THESIS

Nilamon xayavong SFTXJK
Business Administration and Management

Gödöllo

2024

Hungarian University of Agriculture and Life Science

Szent István Campus

BSC in Business Administration and Management

Title of Thesis : Unveiling the Strategies of Successful Startups Compared to Public Expectations

Primary supervisor : Dr. Gergő Thalmeiner

Assistant Professor,

Institute of Rural Development

And Sustainable Economy

Department of Investment,

Finance and accounting

Author: Nilamon Xayavong

SFTXJK

2024

Table of Contents

List of Figures

Abstract

This thesis examines why public expectations regarding startup success are out of line with reality and how the popular media's portrayal, as well as perceptions from other stakeholders, contribute to the disparity. The study takes place in the context of a quatitative methods approach including a survey and the analysis of the startup strategies and identifies a major expectation realitygap thatis mainly shaped by linear public perceptions that neglect the fact that startup growth is nonlinear and iterative. However, the findings indicate that favorable media representations largely influence stakeholder expectations and consequently the misalignment between stakeholder expectations and the perceived performance of startups. Frameworks like Resource-Based View and Stakeholder Theory are used for drawing theoretical implications to explain that an effective communication and stakeholder management can act as a connector between this gap. Further, the study focuses on the role to be played in terms of education initiatives and medias' partnerships to influence realistic expectations, which in turn improves entrepreneurial ecosystem. The research has certain limitations and suggestions for the future work are delineated, finally prompting for understanding of startup dynamics and how to assist the entrepreneurs and to guide the policymakers accordingly.

CHAPTER 01: INTRODUCTION

The world of startups is an active and rather dynamic subject that has a large and growing influence on the world economy (Wennekers & Thurik, 1999). Such ventures sometimes overturn established conventional practices, therefore contributing to economic development and technology. However, although there is a lot of curiosity and publicity on what contributes to the success of such firms, there is a general difference between fact and fiction on the strategies that companies use (Kay, 1995).

This research seeks to find out the gap between the activities practiced by successful start-ups and what the public expects from those activities. This research shall streamline and shed light on the misconceptions by comparing the startup success with the realities on the ground. This understanding is particularly important for those intending to become an entrepreneur and those who are willing to invest in innovation-based business initiatives.

Market adaptation, innovation, growth are areas that the research is sensitive to in the field of determining the factors that affect the success of start-ups. These factors are analyzed using the theoretical groundwork and methodological conceptions from business strategies and innovation management. With regard to these aspects, the study has the following objective: to present a synthesis of the directions and issues that successful startups should address to turn threats into opportunities.

1.1 Statement of the Problem

The current scarce research means that there is a huge gulf between the former and the latter, namely the actual plans for attaining startup success. Symbolically, this is done in a manner in which media domicile success stories mostly by surface exploration failing to scrutinize the strategic choices. This can mislead the intending entrepreneurs or new start-ups to have an unreal picture of entrepreneurship which may lead to closed down businesses. It is important to detect such discrepancies in order to bring the perceptions in line with actualities of the startup ecosystem.

To align the expectations in society for startups, it is pivotal to acknowledge what strategies are being implemented by such companies. The more one know about how such strategies work, the better the investment decision will be, the right actions of policymakers will be determined as well as the best practice for the startup community will be identified.

Therefore, the academic gap can translate into better-informed public, enhanced preparedness of entrepreneurs, and higher new venture outcomes.

This study aims at postulating that strategies used by successful startups are considerably deviant from what is expected. Areas that may witness relatively large variations may include methods of funding, new product development processes, and the strategies of entering into new markets. It is therefore the aim of the research to expose these gaps and by so doing show fellows and friends the various strategic management decisions that the startups make and which makes them to success.

The hypothesis is grounded on the state of the art in the field of entrepreneurship and business strategy; it distills the conventional understanding of the factors that contribute to the success of a startup. Prior theoretical works have targeted specific elements including innovation or leadership Independent variables, in this research, therefore want to support a more comprehensive understanding of the strategic factors, all which, altogether, help differentiate the successful start-ups from others.

1.2 Rationale

This is why there is a dire necessity to undertake this study to remove some of the existing misconceptions concerning techniques that can work in relation to startups. Most budding business people use inadequate or even wrong information, which results to wrong decisions and business failures. By debunking or at least partially debunking these myths, this research intends to shed more light on the state of affairs in the startup world and assist businessmen in their endeavors more successfully.

The originality of this work lies in the exploration of the set tactics of startup ecosystems since the existing approach to the topic is rather simplistic. Thus, revealing the gaps between public perceptions and implemented concepts, it aids to the increase of an entrepreneurial knowledge base. Such workshops could play the part of introducing ideas that might potentially affect future practices, allowing start ups to apply strategies that are closer to the real life problems and possibilities.

1.3 Research Questions

The study seeks to answer the following research questions to address strategies of that start-ups employ against the public expectations.

1. How do media portrayals of startups influence public expectations regarding their success and growth?
2. To what extent is there a misalignment between the strategies employed by startups and the public's expectations of their performance?

1.4 Hypotheses

1. H1: Positive media portrayals of startups lead to significantly higher public expectations of rapid success and profitability.
2. H2: There is a significant misalignment between the iterative strategies employed by startups and the public’s linear expectations of growth.
3. H3: The education level predicts the perception of performance of startups.

1.5 Research Objectives

Therefore, the research questions of this study are to determine, first of all, what significant variations exist between public perceptions and effective startup practices and, second, to examine examples of successful startups. Consequently, the research aims to educate evolving businessmen, financiers and policy makers on the specific factors that play a decisive role in promoting prospects of success in today’s stiff market conditions.

CHAPTER 02: LITERATURE REVIEW

A startup is a new business undertaking that is defined by factors such as coming up with new ideas in business with high growth rates, and containing limited resources (Ries, 2011). As Blank, 2013 noted, startups are not the same as other companies as they exist in the extreme uncertainty that needs a different approach to product, customers, and revenues. The significance of startups is in changing the economic situation, generating new employment, and offering competition to key industries (Baumol, 1990). According to Shane (2003, p. 21), one of the defining characteristics of startups is that they are responsible for creating the lion's share of new products and services. Third, startups may be in a better position to effectively exploit opportunities in a given market than larger bureaucratic firm (Bhide, 1994). In summary, startups are crucial in the growth and advancement of an economy owing to their ability to foster innovation.

2.1 Historical context and development

The meaning of the startups concept has evolved over the years due to aspects such as technology, demographic changes, and ideas of innovation. Von Gelderen, Frese, and Thurik (2000) suggest that is why to analyze what strategies startups use during their formation, it is necessary to understand historical background of the formation of such strategies.

Hospers (2005) suggests contrary to what many people believe the term startup was first used in the 1930s by an Austrian-American economist by the name of Joseph Schumpeter when he used the term to refer to new formed businesses that because of innovation and creativity were different from other businesses. , the use of the term startup and especially the perception that accompanied it of innovative endeavor and the willingness to take risks took shape in America in the 1970s and 1980s by such personalities as Bill Gates and Steve Jobs.

Lerner and Leamon (2023) suggest venture capital is the financing that is provided to new businesses by professionally managed investment funds that seek to invest in these companies in the anticipation of getting an elevated monetary return (As is the case in the later part of 1990s).

Ács and Naudé (2013) suggest the overall transformation in the nature and form of entrepreneurial manifestos occurred in the late 1990s indicating the emergence of new stages of evolution in the strategies of startup companies. The recognition of venture capital

companies as a form of financing allowed startups to transform ideas into a business strategy that generates profits. This period also brought in the formulation of new business models that would enable start-ups to make money from their products.

Kirsch and Goldfarb (2008) discuss that the dot-com boom of the year 2000 can be held as the forerunner of the success of successive startups due to its provision of firms offering venture capital, incubators, and accelerators. Even though it did not last long and came to bust, it contributed to the formation of a growth-minded culture which defines many modern startups.

The mentoring goal is like starting a business with the idea of SEEKING to grow fast so that the business can make profits, or better still generate the so much cherished 'unicorn stories (Goswami & Underwood, 2022). Such approach is different from the conventional model of establishing a business with the focus of making profit for the entrepreneur celebrating growth. The current environment of the startup is delineated by a large amount of incubators and accelerators, as well as VCs who are ready to invest in startups, which are in their early stages.

Audretsch et al. (2020) suggest that there are certain important milestones in the development of the strategic initiatives applicable for start-ups, which have influenced the process of entrepreneurship. The first major milestone can be considered the creation of Apple in 1976, which indirectly became the starting point for the development of pc and showed that the company founded by innovators can compete with large corporations. A defining event that preceded this change of fortunes was IPO of Netscape in 1994 which was preceded by a boom of dot-com companies during the period of 1995–2000 and subsequently the active participation of Venture capital organizations in startups business environment. Facebook began in 2004, thus the start of social media and also focused on attaining and retaining users as was crucial to any start up success. The global financial crisis that exploded in September 2008 made prominent lean startup approaches that became popular all over the world, which are based on the principles of mincing and constant iteration of product development. The innovation of iPhone app store in 2010 made the mobile-first era kick start where the startups were centered mainly on creating the mobile apps and services to cater the need of increasing mobile access to the information and services. Last but not least, such peers as Uber and Airbnb, reaching their peak of mid-2015,

proved that startups could go viral and get billions of dollars' evaluations, so it is possible to pit innovation, scalability, and user-centricity at the base of startups' strategies.

2.2 Overview and evolution of Startup Strategies

There are different factors that define the success of a startup, which includes the kind of go-to-market strategy. But in this regard there are certain threats, as often the existence of an opportunity leads entrepreneurs to start marketing it with little or no thought given to strategic actions, which in turn can lead to failure (Díaz-Santamaría & Bulchand-Gidumal, 2021). Thus, to enhance the effectiveness of their strategies, startups need not only to analyze the distinctive go-to-market types and choose the most appropriate one but focus on the founding values and goals as well. There are various frameworks that exist in this regard like the entrepreneurial strategy compass; all of these are aimed at assisting the startups in this crucial decision-making.

In this context, existing literature emphasizes the necessity to think and plan hardly during the initial stages of the start-up group's existence. For example, Cohan (2012) state that first, entrepreneurs must review four generic business/viability models and select a version that is as close to their founding desire as possible. This research is informed by other studies on the effects of various approaches in the performance of new businesses concerning; More details on the strategies implemented by various ventures to increase their performance are highlighted below; Analysis of the new trends and technologies in implementing auto insurance industry of five forces.

Other examples from many new ventures, including RapidSOS, have helped in explaining how strategic planning is useful in overcoming various problems that are likely to be faced by entrepreneurs in their business operations. Furthermore, studies have focused on the analysis of real-life cases, including the polluter's dilemma case and Pan Europa case and theoretically introducing the applying of the Porter's five forces model.

The purpose of this literature review is to focus on the oriented findings in the topic of startup strategies with a focus on the factors which affect startup success and the various stances that an entrepreneur can take in regards to the process of launching and developing a new business venture.

Baldassarre et al. (2017) suggest the primary goal of a startup is to search for the sustainable and effective business model that creates value for the customers and captures this value in

an appropriate manner by the startup. This business model, however, is not easily described as it is considered to be the result of the utilization of tools that include trial, data and test.

