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Digital Storytelling and Legitimacy Building for New Ventures

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Abstract

New ventures frequently seek stakeholder support before they possess extensive operating histories, established reputations, stable customer bases, or independently verifiable performance records. Under these conditions, legitimacy becomes a critical entrepreneurial resource because potential customers, employees, investors, partners, and other audiences must decide whether a young organization is sufficiently understandable, appropriate, credible, and worthy of engagement. Digital communication expands the opportunities through which ventures can construct such judgments, allowing founders to communicate venture origins, customer problems, technological capabilities, values, milestones, user evidence, and future ambitions through websites, social platforms, videos, crowdfunding environments, newsletters, and other digitally mediated narratives. This study develops a Digital Storytelling Legitimacy Framework for New Ventures (DSLF-NV) consisting of six dimensions: venture-identity clarity, narrative coherence, evidence credibility, stakeholder relevance, legitimate distinctiveness, and dialogic engagement. Because no real venture-level communication, audience-response, investment, or social-media dataset was supplied, the paper adopts a transparent simulation-based explanatory design. Five synthetic storytelling-maturity conditions from 20% to 100% were examined.

The simulated New Venture Legitimacy Index rises from 39 to 89 across these scenarios, stakeholder comprehension from 43% to 92%, credibility from 38% to 90%, and willingness to engage from 35% to 84%, while perceived narrative inconsistency falls from 34% to 7%. The analysis also demonstrates that storytelling can generate a legitimacy paradox: narratives that create expectations unsupported by observable venture progress may initially attract attention but subsequently weaken credibility. Effective digital storytelling should therefore connect aspiration with verifiable evidence and preserve consistency across platforms and stakeholder encounters. The study contributes to entrepreneurial-legitimacy research by positioning digital storytelling as an iterative legitimacy-building architecture rather than a promotional communication technique. All analytical values are simulated and should not be interpreted as empirical estimates of actual ventures.

Keywords: digital storytelling, new venture legitimacy, entrepreneurial narratives, startup communication, venture identity, symbolic management, digital entrepreneurship, stakeholder engagement

1. Introduction

New ventures face an enduring problem of organizational evaluation: they often require resources before possessing the historical evidence normally used to justify resource allocation. Potential investors, customers, employees, suppliers, partners, and institutions must therefore form judgments about organizations whose future capabilities remain uncertain. Organizational-legitimacy research conceptualizes legitimacy as a generalized perception that an organization's actions are desirable or appropriate within a socially constructed system of norms, values, beliefs, and definitions. Suchman distinguished pragmatic, moral, and cognitive forms of legitimacy and showed that organizations can pursue different strategies to gain, maintain, or repair legitimacy. For young ventures, legitimacy is especially consequential because Zimmerman and Zeitz argue that legitimacy facilitates access to other resources required for growth.

Entrepreneurial storytelling represents one important mechanism through which this legitimacy deficit can be addressed. Lounsbury and Glynn conceptualized cultural entrepreneurship as a storytelling process through which entrepreneurial actors construct venture identities that can be evaluated by investors, customers, competitors, and other audiences. Their framework links storytelling with legitimacy and resource acquisition rather than treating narratives merely as marketing content. Entrepreneurial narratives can connect an unfamiliar venture with established cultural categories, explain why a problem matters, communicate the founder's role, and organize scattered technical or commercial information into a form that stakeholders can interpret.

Digital communication extends this narrative process by allowing entrepreneurial stories to be communicated repeatedly across multiple interfaces. Research on online entrepreneurial communication shows that interaction through social media can shape entrepreneurial cognition and can help ventures manage uncertainty and differentiation in stakeholder communication. Digital channels can also transform storytelling from a one-directional pitch into an ongoing stream of claims, evidence, responses, updates, and stakeholder interaction. The resulting legitimacy process is therefore cumulative: audiences can compare earlier promises with later milestones and compare one platform's claims with evidence visible elsewhere.

