 1956; Oliver, 1991; Überbacher, 2014; Zott and Huy, 2007). The few 'open' impression management strategies the literature documents are almost exclusively defensive tactics, such as apologizing for a mistake (Bolino et al., 2008; Elsbach, 2003; Marcus and Goodman, 1991; Mohamed et al., 1999). Only supplication, which refers to being open about organizational weaknesses (Parhankangas and Ehrlich, 2014), offers a more proactive impression management strategy somehow resembling recent ideas from Whittington et al. (2016) and Yakis-Douglas et al. (2016) regarding the role of openness in making an impression.

Second, further theorizing open strategy as impression management calls for a longitudinal analysis of the interplay and effects of various open strategy-making practices as impression management. However, most previous studies on open strategy-making have concentrated on temporary, limited initiatives or episodes within established organizations (Aten and Thomas, 2016; Dobusch and Müller-Seitz, 2012; Matzler et al., 2014; Stieger et al., 2012; Whittington et al., 2016). For instance, Stieger et al. (2012) examine the one-time initiative of a medium-sized company inviting all employees to participate in formulating corporate strategy, while IBM's 'Jams' harness strategic insights from their employees within the boundaries of short-term projects (Matzler et al., 2014; Palmisano, 2004). Similarly, defensive impression management strategies with an 'open' flavor occur mostly in settings where organizations seek to 'minimize bad' in temporary crises, for example: accepting responsibility, claiming regret, and apologizing for a negative event (Bolino et al., 2008; Elsbach, 2003; Marcus and Goodman, 1991; Mohamed et al., 1999).¹

We thus require evidence of open approaches to strategy-making in more enduring settings to not only validate the significance of this emergent phenomenon, but also to understand the temporal dynamics of open strategy-making in terms of impression management. In our view, the ideal setting to achieve this goal is that of new ventures, which may suffer from a 'liability of newness' with legitimating audiences such as investors, media, and consumers being uncertain whether an organization deserves their attention, let alone endorsement (Aldrich and Fiol, 1994; Stinchcombe, 1965). Since it takes time to establish legitimacy in the venture's context (Suchman, 1995), new ventures may attempt to manipulate external audiences' perceptions by using impression management strategies such as ingratiation (e.g., flattery) or self-promotion (Nagy et al., 2012; Parhankangas and Ehrlich, 2014). Such efforts may reduce uncertainty for external actors and result in external audiences' favorable social judgments, which then increase the organization's legitimacy, serving as an antidote to the liability of newness (Bitektine, 2011; Fisher et al., 2016; Lounsbury and Glynn, 2001; Zimmerman and Zeitz, 2002).

Recent empirical investigations of this argument have been based on experiments (Nagy et al., 2012), specific points in time such as investment decisions (Parhankangas and Ehrlich, 2014), or corporate communication over short time periods (Fischer and Reuber, 2014). Unsurprisingly, this literature also contains calls for longitudinal studies of new ventures' efforts to gain legitimacy as they evolve (Fischer and Reuber, 2014; Fisher et al., 2016; van Werven et al., 2015).

In sum, our study and its longitudinal approach to open strategy-making as impression management serves two purposes. First, we aim to improve our understanding of open strategy-making as impression management by strengthening the link between how organizations use openness and what impression management effect openness has on external audiences. Second, we seek to shed light on the temporal dynamics of open strategy-making to understand how new ventures can use openness as an impression management instrument over time.

Methods and empirical context

Research design

Given the paucity of systematic theoretical development grounded in empirical studies on open strategy-making, we deploy an open-ended, qualitative approach (Edmondson and McManus, 2007; von Krogh et al., 2012). Consistent with

¹ Desai's (2014) work on traffic controllers issuing voluntary reports of midair near-collisions is a more regular and open form than one-off apologies. Although these reports are issued frequently, they still have a defensive flavor (i.e. responding to negative events).

previous studies examining organizational attempts to shape audiences' perceptions, we chose the organization as the unit of analysis (e.g., [Elsbach et al., 1998](#); [Zott and Huy, 2007](#)).

We deploy a comparative case study approach ([Yin, 2003](#)), which enables us to gain an in-depth understanding of each case's management practices while increasing the generalizability by comparing the findings of one case with another. Because we are interested in temporal dynamics of open strategy-making and impression management, we accentuate the longitudinal dimension of a case study approach ([Langley et al., 2013](#)). Following classical works dedicated to studying strategy processes ([Mintzberg, 1978](#); [Mintzberg and McHugh, 1985](#); [Mintzberg and Waters, 1982](#); [Whittington, 1993](#)), we track open strategy-making practices and respective audience responses over time. As [Garud and Gehman \(2016\)](#) stress, such a longitudinal perspective is particularly well suited to capturing and theorizing from the complexities of entrepreneurial journeys.

Our investigation focuses on blogs, essentially online diaries through which organizations publish written texts with images, videos, and hyperlinks (i.e. blog posts). As with other social software tools, enabling audience comments turns the blog into an interactive, bi-directional medium ([Lockwood and Dennis, 2008](#)). Against the backdrop of our research interests, blogs are an ideal primary data source. Organizations increasingly use social media technologies such as blogs to communicate and interact with external audiences ([Barros, 2014](#); [Cho and Huh, 2010](#); [Cox et al., 2008](#); [Haefliger et al., 2011](#)). Blogs are an instrument for organizations' self-presentation, shaping stakeholders' perceptions, connecting with audiences, soliciting feedback, and engendering community-building ([Barros, 2014](#); [Denyer et al., 2011](#); [Dwyer, 2007](#); [Kaiser et al., 2010](#); [Lockwood and Dennis, 2008](#); [Scoble and Israel, 2006](#)). From a methodological viewpoint, blogs' public accessibility and reverse-chronological ordering allow us to collect longitudinal data on both organizational communication and audience response via comments. By focusing on actual communication on blogs, we reduce the hindsight bias and ex post rationalization common in traditional retrospective case study approaches.

Selection and description of cases

In the initial case selection phase, we conducted keyword searches (e.g., "transparency," "startup") on popular search engines to find trade press articles identifying potential cases and gauging the empirical context. We chose to focus on technology startups, since interactive communication with assorted stakeholder groups via blog is standard practice in that domain ([Vaast et al., 2013](#)).

We then pursued a comparative case study approach ([Yin, 2003](#)), based on two cases, the Berlin-based time management service *Mite*, and the San Francisco-based social media service provider *Buffer*. We selected our cases following a literal replication logic predicting similar results with regard to the phenomenon of interest ([Yin, 2003](#)). One consideration was that each venture used its blog to share enough strategically relevant information so that business press observers addressed the issues of transparency and openness. Another consideration was that the ventures had to be at least three years old to allow for retrospective insight into longitudinal data.

The corporation behind *Mite*, *Yolk*, was founded in Berlin in May 2008. Since most customers and even the founders themselves continued to refer to "Mite" when talking about the venture, we do too. The main product is a simple working time tracking and reporting tool for freelancers, professionals, and small businesses. After a successful prototype phase (11,000 users tested a free version), the founders decided to incorporate *Yolk* and began charging new users €5 per month.

To communicate with their users, *Mite* emphasizes blogging. *Mite's* intention in using quality and transparent up-to-date information, rather than persuasive marketing campaigns, is to convince people to buy the product and spread the word about it. The venture's blog ([blog.yo.lk](#)) is a tool for reporting current issues in the venture's (product) development (e.g., providing rationale for product strategy), interacting with customers (e.g., discussing products with users to harness their insights) and sharing relevant information (e.g., in a widely-reported transparency post in 2010, *Mite* published its financial numbers, paying-user statistics, etc.). One co-founder writes almost every blog post.

The two *Mite* founders outline their openness rationale and philosophy in their joint master's thesis. In their view, openness is related to honesty, transparency, and trust. Open and honest communication with the team, users, and other stakeholders, improves the atmosphere and is the foundation for receiving useful feedback and triggering a positive media echo ([MDB#1 Munz and Sorgel, 2007: 71–72](#); see also [MDB#2 MiteManifesto, 2014](#)²).

Our second case, San Francisco-based *Buffer*, was founded by two European entrepreneurs in 2010. *Buffer* offers a web-based software enabling users to simultaneously manage multiple social media profiles. The application's revenue follows a "freemium" model, whereby only customers demanding advanced features pay for use. By 2014 *Buffer* had 30,713 paying users (of approximately 1.7 million in total, according to [buffer.baremetrics.com](#)).

