Local Roots, Digital Reach: Digital Platforms in Rural Entrepreneurial Ecosystem

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Abstract

Digital platforms have become a primary coordination medium within rural entrepreneurial ecosystems (REE), performing functions that geographic remoteness and institutional thinness make unavailable through place-based interaction alone. This thesis examines how they complement and extend traditional coordination structures, with particular attention to the Swedish rural context. Existing entrepreneurial ecosystem (EE) research has primarily focused on urban contexts and place-based forms of coordination, where entrepreneurship depends heavily on physical proximity, dense institutional support, and face-to-face interaction. However, rural ecosystems are often characterised by geographic dispersion, structural thinness, and limited formal support, creating different conditions for entrepreneurial coordination. In this context, digital platforms enable rural entrepreneurs to access markets, resources, knowledge, and networks beyond their immediate local environment. Despite their growing importance, the role of digital platforms as a coordination medium within REEs remains underexplored.

The findings show that digital platforms do not replace place-based coordination but rather complement and extend it. Entrepreneurs use platforms for visibility, market access, knowledge exchange, operational coordination, and maintaining relationships across geographic distance. At the same time, trust, legitimacy, and community embeddedness continue to depend heavily on local face-to-face interaction and informal social networks. The study identifies a form of hybrid coordination in which digitally mediated and locally embedded interactions coexist and support one another. It further introduces the concept of digitally mediated proximity to explain how relational closeness can be sustained through digital interaction despite geographic dispersion.

The thesis contributes to EE theory by challenging spatially bounded assumptions and conceptualising digital platforms not merely as support tools but as active coordination medium within rural ecosystems. Empirically, the study provides insight into how rural entrepreneurs navigate structural thinness by combining local embeddedness with digitally extended networks. The findings contribute to a broader understanding of how entrepreneurial ecosystems function in a rural context.

Keywords: entrepreneurial ecosystems, rural entrepreneurial ecosystems, digital platforms, hybrid coordination, proximity, structural thinness, platform governance, digital proximity.

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Abbreviations

Abbreviation	Description
AI	Artificial Intelligence
EE	Entrepreneurial Ecosystem
ENSPA	European Native Seed Producers Association
EU	European Union
FLIARA	Female-Led Innovation in Agriculture and Rural Areas
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale
REE	Rural Entrepreneurial Ecosystem
REKO	Rejäl Konsumtion
WWF	World Wide Fund for Nature

1. Introduction

This chapter presents the study and places it within the larger context of entrepreneurial ecosystems, rural entrepreneurship, and digital platforms. It outlines the research background, identifies the theoretical and empirical gaps, and presents the aim, research questions, and contributions of the thesis.

1.1 Background

Entrepreneurship is widely understood as a dynamic process rather than a single event or a set of individual traits (Gartner, 1985; Shane & Venkataraman, 2000). Rather than being determined by who entrepreneurs are, it depends on how they learn, adapt, and continuously reshape themselves through interaction with others. This process is deeply embedded within broader social and institutional contexts, rather than driven solely by individual characteristics. From this perspective, the role of context has become central to understanding entrepreneurial activity (Welter, 2011). Entrepreneurs rely on networks and social relationships to access resources, identify opportunities, and gain legitimacy (Aldrich & Zimmer, 1986; Jack & Anderson, 2002). According to Jack and Anderson (2002), social context enables and constrains opportunities and actions; therefore, entrepreneurs should not be regarded as "isolated economic agents".

This embeddedness highlights that entrepreneurship depends on how entrepreneurs build and sustain connections locally and externally. In this thesis, such connections are understood as coordination: the processes through which connections are formed and maintained, enabling the flow of knowledge, resources, and value between entrepreneurs and the wider system around them. Within the rural context, coordination often takes an informal form, referring to non-contractual, trust-based exchanges through which entrepreneurs access resources and knowledge and gain credibility within the ecosystem. While these forms of interaction are usually place-based, they can be complemented or extended by online platforms, which may bridge the geographic and institutional gaps characteristic of rural ecosystems.

Entrepreneurial ecosystems (EE) provide the systemic context within which such coordination occurs. They are commonly understood in research as place-based systems in which entrepreneurial activity takes place through interactions among actors, institutions, and resources (Stam, 2015; Mason & Brown, 2014). Such ecosystems rely on networks, formal and informal institutions to coordinate activity, exchange knowledge, and mobilise resources. However, the most widely accepted definition of EE is*: "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship"* (Stam,

2015). While this definition is useful, it focuses on economic productivity, whereas in rural areas, productivity may also be measured by value production and social capital (Jack & Anderson, 2002). In this study, productive entrepreneurship is understood as value creation within the local community, including supporting livelihoods, strengthening social networks and helping regional resilience.

Seen in this way, the question is not only what resources exist within an ecosystem, but how connections are formed and maintained so that different kinds of value can be created. This is where digital platforms become relevant. Digital platforms serve as a medium for diverse value creation and shape how entrepreneurial activity is organised within the ecosystem. Platforms such as online marketplaces, social media networks, and knowledge-sharing platforms assist entrepreneurs in maintaining connections, exchanging knowledge, and accessing resources outside immediate geographic boundaries (Sussan & Acs, 2017; Nambisan, 2017). This development is particularly relevant for entrepreneurs operating in peripheral regions, where institutional support and market access may be limited. More broadly, proximity scholars have argued that coordination and knowledge exchange depend not only on geographic closeness but also on social and cognitive closeness (Boschma, 2005). Interaction on digital platforms leads to a form of digitally mediated proximity, whereby relationships made online create a sense of closeness that allows rural entrepreneurs to build legitimacy and connect to peers despite physical distance.

However, despite the growing importance of digital networks, EE research tends to focus on urban and metropolitan contexts, providing only a partial picture of how entrepreneurship functions in rural areas. Rural ecosystems are often described as structurally thin, with lower population density and more limited institutional support. This does not imply an absence of coordination but rather suggests that coordination may take different forms. As a result, rural entrepreneurs rely heavily on informal networks and social capital, where trust, shared norms, and peer support serve as the primary means of coordinating activity and building connections within the community.

Rural entrepreneurs are deeply embedded in their communities as these local ties provide trust, legitimacy and access to resources (Jack & Anderson, 2002). At the same time, rural entrepreneurs also require access to external markets, knowledge, and opportunities that are perceived as limited by geographic distance and low population density (Copus et al., 2011). This suggests that relying completely on local connections may limit the entrepreneurs and their business from accessing resources and opportunities available beyond their location. Therefore, rural entrepreneurs must depend on both local ties and external connections. In this context, digital platforms have emerged as a potential medium which may help maintain local relations while extending their reach beyond location.

Despite the growing importance of digital platforms, little research has examined how digital platforms organise interactions within rural entrepreneurial ecosystems (REEs). Notably, dominant EE frameworks, like those of Isenberg (2010), Stam (2015), and Spigel (2017), tend to overlook digital platforms as coordination mechanisms. But as digital platforms increasingly shape how entrepreneurs connect, find resources, and maintain visibility, particularly in rural areas where traditional, place-based mechanisms are limited, this absence represents a significant theoretical gap. This study, therefore, aims to examine how digital platforms function as a coordination medium in REEs, addressing a dimension that current EE frameworks have not fully addressed.

1.2 The Swedish Rural Context

Sweden provides a relevant empirical context for examining the relationship between digital platforms and REEs. As one of the largest countries in Europe by land area, with a population of approximately 10.5 million, Sweden is characterised by significant geographic dispersion. Even though around 90% of the population lives in urban areas, a large portion of the country remains sparsely populated (Statistics Sweden, 2023). Rural municipalities in regions such as Värmland, Dalarna, and Småland face constant challenges of demographic decline, limited labour markets, and limited access to a formal support system (Norlén & Penje, 2023; Roundy, 2017).

Rural areas in Sweden are known for primary industries such as agriculture, forestry, and food production, as well as small-scale service businesses serving local communities and tourism (Tillväxtverket, 2024; Jordbruksverket, 2025). Due to this geographical distance, low population density, and sector concentration, entrepreneurs rely on local community networks and digital connections to access customers, resources, and opportunities (Mid Sweden University, 2025).

At the policy level, rural development in Sweden is shaped by both national and European Union frameworks such as LEADER, which provide funding and network support, but they are often administratively complex and unevenly accessible (Swedish Board of Agriculture, 2023; European Commission, 2023).

Sweden's advanced digital infrastructure adds an important aspect to this rural context. The country ranks among the most digitally advanced in the world, with high levels of broadband and widespread smartphone use both in urban and rural areas (European Commission, 2023; PTS, 2022). The Swedish government has set national broadband targets, aiming to ensure that 98% of all households and businesses have access to high-speed internet by 2025 (Government of Sweden, 2023). However, despite this widespread and advanced infrastructure, micro and small enterprises in rural areas remain less digitalised than those in other regions (Tillväxtverket, 2024), indicating that access to digital infrastructure alone is not sufficient to ensure effective digital coordination.

This combination of both geographic dispersion and advanced digital infrastructure makes Sweden a relevant case for examining how digital platforms function within REEs. The tension between the local constraints of remote rural areas and the broader capability of digital connectivity is evident as entrepreneurs manage the challenges of operating in remote rural areas while connected to a digitally connected society.

1.3 Theoretical Problem

The theoretical gap concerns how EE frameworks conceptualise coordination. Even though EE frameworks acknowledge informal structures and mechanisms, they tend to emphasise a spatially bounded understanding of coordination. Standard models assume that networks are locally embedded and mediated through face-to-face interactions (Isenberg, 2010; Stam, 2015; Spigel, 2017). However, the mechanisms underlying informal interactions in peripheral regions remain less explored, limiting the applicability of EE theory beyond urban settings. Traditional EE frameworks treat digital tools as supporting instruments rather than as an active coordination medium. Coordination is understood as a function of physical proximity and institutional presence rather than of digitally mediated connection.

This assumption becomes problematic in rural contexts, where population density is low, formal institutions are limited or misaligned, and actors are geographically dispersed. In such settings, the coordination mechanisms that mainstream EE theory takes for granted are often unavailable. Understanding how coordination occurs under these conditions and what role digital platforms play in enabling it requires theoretical tools that existing frameworks do not provide.

This thesis addresses that gap by examining digital platforms not as supporting instruments but as an active coordination medium through which rural entrepreneurs access resources, build networks, and sustain market relationships despite geographic distance. In doing so, it seeks to extend EE theory beyond its spatially bounded assumptions and contribute to understanding how EEs operate under conditions of geographic dispersion and structural thinness.

1.4 Empirical Problem

The empirical gap concerns where EE research has been conducted rather than how it conceptualises coordination. Prior studies have shown that digital platforms help expand connections and bridge distant networks (Jonsson & Gaddefors, 2022), facilitate continuous interaction and engagement (Sussan & Acs, 2017) and support legitimacy and credibility (Aguilar, 2021; Olalekan, 2024). Existing studies provide a limited understanding of how digital platforms support knowledge exchange, peer support, market access, and resource mobilisation within geographically dispersed entrepreneurial environments.

In particular, most empirical research on EEs focuses on urban settings, leaving a limited understanding of how rural entrepreneurs combine locally embedded networks with digital connections to access resources, sustain legitimacy, and reach external markets under conditions of geographic dispersion and limited institutional support (Aguilar, 2021; Cavallo et al., 2019; Olalekan, 2024). In rural areas, formal support structures are often sparse, increasing the importance of informal networks and digital platforms in entrepreneurial activity (Astner & Roos, 2024; Neumeyer et al., 2019; Jonsson & Gaddefors, 2022). Despite this, little empirical research has examined how digital platforms function alongside local embeddedness and informal relationships within REEs.

This study addresses this empirical gap by documenting how rural entrepreneurs utilise digital platforms not just for communication, but as an active medium for ecosystem coordination.

1.5 Aim and Research Question

Aim

This thesis examines how digital platforms function as a medium of coordination within REEs, focusing on how they extend and complement the traditional, place-based coordination structures. It explores how digitally mediated coordination may help rural entrepreneurs access resources, knowledge, and legitimacy, despite institutional thinness and geographic dispersion.

Research Question:

How do digital platforms complement or extend traditional, place-based coordination within REEs?

SRQ1: How do rural entrepreneurs use digital platforms to access resources, knowledge, and markets beyond geographical boundaries?

SRQ2. How do digital platforms interact with local embeddedness and informal networks?

SRQ3. What opportunities and constraints does digitally mediated coordination create for rural entrepreneurs?

1.6 Contribution

This thesis contributes to the EE theory by challenging its spatially bounded assumptions. Traditional EE frameworks do not account for digital platforms as

coordination mechanisms and often assume that interactions occur primarily through physical closeness and face-to-face interaction.

The primary theoretical contribution is conceptualising digital platforms not merely as a support structure, but as active media of coordination that extend the boundaries of the ecosystem in which rural entrepreneurs access resources, build networks, and sustain legitimacy beyond geographic boundaries. The study introduces two concepts: digitally mediated proximity, capturing how relational closeness can be sustained across geographic distance and hybrid coordination, describing how place-based and digitally mediated connections interact rather than substitute for one another.

Empirically, the study shows how rural entrepreneurs in Sweden use digital platforms to access extra-local resources, sustain networks, build legitimacy, and navigate conditions of institutional thinness and geographic dispersion. In doing so, it provides a grounded account of how digitally mediated coordination works in practice within REEs.

1.7 Structure of thesis

This thesis is organised into six chapters that gradually build an understanding of the study, as shown in Figure 1. *Chapter 1* introduces the research problem, outlines the aim, and presents the research question. *Chapter 2* introduces the conceptual framework, bringing together the key concepts for understanding EEs, rural contexts, and digital platforms. *Chapter 3* describes the methodological approach, explaining how the research was designed and carried out. *Chapter 4* presents the empirical findings, drawing on the experiences and perspectives of the nine participants. *Chapter 5* analyses these findings in relation to the conceptual framework and discusses their theoretical implications, examining how digital platforms mediate coordination in REEs and what this reveals about EE theory and its spatial assumptions. Finally, *Chapter 6* concludes the thesis by summarising the main insights, acknowledging limitations, and suggesting directions for future research.

Figure 1. The structure of this study

2. Literature Review

This chapter reviews the relevant literature and develops the conceptual foundation for the thesis. It examines entrepreneurial ecosystem theory, rural entrepreneurship, and digital platforms before synthesising these perspectives into the conceptual framework that guides the analysis.