This continuity creates both opportunity and risk. Garud, Schildt, and Lant demonstrate that entrepreneurial storytelling can produce a paradox because projective stories that build legitimacy by creating attractive expectations can later become sources of disappointment when outcomes fail to match those expectations. Fisher's review similarly shows that new venture legitimacy is multidimensional and evolves over time, with audience diversity, distinctiveness, market categories, and legitimacy thresholds complicating the process. Digital storytelling therefore cannot be evaluated solely through immediate attention, engagement, or emotional response. A narrative that maximizes initial excitement while creating an unsustainable expectation–performance gap may weaken long-run legitimacy.

The present study consequently examines Digital Storytelling and Legitimacy Building for New Ventures through an integrated maturity framework. It conceptualizes storytelling as a structured entrepreneurial capability involving venture identity, coherence, evidence, stakeholder relevance, legitimate distinctiveness, and dialogue. The study's principal research gap lies in connecting established theories of entrepreneurial storytelling and legitimacy with the continuous, multi-channel character of digital venture communication. The analysis does not claim to test actual startups because no real communication dataset was supplied. Instead, it develops a transparent simulation that generates theoretically testable propositions concerning how storytelling maturity may influence stakeholder comprehension, credibility, engagement, and legitimacy.

2. Objectives of the Study

2.1 To Conceptualize Digital Storytelling as a Legitimacy-Building Capability

The first objective is to distinguish digital entrepreneurial storytelling from general promotional content. Promotional communication may emphasize features, benefits, pricing, or attention generation, whereas legitimacy-building storytelling must help audiences understand what the venture is, why it exists, why its claims are plausible, and why engagement with it is appropriate. Lounsbury and Glynn's cultural-entrepreneurship framework directly links stories with venture identity and legitimacy, making narrative organization theoretically relevant to resource acquisition.

Digital storytelling is therefore defined in this study as the deliberate and evolving organization of venture identity, problem framing, evidence, milestones, stakeholder value, and future direction into digitally communicated narratives intended to make a new venture understandable, credible, distinctive, and socially acceptable to relevant audiences. This definition includes founder stories, product narratives, milestone updates, customer evidence, visual explanations, and interactive responses when they contribute to a coherent venture story.

The concept deliberately excludes the assumption that every emotionally engaging story builds legitimacy. A narrative can attract attention while simultaneously raising credibility concerns. The central variable is therefore not storytelling intensity but storytelling maturity.

2.2 To Examine the Balance Between Legitimacy and Distinctiveness

The second objective is to examine the tension between being understandable and being differentiated. New ventures must generally establish that they belong to a recognizable and acceptable category while also communicating why they deserve attention relative to alternative organizations. Navis and Glynn conceptualize this challenge through legitimate distinctiveness, whereby entrepreneurial identities must appear sufficiently legitimate and sufficiently distinctive to be judged plausible by investors.

Digital narratives provide repeated opportunities to negotiate this balance. A venture can use analogies, category labels, familiar problem frames, professional terminology, founder credentials, customer evidence, and partnerships to communicate legitimacy. It can simultaneously emphasize a novel technology, unusual solution, distinctive mission, or different business model to establish differentiation.

The study therefore treats legitimacy and distinctiveness as complementary but potentially conflicting narrative objectives. Excessive familiarity can make a venture appear undifferentiated, whereas excessive novelty can make it difficult for audiences to understand or trust. A mature storytelling architecture should make novelty interpretable rather than simply maximize uniqueness.

2.3 To Evaluate Simulated Storytelling and Stakeholder Outcomes

The third objective is to model how progressively stronger storytelling maturity could influence several stakeholder judgments. The simulation evaluates overall legitimacy, stakeholder comprehension, perceived credibility, willingness to engage, evidence recognition, and perceived narrative inconsistency.

