How Entrepreneurial Firms Change Business Regulations?: Entrepreneurial Storytelling, Legitimacy, and Institutional Change

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Abstract

We explore how entrepreneurial firms mobilize their stakeholders to bring changes into existing institutional environments that constrain the development of nascent markets. Neo-institutionalists have long argued that existing institutions favor stability, and thus, penalize innovative ideas and industries, hinting at the importance of organizations’ compliance with existing institutional logics and organizations’ limited ability to bring institutional renewal. Institutional economics echoes the argument by pointing to institutions’ deterministic roles in constraining economic choices and actions. Despite mounting evidence indicating institutional determinism, the literature on institutional entrepreneurship and corporate political strategy has shown that organizations with sufficient resources can and do influence institutional environments where they are embedded. However, less is known about how entrepreneurial firms, with limited access to, and ability in mobilizing, various resources, such as social capital, financial resources, or formal authorities, can change institutional environments. Therefore, we place our focus on entrepreneurial processes in which entrepreneurial firms attempting to establish nascent markets utilize entrepreneurial storytelling to convey their visions, mobilize allies, and thus, give rise to institutional changes. In particular, we ask, How entrepreneurial firms in nascent markets change business regulations that impose significant constraints on their businesses. Our research design is an inductive case study that uses in-depth interview and archival data to closely track how entrepreneurs at seven firms in the nascent e-scooter sharing market of South Korea influence unfavorable business regulations during the formative years of the industry. We find, preliminarily, that the firms take several storytelling strategies in negotiating with regulatory authorities, including: (1) translating vocabulary; (2) resonating broader institutional logic; and (3) projecting the future. We also find that, in doing so, the firms mainly devote their efforts to persuading and mobilizing potentially favorable stakeholders, including industry experts, NGOs, and
industry associations. Our study sheds light on the process of the earlier development of nascent industries. While previous studies tend to emphasize entrepreneurs’ rhetoric that straddles old and new institutional logics, we evidence substantial institutional changes brought by a new industry by looking into entrepreneurial storytelling vis-a-vis political actions.
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Abstract

We explore how entrepreneurial firms narrate entrepreneurial stories to bring changes to existing institutional environments that constrain the development of nascent markets. We place our focus on entrepreneurial processes in which entrepreneurial firms attempting to establish nascent markets utilize entrepreneurial storytelling to convey their visions, mobilize allies, and thus, give rise to institutional changes. Our research design is an inductive case study that uses in-depth interview and archival data to closely track how entrepreneurs at seven firms in the nascent e-scooter sharing market of South Korea influence unfavorable business regulations during the formative years of the industry. We find, preliminarily, that the firms take several storytelling strategies in persuading regulatory authorities, including (1) tempering dominant institutional logics, (2) resonating with alternative institutional logics, and (3) laying out a blueprint. We also find that, in doing so, the firms mainly devote their efforts to allying with and mobilizing potentially favorable stakeholders. Our study sheds light on the process of the earlier development of nascent industries. While previous studies tend to emphasize entrepreneurs' rhetoric that straddles old and new institutional logics, we evidence substantial institutional changes brought by a new industry by looking into entrepreneurial storytelling vis-à-vis political actions.

Keywords: Business Regulation; Nascent market; Entrepreneurship; Entrepreneurial storytelling; Legitimacy; Institutional change

Introduction

No cross, no crown. There are no better words to describe what entrepreneurship is about. To begin, entrepreneurial firms should creatively discover and relentlessly pursue business opportunities that have been underexploited or unrealized by others, and in return, result in competitive advantage and economic differentiation (Scott et al., 1997). In resource-deprived...
environments, entrepreneurial firms have to go beyond the boundaries of resources under control with the power of entrepreneurial imagination (Kodithuwakku & Rosa, 2002). Moreover, equally crucial is reaching out to and expanding networks through which scarce resources can be mobilized, and building managerial knowledge that is needed for business efficiency (Stevenson & Jarillo, 1990).

These challenges become intense when entrepreneurial firms establish themselves in a nascent market. A nascent market can be defined as a business environment in a formative stage. Survival and prosperity of entrepreneurial firms in a nascent market, obviously, hinge on a myriad of environmental factors, such as demands, supply of raw materials, or competitive pressure from nearby industries (Aldrich & Fiol, 1994; Porter, 1980). However, real challenges to entrepreneurial firms and the market at large reside in the very nature of the nascent market. Previous studies have characterized nascent markets as entailing unavoidable uncertainties that risk entrepreneurial firms’ survival: what marks nascent markets includes products and technologies that are “untested and incompletely understood” (Tushman & Anderson, 1986, p.444), and underdeveloped guiding rules of actions (Kaplan & Tripsas, 2008). It is the market where few precedents are provided. (Aldrich & Fiol, 1994). Not only do customers and investors have difficulties in understanding the nature of new organizations and industry, but also entrepreneurial firms have challenges of defining who we are, and what and how we do (Navis & Glynn, 2010, 2011)

Among others, organization scholars have perceived illegitimacy problem as one of the far-reaching threats, because legitimacy is deemed to be a prerequisite resource for gaining other resources. (Lounsbury & Glynn, 2001b; Zimmerman & Zeitz, 2002). Without an organization being legitimized, there is no promise of external support, resources, growth, and, ultimately, survival. However, legitimacy is scarcely awarded to new organizations because of what is often called the “liability of newness” (Freeman, Carroll, & Hannan, 1983;
Early on, Stinchcombe (1965) observed that new organizations are at high risk of failure, mainly due to a lack of legitimacy. Further, population ecologists have found that the level of legitimation is the critical factor for new organizations' survival and death rate (e.g., Ruef, 2000; Singh, Tucker, & House, 1986).

Although the notion of legitimacy is a broad concept and can be interpreted as a cause of any adversities, several organization scholars have attempted to build a clearer definition (e.g., Suchman, 1995; Suddaby, Bitektine, & Haack, 2017; Zimmerman & Zeitz, 2002). We draw upon Zimmerman and Zeitz's (2002) taxonomy as they are primarily concerned about venture growth. They partitioned legitimacy into three categories: sociopolitical regulatory legitimacy, sociopolitical normative legitimacy, and cognitive legitimacy. Sociopolitical regulatory legitimacy (Hunt & Aldrich, 1996) (also called regulative legitimacy; Scott, 1995) originates from “regulations, rules, standards, and expectations created by governments, credentialing associations, professional bodies, and even powerful organizations” (Zimmerman & Zeitz, 2002, p.418). It is legitimacy that is awarded to organizations that appropriately respond to sanctions, and fundamentally, behave as a “good citizen” in “the spirit of laws and regulations” (p. 418). Sociopolitical normative legitimacy (Hunt & Aldrich, 1996) (also called normative legitimacy; Scott, 1995) is embedded in a higher level of societal environments comprising norms and values. Lastly, cognitive legitimacy is given to organizations that properly address “widely held beliefs and taken-for-granted assumptions that provide a framework for everyday routines” (Scott, 1994, p.81).

