

## Performing Investability: Symbolic Signaling, Narrative Legitimation, and Platform-Mediated Visibility in Early-Stage Digital Startups

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**Abstract.** Early-stage digital startups increasingly seek external legitimacy before achieving measurable market traction. In such high-uncertainty contexts, founders must convince investors and stakeholders despite the absence of reliable performance indicators. While prior research has examined signaling and narrative strategies in entrepreneurship, limited attention has been paid to how these practices are shaped and amplified by digital platforms. Drawing on a constructivist and interpretive research design, this study investigates how early-stage founders construct investability through symbolic and narrative practices across digital platforms. Using a multiple case study approach and the Gioia methodology, we analyze interviews, digital artefacts, and online interactions from five technology startups. Our findings reveal three interrelated dimensions of legitimacy construction: symbolic signaling strategies (e.g., constructed traction and borrowed affiliation), narrative legitimation practices (e.g., visionary storytelling and reframing of uncertainty), and platform-mediated visibility engineering (e.g., optimization of content and artefacts to platform norms and algorithms). Together, these practices enable founders to perform credibility in the absence of objective performance metrics. The study contributes to signaling theory by extending the notion of signals to symbolic and performative cues, enriches narrative legitimacy research by highlighting shared storytelling templates, and introduces platformization as a structural condition shaping entrepreneurial visibility. These findings have implications for understanding early-stage entrepreneurship in digital and resource-constrained ecosystems.

**Keywords:** *Digital entrepreneurship; Legitimacy; Signaling; Narrative; Platform economy; Gioia methodology; Interpretive research.*

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### 1. Introduction

The rise of digital entrepreneurship has significantly transformed the way early-stage startups emerge, operate, and seek legitimacy. In contrast to traditional entrepreneurial contexts where performance indicators such as revenue or user base gradually build legitimacy, digital startups often begin by showcasing symbolic assets and engaging in narrative construction to gain early visibility and trust.

Digital platforms such as LinkedIn, Twitter/X, Medium, and Product Hunt now serve as key arenas where startup founders perform legitimacy in highly uncertain and competitive environments. As Usman and Sun (2023) note, digital platforms can significantly impact startup performance by shaping strategic visibility and engagement, especially in early stages. However, in the absence of measurable traction, founders increasingly rely on narratives, affiliations, social proof, and symbolic cues to project investability.

This symbolic economy of legitimacy is further reinforced by the dynamics of digital platforms that normalize entrepreneurial precarity while commodifying personal branding (Lentz et al., 2025). Startups are not merely evaluated on performance but also on their ability to signal potential in a crowded attention economy. Moreover, Zaheer et al. (2019) highlight that the very concept of "traction" is often ambiguous, leading entrepreneurs to creatively define and display early signs of progress through storytelling, accelerator affiliations, and engagement with key nodes in digital ecosystems.

In their earliest stages, most startups operate without tangible indicators of success such as revenue, customer acquisition, or key performance metrics. Yet founders are compelled to signal investability to investors, incubators, and the media before any such indicators exist (Zaheer et al., 2019). Digital platforms have become central spaces where these signals are constructed and broadcast, creating a high-pressure environment in which visibility, perceived potential, and symbolic cues become proxies for actual performance (Usman & Sun, 2023).

Despite this empirical reality, existing scholarship presents important limitations. Signaling theory (Spence, 1973; Connelly et al., 2011) has been extensively applied in entrepreneurship research, yet it remains primarily anchored in observable and verifiable signals — patents, revenue growth, founder experience, or endorsements from established investors. These frameworks presuppose measurable outputs that simply do not exist at the earliest stages of digital venture development. Similarly, research on narrative legitimacy (Lounsbury & Glynn, 2001) has focused on post-hoc sensemaking rather than the prospective and performative construction of credibility in real-time digital environments. Prior work on platformization (Nambisan et al., 2019) has largely examined mature ventures or platform business models, leaving largely unexplored how algorithmic infrastructure structures the legitimacy work of pre-traction startups. Taken together, the literature lacks an integrated framework that explains how founders in the absence of conventional metrics actively construct an appearance of investability by combining symbolic signals, narrative strategies, and platform-native practices.

