EXPLORING THE OPPORTUNITIES OF BRICOLAGE FOR MARTECH SCALE-UPS FROM RESOURCE-CONSTRAINED PERSPECTIVE

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Exploring the Opportunities of Bricolage for MarTech Scale-ups from Resource-Constrained Perspective

Emergent Research Forum (ERF)

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Abstract

To build a competitive advantage, accumulating resources is an unachievable expectation. Incumbent companies can only strive for temporary advantages, and more companies would find themselves in adversity to struggle for survival. This research investigates how the ecosystem of MarTech scale-ups responds to various constraints with inadequate resources. Theoretically, combined with the current studies on resource making-do and resource construction, this research proposes another viewpoint of "opportunity identification" to enrich the repertoire of bricolage theory and emphasizes a series of value conversion through resources. When the value of resources could be converted, constraints would be redefined, resource construction would be meaningful, and the opportunities would be ready to break the constraints.

Keywords

Bricolage, resource-constrained, resource conversion, opportunity identification, qualitative research.

Introduction

Entrepreneurs should discover and develop valuable, rare, inimitable, and non-substitutable resources (VRINs) when launching new enterprises (Baker & Nelson 2005; Sirmon et al. 2007). Much of the pioneering literature has focused on allocating resources and recombining intangible resources to cultivate accumulated experience (Banerjee & Campbell 2009). In fact, most scale-ups would find themselves in adversity and struggle for mere survival. With the absence of resources and slim chances, how do scale-ups find ways to survive (Desa & Basu 2013)? It seems to be a more concerning issue. It is complicated for scale-ups to grow with a lack of resources, and it is even more frustrating if constraints are added (Bouquet & Birkinshaw 2008). How to resolve constraints in resource-penurious circumstances is thus a topic to study, and a critical solution is necessary to pursue sustainable scale-ups. To resolve these issues, we introduce the concept of bricolage (Levi-Strauss, 1966) to explore: (a) how to break through constraints using bricolage; and (b) how to identify the heterogeneous opportunities for bricolage when facing constraints.

Literature Review

What (and Why) is MarTech?

Since the word “MarTech” was coined in 2011 by Scott Brinker, there has been a vast increase in marketing technology software developed and used in the marketing industry (Brinker & McLellan 2014). Now more than ever, the huge shift from offline to online driven by the post-COVID-19 era has accelerated this existing movement towards digital transformation and further increased adoption of MarTech. According to the Social Media Trends 2022 Report from Hootsuite, the internet penetration and social media penetration worldwide has a 4% and 10.1% increase separately over the previous year. The rapid growth of the MarTech industry thus create multiple new business models that firms would be forced to adapt or survive.
**Start-up and Scale-up**

The term “start-up” is a structure designed to create a new product or service under conditions of extreme uncertainty (Reis 2011). A start-up has to invent its processes and define its business model and it doesn’t stick to what already exists or traditionally done things. The challenge for a start-up is to find its business model, to succeed in stabilizing it, and to grow rapidly. Monteiro (2019) is the first scholar to create a definition of scale-up as he notices that “there is not yet a precise definition of scale-up in literature.” Monteiro defined the scale-up as a high-growth firm whose accelerated cycle of growth and wealth creation is fundamentally based on the scalability of its business model (Monteiro 2019). Compared with start-up, scale-up is an entrepreneurial venture that has achieved first revenues and now faces either the "second valley of death" or exponential growth (Wilson et al. 2018).

<table>
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<th>Birth</th>
<th>Growth</th>
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<tr>
<td>Start-up</td>
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**Figure 1. Lifecycle labels of Start-up and Scale-up**

To differentiate start-up and scale-up, the life cycle classifications of Miller and Friesen (1984) will be used. They concluded that there are five stages in which an organization can be, 1. founding, 2. growth, 3. maturity, 4. revival, and 5. decline. A map of the different company lifecycle labels compared to the tags created by (Miller & Friesen 1980) can be seen in Figure 1. We choose the “scale-up” as our research case because it has faced the "second valley of death"(constraints) stumbling block before.

**Resource-constrained Circumstances: A Systematics of Constraints**

We employ the term "constraints" based on our cross-disciplinary review in two main steps. First, we identify and aggregate the "constraints" studied in each article, and these clusters are designed to capture the essence of the differences among constraints. Second, we use a general input-process-output model—a widely used model in previous influential work on creativity and innovation (e.g., Hülsheger et al. (2009))—to differentiate each constraint. According to the literature review across fields, we designed Figure 2 to show our conceptual constraints view.

**Theoretical Background**

**Resource-based View and Dynamic Capability View**

RBV was all the rage in the 1990s, with resources becoming a new mainstream research topic and promoting the idea (Barney et al. 2011). From this perspective, each firm has its unique point in its special relationship with the environment of its resources. The main point of the RBV is that enterprises should attempt to combine unique resources to improve their competitive advantage (Barney 1991; Grant 1991). The dynamic capabilities view (DCV) is derived from the RBV. The primary assumption is that an enterprise should use its essential competencies to create a short-term competitive position that it can develop into long-term competitive advantages (Teece 2018). In brief, the RBV emphasizes sustainable competitive advantage (Barney et al. 2011), while the DCV focuses more on managing the problem of competitive survival under rapidly changing current business conditions (Ludwig & Pemberton 2011). However, this situation is that...
of wealthy enterprises. While indulging in the trend of RBV and DCV, we might forget that most enterprises are "hand to mouth", especially scale-ups.