2.1 The Entrepreneurial Ecosystem as a Context

An EE is a complex system comprising multiple actors that enable entrepreneurial activity. Several known frameworks describe its key domains, including Isenberg (2010), who identifies six domains: policy, finance, culture, support, human capital and markets and regards the interaction between them as key to productive entrepreneurship (Mason & Brown, 2014). Similarly, the World Economic Forum (2013) highlights accessible markets, funding and finance, human capital, support systems and mentors, regulatory frameworks, education and training, and cultural support as key pillars. These frameworks emphasise the importance of formal institutions and structured support systems as central to ecosystem functioning.

Apart from formal structures, scholars like Feld (2012) and Spigel (2017) emphasise the social and community-level dynamics of ecosystems, including networks, trust, culture, and continuous interaction. They highlight interactions among actors, rather than relying solely on formal institutions, showing that ecosystem coordination depends on ongoing interaction, trust, and network embeddedness rather than institutional presence alone. Stam (2015) integrates formal and relational elements, emphasising that both institutional support and social capital are essential to ecosystem functioning.

Despite differences among frameworks proposed by Feld, Isenberg, Stam, and Spigel, a common assumption appears in all of them that coordination in an EE is generally grounded in place-based relationships, sustained through physical proximity and locally embedded institutions. EE research often focuses on metropolitan areas where firms and institutions are compact, leading to an emphasis on the dense, informal knowledge exchange and face-to-face interaction (Bathelt et al., 2004; Mack & Mayer, 2015; Brown & Mason, 2017).

This assumption becomes particularly challenging in rural contexts, where population density, formal institutions, and resources are limited (Roundy, 2017; Aguilar, 2021). Rural ecosystems operate with fewer institutional and support mechanisms, such as venture capital, investors, or professional services. Critically, none of these frameworks mentions digital forms of interaction that may support entrepreneurial activity. This raises an important question regarding how EEs

function when coordination cannot rely primarily on physical closeness or dense institutional environments.

2.2 Entrepreneurial Ecosystem as an Analytical Lens

The EE concept has emerged as a dominant framework for understanding the relationship between the entrepreneur and their surrounding environment (Moore, 1993; Neck et al., 2004; Alvedalen & Boschma, 2017). Entrepreneurship is no longer considered an isolated activity, and the ecosystem perspective broadens the view to include several actors, institutions, and processes. Over time, the concept has evolved from a metaphor into an analytical and critical model that examines how these elements interact to shape entrepreneurial outcomes.

In this thesis, EE is used not only to explain the actors and resources involved but also as an analytical lens to investigate how coordination occurs across the system. The concept focuses on two interrelated components: the entrepreneurial component concerns how an individual identifies, evaluates, and exploits an opportunity, and the ecosystem refers to a complex system of formal and informal entities that shape that activity (Shane & Venkataraman, 2000). This dual-component view helps analyse the tension between what entrepreneurs aim to do and what the rural setting enables them to do.

Early ideas compared EEs to nature, where businesses depend on each other and their surroundings to grow. Moore (1993) is widely credited with popularising the term ecosystem in management research through his study of the business ecosystem at the firm level, which captures how organisations, like organisms, depend on each other and their environments to survive and grow. Subsequent scholars extended this ecological analogy to the regional level where Cohen (2006) defines the concept as *"an interconnected group of actors in a local geographic community committed to sustainable development through the support and facilitation of new sustainable ventures"* (p. 3).

While these foundational theories are useful, they tie the ecosystem to a fixed geographic community. This reliance on physical reachability is what this thesis aims to question by introducing digital coordination as an alternative medium. Building on these ideas, EE can be understood as systems in which the presence of these key elements and their interactions enable entrepreneurial activity, and in which interactions (coordination) among actors and institutions are the primary driver of activity.

Despite growing popularity, the concept of EE faces criticism for its spatially bounded assumptions. Spigel and Harrison (2018) argue that existing frameworks overemphasise geographic clustering, treating physical proximity as a prerequisite for ecosystem coordination. Similarly, Alvedalen and Boschma (2017) note that the ecosystem is often treated as static and place-based rather than an evolving and

multi-layered system. As a result, urban regions have received disproportionate attention, where businesses, institutions, and support services are geographically compact (Mack & Mayer, 2015). This spatial bias limits the applicability of EE frameworks to contexts where coordination occurs across distance, including rural areas where digital platforms increasingly fulfil functions that dense networks perform in urban settings.

Each ecosystem is embedded differently, context-dependent, and shaped by local institutional and socio-economic structures. Therefore, Brown and Mason (2017) warn against policy-duplication models that try to replicate the success of an ecosystem like Silicon Valley. Similarly, Welter et al. (2019) and Aguilar (2021) argue that the EE research neglects contextual and regional diversity crucial to examining rural ecosystems. Considering these critiques, this thesis addresses the gap in how digital platforms extend and complement traditional place-based ecosystem coordination.

2.3 Rural Entrepreneurship

Rural entrepreneurship is shaped by local networks, resources, and social structures and is usually embedded in the relationship among individual, place, and surroundings (Muñoz & Kimmitt, 2019). Rural entrepreneurs not only create economic value like their urban counterparts but also help sustain local livelihoods, strengthen community ties, and support regional development (Korsgaard, Müller & Tanvig, 2015b). They access resources through informal networks and relationships, making entrepreneurial activity a process of coordination that digital platforms support and extend.

Rural areas are commonly characterised as remote, peripheral, or distant, typically involving smaller markets, lower population density, and geographic dispersion (Astner & Roos, 2024; Aguilar, 2021; Korsgaard, Müller & Tanvig, 2015b). These conditions, often described as structural thinness, constrain growth by limiting access to capital, mentorship, and professional services that are often readily available in urban ecosystems. They also create coordination challenges, as entrepreneurs cannot rely on dense institutional support and must instead find alternative ways to access and mobilise resources (Roundy, 2017; Xu & Dobson, 2019).

Networks and social capital are vital for access to resources and knowledge flow enabling trust-based exchanges, reputation-building, and legitimacy (Korsgaard, Ferguson & Gaddefors, 2015; Neumeyer et al., 2019). Steiner and Atterton (2015) note that entrepreneurs often hold multiple community roles, including business owners, community members, and local actors. These overlapping roles allow entrepreneurs to mobilise resources across different parts of the community, reducing uncertainty and enabling access to support that would otherwise be unavailable. These informal interactions are essential to this thesis, particularly in

rural ecosystems where formal support structures are often limited, making digitally mediated networks increasingly significant for extending social capital.

At the same time, rural entrepreneurs do not rely solely on local connections. Korsgaard, Ferguson, and Gaddefors (2015) highlighted how they merge local connections with external linkages to reach wider markets, knowledge, and resources. This is supported by Copus et al. (2011), who found that rural businesses tend to combine strong local ties with connections to outside markets and networks across European peripheral regions. This combination of local embeddedness and external reach helps explain how digital platforms can extend rather than replace existing coordination in rural ecosystems.

REEs provide a useful framework for understanding how rural entrepreneurship functions within its socio-spatial context (Aguilar, 2021). Aguilar emphasises that preserving rural entrepreneurship requires integrating both structural elements (policy, finance, infrastructure) and relational dynamics (social networks, trust, culture). Compared to urban ecosystems, they rely less on spatial proximity and more on relational and cross-regional networks (Xu & Dobson, 2019; Roundy, 2017). As a result, rural ecosystems often operate with limited formal support structures, requiring entrepreneurs to be highly proactive in building networks, accessing knowledge, and coordinating resources (Korsgaard, Müller & Tanvig, 2015; Aguilar, 2021).

Taken together, these conditions: structural thinness, dependence on informal networks, and the need to combine local embeddedness with extra-local reach, define the central coordination challenge. The question this raises is how coordination can be sustained when the geographic proximity and dense local institutions assumed by mainstream EE theory are limited. It is against this backdrop that digital platforms become relevant, not as a marketing tool but as a potential medium through which rural entrepreneurs address these constraints.

2.4 Digital Context

Traditional ecosystem frameworks emphasise geographic proximity and face-to-face interaction as key channels for knowledge exchange and network formation. Yet, digital platforms increasingly enable entrepreneurs to interact, exchange knowledge, and mobilise resources across distance (Zhang et al., 2022; Sussan & Acs, 2017). This suggests that entrepreneurial interaction and resource exchange can occur through digitally mediated connections, particularly where local formal structures are limited.

Proximity theory offers a useful lens for understanding how coordination can occur across distance. Boschma (2005) distinguishes five forms of proximity: cognitive, organisational, social, institutional, and geographical, arguing that geographic closeness is neither necessary nor sufficient for coordination. Most relevant here are cognitive proximity and social proximity which Boschma argues

can partially compensate for the absence of geographic proximity. This is significant for rural entrepreneurship, since coordination traditionally attributed to physical co-location may also be achieved through other forms of closeness, a possibility this thesis explores through the concept of digitally mediated proximity. Recent work applies proximity theory directly to EEs, arguing that digitalisation reconfigures rather than diminishes proximity and extends ecosystem boundaries (Lamotte, 2025).

Digital platforms enable interactions, transactions, and value creation among multiple dispersed actors, providing a medium through which entrepreneurial activity can happen beyond physical boundaries (Audretsch et al., 2024; Nambisan et al., 2019). This resonates directly with the central argument of this thesis: coordination in REEs occurs not only through local embeddedness but also through digitally extended connections that allow entrepreneurs to participate in broader economic and knowledge networks despite geographic isolation. Rather than functioning merely as communication channels, digital platforms in EEs enable entrepreneurs to access networks, resources, and opportunities beyond local boundaries, reducing search costs, extending visibility, and generating bridging ties to extra-local actors (Nambisan et al., 2019; Sussan & Acs, 2017). Digital platforms do not replace face-to-face interaction; rather, they extend it, helping make connections that would otherwise be difficult. These platforms differ in function: social media platforms support visibility and audience reach, marketplaces coordinate transactions and logistics, and communication tools support operational coordination. Despite these differences, they are treated in this thesis as a unified category of digital coordination medium, consistent with Nambisan et al.'s (2019) argument that digital platforms enable interaction, coordination, and value creation across geographic distance.

Digital mediation is particularly valuable for rural entrepreneurs to overcome the limitations associated with structural thinness. Online communities serve as knowledge hubs where entrepreneurs exchange experiences, access information, and learn from dispersed and diverse peers (Jonsson & Gaddefors, 2022). Such access is particularly important in rural environments where local networks and opportunities may be limited. Platforms allow rural entrepreneurs to maintain locally embedded relationships while extending connections to external actors. They may act as substitutes for missing local resources for example, when entrepreneurs rely on online services instead of locally available expertise or as complements that strengthen existing networks. REEs can thus be understood as evolving systems in which interaction increasingly occurs across both local and extra-local networks.

However, the capacity to use digital platforms also introduces challenges. In rural areas, inequality in digital literacy, infrastructure, and skills may create uneven access for entrepreneurs to new collaborations, knowledge exchange, and market

opportunities (Olalekan, 2024; Nipo et al., 2024). It is not sufficient to have access to digital platforms; entrepreneurs must possess the skills to manage, scale, and maintain digital systems. These challenges may be more severe in rural regions due to limited connectivity and small market size (Nipo et al., 2024). Beyond skill and access, digital platforms raise concerns about control. Van Dijck, Poell, and de Waal (2018) describe how commercial platforms increasingly decide how people and businesses connect, what content is seen, and under what conditions, shifting power away from users and toward platform owners.

Digital platforms also influence how trust and credibility develop. Rural ecosystems rely on trust that is built through face-to-face interaction and community reputation (Steiner & Atterton, 2015). Hence, when coordination occurs through digital platforms, it becomes important to question how trust and legitimacy are sustained when interaction is not personal. Digitally mediated environments require alternative mechanisms such as online reputation systems, digital signalling, and platform-based credibility indicators to support cooperation (Sussan & Acs, 2017). Digital interaction is not just a technical process; it also requires new ways to build legitimacy that are suited to platform-based interactions.

Overall, rural ecosystems involve both local and digitally mediated connections, in which local networks provide trust, legitimacy, and place-based resources, while digital platforms provide access to external resources, markets, and knowledge. Platforms do not displace locally embedded interaction but extend the reach of place-based networks while introducing a new medium for accessing resources and forming connections.

2.5 Synthesis of the Conceptual Framework

This study brings together three core ideas: EEs, rural entrepreneurship, and digital platforms to examine how entrepreneurial activity is organised in REEs, and what role digital platforms play in enabling it.

EE's theory explains that entrepreneurship depends on interactions among actors, institutions, markets, and networks. However, existing literature focuses on urban areas and assumes that geographic proximity and face-to-face interaction are central to ecosystem functioning. Rural contexts challenge these assumptions: characterised by small populations, distance, and limited access to finance, labour, and support services, often described as structural thinness. Therefore, rural entrepreneurs depend on informal networks and social capital for trust, legitimacy, and resources. Yet, local networks alone are insufficient, as entrepreneurs also need access to external markets, knowledge, and opportunities beyond their immediate environment.

Digital platforms address this structural gap allowing rural entrepreneurs to connect beyond their local environment share knowledge and reach new customers

without being limited by distance. REEs can be understood as evolving systems in which coordination increasingly occurs across both local and external networks.

Building on this, the thesis examines how rural entrepreneurial activity is sustained through the combination of place-based social capital and digitally mediated connections working together rather than in opposition. This capacity is understood through the concept of digitally mediated proximity, a form of relational closeness generated by digital platforms among geographically dispersed actors (Boschma, 2005). Despite the importance of networks in rural ecosystems, the role of digitally mediated coordination remains underexplored. This thesis, therefore, shifts the attention from what rural areas lack to how they coordinate under conditions of geographic dispersion and limited institutional support.

Figure 2 illustrates the study's conceptual framework by showing how the three core concepts relate. The rural context (left), which is characterised by local trust-based ties, place-based relationships, and limited access to external resources and markets, influences the challenges rural entrepreneurs face. These are addressed through digital platforms (centre), which serve as the coordination medium connecting rural entrepreneurs to external resources and networks. Digital platforms create a set of outcomes (right): place-based digital coordination, digitally mediated proximity, extended networks, and sustained local embeddedness. These outcomes work together rather than in opposition, representing the hybrid coordination concept developed in this thesis. In turn, these outcomes lead to concrete entrepreneurial gains at the bottom right: resource access, legitimacy, knowledge exchange, market reach, and network expansion. Finally, the dashed arrow shows these gains feeding back into the rural ecosystem, strengthening it over time.