We place our particular focus on regulatory legitimacy, among others. Because, in part, as far as normative and cognitive legitimacy is concerned, entrepreneurial firms have more leeway in navigating hostile environments. As DiMaggio and Powell (1983) discuss regulatory sanction or government mandate imposes coercive pressure on organizations, leading to, in the worst case, the sudden demise of new ventures and industries. Our observation exemplifies this
view and motivates us to study entrepreneurial firms in nascent markets who have regulatory illegitimacy problem. We observed severe regulatory illegitimacy problems in the nascent e-scooter sharing market, which is represented by the fastest-growing startups ever. For example, after an e-scooter-related accident killed a man, David Briley, the mayor of Nashville, Tennessee, announced the city’s plan to ban e-scooters from Nashville’s streets in June 2019. Accordingly, seven companies had no choice but to stop operating in Nashville. A similar issue has recently been raised in Paris. Although the e-scooters have become popular with locals and tourists since their introduction to the city in 2018, local authorities are not pleased with its popularity because of their visual clutter, vandalism, parking violations, and unsafety riding. As a result, in November 2019, the city hall decided to cut the number of operators to only three based on the result of the bid, and the operating license will be awarded to selected three operators from January 2020.

In this extremely hostile environment, where existing institutions label the newness “illegitimate” and sentence it to death, how can entrepreneurial firms and the industry survive? The literature on non-market strategy and corporate political strategy (e.g., Choi, Jia, & Lu, 2015; Funk & Hirschman, 2017; Hillman & Hitt, 1999) offers insight into how firms influence public decision-making processes to shape favorable regulatory environments. Available measures include money (e.g., campaign finance, bribes) and information (e.g., lobbying, argumentation) (De Figueiredo, 2009). In the literature, it has empirically been supported that firms' nonmarket actions generally strong firm-level performance implications (e.g., Shaffer et al., 2000). This is, however, only a partial answer to the question under our investigation. Entrepreneurial firms are, in many aspects, disadvantaged in driving institutional changes. Compared to established firms in established markets, entrepreneurial firms in nascent markets lack access to, and ability in mobilizing, various resources, such as social capital, financial resources, or formal authority. In particular, when faced with illegitimacy crisis, entrepreneurial
firms have more limited access to those resources as other resources ensue after entrepreneurial firms’ and their industries’ legitimation (Lounsbury & Glynn, 2001a; Zimmerman & Zeitz, 2002).

Institutionalists have largely contributed to the discussion of entrepreneurial firms and their institutional environments, but the question of our interest remains partially answered. In the discussion of legitimacy management, Suchman (1995) proposes that organizations’ strategies can play a significant role in gaining legitimacy. To secure legitimacy, organizations can either conform to environments, select among environments, or manipulate environments. To meet their tailored needs, introducing new entrepreneurial activities, and constructing new markets, innovative entrepreneurs have no other options but to manipulate the adverse environments (Aldrich & Fiol, 1994; Tushman & Anderson, 1986). The literature on institutional entrepreneurship (e.g., DiMaggio, 1988) opened up the possibility to show that entrepreneurs can strategically manipulate their environments. Although there has been a long-standing controversy over whether central or peripheral actors are more capable of manipulating environments (e.g., Cattani & Ferriani, 2008), it is agreed that even peripheral entrepreneurs can initiate institutional changes (Battilana, Leca, & Boxenbaum, 2009). However, the challenge, again, boils down to the problem of limited resources and legitimacy. Battilana and her colleagues (2009) argue that institutional entrepreneurship requires actors’ compelling vision and ability to mobilizing allies. Once illegitimatized by their regulatory environments and furnished with limited resources, how can entrepreneurial firms in nascent markets mobilize allies, and thus, manipulate their regulatory environments?

Both the literature on corporate political strategy and institutional entrepreneurship imply only a partial explanation of how entrepreneurial firms in nascent markets overcome significant regulatory challenges. Although the challenges are very prevalent and can immediately condition the life and death of new ventures, we have only limited theoretical
accounts. Therefore, we began our study by asking, *How entrepreneurial firms in nascent markets change business regulations that significantly constrain their business?* Here, “business regulations” are broadly defined as "imposition of rules by government" on the behavior of firms in the private sector. It aims to control or manage the activities of private firms for the sake of market efficiency or public welfare (OECD, 2002).

Our central argument is as follows. It is likely that established regulatory environments are designed to accommodate and support established markets. The more a nascent market’s technologies, norms, and logics are divergent from those of established markets, the more likely entrepreneurial firms are disadvantaged by established regulatory environments. Then, to be able to pioneer the nascent market and prosper, entrepreneurial firms must be able to bring changes into unfavorable and unaccommodating regulatory environments. In addressing the research question, we mainly place our focus on the role of entrepreneurial storytelling and legitimacy. We argue that entrepreneurial stories serve to confer legitimacy on nascent markets. Whereas entrepreneurial firms lack various resources, supportive stakeholders with such resources may be able to influence political decision-making processes. Then, entrepreneurial firms in nascent markets can be viable as much as their entrepreneurial stories are compelling to gain legitimacy from capable stakeholders. While previous studies have primarily paid attention to the role of entrepreneurial stories in gaining legitimacy from customers or investors (Garud et al., 2014; Lounsbury & Glynn, 2001; Navis & Glynn, 2011), we take further steps by also looking at the process of legitimation in which entrepreneurial firms’ storytelling enables mobilizing stakeholders, and in turn, change business regulations.

Our research design is an inductive case study that uses in-depth interview and archival data to track how entrepreneurs at seven firms in the nascent e-scooter sharing market of South Korea influence unfavorable business regulations during the formative years of the industry. The e-scooter industry in South Korea is an intriguing setting for our study because it is in its
formative stage where established business regulations have only been designed to properly regulate traditional mobility markets, including public transportation and personal vehicles such as bicycles or e-bike. This unique condition allows us to observe entrepreneurial firms’ endeavors to change business regulations.

We find, preliminary, that the firms take several storytelling strategies, on the basis of societal discursive resources, to persuade regulatory authorities, including (1) tempering dominant institutional logics, (2) resonating alternative institutional logics, and (3) laying out a blueprint. Our findings also reveal the role of different layers and domains of institutions in legitimizing the new industry, and the effectiveness of using multiple legitimation strategies.