This study makes three original contributions. Theoretically, it extends signaling theory beyond costly and verifiable signals to encompass soft, symbolic, and aesthetic cues that operate through contextual framing and platform logic — a dimension absent from classical models. It also advances narrative legitimacy theory by demonstrating how prospective, audience-crafted storytelling templates circulate within digital founder communities, enabling founders to perform future credibility before it has been earned. Methodologically, the study pioneers the application of the Gioia methodology to a platform-mediated entrepreneurial context, combining interview data with digital ethnography and artefact analysis to triangulate legitimacy construction practices. Practically, the findings offer actionable guidance for founders navigating the early legitimacy gap, and for investors and accelerators seeking to develop interpretive literacy beyond surface-level symbolic performance.

Against this backdrop, this study addresses the following research question: How do early-stage startup founders construct an image of investability through symbolic and narrative strategies on digital platforms in the absence of measurable traction?

The remainder of this paper is structured as follows. Section II reviews the relevant literature on entrepreneurial legitimacy, signaling theory, narrative construction, and platformization. Section III presents the research methodology, including the epistemological positioning, case study design, data collection procedures, and analytical approach. Section IV reports the empirical findings organized around three aggregate dimensions of legitimacy construction. Section V discusses the theoretical contributions and situates the results within the broader scholarly conversation. Section VI concludes with implications for practice and directions for future research.

## 2. Literature review

The theoretical foundations of this study draw on four interconnected bodies of literature: entrepreneurial legitimacy, signaling theory, narrative construction and sensemaking, and platformization. Rather than treating these streams as isolated contributions, we examine their convergences and tensions, identifying the theoretical gaps that this research seeks to bridge.

### a. Entrepreneurial Legitimacy : Foundations and Contested Dimensions

In the context of early-stage entrepreneurship, legitimacy is widely recognized as a critical intangible asset that enables startups to access vital resources such as funding, networks, talent, and partnerships (Suchman, 1995). Suchman's foundational typology distinguishes pragmatic legitimacy (rooted in stakeholder self-interest), moral legitimacy (normative evaluations of right conduct), and cognitive legitimacy (the taken-for-grantedness of the venture). This framework has become a cornerstone of entrepreneurship scholarship and remains widely cited for its analytical precision.

However, the literature reveals important divergences. Suchman's (1995) original account is largely institutional and passive — legitimacy emerges from conformity to social norms rather than from active strategic work. Subsequent research has challenged this view, arguing that founders are not passive recipients of legitimacy judgments but active constructors of it (Lounsbury & Glynn, 2001; Aldrich & Fiol, 1994). This tension between institutional conferral and strategic enactment remains unresolved in the literature, and becomes particularly acute in digital entrepreneurship where norms are emergent, contested, and platform-specific.

A further controversy concerns the measurability of legitimacy. For ventures lacking financial metrics, legitimacy is often inferred from symbolic proxies — team composition, visual identity, or network ties — raising questions about whether such proxies genuinely reflect underlying quality or merely reproduce appearance effects. As Poh et al. (2024) argue, digitalization amplifies this gap: in global platform markets, new ventures must align with multiple, potentially conflicting legitimacy frameworks simultaneously. This challenge is largely absent from the classical literature, which presupposes a stable institutional environment.

In early-stage digital entrepreneurship, legitimacy is thus not a state to be achieved but an ongoing process of fabrication and negotiation, embedded in symbolic artefacts, narrative performances, and platform interactions. This constructivist understanding provides the epistemological foundation for the present study.

### b. Signaling Theory in Early-Stage Ventures: Limits and Extensions

Signaling theory (Spence, 1973; Connelly et al., 2011) has offered a highly influential framework for understanding how entrepreneurs communicate unobservable qualities — competence, commitment, or potential — to external stakeholders under conditions of information asymmetry. The theory's core assumption is that effective signals must be costly to produce and difficult to fake, ensuring that only high-quality senders can credibly deploy them.

This framework has generated rich empirical work. Studies have documented the signaling value of founders' human capital (education, experience), social capital (accelerator affiliation, investor networks), intellectual property (patents), and early financial indicators (Connelly et al., 2011). However, a growing body of research has identified critical limitations of the classical model when applied to digital, pre-traction contexts.