These outcomes reflect several stages of legitimacy formation. Stakeholders must first understand what a venture claims to be; they must then judge whether those claims appear credible and relevant before deciding whether to allocate attention, resources, or support. Zimmerman and Zeitz conceptualize legitimacy as a resource supporting venture growth, while Zott and Huy show that entrepreneurial symbolic actions can assist resource acquisition.

The final outcome, narrative inconsistency, is included because digital communication produces a public record that makes contradictory stories more observable. The simulation therefore assumes that mature storytelling increases coherence not through message repetition alone but through stronger alignment between identity claims, factual evidence, stakeholder needs, and subsequent venture behavior.

3. Review of Literature

3.1 New Venture Legitimacy and the Liability of Newness

Legitimacy research provides the foundational theoretical context for entrepreneurial storytelling. Suchman's framework distinguishes pragmatic legitimacy based on audience interests, moral legitimacy based on normative approval, and cognitive legitimacy based on comprehensibility and taken-for-grantedness. Although originally developed for organizations broadly, this distinction is highly relevant to young ventures. A stakeholder may understand a new venture cognitively while still doubting whether it offers personal value or meets normative expectations.

Zimmerman and Zeitz specifically locate legitimacy within new venture growth, arguing that legitimacy represents an important resource because it facilitates the acquisition of additional resources required for development. Their work emphasizes that legitimacy can be strategically enhanced rather than being entirely determined by external institutions. This makes entrepreneurial communication an active rather than merely descriptive process.

Later research demonstrates that legitimacy becomes more complex when ventures interact with heterogeneous audiences. Fisher's 2020 review identifies multiple complications including optimal distinctiveness, audience diversity, market-category evolution, and multiple legitimacy thresholds, and argues for a multidimensional and processual understanding of new venture legitimacy. A venture may therefore be considered legitimate by customers but not investors, or technically credible but normatively controversial.

Soublière and Gehman's study of Kickstarter further demonstrates that legitimacy judgments can spill across entrepreneurial endeavors and that previous successes and failures influence subsequent threshold judgments. The implication for digital storytelling is that stakeholders evaluate not only a single current message but also traces of previous behavior and performance.

3.2 Entrepreneurial Narratives, Identity, and Resource Acquisition

Lounsbury and Glynn provide one of the clearest theoretical foundations for entrepreneurial storytelling. They argue that stories mediate between entrepreneurial resource stocks and subsequent resource acquisition by constructing coherent venture identities upon which legitimacy can be conferred.

Narrative therefore performs an interpretive function: it helps stakeholders decide what scattered facts about a venture mean when considered together.

Martens, Jennings, and Jennings extended this research by examining the role of entrepreneurial narratives in resource acquisition, providing evidence that how ventures construct their stories can affect responses to fundraising-related communication. The study is repeatedly identified in later entrepreneurial-rhetoric research as a foundational analysis of narratives and resource mobilization. This reinforces the argument that venture narratives can create economic consequences rather than serving only symbolic purposes.

Zott and Huy similarly demonstrate how entrepreneurs use symbolic management to acquire resources. Later reviews consistently identify their work as showing how symbolic actions can communicate organizational qualities and influence resource holders. Storytelling can be interpreted as one part of this broader symbolic-management repertoire, particularly when narrative claims are supported by visible organizational actions.

Entrepreneurial storytelling nevertheless creates future obligations. Garud, Schildt, and Lant show that projective stories can establish legitimacy by creating expectations, yet those same expectations can later generate disappointment when outcomes diverge from what audiences were led to anticipate. This paradox is particularly relevant to digitally visible new ventures because previous claims remain comparatively easy for stakeholders to revisit.

3.3 Digital Entrepreneurial Communication and Narrative Plausibility

Digital entrepreneurial communication expands both reach and interaction. Fischer and Reuber's work on Twitter demonstrates that social-media interaction can shape entrepreneurial cognition and behavior, while their later study examines online entrepreneurial communication as a means of mitigating uncertainty and increasing differentiation. Digital channels therefore do more than amplify conventional venture communication; they influence how entrepreneurs interact with audiences and how ventures position themselves under uncertainty.