2.3 Elements of Correct Start-up Management Plans

2.3.1 Innovation and product development

The entrepreneurs derive their performance with new strategies in delivering alteration to an existing market need or even a new market niche. O'Connor and Rice (2013) suggest product development is a cyclical process with the aim to create a suitable goods that will fulfil these needs and adjust to the market requirements.

The imperatives for proper functional integration in managing New Product Development (NPD) processes have been acknowledged actively in the modern business contexts because of constantly emerging market expectations of fast paced growth. Given the current literature writings in this area and the result of numerous empirical studies, it is apparent that the number of firms that have managed to attain these high levels of integration is very limited. Which becomes evidently seen in companies in the technology sector, where business-to-business (B2B) interactions are instituted with the different stakeholders. In such companies the distances between various functions for example, between the R&D and marketing functions has been found still to be very large.

2.3.2 Strategies for entering and growing in a market

Numerous investigations examine the link between the timing of the entry and other various competitive factors in an attempt to understand performance of the organisation. The great majority of these studies focus variously on the development of theoretical models, or on partial empirical studies: in only one of the types of entry, such as, late followers or in different dimensions of firms' strategic posture , or in a particular resource efficiency, for instance technological resources.

Morgan, Vorhies, and Mason (2009) suggest the moment when a firm enters a particular market affects the impact of capabilities and competitiveness strategies on business performance. Experience inflence the technical capability and low cost orientation as factors of learning in firms' performance regardless the moment of entry into the market. This paper also demonstrates how the views of the competitive strategy analysis and resource based view unify in order to provide for the different competitive factors in a consistent model that

is used for studying entry timing. At the same time, continuing the theme of the previous two sections, it deepens the understanding of how the provision of the model of competitive advantage for pioneers and early followers is enhanced by certain capabilities and competitive tactics to achieve and sustain superior performance in a dynamic, hostile and high imitation industry. It is also ratified by this study that marketing capabilities and low cost orientation would be available for the firms of the late followers to leverage on the mistakes committed by the early entrants.

2.3.3 Scaling and operational efficiency

Björkdahl and Holmén (2013) suggest a scalable business model enables the firm to increase the business volume, its market share, growth rate and the value of delivered services, products or solutions with higher efficiency and effectiveness but with relatively the same amount of company resources, investments and cost.

Also, the first business model means fast adaptation to the market changes, increasing the production scale, and using new technologies that are critical for startups. This agility is significant when dealing with the fast-growing renewable sector, which as a result of improvements in technology, policies and market trends is transforming into a new competitive environment.

2.3.4 Real life success stories of Startups

A number of relatively small yet impactful startups have unique approaches to how they can expand, operate and perform in the market as well as meet and even surpass people's expectations. This section looks at the strategies that startup organizations like Glossier, Buffer, TransferWise now known as wise, and Notion have adopted and embraced to be successful.

Glossier: Community and Product Adaptation

One perfect example of this new breed of startup is Glossier, a beauty startup that can owe most of the success to sincere care about the community it targets and individual products. As highlighted by Kim and Ko in their study titled 'Glossier's Take on Social Media Marketing' the company was able to positively capture consumers' attention by building an interactive community through which consumers were canning engage in sharing of their experiences as well as co-design Glossier products. Due to the aforesaid reasons of

belongingness and, the infusion of user-generated content the startup was able to have a healthy and consistent customer following. Similarly to how Airbnb effectively engaged in creating a community, Glossier actively used social proof and consumers' trust to increase company presence in the market and to foster increased customer loyalty.

Buffer: Transparency and customer-oriented strategy

Daily users of Buffer, a social media management tool, have grown through policies such as transparency and customer-oriented. The pricing model of Buffer is transparent, and the business practices made the consumers trust the startup and become regular users. Furthermore, the fact that it has always targeted to increase the overall usability of its interfaces also helps with the scalability. This mirrors Dropbox user experience focused growth strategy, demonstrating that startups with great customer focus, see lot of growth.

Wise: Incongruity with Tradition with Precision

Wise that operates under the Trade name formerly known as TransferWise is a financial technology start-up company that interfered with the conventional banking industry by providing cheaper possible international money transfer services. The business model adopted by Wise which entails minimisation of fees and operations' transparency was able to exploit the market niche that was largely untapped by traditional financial institutions; this was primarily the international community workers as well as business entities. Like Uber, success saw Wise adopt and build on simplicity, efficiency, and customer trust to take advantage of a new market that allowed it to quickly become a key player in fintech .

Notion: Responsive Design Interface and Organic Community Expansion

Notion, a startup, which is in the business of productivity software, has had to address challenges of design, growth and community to achieve proper growth. Notion features a fluid and aesthetic design, and a significant focus on users' feedback as factors that defined this success. As with Instagram of focusing on the presence of visuals and integrating the community into the development of the product, Notion let its user base to define the product's further development which led to its fast application across different industries and spheres of work.

2.4 Public Perceptions and Expectations

2.4.1 Media Portrayal of Startups

The image created about the startups by various media channels also affects the perception of the people as well as their expectations. In the media, the public is presented with a scenario that startups are very risky businesses but have high possibilities of earning massive profits in the shortest time and showing this through he sample stories of firms that even within a short period of time have grown to large corporations. These portrayals help perpetuate a unrealistic picture of the startup environment especially because much of the public's understanding of what it means comes from sensationalized media portrayals of the few exceptionally successful finds (Smith, 2019). The rather tendentious images by media can influence its audience, people, to expect rapid growth in startup's performance while having rather innovative idea or powerful team of founders.

Moreover, different segments of media can emphasize certain aspects of startup culture, like large funding rounds or affiliates' support, which can hide normal obstacles and difficulties that startups undergo. For example, depicting Google or Facebook as a start-up company created in the last few years may give a wrong impression of today's Large, Global and Systemically Important firms that require considerable amount of time to create and maintain. Jones (2021) emphasizes that the studied field lacks clear nuances and is built around considerably misleading reporting and positive examples.

2.4.2 Public Expectations of Startup Success

Two we need to be careful of here, three inspecting public expectations, it has been established that the publics perception of what success looks like for startups is often driven by what is portrayed in the media and popular culture, meaning that much of what people believe about what success looks like for startups is not only likely wrong when applied to most startups in their early stages but is largely informed by prejudice rather than fact. According to research, people's impressions of startups are characterised by accelerated growth and fast revenue generation, primarily due to the success of popular start-ups, which made a splash. Such an expectation distorts the view of a startup and the process of entrepreneurship, painting a picture that is mostly unrealistic (Slávik, Bednár, & Mišúnová Hudáková, 2021).

People have a lot of myths about the startup success factors because many underestimate the time, effort, and resources needed for its sustainable development. If and when startups fail to match up to these expectations, the disappointment that sets in is commonplace, owing to low expectations set by popular narratives, which set unrealistic expectations. Moreover, the predilection of media to report on successes without giving enough information on the probability of failure and other issues linked to startups creates a culture where people give more importance to short-term performance at the expense of sustainability.

2.4.3 Survey and Study on Its Public's Perception

Literature review regarding public expectations towards startups offers essential knowledge about such expectations' formation process, as well as the consequences arising from them for the entrepreneurial environment**.** Literature review also indicates that extra influences such as media contact, direct encounter with entrepreneurship, and even social norms towards risk and novelty (Gamez-Djokic, Kouchaki, & Waytz, 2022). The above studies show that mediated representations, as well as popular discourses significantly influence the public's expectations regarding success, while echoing a call for more accurate representation of successful startup profiles in media.

To sum up, this paper shows that public opinion, which consists of expectations towards startups, is in fact tightly connected with the media discourse, and thus there is a gap between the idealized image portrayed by media and the actual realities that entrpreneurs face. The perceptions about the role of such features are also reflected in the empirical studies that examine the effect of these perceptions on the public attitudes toward the startups; therefore, there is a growing recognition of the need to develop a better understanding of the concept of success as applied to these early-stage companies.

2.5 Strategy-Expectation Gaps

The interventions of the successful startups and the expectations of the general public widely differ and have gaps where the process of entrepreneurship is concerned. Entrepreneurs utilize techniques like the cycle development, a flexible model of business, and changes in response to the feedback from the market (Smith, 2019). Nonetheless, more often than not, the public encourages a straight-line model of growth accompanied by quick scalability and instant profitability (Lee, 2021). This is perhaps best illustrated by a gap existing between what is presented in the media regarding successes in startups and the real strategies used by some of the startup owners.

Various researches have proven that information spreading in media outlets enhance the success stories and thus depict an enhanced rate of success of startups. This portrayal tends to mask the long and the uncertain process of attaining entrepreneurship. To illustrate, how despite various opportunities and challenges that startups experience in their environment, and funding problems, the public forms its image based on spectacular failures and the largest funding rounds.

The media continues to present the general public with speedy growth and new radical ideas, distorting the picture of a start-up success. For instance, while it is normal for starters to be testing and launching successive products to the market, the same might be viewed by the public as stagnation or lack of productivity (Arena, Bengo, Calderini, & Chiodo, 2018). Whereas the general public expects start-ups to constantly innovate, the strategies used in their operations prove much more complex thus the need to promote an enlightened view of entrepreneurship.

That said, the disparity between the expected and the actual practice among the startups also has practical consequences for the ecosystem's actors. Influenced by the seemingly unattainable expectations raised by the media, newly formed businesses that cannot achieve specific linear progression performance may suffer from criticism, which could adversely affect investors' willingness to fund the business and talent's desire to join the team. Businesses under such pressure may end up performing more actions with the immediate impact on its revenues and profits at the cost of long-term performance.

Moreover, this gap can cause disappointment among investors and stakeholders since the indicator of actual performance is much lower than the assumed one. Such people may be driven by inflated hyped images of the media, which may mean different things to the public, but in essence may create high expectations on the rates of start-up success. It also impacts the morale of the entrepreneur as he/she is forced to seek growth at a very fast pace to conform to the societal set ideal type rather than seek growth based on proper business strategy and growth models (Lee, 2021).

2.6 Theoretical Implications

The research also has theoretical implications for existing theories including RBV, the Dynamic Capabilities Framework, and Stakeholder Theory.

Resource-Based View (RBV): It asserts that a superior business firm resource and capability can result into competitive advantage (Lockett, Thompson, & Morgenstern, 2009). This work therefore supports the RBV by showing that competent startups are able to appropriately manage available market forces by developing new usages for their valuable internal resources. However, the findings presented here also raise questions about another fundamental assumption in the RBV: stakeholders will not realize the significance of these resources. The observed difference between actual resource deployment and perceived resource availability postures a challenge that are as much about capability development as they are about communication of strategy to the public. Similarly, therefore, the continued applicability of the RBV is clear, highlighting the requirement for more robust communication processes, indicating the potential development of the framework with external perception management.

Dynamic Capabilities Framework: The Dynamic Capabilities Framework also place a lot of emphasis on an organisation capability to move and respond to environmental factors (Wang & Ahmed, 2007). This research confirms that, for startups to be successful they must operate with dynamic capabilities but an acute missing link in present literature is the question of external legitimization of these capabilities. The study shows that there exists a sort of disconnect in stakeholders perceiving startups as less able to adapt when in fact, they do quite a lot of adapting. Such a split suggests that there is value to extending the framework to drivers of stakeholder perception and expectation, thus expanding usage relevance for the public understanding of entrepreneurship.