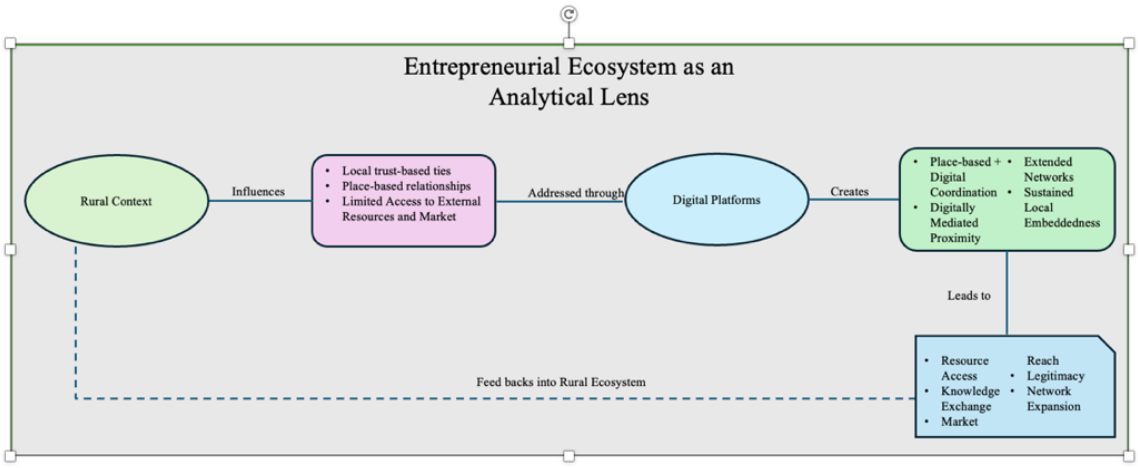

Figure 2. Conceptual Framework

3. Method

This chapter outlines the study's methodological approach and explains the research design. It presents the philosophical assumptions, research strategy, participant selection, data collection methods, and analytical procedures used to investigate digital coordination in rural entrepreneurial ecosystems.

3.1 Philosophical Stances

3.1.1 Ontological Perspective

This thesis adopts a constructionist ontological perspective, which regards social reality as created and interpreted through human interaction and experience (Bryman & Bell, 2017). Constructionism suggests that social phenomena are not fixed but rather change according to individual experiences and social context. This perspective is relevant to the study of EE in rural settings, where coordination is often informal and depends on how it is perceived by actors involved.

Further, rural areas and digital platforms are understood through the lens of lived experience. Rurality is shaped by local roots, relationships, and shared histories. Similarly, digital platforms are not merely technical tools but social spaces where people interact, build relationships, and expand their connections beyond immediate surroundings. A constructionist perspective allows the study to treat both rural place and digital platforms as socially constructed contexts and to examine how entrepreneurs shape and are shaped by these environments in their coordination practices.

3.1.2 Epistemological Stance

From an epistemological perspective, the study adopts an interpretivist approach that emphasises understanding human behaviour and is concerned with how and why social action occurs (Bryman & Bell, 2017). This stance is suitable here, as the research question is not about testing or measuring predefined variables but about understanding how coordination is experienced and enacted by rural entrepreneurs in their specific contexts. An EEs develops through the interactions of various actors; understanding it requires interpretation of different perspectives rather than relying on quantification.

This approach allows the study to examine not just what entrepreneurs do but also how they understand and make sense of what they do, which is exactly what this study requires. In the rural context, interpretivism allows for the uncovering of the informal ways in which entrepreneurs use digital platforms to build legitimacy and reach external markets.

However, the findings from this approach were shaped by both participants' and researchers' interpretations. Knowledge in this study is co-created; it emerges from the interaction between the researcher and the participants. The interpretive nature of this study introduces elements of subjectivity, which are managed through a reflexive approach throughout the research process (Creswell, 2013).

3.1.3 Axiological Position and Reflexivity

The study also adopts an axiological position, acknowledging that the researcher's interpretations and values shape how research is conducted and how findings are understood. Saunders et al. (2023) note that all research is value-laden, and it is the researcher's responsibility to maintain transparency about interpretations made during the analysis process. In this study, reflexivity was actively practised rather than just mentioned.

Analytical decisions, such as merging codes, prioritising themes, and considering alternative interpretations, were documented as the coding progressed. Where interpretations were uncertain, the original interview recordings were revisited to ensure the analytical results remained grounded in what participants said. This continuous reflection helped differentiate between what the participants meant about their experience and how I interpreted it (Lincoln & Guba, 1985). Simultaneously, from this perspective, the presumption of objectivity is challenged, showing that knowledge creation is influenced by both context and the researcher's position (Creswell, 2013; Bryman & Bell, 2017).

3.2 Research Strategy

3.2.1 The Qualitative Choice

To examine how digital platforms function within REEs, a qualitative method is adopted. The research question concerns how individuals experience and interpret digital coordination within their social context. This requires an understanding of meanings, practices, and lived processes rather than measurable variables (Bryman & Bell, 2017).

A quantitative approach is useful for identifying patterns and testing relationships, which would be less suited for understanding how actors interpret and engage with digital platforms within their environment. A qualitative approach will provide an in-depth and grounded understanding of the phenomenon. This choice aligns with interpretivist and constructionist stances and with the view outlined in the conceptual framework, which holds that entrepreneurship is something people do in their surroundings. By focusing on qualitative depth, the study examined how entrepreneurs extend their activities beyond the local setting, including through informal networks and trust-based exchanges.

3.2.2 Abductive and Iterative Logic

Throughout the research process, an abductive and iterative logic has been applied, moving back and forth between data and theory (Dubois & Gadde, 2002). The study is not purely inductive, even though it draws on participants lived experiences to identify patterns; it acknowledges that existing theoretical knowledge shaped how those patterns were interpreted (Bryman & Bell, 2017; Timmermans & Tavory, 2012). Nor is it deductive, since theory was not tested but reinterpreted and extended through empirical engagement. Although qualitative studies are sometimes characterised as inductive, this study therefore adopts an abductive approach, moving iteratively between existing theory and empirical observation rather than building theory purely from data (Dubois & Gadde, 2002).

During the research process, feedback and insights from participants have led me to reanalyse the existing theory for a deeper understanding. For example, early engagement with the data revealed that participants used digital platforms not only for customer visibility but also for operational coordination, managing distributed networks, delivering services remotely, and maintaining relationships across distance. This observation shifted the analytical framing away from a narrow, marketing-oriented understanding of platform use toward a broader perspective of digital coordination, which shaped how the concept of digitally mediated proximity was developed. This process of systematic combining (Dubois & Gadde, 2002) allows continuous interaction between data and theory throughout the study.

While this abductive orientation limits the study's ability to provide statistical generalisation, it supports a stronger form of analytical generalisation (Yin, 2018). The aim is not to suggest that all rural contexts function in the same way, but to develop analytical insights that may be relevant to other rural or peripheral contexts characterised by similar conditions, geographic dispersion, structural thinness, limited formal institutional support, and uneven digital infrastructure. Although the empirical focus is on rural Sweden, the findings may be relevant to other regions facing similar structural and geographic conditions.

3.3 Research Design

Following the constructionist and interpretivist stances, the study employs a qualitative case study design that enables an in-depth examination of any phenomenon within its real-life context (Creswell, 2013). This approach is appropriate for gaining concrete insight into how digital platforms mediate coordination and interactions in rural settings. The selected case, REEs in Sweden, offers a particularly relevant setting for studying the relationship between digital connectivity and structural thinness. Sweden has an advanced digital infrastructure and sparsely populated, geographically dispersed rural areas. Due to this combination, the tension between digital reach and place-bound constraint is quite

visible, which makes Sweden a relevant case for this study. This highlights the need for entrepreneurs to remain connected to their local community while also connecting with people and opportunities outside their area.

This research adopts an idiographic perspective, focusing on the unique characteristics of the Swedish rural case. This study is characterised as an instrumental case study, in which the selected rural ecosystem is examined to provide insights into the broader phenomenon of how digital platforms function as a coordination medium within EEs (Bryman & Bell, 2017). By focusing on how actors are embedded in this ecosystem, the study explores how trust and social relationships are maintained and extended through digital connections.

3.4 Unit of Analysis and Unit of Observation

While conducting qualitative research, it is important to have a clear understanding of what is being studied and where the data are coming from. The unit of analysis captures what the researcher wants to understand or make statements about, while the unit of observation is about where the data come from (Kumar, 2018).

The unit of analysis in this thesis is the REEs in Sweden, focusing on rural areas where digital platforms are used actively. Instead of studying the entire country of Sweden, the study is limited to specific rural settings where entrepreneurs are connected through digital platforms. By focusing on these specific areas, the study can investigate REE as a "bounded system" (Stake, 1995) and examine how digital infrastructure facilitates relationships among actors within a defined rural context.

Because an EE is a complex network and not directly observable as a single physical entity, the study approaches it through empirical accounts from diverse actor categories. The unit of observation consists of individual actors (entrepreneurs) who are embedded in the ecosystem through their everyday practices. To ensure consistency, the study treats these individuals as the primary source of data, focusing on their personal professional experiences and perceptions. These individuals act as informants whose perspectives on the ecosystem allow the researcher to reconstruct the broader REE through analysis of their specific digital practices and interactions.

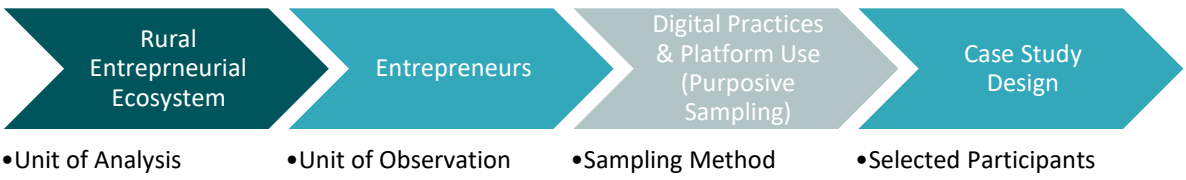

Figure 3. Logical chain of participant selection

3.5 Selection of Participants

Participants were selected using purposive sampling, a non-probability sampling strategy commonly used in qualitative research (Bryman & Bell, 2017). This means that participants were not chosen randomly; rather, they were selected based on relevant experience and knowledge related to my study aim. To ensure that the data were closely aligned with the study's purpose and grounded in real experiences, the participants were selected if they met the following criteria: they were based in a rural setting in Sweden, they used digital platforms as a part of their day-to-day activities, and they were embedded in a local ecosystem as a central part of their everyday practice.

To capture diverse perspectives, the study included participants with different roles and experiences. These included rural entrepreneurs working in both service-based activities (such as traffic schools, hospitality and cultural organisations) and production-oriented ventures (such as agri-food and craft beverage production), as well as consultants and a representative of locally embedded organisations. Rather than treating these as fixed categories, the aim was to include actors who are involved in different ways in the local ecosystem. This variation in participants made it possible to understand how digital platforms are used differently across the ecosystem rather than from a single perspective.

Participants were identified in three ways. First, participants based in Leksand, Virserum, and Grimslöv were reached through a search for rural entrepreneurs actively using digital platforms. This led me to the FLIARA network, a rural development initiative connecting women entrepreneurs across Europe. Initial contact was made by email, and upon receiving confirmation to take part, interviews were arranged via Zoom or telephone. Second, participants based in Björknäs, Åmotfors, and Åseda were identified through active searches on social media platforms. This included posting on several Facebook pages related to entrepreneurs in rural Sweden or start-ups, as well as searching relevant hashtags on Facebook and Instagram to identify entrepreneurs whose digital presence indicated active engagement with the themes under study. Lastly, participants based in Skillingsfors, Lida and Huskvarna were identified by exploring Instagram profiles of participants who had already been interviewed. Their profiles showed active engagement, and they were contacted independently based on their apparent relevance to the study's focus. In all cases, initial contact was made digitally, and participation was confirmed before interviews were arranged.

In total, nine semi-structured interviews were conducted with participants across different locations in rural Sweden to collect empirical data. This combination of purposive selection and digitally enabled identification strengthened the sample's relevance to the study's focus on digital coordination in rural ecosystems.

Table 1. Interview Participants, Roles, Location and Interview Duration

Participant	Primary Role	Location	Data Collection Method/Duration
P1	Entrepreneur (Service/Education)	Leksand, Dalarna	Zoom interview, 40mins
P2	Cultural Organization Lead	Virserum, Småland	Zoom interview, 50mins
P3	Entrepreneur/ Ecology Expert	Grimslöv, Småland	Phone interview, 20mins
P4	Entrepreneurs(Food Production)	Björknäs, Jönköping	Zoom interview, 45mins
P5	Entrepreneur (Hospitality/Tourism)	Skillingsfors, Värmland	Phone interview, 30 mins
P6	Consultant/Coach	Åseda, Småland	Zoom interview, 45mins
P7	Entrepreneur(Cheese Production)	Lida, Småland	Google Meet interview, 40mins
P8	Entrepreneur(craft beverage production)	Åmotfors, Värmland	Google Meet interview, 40mins
P9	Entrepreneur(Agri-business)	Huskvarna, Jönköping	Written questionnaire response

As Table 1 shows, the participants are distributed across rural areas in Dalarna, Värmland, Småland, and Jönköping County. While they do not constitute a single ecosystem, they share the structural conditions of geographic dispersion, structural thinness, and active digital platform use that define the analytical focus of the study.

3.6 Empirical Data Collection

The empirical material for this study consisted of both primary and secondary data to ensure a thick description of the Swedish REEs (Geertz, 1973).

3.6.1 Primary data

Primary data were collected through nine semi-structured interviews with participants embedded in the REEs across Sweden. Six of them were conducted via digital platforms (Zoom and Meet), two by telephone, and another participant responded to a written questionnaire. Some of them were contacted for further clarification, and they provided responses. Interviews were conducted in English, but participants were free to use Swedish terminology or phrases to make the conversation natural and comfortable. All interviews were recorded after obtaining participants' consent and transcribed for analysis. Interview durations were approximately between 20 to 50 minutes.