Narrative plausibility also depends on rhetoric. Van Werven, Bouwmeester, and Cornelissen examined how new venture founders use micro-level rhetoric in investor pitches to achieve narrative plausibility and resonance, demonstrating that legitimacy-building communication depends partly on how claims are argued and connected into a persuasive narrative. A plausible narrative must therefore be internally coherent and externally resonant rather than merely vivid.

Digital settings add a multi-channel consistency requirement. A new venture may tell its story through a website, pitch deck, professional-network profile, founder interview, customer testimonial, crowdfunding campaign, and product demonstration. If these representations communicate materially different identities or unsupported levels of progress, the venture increases the likelihood that stakeholders will question credibility.

Nayır and Shinnar's 2020 research provides further support for a narrative perspective on legitimacy by identifying rhetorical strategies through which social entrepreneurs sought legitimacy among investors, employees, customers, and community members. Their study analyzed 19 social entrepreneurs and demonstrates that narrative legitimation involves multiple stakeholder audiences rather than a single generalized public. This reinforces the need for digital stories that adapt emphasis to audience needs without changing the venture's underlying identity or evidence base.

4. Research Methodology

4.1 Research Design and Simulation Architecture

The study adopts a simulation-based quantitative explanatory design. No real startup websites, social-media posts, crowdfunding campaigns, investor judgments, customer surveys, employee recruitment records, or communication analytics were supplied. Consequently, no simulated value is presented as an observed empirical outcome.

Five digital-storytelling maturity conditions were constructed at 20%, 40%, 60%, 80%, and 100%. The lowest condition represents fragmented venture communication characterized by unclear positioning, inconsistent claims, weak evidence, and largely one-directional promotion. Intermediate scenarios progressively introduce clearer identity, stronger narrative structure, evidence-backed claims, audience-specific relevance, and responsive stakeholder interaction.

The mature scenario does not represent perfect communication. Even a sophisticated new venture faces disagreement among audiences, uncertainty concerning future performance, and the possibility that external events will challenge previously credible narratives. This assumption is consistent with Fisher's argument that legitimacy is multidimensional and evolves over time rather than representing a permanent organizational state.

No significance tests, confidence intervals, or causal-effect estimates are reported. Synthetic scenarios cannot legitimately establish population effects. Future empirical research should test the framework using content analysis, longitudinal digital trace data, audience experiments, funding records, customer conversion data, and stakeholder surveys.

4.2 Digital Storytelling Legitimacy Maturity Index

The proposed Digital Storytelling Legitimacy Maturity Index (DSLMI) contains six dimensions:

[DSLMI = 0.20VI + 0.15NC + 0.20EC + 0.15SR + 0.15LD + 0.15DE]

where (VI) represents venture-identity clarity, (NC) narrative coherence, (EC) evidence credibility, (SR) stakeholder relevance, (LD) legitimate distinctiveness, and (DE) dialogic engagement.

Venture identity and evidence credibility receive the highest conceptual weights because stakeholders must understand what the organization claims to be and must have reasons to believe those claims. Narrative quality unsupported by credible evidence would otherwise risk creating the expectation–performance gap identified by Garud and colleagues.