**Bricolage: Making-do View and Resource Construction View**

Bricolage is a concept that embodies the idea related to "making do" in many ways (Baker & Nelson 2005; Witell et al. 2017), "do-it-yourself" (Levi-Strauss 1966), and improvisation (Baker et al. 2003; Ciuchta et al. 2021) as methods of manipulating scarce resources in clever ways that cause the business to survive and even grow (Simba & Thai 2019). Bricolage aims to strategically integrate existing resources and create unique opportunities with more excellent customer value (Baker & Nelson 2005; Garud & Karnøe 2003). In other words, bricolage denotes solving problems and taking advantage of opportunities by combining current resources (Baker & Nelson 2005; Fisher 2012).

The literature on bricolage can be roughly divided into two main discourses: making do with resources and resource construction. These two discourses focus on the recombination of and value-added from resources, causing resources to be created out of nothing, helping innovation to come at hand, and allowing disadvantages to be turned into advantages (Duymedjian & Rüling 2010; Senyard et al. 2014; Sonenshein 2014). The emphases of these core concepts are to change the use of resources by making do and patching (Baker 2007; Baker & Nelson 2005). Another discussion in the bricolage literature concerns resource construction. The difference between "making do with resources" and "resource construction" involves re-examining the meaning of resources. From a different perspective, the meaning of resources can change, and a solution to break constraints can be found again (Senyard et al. 2014; Sonenshein 2014).

**Bricolage: Opportunity Identification View**

Although making-do and resource construction indicate that constraints can boost innovation, entrepreneurs can't know how to resolve constraints from the beginning and how to find solutions. The process from "knowing" to "finding" is vague in the current literature, so it is difficult for us to understand how "bricolage" happens. In the past, it was reported in the literature that the value of resources can be enhanced through resource construction, and opponents can identify higher values (Baker & Nelson 2005; Halme et al. 2012). However, how can new value be constructed from seemingly useless resources by finding the right time? We do not know much either. This issue involves how the scale-ups observe constraints from a brand-new perspective, analyze how an "opportunity" is found, and, more importantly, analyze how resource value can be changed in the end.

**Research Methodology**

This paper studies the process of MarTech scale-ups discovering opportunities. This research requires focusing on work practice, and understanding the work context and response style of scale-ups (Orlikowski 2000). It is more appropriate to develop the theory with qualitative research methods (Denzin & Lincoln 2011). We will integrate a total of 15–20 cases from the MarTech industries for our research objects. In this study, we have identified two preliminary cases: P (Case 1) and W (Case 2). Both are MarTech scale-ups and are in line with our theoretical sampling. We have conducted a preliminary interview with P and compiled the results into an interview transcript. For Case 2, we plan to interview to get a general understanding.

**Research Design**

We use several data from multiple information sources, interviews, websites, contracts, and industry reports (Yin 2014) to ensure data triangulation, thus improving the reliability and effectiveness of the analysis results. The data collection stage was expected to be divided into three stages. The first stage was to interview the founder to understand the development process. Next, the key interviewees were the members of the founding teams of companies, to trace back the development process. In the third stage, the research focuses on the employees in the existing companies. The participants completed a statement agreeing to process personal data before the interviews. If the participants agreed, the interview was recorded to minimize data loss. Subsequently, the recording was transcribed for analysis later with special transcription tools, followed by manual correction. We used the cases (currently Case 1) as the basic of our grounded analysis, produced the preliminary result, and reconsidered it with the literature according to the
results. Later, we continued to collect data and interviews from reproducing the final results that can explain the bricolage of the MarTech ecosystem.

**Preliminary Findings in A Part of P (Case 1)**

**Bricolage Process: The Lack of Advertisers**

Content farms prevailed in Taiwan in 2014. The co-founder of P wanted to create a service that could share thumbnails and titles at will. Moreover, the business model added a web page in the middle for advertising so that users could generate passive income without self-produced content. However, P required input from advertisers to earn advertising revenue. Because the advertisers put a premium on the data and the platform’s usage, the founder began a marketing campaign that promoted P’s services to boost data traffic and usage in exchange for advertising.

P: "We were beginning to realize that it seems that we can’t run the advertisement. Originally, we thought that data traffic would bring advertising revenue, but when well-known online celebrities started using it, P found that network traffic was very precious; instead, P did not dare to place advertisements indiscriminately. If a webpage advertisement was inserted in front of MV, no one would use it again".

Opportunity Identification: Network traffic is more valuable than advertising.

**Preliminary Analysis Framework**

There are three elements included in the preliminary conceptual framework (Figure 3): The first element is the perspective of making do with resources and resource construction, which mainly discusses how to break the constraints with bricolage. The second one is how to transform the value of resources to support bricolage from the resource conversion perspective. The third one is how to interpret constraints to change the value of resources. These three elements, in the bricolage mechanism, affect each other. We hope to see the appearance of scale-ups in the whole bricolage process through the three perspectives.

![Figure 3. Preliminary Conceptual Framework](image)

This paper further explores the above issues and enriches the breadth and depth of bricolage theory. As long as scale-ups find the opportunity to make and break constraints, they can naturally survive in the market for a long time. Finally, we hope the MarTech scale-ups will receive a reference basis under the resource constraints from this study.

**References**