Methods

Research design and setting

We rely on an inductive case-based grounded-theory building approach (Charmaz, 2006; Corbin & Strauss, 1990; Glaser & Strauss, 1967) to shed light on how entrepreneurial firms in nascent markets change business regulations. The inductive grounded theory-building approach is suitable to address our study for several reasons. First, we aim to generate new theories concerning how entrepreneurial storytelling helps to gain legitimacy and mobilize stakeholders. By observing a case in detail and iteratively connecting tentative concepts and themes with existing literature, the inductive grounded theory-building allows us to find emerging theories, rather than test theories, (Edmondson & Mcmanus, 2007) that explain the phenomenon under investigation. Second, we want to describe the process whereby entrepreneurial firms give rise to regulatory change. The understanding of the process should involve identifying sequences of activities and events and analyzing multiple levels and units (Langley, 1999). By deeply immersing ourselves in the phenomenon, the method enables us to retain, rather than abridge, complexity and integrity of the phenomenon, and to reconstruct a
chronology of key events and conversation between social actors under investigation (Berg, 2004; Lincoln & Guba, 1985). Lastly, we want to earn insights into institutional change initiated by entrepreneurial firms in nascent markets, which have rarely been discussed by extant research. Although findings from a single-case study using an inductive theory building approach cannot be generalized, the case can reveal useful insights that other cases might not afford (Siggelkow, 2007).

The research setting is the nascent e-scooter sharing market of South Korea. The world e-scooter sharing market has witnessed fast growth over the last few years, and the market is forecasted to grow even faster in the next years. A similar success story of the industry appears to be replicated in South Korea. Witnessing a spectacular growth of unicorn startups, the first player launched operations in September 2018, and it was followed by others no earlier than March of 2019. According to industry sources, thirteen firms have introduced their e-scooters to the Korean market as of November 2019. More than 10,000 shared e-scooters are running in Seoul, the capital of South Korea, and its surrounding areas, and additional thousands of e-scooters are planned to take over streets by the end of 2019, intensifying the market competition.

Despite the industry’s seemingly promising future, there remain several threats to entrepreneurial firms. As the market is nascent, questions are raised as to whether the market will sustain steady growth and whether enough investments will flow into the industry. Among others, regulatory uncertainty is critical. As illustrated in the introduction, new ventures working in the nascent e-scooter sharing industry are suffering from regulatory challenges in many countries. Because it is likely that regulatory authorities follow in the footsteps of other cases, regulatory uncertainty is considered as the biggest challenge to the industry in South Korea. This view is confirmed by one of our interviewee, a partner at a venture capital firm that invested in the biggest e-scooter sharing firm in the South Korean market, saying “[when
it comes to regulatory issues] the U.S. cases are likely to be referred to by the Korean government...as an investor, we should even embrace the risk."

Not only does the unpredictability of regulatory change exist, but also the current law regulating the industry imposes huge uncertainty on the industry. In the current Road Traffic Act of South Korea, the e-scooters are classified as a motorized bicycle, which is similarly treated as a motorcycle, and thus, is regulated to run only in roadways. While most of the countries where the market for the e-scooter sharing has been established permit e-scooters to run in bike lanes, the current Korean law does not. The law allows e-scooters to run only in roadways. This simple regulation presents the industry with several issues. First, the restriction on riding in bike lanes and sidewalks can seriously endanger e-scooter riders. Because the speed of shared e-scooters is limited to 25 km/h, the e-scooters can disturb car traffic and are at the risk of crashing into cars. Given that even a single accident led to the industry’s crisis in many other countries, the e-scooter sharing firms are seriously concerned about the safety issue. Second, e-scooter riders are obliged to hold a driver’s license and wear a safety helmet as if they were driving a motorcycle. Even though the average speed of e-scooters is almost the same as that of bicycle or e-bike of which riders are not asked to do so, e-scooter users have to be at great inconvenience only because of the current classification in the law. This problem is considered to limit the potential growth of the market significantly. Besides, because any safety standards are yet to be set due to the ambiguous legal position of e-scooters, the e-scooter sharing firms are confused about how to educate users on safe riding. All the confusion originates from the fact that the law has never been revised according to the advent of shared micromobility platforms and is tailored to regulate traditional vehicles. For this reason, entrepreneurs and industry experts have struggled to change this regulation by actively engaging in government and public relations. For example, in a conference held by the
Presidential Committee on the Fourth Industrial Revolution, a presidential committee in charge of coordinating policy matters pertaining to science and technology, and new industries, on 18 March 2019, participants including government officials, entrepreneurs, industry experts, and other stakeholders made an agreement to revise the law and permit e-scooters' run on bike lanes. Following this agreement, an amendment of the Road Traffic Act is waiting to be discussed and passed in the National Assembly. However, because of other safety concerns raised by other stakeholders, mainly governmental bodies, the amendment is still pending. Consequently, the entrepreneurial firms have attempted to form a collective voice and ally with supporting stakeholders, including industry experts and relevant NGOs. For example, the Korea Startup Forum, a startup association advocating the interests of the entire Korean start-up community and developing policy agendas particularly on regulatory issues, has issued joint statements with the e-scooter sharing firms urging the central government and the National Assembly to pass the amendment of the Road Traffic Act and accordingly prepare new safety standards for e-scooters in May and September 2019. Table 1 presents a timeline of important events and political actions taken by the industry.

[Insert Table 1 about here]

Although any change in business regulation has not taken place, we trace the industry's development from its inception and its efforts to bring changes into business regulation for our theory development. We hope to reveal a process whereby entrepreneurial storytelling vis-à-vis political actions leads to a substantial change in business regulations that has rarely discussed in the literature.
**Data collection**

We took the launch of the first e-scooter sharing service in September 2018 as an event after which we collected data. As the negotiation on regulatory issues is still going on, as of the end of November 2019, we plan to keep collecting data until a significant change in business regulations is observed. The significant change will be the passage of the amendment in the National Assembly and subsequent governmental actions, including preparing safety and product standards, and riding guidelines. Hence, in the current paper, we present data collected by the end of November 2019 and preliminary results.

It is known that in total, 13 firms have been established or entered the South Korean e-scooter sharing market. They include nine entrepreneurial firms, one conglomerate, and three foreign firms that already have operating experience in other countries. However, we limited our sample to domestic entrepreneurial firms that have joined in the market from the industry's early development in South Korea. By an industry's early development, we mean a period when entrepreneurial firms and their stakeholders build and negotiate the industry's important milestones. According to one of our interviewee, regulatory issues of the industry begun to be largely discussed among entrepreneurial firms and stakeholders from the first half of 2019, we limited our sample to entrepreneurial firms that have participated in this conversation from the beginning, which gives us seven entrepreneurial firms.