Table 1: Operationalization of the Digital Storytelling Legitimacy Framework

Dimension	Weight	Operational Meaning	Illustrative Digital Storytelling Practice
Venture-Identity Clarity	0.20	Ease with which stakeholders understand what the venture is, whom it serves, and why it exists	Clear origin story, problem framing, value proposition, category identification

Dimension	Weight	Operational Meaning	Illustrative Digital Storytelling Practice
Narrative Coherence	0.15	Consistency among origin, present capability, milestones, and future direction	Aligned website, pitch, founder communication, and campaign narratives
Evidence Credibility	0.20	Degree to which major story claims are supported by verifiable evidence	Demonstrations, user evidence, validated milestones, partnerships, transparent limitations
Stakeholder Relevance	0.15	Extent to which narratives explain why the venture matters to specific audiences	Customer-use narratives, investor logic, employee purpose, partner value
Legitimate Distinctiveness	0.15	Ability to appear simultaneously recognizable and meaningfully differentiated	Familiar category cues combined with defensible differentiation
Dialogic Engagement	0.15	Capacity to respond to questions, criticism, feedback, and emerging stakeholder concerns	Transparent updates, responsive digital interaction, clarification, correction

Source: Author-developed framework informed by Lounsbury and Glynn's cultural entrepreneurship model, Suchman's legitimacy framework, Navis and Glynn's legitimate-distinctiveness perspective, Garud and colleagues' storytelling paradox, and digital entrepreneurial communication research.

The framework distinguishes evidence credibility from narrative coherence because a story can be internally consistent yet unsupported by observable facts. Conversely, a venture may possess strong evidence but communicate it through a fragmented narrative that stakeholders struggle to interpret.

Dialogic engagement is included because digital communication permits audiences to react publicly and continuously. A mature venture therefore requires not simply consistent broadcasting but an ability to clarify claims, acknowledge uncertainty, and update the narrative when new evidence materially changes the venture's position.

4.3 Analytical Measures and Scenario Procedure

Six outcome measures were modeled. The New Venture Legitimacy Index represents an aggregate 0–100 perception score. Stakeholder Comprehension measures the proportion of synthetic audience evaluations in which the venture's purpose and offering are judged understandable. Perceived Credibility measures whether core venture claims appear believable relative to available evidence.

Willingness to Engage represents synthetic stakeholder openness to taking a next step such as requesting information, trying a product, considering employment, exploring partnership, or evaluating investment. It should not be interpreted as actual conversion probability.

Evidence Recognition measures whether stakeholders can identify concrete evidence supporting the venture narrative. Perceived Narrative Inconsistency captures contradictions among story elements, claims, digital platforms, or observable milestones.

For Graph 1, two endpoint storytelling conditions were compared across five capability dimensions. The 20% maturity condition records simulated scores of 41 for venture-identity clarity, 38 for evidence credibility, 44 for stakeholder relevance, 35 for narrative consistency, and 32 for dialogic engagement. Corresponding mature-condition values are 88, 90, 86, 89, and 84.

5. Analysis

5.1 Storytelling Maturity and Overall Venture Legitimacy

The simulated New Venture Legitimacy Index rises from 39 under the lowest storytelling-maturity condition to 52 at 40%, 65 at 60%, 78 at 80%, and 89 in the mature condition. The modeled increase reflects stronger interpretability and credibility rather than simple increases in communication volume.
Stakeholder comprehension rises from 43% to 92%. This result illustrates the cognitive component of legitimacy emphasized by Suchman's framework: stakeholders are more capable of evaluating a venture when its identity, category, problem, and solution are presented coherently. A venture whose technical sophistication is high but whose identity remains ambiguous can therefore face a legitimacy constraint even when its underlying capability is strong.

Table 2: Simulated Outcomes Across Digital Storytelling Maturity Conditions

Digital Storytelling Maturity	New Venture Legitimacy Index	Stakeholder Comprehension	Perceived Credibility	Willingness to Engage	Evidence Recognition	Narrative Inconsistency
20%	39	43%	38%	35%	31%	34%
40%	52	56%	51%	47%	45%	27%
60%	65	69%	64%	59%	59%	19%
80%	78	82%	77%	72%	73%	12%
100%	89	92%	90%	84%	88%	7%

Note: All values are synthetic scenario outputs created for theoretical demonstration. They do not represent real ventures or stakeholder responses.