Semi-structured interviews were conducted as this approach is in accordance with abductive and interpretive stances of the study and offers flexibility while ensuring that key themes relevant to the research questions are addressed (Bryman & Bell, 2017). An interview guide was used to structure conversations rather than impose a fixed set of questions. The guide was organised around eight areas: the participant's entrepreneurial background and local embeddedness; the structural conditions and resource constraints of their rural setting; local networks and informal coordination practices; the participant's role within the broader local ecosystem; digital platform use including which platforms were used, for what purposes, and how they supported visibility, market access, and collaboration; the relationship between local and digital coordination and how the two modes interacted in practice; future opportunities and the anticipated role of digital platforms in business development; and a closing reflection on the participant's overall experience. Each area included core questions and follow-up probes designed to draw out concrete examples and explore the mechanisms through which coordination occurred or was constrained in the participant's specific context. With this conversational approach, participants were able to describe their experiences, enabling follow-up questions (probing) and exploring other emerging topics.

3.6.2 Secondary data

Secondary data provided contextual understanding of the Swedish REEs including regional statistics and reports on rural digitalisation and entrepreneurship. These were used to understand the structural conditions like geographic dispersion, digital infrastructure, and institutional support within which the participants operate, rather than as primary analytical material. Academic literature is not treated as secondary empirical data; rather, it serves as the conceptual framework

presented in Chapter 2 and the analytical lens applied in Chapter 5. The distinction between secondary empirical material and theoretical literature is maintained throughout the study.

3.7 Data Analysis

The empirical material was analysed using reflexive thematic analysis (Braun & Clarke, 2006), in which themes emerge from the active analysis of data rather than being passively discovered within it. Reflexive thematic analysis was selected as it aligns with the interpretive and abductive logic of this study. This method was considered appropriate as it allows the study to examine how actors within the REEs use digital platforms to coordinate activities and access resources with an aim to identify, analyse, and interpret patterns and themes within textual data (Bryman & Bell, 2017; Braun & Clarke, 2006).

The analysis followed a structured but flexible process. First, all interviews were transcribed to produce a complete textual dataset. The transcripts were then carefully read to become familiar with the data and to identify meaningful statements relevant to the research questions, such as those that describe how they use digital platforms and the challenges, advantages, and constraints of their locations. These segments of text were coded by assigning labels that captured key ideas or concepts.

These codes were then compared and grouped into broader categories that capture key ideas or concepts, such as platform dependency, digital-to-physical conversion, trust through face-to-face, and institutional gaps. Coding was conducted manually in a spreadsheet with one sheet per participant, moving towards cross-case comparisons. Analytical memos were created throughout the coding process to brainstorm observations, ideas, and to create connections between codes. Finally, these categories were synthesised into broader themes that captured important aspects of how digital platforms influenced coordination and interaction within REEs.

The analysis was iterative in nature, involving continuous movement between the empirical material and the emerging themes. This made it possible to refine interpretations throughout the process and ensure that the findings remained closely connected to participants' perspectives (Bryman & Bell, 2017). In line with the abductive logic of the study, emerging insights were continuously related back to the theoretical framework to refine and deepen the analysis, reflecting the systematic combining process described in the Research Strategy section (Dubois & Gadde, 2002).

3.8 Research Quality

To ensure the quality of the qualitative research, the study follows the trustworthiness framework proposed by Lincoln and Guba (1985) and discussed by Bryman and Bell (2017). The framework has four criteria: credibility, transferability, dependability, and confirmability. It provides a structured way to evaluate whether the study is conducted in a trustworthy and transparent manner.

3.8.1 Credibility

Credibility refers to the extent to which the findings accurately represent participants' perspectives. This was supported through interviews and careful interpretation of the empirical material. Semi-structured interviews were conducted for data collection, which allowed participants to describe their experiences in their own words. These flexible interviews provided a chance to explore possible emerging topics in detail, mainly how they understand and perceive digital platforms. There is diversity among the participants in the study, ranging from rural entrepreneurs in Grimslöv and Leksand to the service and production sectors, provided multiple perspectives on the same subject and provided a better understanding of REEs. Respondent validation (member checking) further strengthened credibility by checking whether interpretations were recognisable to participants, reducing the risk of misrepresentation (Lincoln & Guba, 1985; Bryman & Bell, 2017).

3.8.2 Transferability

Transferability concerns the extent to which the findings may be relevant to other contexts (Lincoln & Guba, 1985). Qualitative studies do not aim for statistical generalisation, but they support analytical generalisation, providing rich, contextualised insights that can be transferred to similar settings (Yin, 2018).

The study further provides a detailed description of the Swedish rural context. This means that the setting is not only described in general terms, but also through its specific local conditions, such as the geographic dispersion and structural thinness found in places like Skillingsfors and Lida. The study may offer analytical insights relevant to other rural or peripheral contexts characterised by similar conditions, like geographic isolation, limited institutional support, and uneven digital infrastructure, such as rural Norway or Canada.

To support this transparency, Figure 3 (the logical chain of selection) and Table 1 (participant profiles) are included as reference points. These help the reader understand who was included in the research, how participants were selected, and how the empirical material is situated within the broader ecosystem. Together, this clarifies the case's boundaries and supports analytical generalisation (Bryman & Bell, 2017).

3.8.3 Dependability

Dependability refers to the transparency and consistency of the research process. Dependability in qualitative research does not work the same way as in quantitative research, where replication of results is expected. As the thesis follows a constructivist and interpretivist stance, the research process depends on the interaction and interpretations of the researcher and the participant. However, if the same study were conducted by a different researcher at another time and in another context, the results might differ completely because social reality is not fixed, and people's experiences and interpretations change over time.

Recognising this, dependability in this study is strengthened through transparency. A clear and detailed account of participants is provided, explaining who was included, how they were identified, and why they were considered relevant. Interview procedures are documented, including the media used for the interview, the interview duration, the language, and the transcription process. Similarly, the development of coding and themes is described separately, including how codes were assigned, how categories were grouped, and how themes were synthesised across cases. This allows readers to follow the logic of the research process and understand how interpretations were developed from empirical data.

3.8.4 Confirmability

Confirmability relates to ensuring that findings are grounded in empirical data rather than the researcher’s personal assumptions and biases (Lincoln & Guba, 1985). This was addressed by systematically documenting the analytical process throughout the research process.

Analytical memos were kept during the coding process to record emerging observations, uncertainties, and interpretive decisions — creating a traceable record of how themes developed from initial codes. Coding decisions were documented as the analysis progressed, allowing the researcher to revisit and revise interpretations against the original material where uncertainty arose. The empirical findings are heavily based on direct quotations from participants selected to represent both emerging themes and the range of perspectives across the dataset. This reduces the risk of over-interpretation and ensures that the analysis remains grounded in lived experiences rather than abstract assumptions.

3.9 Ethical Considerations

In qualitative research, ethics is not only a formal requirement but a responsibility towards participants including how participants are approached, how their information is handled, and how results are communicated (Creswell, 2013; Bryman & Bell, 2017).

Before each interview, participants were informed of the study's purpose, how their data would be used, and their right to withdraw at any time without explanation. Informed verbal consent to record the interview was obtained before recording began to ensure transparency, clarity, and trust in the research process. A key ethical responsibility in this study concerns the secure handling of empirical material. All interview recordings and transcripts were stored on password-protected devices, with access limited to the researcher and thesis supervisor. Recordings were used only for transcription and analysis purposes and were not shared with any third parties.

To protect participants' identities, pseudonyms were used in the presentation of findings. This is particularly important in rural contexts, where individuals often operate within closely connected social and professional networks and may be identifiable through their roles or activities. While anonymity was strengthened through pseudonymisation, it cannot be guaranteed as readers with local knowledge may still be able to recognise participants based on contextual details such as roles or activities. This is a recognised limitation in qualitative research conducted in small or closely connected communities (Pietilä et al., 2020). At the same time, some geographical context has been retained in the study, as it is necessary for understanding the rural setting in which the ecosystem operates. Removing all contextual detail would reduce the analytical value of the findings and limit the understanding of how rural conditions shape entrepreneurial activity.

Finally, ethical responsibility has been maintained throughout the entire research process. This includes how participants were approached during interviews, how their narratives were interpreted, and how findings were presented. Ethics in this study was therefore understood as an ongoing process rather than a single procedural step (Creswell, 2013; Bryman & Bell, 2017).

3.9.1 AI Assistance

Throughout the research process, generative artificial intelligence (GenAI) tools like ChatGPT, Grammarly, and Notebook LM were used in a supportive role. They helped spark ideas, organise the thesis, and improve language use. Additionally, these tools enhanced clarity and flow in the writing. However, they were not involved in analysing empirical data, developing findings, or making conclusions. All interpretation, analysis, and argumentation are genuinely the work of the author. The use of AI tools was guided by principles of transparency, responsibility, and academic integrity.

3.10 Critical Reflection

Critical reflection was used to examine how methodological choices, data access, and the researcher's role may have influenced the findings of this study (Creswell, 2013). In qualitative research, the researcher is not a neutral observer but

is actively involved in interpreting meaning. This means that knowledge is shaped through interaction between data, theory, and the researcher's judgment. As the participants were found through three ways, as mentioned previously, each of these ways carries a limitation, such as who became visible and who did not.

The FLIARA network connects women entrepreneurs only, which means that these three participants share some common characteristics like homogeneity in gender, rural development orientation, and international network access. On the other hand, participants found and identified through social media hashtags and posts will be characterised as digitally active and publicly visible online. Therefore, those entrepreneurs who operate through offline networks, word-of-mouth, or private digital channels would not have been reachable through these ways. Through this sample, an entire picture of digital engagement in rural Sweden cannot be obtained, but it reflects the experiences of entrepreneurs who are more digitally active.

The researcher's prior interest in digital platforms and rural entrepreneurship may have influenced how the data were interpreted. This means that themes like digital dependency, platform-based visibility and local embeddedness and digital coordination may have received extra attention than any other experiences like background, family or community-based activities. To address this, coding decisions were documented throughout the analysis, and themes were cross-checked against the original transcripts. Nonetheless, the theoretical framing which revolves around digitally mediated coordination shaped what was noticed and foregrounded in the analysis.

Two further limitations should be acknowledged. First, because all participants were already digitally active, the study lacks a pre-digital baseline and is interpretive rather than comparative. Second, although the REE serves as the unit of analysis, ecosystem-level dynamics are necessarily inferred through the accounts of individual actors rather than directly observed; claims about hybrid coordination therefore reflect patterns across individual cases rather than the ecosystem. Additionally, the single written-questionnaire response may have produced a thinner account than the interviews.

The findings of this study should be understood as a reflection of the experiences of rural entrepreneurs who are actively engaged with digital platforms. Overall, critical reflection strengthens the study by making the research process visible and by acknowledging that findings are shaped through interpretation rather than discovered as fixed truths (Creswell, 2013; Bryman & Bell, 2017).

4. Empirical Findings

This chapter details the empirical findings from interviews with rural entrepreneurs and ecosystem actors in Sweden

4.1 Digital Platforms as a Medium of Coordination

The findings in this section reveal that platforms like Facebook and Instagram function not only as marketing channels but also as vital infrastructures for communication, networking, and service delivery. At the same time, entrepreneurs become dependent on platform systems, algorithms, and evolving digital practices.

4.1.1 Platform Dependency, Visibility and Vulnerability

Digital platforms play a central role in how rural entrepreneurs coordinate their activities, reach customers and maintain visibility. Instagram and Facebook appeared across all nine interviews, not merely as a marketing tool but as an essential medium, without which day-to-day operations would be limited.

One of the most consistent findings was the extent to which digital platforms had become a necessary structural tool rather than a strategic choice. P4 stated that "it wouldn't work without Facebook," explaining that their customer base, distribution network, and market visibility were built through the REKO Ring, a Facebook marketplace connecting consumers and local producers. This dependency also created vulnerability: "If Facebook is bugging, there won't be any customers. If you don't stay active, you disappear; the algorithm controls visibility." Having built their entire market network through the platform, they experienced how instability and algorithmic control directly affect customer access and sales: "if you haven't been on that REKO, you disappear." The same dynamic applies on Instagram, where failing to post regularly reduces visibility. These examples show that entrepreneurial visibility depends on continuous engagement with platform systems beyond their control.

P5 highlighted the platform's similar dependence. She built her initial customer base across Sweden and Norway through local Facebook groups. She said that without digital platforms, " I will not exist, I think." For newer businesses in particular, social media functioned as an important mechanism for gaining legitimacy, customer access, and market reach.

Beyond building a customer base, P8's experience illustrates how digital platforms extend the reach of rural businesses beyond their immediate local context. As P8 explained, "We don't use any money on marketing at all… but through social media we were able to attract people… when we opened our café last summer, we had around 3000 visitors during the season." They also emphasised the ongoing labour required to maintain visibility: "I experienced that I need to do that every week, you know, to remind people. Yes. And we're still open."

However, not all participants relied on digital platforms in the same way. P3 relied less on social media, "not my strong side," and acknowledged it was "the last thing I would do." Her business was dependent on email and direct farm visits rather than on social media visibility. This suggests that reliance on social media varied depending on business model and customer orientation. Even P3 acknowledged the complementary role of social media for attracting new customers.

For many, digital platform visibility was not optional but a structural necessity for customer acquisition and organisational survival. As P2 explained: "If we were to stop the digital platform communication, we would also stop having visitors partly." She further estimated that the organisation was around "90% dependent" on these platforms. Similarly, P9 emphasised: "Det är viktigt att man finns digitalt, för det är så många som hittar platser och varumärken." [It is important to exist digitally because that is how many people discover places and brands]. Instagram was often identified as the most effective platform for reach: "Gäster har berättat för oss i kassan att de har hittat oss via Instagram." [Guests have told us at the checkout that they found us through Instagram.]

While on one hand, for most participants, platforms were essential, on the other hand, some mentioned their shifting effectiveness. P6 also reflected on how changing platform dynamics affected the usefulness of social media over time. Although Facebook had previously functioned as an effective networking tool, she explained that "the algorithms have changed its usefulness" and she no longer actively followed algorithmic optimisation strategies because she lacked "the time or the interest to try to figure out what Facebook wants." Instead, she adapted to shifting audience behaviour, including increased use of LinkedIn as Facebook became less effective for professional engagement.

Not all dependencies took the same form. For P1, digital platforms extended geographic reach in ways that were structurally necessary rather than strategically chosen: students had travelled from outside the immediate area specifically because they had discovered the driving school online, a customer geography that word-of-mouth alone could not have generated.