The scope of data covers interviews, press releases, press interviews, social media posts, and pitch decks from seven entrepreneurial firms. Although data produced from seven entrepreneurial firms are of our primary interest, we also collected data from relevant stakeholders that might have influenced the negotiation process. Moreover, we collected data from publicly available reports produced by governmental bodies (e.g., ministries, government-affiliated research institutes) and industry experts, and relevant news articles. We bore in mind that, although interviews are the primary sources for understanding on what, why,
and how actors did, interviews are subject to retrospective bias (Gehman et al., 2018). Therefore, in order to preserve the trustworthiness of the interview data, we tried to triangulate the data across the interviews and archival sources (Langley et al., 2013).

We placed our focus on data produced after the first launch of the e-scooter sharing service in South Korea. However, we also collected data outside of this window for context, in order to understand what contextual factors influenced entrepreneurial firms’ storytelling and political actions, and what regulatory challenges and political situations entrepreneurial firms face. The detail of collected data is as follows.

**Interviews** To familiarize ourselves with the context and grasp what happened during the industry’s early development, we interviewed nine informants between July and September 2019. Interview data helped us reveal how entrepreneurial firms and their relevant stakeholders perceive regulatory challenges, what entrepreneurial stories they deliver to cope with the challenges, and what activities and political actions they have taken or plan to take. Our informants include four CEOs, two in management teams, one in a startups association, and two investors. Further interviews will be performed throughout 2020.

**Press releases** As our sample consists of entrepreneurial firms that have been established recently, they lack the proper function of public relations. Nevertheless, they have issued press releases for the marketing purpose and for announcing their policy and activities. *Firm B* kindly provided us with the complete list of their press releases. The others have not yet provided the list and have not even posted press releases on their official website. Following the advice of a person in charge of public relations at a renowned VC firm in South Korea, we searched press releases disseminated by the other six firms on the webpages of three news organizations focused on topics about entrepreneurship and new technologies (www.venturesquare.net, www.platum.kr, www.bloter.net). It totaled 57 press releases.

**Press Interviews** Press interviews are meant to reveal each firm’s strategies and speak
up for or against specific issues. We took press interviews as an important source for our study because they provide useful information on the entrepreneurial firm’s perspectives on challenging business regulations and their plans to cope with those challenges. We looked up press interviews conducted by each firm’s CEO on the biggest news web portal of South Korea (http://news.naver.com) by using each firm’s name and CEO’s name. It totaled 29 press interviews.

**Social Media Posts** We reviewed social media platforms to assess which is the most frequently used for the seven firms to communicate their messages with customers and other stakeholders. We found Facebook was the primary platform for communication. Rather than using company websites, they tended to rely on Facebook as the primary communication platform. Therefore, we assembled all the Facebook posts of each firm during our data collection period. It resulted in 237 Facebook posts.

**Pitch Decks** Pitch decks are documents by which entrepreneurial firms communicate their strategies and persuade their important stakeholders, including investors and governments. Two firms provided their pitch decks targeting investors and local governments. We analyzed three pitch decks in total.

**Publicly Available Reports** Central and local governments, government-affiliated research institutes, and industry experts working in private research institute publish reports in which they analyze policy issues that they think of as important and present their opinions on them and policy suggestions. As their opinions are likely to attract considerable attention and shape future policy direction, we also included these sources in our data. We analyzed 12 reports that address regulatory issues in the e-scooter sharing market.

**News Articles** We gathered 248 online news articles and newscast transcripts that address regulatory issues of the e-scooter sharing industry from the biggest news web portal of South Korea (http://news.naver.com). It was performed by using the keywords “e-scooter” and
“regulation.” We limited news articles and newscast transcripts published by dailies and broadcasters because those are more likely to be widely circulated and influential, compared to online newspapers and news blogs.

**Data analysis**

The current paper aims to understand how entrepreneurial firms make use of storytelling *vis-à-vis* political actions to gain legitimacy, mobilize supporting stakeholders, and, therefore, bring changes into business regulations that significantly constrain their viability. In particular, we place our primary focus on a process whereby entrepreneurial firms, their supporting stakeholders, and governmental authorities communicate with each other and negotiate the proper direction of industry development and regulatory changes. To investigate this process, we employed a process perspective that “focuses empirically on evolving phenomena” and draws on “theorizing that explicitly incorporates temporal progressions of activities as elements of explanation and understanding” (Langley et al., 2013, p.1).

In analyzing the interviews and the other archival data, we mainly relied on discursive approaches (e.g., Phillips, Sewell, & Jaynes, 2008; Vaara, 2010). Discursive approaches use texts (interviews and other archival data) not only to understand “what they say” but also to examine “what they do” (Langley & Abdallah, 2011, p.132). Discourses embedded in texts are believed to convey meanings and have effects realized as organizational or social changes, including, for example, the legitimation of institutional change (Suddaby & Greenwood, 2005) and the emergence and reproduction of strategy (Knights & Morgan, 1991). Also, discursive analysis acknowledges that processes in which the meanings of discourses lead to the effects do not take place in a vacuum, thereby attempting to uncover by what means organizational actors achieve the effects (Langley & Abdallah, 2011; Vaara, 2010). In our analysis, therefore, we concentrated on analytical elements that discursive approaches adopt: a process whereby
entrepreneurial storytelling (i.e., the meanings) in keeping with their activities and political actions (i.e., the means) gives rise to changes in business regulations (i.e., the effects).

Langley and Abdallah (2011) maintain that the greatest potential of discursive analysis lies in interdiscursivity, which is meant to reveal “the interplay of discourses over time and across multiple levels” (p.129). Therefore, we pay particular attention to understanding discourses produced at each level (organizational, industry, and social) interacting and linking one to another to make sense of how discourses develop over time (Vaara, 2010).

We began our data analysis by understanding the context with news articles addressing regulatory issues around the industry. In particular, we gave priority to new articles that were posted on the firms’ Facebook pages via links, since those articles can be considered as containing issues the entrepreneurial firms took seriously. In the discursive analysis, understanding context is seen as cornerstones upon which robust analysis and theory-building can be achieved (Heracleous & Barrett, 2001; Vaara & Monin, 2010). After familiarizing ourselves with the context, we engaged in open-coding to let themes emerge out of the texts (Corbin & Strauss, 1990). And then, we aggregated the emerging themes into a higher level of dimensions. Based on our knowledge of chronology, the unfolding of the events, we attempted to build a process model by constructing a dynamic relationship between different themes and dimensions (Gehman et al., 2018).