Stakeholder Theory: According to Stakeholder Theory, organizational success hinges for the proper management of relationships with stakeholders (Mahajan, Lim, Sareen, Kumar, & Panwar, 2023). Consequently, these findings corroborate the applicability of this theory as stakeholder management was identified as being central to enabling congruence between startup strategies and public aspirations. However, the research also indicates that stakeholder views may be highly biased by what media portray in relation to the operations of a startup. This implies that Stakeholder Theory could gain from an augmentation of the function of media in deliberation of stakeholder opinion and anticipation. If the theory

claimed this dynamic, then it would be better placed in capturing the realities presenting in the management of many stake holders that startups experience apart from the misleading images that media creates.

2.7 Implications for Entrepreneurs and Policymakers

The identification of the highlighted gaps and discrepancies between startup strategies and public expectations means that solving this problem is possible only with the help of complex measures. Such discursive processes imply that the expectations of both media and public must be met, though it should be done with the use of sustainable business development strategies. This means that the public can only be educated to hold the right expectations about the life of a start-up business through acquiring more information for self-knowledge about entrepreneurship.

These discrepancies also have to be taken into consideration by policymakers as well as support organizations while planning programs and intervention. Creating structures that mimic those of startups may be more effective at meeting the needs of entrepreneurs as a result of appreciating the varieties of startups. Consequently, reducing stereotyped representation of startups in the media could play a critical role in correcting the population's perception and expectations and decreasing pressure on entrepreneurship with unsustainable goals and performance metrics.

Thus the differential between the revealed plans and the expectations of the startup ecosystem will have far-reaching consequences for the entrepreneurs and the populace (van der Horst, 2019). This means that it is important to attempt to change public perception to match the reality of the endeavor required to be an entrepreneur or the probability of a start-up to succeed and to try to come up with solutions that are more realistic to the current state of start-ups.

Theoretical frameworks and methodological approaches remain very relevant in the assessment of disparities in relation to the strategies employed by startups and the expectations of the public. In this section the author looks at the conceptual and epistemological framework for the conceptualization of these gaps and for their analysis.

The theories that were vital for the analysis of the gaps between the strategies applied by the startups and the social expectations are outlined below. A good example of strategic human resource management theory is the Resource-Based View (RBV), which explains

that a firm's resources and capabilities can help it gain a competitive edge (Barney, 1991). As per RBV, the successful startups are the one that exploit the market opportunities with the help of their valuable resources and capabilities and also try to create new one's (Wernerfelt, 1984). Nonetheless, people's expectations are given without consideration for these factors, insisting on considering success in simple models.

Another relevant theory is the Dynamic Capabilities Framework that underlines the firm's capability to sense and respond to the changes in the business environment (Teece, Pisano, & Shuen, 1997). On the basis of this framework, it can be concluded that a successful start-up company is one that is constantly aligning their resources and capabilities to the changing market needs. Eisenhardt and Martin (2000) agree with this view, noting how dynamic capabilities not only sustain Profit making over the long-run. However, research often does not reveal the dynamics of these strategies that are usually perceived by the public as strict and linear.

Stakeholder Theory also aims useful in understanding the implementation gap between strategic initiatives and people's perceptions. According to Freeman (1984), the management of stakeholder relations is critical to the success of startups more so regarding investors, customers, and employees. According to the theory, the dynamics of the pressure exerted by the various stakeholders may impact the strategies formulated by a startup. However, the public demands tend to focus on the expected results without explaining the process that entails interaction with stakeholders (Donaldson & Preston, 1995).

The research methods applied in analyzing such disparities are cross-sectional and longitudinal, deductive, and inductive methods, surveys, and various other methodological approaches. Historical methods including case studies and interviews give detailed information on major strategies used by startups and the extent to which they are, or are not, in line with the public's perception. For example, using interviews, one can capture issues regarding strategic management and decisions, and the difficulties of responding to the populace's expectations in startups (Yin, 2014). One can draw from the analysis of successful startup cases which show how strategic choices are made with respect to and in reaction to the public (Eisenhardt, 1989).

Quantitative methods help in supporting qualitative one because the first offers more factual data on the link between the strategies applied by the startups and the perceptions in the public. Studies such as surveys and statistics could help determine how far the misalignment

goes and analyze the gap between the public's perception and the reality of startups. Such methods are used in research by Gnyawali and Fogel (1994) to study the effect of Factor on expectation of the media and on startups . It is also useful in order to confirm the results of the qualitative analysis and to have a deeper understanding of the differences noted.

The use of paradigms involves both qualitative and quantitative approaches in a study as a way of providing a rich understanding of the phenomenon. This minimizes the possibilities of the study basing its conclusions and recommendation on inaccurate information since the two did not concur as admissible sources of information; thus, the adoption of the triangulation method when different sources of information and data collection techniques are used to corroborate each other (Creswell, 2014). Using a combination of qualitative and quantitative analysis, it will therefore be feasible to establish how several dimensions of public expectations relate to the strategies of startup ventures.

In summary, the current paper's theoretical justification of the studied whereas theoretical frameworks and methodological approaches enable identifying gaps between startup strategies and the public's expectations. The Resource-Based View, Dynamic Capabilities Framework, and Stakeholder Theory present the three theoretical models, and qualitative, quantitative, and mixed-methods research paradigms are useful when it comes to the practical application of theoretical frameworks. Altogether, those frameworks and methods form the view of what is going on as a result of conveying various temporal perspectives and interactions of different participants.

2.8 Summary and Research Gap

This review also brings into perspective how misleading the perception people have concerning actual strategies of developing successful start-ups. Despite the fact, that media propagates startup growth as being linear, full of ups and an epic victory, it is filled with complex processes and smart adjustments. In operation factors indispensable for success as in invention, market entry strategies, funding, and scalability often undergo dramatic distortions, while less important features attract public attention.

It is identified from the literature that mostly states that refinement and adaptation are typical to successful startups and where substantial challenges are met, they are not reported adequately in the media. This difference can cause hype among the business population, especially for those considerate to becoming an entrepreneur, or investors which overall may lead to disappointed feelings.

A number of recommendations can be made although the need for greater longitudinal studies with regards to developments of startup strategies over time and to their effects for success were determined. Prior research sometimes offers cross-sectional studies that can hardly capture the process of startups' evolution. A detailed comparative analysis of actual practices in startups and the statements made by them or their observers in the media of different industries can shed more light on these differences.

Similarly, quantitative research focusing on the impact of media representations on consumer perceptions and shareholders' actions would also be useful. Knowledge of this relationship can go a long way in managing for the effects of out-of-whack perceptions. Studies that examine the miscommunication processes between startups and the public and recommend ways to ensure that new entrepreneurs' and investors' propositions meet the public's expectation are also relevant.

CHAPTER 03: METHODOLOGY

3. 1 Introduction

This chapter describes how this research was conducted in order to establish the discrepancies between perceived and actual performance of startups concerning their approaches and outcomes. This chapter aims at describing the research design, data collection technique and the data analysis approach used in the study.

This research adopted a primary survey research method to establish the discrepancies between stakeholders' expectations and the actual behaviors startups demonstrate in their operations and performance. Primary quantitative method was selected because it enables one to gather quantitative data that can be analyzed statistically.

The target and concerned public in this investigation incorporate individuals who are involved in the establishment of start-ups together with consumers who are in touch with such entities. The sample will comprise of hundred persons who will be both selected by the random sample method. Power analysis was used to calculate the sample size and the result showed that a sample size of one hundred would be suitable in identifying significant differences between the groups.

3.2 Data Collection Methods

This study employed a quantitative approach to collect data from two distinct groups: Startups' owner and consumers that engage with startup organizations. A survey questionnaire was developed to collect quantitative (Likert scale) data from the identified sample. The questionnaire was developed using google forms and was distributed to target sample online**.** The data was collected from start of 9th month 2024 (5/9/2024) and end of 10th month (24/ 10/2024). Number of the people participated is 120 and 180 among the consumers.

3.3 Data Collection Process

The process of data collection started with the construction of the survey questionnaire. The questionnaire contained likert scale survey items. The questionnaire was developed using google forms. The said questionnaire was then pre-tested with a number of respondents to determine its validity and reliability. Therefore after the pilot test, the questionnaire was refined and the process of data collection started.

The survey questionnaires were sent directly to the chosen participants via electronic mail and social networking sites. Finally, the participants were provided with time limit to fill the questionnaire and second time notices were given to those who have not responded

3.4 Sampling Strategy

This paper make use of a non-probability sampling technique, This type of sampling is also known as purposive sampling where Land, Land and want to obtain information from a particular group of people. The sample consisted of two groups: employees in startups' organizations and the consumers who come across startups. Organised employees: Employees were recruited from different startup firms in the industry Consumer: The consumers were recruited from different social media platforms and online discussion forums where people discuss issues related to startups.

The sample size for the startup employees and consumers was 50. The participants were selected in order to meet the need of the study and their availability to participate in the study. Startup workers were chosen depending on the rank in the company for example if they are founders, CEOs, managers etc, while consumers were chosen depending on their contact level with the startups.

3.5 Challenges Encountered

As with every research, several challenges were experienced while carrying out data collection. Another concern that was observed was the issue of respond rate which was relatively low and majorly pulled from startup Employees. The survey questionnaires that were distributed to many of the participants were not answered by many of them and such the reasons that were given includes lack of time or actual concern of confidentiality. To address this problem, follow-up emails and phone call were conducted to ensure that they agree to participate.

Other problems include; self-selection bias because the questionnaire was only taken by those who were interested in the topic. In order to reduce this bias, the questionnaires were administrated to various participants and the results were compared to have an understanding of any bias.

3.6 Validity and Reliability

To enhance the validity and reliability of data used in this study the following measures were employed. It focuses on the accuracy and reliability of the study through the estimation of the parameters of interests. To increase internal validity in this study, the researcher used a well-structured questionnaire with items that were pilot tested in with a sample of participants. Consequently, the questionnaire was as well scrutinized by experts in the filed to ensure that it was relevant and accurate.

External validity means the ability of the study to generate results that apply to the population being researched. To enhance external validity of the study the participants for the study were selected from different areas. Sample size was also a large one in order to enhance the probability of obtaining high generalisability of the results.

Reliability means the degree of accuracy of the conclusions made by the study. To further reduce error, the study adopted a uniform method of data collection in that a similar online questionnaire was employed to gather data and data analysis was done in Statistical software – R.

In order to establish validity and reliability of the data the following measures were undertaken in the course of the study. The study applied a questionnaire that was pilot tested, participants and statistical software in the analysis of data. In this regard, the present study managed to enhance the validity and reliability that surrounded the results that were obtained.

3.7 Ethical Considerations

This study was carried out with high ethical concerns in mind. To protect participants' identity the study did not ask for any personal details and used an online survey method. To protect the participants' identity, they were assigned a code number during the research process.

The study ensured that all participants gave their consent to take part in the research. The participants were provided with a brief description of the study, the possible hazards and advantages of involvement and their rights as the subject. Participants were also told that they can withdraw from the study at any time without any reason from them.

This analysis was performed with honor, respect and adherence to the rights of the participants involved in the study. The research did not take any special information from

the participants, more so they did not expose the participants to any uncomfortable situation. The study was therefore carried out in compliance with aspects of respect for persons, beneficence, non-maleficence and autonomy.