Overall, digital platforms are seen not just as additional marketing infrastructure but as an important coordination medium that helps rural entrepreneurs stay visible, reach customers, and keep their businesses going. At the same time, relying on these platforms brings new challenges since visibility and customer connections now depend heavily on external algorithms and unpredictable platform dynamics that entrepreneurs cannot control but directly affect customer flow and business operations.

4.1.2 Multi-Platform Strategy and Audience Targeting

Entrepreneurs used multiple platforms strategically to reach different audiences, each with distinct functions and communication norms shaped by audience demographics, interaction styles, and professional needs.

P1 described how they use different platforms to target specific customer groups: "We use Instagram, Facebook, and TikTok. Facebook is the main thing, as parents are on it. Instagram to show background scenes, and Kids are on TikTok." This illustrates how entrepreneurs' platform choice was shaped by audience demographics rather than convenience alone.

P2 adopted a similar approach where Facebook was primarily used for local engagement, event promotion, as well as reaching and communication with older audiences, whereas Instagram helped in connecting with artists, cultural producers and followers across Sweden: "Facebook is important for us because we have an older, local audience there….Instagram is more national and connects us to artists and creators from different places."

This dual-platform logic appeared across multiple participants. P8 noted a similar pattern where Facebook attracted "40 plus" customers since "older people tend to use Facebook more", while "Instagram is a little bit more for younger people" P9 echoed this demographic logic, describing Facebook as the platform where "vi når den lite äldre generationen" [we reach the slightly older generation], while Instagram served as the faster, broader-reach channel: "där når vi ut till flest personer" [where we reach the most people].

While most participants used two or three platforms for broadly similar purposes, P6 demonstrated a more diversified multi-platform practice, which involves extending visibility into professional and international communication. Alongside Facebook and Instagram, she used LinkedIn for professional networking and webinar tools like Zoom and Google Meet for service delivery, noting that "LinkedIn helped connect people, mostly businesspeople." She also described how her platform use evolved in response to client needs. For example, she adopted communication tool WhatsApp when working with clients in the Middle East and Africa: "WhatsApp wasn't a thing for me until I started working with clients there…that's where they communicate, and then I'm moving into that." Rather than relying on a fixed set of online platforms, the entrepreneur continuously adjusted her platform portfolio in response to network demands.

Overall, the findings show that rural entrepreneurs did not rely on a single online channel but strategically combined multiple platforms as per audience preferences, communication norms, and professional requirements. Platform choice, therefore, reflected a process of ongoing coordination and adaptation rather than simple digital presence.

4.1.3 Coordination Beyond Marketing

The use of social media platforms extends beyond marketing to include knowledge transfer, distributed production coordination, and full-service delivery. This suggests that digital platforms in REEs serve a broader coordination function than marketing and visibility alone.

P3 provides a clear example of how this coordination role is extended. Having taken over an ecological seed and plant production business in 2023 without the capacity to visit each grower, she uses WhatsApp to coordinate production remotely: “We send pictures and videos showing how to harvest, and it seems to improve their harvesting.” This illustrates that online platforms enabled knowledge transfer and quality control beyond geographical location.

Digital platforms also supported recruitment and labour coordination where rural geography limited access to labour markets. P3 found attracting employees to a rural location was difficult because most applicants were city-based and were unwilling to relocate. Although the position was advertised through a formal recruitment platform, most applicants contacted the business through Instagram instead: “most people were applying on Instagram.” In this case, Instagram functioned informally as a labour-market channel rather than solely as a visibility platform.

P6 provides an advanced example where platforms are not just used for coordination but also for service delivery: "I have a leadership training course that is completely digital — all the presentations are webinars, and then they have a personal coach, but they meet in web meetings." Here, digital platforms were not a supplementary communication channel but the primary structure through which the service was delivered. She also mentioned that COVID-19 had restructured her business's operational model, reducing travel time and costs, expanding her reach, and making her location commercially viable: "I would have to travel more; I would have a bigger climate impact."

Similarly, for P2, digital platforms were central to organising collaborative cultural projects involving multiple actors. She used digital platforms to coordinate multi-actor cultural projects, inviting artists, partner organisations, and project managers to collaborate through digital channels: "We involve several project managers, collaborate digitally, and invite partners such as artists and organisations to take part in projects — digital tools are used to build networks and bring actors together."

Taken together, these findings suggest that digital platforms in REEs serve a broader coordination function than marketing and visibility, enabling entrepreneurs to organise production, deliver services, coordinate labour, transfer knowledge, and sustain collaborative networks across geographical distances.

4.2 Hybrid Coordination: Digital and Physical

The results in this section indicate that digital platforms assist entrepreneurs in attracting visitors, customers, and collaborators, while face-to-face interactions remain important for building trust, authenticity, and long-term relationships. Instead of replacing in-person contact, digital methods enhance and support it.

4.2.1 Online Discovery, Offline Visit

Across all nine interviews, a consistent pattern emerged in how interactions made on digital platforms converted into physical visits, purchases, or meetings. Digital platforms did not take the place of local, place-based interaction but rather complemented it by performing a function that the other could not.

P9 explained that customers regularly mentioned discovering the farm through social media before visiting in person: "Gäster har berättat för oss i kassan att de har hittat oss via sociala medier, och tack vare det kom de och besökte oss." [Guests have told us at the checkout that they found us via social media, and thanks to that, they came and visited us.] Social media content also directly influenced purchasing behaviour. Stories and short videos on digital platforms were used to create curiosity and a sense of place, and to drive physical footfall: " När vi har lagt upp en story om att vi har fått in en nyhet, kommer det kunder som handlar eller ringer och beställer eftersom de sett det på sociala medier." [When we post a story about something new in the shop, customers come in and buy, or call and order, because they saw it on social media.]

A similar pattern extended reach beyond local boundaries. P5 described how Facebook posts in Norwegian and Swedish groups generated cross-border interest and led to physical meetings at events. On the opening day of her business, over 300 people attended, which she attributed to social media promotion amplified by word of mouth through digital networks, noting that "people from Gothenburg found me through social media."

Although P7's farm was in a geographically remote area, customers regularly arrived after discovering the business online. As P7 explained: "People come to you and say, 'I found you on social media, that's why I came here to check out the place." Online visibility, therefore, enabled physical customer access even in low physical exposure locations.

Another comparable dynamic was observed in P8's case, where both local and extra-local audiences were mobilised through digital channels. When asked about customer acquisition, P8 stated: "we had people coming from Arvika, which is like 20 minutes away, Charlotteberg, Norway and even from the Netherlands and Switzerland." This shows how social media extends the geographical reach of rural businesses beyond their immediate local environment.

A similar pattern was seen in the case of P6, who described how initial contact with clients was typically made before it became relationship-based work: "They connect through the digital because otherwise they don't find me. I was here in the forest. So, they find me through these expanded digital platforms, and then we connect." Even in a service-based business strongly dependent on digital communication, relational interaction remained central.

Overall, the findings demonstrate that digital and physical coordination were not substitutes but interconnected processes. Digital platforms expanded discoverability and extended geographical reach, while physical visits, meetings,

and on-site experiences remained central outcomes of entrepreneurial coordination in rural contexts. Hence, instead of replacing place-based coordination, digital platforms are complementing and extending their reach.

4.2.2 Face-to-Face Interaction for Trust Formation

Although digital platforms play a key role in initiating contact, participants stressed that physical interactions are important for forming and strengthening trust. Online presence created awareness and initial credibility, while face-to-face interaction validated authenticity and helped sustain longer-term relationships. Trust formation emerged as a hybrid process in which digital and physical interaction complemented rather than replaced one another.

P9 emphasised that meeting in person feels more secure and genuine. They stated: “Det ger en mer säker och trygg känsla när man träffas face-to-face att det är på riktigt än att bara se allt digitalt.” [It gives a more secure and trusting feeling when you meet face-to-face that it is real, rather than just seeing everything digitally.] This shows that digital communication can provide information and an environment, but personal, face-to-face interaction helps maintain relationships with customers. Similarly, P2 explained “Our main way of building trust happens when we meet people physically.” Here, credibility depended on consistency between the online representation and the actual physical experience.

At the individual business level, trust operated in a similar way. P1 explained that personal relationships and reputation matter the most for her business, and trust is primarily built through word of mouth and direct contact, whereby digital visibility plays a supporting role: “People want to talk to someone they know — it is easier to contact someone you already know.” This indicates that digital platforms reinforce rather than replace existing trust networks rooted in personal relationships.

For P3, initial farm visits established trust before digital coordination continued. She started new grower relationships with farm visits, considering in-person contact a quality check before digital communication. As P3 described: "First contact, visit them at the farm." Only after this initial in-person evaluation did digital coordination via email, WhatsApp, and video become the primary mode of ongoing interaction. As P3 explained: “We send pictures and videos showing how to harvest, and it seems to improve their harvesting.” The initial physical encounter established the trust that enabled continued digital interaction.

Alongside face-to-face interaction, several participants described authenticity in digital content as a way of building initial credibility with audiences before any physical interaction. P8 explained: "It is important to be honest to tell the story because people want to know us, the story behind something they can relate to." P9 described a similar approach: "Vi jobbar med det som vi har här och vill att det ska kännas som oss och vara så ärligt som möjligt" [We work with what we have here and want it to feel like us as honest as possible].

Overall, the findings show that digital visibility alone was generally considered insufficient for establishing trustworthy relationships. While platforms enabled

entrepreneurs to initiate contact and maintain communication, participants consistently viewed physical interaction as important for validating authenticity, strengthening credibility, and sustaining long-term relationships. Trust formation, therefore, emerged as a hybrid process combining digital visibility with face-to-face confirmation.

4.2.3 The REKO Ring: A Hybrid Medium of Coordination

The REKO Ring, a Facebook-based marketplace in which consumers pre-order directly from local producers and collect their purchases at designated physical pickup points, is an empirical illustration of how digital platforms serve as a hybrid coordination medium. It combines digital communication, ordering, and coordination with physical exchange at the point of collection, partially substituting traditional market structure while still relying on face-to-face interaction.

For P4, the REKO Ring was the essential support during the pandemic and at start-up. Through the Facebook-based REKO network, they connected with consumers, expanded production, and built a business network: "The contracts and the network are through the REKO Ring — we got our contacts and networks through that Facebook page." The platform combined the convenience of digital pre-ordering with recurring physical collection points, enabling direct interaction between producers and consumers: "It's like a farmer's market on Facebook. You order local food directly from producers and then pick it up at a designated spot….once every other week."

However, the effectiveness of this hybrid system varied across participants depending on geography, logistics, and product characteristics. For P7, this form of digital coordination created additional operational burdens and was unsuitable for her. Although she acknowledged the system's potential, the long distances between collection points made participation inefficient. As she explained:

> "I tried like once or twice, but I realised that it was so much work… it wasn't worth it for me. Because of the distances here… maybe an hour… if I were to use all the REKO rings, maybe you could make a living out of it, but that would be very far, and it would be every evening."

The nature of her product added complexity: "I had to cut it, and then I had to weigh it… there was so many kinds of thing." Therefore, she concluded that the system was better suited to standardised products: "if you have like honey and eggs."

P4 also reflected on the limitations of relying too heavily on a single digital coordination system. Over time, participation in the REKO Ring declined, reducing customer numbers and weakening the platform's effectiveness. "And then the REKO Ring started to drop — there were fewer customers." As customer inflow started to decline, they decided to establish their own physical farm shop to sell through additional channels: "We need to sell at more places. So, we decided to build our own store."

Overall, the REKO Ring illustrates how digital platforms can create forms of digitally mediated proximity by organising producers, consumers, and logistics

across geographically dispersed rural contexts. At the same time, the findings show that hybrid coordination systems remain shaped by spatial distance, product characteristics, labour demands, and changing platform participation. Digital coordination, therefore, did not eliminate the importance of physical infrastructure but reorganised how market interaction was structured and experienced in rural areas.

4.3 Local Embeddedness and Rural Context

The findings in this section show that social ties, community relationships, and connections to place contribute to legitimacy and trust. At the same time, rurality is experienced both as a resource that creates authenticity and as a constraint linked to distance, transport, and limited infrastructure.

4.3.1 Embeddedness and Community Relations

Rural entrepreneurship in the dataset is strongly shaped by local embeddedness, the ways in which entrepreneurs are socially, historically, and spatially connected to their operating locations. These connections provided legitimacy and strengthened local trust.

P5 described her village connection as a foundation for her legitimacy: "I have a personal connection to this place because I went to the school here — that's why I have a very good connection to the people around here." Having grown up and lived within the community, she noted that people already knew her, which provided immediate support when she established her business. This type of connection with place and community generates social capital that accelerates trust formation.

In a similar way, P9's case further illustrates how place itself becomes part of the business identity. Their farmcafé and shop operated on a land where the participants had grown up and where previous generations had lived: " Det är på gården som vi är uppvuxna på, så det är hemmaplan." [It is the farm we grew up on, so it is home ground.] This generational connection is reflected in how the business presents itself, using images of the farm, its animals, and its landscape to represent how it looks and to create familiarity for visitors.

Embeddedness did not always come from generational ties. P1's embeddedness developed through long-term community participation. Having been born in the same municipality and worked locally for nineteen years before starting her own business, she had built a dense network that acts as both a customer base and a referral system: "People want to talk to someone they know." Her business had grown almost entirely through word of mouth within this embedded network, with digital platforms serving a supporting role.

Not all participants were locally embedded in their locations through long-term residence (P1) or generational ties (P9). P4, for example, started their business in that rural location because of circumstantial conditions rather than choice: "We didn't

really choose this area — now we have children and are connected to the other parents, so we are kind of staying." In this case, local embeddedness developed through ongoing social relationships and everyday participation in the community.

P8 represented a different trajectory. Having moved to the area without prior community ties, embeddedness developed gradually through entrepreneurial activity. The pandemic accelerated this process as neighbours began visiting: 'Before COVID, we didn't know the neighbours now everybody knows us because they have been visiting us.' Opening a farm café brought people physically to the location, but digital platforms played an equally important role in building local visibility. As P8 reflected, social media helped them become known not only to distant audiences but also within their immediate community, translating online visibility into local recognition and community relationships. Embeddedness therefore emerged not only through personal history but also through sustained entrepreneurial presence and interaction.