First, the costliness criterion is increasingly difficult to operationalize. As Zaheer et al. (2019) demonstrate, early-stage founders systematically redefine "traction" — substituting pre-signup waitlists, social media engagement, or beta user counts for conventional financial metrics. These pseudo-signals are low-cost to produce, yet strategically effective when embedded in persuasive narratives. This finding directly challenges the classical assumption that costliness separates credible signals from cheap talk.

Second, Poh et al. (2024) show that in globalized digital contexts, signaling is increasingly shaped by discursive and cultural norms rather than objective criteria. Signals must align not only with economic expectations but also with ecosystem-specific legitimacy scripts — further blurring the boundary between signaling and impression management. This convergence with narrative theory (discussed below) suggests that the two traditions are more intertwined than the literature has so far acknowledged.

Third, and most importantly for the present study, there remains a significant gap concerning symbolic, aesthetic, and platform-mediated signals — artefacts such as visually polished pitch decks, curated LinkedIn profiles, or algorithmically optimized launch pages — whose effectiveness resides not in their costliness but in their contextual framing, social reach, and platform amplification. This form of signaling is largely invisible to the classical framework, constituting a blind spot that this study seeks to address.

### **c. Narrative Construction and Sensemaking: Convergences and Controversies**

Beyond the discrete transmission of signals, early-stage entrepreneurs engage in sustained narrative construction to enroll stakeholders in a shared vision of the venture's future. This literature, anchored in sensemaking theory (Weick, 1995) and cultural entrepreneurship (Lounsbury & Glynn, 2001), posits that stories are not supplementary communication devices but primary vehicles through which legitimacy is built and resources acquired.

Importantly, narrative and signaling scholarship have long developed in parallel, with limited cross-fertilization. Signaling theory focuses on discrete, verifiable cues; narrative theory emphasizes holistic, interpretive framings. Yet recent work suggests these streams are converging. Garud, Schildt, and Lant (2014) demonstrate that entrepreneurial narratives are not merely retrospective sense-making devices (as in Weick, 1995) but also prospective and strategic, designed to mobilize future resources by constructing credible future states. This performative dimension — storytelling that creates the reality it describes — represents a point of theoretical convergence between narrative theory and the extended signaling framework proposed here.

A key controversy within the narrative literature concerns authenticity. Some scholars argue that narratives must reflect genuine venture characteristics to be persuasive (Garud et al., 2014), while others note that the most effective entrepreneurial stories often rely on shared cultural templates (the "pivot story," the "visionary founder," the "stealth mode" frame) that may bear limited relationship to the actual venture trajectory (Lentz et al., 2025). This tension between authenticity and strategic performance remains underexplored, particularly in digital platform contexts where narrative templates circulate virally and are subject to algorithmic amplification.

Furthermore, while the sensemaking tradition has focused primarily on internal organizational dynamics, the present study extends its logic to the external-facing, audience-oriented narrative practices deployed by founders on digital platforms — a context that has received limited scholarly attention.

### **d. Platformization and Digital Artefacts as Legitimacy Infrastructure**

The rise of digital platforms as primary arenas for entrepreneurial expression has profoundly transformed

how legitimacy is constructed, communicated, and consumed. Early-stage founders now operate in an environment where platforms like LinkedIn, Twitter/X, Medium, and Product Hunt function not merely as communication tools but as structuring infrastructures that impose affordances, constraints, and algorithmic logics shaping which narratives and signals achieve visibility (Nambisan et al., 2019).

This literature, while relatively recent, has generated important insights. Peixoto et al. (2023) demonstrate that platform-based community engagement — particularly on Twitter/X — generates network effects that amplify perceived credibility beyond the founder's immediate network. Lentz et al. (2025) show how platform companies deploy dominant narratives to normalize precarious labor arrangements, revealing the constitutive — not merely communicative — power of platform discourse. Nambisan et al. (2019) theorize the open, distributed, and generative properties of platform ecosystems as fundamentally altering the resource-acquisition logic of new ventures.

However, significant gaps remain. The platformization literature has largely focused on mature ventures, platform business models, or macro-level governance questions. The micro-level practices through which pre-traction founders navigate, adapt to, and exploit platform affordances to construct legitimacy have not been systematically theorized. Moreover, the interactive effects between platform algorithms, narrative strategies, and symbolic signaling — the way platforms amplify, filter, and shape entrepreneurial credibility work — remain an under-explored intersection.