In addition to using dedicated customer support as a marketing instrument, *Buffer* relies on its blog ([blog.bufferapp.com](#)) as the core of its content marketing strategy and communication with external audiences. From early on, *Buffer* utilized the blog to update users on product development strategy and to seek users' opinions. Most posts, however, are infotainment (e.g., optimizing Twitter usage). In 2011, *Buffer* started an ongoing series called "Building Buffer" to share and discuss internal insights of building a start-up. Revealing relevant information was further emphasized with the launch of the "Buffer Open Blog" in 2013, which attracted significant audience interest with blog posts on "Open Salaries," "Customer Happiness

² We label the empirical sources of our research database used in this article with MDB (*Mite*) and BDB (*Buffer*), all of which are listed in the appendix in numerical order.

Table 1
Case study database

Case	Mite				Buffer			
Blog observation period	2007–2010				2011–2014/5			
Blogs	1				2			
Blog posts	139				563			
Comments	1420 (10.2/post)				14,259 (25.3/post)			
Number of media articles	2007	2008	2009	2010	2011	2012	2013	2014
Complementary material	3	6	17	12	10	22	29	58
	Master's thesis, additional media articles				Culture deck, pitch deck, additional media articles			

Reports,” and the decision to automate disclosure of key metrics (e.g., revenues, churn rates, etc.) via buffer.baremetrics.io. Blog-writing responsibilities are distributed among Buffer’s senior staff, with the co-founders taking turns publishing major announcements.

Buffer codified their “default to transparency” in a published presentation entitled “The Buffer Culture” (BDB#1 Buffer Slideshare, 2013). The founders claim that their belief in transparency fuels their openness approach. One co-founder argues that transparency breeds trust among all involved actors (employees and external stakeholders) and contributes to better business outcomes (BDB#2 FastCompany, 2014). Further rationale for Buffer’s transparency includes helping fellow entrepreneurs, gaining free and helpful feedback from users, higher numbers of job applications, and publicity benefits (e.g., major transparency announcements as PR and content marketing opportunities) (BDB#3 Buffer Open Blog, 2013; BDB#4 Quartz, 2014; BDB#5 Inc, 2014).

Data collection

Our case study database draws on three data sources: the two ventures’ blog posts (including user comments), media articles, and additional documents (see [Table 1](#)).

The blog posts are the core data source for examining each venture’s open strategy-making and associated impression management. To prepare data for analysis, we entered all 702 blog posts into our case study database. Each blog post enables us to observe the organizational communication practices associated with open strategy-making. We collected two types of audience data in our analysis of external audience endorsement: (1) blog audiences’ comments on each blog post for tracking audience interest and reception over time, and (2) the media’s judgment of each venture ([Bansal and Clelland, 2004](#); [Bitektine, 2011](#); [Castelló et al., 2016](#); [Deephouse and Suchman, 2008](#); [Deephouse, 2000](#); [Pollock and Rindova, 2003](#)).

To exclude ephemeral media attention, the key selection criterion for integrating media articles into the database was that a business trade press outlet published at least two reports on one of two ventures under study. We conducted our search for articles on popular search engines and with LexisNexis Academic. We applied several search queries using various keyword combinations (e.g., “Buffer,” “Mite,” “Application,” “Transparency,” “[Name of the founders],” etc.). For Mite, we arrived at seven media outlets (t3n.de, BasicThinking.de, Foerderland.de, hackr.de, deutsche-startups.de, gruenderszene.de, enable2start – FTD). The same search criteria for Buffer yielded many more media outlets than for Mite. We thus ranked the outlets mentioning Buffer according to popularity using Alexa.com, a reliable instrument for discerning a media outlet’s visibility and web popularity ([Vaughan and Yang, 2013](#); [Wang and Vaughan, 2014](#)). Our database’s top seven outlets were Forbes.com, BusinessInsider.com, Mashable.com, Lifehacker.com, Techcrunch.com, Entrepreneur.com, and Inc.com.

Finally, to gain additional insights, we included documents such as publicly-available presentations and other media we found relevant to understanding each venture’s openness approach.

Data analysis

The data analysis comprised five stages. [Figure 1](#) provides a summary of our data structure and analysis, which is inspired by the approach used by [Gioia et al. \(2012\)](#).

First, we crafted a description of each case. The case descriptions contain background information on each venture, illustrate links between applying open strategy and using openness to shape audiences’ perceptions ([Yin, 2003](#)).

Second, we inductively coded the blog content ([Strauss and Corbin, 1990](#)), identifying strategy-related blog posts, and tracking respective activities over time. The qualitative data analysis software MAXQDA facilitated our coding and data analysis processes. To develop coding categories, we initially coded the same blog posts separately, then merged our evolving coding schemes. We moved from specific “in vivo” codes to increasingly general codes. Based on the coding schemes, we coded all blog posts separately. Each co-author coded all blog posts (including comments) from one case. We regularly cross-checked our coding and discussed ambiguities.

We deployed a higher-order coding approach to chronologically analyze all blog posts from each case ([Gioia et al., 2012](#)). The higher-order category *open strategy modes* capture our interest in how ventures engage in open strategy-making. We identified various open strategy practices by inductively creating codes such as “sharing data” (disclosing financial data or

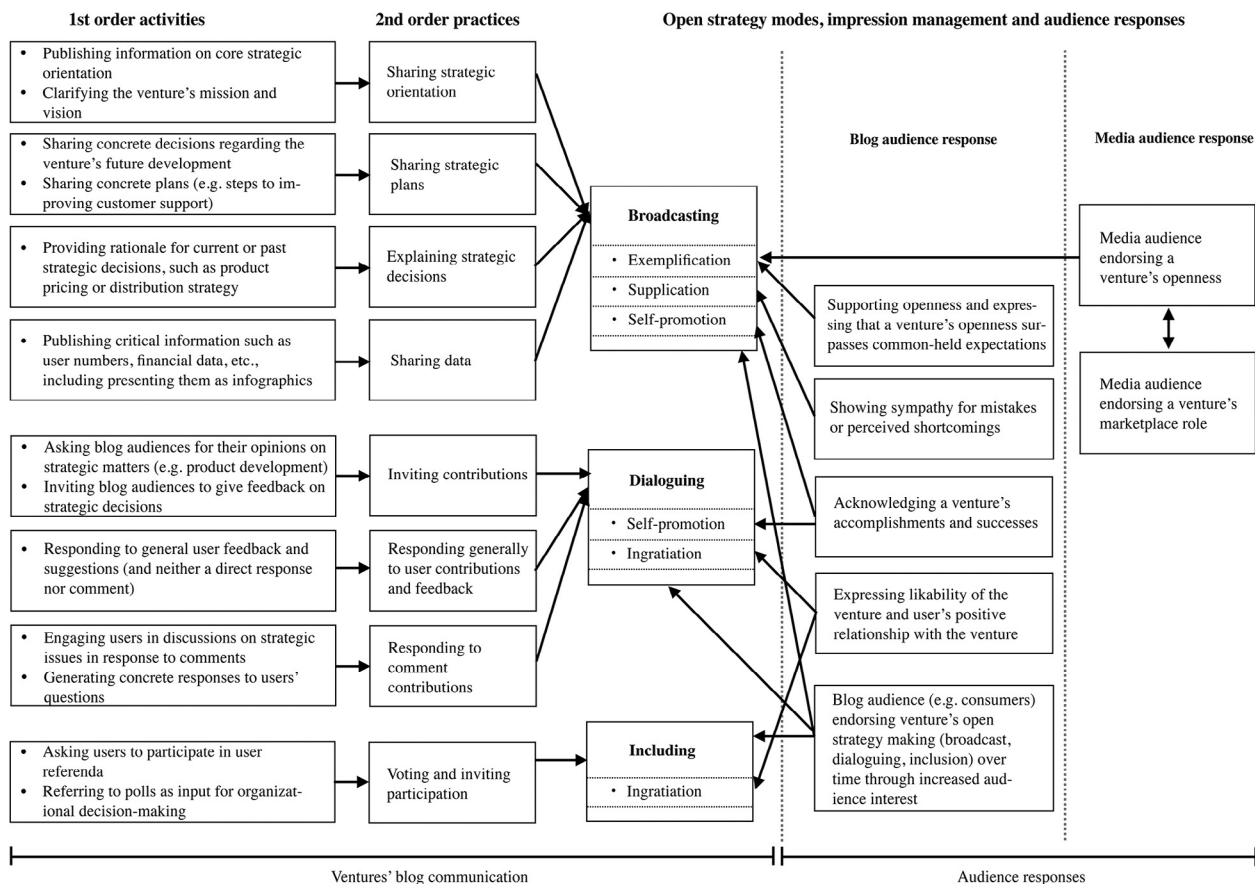


Figure 1. Data structure

user numbers) and “inviting contributions” (soliciting user feedback or opinions). Altogether, we identified eight open strategy-making practices (see Figure 1). After revisiting the open strategy literature (Dobusch and Müller-Seitz, 2012; Whittington et al., 2011, 2016), we clustered these practices in three open strategy-making modes: (a) broadcasting (revealing relevant strategic information to external audiences), (b) dialoguing (revealing strategic information while simultaneously soliciting opinions and engaging external audiences in an open conversation), and (c) including (external audiences' participation in decision-making through democratic mechanisms).