Overall, embeddedness in this study is about more than just living in a place. It consists of personal identity, social ties, generational continuity, and a sense of belonging in a location. It provides entrepreneurs with pre-existing legitimacy and trust, while also shaping how rural businesses are positioned, experienced, and understood within their local and wider markets.

4.3.2 Rural Area as a Resource and Constraint

The findings showed that rural location was not experienced as either purely advantageous or purely limiting, but as both. Several participants framed their rural locations as unique assets which could be communicated, marketed, and monetised through social media platforms. They were seen using digital platforms to project place-based authenticity to audiences who could not access it locally. At the same time, it also creates structural, operational, and perceptual constraints that influence entrepreneurial activity.

The findings highlighted that participants have framed their rural location as a unique resource. P6 had consciously transformed geographic isolation into a brand identity: "I am the coach in the woods; the little red cottage. I turned the challenge into an advantage." Rather than treating her rural location as a constraint, she used it as her brand, a resource, whereby the rural setting is seen as a place for reflection and distance from urban pressures. Digital platforms mainly served as a helpful medium, while attracting new clients still depended on word of mouth and trusted professional networks.

P8 applies a similar logic to agri-food tourism, describing Instagram use as "creating a dream" to attract audiences who experience rural life indirectly through social media. They noted that visitors are "dreaming about a life outside the city" and seeking to escape "daily routine…chaos, stress and noise", framing rural life as an aspirational alternative to urban living. The 3,000 followers attracted without any

marketing budget represented an audience drawn not despite the farm's rurality but because of it.

While P6 and P8 used rural identity to attract external audiences, P5 links her business to the local community development. She explains her intention to create a welcoming space that encourages people to visit and contribute to local activity: "I want to make this a place where people want to come, a meeting place for the people around here." Digital platforms facilitate this approach by allowing communication beyond what the local community alone can sustain.

However, the same rural conditions that created value also brought operational and structural challenges. In the early stages, P7's business relied on a distribution intermediary that collected products from small-scale producers and delivered them to wider markets. However, this dependency also exposed the business to risk when the intermediary reduced collection activities. As P7 explained: "The transports are the hardest part… that is the biggest issue all the time… and when they stopped doing this, it really limits your business." This highlights how physical infrastructure remains a critical constraint that digital platforms cannot resolve.

In the case of P4, the business faced credit rejection due to perceived market risk: "We asked the bank… and they said no, you don't have enough cash flow… of course we don't — we haven't built the store yet." A further constraint came not from population size but from consumer perception: many "just think our shop is an expensive shop", a disconnect between consumers and local producers that meant rural remoteness shaped not only logistics but how the business was understood by nearby customers.

Similarly, for P2, limited public transport leaves visitors largely "car-bound", with distance a major obstacle. Cultural barriers compound this: many "don't see themselves in our place', perceiving art as too remote or inaccessible, which limits audience engagement. In the case of P3, she described the impossibility of visiting all her distributed growers in person as a direct operational consequence of geographic dispersal, a constraint she managed through digital coordination.

These findings show that rurality was experienced both as an opportunity and a constraint. While some participants used remoteness and place-based identity as part of their business value, others faced logistical, financial, and market-related limitations linked to rural conditions. Digital platforms expanded visibility and customer reach, but they did not eliminate infrastructural barriers.

4.4 Networks, Institutional Gaps and Support Systems

The results in this section emphasize the significance of informal networks, peer collaboration, and alternative support mechanisms, especially in situations where formal institutional support is scarce or difficult to access. Entrepreneurs, therefore, combine local, digital, and trans-local resources to fill institutional gaps.

4.4.1 Informal Networks

Across interviews, informal networks emerged as the primary source of accessing resources, knowledge, labour, and support in the absence of a formal support structure. Neighbours, fellow producers, local community members, and peer groups are mentioned as important and practical support structures.

P4 provided the most grounded example of informal support. When building their unmanned retail shop, community members helped with labour, materials, and expertise without any formal arrangement. As P4 described, helpers "didn't even wait to be asked; they just showed up". One neighbour, who bakes and her electrician husband helped throughout the build, and local ice cream producers helped construct the roof and lent equipment such as freezers, so the couple did not have to buy everything themselves. As P4 put it, "it's really a small community where people just show up and help". In this case, community-based networks provided practical support that substituted for limited access to formal institutional resources.

Different participants received informal support in different forms, like P1, who relied on peer networks for professional support and knowledge, particularly women's entrepreneur groups and informal business gatherings: "I found support from other businesswomen through organisations, breakfasts, and meetings." For her, this support came at a cost: "I have paid for my support and help, and it was not immediate but developed over time; It took about three, four years before I did anything on that." These experiences suggest that peer support networks were valuable but not always immediately accessible to new entrepreneurs.

P5 demonstrated that informal network support is a combination of trust, reciprocity, and hybrid exchange rather than purely unpaid labour. Local community members not only helped but also initiated to contribute: "I get help from the people who are living here. They have told me that I can help you with this and I can help you with that." She further explained that such arrangements involve monetary exchange, but remain embedded in social expectations of fairness: "I must share that they get the money for what they are doing… It's important to show that you like what they are doing, and they can feel that they can earn something too." Informal support networks operate through negotiated reciprocity rather than formal contracts, blending economic and social logics.

At the community level, informal networks also enabled collective resource coordination and cost-sharing. P8 described how increased local familiarity strengthens cooperation: "If there are more people who need the same, you can ask for bigger tenders and get cheaper stuff to buy what you need." This demonstrates how informal collaboration can generate economic efficiencies through shared action.

P3's perspective highlighted the role of informal networks in enabling entry into rural entrepreneurship: Rather than starting from scratch, access to the business was made possible through personal connections and relational pathways. As she reflected, "Ask for help, I guess I have been really lucky to take over."

Overall, informal networks in this study function as a foundational support system for rural entrepreneurship, providing access to labour, knowledge, resources, and opportunities through relational ways rather than formal structures. While these networks are mainly place-based, digital platforms help maintain and extend them.

4.4.2 Institutional Gaps

Formal institutional support in the rural entrepreneurial context was widely described as limited, misaligned with practical realities, and overloaded with administrative tasks. Across interviews, participants did not reject formal institutions, but highlighted structural barriers, administrative complexity, and a lack of responsiveness to early-stage or resource-constrained entrepreneurship.

P4 provided the most detailed account of institutional mismatch. When they asked the bank for financing for the construction of their farm shop, the bank declined on the grounds of insufficient cash flow. As P4 explained: "The bank said no — we don't have enough cash flow. Of course, we don't — we haven't built the store yet." This highlighted the circular problem in which access to finance depends on demonstrating performance from infrastructure that has not yet been built. Although EU funding was available, it imposed its own constraints: "You must show them the receipts, and then you get the money — get the bill first and then you get the money." Together, these conditions created liquidity pressure in early-stage development.

Municipal support existed but had limited practical value. While local authorities organised meetings and networking activities, these were often perceived as repetitive and insufficiently managed to meet entrepreneurial needs: "They organise meetings between local producers and restaurants… but it's usually the same people attending each time." Over time, participation declined when they perceived limited return relative to time investment: "It needs to actually help us—not just be something they can check off a list."

P5 and P7 had similar experiences in accessing formal support. P5 described that public funding is difficult to get due to competition. Even though funding opportunities were available, it was not easy to access, to which she said: "Many people are applying, so it's difficult… it is a little bit challenging — you have to think widely." This shows the existence of a formal support system, but with several complexities. Similarly, P7 used EU funding during the early stage of her business, but she stopped using funding systems over time due to administrative load and low benefits: "It is sometimes a lot of work for not so much, so I haven't been bothered seeking so many in the last few years." She also pointed to inequality in access based on individual capabilities, noting that applicants with limited writing skills may be disadvantaged in securing funding, even when projects are viable.

Not all participants described support as absent or misaligned. P8 represented a notable exception. They mentioned: "The municipality of EDA is really helping us, I feel

quite lucky because we always get this free support." This extended to digital capacity building, with a specialist visiting the farm to provide social media training, and EU funding through the LEADER programme partially covering infrastructure investments. In contrast to the experiences of P4, P5, and P7, P8's account suggests that institutional support varied considerably across participants and locations.

While P8 represented a more supportive institutional environment, a different institutional gap emerged in P9. As responses were collected through a written questionnaire, depth on this topic was limited when asked about available support. P9 responded: "Inget vi kommer på" [Nothing we can think of]. Secondary data from a published profile within the Grass Ceiling project in which P9 participates provided further context. P9 described difficulty navigating rural development policies: "It's more difficult to apply for those funds, we're somewhere in between" (Grass Ceiling, 2025). Because the business combines agricultural production, food processing, and hospitality, it falls outside standard EU agricultural subsidy categories, making it ineligible for certain rural development funds.

Overall, institutional support structures were described as difficult to navigate, administratively demanding, and unevenly accessible. Rather than functioning as a consistent support structure of rural entrepreneurship, formal institutions often introduced procedural barriers that required additional time, skills, and resources. As a result, entrepreneurs frequently supplemented or bypassed formal systems through alternative networks and external support mechanisms, which are discussed in the following section.

4.4.3 Alternative Support System

In addition to informal support structures, several participants relied on broader institutional and network-based support. Engagement in programmes such as FLIARA, LEADER, WWF, ENSPA, and the Grass Ceiling Project provided access to funding, knowledge exchange, and trans-local networks.

P1, P2, and P3 participated in FLIARA, an EU-funded network connecting women entrepreneurs across rural Europe. For P1, it was her first experience of an international network, “my first experience with business owners outside Sweden”, offering inspiration and contacts with women across Europe through meetings, digital platforms, and webinars. For P2, FLIARA served a different function, providing reflective learning rather than networking: “It has helped broaden my perspective on our own organisation and place”. P3 accessed support through WWF, ENSPA, and FLIARA, operating at the intersection of ecological sustainability and rural enterprise.

P7's membership in Sveriges Gårdsmejerister, a branch organisation for farmhouse dairy producers, illustrates a different form of alternative support. Unlike internationally connected programmes, this was a sector-specific association providing peer knowledge exchange, practical information, and access to experienced producers. As P7 described: "It is a really good place to talk to people and get information and ask people who have done this for a long time." What made this relevant

to the study's focus on digital coordination was the association's shift toward hybrid operation over time. Initially meeting four times a year in person, the group had moved to annual physical meetings supplemented by Zoom: "We also have Zoom meetings; it has become more normal." This normalisation of digital meeting practices within a formally organised peer network shows that hybrid coordination operates not only at the individual business level but also within the institutional support structures that rural entrepreneurs rely on.

Similarly, P9 participated in the Grass Ceiling project, an EU-funded initiative supporting women entrepreneurs in rural areas through networking, knowledge sharing, and capacity building. Participation provided access to wider networks and educational opportunities beyond the local level.

Beyond programme-based and association-based support, an alternative support emerged from relationship-based and peer networks. P3 benefited from direct mentorship from the previous business owner when she took over the ecological seed and plant production operation: "I could ask for help from the earlier owner, which was a big advantage." Similarly, P4 described participation in a small private network of similar food producers: "It is a small private network of similar companies, not government support." P5 similarly drew on support embedded within her EE through personal connections rather than formal structures: "Support found through local community, not always formal institutions." These cases show that alternative support in REE occurs across three tiers: trans-local programmes, sector-based associations, and private peer networks, each serving unique functions.

P8 described how the LEADER programme supported early-stage investment by partially financing infrastructure and expansion activities: “We applied for funding through the LEADER programme and received support, it helped us expand, for example, by planting new apple trees.” P8 explained that they were able to connect with other producers through a related LEADER initiative that offered online courses during the pandemic.

These alternative support structures were not place-bound and therefore enabled rural entrepreneurs to access knowledge, resources, and networks that were unavailable locally. The findings suggest that in structurally thin rural ecosystems, formal local institutions are partially substituted by a combination of informal community networks, digital platforms, and alternative institutional actors operating at regional, national, and international scales.

4.5 Constraints and Adaptations

This section highlights the main constraints faced by rural entrepreneurs and the strategies they use to overcome them. Common challenges include time pressure, heavy workloads, and limited digital skills, especially in maintaining online visibility while managing operations. In response, entrepreneurs adopt adaptive

strategies like diversification, bootstrapping, and the use of AI tools to support their business activities.

4.5.1 Time, Workload, and Skill Constraints

Time emerged as the most common constraint among all the participants. Rural entrepreneurs undertake multiple tasks, including production, administration, distribution, and digital communication, such as content creation and platform maintenance, both of which require significant attention. Regardless of sector, production, or service, entrepreneurs have acknowledged the importance of digital platform engagement, but the challenge of sustaining it was recognised and expressed by all.

P1 expressed the tension directly: "For social media, it's time because you're more on social media, but you still have to work and execute your lessons and do your actual work, so social media comes next to it." She described a similar experience while experimenting with TikTok to reach younger audiences which added further demands of planning and editing: "It actually takes a lot more time than people think." This highlights how newer platform formats require additional creative and technical skills that small rural entrepreneurs try to sustain alongside daily operational work.

P3 prioritised operational work over digital engagement. Although she values social media, she explained that posting content was often deprioritised due to time constraints: "I often see so many things I would like to post, but I never sit down and actually post on Instagram. I know it will take at least half an hour, and I prefer to put this time into taking care of the field and answering customers."

This was not just about prioritisation, but about excessive operational duties in labour-intensive rural entrepreneurship, whereby maintaining day-to-day operations took precedence over digital visibility. P4 explained that time spent on cleaning and daily operational work directly displaces time that could otherwise be used for digital marketing: "If we should hire someone, it would be someone to do the dishes… instead of cleaning, we could do the Instagram posts or the YouTube channel." This illustrates how limited labour capacity constrained the consistency of digital engagement, even when participants had already seen the positive impact of the online platform on their business.

In addition to time constraints, digital skill-related barriers were also identified in using social media. Digital literacy was considered sufficient for basic platform use but remained limited when engaging in more advanced practices such as algorithm optimisation, professional content creation, video production, or audience targeting. P7 assessed herself as "not skilled" but "good enough" to get her message out, and found digital engagement repetitive and tiring: "I feel very repetitive all the time — 'now we're open again', 'the cheeses are here again'… I know I need it because it's the channel out there to let people know, but I think it's mostly a hassle".