#### **e. Theoretical Synthesis: Toward an Integrated Framework**

Taken together, the four streams of literature reviewed above converge on a shared theoretical challenge: how is legitimacy constructed when conventional performance indicators are absent and when the primary arena of credibility work is a digital platform with its own algorithmic logic and social norms? Each tradition provides a partial answer. Legitimacy theory identifies the types of credibility that matter; signaling theory explains what kinds of cues convey credibility; narrative theory illuminates how stories shape perceptions; and platformization scholarship reveals how digital infrastructure mediates all of the above.

Yet no existing framework integrates these four perspectives into a coherent account of the legitimacy work performed by pre-traction digital startups. This integrative gap — the absence of a theory that simultaneously addresses symbolic signals, narrative practices, and platform-mediated visibility as interrelated components of a single legitimacy construction process — constitutes the core theoretical motivation for the present study.

### **3. Methodology**

#### **a. Research Philosophy and Epistemological Positioning**

This study adopts a constructivist and interpretive research paradigm (Lincoln & Guba, 1985), grounded in the premise that entrepreneurial legitimacy is not objectively given, but socially constructed and narratively performed. We seek to understand how early-stage startup founders interpret, construct, and communicate "investability" in the absence of measurable traction. An interpretive approach allows us to access founders' own meanings, language, and symbolic practices, rather than imposing external evaluative metrics.

#### **b. Research Design and Case Selection**

We employed a multiple embedded case study design (Yin, 2018), which is well suited for exploring complex, context-bound, and emerging social phenomena such as legitimacy construction in pre-traction digital startups.

The number of cases — five — was determined through a purposive sampling logic guided by two interrelated criteria: theoretical relevance and informational sufficiency. Following Eisenhardt (1989), a sample of four to ten cases is generally appropriate for multiple case study research aiming to build theory, as it provides sufficient analytical breadth for cross-case comparison while remaining tractable for in-depth qualitative analysis. Five cases were retained because, in the course of data collection and preliminary analysis, theoretical saturation was progressively approached: by the fifth case, the new interviews and digital artefacts were no longer generating substantially new first-order codes or second-order themes, and the three aggregate dimensions were consistently replicable across cases. This saturation judgment was validated through an iterative process in which each case was analyzed before the next interview was conducted, in line with the Gioia methodology's emergent coding logic (Gioia, Corley & Hamilton, 2013).

Case selection followed five explicit criteria: (i) technology-driven startups operating in digital markets (e.g., SaaS, creator platforms); (ii) no or minimal measurable traction (e.g., less than \$5K monthly recurring revenue, no venture capital raised); (iii) active presence on at least two digital platforms (e.g., LinkedIn, Twitter/X, Product Hunt); (iv) public storytelling through blogs, pitch decks, or social media; and (v) willingness of the founder(s) to participate in semi-structured interviews. These criteria ensured that all cases shared the core condition of interest — active legitimacy construction in the absence of conventional metrics — while providing sufficient variation in geography (UK, USA, France), sector (EdTech, SaaS productivity, sustainable fashion, creator monetization, AI-assisted writing), and founding team configuration (solo and co-founded) to enable meaningful cross-case analysis.

### **c. Data Collection**

#### ***i. Primary Data***

In-depth semi-structured interviews were conducted with 10 startup founders (some in teams of two co-founders). Interview length ranged from 60 to 90 minutes, conducted via Zoom. Interview themes included: how founders define and communicate traction; the role of digital presence in building credibility; how pitch decks or social media narratives are designed; and strategies used to appear investable.

#### ***ii. Secondary Data (Digital Artefacts)***

Secondary data sources included public pitch decks, launch pages (e.g., Product Hunt), websites, social media content (LinkedIn, Twitter threads, blog posts), as well as founders' personal branding and press mentions.

#### ***iii. Digital Ethnography***

Participatory observation was conducted in communities like Indie Hackers, Buildspace Discord, and Product Hunt comments sections, with a focus on how founders publicly construct signals, legitimacy narratives, and community interaction.

### **d. Data Analysis**

We used the Gioia Methodology (Gioia, Corley, & Hamilton, 2013) to systematically analyze and theorize from qualitative data, proceeding in three steps.