**Preliminary Findings**

In the current draft, we present preliminary findings that emerged from our data collected by now. As discussed above, the Road Traffic Act that significantly constrains the growth potential of the market has not been amended. Hence, our current findings portray only a small piece of the story that describes the early development of the industry from the industry’s inception to the moment the entire industry started to take collective political actions.
The main concern of the central government is that the proliferation of e-scooters may jeopardize public order and safety. For example, in the very formative period of the industry, the Anti-Corruption and Civil Rights Commission, a governmental body that addresses public complaints officially filed, published a special report that analyzes e-scooter-related public complaints in March 2019. The report notes that requests for a crackdown on unsafe and illegal riding are the most common issue raised – 33.8% (501 cases) of all complaints between January 2016 and December 2019. This concern largely influences the government’s attitude towards the new industry. Therefore, for the entrepreneurial firms and the industry at large, addressing this issue is the key factor to negotiated with the government and shape favorable regulatory environments.

Three main findings emerged from our data. First, whenever describing their business and plans, they tried to “temper” dominant institutional logics that control the current regulatory environments. These logics include the above-mentioned public safety and order. Second, to frame their business as legitimate, they “resonated” with alternative institutional logics that potentially provide a strong rationale for regulatory change. In doing so, they argued that the industry tackles societal issues and contributes to higher policy agendas. Also, they positioned their industry in a global megatrend that shapes the industrial landscape. Finally, to more directly speak to the regulations, they laid out a "blueprint". Our findings and relevant evidence are summarized in Table 2. All these stories were spoken out simultaneously, but for clarity, we present each of the findings separately.

[Insert Table 2 about here]

*Tempering dominant institutional logics*

In order to persuade the government, it was imperative for the firms to attend to their
main concerns and institutional logics that stifle regulatory changes. As discussed, public safety and order serve as the primary concerns and the dominant institutional logics that inhibit changes in business regulations. There has been growing concern about the negative social impact of the industry on public safety and order, as shown by a news article:

According to an analysis report published by Samsung Traffic Safety Research Institute, the number of traffic accidents caused by e-scooters has increased three times in the last three years....the most frequent cases were driving the wrong way and a traffic signal violation _ The Hankeyoreh, July 28, 2019

Thus, the firms tried to impress the government with their sincerity towards these issues in their storytelling. In other words, they directly spoke to the policy concerns posed by business regulation. For instance, one of our interviewees revealed this perspective, saying:

I absolutely understand that the e-scooter sharing service can cause inconvenience to the public; thus, the government has reasons to crack down on the service. So, we should [collectively] put our effort into removing the reasons. We need to prove that our service doesn't disturb the public order. Indiscriminate expansion of the service should be avoided _ CEO of Firm A; September 11, 2019; interview

Interestingly, we found that their stories are not just rhetorical. To enhance the credibility of stories, they were engaged in several activities consistent with the stories. For example, Firm A initiated a public campaign aiming for users’ safe ride in cooperation with a police department and the Korea Transportation Safety Authority. Moreover, six out of seven firms have developed a "personal mobility" insurance product, which is not enforced by regulations. In order to address concerns about visual clutter and vandalism, Firm A and C embarked on setting up stations for shared e-scooters on the streets. Although setting up “stations” is contradictory with the very nature of the service, a “dockless” micromobility, they were willing to do it for legitimizing their business. All these activities incur huge costs that such small entrepreneurial firms cannot easily afford. Nevertheless, as one of our interviewees revealed, all the activities were important to “temper” the government’s concerns and to secure the long-term viability of the industry.
In doing so, it should be considered that policy and business vocabulary are different. While entrepreneurial firms attempt to tell stories that seemingly adhere to policy concerns, if the vocabulary that they are using is not easily understood by the government, real meanings cannot be conveyed from one to another. An interviewee working in a startups association revealed they tried to learn and were trained to use policy vocabulary for better communication with the government. The interviewee also pointed out an inherent challenge of entrepreneurial firms when they negotiate with the government:

*Startups usually do not know how to document and publicize their needs. We, association, exists to do jobs that cannot do. This is the nature of our organization. They know what is needed and what should be explained from a business perspective, but not from a policy perspective...what we do is to collect startups' needs, analyze each ministry's opinion, and let startup's know what actions to take*  
_Head of Policy Team at a startups association; September 26, 2019; Interview_

Exemplifying this view, we observed that entrepreneurs often tended to explain their industry not from a business perspective but from a policy perspective. They were talking as if they were policymakers. An interviewee talked about urgent policy challenges that the governments are faced with, and tried to legitimize their industry by leveraging those challenges:

*I believe if we position the shared e-scooter as a "new mean of [public] transport," the government will provide a conducive [regulatory] environment. The reason why micro-mobility is gaining attention relates to a megatrend "urbanization"... The government has to address problems such as air pollution, huge traffic, and promoting public transportation. Micro-mobility can be seen as a solution to those. Thus, I believe we can overcome regulatory barrier at the end of the day*_  
_CSO of Company B; September 20, 2019; Interview_

All the stories and activities aimed to temper the dominant institutional logics that impede changes in unfavorable business regulations. By showing their sincerity towards policy concerns and understating of the policy landscape, they sought to weaken the link between the dominant logics and the business regulations. They understood if they did not address main policy concerns, the dominant logics would act as a significant pushback, and in turn, sustain
the current unfavorable regulatory environments.

**Resonating alternative institutional logics**

Conformity may not be enough as far as entrepreneurial firms want to gain an impeccable degree of legitimacy and push on their demands. While partially conforming to exiting institutions is a way of gaining legitimacy, it does not fully guarantee entrepreneurial firms’ viability and growth. They must be engaged in stories and activities that open up the avenue for favorable institutional change. Thus, the firms hugely relied on alternative institutional logics that potentially endorse their business and needs for regulatory changes.

In doing so, the entrepreneurial firms claimed that their business resulted from societal endeavors to tackle urgent societal issues. While several societal issues were being discussed in public discourse, they referred to societal issues that were gaining the most considerable attention from the public. Those issues include the problem of declining population and notorious air pollution resulting from ultrafine dust. Exemplifying a widespread public concern about notorious air pollution, for example, the mayor of the Metropolitan Government of Seoul has recently announced that the metropolitan government would “take stronger measures to fight against” the issue (November 21, 2019; press interview). Leveraging this issue, the firms framed e-scooters as a “solution to air pollution problem." A CEO revealed this perspective in a press interview:

> The e-scooter sharing service can play a significant role in promoting public transportation...If people widely use shared e-scooters, which is definitely eco-friendly, for commuting and short distance travel, the level of air pollution will significantly decrease._CEO of Firm A; March 8, 2019; press interview

It is obvious that the public policy arena is the place where competing public demands fight against each other. Therefore, in order to secure consistency in public policy, and thus, policy effectiveness, governments tend to have prioritized agendas that guide policy measures
at lower-levels of the policy domain. In our context, the agendas include regulatory reforms or industrial innovation. The notion of “regulatory reforms” is taken very seriously, and the public tends to attribute the current low economic growth rate to the central government’s inability to push regulatory reforms. For example, major media organizations often call South Korea "the Republic of Regulation." To leverage this urgency, the firms told changing the current regulations imposed on the industry would show an exemplar of regulatory reforms. Two firms were even actively engaged in a policy initiative of regulatory reforms, namely Regulatory Sandbox Program, and issued several press releases about it.