Third, synthesizing open strategy with impression management requires an assessment of how various open strategy-making modes relate to impression management strategies. Building upon our initial analysis, we turned to the impression management literature, which documents a variety of impression management strategies (for reviews, see Bolino et al., 2008; Elsbach, 2003; Mohamed et al., 1999). Drawing on a more recent empirical study identifying most commonly-used proactive impression management strategies (Parhankangas and Ehrlich, 2014), we focus on the roles of ingratiation, exemplification, self-promotion, and supplication in the context of open strategy-making:

- *Exemplification* refers to organizations seeking to appear dedicated or superior by engaging in better moral and social actions than their audience might expect. Exemplification signals to external stakeholders that organizational action is value-driven (e.g., altruistic giving back to the community) and transcends profit motives or regulatory pressures (Bolino et al., 2008; van Beurden and Gössling, 2008).
- *Ingratiation* applies flattery, conforming to opinion, or rendering oneself likeable by seeking to build collaborative relationships with external stakeholders (Baron and Markman, 2000; Stern and Westphal, 2010).
- *Self-promotion* presents the organization as competent, either through positive language when talking about the organization and its accomplishments, or by highlighting the innovation of products or services (Bolino et al., 2008; Mohamed et al., 1999).
- *Supplication* creates “an impression of neediness and vulnerability by describing its weaknesses and broadcasting its limitations” (Parhankangas and Ehrlich, 2014, 550). This strategy aims to elicit sympathy and obtain help from external stakeholders (Bolino et al., 2008).

Equipped with these concepts, we re-assessed the already-identified open strategy modes and linked respective statements to one or more of the four impression management strategies. We then sought to understand whether the respective statements had the desired effect on the blog audiences. For instance, once we had linked broadcasting with exemplification, we examined whether the blog audience expressed that revealing relevant information surpasses their expectations and inclined them to support this social action. Note that our data indicates both ventures are aware that openness is a strategic instrument for shaping audience perceptions, which inspired us to link open strategy modes with impression management strategies. This awareness does not, however, imply that the respectively-created “impression” was necessarily intended. Moreover, instances of open strategy-making may occur for other reasons than impression management. Since our data set do not allow us to track the blog post authors’ underlying intentions for each blog post written, we can only account for impressions achieved and not whether those are congruent with an author’s intentions. Nevertheless, the achieved impressions are sufficient for assessing the impression management dimension of open strategy-making practices (Schlenker, 1980).

Fourth, we drew on recommendations from process research scholars for leveraging our longitudinal data (Garud and Gehman, 2016; Langley, 1999; Langley et al., 2013). Since we study an empirically evolving phenomenon, we engage in “theorizing that explicitly incorporates temporal progressions of activities as elements of explanation and understanding” (Langley et al., 2013, 1). After we identified and linked the open strategy modes with impression management strategies, we examined how the open strategy modes changed over the four-year period. In our data, we observed a marked change between the dominant open strategy modes both ventures used in the initial two years and the subsequent two years. We applied a temporal bracketing strategy because of a certain continuity in open strategy-making within each phase and discontinuities between the two phases (Langley, 1999). Informed by recent work on how new organizations seek to gain legitimacy over time (Fisher et al., 2016), we called the first phase the ‘*launch phase*’ and the second phase the ‘*growth phase*.’

Fifth, we analyzed blog commenters and media as ‘evaluating audiences’ conferring social judgment (Bitektine, 2011). Inspired by recent research on gaining legitimacy through social media (Castelló et al., 2016), we use the number of blog comments as a proxy measure for blog readers’ interest and reception over time. Agarwal and Liu (2008a) argue that a “large number of comments [...] indicates that the post affects many such that they care to write comments” (Agarwal and Liu, 2008a, 26). The benchmark for a particularly successful blog post is 75–112 comments, successful bloggers receive on average 11–12 comments (Agarwal et al., 2008b). A high number of comments also points to a large audience consuming a blog post (Nielsen, 2006; Sun et al., 2014; van Mierlo, 2014). We first calculated each case’s annual average comment count per open-strategy-relevant blog post (i.e., a post coded with an open strategy mode; henceforth called “open strategy blog posts”). Then we compared the comment averages of open strategy blog posts with the annual comment averages of other blog posts.

For another measure of audience response to the ventures’ open strategy-making, we coded the media articles from our cases for two types of endorsements: “*endorsing venture’s marketplace role*” and “*endorsing venture’s openness*.” While new organizations seek to establish their marketplace role, media reports aid potential consumers and investors in comprehending the organization and what products and services it offers (Bitektine, 2011; Zimmerman and Zeitz, 2002). We coded media articles with “endorsing venture’s marketplace role” if they contained information regarding the venture’s type (e.g., social media startup), (new) products (e.g., explaining new product features), or representatives (e.g., interviewing a founder). More importantly, we sought to understand the extent to which the media endorsed the venture’s openness approach as a socially desirable organizational practice (Bitektine, 2011; Deephouse and Suchman, 2008). If a media article, for instance, applauded the unexpected disclosure of a venture’s relevant information, we coded it with “endorsing a venture’s openness.” Note that an article could be assigned one or both of these codes. Subsequently, we examined how the media issued these two kinds of endorsements relative to one another over time.³

Findings

We begin our analysis by considering how ventures engage in open strategy-making and associated impression management. We identify three open strategy modes – broadcasting, dialoguing, and including – each of which generates different blog audience reactions reflecting specific sets of impression management effects. In what follows, we describe each open strategy mode, provide empirical examples, and present our interpretations of how various ways of interacting with and addressing the blog audience leave impressions on the latter. Note that Table 2 offers an overview and additional full quotations and examples of our subsequent analysis.⁴

³ One approach to examining audience endorsement is to code for positive, neutral, and negative audience reactions (e.g., Bansal and Clelland, 2004). However, we encountered hardly any negative reactions; there were no fundamental challenges to organizational conduct (Harmon et al., 2015). The literature indicates that for new organizations, an approach of simply counting articles may suffice (see Deephouse and Suchman, 2008, 53). We deploy a balanced approach drawing on a strategy of counting (e.g., blog readers’ comments) as well as more nuanced media data analysis (e.g., various kinds of endorsements).

⁴ For further information on the open strategy modes we prepared a table with the open strategy modes, associated open strategy practices and exemplary quotations. This complementary data is available online as supplementary material or upon request from the authors.

Table 2
Open strategy modes, associated venture statements, blog audience reactions, and impression management