1. **Step 1 : First-Order Coding (NVivo).** Informants' own language was preserved. Representative codes include: "We posted our traction even though we hadn't launched yet" (simulating traction); "We got retweeted by someone big in VC Twitter" (borrowed social proof); "We called

it pre-beta access to make it feel exclusive" (scarcity framing).

2. **Step 2 : Second-Order Themes.** Emerging conceptual themes include: constructed traction through artefacts, performative legitimacy on digital platforms, narrative borrowing and aspirational storytelling, platform-optimized signaling, and legitimacy through social proximity.
3. **Step 3 : Aggregate Dimensions.** The above themes were clustered into three higher-order dimensions: Symbolic Signaling Strategies, Narrative Legitimation Practices, and Platform-Mediated Visibility Engineering.

#### e. Trustworthiness and Rigor

To ensure credibility and dependability, we adopted: triangulation across interviews, platform data, and community discourse; member checking with selected participants; reflexive memoing during coding; and thick description to allow transferability of findings to similar contexts.

**Table 1: Summary of Case Profiles and Data Sources**

Case	Startup Focus	Location	Stage	Founder(s)	Primary Data	Secondary Sources
A	EdTech platform for remote STEM tutoring	UK	Pre-launch (no revenue)	Solo	2 interviews (90 min total)	LinkedIn posts, pitch deck, Product Hunt teaser, Medium blog, podcast episode
B	SaaS productivity tool for solopreneurs	USA	Beta testing (<100 users)	2 co-founders	2 interviews (80 min total)	Twitter/X threads, Slack community messages, pitch deck, landing page, user feedback emails
C	Niche marketplace for sustainable fashion	France	Post-MVP, no revenue	Solo	1 interview (75 min)	Instagram content, LinkedIn posts, startup press, Product Hunt launch page
D	Creator monetization tool (B2C)	USA	Alpha phase (pre-revenue)	2 co-founders	2 interviews (90 min total)	Indie Hackers blog, demo video, pitch deck, Discord screenshots, startup competition entry
E	AI-based writing assistant for researchers	UK	Pre-beta (waitlist only)	Solo	1 interview (70 min)	Website, Twitter/X threads, Substack newsletter, YC application essay

## 4. Results

The analysis of interview transcripts, digital artefacts, and online community interactions revealed consistent patterns in how early-stage founders construct investability through symbolic and narrative

strategies. Using the Gioia methodology, we identified three aggregate dimensions: Symbolic Signaling Strategies, Narrative Legitimation Practices, and Platform-Mediated Visibility Engineering.

### **a. Symbolic Signaling Strategies**

Early-stage founders engaged in deliberate symbolic signaling to convey venture potential and credibility — despite lacking hard metrics such as user growth or revenue.

#### ***i. Constructed Traction Signals***

Several founders strategically presented pre-traction indicators as "early proof." This included highlighting pre-signup numbers on waitlists ("We had 300 users signed up before writing a line of code" — Case E), internal demo feedback framed as "user validation" (Case D), and vanity metrics such as "website visits" and "engagement ratios" as substitutes for activation or retention data.

#### ***ii. Borrowed Legitimacy through Affiliation***

Founders frequently leveraged institutional logos (accelerators, competitions, or partnerships) to signal quality by association. As one founder stated: "We added the [Techstars finalist] badge to our deck even though we didn't get selected — it gave us more credibility" (Case B). This tactic positioned the startup within a known ecosystem, leveraging borrowed prestige.

#### ***iii. Founder Branding as Social Proof***

Personal identity and online presence were mobilized to project startup potential: consistent posting on LinkedIn and Twitter/X with thought-leadership framing, sharing personal learning milestones to simulate momentum, and strategic use of investor-friendly language (e.g., "scaling," "network effects") even pre-MVP.

### **b. Narrative Legitimation Practices**

In parallel with symbolic signals, founders employed narrative tools to legitimize their venture logic, contextualize uncertainty, and shape how others interpreted their progress.

#### ***i. Vision-Driven Storytelling***

Founders often led with the problem they aimed to solve, embedding their product into a larger mission: "It's not just a SaaS tool — it's about giving creators economic freedom" (Case D). This "big mission" framing served to justify a lack of present traction by focusing on future impact.