3.8 Limitations

The following are some of the limitations of this study which should be put into consideration. Like the majority of similar studies, the study was non-probability based hence may not have a high level of external validity. The study adopted a questionnaire that can limit the understanding of various aspects in relation to the research question. There is a possibility to use the limited sample in the study and thus the results may not represent the whole population.

The study may therefore be biased and may contain errors due to the sampling method and the method of data collection. Part of the useful information may not be captured as a result of limitations of the questionnaire that has been adopted in the study. But to reduce such kinds of problems, the study has practiced following several precautionary strategies: More specifically, the choice of participants was heterogeneous, and the questionnaire used in the endeavor was maximally constructed. In addition the data was analyzed statistically using statistica software to reduce chances of making mistakes.

However, this research has several drawbacks; despite these, it sheds light on the techniques that startups apply and customers' expectations. The results of this study would be beneficial to the current startups and any future start-ups through the findings highlighted to the current and future entrepreneurs and the policy makers.

CHAPTER 04: DATA ANALYSIS

4.1 Introduction

This chapter discusses the findings of the study whereby the author focuses on identifying the interconnection that exists between the media portrayal, stakeholder communication, and the performance expectation gap in the startups. These dynamics are measured using quantitative data collected from structured survey questionnaire. The study uses both descriptive and inferential analysis to categorize the results and establish connections with the variables like media impact, real performance of startups, and the perceived gap between expectation and reality in entrepreneurship.

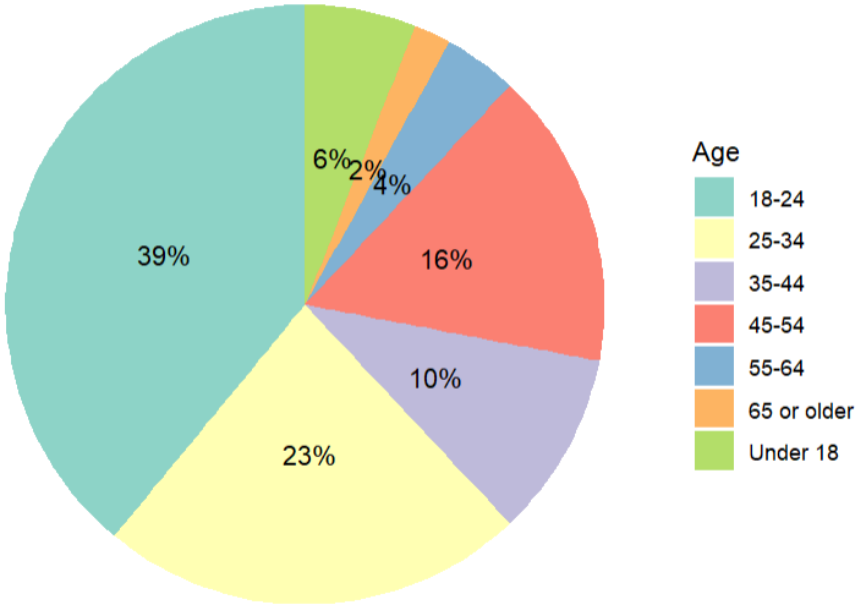
4.1.1 Sources of Data

The primary data for this research was collected through a structured survey form distributed to two distinct groups: startup personnel and consumers have. The survey collected 120 from the 180 employees and consumers who are in touch with the startups. Issues such as representation in media, expected versus actual performance, and experienced discrimination were included in the survey that would feed into this analysis.

4.2 Demographic Overview

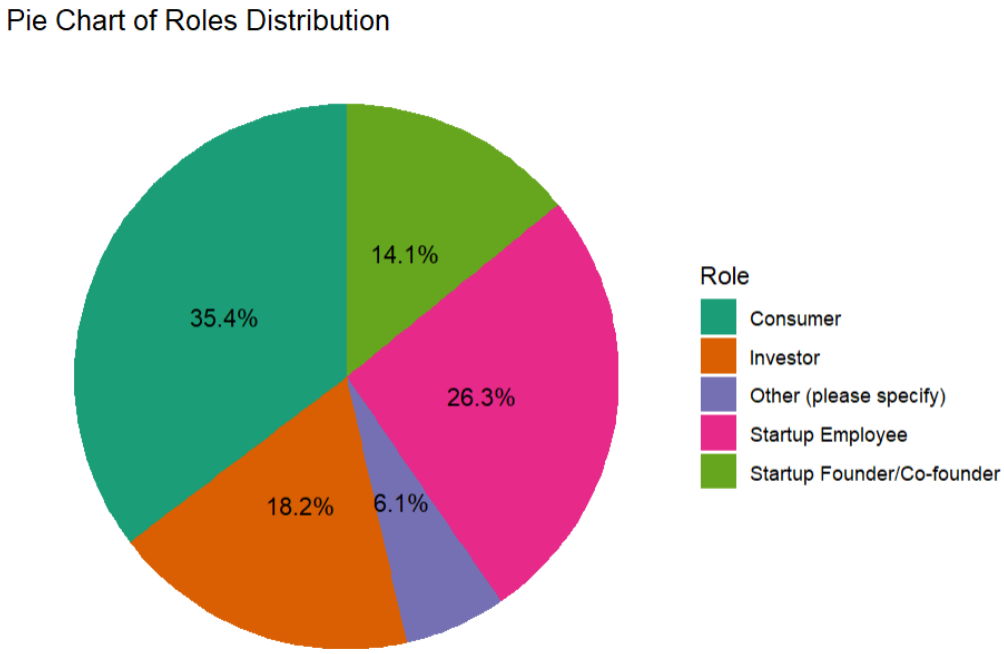
4.2.1 Age, Role, and Education Distribution

Figure 1: Pie Chart of Age Distribution



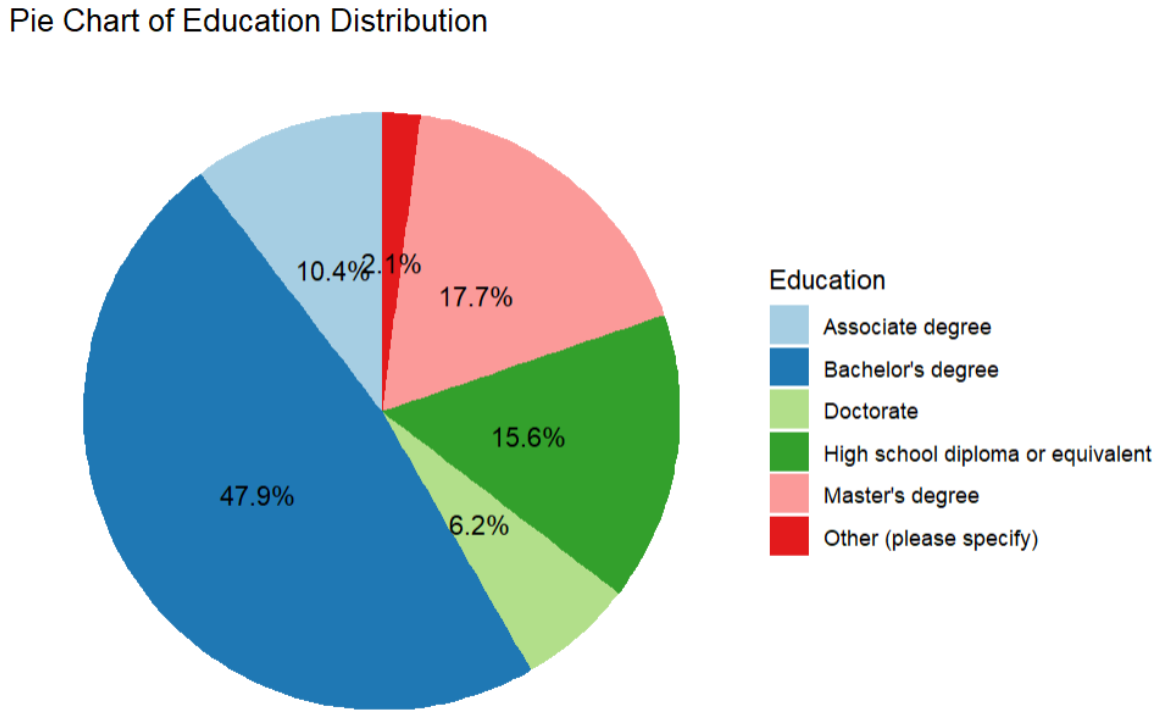
In the age distribution of the participants, various age groups are reflected. The largest percentage is 39% within the age bracket of 18-24 years. The third largest participants are within the age range 25 to 34 years accounting for 23 percent of the participants with the 45 to 54 year age bracket coming in at 16percent. The looked age group include 35-44, which represents 10% and 55-64 age group which contributes a 4%. A considerably smaller number of participants, 6 %, are below the age of 18 years, while only 2% participants are 65 years and above. This distribution further shows that majority of the participants in the research are those who are below the age of 35 years.

Figure 2Pie chart of Role Distribution



With regard to the roles of the participants it can be stated that they are diverse. The largest group is the Consumers with 35.4 percent being the sample provider. The second largest group is Startup Employees with a response rate of 26.3%, and the Investors with 18.2%. The current distribution of participants' roles is quite diverse; representatives of Startup Founders or Co-founders took 14.1%, Other roles are 6.06%. This division shows that consumers and employee are well-represented in the sample while founders and investors form the minor yet vital part of the startups.