OS mode	Statement venture	Blog audience reaction	Impression management
Broadcasting	<p>“When thinking about starting [...] we were desperate for in-depth figures of real-life start-ups that had been there before [...]. We craved such figures. But we didn't find them. Well: let's change that. Let's publish those facts and figures ourselves [...]. No matter what, we do believe in openly sharing experiences [...] [e]ven if this information is probably the most [sensitive] to divulge” (MDB#3 Mite Blog, 2010).</p> <p>“I've always wanted to demystify equity. Although the concept is deeply ingrained in startup culture, it's often a cloudy topic. [...] We issue [Buffer shares] to team members through our 'Open Equity,' a simple formula to calculate equity [...]. Here's how it works” (BDB#16 Buffer Open Blog, 2014).</p>	<p>“Wow! One is not used to so much voluntary openness from companies in German-speaking countries! That is awesome, and congratulations: Not only is the product successful, but your firm's culture/transparency is also very pleasing” (MDB#3 Mite Blog, 2010, translated from German).</p> <p>“Joel [a co-founder], it's amazing how transparent you guys are. This makes sense and it gives me goosebumps how open you guys are” (BDB#16 Buffer Open Blog, 2014).</p>	Exemplification
	<p>“The product development is currently going very slowly due to time crunches, but we want to change that [...] The app is very important for us. In 2008 we will have more time – more on that when the time comes and we can give you a definitive outlook on our further progress :)” (MDB#7 Mite Blog, 2007, translated from German).</p> <p>“Looking back to January and 100,000 customers, here are some of the key insights: 21% of emails sent to Buffer received a reply within the first hour. More than 50% waited more than 6 hours to hear back from us. 23% of Buffer users had to wait more than a day! Ouch” (BDB#7 Buffer Main Blog, 2012).</p>	<p>“Our deepest gratitude to you. At the same time, we have a bad conscience not to have donated more – we will make up for that at Christmas. For a four-person agency like us, your tool is so helpful for budgeting our time [...]” (MDB#7 Mite Blog, 2007, translated from German).</p> <p>“[Here is a link to an article for the co-founder Leo]—it's about how some companies respond to their customers within minutes, but with emails which say basically nothing! So even if people have to wait slightly longer, I think you'll be fine as long as the response is satisfying :)” (BDB#7 Buffer Main Blog, 2012).</p>	
	<p>“We are convinced that Mite is a great time-tracking tool [...] Up to 10,000 people tried Mite out, mostly via word-of-mouth referrals. Almost 2,000 people use the tool actively today. We cannot continue improving this tool as a hobby [...], not if we want to reach the perfection to which we aspire [...], providing a solution that people talk about, that sparks your enthusiasm, that offers a satisfying feeling for us [...]. Consequently, we quit our jobs and founded Yolk!” (MDB#4 Mite Blog, 2008, translated from German).</p> <p>“Of course the Buffer blog also sent a huge amount of traffic to Buffer's site [...]. Since the pivot in June, 48,975 visits turning into ~6000 new sign-ups for the site. Compare this to the same time period [the year] before (January–May): 35,432 visits turning into ~4,200 sign-ups” (BDB#17 Buffer Main Blog, 2012).</p>	<p>“It is amazing that you were able to create a company with your idea – I am still a big fan of your tool! I will continue to recommend it when you start charging for the tool. And I am eager to pay for it – but it is really great that you think about your test users and let them decide whether they want to pay [...]. Continue the great work and I wish you lots of success!” (MDB#4, Mite Blog, 2008, translated from German).</p> <p>“Precisely why I unprovokedly deemed you as the best content marketing blog I've come across” (BDB#17 Buffer Main Blog, 2012).</p>	Self-promotion
Dialoguing	<p>“You made yourself clear: ‘thumbs up for the features, thumbs down for the look and feel. Especially with longer names, the new selections became less clear’ [...] We heard you. We got back to work, and just published an update of the update. Thanks again for your honest feedback” (MDB#13 Mite Blog, 2012).</p> <p>“As of today, you and all Buffer users together have just published 10,000,000 updates via Buffer [...]. Over to you now, since really, <i>this post is all about you</i> [emphasis in the original]. Is there anything you would like to see in Buffer in the future?” (BDB#9 Buffer Blog, 2012).</p>	<p>“It is really impressive how quickly you reacted to user suggestions. I was not happy with the first version either, but then you reacted super quickly. Also, the client search function is better now. Thank you so much for your great service” (MDB#13 Mite Blog, 2012, translated from German).</p> <p>“Congratulations and thank you. Cannot wait for integration with G+. One of the best products [from the] last [few] years” (BDB#9 Buffer Blog, 2012).</p>	Self-promotion
	<p>“To the developers in our audience: we are considering developing an open API through which the data of one's own account can be accessed. Are any of you interested? What features would you like to see in such an API in order to use it?” (MDB#6 Mite Blog, 2007, translated from German).</p> <p>“We also plan on connecting the Buffer button to an affiliate program so any blog with the button installed can earn a monthly commission if someone signs up through the Buffer Button. Do you think that would be attractive? Any thoughts you have on this [topic] are very welcome, please share them with us! ☺” (BDB#18 Buffer Main Blog, 2011).</p>	<p>“An API for Mite would be AMAZING! I am working on a [...] project on online task management and was thinking about combining that with Mite. If you provide an interface, I will be one of your greatest supporters :) Keep up the great work :)” (MDB#6 Mite Blog, 2007, translated from German).</p> <p>“Oh, I love this idea! I'll wait for the WP plugin, but I love this idea. [...] Would love to help spread the use of Buffer and I think this helps.” Response from the co-founder: “Tim, awesome, so good to hear you are finding it exciting. Ok perfect, I will let you know once we have it ready! :)” (BDB#18 Buffer Main Blog, 2011).</p>	
Inclusion	<p>“Now over to you. You can and should participate in the priority of our task list for new improvements! One decision criterion: what systems do you use most often or which would you likely use in the near future. I will develop a mite.plugin for the 2–3 highest ranked ideas, ideally in the order that you suggested” (MDB#14 Mite Blog, 2009, translated from German).</p> <p>“An unbelievable 3,613 people voted [...] in our feedback forum for which feature we should build next. It has been holding the #1 spot as [the] most requested feature from our users for almost 2 years. We couldn't be any more excited to finally unveil it for everyone” (BDB#10 Buffer Main Blog, 2013).</p>	<p>“Hi [...], http://www.zendesk.com/ may not be an open source tool, but it is a great system and offers a useful API integration! We would be delighted!” (MDB#14 Mite Blog, 2009, translated from German).</p> <p>“You just got me to re-subscribe for the paid plan! Google+ pages are what I have been waiting for! I got the email at 6am this morning. Rolled out of bed, checked my phone, and was like, ‘Yes! Buffer has Google+ pages!’ I have been a customer [...] since you guys launched. Keep up the great work, now I can finally use this at work to make my life easier” (BDB#10 Buffer Main Blog, 2013).</p>	Ingratiation

Broadcasting

One function of blogs is similar to that of television or radio: a sender uses the medium as a one-way channel to transmit information to an audience. This imagery inspired us to use the term *broadcasting*, which we define as revealing and communicating relevant strategic information to external audiences. What kind of strategic information do ventures broadcast? Sharing general strategic orientations (e.g., both ventures emphasizing openness and transparency as core values directing organizational action), sharing strategic plans (e.g., Mite outlining their plans in a 2008 blog post (MDB#4 Mite Blog) to become more professional), explaining strategic decisions (e.g., both ventures emphasizing their user-centric approach and avoiding traditional methods such as sales teams or marketing campaigns), and sharing data (e.g., both ventures sharing financial numbers and user statistics).

As an illustration of how the blog audience appreciates strategic information broadcasts, consider Buffer's open salary announcement, which includes a detailed list of each employee's salary, and a formula explaining how Buffer calculates the salary:

"Sticking to radical transparency was probably both one of the most frightening and exciting things to do over the past months. It has meant [opening] up and mak[ing] ourselves extremely vulnerable [to] ideas, since they were easily accessible to everyone on the team. [...] Recently, we also made the decision to apply our ideas around transparency to compensation" (BDB#3 Buffer Open Blog, 2013).

A user reacted as follows:

"So much of business is based on the 'cloaks and daggers' [*sic*] model, which is often detrimental to customer experience, so it's great to see a real desire to move towards an open and collaborative model of business, and it's exciting to see the Buffer team take on the perceived risks of such action and create a strong product within that new paradigm" (BDB#3 Buffer Open Blog, 2013).

The underlying impression management mechanism in this case is *exemplification*, which means that revealing relevant strategic information conveys an image of dedication and (moral) superiority by surpassing commonly-held expectations. Both ventures fuel this impression by subtly stating that other ventures do not provide such information and mentioning their doubts about engaging in this action (e.g., Mite saying in a 2010 blog post that they want to make these numbers available, despite the sensitive character of this information; see Table 2). The audience response documents how each venture receives support for openness as a desirable value. In other instances, audiences also appreciated that both ventures gave back to the entrepreneurial community with this helpful information.

Broadcasting further lends itself to soliciting sympathy for mistakes and perceived shortcomings (i.e., *supplication*). Consider Mite's statement in a blog post that the application's system downtimes did not meet Mite's high aspirations:

"From January 1st 2010 until today, Mite was unexpectedly down for a total of 295 minutes. [...] if we included scheduled maintenance, Mite was up for 99.89% of the time [...]. The distance from 100.00% is not big, but not satisfying. [...] We'll keep on improving every little detail to maximize uptime [...]. Please, trust us: we will get better" (MDB#5 Mite Blog, 2010, translated from German).

A blog user expressed understanding for this gap between their actual and desired uptime: "This happens to the best of us [...] I think everyone has downtimes [...]. I really like that you explain why the downtimes occurred. Thank you" (MDB#5 Mite Blog, 2010, translated from German). The response is an expression of sympathy, implying that Mite's broadcasting creates an image of supplication.

Additionally, broadcasting can be used for *self-promotion* by publishing data (e.g., financial data, user statistics) painting a picture of competence and accomplishment. An example is Buffer reporting on exceeding its goals in customer management response times on the Open Blog in February 2014. Buffer's goal was to answer 55% of customer inquiries within one hour, but they actually reached 64%. The responsible employee highlighted that they were "exceeding our goals due to **very** [original emphasis] hard work from the [customer support] heroes" (BDB#6 Buffer Open Blog, 2014). A user intrigued by their accomplishments and the challenges Buffer faces in customer services commented: "Great information! It's cool to see you problem solving and the day to day obstacles to overcome and how exactly you do so" (BDB#6 Buffer Open Blog, 2014). This statements reflects praise for Buffer's accomplishments and competence, hence broadcasting relevant information is an instrument for self-promotion.