Similarly, P2 acknowledged limitations in adapting to newer digital platforms; she explained, “I would not say I am highly skilled in all emerging platforms such as TikTok — partly I think this is due to generational differences.” This suggests that the shift toward increasingly visual and algorithm-driven forms of communication may create new inequalities within REEs.

However, P8 highlighted the role of institutional support in addressing these gaps. Free social media training provided by the municipality helped them understand how platforms function: “I used social media before that, but I didn't understand how it worked… we got more insight into how the algorithms work and how we can get more followers and inform our customers”. This suggests that with both physical and digital institutional support, rural entrepreneurs may overcome the skills barrier to understanding and engaging with digital platforms.

Overall, time and skill constraints shape how rural entrepreneurs engage with digital platforms, often limiting the depth and consistency of their participation. While digital platforms are widely recognised as essential, their effective use requires resources that are unevenly distributed across individuals and contexts.

4.5.2 Adaptive Strategies: Diversification, Bootstrapping, and AI

In response to the resource constraints, limited formal support, and platform vulnerability, participants developed a range of adaptive strategies. These strategies reflected resilience, creativity, and a pragmatic orientation toward operating under conditions of resource scarcity and uncertainty.

Business model diversification was the most common approach. Rather than relying on a single revenue stream, most participants had developed multiple income sources, collectively reducing vulnerability. P5 described a broad portfolio of activities, including café operations, glamping accommodation, conferences, car club events, kayaking, and forest-based experiences. Similarly, P7 combined artisan cheese production with a barn café and distribution to urban retailers and restaurants. P9 integrated farm production, a café, a farm shop, and food processing activities, while P6 combined executive coaching, digital training programmes, and Airbnb-based accommodation services. Across cases, diversification functioned as a structural response to limited local demand and market volatility in rural settings.

Bootstrapping was another dominant adaptive strategy; funding business development from sales revenue rather than external capital. P4 described this as: "We made cheese, sold it, bought materials, built step by step." This incremental development model was slow and resource-intensive, but it preserved operational independence and avoided the debt obligations that conventional financing would have imposed. P5 adopted a similar approach from the outset: "Take it step by step and find solutions along the way."

P7 described a related adaptive capacity, the ability to scale down as well as up in response to changing conditions: "Now I'm very resilient because during the pandemic,

nobody knew what was going to happen. So, I could just back off. I make a lot of hard cheese that keeps for a long time." This ability to scale down production when necessary reduced exposure to sudden disruptions.

The most forward-looking adaptive strategy was the adoption of AI tools for content creation, primarily ChatGPT and Microsoft CoPilot. P5 described using ChatGPT to generate social media content: "I have been using that to build up my Facebook and Instagram content." P8 reported that AI had directly addressed the time burden of content creation: "AI has helped me in terms of time — I can do it faster with better quality in presentation." For rural entrepreneurs without marketing staff, AI offered a low-cost way to maintain a digital presence at a quality level that would otherwise require specialist skills. P6 expressed a broader interest in AI beyond content creation, describing an aspiration to develop a digital product and reflecting on AI's potential implications for her coaching practice: "I'm looking at what I can do with AI — I have an idea of an app." While she acknowledged that AI would not replace the human dimension of coaching: "There is still something about another person seeing you, meeting you, being with you", she positioned AI as a supportive tool rather than a substitute for human interaction.

Overall, these strategies show how rural entrepreneurs respond to financial, operational, and digital constraints by diversifying, gradually expanding their businesses, using technological tools, and building alternative support networks. Rather than relying on a single strategy, participants combined different economic, digital, and social resources to sustain and develop their businesses.

The findings from this chapter highlight that digital platforms have become vital for coordinating activities, accessing markets, and sustaining businesses under geographic remoteness and limited resources. At the same time, digital coordination did not replace place-based interaction. Online and offline coordination operated together: digital platforms expanded reach and connection, while physical interaction remained central for trust, legitimacy, and long-term relationship building. Rural areas influence these interactions in multiple ways, as sources of legitimacy and authenticity, and as structural constraints on finance, transportation, and markets. Entrepreneurs navigated institutional gaps through informal networks, trans-local programmes, and adaptive strategies. Overall, these findings suggest that rural entrepreneurial coordination is neither local nor digital but emerges through the interaction of both.

5. Analysis and Discussion

This chapter analyses the empirical findings in relation to the conceptual framework and draws out the theoretical implications of each finding for entrepreneurial ecosystem research.

5.1 Digital Platforms as a Medium of Coordination

The empirical findings show that digital platforms function not merely as communication and marketing tools but also as a coordination medium within REEs. Across all nine participants, Instagram and Facebook appeared to function as a structural necessity rather than a strategic choice (P1-P9). These platforms were performing coordination roles that geographic remoteness and institutional thinness made unavailable through place-based interaction. This extends dominant EE frameworks, which largely conceptualise coordination through spatial proximity, face-to-face interaction, and locally embedded institutions rather than digitally mediated interaction (Isenberg, 2010; Sussan & Acs, 2017).

In structurally thin rural contexts, where formal market infrastructure and institutional support are limited, digital platforms act as the primary channel for market access, customer discovery, knowledge transfer, labour recruitment, and service delivery (P2, P3, P5, P6, P8). Many entrepreneurs mentioned digital visibility as a necessity for the survival and growth of their businesses (P2, P8). If digital platforms are not used consistently, businesses might find it difficult to reach audiences outside their local community. The findings suggest social media content influenced customer behaviour before any physical interaction (P7, P9).

This aligns with Nambisan et al.'s (2019) argument that platforms enable coordination and entrepreneurial activity among widely dispersed actors. However, the rural context extends this perspective by showing that such reliance is not optional but structural. When formal place-based structures are absent, digital platforms perform functions that entrepreneurs cannot access through any other available mechanism (P3, P4, P7).

This finding extends Sussan and Acs's (2017) digital EE concept. While their framework positions digital infrastructure as an additional layer complementing existing physical ecosystems, the findings here indicate a more substitutive role. For several participants, digital platforms compensated for the absence of physical coordination structures rather than merely enhancing them (P4, P8). The REKO Ring case illustrates this clearly; it is a digital marketplace that produced a type of market coordination that typically requires physical concentration, institutional organisation, and consistent footfall (P4). In this sense, digital platforms substituted for absent market structures, suggesting a coordination role that existing EE frameworks have only partially addressed.

This coordination role extended beyond visibility and attracting customers. Participants used platforms to send instructions to dispersed customers (P3), to recruit employees through Instagram due to the lack of a local labour market (P3), and to deliver training programmes that usually require physical presence (P6). These findings support the argument that digital platforms act as an active coordination medium rather than passive communication channels (Nambisan et al., 2019).

However, the findings reveal that digital coordination introduces new forms of dependency and vulnerability that remain underexplored in EE literature. Entrepreneurs who reduced their online activity experienced declining customer engagement and weaker market visibility, indicating that consistent digital engagement is essential (P4, P7, P2, P8). In addition, algorithmic changes reduced the effectiveness of successful engagement strategies. The dependency documented in the findings is not simply a dependency on platforms but also includes dependency on algorithmic systems that govern how those platforms function. This suggests that coordination in rural ecosystems is increasingly shaped not only by the actions of entrepreneurs but by the algorithmic logic operating entirely outside the ecosystem.

The most significant theoretical implication of the findings concerns not digital platforms themselves, but who controls them. Existing EE frameworks assume that coordination is managed by actors within the ecosystem (Stam, 2015; Spigel, 2017). Implicit within this assumption is that the coordination infrastructure is responsive to ecosystem participants. However, the issue arises when the primary digital platform infrastructure is owned by external actors. As van Dijck, Poell and de Waal (2018) describe, commercial platforms decide how people and businesses connect, what content gets seen, and under what conditions, shifting control away from users toward platform owners. Participants described losing customer visibility when they reduced posting frequency, experiencing sudden drops in engagement due to algorithm changes, and feeling unable to predict or control these fluctuations. In these cases, the stability of market access depends on decisions made entirely outside the ecosystem.

This points toward a form of vulnerability induced by platforms that existing EE frameworks have not theorised. Structural thinness is a condition of resource scarcity and limited support structures. However, the findings suggest an additional condition, a vulnerability induced by platforms, where ecosystems have coordination capacity but cannot control the infrastructure through which coordination occurs. This reflects what Sussan and Acs (2017) describe as a shift from a place-based ecosystem to a platform-based ecosystem. However, the rural evidence extends this argument by showing that such dependency is not strategic but structurally necessary in contexts lacking alternative coordination mediums.

Together, these findings address the first sub-question, demonstrating that rural entrepreneurs draw on digital platforms not simply for visibility but as an active coordination medium through which knowledge, resources, and legitimacy are accessed beyond their immediate location (P1-P9).

5.2 Hybrid Coordination: Embeddedness and Platform Mediation

The empirical findings show that rural entrepreneurs rely on a blend of local relationships and digitally mediated connections. Instead of replacing one for another, the entrepreneurs in this study used local connections as a basis for legitimacy and trust. Meanwhile, digital platforms have extended their reach, attracted new customers and kept networks alive despite the challenges of distance (P1-P9). This approach is conceptualised as *hybrid coordination* in this thesis, in which place-based networks and digitally mediated proximity coexist to support entrepreneurial activity.

The importance of local embeddedness was consistent across participants. Entrepreneurs mentioned that long-term residence, family connections, and community participation had helped them build trust, which cannot be achieved through digital visibility alone (P1, P5, P7, P9). Online platforms increased customer reach and boosted visibility, but trust that strengthens the initial digital discovery still relies on physical interaction (P2, P4, P9). This reflects Jack and Anderson's (2002) argument that embeddedness both enables and constrains entrepreneurial action. Digital platforms extend access to opportunities beyond the local, while the local context remains the foundation in which relationships are formed and sustained.

At the same time, embeddedness was insufficient for rural entrepreneurs whose markets were beyond the boundaries of their local community (P3, P5, P6, P7). Many participants described using digital platforms to face this situation because, without online visibility, customers outside the immediate area would have had no way to discover them. This aligns with Korsgaard, Ferguson, and Gaddefors's (2015) observation that rural entrepreneurs combine locally embedded relationships and resources with non-local networks that provide access to wider markets and external knowledge. This is not unique to this study, as Copus et al. (2011) found a similar pattern among small rural firms in European peripheral regions, where resilient businesses sustained local connections and extra-local engagement. The findings of this study add to the understanding of the role of digital platforms as a medium through which this combination is maintained.

Granovetter's (1985) original idea of embeddedness emphasised that ongoing social relations shape economic activity, rather than being limited to an individual and a structural factor. The findings support this argument that entrepreneurial activity is grounded not in physical place but in the social relationships created and

sustained within and beyond it (P1, P2, P4, P5, P9). Therefore, embeddedness is relational rather than spatial. Digital platforms do not replace these social relationships but rather reshape and extend them, allowing entrepreneurs to maintain local trust while also reaching external customers, knowledge, and networks. From this viewpoint, the hybrid coordination model proposed in this thesis extends embeddedness by showing that relationships can be maintained and extended through online platforms.

The findings also extend Spigel's (2017) framework, which identifies cultural and social elements, including mentors, networks and informal knowledge exchange, as essential components of a functioning EE. However, the framework largely assumes these elements are generated and circulated through geographic closeness and face-to-face interaction. The findings suggest that important cultural and social dimensions of EEs can also emerge through platform-mediated interaction (P1, P2, P3). P1's participation in FLIARA, for instance, provided inspiration, peer support, and international networking, even without geographic proximity to other participants. Spigel's framework gives limited attention to how legitimacy, knowledge, and peer support may also be accessed and sustained across geographic distance through digitally mediated networks.

Trust formation illustrates this hybrid form of coordination within REEs. Drawing on Boschma's (2005) proximity framework, digital platforms generate cognitive proximity: shared understanding, shared information, and shared awareness effectively (P1, P6, P7, P8). However, social proximity, the trust-based, relationally embedded closeness that enables sustained coordination, still requires physical interaction and a local network (P2, P4, P9). This pattern aligns with recent proximity-based theorising of EEs, which holds that digital tools expand cognitive proximity across distance while social proximity continues to depend on physical interaction (Lamotte, 2025). Crucially, the two tend to operate in sequence rather than in parallel: digital contact initiates the relationship and expands reach, while physical interaction subsequently strengthens and validates it.

Place continued to matter deeply for the entrepreneurs in this study. The embeddedness documented through long-term residence, generational farm ownership, and community reputation represented a form of legitimacy that digital platforms could extend but not generate independently. The concept of digitally mediated proximity developed in this thesis tries to capture this dynamic precisely: it does not question whether place matters, but asks whether place-based coordination alone is sufficient in areas with low population density and limited formal institutions, and proposes that relational closeness can be initiated and sustained digitally before being confirmed through physical interaction.

The REKO Ring clearly illustrates this hybrid coordination model. According to Hushållningssällskapet, REKO Ring in Sweden operates through Facebook groups where producers and consumers coordinate orders, collection times, and payments

digitally in advance before any physical meeting. This model shows that digital platforms enable coordination across distance while relying on physical interaction to maintain trust between producers and consumers. At the same time, the effectiveness of REKO Ring varied depending on the type of product, geographic distance, required level of trust, and available time and resources (P4, P7). This supports Jonsson and Gaddefors's (2022) argument that digital platforms and online communities support rural entrepreneurial change. In the REKO Ring case, digitally mediated proximity coordinated economic activity by aligning online discovery with physical delivery and exchange.

Together, these findings address the second sub-question, showing that digital platforms do not displace locally embedded networks but instead interact with them, extending their reach while depending on them for the trust and legitimacy that sustain coordination (P1-P9).

5.3 Structural Thinness and Informal Institutional Substitution

The empirical findings confirm REE scholarship's identification of structural thinness, where REEs often lack the dense institutional support, market actors, and specialist services typical of urban ecosystems (Roundy, 2017; Xu & Dobson, 2019). However, the findings also show that this concept alone does not fully explain how rural entrepreneurs respond to these limitations. Rather than remaining constrained by institutional gaps, participants developed a range of substitute and complementary coordination strategies to access resources, support, and opportunities (P1–P9).

The findings suggested that structural thinness should not be confused with entrepreneurial deficit (Muñoz & Kimmitt, 2019). Although rural areas may have low formal institutional density, participants demonstrated that they can develop a functional density through institutional substitution (P4, P5, P7, P8). These findings instead suggest that limited formal support encouraged entrepreneurs to develop adaptive and creative coordination strategies.