Another finding illustrates how entrepreneurial firms expand the meaning of their business and industry to the fullest. They tended to frame their industry as "a global megatrend," and introducing and accommodating the industry is "unavoidable." In a press release, a firm implied this unavoidable change:

*The shared e-scooter is gaining large attention worldwide. According to McKinsey, a global consulting company, the world mobility market will grow from $30 billion in 2015 to $1,500 billion in 2030. In Oslo, Norway, the e-scooter sharing service has contributed to smart and eco-friendly cities. In Scandinavian countries, the shared-scooter serves as an extension of public transport._ Company B; July 24, 2019; press release*

With the three strategies mentioned, the entrepreneurial firms aimed to resonate with alternative institutional logics that potentially strengthen the industry's legitimacy and provide rationale for regulatory change. They framed the industry as a natural consequence of societal endeavors to tackle urgent issues. In addition, they echoed prioritized policy agendas that possibly dictate the regulatory environments. What is more interesting is that they tended to glamorize the industry as an unavoidable and irresistible wave. By doing so, they sought to strengthen the link between alternative institutional logics and business regulation.

**Laying out a blueprint**

Lastly, the third dimension of our findings pertains to how entrepreneurial firms directly
take on the unfavorable business regulation. While the previous two strategies are rhetorical, this finding indicates that entrepreneurs’ stories can also be substantive. It may be because the government’s decision-making process is likely to be slow due to its bureaucratic nature, and coordinating different government parties that are engaged in a specific issue can be an extremely complex process.

Thus, to form a collective voice and suggest a feasible solution to the status-quo, the entrepreneurial firms launched an industry alliance, the Shared Personal Mobility Alliance affiliated with the Korea Startup Forum in early November 2019. The purpose is to more actively engage in political actions as the process of revising the Act has dragged on for a long time. As the National Assembly failed to lay the proposed amendment in late November 2019, the Shared Personal Mobility Alliance expressed its condemnation for authorities’ lack of responsibility by releasing another statement. In the same statement, they announced their plan to suggest (1) a tailored amendment of The Road Traffic Act, (2) safety standards for e-scooter devices, and (3) safety standards for riding (November 7, 2019).

Furthermore, they even communicated what problem would happen next, assuming that the current business regulations change and what the government should do about it. An interviewee explained his company's efforts on "what's next" and expressed his concerns about the government's reactive measures that are taken only after problems occurred. He said:

*Whenever we meet authorities, we say, "you will face this problem, so you should be prepared for this." We are proactively thinking about the problem, and also, we want them to think about it proactively._* CSO of Company B; September 20, 2019; Interview

In addition, the firms portrayed the promising future that the industry would bring if regulatory environments are conducive. For example, in a press interview, the CEO of company D emphasized the importance of the industry in the future by saying that “….only 70 % of travel within cities is accounted for by driving cars. For the rest 70% of travel, people use public transports, walk, or use other types of vehicles…If the use of e-scooter more proliferates,
cities will become a place for human beings, not for cars”. In addition, the CEO of Company A even asserted in a press interview that they were willing to provide “big data collected from e-scooters to the government” for the collective good.

These strategies significantly depart from the previous “tempering dominant institutional logics” and “resonating alternative institutional logics” in that entrepreneurial firms attempt to influence the course of regulatory change directly. While entrepreneurial firms are often perceived as having a limited political voice, our findings reveal that they associate with other firms and form a collective voice to enhance the persuasiveness of their stories.

**Discussion and Conclusion**

Our study began by observing entrepreneurial firms in their infancy that were struggling with hostile environments. In doing so, we asked, *How entrepreneurial firms in nascent markets change business regulations that significantly constrain the very functioning of the business.* While any institutional logic and environment can largely influence entrepreneurial firms and new industries' survival and growth, we paid our particular attention to regulatory institutions that entail coercive pressure on entrepreneurial firms’ behaviors.

Our findings are preliminary as the process of regulatory change is on the way. Hence, our findings reveal only a part of stories of institutional change. Nevertheless, we found three entrepreneurial storytelling strategies in an attempt to change the hostile regulatory environment. The first is “tempering dominant institutional logics,” which refers to entrepreneurs' efforts devoted to addressing institutional logics that bind the current business regulations. The firms showed their best conformity to the extent that such conformity does not jeopardize the very nature of their business. By doing so, they were able to prove they behaved in the spirit of existing institutional logics and gain some degree of legitimacy from the government. This is an endeavor to weaken the link between dominant institutional logics
and the current business regulation. The second finding is "resonating with alternative institutional logics," which aimed to create or bolster the link between alternative institutional logics. This strategy is similar to that described as “selecting among environments” (e.g., Suchman, 1995; Zimmerman & Zeitz, 2002) in the previous literature. When environments are extremely hostile, entrepreneurial firms can navigate through alternative logics that can potentially best support their demands.

Institutionalists have confirmed the existence of multiple institutional logics and its implications for organizations and individuals’ behaviors. For example, Meyer and Rowan (1977) observe that organizations may face incompatible sociopolitical and commercial expectations. The existence of multiple institutional logics is challenging because "multiple independent groups and organizations make demands that are, at best, uncoordinated" (D’Aunno, Sutton, & Price, 1991, p. 636). Thus, previous studies have investigated how organizations react to multiple, and often, competing logics (e.g., Kraatz & Block, 2008; Pache & Santos, 2010). Departing from previous studies, our findings imply that organizations can enjoy multiple logics as they can be multiple sources of legitimacy. In our finding, both conformation and selection logics serve as mechanisms by which entrepreneurial firms gain legitimacy, and thus, bring change into the established regulatory institution.

Our third finding exemplifies the possibility of entrepreneurial firms’ ability to take substantive actions. The firms attempted to develop and achieve alternative business regulations. The literature on corporate political strategy and institutional entrepreneurship hint at organizations’ ability to change unfavorable regulatory environments. However, the discussion is still limited in that they give little evidence to the question of how entrepreneurial firms in nascent markets with little legitimacy and resources can bring changes. Our study contributes to the literature by finding that when entrepreneurs can suggest a clear and promising blueprint, they may be able to change their regulatory environments.
It is worth noting that previous studies also point to the importance of associating with other organizations and mobilizing supporting stakeholders when organizations attempt to manipulate their surrounding environments (e.g., Zimmerman & Zeitz, 2002). However, the mechanism by which entrepreneur firms can do so has rarely been discussed. Although not shown in the current draft, we pay attention to the role of discourse not only as materials for entrepreneurs’ stories, but also as a driver of mobilizing supportive stakeholders. To reveal this mechanism, we need more systemic analysis. Studies adopting discourse approaches often interpret public discourse as sources of organizations’ legitimizing logics (e.g., Vaara & Monin, 2010). Our observation also confirms this view: when describing their business and industry, entrepreneurial firms primarily rely on discourse of society. In addition, we propose that entrepreneurial firms can mobilize their supporting stakeholders because such stakeholders empathize with entrepreneurs' stories, and they are the ones who joined in the process of discourse production. The procedural mechanism of this mobilization, however, remains to be further explored.