Dialoguing

We define *dialoguing* as organizations revealing strategic information but simultaneously soliciting opinions and engaging external audiences in an open conversation. In the blog context, a venture's dialoguing efforts include inviting contributions by asking the blog audience questions at the end of the blog post (e.g., What do you think about it?), giving general feedback to user's questions (e.g., making a statement that simultaneously addresses a number of user inquiries or suggestions), or responding to specific user comments (e.g., expressing gratitude for a user comment and then [more or less specifically] answering the user's question). Similarly to broadcasting, dialoguing is an instrument for *self-promotion*. Consider Mite's statement providing a general response to how the venture manages user suggestions:

“There are approximately 1,600 email conversations with users in my mailbox from the last nine months [...]. You offer a new feature or suggestion for improvement – and many times you read our answers saying, ‘we like the idea but you need to be patient’ [...]. We cannot bring all ideas to fruition and make everyone happy. It is our responsibility to manifest Mite’s vision of creating a simple, intelligent, and intuitively usable tool” (MDB#7 Mite Blog, 2007, translated from German).

The user reactions to this blog post were positive, as exemplified by the following user comment:

“Where would I be without Mite? [...] I use Mite from morning to evening... I want to say a big ‘thank you’ for your amazing work and commitment! (And this is a really informative blog post!) Best wishes” (MDB#7 Mite Blog, 2007, translated from German).

Clearly, the user appreciates Mite’s accomplishments and professional approach to developing products, thereby confirming the image of a competent organization.

Additionally, dialoguing can be used for *ingratiation*, which relies on flattery and rendering the organization likeable by seeking to build collaborative relationship with the audience. The organization displays that it values users’ expertise and treats them as equals. Take Buffer’s announcement that it developed a provisional solution for mobile use until they could develop a full mobile version. At the end of the post, the co-founder asked users for their opinions: “What do you think about it? Let us know your thoughts below” (BDB#8 Buffer Blog, 2011). A user responded: “This is AWESOME – just the feature I was looking for. Really impressed guys. Thanks a lot for the responsiveness. And kudos again for the awesome app” (BDB#8 Buffer Blog, 2011). We interpret the response as indicating that the user appreciates how Buffer is responding to users’ needs and treating users on equal footing as well as seeking to build a relationship with them. Moreover, the user comment illustrates that Buffer is able to present itself as likeable to its blog audience through dialoguing.

Including

We define *including* as involving external audiences in organizational decision-making. In contrast to dialoguing, including has a higher degree of accountability. In the case of Mite, including practices are basically user referenda: Mite asks specific questions; users vote; Mite reports the results; and implements the decisions, such as a priority list for future features. Responding to a 2007 user referendum on the Mite Blog, a user wrote, “I find all three features important; I hope you institute one after another. Thank you!” (MDB#8 Mite Blog, 2007, translated from German). The response shows that the user appreciates being asked for feedback, and has a positive opinion of Mite.

To involve the blog audience, Buffer referred to polls on its blog as providing input for decision-making, as the following statement illustrates:

“An unbelievable 3,613 people voted [...] in our feedback forum for which feature we should build next. It has been holding the #1 spot as [the] most requested feature from our users for almost 2 years. We couldn’t be any more excited to finally unveil it for everyone” (BDB#10 Buffer Main Blog, 2013).

A user valued that Buffer listens to its users:

“Joel [a co-founder], and all the Buffer team, [t]hanks for doing this [new Google+ pages feature]. As one of the whiners for this, I’m pleased to no end that you listen. [In the meantime,] as many have stated here before me, I love you and Buffer” (BDB#10 Buffer Main Blog, 2013).

This user sees Buffer in a favorable light, enjoys being listened to, and her statement reflects a positive (emotional) relationship with the venture. Both cases illustrates that including users in decision-making, and listening to them, is – like dialoguing – an *ingratiation* instrument.

Open strategy-making and audiences’ responses over time

Since we are interested in how new ventures use open strategy-making as impression management over time, we proceed with a comparative analysis of each venture’s temporal blog communication patterns. Having qualitatively identified various open strategy-making modes and linked them to corresponding impression management effects in the previous section, we can now turn to a more quantitative assessment of these patterns. We begin with tracking the open strategy mode patterns over time, thereby analyzing the evolution in the relative importance of each mode (i.e. how often does each company use a mode such as broadcasting relative to the total amount of all modes used). Figure 2 shows the relative importance of open strategy modes for each case over our four-year observation period:

The cases share similar trends in open strategy modes over time, albeit to varying degrees. In the first two years, a phase we call the “*launch phase* (t_1),” both ventures pursue a dialoguing-led open strategy approach, seeking to engage users mainly around their product development strategy (e.g., soliciting opinions regarding overall product development, marketing, features, and technical aspects). We observe a steady decrease in dialoguing after year two: both Mite and Buffer switch to increasingly broadcasting-led open strategy-making approaches. Capturing this change in open strategy-making in the following two years, we name this phase the “*growth phase* (t_2).” Our explanation of this shift is that as each venture’s product

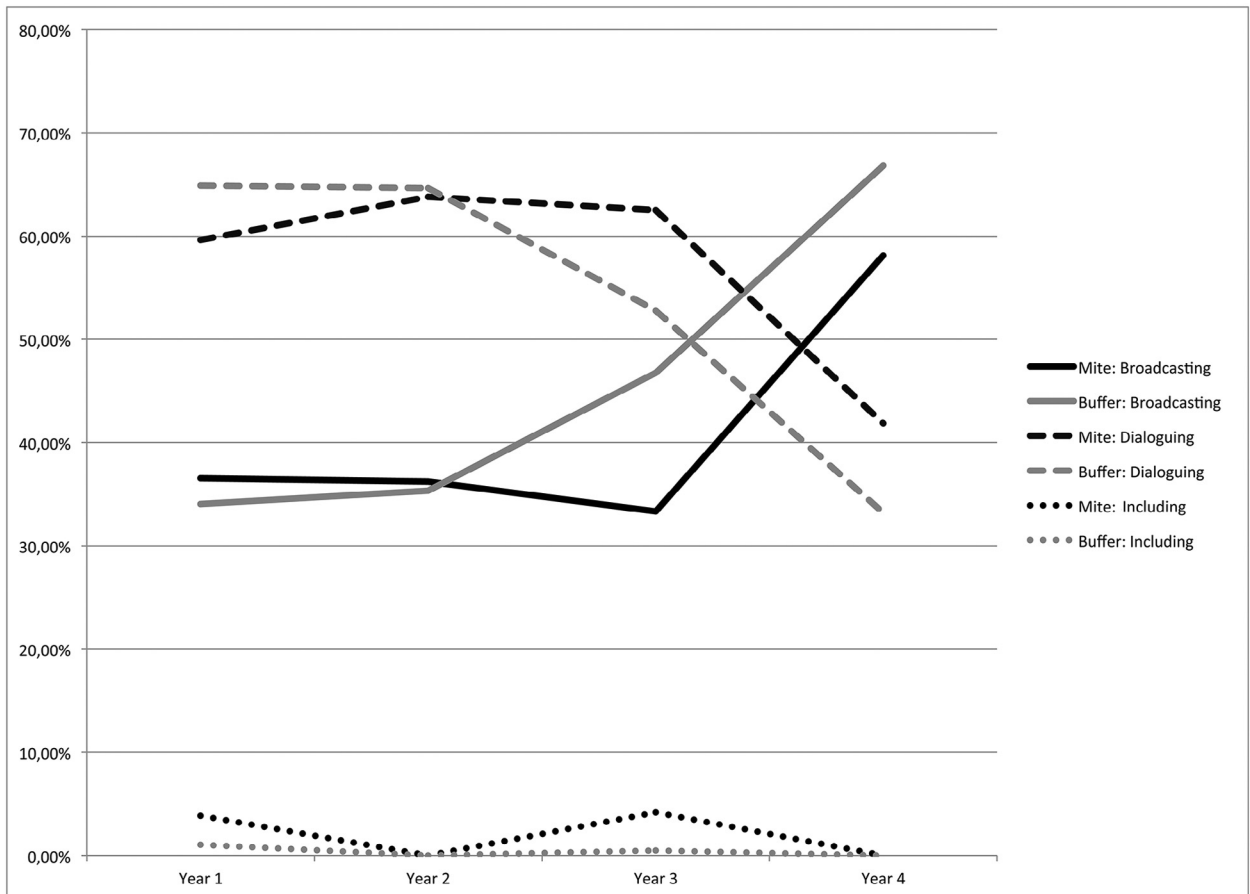


Figure 2. Relative importance of open strategy modes over time

becomes more developed, the need for feedback declines. Consequently, there are fewer opportunities to engage in conversation with external audiences and to gain audience support through dialoguing. Since dialoguing ties up considerable organizational resources (e.g. spending time on responding to users' questions), it may also be more difficult to maintain this practice as the company grows. As both ventures gained footing in the marketplace, broadcasting relevant information gained traction and sustained each venture's openness approach. At Buffer, broadcasting steadily increased and generally played a more important role than at Mite. Buffer's increasing broadcasting practices may also reflect efforts to routinize openness (e.g., regularly providing customer happiness reports).