Perceived credibility increases from 38% to 90%, while evidence recognition rises from 31% to 88%. The relationship is important because it suggests that mature storytelling should progressively reduce dependence on unsupported rhetorical assertion.

This interpretation is consistent with legitimacy and entrepreneurial-rhetoric research showing that new ventures need to present plausible identities and credible arguments to audiences evaluating uncertain organizations.

5.2 Stakeholder Engagement and Legitimate Distinctiveness

Willingness to engage increases from 35% in the fragmented scenario to 84% in the mature digital-storytelling system. Engagement represents a behavioral intention rather than confirmed resource allocation. The simulation therefore distinguishes legitimacy from actual investment, purchasing, or partnership outcomes.

The underlying mechanism combines recognizability with differentiation. If a venture communicates only similarity to established organizations, stakeholders may understand it but fail to see a compelling reason to engage. If it communicates only radical novelty, stakeholders may find it distinctive but implausible.

Navis and Glynn's theory of legitimate distinctiveness provides an appropriate explanation: entrepreneurial identities can benefit when they are judged as both legitimate and distinctive. Digital storytelling can support this balance through carefully selected comparisons, category references, founder narratives, customer examples, and demonstrations.

Stakeholder relevance also matters because venture audiences do not evaluate identical forms of value. Investors may seek evidence concerning market opportunity and execution capability, employees may evaluate purpose and future development, while customers focus on problem relevance and performance. Nayır and Shinnar's work demonstrates that entrepreneurs use legitimacy-building narratives across multiple stakeholder groups, reinforcing the need for audience-sensitive communication.

5.3 Narrative Consistency and the Expectation–Performance Gap

Perceived narrative inconsistency declines from 34% to 7% across the modeled conditions. This reduction reflects increasing alignment among venture identity, evidence, milestones, and forward-looking claims. Consistency does not require identical language on every digital platform; it requires that different narratives remain compatible with the same underlying venture reality.

This distinction becomes especially important when founders use aspirational language. Entrepreneurial ventures frequently need to communicate futures that do not yet exist. Garud and colleagues show that projective storytelling can generate legitimacy through expectations but can also produce later disappointment when expectations become disconnected from performance.

The mature storytelling model therefore distinguishes aspiration from assertion. A founder may responsibly describe an intended future outcome while clearly identifying it as a target. Problems emerge when aspirations are narrated as completed capabilities, tentative partnerships as confirmed relationships, exploratory customer interest as established demand, or prototypes as validated products.

The simulation consequently assumes that legitimacy becomes more sustainable when narrative development follows venture evidence rather than attempting to permanently remain ahead of it.