#### ***ii. Reframing Absence of Data as Intentional Strategy***

Some founders constructed narrative rationales around the absence of measurable progress: "We're still in stealth" (Cases A and C); "We don't want to scale too early — we're refining the UX" (Case B); "We're deliberately testing niche hypotheses before going wide" (Case E). This reflects strategic ambiguity, allowing founders to manage investor expectations while maintaining legitimacy.

#### ***iii. Community-Derived Narrative Templates***

Storytelling was shaped by shared cultural templates — such as "The pivot that changed everything," "We failed fast and came back stronger," and "Our users are our co-founders." These tropes emerged across multiple cases and mirrored those circulating on Indie Hackers and Twitter/X, demonstrating narrative convergence within digital founder ecosystems.

### **c. Platform-Mediated Visibility Engineering**

Digital platforms were not just communication tools but performative stages for legitimacy construction. Founders mastered specific affordances and social logics to engineer visibility and resonance.

#### ***i. Platform-Aware Framing***

Posts were tailored to the expectations of each platform: on LinkedIn, polished thought leadership posts with founder photos and team highlights; on Twitter/X, concise "build-in-public" updates and milestone threads; on Product Hunt, curated launch blurbs with phrases like "Join 500+ early adopters." This shows awareness of platform dynamics and algorithmic visibility strategies.

### *ii. Artefact Amplification*

Founders invested time in optimizing symbolic artefacts: highly designed pitch decks even pre-product, demo videos with cinematic pacing, and personal websites styled with VC aesthetics ("clean, minimal, impact-oriented"). These artefacts acted as legitimacy tokens in conversations with investors and communities.

### *iii. Social Capital as Signal*

Being retweeted by known VCs, followed by ecosystem influencers, or interviewed on niche podcasts became proxy indicators of traction: "When [a famous VC] followed me, I got 3 DMs from angel investors. It was validation, even if they didn't invest" (Case C). This reflects how symbolic capital is recursively interpreted as venture potential.

## **5. Discussion**

This study set out to explore how early-stage startup founders construct investability in the absence of measurable traction, focusing on symbolic, narrative, and platform-based strategies. By analyzing the discursive practices, digital artefacts, and social signaling deployed by five early-stage startups, we have developed a nuanced understanding of how legitimacy is performed in contemporary, platform-mediated entrepreneurial ecosystems.

Our findings contribute to theory in three key ways: by extending signaling theory to symbolic and performative domains, by deepening the construct of narrative legitimacy in the context of digital entrepreneurship, and by theorizing platformization as an infrastructural force in entrepreneurial communication and perception-making.

### **1. Rethinking Signaling in Pre-Traction Contexts**

Classic signaling theory posits that venture quality is communicated through costly, observable indicators (Spence, 1973; Connelly et al., 2011). In our study, however, founders actively constructed symbolic signals that were neither costly nor verifiable in the traditional sense, yet still influenced perceptions of legitimacy. Examples included pre-signup numbers framed as traction, accelerator affiliations used as borrowed prestige, and social media engagement metrics deployed as social proof.

This supports and extends recent work by Zaheer et al. (2019) and Poh et al. (2024), suggesting that in digital-first entrepreneurship the signal itself is often interpretive and socially constructed, rather than inherently revealing of underlying quality. We propose a broader notion of "soft signals" — artefacts and social interactions whose meaning depends on contextual framing, audience norms, and platform logic. Importantly, these signals are often strategically designed rather than emergent, indicating a form of entrepreneurial signaling engineering.

### **2. Narrative Legitimation as a Strategic Resource**

Our findings affirm that early-stage legitimacy is not merely signaled but narrated. Founders engaged in narrative legitimation (Lounsbury & Glynn, 2001), constructing stories that reframed ambiguity and failure as strategic learning, and vision as justification for current underperformance. These narratives were often grounded in shared cultural templates — the "pivot story," the "creator economy visionary," the "stealth mode as strategy" — which circulate and reproduce across digital founder communities.

This supports sensemaking theory (Weick, 1995), where entrepreneurs retrospectively frame actions to make them intelligible to external observers. However, we extend this logic by demonstrating that narratives in digital settings are not just rationalizing tools but also prospective and performative devices, crafted with an audience in mind before the action has occurred. The story serves as a form of anticipatory legitimacy.