Figure 2 also reveals that both ventures generally shy away from including, although Mite takes a more inclusive approach than Buffer. During the observation period, Mite launched several user referenda that gave the community a say in Mite's product development priorities. However, given that including occurs infrequently in interactions with external stakeholders, and that it follows a pattern unrelated to the aforementioned phases, we exclude it from the subsequent analysis.

How does the blog audience react to open strategy-making over time? Since we established the link between open strategy-making and impression management, the changing focus in open strategy modes goes hand-in-hand with a change in the associated impression management strategies. Moreover, our data indicates that the audience response to a specific open strategy mode and associated impression management strategy does not change over time in our observation period. In a 2011 blog post, for instance, Buffer shared relevant information on how it was able to acquire paying customers, thereby starting its series "Building Buffer." A user responds that "I absolutely love Buffer, your company culture + values + transparency [...]. It's also great how much [you are both] giving back to the worldwide community" (BDB#11 Buffer Blog, 2011). In 2014, Buffer revealed its public revenue dashboard on its Open Blog to make it "completely open [for external audiences] to look around, to view reports, and to see how we're doing minute-by-minute and day-by-day" (BDB#12 Buffer Open Blog, 2014). One user reaction was: "Talk about a whole new level of transparency. It's great how committed you guys are to sticking to your values!" (BDB#12 Buffer Open Blog, 2014). In 2011 and 2014, the blog audience responded to sharing relevant information as a form of exemplification, which signals that the displayed transparency exceeds their expectations, and that they support openness as a desirable organizational practice.

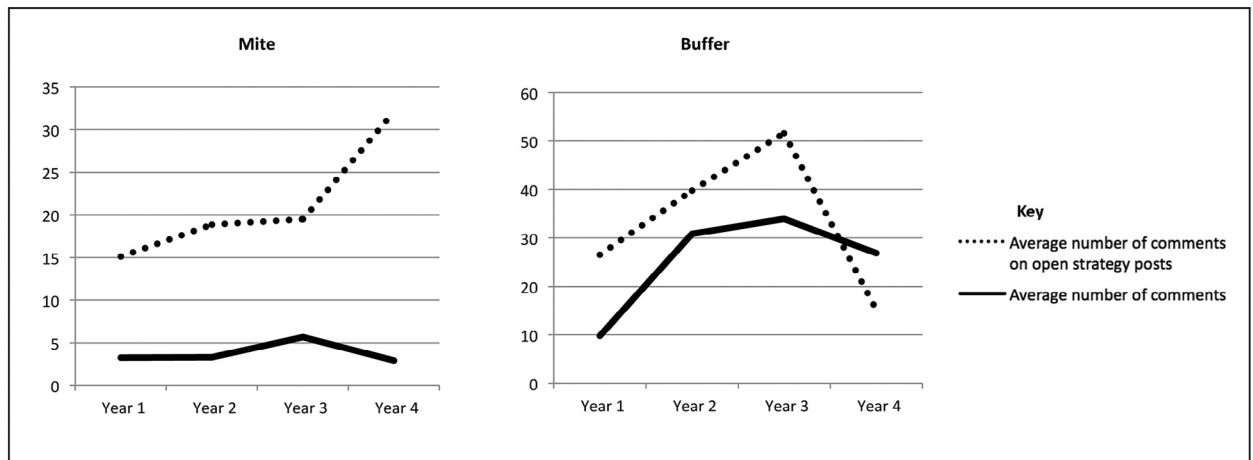


Figure 3. Open strategy blog post performance in terms of average comments compared to other blog posts

As both ventures grew, and with the shifting focus from dialoguing to broadcasting, the blog audience rewarded both firms with increased audience interest in open strategy-making. Figure 3 shows how open strategy blog posts perform over time compared to other blog posts, as measured by average number of comments. In both cases, open strategy blog posts yield higher audience interest and always exceed the average reference value of 11–12 comments (Agarwal et al., 2008b). For Mite, we observe a continuous growth in the number of comments on open strategy blog posts; Buffer generally echoes this trend, except for year 4.

To further explore how audiences respond to ventures' open strategy-making, we investigate the media's views on each venture. The business press outlets mainly attend to the venture and its product during the launch phase. For instance, one outlet reported on Mite's design changes ("The time tracking tool mite (mite.yo.lk) got a better design," MDB#9 deutsche-startups.de, 2008, translated from German). Similarly, Buffer received endorsements for their venture and product: "It's not often that I write about specific companies, but social sharing app Buffer relaunches its service today and I'm a big fan" (BDB#13 Forbes, 2012). Media reports endorsing each venture's role in the marketplace were probably not direct responses to the respective firm's blog communication. Nevertheless, we suppose that active blogging provides easily accessible content for media outlets, given how many media articles contain links to the firms' blog posts. However, a few articles from the launch phase explicitly praise broadcasting of relevant information and issue endorsements for the ventures' openness approaches. For instance, an article drawing on a Mite blog post reporting on how the company performed over the previous nine months (including data on user registration, activity levels, etc.), concluded that this "high degree of transparency dwarfs any efforts from other start-ups" (MDB#10 basicthinking.de, 2007, translated from German).

During the growth phase, media outlets increasingly praised the bold move of being particularly open, thereby lending additional support to each venture. This praise implies that the media echoes the greater magnitude of broadcasting, and hence the associated exemplification effect. Take the following statement as an example:

"Mite is not only one of the best-designed German apps, but observing its development is also exciting. For one, Mite regularly develops new features that it communicates through their blog [...]. In a recently-published blog post, Mite did something even more unusual for German startups: [...] it published detailed user statistics [...] to provide useful information for other entrepreneurs" (MDB#11 Foerderland.de, 2010, translated from German).

Another media outlet adds that publishing financial numbers is obligatory for publicly-traded companies, yet a "rare exception" in the startup field (MDB#12 t3n.de, 2010, translated from German). Buffer's media reports carry a similar message:

"As a social-media focused startup in San Francisco that has raised a few hundred thousand dollars, you might think that Buffer would be Just Another Startup. Instead of being something to forget, however, Buffer is one of the most interesting young companies in technology today. Unlike other companies of its age that closely guard their financial and product-focused metrics, Buffer is open, sharing its vital signs with the world, almost radically so" (BDB#14 Techcrunch, 2014).

Other media outlets echo such praise of openness: "For a few years, Buffer has been known for making social media management tools [...]. Today Buffer might be better known for how much it reveals about its own salaries, revenues, and key metrics" (BDB#15 inc, 2014). Interestingly, most reports on the venture's openness also include an endorsement for the venture's role in the marketplace by at least briefly explaining what kind of venture it is and what it does.

Figure 4 shows the development of various kinds of media endorsements (support for the venture and product versus support for ventures' openness) over time.

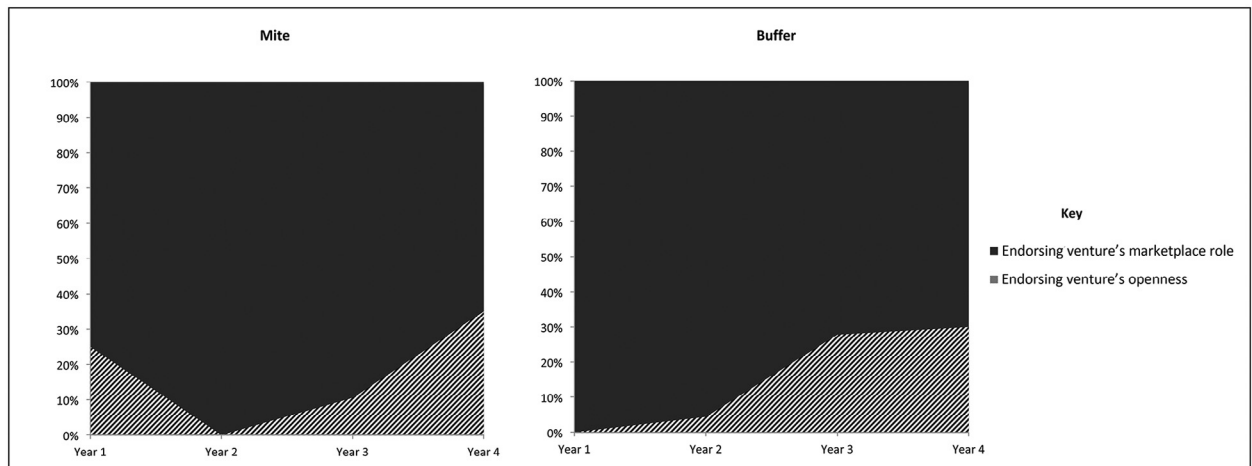


Figure 4. Comparative analysis of media endorsement

This analysis supports our interpretation that the media responds to the emphasis on broadcasting in the growth phase. The reports reflect a particularly ample reaction to exemplification. As a result, each venture receives considerable endorsement for openness as a desirable organizational practice.