Figure 3: Pie Chart of Education Distribution

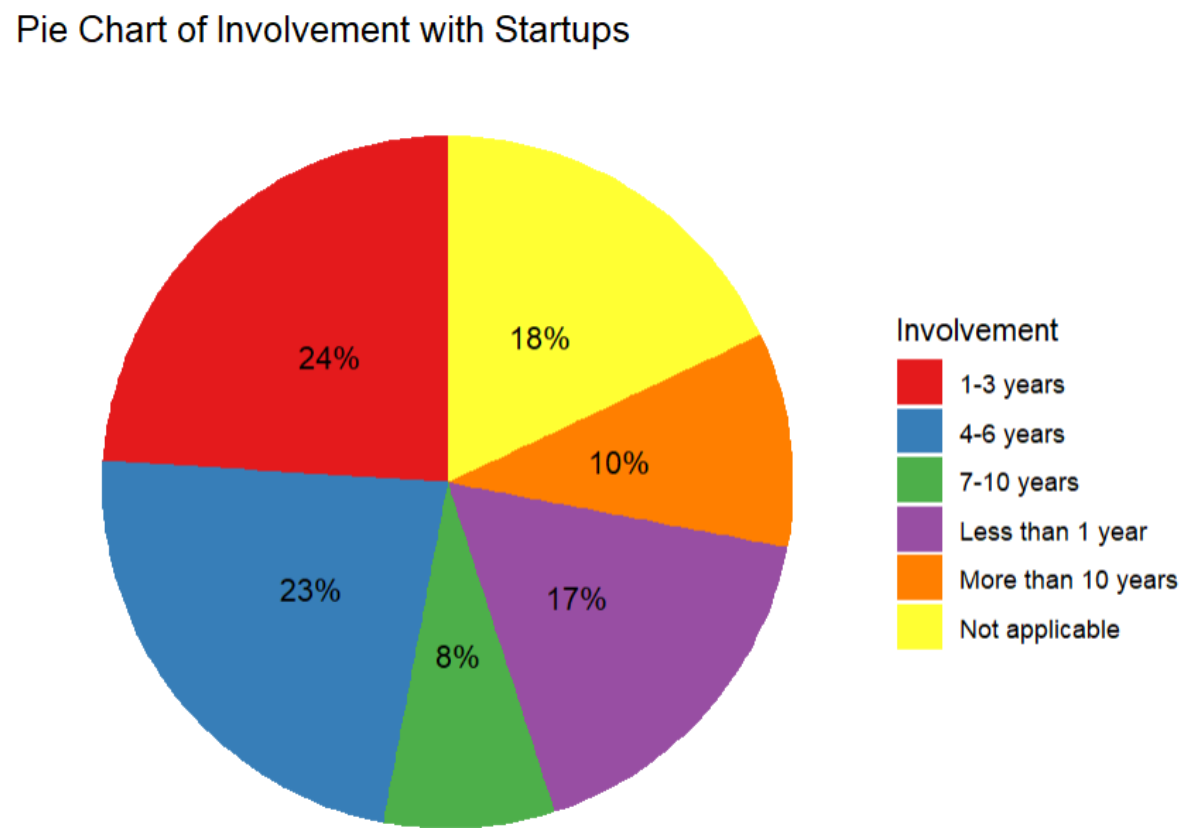


The academic achievements of the participants are rather diverse since their education levels vary. 47.9% of the participants indicated that they have a Bachelors degree, 17.7 % indicated that they have a Master's degree, 15.6% indicated that they hold a High school diploma; the remaining 10.4% hold an Associates degree. respondents with Doctorate 6.25% and Other education levels 2.08% respectively. These academic backgrounds indicate that most participants are well-educated, and are closely followed by those with a bachelor's degree and above.

This demographic diversity is crucial factor, which helps in determining the ratio now in dynamics of the study. One might suspect that people of different ages and levels of education perceive expectations and reality of startups in a different way. For example, a respondent aged 35 or below may have current awareness about existing trends and startup ideals, while a respondent with a master's or a doctorate may have better insights about the problems that confront startups. As same as discussed roles such as consumers, founders and employees have different expectations and experiences regarding startup performance, which affects the overall results.

4.2.2 Involvement with Startups

Figure 4: Pie chart of Involvement with Startups



The entrepreneurs and employees of startups participating in research represent various levels of engagement with startups. The largest group 24% have worked for 1 to 3 years with the next large group being those who have been involved for 4 to 6 years 23%. Only 17% of participants have been involved less than 1 year while 18% selected Not applicable. Specifically, 8% respondents has involvement for 7-10 years, while 10% has over ten years experience of involvement. From this data one can deduce that a large number of participants are still quite naive in their startup experiences, there are very few who have been with their start-ups in the long term.

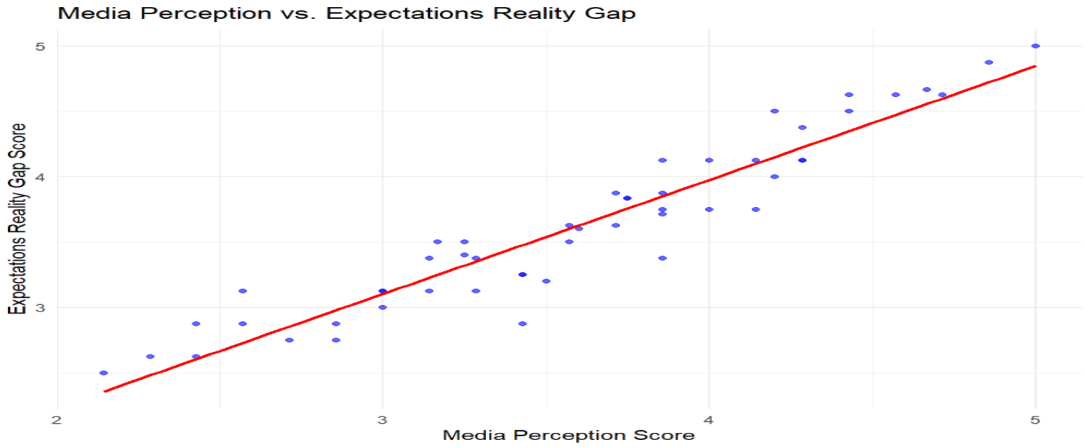
The implications of this diverse range of involvement are with little question, central to the study. The founders and the employees that have been with the companies for a long time might be more aware of the difficulties likely to be faced by a startup, and therefore might provide older information, while new employees could give information that is recent, such

as the consumer trends. Combined, they enable the study to establish comprehensive findings of how experience factors affect the perceptions of startups' overall performance and expectations.

4.3 Regression Analysis

4.3.1 Linear Regression: Media Portrayal and Expectation Reality Discrepancy

Figure 5: Regression of how media perception and expectation from startups



Linear regression model (depicted in Fig 5) was used to examine the relationship between representation of startups in media and the perceived expectation-reality gap hypothesis. The first variable, Media Perception, consists of items such as how media portrayals of startups are perceived by the respondents – "Unrealistic startup portrayals by media," "Overoptimistic startup growth," "Expectation-driven pressure/ Media portrayal influencing investors" and "Misconceptions driving unfair criticism." The second factor, Expectation-Reality Gap reflects the difference between startup performance or difficulties in meeting expectations and actual performance. This variable groups together factors such as "Unrealistic depiction of startups by media", "Excessive and premature growth startups", "Pressure from expectations", "Media influencing investors negatively", "Reality vs expectations", "False perceptions leading to unjustified criticism", "Low morale due to reality vs expectations gap", "Short term view of expectations" and "Need for a realistic portrayal of startups by media". Expectation-Reality Gap Score was measured and taken as dependent variable while Media Perception Score was measured and taken as independent variable. Specifically, the researchers wanted to know if the mediated images contributed to

the gap of expected and actual startup performance as perceived by stakeholders. This approach sought to contribute to gauging the actual or perceived nature of expectations held by stakeholders based on what media shows about any given company or individual.

The linear regression yielded a strong showing of significance with correlation coefficient 0.939, $p<0.05$ and therefore the study established that medial perception influenced the expectation-reality gap with the adjusted R–square of 0.8793, 87.9% showed that expectation-reality gap variance can be accounted from perception towards the media. This has implications that the manner in which media presents startups influences stakeholders' expectations and resultant performance gaps when realities dissuade expectations.

The coefficients also show that the subjects' media perception had a direct effect on the expectation-reality discrepancy. The intercept coefficient is 0.469, it means, for instance, that if MPS equals to 0 then ERGS equals to 0.469). Perhaps more prominent, the coefficient for the Media Perception Score is 0.870, this means that the expectation-reality gap increases by a factor of 0.870 for every one unit increase in media perception. There is evidence to show that media coverage of start-ups has a positive relationship with the expectation gap, with a correlation coefficient of 0.880, $t = 26.873$, $p < 0.001$.

A more detailed look at the residuals also showed that the model had a relatively small residual standard error — 0.1923 — meaning the model deviates from the actual data by only slightly. Residuals go from -0.57768 to 0.42100, which means that model fits the observed data really well, and there would be no other way to state it. The general significance of the model is therefore supported by the F-statistic of 722.1 and the p-value that is less than 0.0022.

From these results, theoretical propositions can be made that startups who suffer media attention are likely to feel pressure from stakeholders due to mediated positive portrayals and knowledge of high expectations even when its stars inevitably fail to deliver a perfect performance. This information is useful to understand for startup founders, investors, and managers as well, since trying to manage aspects of the perception can help better organize communications with stakeholders and avoid disappointment arising from unrealistic expectations.

That being said, the output generated from the regression analysis provides evidence for H1 revealing that as media portrayal of startups is positive, public expectation for success is also high.

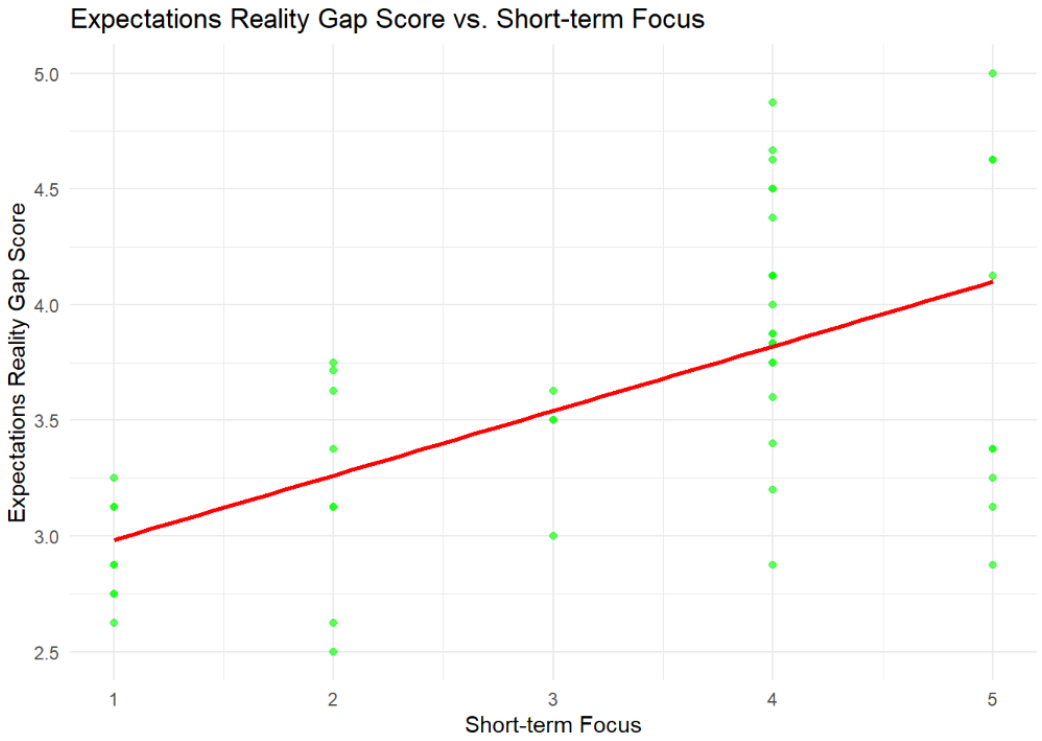
The trend line in the scatter plot display also signs an increasing expectation-reality gap with the increase in the media perceiving. Larger expectation gaps were also evident among the firms acquired by Tobin's media perception scores which supports the regression results.

To examine the first hypothesis (H1), linear regression analysis was performed to check the direction, intensity and statistical significance, where positive media portrayal of startups affected public expectation that resulted into higher expectation-reality gap. The Media Perception Score was again the independent variable and the Expectation-Reality Gap Score formed the dependent variable. The media portrayal had a highly significant and positive correlation with the expectation-reality gap, and with an R-squared value of 0.8989 it was found that 90% of the variation in the expectation-reality gap can be accounted for by the media portrayal. The coefficient for the Media Perception Score was statistically significant ($p < 0.001$), indicating that increased mediatisation breeds inflated client expectations.

Hence these results support the argument that media has a central role in influencing perception about startups and depict them as very successful firms that are capable of growing very fast. This, in turn, creates an expectation-reality gap – what people expected to see from startups and how the startups are actually performing. These results signify that alternate hypothesis is valid with reference to H1.