### 3. Platformization as Legitimacy Infrastructure

Perhaps the most novel contribution of this study is its attention to platformization as a structuring force in entrepreneurial legitimacy work. Our cases show that platforms do not merely host entrepreneurial narratives and signals — they actively shape them. Digital platforms like LinkedIn, Twitter/X, Medium, and Product Hunt have algorithms, visibility rules, and social norms that guide what kinds of content are seen, shared, and deemed credible (Peixoto et al., 2023).

We build on this insight by introducing the concept of platform-mediated visibility engineering — the process by which entrepreneurs optimize content, artefacts, and interactional patterns to increase perceived legitimacy within platform ecosystems. Such engineering reveals an algorithmic dimension of legitimacy, where appearing investable may depend more on digital fluency and performance literacy than on venture fundamentals. This adds an infrastructural layer to legitimacy theory and complements sociological critiques of platform-based value construction (Lentz et al., 2025).

**Table 2: Summary of Theoretical Contributions**

Contribution	Theoretical Area	Original Contribution
Expansion of "soft signals"	Signaling Theory	Not all signals are costly or verifiable; symbolic artefacts can function as effective signals in context-dependent ways within digital platform environments.
Performative narrative design	Narrative Legitimation	Founders mobilize collective narrative templates to frame ambiguity and pre-traction states as visionary, prospective, and strategically intentional.
Platform-mediated visibility engineering	Platformization	Platforms structure legitimacy construction through algorithmic rules and social affordances to which founders strategically adapt their signaling and narrative practices.

### 6. Conclusion and future research

This study examined how early-stage digital entrepreneurs construct legitimacy and investability in the absence of traditional performance indicators. Through an interpretive, multi-case analysis of startup founders' narratives, symbolic strategies, and platform behaviors, we revealed a layered process of performative legitimation — one that blends signaling, storytelling, and digital visibility engineering.

At a time when startups increasingly launch without revenue, users, or functional products, legitimacy has shifted from being evidence-based to being perception-led. Founders do not simply wait for metrics to emerge; they proactively craft symbols, narratives, and artefacts to construct the appearance of progress and credibility. Our findings contribute to signaling theory by expanding the scope of what

counts as a signal in digital entrepreneurial contexts, advance the understanding of narrative legitimacy by showing how shared storytelling templates enable founders to frame ambiguity as strategy, and introduce the concept of platform-mediated legitimacy construction, emphasizing the algorithmic and infrastructural role that digital platforms now play in shaping entrepreneurial visibility.

### **Practical Implications**

For founders, our research offers guidance on how to navigate the early legitimacy gap: design artefacts (e.g., pitch decks, launch pages) not only for accuracy but also for narrative coherence and aesthetic credibility; leverage digital platforms strategically, understanding that engagement signals and social proof are increasingly interpreted as proxies for quality; and frame early-stage uncertainty not as a liability but as an intentional phase of discovery embedded in compelling narratives.

For investors and accelerators, these insights suggest a need for interpretive literacy: the ability to distinguish between superficial storytelling and meaningful potential, while also recognizing that early-stage legitimacy is necessarily performative.

### **Limitations**

As with any qualitative, interpretive inquiry, the generalizability of our findings is constrained. Our sample includes a small number of English-speaking, digitally-native startups from the UK, US, and France, which may not reflect practices in other geographies or sectors. Additionally, our data is cross-sectional and focused on early-stage founders' strategies, not on the long-term effectiveness of those strategies in attracting investment.

### **Avenues for Future Research**

- **Longitudinal legitimacy tracking.** Future studies could follow early-stage startups over time to assess which symbolic and narrative strategies translate into actual investment outcomes or growth.
- **Cross-cultural comparison.** Legitimacy constructions likely vary across ecosystems. Comparative research could examine how local norms mediate the effectiveness of symbolic strategies.
- **Investor interpretations of legitimacy signals.** Future work could explore how different types of investors (e.g., angels vs. institutional VCs) interpret, decode, and respond to platform-based legitimacy performances.
- **Platform affordance theory in entrepreneurship.** Further theoretical work is needed to examine how specific platform features (e.g., algorithms, design, content formats) shape entrepreneurial identity construction and access to resources.

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