Discussion

While previous studies have already established that transparently communicating strategy can be an impression management instrument (Whittington et al., 2016; Yakis-Douglas et al., 2016), we show that *all* three open strategy modes (broadcasting, dialoguing, and including) shape external audiences' perceptions. This finding is consistent with foundational impression management literature, which suggests that how an actor interacts with external audiences influences how these audiences perceive that actor (Goffman, 1956). However, the impression management literature has so far paid little attention to open and proactive impression management strategies. Assessing impression management effects associated with each of the identified open strategy modes thus illuminates how an organization can leverage a specific set of impression management strategies in new, presumably more effective ways.

In both cases, *broadcasting* relevant strategic information serves as a self-enhancement instrument (Martens et al., 2007; Whittington and Yakis-Douglas, 2012; Whittington et al., 2016). Openness unleashes associated impression management strategies' untapped potential, namely: exemplification, supplication, and self-promotion. The high degree of information disclosure permitted both ventures to exceed generally-held expectations, thereby benefitting from the exemplification effect. Media observers praised this unexpected openness, and other entrepreneurs explicitly appreciated the opportunity to learn from both ventures' experiences. Consistent with the literature on open innovation in open source contexts, we suggest that revealing relevant information establishes organizations as 'good,' or exemplary, players in their environments (Dahlander and Magnusson, 2008; Henkel, 2006; Henkel et al., 2014). In addition, both ventures transparently communicated their (perceived) shortcomings. We propose that transparency is a fertile ground for supplication, and facilitates organizational attempts to gain sympathy and mobilize support from external audiences. Similarly, organizational promotion through broadcasting promising metrics (e.g., user statistics and revenues), helps render an organization as competent, and results in audiences' praise for its accomplishments.

While broadcasting enables organizations to appear to be competent, likeable, good players, *dialoguing* portrays organizations also as team players. Through valuing external audience opinion and engaging in open conversation, both ventures additionally leverage the potential of ingratiation. Seeking advice, as Stern and Westphal (2010) state, is a subtle and indirect form of flattery. In the context of corporations seeking legitimacy in the sustainable development field, Scherer et al. (2013) point to open dialogue with key stakeholders as one instrument of gaining social acceptance (see also Schmitt, 2010). Dahlander and Piezunka (2014) argue that organizations soliciting suggestions from external contributors establish an equitable dialogue and empower external contributors. In our view, this empowerment and shifting of the audience from mere consumer to partner-like status is a form of ingratiation. Even if not all ideas are implemented, an organizations' solicitation of consumers' input may give consumers favorable perceptions of the firm (Bauer and Gegenhuber, 2015).

The most elaborate form of appearing to be a team player is *including*. Including bears resemblance to democratic governance mechanisms that open source communities use (O'Mahony and Ferraro, 2007), and signals a higher degree of seriousness than merely asking audiences for their opinions. While including plays a minor role in our study, we

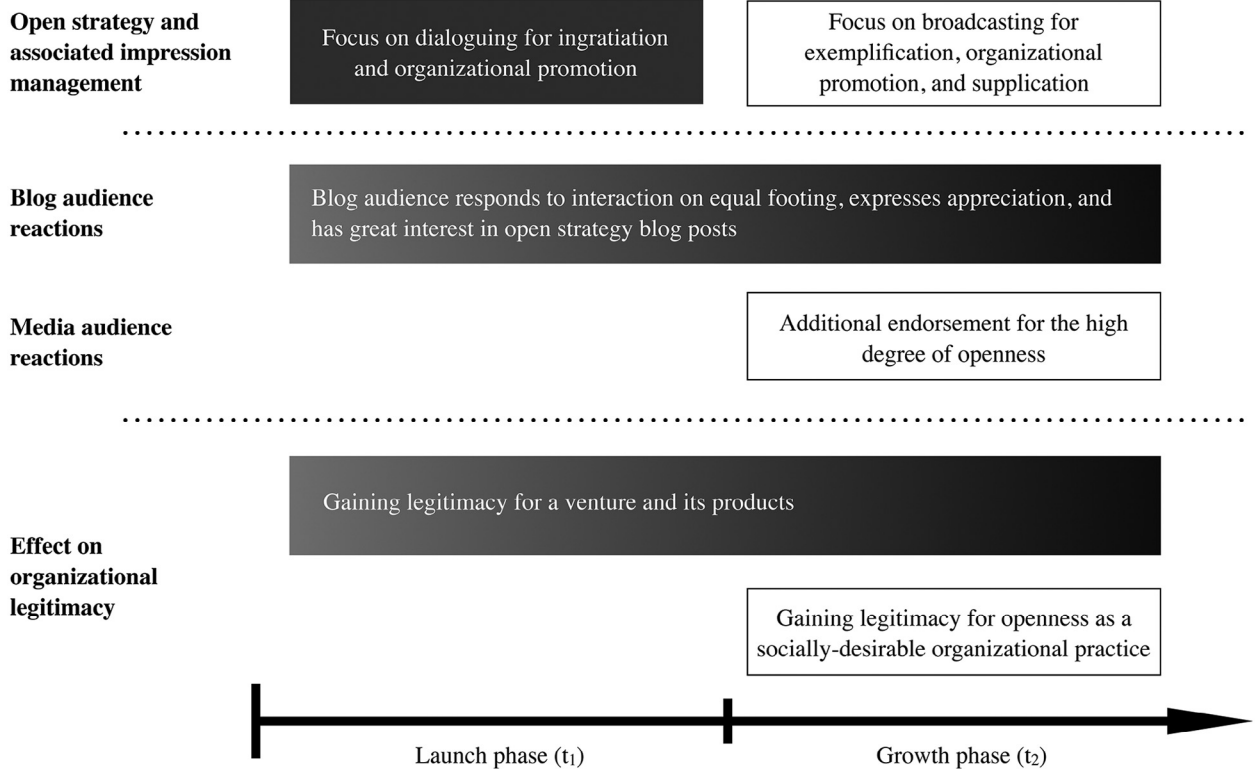


Figure 5. Open strategy-making as impression management over time

hypothesize that asking users to participate in organizational decision-making is a more intensive ingratiation instrument than dialoguing.

With our analysis so far, we have demonstrated how distinct modes of open strategy-making productively interlink with impression management effects. Adding such a systematic study of how openness can be used as impression management then enables us to tackle the temporal dimension of this practice: how does openness in strategy-making help increase legitimacy as a new venture develops over time?

Responding to calls in the literature to illuminate the dynamics of new organizations' impression management strategies seeking to mitigate liability of newness (Fischer and Reuber, 2014; Fisher et al., 2016; van Werven et al., 2015), we present a model of how open strategy-making and associated impression management strategies aid in a new organization's quest for legitimacy over time (as shown in Figure 5). Specifically, we observe the period from launch through growth stage, allowing our findings to provide evidence that open strategy-making can be a sustained and continuously applied practice over longer periods of time.

In the launch phase, both ventures emphasize dialoguing with external audiences as an instrument for ingratiation and organizational promotion. Dialoguing focused on the blog audience. Effectively, the blog audiences lent support to each venture. In our cases, open strategy blog posts generally attracted more audience interest than other blog posts. Further, the blog audience expressed appreciation for the venture and responded to being addressed on equal footing when offering advice (e.g., proposing new features). Expressing appreciation for a venture and its products is an endorsement, as is the act of offering advice – in the eyes of the blog audience, the venture and its offerings are worthy of contribution. The media audience devoted its attention to reporting on the ventures and their products, occasionally also issuing openness endorsements.

Considering these observations, we posit that concentrating on dialoguing enables new ventures to gain useful suggestions from their audiences (open strategy benefit from access to more diverse sources of information) and enjoy a favorable audience perception in the launch phase (impression management benefits of openness in strategy-making). Audience endorsement in the launch phase assists ventures in gaining legitimacy for the venture and its products, which is crucial to overcoming liability of newness (Navis and Glynn, 2011; Suchman, 1995; Überbacher, 2014; Zimmerman and Zeitz, 2002).