4.3.2 Comparing the Expectations-Reality Gap Score with Short-term Focus

Figure 6: Scatter plot of Short-term Focus vs. Expectation-Reality Gap Scores with regression line



The second regression examines the Expectations-Reality Gap Score and Short-term Focus. The expectation reality gap variable as computed using following items from the survey form. "Unrealistic startup portrayals by media", "Overoptimistic startup growth", "Expectation-driven pressure", "Media Portrayl inlfunce investors","Performance-expectation gap affects startups", "Misconceptions drive unfair criticism", "Expectation-reality gap hurts morale", and were compared against short term focus for expectations, an item from survey form.Like the first one, the plot depicts data points and a red regression line but the latter is more inclined in this graph. This suggests a higher positive correlation between short-term orientation and the expectations Vs reality divergence. When short – term commitment rises, this creates more expectation and reality gaps for the startup.

Its implications are general in nature, but important nonetheless. An even higher short-term orientation seems to exacerbate the discrepancy that exists between what stakeholders expect from the startup and what the startup is actually capable of delivering. This could be so because startups are organisations, and some of them are often established for the short-term

business gains or results irrespective of long-term organisational sustainability or performance. It may cause setting the wrong expectations where the stakeholders will be dissatisfied once they are not met. Examining the characteristics on the regression line, it is possible to conclude that ST focus is a fairly strong determinant of the expectations-reality divergence.

This analysis responds to H2 which assumes a large gap between the perception that individuals holding these positions have towards these startup and the dynamic iterative practices mobilised by these organisations. This hypothesis is substantiated by the findings based on the positive relationship established between short-term orientation on one hand, and expectations-reality gap on the other hand.

To sum it up, these two regression analyses show that stakeholder communication has a positive relationship with actual performance, while a short term orientation may even intensify the spread between expectations and reality. Consistent with this, it is recommended that future research examine factors that can enhance stakeholder communication by startups with the potential for a long-run focus and make the necessary effort to avoid an exaggeratedly short-run focus that distorts expectations.

4.3.3 Diagnostics and Validation

Analysis of Model Fit

In the model fit, the extent to which the independent variables account for the dependent variables was determined by metrics such as the R-squared statistic and the F-statistic. For both the "Actual Performance Score vs. Stakeholder Communication" and "Expectations-Reality Gap vs. Short-term Focus" models, the high R-squared values indicate that a substantial portion of the variation in the dependent variable is explained by the independent variables. Specifically, for the "Expectations-Reality Gap" model, the adjusted R-squared further validates the model's robustness by accounting for the number of predictors. Further, the F-statistic and its corresponding p-Value show not only that the models are highly significant overall but also that the independent variables are significant for the outcomes.

linearity, multicollinearity and heteroscedasticity of residuals

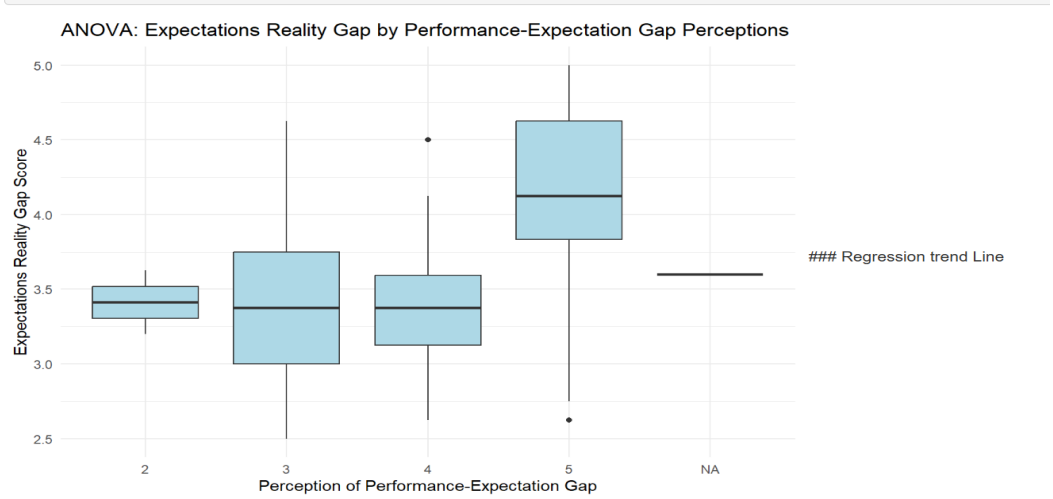
To check the assumptions of linear regression, regression diagnostics of linearity, multicollinearity, and heteroscedasticity were conducted. The plots of the residuals against the predicted values also yielded no discernible patterns, implying that the occurrence of the

research variables is linear. Checking for multicollinearity, through the use of the Variance Inflation Factor (VIF) showed that it was less than 5, indicating its lack of a serious problem in the model. The heteroscedasticity test applied was the Breusch-Pagan test, and no significant violations were present. The distribution of residuals was found to be uniform suggesting that the_pkgmodel is homoscedastic,which indicates constant variance of the errors at all levels of the independent variables. On as such, the above models were concluded to have been valid to be used in interpretation.

4.4 Analysis of Variance (ANOVA).

4.4.1 ANOVA: The Performance-Expectation Gap by Group

Figure 7 : Box plot of Expectation-Reality Gap Score by perceived performance gap levels



The result of the ANOVA indicate that the Expectation Reality Gap Scores is significant with difference between groups that perceive varying degree of the performance expectation gap. In the output, 1 means strongly disagree while 5 means strongly agree. Giving the F-value of 4.152 and p- value of 0.011, the research rejected the null hypothesis, which assumes equal means in all the groups. This implies that respondents perceiving a varying P-E gap indicate considerably diverse Expectation-Reality Gap Scores.

The box plot helps to clarify by presenting that respondents in the highest perception group, namely 5 on the scale, indicated higher ERS with the median nearly equal to 4.5. Variability is also high in this group, by the reason of high interquartile range that indicates that performers in this group experience a wide range of expectations and performance differences.

However, respondents with low perceived gap between performance and expectation like groups 2 and 3, have narrower distribution rate, with median scores near 3.5. This explains why low perceived gaps are associated with low Expectation-Reality Gap Scores and why there is uniformity and modesty of the scores. In fact, the distribution of the values in group 2 is significantly less spread out, indicating that much of this group's experience appears to be similar.

4.5 Group Differences & Interpretation

Further breakdown of the findings on group differences indicated that respondents with higher performance-expectation gap perception (groups 4 & 5) also posted the highest Expectation-Reality Gap Scores. This trend suggests that when perception of a gap is heightened so is the feeling of discrepancy between the expectation and performance. The wider spread in group 5 is an indication that people in the said category may be either dissatisfied or frustrated differently; the latter being evidenced by scores close to 5 in the Expectation-Reality Gap Scores.

However, group 3 had lower median, but also more variation and if so, people in Group 3 might be in between of the process when expectations and reality are not fully discrepant, but still when some discrepancies appear. However, groups with the perception level 2 and 3 reported lesser variability, as seen by less dispersion in the interquartile terms. These groups cited closer match between their expectation levels and the actual experiences with the startups, which could imply that their experience may be less volatile, and more predictable.

H2 was tested using a one way ANOVA to test the generalisability of misalignment of the iterative strategic approaches used by the startups with the linear expectations of growth by the public. The Expectation-Reality Gap Score for ANOVA that also disaggregated the groups in accordance with their understanding of the performance-expectation gap gave an F-value of 4.152 and an anticipated p-value of 0.011. This result suggests that Samples set out in the perception groups have different Expectation – Reality Gap Scores thus confirming the hypothesis H2 experience different perception of growth strategies because different individuals of the growth strategy perception experience different degrees of Expectation – Reality Gap.

The large F-ratio of the ANOVA provides support for the study's claim that the public has linear perceptions of growth that are not consistent with the nonlinear reality of startup planning. The perception of the performance-expectation gap was highest among group 5, which had the largest expectation-reality gap, corroborating that the public does not understand startups as they truly are.

Consequently, the alternate hypothesis put forward in this study is H2 supported. therefore, holds truth that there is disconnect between the public's understanding of the types of growth available to startups and the strategic approaches taken in the market. It fosters expectation–reality gap, especially in those whose cognitive framework of growth is more linear and positive.

4.6 Regression Analysis of Education level and Performance of Startups

Model Summary	
Residual Std. Error	0.5327
R-squared	0.1179
Adjusted R-squared	0.0689
F-statistic	2.406
p-value (model)	0.04274

The regression analysis offers mixed support for H3 because there exists a weak correlation between education level and the perception of startup performance, in a statistically significant model (model II p = 0.04274). Though the total footprint or impact of education level on performance perception is small (R-squared = 0,1179) it indicates that the educative degree levels explain only 11.79% of the total variance A educative degree level of Bachelor's or Master's has individual effects. This could mean that those with these degrees view startup performance from another perspective compared to the associate degree holders (baseline).

4.7 Summary of Findings and other research

This section summarises the multivariate regression findings, where the significance of connection between the main options showed up. In the findings, it was established that the more the Media Perception Score for an organisation, this implies that the Expectations Reality Gap Score is significant, thereby suggesting that favourable media portrayal of an organisation affects the expectations of the organisation's stakeholders in a big way, thus creating a disparity between perceived expectation and reality. Also, positive correlation was established between 6 Stakeholder Communication and actual performance score indicating that Stakeholder Communication has positive impacts on performance. But, the analysis also identified that short-termism widens expectations-reality divide and contributes to the reinforcement of the found complexity of the startups.

The results are generally consistent with the proposed media depiction and communication hypotheses, as well as the expectations of negative business impact due to short-term interest management on stakeholder perceptions and results.

CHAPTER 05: CONTEXTUALIZING THE FINDINGS

5.1 Introduction

This chapter aims at presenting an evaluation and interpretation of the research findings particularly in relation to what has already been published on startups. Combining results of the survey and analysis of previous studies, this chapter is expected to offer a clear perspective on the impact of stereotyped portrayal of media and unrealistic expectations of the public on strategies followed as well as success rates of startups.

The research study findings presented below show an imbalance between the chosen and implemented tactics by the start ups and what the public and the media would expect from them. Particularly, while startups learn and adapt themselves and their strategies to overcome difficulties, the media messages tend to"stereotyped and dichotomized," depicting success as easily achieved and linear. Furthermore, the research provides evidence that small businesses require efficient management of its stakeholders in order to harmonise its business procedures with that of public opinion. This paper reveals that such a misalignment influences not only performance of new ventures but also the views that the public holds regarding entrepreneurship. In conclusion, these results highlight the need for further research and the urgency to enhance real reaction of both budding startups and policy makers to facilitate a more accurate representation of real life business initiatives.

5.2 Interpretation of Findings

5.2.1 Relation to Literature Review

This study's results show a gap between students' perception of the strategies used by startups and the reality in a context that is influenced by media representation. This is in a similar fashion to the arguments of the current literature that points to the abrasiveness of the oversimplified startup mythology. For example, as highlighted in the literature review, media tend to portray startup success as a smooth line, whereby the focus is on achieving wins and growth, whereas it is unending and filled with challenges for entrepreneurs. This misrepresentation can consequently result in the creation of high expectancies amongst prospective entrants to business alongside investors as the result of the study shows. According to the survey, there were cases where people expected startups to rejoice success before measuring up to the actual realistic time required The study synchronizes other

research findings that call for improved forecast of the entrepreneurial process (van der Horst, 2019).