Our findings reveal an interesting dynamics in two aspects. First, the firms stretch out to different layers of institutions simultaneously. Previous studies suggest that informal institutions shaped by society’s culture and values largely influence formal institutions manifested as codified and explicit regulations, law, or standards (Holmes, Miller, Hitt, & Salmador, 2013). Thus, it is important for organizations attempting to change formal institutions should address not only the formal institutions but also higher-level informal institutions that potentially constraint or provide logics of change to the formal institutions of interest. Our findings illustrate that the firms try to weaken the link between current dominant logics and business regulation. At the same time, they attempt to bolster the link between alternative logics and business regulation.

Second, our findings imply that different strategies for gaining legitimacy are not
exclusive. Instead, the entrepreneurial firms make use of them at the same time to craft favorable regulatory environments. While they show their seemingly the best "conformity" to dominant logics, they also "select" alternative logics that support regulatory changes. Moreover, by taking political actions with allies and suggesting an alternative business regulation, they seek to "manipulate" the regulatory environments.

Pioneering a new market is a challenging endeavor. It is especially true for entrepreneurial firms who are resource-deprived and lack legitimacy. The challenge becomes intense when exiting environments resist accommodating their ideas and business models. By exploring a case where existing business regulations act as a significant constraint on the new industry, we reveal the power of entrepreneurs’ stories. It is a catalyst to reorganize and redefine the entanglement of diverging demands. It is also a driver of engaging other capable actors. Our illustration exhorts ambitious entrepreneurs to view the social landscape and actively find their leverages to achieve what they pursue.
References


Publications.


<table>
<thead>
<tr>
<th>Date</th>
<th>Event or political action</th>
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<tbody>
<tr>
<td>2017 June</td>
<td>A first amendment of the Road Traffic Act that defines the legal position of e-scooters and allows for its running on bicycle lanes proposed to the National Assembly</td>
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<tr>
<td>2018 March</td>
<td>Korea Startup Forum, advocating the interests of the start-up community, established</td>
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<td>2018 September</td>
<td>The first e-scooter sharing service launched</td>
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<td>2018 September</td>
<td>The economy ministers meeting, chaired by the minister of economy, released a “Regulatory Reform Plan”, promising to prepare safety and product standards, and riding guidelines by June 2019</td>
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<td>2019 January</td>
<td>The second e-scooter sharing service launched</td>
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<tr>
<td>2019 February</td>
<td>A second amendment of the Road Traffic Act that defines the legal position of e-scooters and allows for its running on bicycle lanes proposed to the National Assembly</td>
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<tr>
<td>2019 March</td>
<td>The third e-scooter sharing service launched</td>
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<td>2019 March</td>
<td>The Presidential Committee on the Fourth Industrial Revolution concluded allowance for e-scooters’ running on bicycle lanes, and called for a change in the Road Traffic Act</td>
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<td>2019 May</td>
<td>Four late-comers’ service launched</td>
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<tr>
<td>2019 May</td>
<td>The Korea Startups Forum, collaborating with established e-scooter sharing firms, issued a first joint statement calling for a change in business regulation</td>
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<tr>
<td>2019 July</td>
<td>Ministry of Industry, Trade, and Resources approved requests from two firms to allow users to ride in bicycle lanes in certain areas under regulatory sandbox program</td>
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<td>2019 August</td>
<td>Industry-wise negotiation on regulatory change with related governmental bodies, including Ministry on Land, Infrastructure, and Transport, Ministry of Industry, Trade, and Resources, and National Police Agency</td>
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<tr>
<td>2019 August</td>
<td>Inter-governmental negotiation on regulator change between Ministry of Land, Infrastructure, and Transport, Ministry of Industry, Trade, and Resources, and National Police Agency</td>
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<tr>
<td>2019 September</td>
<td>The Korea Startup Forum, collaborating with established e-scooter sharing firms, issued a second joint statement calling for a change in business regulation</td>
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<tr>
<td>2019 November</td>
<td>The Shared Personal Mobility Alliance, affiliated with the Korea Startup Forum and comprised of ten shared personal mobility firms, launched</td>
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<td>2019 November</td>
<td>The National Assembly failed to lay the proposed amendment</td>
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<td>2019 November</td>
<td>The Shared Personal Mobility Alliance released a statement</td>
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Table 2. Additional evidence for the three dimensions of findings

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<tr>
<th>Tempering dominant institutional logics</th>
<th>Quotes or strategic actions</th>
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<tr>
<td><strong>Using policy vocabulary</strong></td>
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<tr>
<td>From the perspective of urban policy, as the number of cars in a city increases, many [policy] issues, such as air pollution and parking problems, have to be solved. So, [the government] should promote the use of public transportation. In the face of growing urbanization, the shared e-scooter can be a solution to issues brought by cars, and promote public transportation <em>CEO of Company A; 2019 Sep 11th; Interview</em></td>
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<td>What I’ve heard from government officials is that they want to nurture the industry as a new industry and solve regulatory problems. But, the key is public opinion. Government policy changes in keeping with public opinion...We should do our best not to cause negative public opinion <em>CEO of Company A; 2019 Sep 11th; Interview</em></td>
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<td>Air pollution, limited parking space, and increased traffic are problems that central and local governments take as serious policy problems. But, they don't have good solutions. This is why electronic cars and eco-friendly transport have gained a lot of attention. In planning future transportation system, policymakers take the problems into consideration...they are drawing their own blueprint, and we want to participate as a player <em>CEO of Company B; 2019 Sep 16th; Interview</em></td>
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<td>I believe if we position the shared e-scooter as a &quot;new mean of [public] transport&quot;, the government will provide conducive [regulatory] environments. The reason why micro-mobility is gaining attention relates to a megatrend &quot;urbanization&quot;... The government has to address problems such as air pollution, huge traffic, and promoting public transportation. Micro-mobility can be seen as a solution to those. Thus, I believe we can</td>
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<td>Overcome regulatory barrier at the end of the day</td>
<td>CEO of Company B; 2019 Sep 20th; Interview</td>
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<td>It is important to understand what the government’s need is. When we apply for the regulatory sandbox program, we put our efforts into persuading them that our service can address their policy issues, and be sustainable. For example, we emphasized that the shared e-scooter industry can provide solutions to low fertility and population aging, and environmental problems.</td>
<td>CEO of Company C; 2019 Aug 28th; conference talk</td>
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<th>Safety is our priority. We are willing to provide helmets. We are also willing to collaborate with the government in providing helmets [to relieve the government’s safety concern].</th>
<th>CEO of Company A; 2018 Oct 4th; Press Interview</th>
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<td>Roadways, where shared e-scooters run, are a public good. For the &quot;shared mobility&quot; industry to develop, it has to be considerate of cities and pedestrians...Roadways do not exist to provide us with business sites at all</td>
<td>CEO of Company A; 2019 June 10th; Press Interview</td>
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<td>We don’t see ourselves as doing business. [I believe] the industry will evolve into a type of public service, and we feel responsibility. This is why we more talk about safety and public order</td>
<td>CEO of Company B; 2019 Sep 16th; Interview</td>
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<td>Company B proved its device safety obtaining safety certificate.</td>
<td>Company B, 2019 August 1st; press release</td>
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| Speaking to policy concerns posed by the business regulation | }
### Resonating alternative institutional logics