Upon reaching the growth phase, both ventures, their products, and services were apparently more mature. The decrease in dialoguing may have occurred due to more elaborate products and decreased need to solicit user opinions for improving them. Further, dialoguing consumes considerable organizational attention (Ocasio, 2011; Piezunka and Dahlander, 2015),

which may explain why both ventures redirected their attention to other efforts at that point. In any case, our data exhibits how both ventures increasingly turned to broadcasting as an instrument for exemplification, supplication, and organizational promotion. The blogs' audiences continued to endorse each venture as reflected in high audience interest for strategy-related blog posts compared to other types of blog posts. While a major part of the relevant media reports remained dedicated to the firms and their products, each venture gained additional endorsement for broadcasting relevant strategic information. The media supported the high degree of openness and praised the unexpected move to release relevant information, representing a particularly strong response to exemplification.

Based on these results, we argue that shifting the focus to broadcasting in strategy-making enables new ventures to gain additional legitimacy for openness as a socially desirable organizational practice. Broadcasting relevant information allows ventures to position themselves as good players in the marketplace and gain a favorable social judgment regarding desirability and appropriateness of their openness practices. In this way, open strategy further aids in overcoming the liability of newness, since broadening a venture's base of endorsements is key to survival (Fisher et al., 2016; Zimmerman and Zeitz, 2002).

Conclusion

This study advances our understanding of open strategy-making as impression management in two ways. First, we show how open strategy-making through broadcasting, dialoguing, and including enables organizations to tap into a repertoire of proactive impression management strategies (exemplification, ingratiation, organizational promotion, and supplication) in novel ways. Second, we demonstrate that a new venture's ability to change its emphasis on open strategy-making as it evolves aids in overcoming liability of newness. Dialoguing in the launch stage helps gain external endorsements for a new venture and its products. As the venture enters the growth stage, broadcasting relevant strategic information attracts additional support from external audiences for pursuing openness as a socially desirable organizational practice.

Since our contributions rely on a comparative case study of two ventures, we face several boundary conditions. First, both ventures (a) have direct access to their customers and stakeholders, and (b) can control most steps of their value chains. Openness may be more difficult to enforce if it relies on coordinating multiple actors. Second, embracing openness early on may be a more attractive impression management strategy for new ventures than for large, established corporations facing organizational inertia, if not strategic disadvantages (Keinz et al., 2012; Lakhani et al., 2013; Lifshitz-Assaf, 2014). Third, since both ventures seem to be among the first to pursue a high degree of openness in their respective fields, a reasonable concern is that more new ventures adopting openness will yield decreasing returns from an impression management perspective.

In addition to these boundary conditions, the usual limitations of a case study approach apply. Particularly, our findings may suffer from a success bias. In both cases, openness succeeded without, to our knowledge, carrying negative effects that could offset these benefits. Furthermore, our case selection and data sources prevent a comparison with new ventures favoring secrecy in their business practices.

At the same time, our findings and limitations point to avenues for future research. Establishing an open organizational appearance is seemingly predicated on two conditions. First, the information ventures provide to external audiences needs to be relevant, reliable, and understandable (Schnackenberg and Tomlinson, 2014; Tapscott and Ticoll, 2003). Second, dialoguing with or including external audiences eventually leads to corresponding organizational action. Certainly, organizations cannot attend to all external input (Ocasio, 2011; Piezunka and Dahlander, 2015), yet we need to better understand what kind of action is necessary to appear legitimately open to external audiences, or after audiences denounce openness as a 'participation illusion.'

Moreover, the rich and complex (internal) organizational dynamics related to greater openness remain largely in the dark. It is unlikely that an organization opens up to external audiences about all areas of organizational life. Rather, organizations determine what information they make available to external audiences, and how to interact with them. A direction for future research could, therefore, be to investigate the interplay between openness and 'closedness' in various organizational domains.

In our study, the two ventures acquired legitimacy from their environments by engaging in open strategy-making, possibly operating at the forefront of an open start-up movement. Analyzing the two cases together implies that openness changes the strategy in a given field and perhaps even contemporary management more generally. We look forward to the research that sheds light on such a potential evolution in and across fields or industries.

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Appendix. Empirical sources**Mite**

MDB#1 Munz and Sorgel, 2007	http://slade.de/diplomarbeit-soergel-munz.pdf
MDB#2 MiteManifesto, 2014	http://mite.yo.lk/en/manifesto.html
MDB#3 Mite Blog, 2010	http://blog.yo.lk/en/2010/03/08/facts-and-figures-the-first-20-months-of-our-small-saas-start-up-going-for-premium-only-instead-of-freemium
MDB#4 Mite Blog, 2008	http://blog.yo.lk/2008/06/03/yolk
MDB#5 Mite Blog, 2010	http://blog.yo.lk/2010/10/22/en-detail-die-stoerungen-der-letzten-tage
MDB#6 Mite Blog, 2007	http://blog.yo.lk/2007/06/17/wir-haben-fragen
MDB#7 Mite Blog, 2007	http://blog.yo.lk/2007/09/18/neun-monate-mite-ein-kleines-resume
MDB#8 Mite Blog, 2007	http://blog.yo.lk/2007/01/02/poll-01-welches-feature-fehlt-mite
MDB#9 deutsche-startups.de, 2008	http://www.deutsche-startups.de/2008/07/17/kurzmitteilungen-mite-wuala-unimall-my-hammerde-digitalmarketplacstv-quizwinners/
MDB#10 basicthinking.de, 2007	https://www.basicthinking.de/blog/2008/07/16/mite-zeiterfassung-online-fuer-freiberufler-und-kleinunternehmer/
MDB#11 Foerderland.de, 2010	http://www.foerderland.de/digitale-wirtschaft/netzwertig/news/artikel/transparenz-mite-oeffnet-seine-buecher/
MDB#12 t3n.de, 2010	http://t3n.de/news/t3n-linktipps-social-crm-mite-zahlen-dork-268611/
MDB#13 Mite Blog, 2012	http://blog.yo.lk/2012/11/12/auswahlmenues-a-la-mite
MDB#14 Mite Blog, 2009	http://blog.yo.lk/2009/07/21/umfrage-open-source-ticketsysteme-mite-plugins

Buffer

BDB #1 Buffer Slideshare, 2013	slideshare.net/Bufferapp/buffer-culture-03
BDB#2 FastCompany, 2014	http://www.fastcompany.com/3024306/bottom-line/why-this-startup-made-their-salaries-radically-transparent
BDB#3 Buffer Open Blog, 2013	https://open.buffer.com/introducing-open-salaries-at-buffer-including-our-transparent-formula-and-all-individual-salaries/
BDB#4 Quartz, 2014	http://qz.com/169147/applications-have-doubled-to-the-company-that-discloses-its-salaries/
BDB#5 Inc, 2014	http://www.inc.com/jessica-stillman/3-ways-to-get-tons-of-users-fast.html
BDB#6 Buffer Open Blog, 2014	https://open.buffer.com/our-first-weekend-warrior-new-weekly-digest-and-more-february-happiness-at-buffer/
BDB#7 Buffer Main Blog, 2012	https://blog.bufferapp.com/measuring-buffer-happiness-october-2012
BDB#8 Buffer Blog, 2011	"Add to Buffer from your Mobile," posted Thursday, April 14th, 2011 (link not available)
BDB#9 Buffer Blog, 2012	https://blog.bufferapp.com/thanks-for-being-on-board-together-weve-buffered-10000000-updates
BDB#10 Buffer Main Blog, 2013	https://blog.bufferapp.com/introducing-buffer-for-google-plus-pages-scheduling-posting-social-media
BDB#11 Buffer Blog, 2011	https://blog.bufferapp.com/idea-to-paying-customers-in-7-weeks-how-we-did-it
BDB#12 Buffer Open Blog, 2014	https://open.buffer.com/buffer-public-revenue-dashboard/
BDB#13 Forbes, 2012	http://www.forbes.com/sites/alexlawrence/2012/12/11/buffer-a-new-social-sharing-standard/#10a2f36e7146
BDB#14 Techcrunch, 2014	https://techcrunch.com/2014/02/13/radical-transparency-and-how-buffer-is-changing-the-game-on-startup-culture/
BDB#15 Inc, 2014	http://www.inc.com/jeff-haden/a-radical-way-to-raise-startup-funding-buffer-lands-a-3-5m-round-and-shares-ever.html
BDB#16 Buffer Open Blog, 2014	https://open.buffer.com/buffer-open-equity-formula/
BDB#17 Buffer Main Blog, 2012	https://blog.bufferapp.com/5-key-lessons-we-learned-from-pivoting-our-blog
BDB#18 Buffer Main Blog, 2011	https://blog.bufferapp.com/say-hi-to-the-buffer-button-for-blogs

Appendix. Supplementary material

Supplementary data to this article can be found online at [doi:10.1016/j.lrp.2016.09.001](https://doi.org/10.1016/j.lrp.2016.09.001).

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