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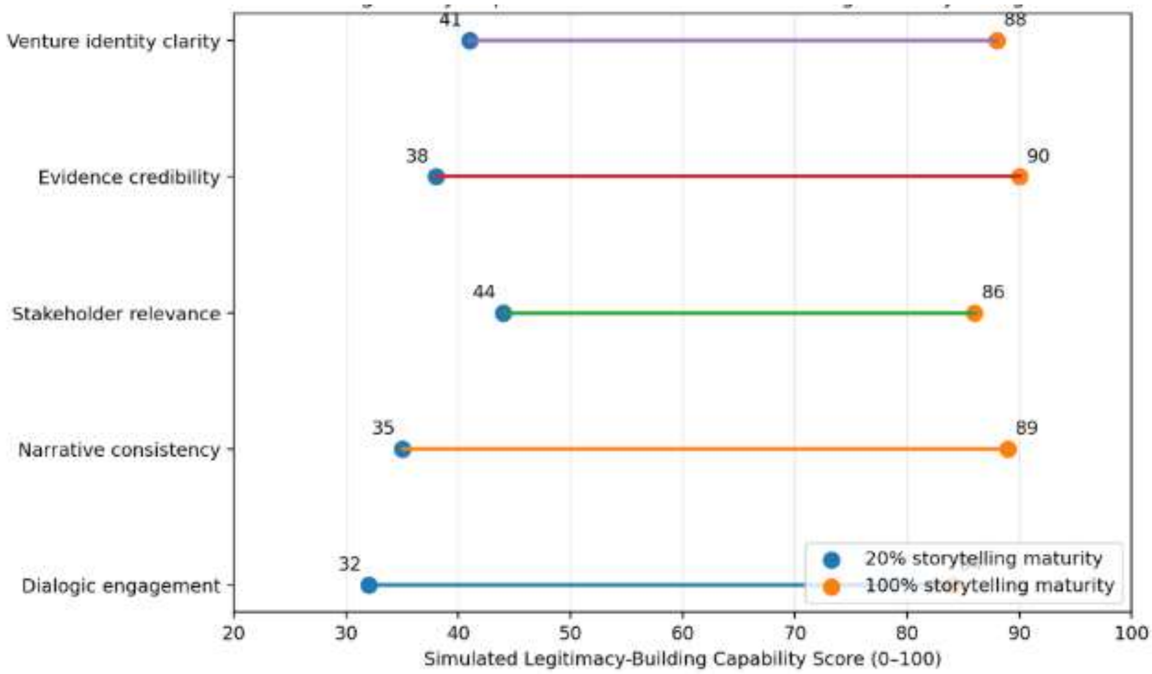
Graph 1: Simulated Legitimacy Capabilities at Low and Mature Digital Storytelling Conditions



Supporting data: At 20% storytelling maturity, venture-identity clarity = 41, evidence credibility = 38, stakeholder relevance = 44, narrative consistency = 35, and dialogic engagement = 32. At 100% maturity, the corresponding values are 88, 90, 86, 89, and 84.

Interpretation: The dumbbell graph demonstrates the modeled capability gap between fragmented and mature storytelling systems. Evidence credibility and narrative consistency show particularly large improvements because the mature framework requires public claims to remain aligned with verifiable venture progress.

Key finding: Digital storytelling contributes to legitimacy most effectively when the venture becomes simultaneously easier to understand, more credible, more stakeholder relevant, and more consistent across time.

6. Discussion

6.1 Digital Storytelling Should Create Interpretability Before Excitement

The first major implication is that the primary task of new-venture storytelling is to help stakeholders interpret an unfamiliar organization. Early ventures frequently communicate through novelty-oriented language because novelty differentiates them from established alternatives. However, excessive novelty can increase cognitive burden and make the venture difficult to categorize.

Suchman's cognitive-legitimacy perspective and Lounsbury and Glynn's entrepreneurial-story framework jointly suggest that audiences must be able to place the venture into a meaningful interpretive structure before they can evaluate its distinctive claims. Storytelling therefore needs a recognizable narrative architecture: a comprehensible problem, a credible protagonist or founding team, an understandable solution, evidence of progress, and a plausible explanation of what happens next.

This requirement does not mean that founders should simplify technically sophisticated ventures inaccurately. Technical detail should remain available where stakeholders require it. The storytelling challenge is to create layered communication in which a comprehensible core narrative leads interested stakeholders toward increasingly detailed evidence.

Digital environments make this layered architecture possible. A short founder story may establish context, a demonstration may provide tangible evidence, a technical page may establish expertise, and milestone updates may show progress. The strongest narrative is therefore not necessarily the longest; it is the narrative system in which each layer reinforces rather than contradicts the others.

6.2 Legitimacy Requires Evidence-Backed Narrative Discipline

The second implication concerns credibility. Entrepreneurship research shows that stories and symbolic actions can assist resource acquisition, but storytelling can also create expectations that become liabilities. Digital visibility intensifies this discipline because venture claims can be compared over time. Founders should therefore separate several categories of claims: what has already been demonstrated, what is currently being tested, what has been externally validated, and what the organization aims to achieve in the future. Such distinctions do not necessarily weaken persuasive communication. In high-uncertainty environments, transparent acknowledgment of uncertainty can itself become evidence of managerial credibility.