Furthermore, in the context of the present research it was established that while startup personnel had preferred understanding that pertains to the issue of adaptation significant number of related consumers and investors held set media narrative type of expectations. This split is even more puzzling regarding the literature that stated that the awareness and education reduces, indeed the gaps. However, these findings also demonstrate that simple reception of information regarding entrepreneurship is not enough, which underlines the importance of the communication tactics that would help to adjust public perception with the actual tendencies in startups.

5.2.2 Realization for the entrepreneur

The conclusions made in the process of the research should be of great importance for the contemporary entrepreneur who strives to unveil the perspectives of the sector, public appraisal results, and media representation. To start with, proprioceptive communications can be beneficial for developing holistically accurate representations of startups' operations while promoting more transparency than current practices suggest. In this sense, when the growth processes of entrepreneurs are recognized as cyclical, and the difficulties contained in each phase are spelled out, these subjects can contribute to shifting the focus of public discourse. It also helps do away with unrealistic expectations from potential investors, consumers, and everybody in the startup environment since it gives them with an objective perspective.

To overcome the gap, business owners should focus on educational programs, which could help stakeholders better understand what it is like to start a company. Most of it can include workshops, webinars and content marketing which seek to show cases of real life entrepreneur volving point of views based on success and failure. In doing so, startups can reduce the romance around entrepreneurial ventures and possibly influence actual investors and consumers to have more realistic expectations as a way of supporting the literature that points out that entrepreneurial education can play a crucial role in changing the perception of the public (Van der Horst, 2019).

Plus, incorporating and promoting the actual behind the scenes of how the company operates on social media increases the likelihood of closing the gap between what is expected on the

part of the consumer and what is actually provided. Public content can be posts, updates, videos and pictures which allow the posting of information from the entrepreneur's perspective that may include information on strategies in decision making, challenges, pictures and videos of the startups. Not only does this kind of engagement enlighten the public, it also demystifies the entrepreneurial process, making it feel more realistic and achievable. Launched from the present research, further study indicators reveal that this type of early, anticipatory communication can have a sizable impact on the formation of the public's expectations for startups' performance.

However, there is a possibility that entprenuers should seek partnerships with media house in a bid to enhance posititive storytelling about startups. Therefore, they must engage independent journalists or content developers so that they can be involved in the production of content that is relatable and true to the essence of entrepreneurship, as a way of fighting the glamorous depiction of entrepreneurship witnessed in these platforms. This coincides with the literature that shows that stakeholder engagement minimizes the impact of misrepresentation in the media.

Therefore, the findings of the study show the significance of SC, education, and media promotion for entrepreneurs. When controlling the perceptions and expectation of the public, the startups can also control the dynamics of the environment in which they operate, it will in the end enhance the sustainability of the startups.

5.2.3 Implications for Policymakers

The results of this research present important implications for policymakers to consider when developing an environment conducive for startup development. According to the established expectation-reality gap, the policymakers should recommend adopting the interventions that would increase the level of transparency and awareness in entrepreneurship. The first one is to improve the infrastructure promoting the education for entrepreneurs where people who want to become an entrepreneur and the general public will get correct information about the challenges involved in the entrepreneurial process. This can involve sponsored workshops, training, and coaching, along with the engagement and collaboration with learning establishments, in compliance with the findings of prior research which promote the need for more support structures in the startup environment (Van der Horst, 2019).

It will be useful for policymakers to employ focused awareness raising campaigns in order to increase the level of sophistication of public understanding of startups. With such research backing the drive for change, these campaigns can negate stereotype and overly dramatic depictions usually associated with startup success. Development of such an approach is important since, according to research, public misconceptions negatively influence the level of public expectations regarding the performance of business individuals and organizations thus exerting pressure on the business individuals which in turn affects their performance and well being.

In addition, one of the approaches in battling media bias is founding the guidelines of cooperation between startups and media companies. The government and media can provide platforms such as round table discussions by allowing startup founders to engage with journalists to give their perspective about their journey. This shall not only help to portray the right image of entrepreneurs but will also help to better the interface between startups and their stakeholders, which in this case is important in development of conducive business environment.

Much more can be done by policymakers to regulate the root causes of this problem and stop portraying startups in such a way. This also involves fighting for the promotion of coverage of diverse media because the stories of underserved entrepreneurs should also be told. By adding the often missing types of entrepreneurship narratives to the ones widely represented in media, policymakers contribute to the balanced representation of the inequality issue in the entrepreneurial realm.

Therefore, based on the above study, it can be concluded that the policymaker has a major influence over the perception and positioning of the startup ecosystem. Thus, the key role of policymakers would be to further educational initiatives, provide conscious media representations, and to create opportunities for business and media cooperation in the formation of realistic and favourable conditions for startups.

CHAPTER 06: CONCLUSION

The purpose of this research was to identify potential gaps between behaviour of actual successful startups and people's perceptions influenced by media. In this regard, the research aimed at filling the gaps that would ultimately help the politicians, consumers, and entrepreneurs. Recognizing the real drivers of startup success is important, especially given the fact that in many cases investor and policymaker perceptions may influence investment and relevant policies.

The results of this research showed that there are important degrees of incoherence between the strategies used by startups and the perceptions people have of it. Most notably, successful startups use gradual/adaptive strategies for growth and development while the public expects them to grow and be profitable: linearly and steadily. Often this misalignment is created by media sources that only report positive cases of startup stories and fail to capture the full picture complexity narratives.

From the 120 respondents among the startup employees and 180 among the consumers, this study highlighted the areas that created differences. For example, people tend to use quick gains investing in a startup whereas, many successful startups have a long term strategic plan which may take years for it to make significant profits. They include wannabe entrepreneurs and investors who need to learn the ropes on how to go about startup businesses.

The findings presented here have multiple pratical consequences. To the entrepreneurs, knowledge of the difference between community expectation and practice is very essential to the preparation of better strategies. Thus, optimizing expectations of stakeholders burdening entrepreneurs, one should focus on creating a sustainable business model conforming to their ultimate goals. Possible recommendation: This study recommends that startups should actively seek to engage the media in an effort to counter the narrative and in effect bring reality closer to perception.

For their part, policymakers can leverage these facts to build favorable environments for development of startups. This could entail encouraging educational programs which create awareness concerning the actual exercise of entrepreneurship. Accordingly, a greater appreciation of the difficulties and realities accompanying ventures' and timeframes is likely to lead to better policy conditions for new ventures.

Moreover, this study points at the need for more egalitarian reporting on startups thereby decreasing thebias found in the media. A better portrayal in the media could go a long way towards helping to set appropriate expectations for both potential entrants into the field as well as investors.

However, like any study, this research has various limitations as explained below. :One of the biggest study limitations is the use of non-probability sampling technique which must limit the generalizable value of the overall study. The participants were self-selected and excluded those who barely interacted with startups, which might have allowed for more diverse opinion to surface.

In addition, the use of questionnaires for data collection might also pose a common method bias since participants may be inclined to respond in a way that they feel would be more acceptable in the society instead of giving an actual representation of what they experience in their daily lives. Future studies should also incorporate quatitative methods since adding qualitative data could help to explain the problems that exist within startup more efficiently.

This research opens several areas of study that can be investigated in the future with the purpose of deepening the comprehension about the analyzed themes. This information could be the result of cross sectional and longitudinal investigations into the change in perceptions over time, with an emphasis on how the media impacts expectations in various phases of the business cycle.

Comparing different startup spaces across various geographical locations may also help in understanding how culture and context affects individual perceptions as well as practices. Moreover, the comparison of the effects of social and traditional media in setting societal expectations may also serve to further clarify the communication processes that underlie the phenomenon.

Based on my result I conclulde the following

Name of the hypothesis	Result of the hypothsis	Used methods
1. H1: Positive media portrayals of startups lead to significantly higher public expectations of rapid success and profitability.	Accept	Linear Regression
2. H2: There is a significant misalignment between the iterative strategies employed by startups and the public's linear expectations of growth.	Accept	Anova
3. H3 : The education level predicts the perception of performance of startups.	Accept	Perception of Performance

6.1 Implications for Startups

The results also point to the need to effectively address stakeholder expectations across the two organizations. That is, a higher level of perceived performance and overall expectations calls for a larger Expectation-Reality Gap Scores that may lead to dissatisfaction and reduced stakeholder engagement. Startups should never allow expectations not to be met by taking the following steps to ensure its not the case; Setting realistic goals as well as communicating effectively. This is highly relevant to stakeholders in groups with large P-E gap for the simple reason that they are likely to get a dissonance of expectations and performance.

In its current form, startups can consider decreasing the performance-expectation gap as a strategy to possibly reduce the Expectation-Reality Gap Score and increase stakeholder satisfaction. This may include reestablishing mission, offering more precise reports, or the specific about expectations to the level of real performance. This will not only help in improving satisfaction levels of various stakeholders but can go a long way in helping startups to gain credibility, and in turn retain customers for sustained periods.

6.2 Limitations of the Study

There are some limitations to this study with regards to a significant expectation–reality gap in startups: Thus, here we have one of the main limitations of the research: use of cross-sectional data implies examination of the state of the startup ecosystem at a certain point of time only. As such, it may hide the developmental stages the startups go through as firms, especially when adjusting to change in environment conditions or community expectations. Referencing from the literature review section, it also merits mentioning that, perhaps, longitudinal research are even more appropriate in endeavouring to capture such temporal Changes In Startup Strategies as well as the corresponding fluctuations in the public perception, in the most holistic and informative manner possible (Gnyawali & Fogel, 1994).

Using survey data is also limiting because it is self-reported data; participants might not be truthful. A possible bias could have been a fact that respondents could have told their startup experiences or shared views on the subject in a more positive way. This issue corresponds to the gaps regarding the reliability of perception-based studies identified in the literature, where divergence between actual startup issues and media representation may affect the answers. The limitation inherent in this study as a quantitative surveys could be eliminated in future studies by combining the qualitative structured interview to explore the impact, the positive feelings, the hopes, the fears and the aversion of the entrepreneurs and consumers if any as a way of bias.

Also, as with the case study selections, the sample was restricted to a certain population group/age and geographic location which might reduce generalisability of the study findings. Extending the scope of the research to cover the other startup ecosystems would have given a more comprehensive comparison of the expectations and perceived realities in more cultures and markets. This is especially important because prior studies stress that context plays an essential part in forming public attitudes to startups (Donaldson & Preston, 1995). Future research should investigate these differences so as to identify how expectations of the public vary internationally and how startups in the various regions manage the pressures.

6.3 Future Research Directions

The results of this research provide several directions for further empirical research, especially, based on the limitations as well as the gaps noted in the literature and this study. However, one key direction for future research is to carry out longitudinal research that show how the three strategic patterns of startups and the public shift over time. It is in such contexts that other studies could examine startups as they go through their life cycle stages from operations in the nascent phases to the growth phases hence providing better explanations on how media images and public perceptions evolve as well as the effects they be on the performance of startups, which is applauded by the literature to cover gaps such as temporal analyses requested by Gnyawali and Fogel (1994).