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<th>Quotes or strategic actions</th>
<th>Tackling societal issues</th>
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| *We need to realize the problem of declining population. It is common all around the world, especially in advanced countries, that the average size of families is shrinking, and owning a big family car is not necessary...Micro-mobility can replace the need of owning a car.* _CEO of Company A; 2019 Sep 11th; Interview*

*In terms of the value chain, we are now only providing a service platform...Our ultimate goal is to control the whole value chain. We want to produce e-scooters eco-friendly, charge batteries eco-friendly, and recycle devices eco-friendly...The government is the most important counterpart for us. In persuading them, our identity as an eco-friendly firm will be crucial._ _CSO of Company B; 2019 Sep 16th; Interview*

*Company A* participating in Bucheon city’s Smart City Initiate; activities include (1) distributing shared e-scooters in the city; (2) Setting up parking and charging facilities; (3) collecting and analyzing data on riding history; and (4) suggesting transportation and urban planning policy to the city. _Company A; 2019 June 28th; press release.*

*Company A’s* application for the Ministry of Trade, Industry, and Energy’ regulatory sandbox program approved. It will demonstrate its service’s benefits to cities in Siheung city. _Company A; 2019 July 11th; press release*

*Company C’s* application for the Ministry of Trade, Industry, and Energy’ regulatory sandbox program approved. _Company C; 2019 July 11th; press release*
To run this business, somebody has to deliver, charge, and distribute e-scooters. We call them "Supporters," and this is exactly how we create jobs._ CEO of Company A; 2018 Oct 4th; Press Interview

[By having broader coverage of the service,] we are aiming to revitalize backward regions. We want to distribute our e-scooters and collaborate with local businesses to induce people to visit those regions._ CEO of Company A; 2019 November 11th; Press Interview

We are now trying to actively participate in policy conversation pertaining to planning smart cities to generate ideas about how to improve our transport system's connectivity. Urban planners and big Maas (Mobility-as-a-service) companies are drawing big pictures, and we want to play a role in the picture._ CEO of Company B; 2019 Sep 16th; Interview

From political point of view, the administration’s policy agenda “growth by innovation” and “the 4th industrial revolution” serve as leverage to persuade the government to revise the current business regulation…and also the Ministry of Planning and Finance has large interest in nurturing new industries._ Director of Policy Team at startup’s association; 2019 Sep 26th; Interview
The evident huge demand is another leverage. Customers’ preference for the shared e-scooter is undeniable. We are persuading authorities to consider this fact, prepare a forward-looking regulatory environment. CSO of Company B; 2019 Sep 16th; Interview

The shared e-scooter is gaining large attention worldwide. According to McKinsey, a global consulting company, the world mobility market will grow from $30 billion in 2015 to $1,500 billion in 2030. In Oslo, Norway, the e-scooter sharing service has contributed to smart and eco-friendly cities. In Scandinavian countries, the shared-scooter serves as an extension of public transport. Company B; 2019 July 24th; press release

Regulatory issues have largely been addressed in countries where the e-scooter sharing service has been introduced earlier than Korea. EC legalized e-scooters in January 2016, and the ride of e-scooter has been approved in major European cities, including Madrid, Spain, and Paris, France. Germany has released a law that allows the riding of e-scooters on roadways and bike lanes. Company B; 2019 July 24th; press release

Micromobility can be connected to bigger mobility platforms. Uber presents a good example. Uber has made a partnership with Virgin Train under which customers can have seamless mobility experience from train to taxi. The e-scooters has possibility provide better mobility experience to customers. Company C; 2019 April 12th; press release

**Implying unavoidable change**
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<th>Laying out a blueprint</th>
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<tr>
<td><strong>Quotes or strategic actions</strong></td>
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<td>[I understand that] depending on users’ riding style, it is possible that e-scooters could endanger pedestrians. Thus, [rather than to impose crackdown], we urge the government to prepare a safety standard for e-scooters as soon as possible _ CEO of Company B; 2019 Sep 16th; Interview</td>
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<td>We believe the pending amendment of Road Traffic Act will be passed the National Assembly, and its revised enforcement ordinance that specifies safety standards will be prepared at the end of the day. For us, another step to take is to suggest “what’s next” to the government…We are sure that riders will want more. They will want to rider e-scooters on sidewalks. _ CSO of Company B; 2019 Sep 20th; Interview</td>
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<td>I think, to take a step forward, [the government] should expand road infrastructure. Allowance for riding in a wider range of roads is essential. But we need more than that. Road infrastructure conducive to riding micro-mobility should be built…If the e-scooter sharing service becomes prevalent, we will see an ideal urban environment where the use of public transportation increases, traffic decreases, and even car users have better driving conditions. _ CEO of Company A; 2019 Sep 11th; Interview</td>
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We want to change the landscape of cities. Cities are not necessarily a place crowded with cars and occupied with roadways. The real city is where people are. Shared e-scooters will enable people to enjoy and experience cities. _CEO of Company A; 2019 March 8th, Press Interview

Shared e-scooters can collect big data by running from place to place. Such data can be used to improve the entire urban environment. If the data is used for improving infrastructure and solving environmental problems, we are more than happy to provide the government with the data. _CEO of Company A; 2019 Nov 11th, Press Interview

We should be able to make them create a conducive regulatory environment. In doing so, we should be able to make them even envision the future of cities where micromobility coexists with pedestrians on sidewalks, and third-lanes for micromobility exist. For this vision, we will present substantial public benefits _CSO of Company B; 2019 Sep 16th, Interview

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