Narrative evidence should also be proportionate to the claim. A customer quotation can demonstrate an individual experience but cannot establish market-wide demand. A prototype demonstration can provide evidence of technical functionality but cannot establish scalable manufacturing. A signed partnership may establish external recognition but cannot automatically prove future revenue.

This evidence discipline is particularly important when ventures are pursuing high levels of attention. The legitimacy paradox identified by Garud and colleagues suggests that highly ambitious future stories can create stakeholder expectations that later become difficult to satisfy. Sustainable storytelling should therefore increase stakeholder confidence without manufacturing a future performance burden the venture cannot realistically carry.

6.3 Digital Legitimacy Is Dialogic and Audience Specific

The third implication is that digital legitimacy cannot be managed exclusively through broadcasting. Fischer and Reuber's research demonstrates that online entrepreneurial communication involves interaction and can shape uncertainty and differentiation processes. Digital audiences can question, reinterpret, challenge, amplify, or contest venture stories.

Dialogic engagement therefore becomes a legitimacy capability. A venture that responds clearly to criticism can strengthen legitimacy even when the initial question is unfavorable. Conversely, deleting reasonable questions, offering contradictory explanations, or avoiding clarification can create additional uncertainty.

Audience specificity adds complexity. Fisher emphasizes the complications created by multiple legitimacy audiences, while Nayır and Shinnar's research demonstrates narrative legitimation among varied stakeholder groups. Digital communication should therefore vary emphasis without varying factual foundations.

An investor narrative may emphasize opportunity, evidence, and scalability. A customer narrative may emphasize problem resolution and user experience. A recruitment narrative may focus on purpose, culture, and learning. These stories can differ substantially in form while remaining legitimate when they describe the same underlying organization. The purpose of a mature digital-storytelling architecture is not to standardize every sentence but to ensure that every audience encounters a version of the venture that is both relevant and fundamentally truthful.

7. Conclusion

New ventures frequently need stakeholder commitment before they possess extensive historical evidence, making legitimacy a central entrepreneurial challenge. Established legitimacy research shows that legitimacy supports resource acquisition and that venture audiences judge organizations through pragmatic, moral, cognitive, and other socially constructed criteria. Entrepreneurial-story research further demonstrates that narratives help construct identities through which uncertain ventures become interpretable and potentially resource worthy.

This study extends these ideas through a Digital Storytelling Legitimacy Framework consisting of venture-identity clarity, narrative coherence, evidence credibility, stakeholder relevance, legitimate distinctiveness, and dialogic engagement. The framework treats digital storytelling as a distributed organizational capability rather than a one-time founder pitch. Websites, social platforms, videos, presentations, and stakeholder interactions collectively contribute to the public story from which legitimacy judgments emerge.

The simulation illustrates the framework's theoretical logic. Overall legitimacy rises from 39 to 89 as storytelling maturity increases, while stakeholder comprehension, perceived credibility, willingness to engage, and evidence recognition improve and narrative inconsistency declines. These values are wholly synthetic and do not represent empirical performance benchmarks. Their purpose is to clarify theoretically testable relationships among narrative practices and legitimacy outcomes.

Future research should validate the DSLMI using longitudinal digital-trace data from new ventures. Researchers could analyze venture websites, founder communication, social-platform narratives, crowdfunding campaigns, milestone announcements, customer reviews, recruitment communication, and investor responses while examining how narrative consistency evolves over time. Experimental studies could further test whether evidence-backed storytelling produces stronger or more durable legitimacy than aspiration-heavy communication. The central conclusion is that digital storytelling builds sustainable new-venture legitimacy not by creating the most dramatic possible story, but by making an uncertain organization understandable, distinct, credible, relevant, and progressively accountable to the story it tells.

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