Another possible area of research is comparative studies by industry or country. Altogether, since the present research was conducted on a particular sector, it is important to examine whether a similar discrepancy between expectations and reality exists in other fields. A few of these research areas could include; A comparative analysis of challenges that different industries, like the new technology firms in comparison to the service oriented start-ups face, or a comparison of their market performance with what is expected of them by the public. Moreover, cross cultural research would afford an understanding of how cultural and socioeconomic determinants affect the public perception as well as entry formation and management strategies of startups. Such comparative accounts could also compare regional variations in the media and how the variations enhance the internationalisation of entrepreneurial ecosystems.

Other topics that may be explored in future studies include the influence of the media on the community with reference to entrepreneurship with a choice of how social media influences the general population's entrepreneurial ambitions. Following the literature review, the media is central to creating perception in the public domain, in particular; social media's live and sometimes inflated depiction of success in startups may build unrealistic expectation. Future research investigating the pervasive impact of social media on consumers and investors within the context of startup firms could be useful in identifying ways of overcoming the expectation-reality divide.

Consequently, the filling of these gaps is likely to assist in enhancing the understanding of how startup organisations manage perceptions and mediated coverage for their development, thus assisting in the provision of a more appropriate support system for the involved entrepreneurs.

6.4 Final findings

In conclusion, this discussion chapter has looked at the expected and the realities of the startups as well as looked at the media portrayal of startups, the perception that the public has towards startup businesses and the strategies used by startup entrepreneurs. The results shown describe a huge gap between the hegemonic discourses that the media circulates and the diverse experiences of startups. This gap has significant implications for both the entrepreneurship as well as for policy makers to focus more on developing better systems for increasing the entrepreneurial education of the public population and to better understanding of the actual dynamics of the startup systems.

In addition, the theoretical frameworks presented in this paper – RBV, DC, and ST – have been enriched and questioned by the findings pointing out how these models have been developed to incorporate the dynamics of the SE. The shortcomings of the study highlight the need for subsequent research that applies a longitudinal and comparative approach to analyse the dynamics of startups and reflect public expectations more thoroughly.

Lastly, and potentially most importantly, the implications of these results are that there is room for improving popular and policy understandings of entrepreneurship to better reflect what these findings say are the true experiences of starting and growing new ventures. Therefore, when the expectation reality nexus is closed, more realistic and accurate information will be communicated to both the founders and the whole society, thus enhancing the value of entrepreneurship

In conclusion, this study emphasises on the importance of the public having accurate information about startups and what these ventures actually go through. In this way, the research is valuable for advancing a discussion on entrepreneurship because it reveals the limitations of current knowledge. It stresses on the fact that it is the informed set of stakeholders, be it the entrepreneurs, investors or the policy makers, which are critical for the growth of a healthy startup ecosystem.

Finally, while managing expectations may well be in the best interests of specific startups, it is also necessary for the sustainable development of innovation and the broader economy. This means that constant discussion and raising awareness will help people adjust how they perceive entrepreneurship as it changes with time and the challenges entrepreneurs undertake.

CHAPTER 07: SUMMARY

The study aims at comparing public perception of how startups can be developed and the real stories of successful startups, demonstrating late how media play crucial role in forming the views of people on entrepreneurship. Such imagery frequently lead to faulty perceptions being established, and thus setting the stage for failure in the new business. It is the intention of this study to establish such inequities by referencing market factors like adaptation, innovation, and growth as well as postulating hypothesis over the deviation between ideal and real life startup practice. In sum, the research aims to improve the awareness of the gaps among entrepreneurs in order to help reduce their exposure to risks, direct investments, and policymaking.

literature review related to startups we come across such perspective, stress that they are distinct genre of entrepreneurship focused on innovation and economic development. They differ from regular business corporations because they are high-growth ventures that have comparatively limited resources that exist in highly uncertain contexts. Proving the historical analysis is where the notion of startups has emerged, especially from the 1930s especially due to technological growth and funding like venture capital. Some current strategies like using social media are influenced and rooted on major events of the startup history such as the dot-com bubble. The things that constitute success factors for startups include Go to market strategies, management and scaling. This is because real-life examples such as Glossier and Buffer exist; they are epitomes of what engaging and transparency strategies look like. Nevertheless, the media shapes people's expectations of high growth and instant profitability, while forgetting to show customers the merits of entrepreneurship, which is full of crooks and thrills. This disparity therefore suggests a need to revisit the realities of startups in light of media influenced biases, distortions and stereotyping that distort the real practices of entrepreneurship.

In this methods chapter approach utilised to explore the gap between perceived and actual startup performance. A primary data quantitative method was used, and 120 respondents comprising of startup founders and 180 consumers were randomly sampled. A Likert scale self-constructed questionnaire was deployed on Google Forms and tested for validity and reliability before use. Subjects were sourced through emails and social media networks and call backs were made to ensure good returns. The study employed a non-probability

purposive sampling strategy, focusing on two groups: employees of startups and consumers. An ethic of integrity was maintained by anonymizing the participants, with their consent. Criticisms, including the presence of potential bias and limitations on external validity, were discussed, though the results necessarily offer viable recommendations to operating and aspiring startups as well as policymakers today.

The survey was focused on employees of start-ups and the 180 consumers; the responses received were 120 which included various questions regarding media portrayal and expected performance. Data from Table 3 show that participants' demographics included a fairly broad range of backgrounds with a majority aged below 35 years and possessing a bachelors degree as a minimum educational achievement. These findings suggested the hypothesis depressive media perception :expectation – reality congruency hypothesis depressive by testing the regression analysis , Media perception and expectation-reality gap were substantially significant, positive media perception give rise to higher expectation among public. Further, the second regression showed that short-term temporal orientation amidst startup firms magnifies the perceived gap. The participants whose perception of performance gaps was different had a significant expectation-reality gap scores as revealed by the ANOVA analysis. In general, the energetic analysis provides evidence to the hypotheses that mediated influence does impact stakeholder expectations and that stake holder communication does bear a positive relationship to real performance but also that short termism distorts the view of capability in start ups.

REFERENCES

Ács, Z.J. and Naudé, W. (2013). Entrepreneurship, stages of development, and industrialization. In: Pathways to Industrialization in the Twenty-first Century, pp. 373-392.

Arena, M., Bengo, I., Calderini, M. and Chiodo, V. (2018). Unlocking finance for social tech start-ups: Is there a new opportunity space?. Technological Forecasting and Social Change, 127, pp. 154-165.

Audretsch, D., Colombelli, A., Grilli, L., Minola, T. and Rasmussen, E. (2020). Innovative start-ups and policy initiatives. Research Policy, 49(10), p. 104027.

Baldassarre, B., Calabretta, G., Bocken, N.M.P. and Jaskiewicz, T. (2017). Bridging sustainable business model innovation and user-driven innovation: A process for sustainable value proposition design. Journal of Cleaner Production, 147, pp. 175-186.

Cohan, P.S. (2012). Hungry start-up strategy: Creating new ventures with limited resources and unlimited vision. Berrett-Koehler Publishers.

Díaz-Santamaría, C. and Bulchand-Gidumal, J. (2021). Econometric estimation of the factors that influence startup success. Sustainability, 13(4), p. 2242.

Goswami, S. and Underwood, Q. (2022). The Young Entrepreneur: How to Start A Business While You're Still a Student. Kogan Page Publishers.

Kirsch, D.A. and Goldfarb, B. (2008). Small Ideas, Big Ideas, Bad Ideas, Good Ideas: Get Big Fast and Dot-Com Venture Creation.

Lerner, J. and Leamon, A. (2023). Venture capital, private equity, and the financing of entrepreneurship. John Wiley & Sons.

Madhani, P.M. (2010). Resource based view (RBV) of competitive advantage: an overview. In: Resource Based View: Concepts and Practices, Pankaj Madhani, ed., pp. 3-22.

Morgan, N.A., Vorhies, D.W. and Mason, C.H. (2009). Market orientation, marketing capabilities, and firm performance. Strategic Management Journal, 30(8), pp. 909-920.

O'Connor, G.C. and Rice, M.P. (2013). New market creation for breakthrough innovations: Enabling and constraining mechanisms. Journal of Product Innovation Management, 30(2), pp. 209-227.

Radlinski, F. and Craswell, N. (2017). A theoretical framework for conversational search. In: Proceedings of the 2017 Conference on Conference Human Information Interaction and Retrieval, pp. 117-126.

Slávik, Š., Bednár, R. and Mišúnová Hudáková, I. (2021). The structure of the start-up business model—qualitative analysis. Sustainability, 13(15), p. 8386.

van der Horst, I. (2019). Establishing a strong Entrepreneurial Ecosystem.

Wennekers, S. and Thurik, R. (1999). Linking entrepreneurship and economic growth. Small Business Economics, 13, pp. 27-56.

Hospers, G.J. (2005). Joseph Schumpeter and his legacy in innovation studies. Knowledge, Technology & Policy, 18(3), pp. 20-37.

Baumol, W. J. (1990). Entrepreneurship: Productive, unproductive, and destructive. Journal of Business Venturing, 5(3), 197-210.

Bhide, A. V. (1994). How entrepreneurs craft strategies that work. Harvard Business Review, 72(2), 150-161.

Blank, S. (2013). Why the lean startup changes everything. Harvard Business Review, 91(5), 63-72.

Ries, E. (2011). The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses. Crown Business.

Shane, S. (2003). A general theory of entrepreneurship: The individual-opportunity nexus. Edward Elgar Publishing.

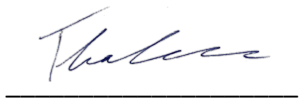
DECLARATION

NIlamon Xayavong (SFTXJK) as a consultant, I declare that I have reviewed the final thesis and that I have informed the student of the requirements, legal and ethical rules for the correct handling of literary sources.

I recommend / do not recommend[1] the final thesis to be defended in the final examina on.

The thesis contains a state or official secret: yes no*[2]

Date: 2024. November 04.



Dr. Gergő Thalmeiner

[1] The appropriate one should be underlined.
[2] The appropriate one should be underlined.

DECLARATION

the public access and authenticity of the thesis/dissertation/portfolio[1]

Student's name: NIlamon Xayavong

Student's Neptun code: SFTXJK

Title of thesis: Unveiling the Strategies of Successful Startups Compared to Public Expectations

Year of publication: 2024

Name of the consultant's instistute : Dr. Gergő Thalmeiner

Nmae of the consultant's department : Dr. Gergő Thalmeiner

I declare that the final thesis/thesis/dissertation/portfolio submitted by me is an individual, original work of my own intellectual creation. I have clearly indicated the parts of my thesis or dissertation which I have taken from other authors' work and have included them in the bibliography.

If the above statement is untrue, I understand that I will be disqualified from the final examination by the final examination board and that I will have to take the final examination after writing a new thesis.

I do not allow editing of the submitted thesis, but I allow the viewing and printing, which is a PDF document.

I acknowledge that the use and exploitation of my thesis as an intellectual work is governed by the intellectual property management regulations of the Hungarian University of Agricultural and Life Sciences.

I acknowledge that the electronic version of my thesis will be uploaded to the library repository of the Hungarian University of Agricultural and Life Sciences. I acknowledge that the defended and

- not confidential thesis after the defence
- confidential thesis 5 years after the submission

will be available publicly and can be searched in the repository system of the University.

Date: 2024 year 11month 04 day

Student's signature