The institutional gaps noted in the findings were not incidental but rather structural. This aligns with Aguilar's (2021) critique that entrepreneurial ecosystem frameworks often assume the availability of institutional support structures that may be weak, inaccessible, or poorly aligned in rural contexts. Entrepreneurs had limited financing opportunities, as banks assessed rural businesses using the same urban standards for cash flow and market density (P4). This created a vicious cycle whereby rural businesses cannot develop infrastructure without capital and cannot secure capital without infrastructure. Meeting the requirements attached to public and EU funding also imposed an administrative burden on entrepreneurs (P5, P7). Participants also perceived municipal efforts as ineffective and symbolic, as municipalities created social activity but offered limited practical outcomes (P2,

P4). These findings resonate with Aguilar's (2021) observation that rural EE frameworks tend to assume the existence of support structures that are, in practice, either absent or inaccessible.

This result is relevant to EE theory. Isenberg's (2010) framework positions formal institutional support, finance, policy, and support services as the main domains of the ecosystem. The rural evidence suggests these components do not fail because they are absent, but because they are present in forms that are inaccessible or misaligned with rural entrepreneurial realities (P4, P5, P7, P9). This highlights how institutional misalignment can be a key reason why formal EE components might not effectively support peripheral contexts.

The misalignment identified here was not an isolated experience, but a pattern shared across multiple participants, suggesting that it reflects a structural condition of the Swedish rural policy environment rather than individual circumstance. This distinction between absence and misalignment matters both for policy and for EE theory because current frameworks offer a limited understanding of analysing this type of structural mismatch (Aguilar, 2021).

This misalignment was evident in the case of P9. As her business combined agricultural production, food processing, and hospitality, it fell outside standard EU agricultural subsidy categories, leaving the entrepreneur 'somewhere in between' and ineligible for funds that formally existed but did not fit the business's hybrid form (Grass Ceiling, 2025). Here, the institution and funds exist, but the business doesn't fit the category.

These findings also raise important policy implications. Approaches that aim to make rural areas look more like urban areas by importing institutional structures, establishing formal support services, and scaling urban models may overlook how coordination already occurs in these places. The findings suggest a more context-sensitive form of support, including reducing administrative burdens, treating digital skills as a core business resource, and recognising the coordinating role of informal networks. Welter et al. (2019) call for greater contextual sensitivity in entrepreneurship research, arguing against the application of standardised frameworks across diverse regional conditions, and the findings from this study support that position.

Informal networks were found to be an important substitute for missing and inaccessible institutional support (Neumeyer et al., 2019). The data revealed multiple informal support mechanisms: spontaneous labour contributions from community members during construction (P4); peer knowledge exchange through women's entrepreneur groups and sector associations (P1, P2); collective procurement coordination that reduced input costs (P4, P8). These networks operated through reciprocity and trust rather than formal contracts, integrating economic exchange into social bonds that traditional market frameworks cannot match. This supports Steiner and Atterton's (2015) argument that rural

entrepreneurs undertake multiple social roles, enabling resource mobilisation across the community in ways less common in more socially segmented urban contexts.

Beyond local informal networks, participants also relied on trans-local and international programmes such as FLIARA, the LEADER programme, WWF partnerships, ENSPA, the Grass Ceiling initiative, and sector associations such as Sveriges Gårdsmejerister (P1, P2, P3, P6, P7, P8, P9). These programmes provided funding, networks, knowledge and opportunities digitally. As many participants started their businesses during the pandemic, digitally accessible programmes became an important support, enabling entrepreneurs to participate in training, networking, and knowledge-sharing activities without the risks, travel costs, or time demands associated with physical participation (Nambisan et al., 2019; Sussan & Acs, 2017). This suggests that in structurally thin ecosystems, digital platforms and trans-local institutional actors together perform functions that Isenberg (2010) and Spigel (2017) typically attribute to local formal institutions.

Critically, this substitution was not equally accessible to all participants. Access to informal networks depended on prior connections, long-term social embeddedness and community participation (P1, P4). In some cases, engagement with trans-local programmes required administrative capacity and writing skills (P5, P7, P8); in others, effective use of digital platforms required time, consistency, and digital literacy (P2, P5, P7). These differences created uneven access to coordination resources, often benefiting already embedded entrepreneurs while creating additional barriers for those with weaker networks or fewer competencies. The findings suggest that structural thinness operates not only through limited resource availability at the ecosystem level, but also through unequal access to those resources at the individual level (Neumeyer et al., 2019).

In response to these conditions, participants developed a range of adaptive strategies to address both structural gaps and unequal access to informal substitutes. Diversification reduced vulnerability to market uncertainty (P2, P4, P5, P7, P8), bootstrapping helped entrepreneurs operate despite limited access to finance (P3, P4, P7, P8), and AI tools addressed time and skill constraints related to maintaining digital visibility and coordination (P5, P6, P8). Each strategy compensated for a type of support that was structurally unavailable (Xu & Dobson, 2019).

Together, these findings address the third sub-question by showing that platform-based coordination under conditions of structural thinness creates both new opportunities to access extra-local resources and new constraints related to unequal access, skill requirements, and platform dependency.

5.4 Entrepreneurial Ecosystems in Rural Contexts

The findings challenge three foundational assumptions in mainstream EE theory: that coordination is primarily place-based, that formal institutions are the principal

support structures of entrepreneurial activity, and that ecosystem boundaries are geographically fixed. In line with Aguilar (2021), the findings suggest that REEs should not be understood as incomplete versions of urban ecosystems, but as contexts shaped by place-based opportunities, constraints, and coordination mechanisms. The empirical evidence from rural Sweden reveals a more complex, layered form of entrepreneurial coordination than dominant EE frameworks typically capture.

The first assumption that coordination is primarily place-based is challenged by the finding that digital platforms perform central coordination functions, particularly in rural contexts where traditional place-based structure cannot fully meet coordination needs (P1-P9). This does not mean that the importance of place has disappeared; local embeddedness remains a vital source of trust and legitimacy (Jack & Anderson, 2002). However, relying solely on place-based interaction is often insufficient (P3, P5, P6, P7). Building on Bathelt et al.'s (2004) concept of local buzz, the findings suggest that informal knowledge exchange and relational interaction can also be sustained through digital interactions (P1, P2, P6).

The second assumption that formal institutions are the principal support structures is challenged by evidence that informal networks, peer collaboration, alternative institutional actors, and digital platforms collectively compensate for gaps in formal institutional provision (P1, P3, P4, P5, P7, P8). This suggests that coordination emerges through a combination of formal and informal interactions rather than through formal institutions alone. As discussed in section 5.3, more effective support would lie in reducing administrative burdens and recognising the coordinating role of informal networks rather than using the same urban institutional models, aligning with Welter et al.'s (2019) call for EE policies that account for regional diversity.

The third assumption that ecosystem boundaries are geographically fixed is also challenged. In this study, entrepreneurs operated within multi-layered ecosystems in which support and coordination emerged from several interconnected levels. Local community networks provided trust and immediate resources (P4, P8), municipalities offered varying forms of support (P8), EU programmes delivered funding and knowledge (P6, P7, P8), and global digital platforms enabled visibility and market access (P1-P9). Together, these layers form the effective ecosystem within which entrepreneurial activity takes place. This broadens dominant EE frameworks (Isenberg, 2010; Stam, 2015), which generally assume geographically bounded ecosystems. The institutional layer of a REEs is not only shaped by geography but also by connectivity, by who has the time, skills, and digital access to reach beyond their immediate location. Distributed institutional support may expand what is available, but it does not guarantee that everyone can reach it equally. Access still depends on individual capacity, a gap that existing EE frameworks have not yet adequately addressed.

Taken together, these challenges point to a broader reframing. Much of the existing literature emphasises what rural areas lack compared to urban areas. The results present a different perspective. These entrepreneurs weren't just coping with limited resources; they were developing a coordination system suited to their specific circumstances, using local relationships, peer networks, international programs, and digital platforms in ways that fit their environment. The result is not an incomplete version of an urban ecosystem but a distinct ecosystem with its own mechanisms and adaptive capacities (Aguilar, 2021). This reframing also reflects the broader definition of productive entrepreneurship adopted in this thesis: participants described success beyond economic output, sustaining livelihoods, community relationships, and local services, suggesting that frameworks oriented toward economic productivity alone (Stam, 2015) may not capture the value rural entrepreneurs create (Jack & Anderson, 2002).

EE theory would benefit from shifting its focus from the presence or absence of ecosystem components, such as finance, talent, markets, institutions, networks, and culture, to the actual medium that enables coordination, especially in places where structural conditions are different from those in urban environments (Spigel, 2017; Welter et al., 2019). Digital platforms played an important role in addressing these coordination gaps by connecting entrepreneurs to markets, audiences, knowledge, and support structures across dispersed settings (Sussan & Acs, 2017), making them not a peripheral feature of rural ecosystems but a primary medium through which coordination occurs.

6. Conclusion, Contributions, Limitations and Future Research

This chapter concludes the thesis by summarising the key findings, highlighting the study's theoretical contributions, noting its limitations, and proposing directions for future research.

6.1 Conclusion

This thesis examines how digital platforms function as a medium of coordination within REEs, focusing on how they complement and extend traditional place-based coordination structures. Drawing on nine semi-structured interviews with rural entrepreneurs across Sweden, the study addressed three sub-questions concerning resource access beyond local boundaries, the interaction between digital platforms and local embeddedness, and the opportunities and constraints created by digitally mediated coordination under conditions of structural thinness.

The findings show that digital platforms do not merely supplement place-based coordination; they have become a primary element of how REEs function, performing market access, visibility, knowledge transfer, and network maintenance functions that geographic remoteness and institutional thinness make unavailable through local mechanisms alone. At the same time, digital platforms do not replace place-based coordination; they interact with it, each mode performing functions the other cannot. The answer to the research question is therefore not that digital platforms simply complement or extend traditional coordination, but that they interact with it in ways that reshape how coordination works, who can access it, and the boundaries within which the ecosystem operates.

Three key findings emerged. First, for most participants, digital platforms had become essential not because entrepreneurs chose to depend on them, but because geographic remoteness and institutional thinness left no alternative. This dependency came with a cost: visibility and market access were governed by algorithmic systems outside entrepreneurs' control, and changes to those systems could affect customer flow. Second, digital and physical coordination did not operate as alternatives; they worked together in a consistent pattern across all nine cases. Digital platforms initiated contact and extended reach, while face-to-face interaction confirmed trust and sustained relationships. Third, formal institutional support was often limited, misaligned, or inaccessible, but this did not prevent entrepreneurial activity. Participants developed their own coordination systems through informal networks, peer groups, trans-local programmes, and adaptive strategies. Together, these three findings address the sub-questions by showing how digital platforms enable access to resources beyond local boundaries, how they

interact with rather than replace local embeddedness, and how they create both opportunities and constraints under conditions of structural thinness.

6.2 Theoretical Contributions

This study makes three key theoretical contributions to EE theory. First, it shifts the view of digital platforms from mere supporting tools to vital ecosystem components, where their governance and algorithmic logic directly influence coordination outcomes. Second, the study introduces the concept of hybrid coordination to describe how place-based and digitally mediated connections interact rather than substitute for one another. Related to this, the concept of digitally mediated proximity describes how relational closeness, necessary for coordination, can be maintained across geographic distance while complementing physical co-presence. Third, the study reframes structural thinness from a condition of resource absence to one that actively generates an alternative coordination medium. Informal networks, peer collaboration, trans-local programmes, and adaptive strategies collectively substitute for absent formal institutions.

Together, these three contributions shift the theoretical conversation from what rural areas lack to how they coordinate. For practice and policy, the implication is clear: strengthening REEs requires attending to more than formal institutional gaps. Reducing administrative barriers to public funding, investing in digital literacy, and recognising the coordinating value of informal and trans-local networks would collectively strengthen the conditions that rural entrepreneurs navigate every day.

6.3 Limitations

Several limitations should be considered when interpreting the findings. The empirical data are based on nine interviews with rural entrepreneurs in Sweden, which restricts the ability to generalise findings to other countries, cultures, or sectors. The cross-sectional design captures experiences at a single point in time and cannot trace how platform dependency or embeddedness change over time. The sample, which was partly recruited via digital channels, probably overrepresents entrepreneurs who are digitally active. Additionally, one participant responded via a written questionnaire instead of an interview, which may have limited the depth of data collected on that case. The study also considers only entrepreneurs' viewpoints, excluding insights from institutional actors, platform operators, or consumers, whose perspectives would enrich the analysis.

6.4 Future Research

The findings suggest several directions for further research. First, the governance challenges associated with platform dependency in rural ecosystems needs further investigation. Second, the uneven distribution of digital competencies

and access to trans-local programmes among entrepreneurs with different levels of embeddedness highlights an underexplored aspect of rural ecosystem inequality and warrants a longitudinal, comparative study. Third, understanding the conditions under which hybrid coordination systems remain resilient despite disruptions such as platform failures, algorithmic changes, or community fragmentation is a practically important and theoretically underdeveloped question. Finally, comparative research across national rural contexts would establish whether the hybrid coordination model reflects a specifically Swedish institutional context or a broader structural pattern.

Rural entrepreneurship has traditionally been viewed through the lens of limitations such as low market density, limited institutional support, and reduced access to resources. However, this study offers a different perspective: rural entrepreneurs are not constrained by these factors but actively develop coordination systems using available resources. They blend local social capital with digitally mediated reach in ways that challenge the spatial assumptions of mainstream theory.

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Popular science summary

The purpose of this study is to understand how entrepreneurs build and grow businesses in rural areas, far from major cities. Rural entrepreneurial ecosystems can be understood as the web of people and organisations, entrepreneurs, public authorities, and the wider community, who together create the sustainable and favourable conditions for businesses to start and thrive in a particular place. In the countryside, this means making the most of local strengths, such as natural resources, food and farming traditions, and close community ties, rather than relying on the dense networks of investors and advisors that cities offer.

Existing research assumes that entrepreneurship depends on physical proximity and in face-to-face meetings. This raises a question for rural businesses, which often lack closeness: how do they coordinate their work, reach customers, and find the knowledge and partners they need? This study examines how digital platforms (social media, online marketplaces, and everyday communication tools) complement and extend the traditional, place-based ways in which rural entrepreneurs coordinate.

The study is based on interviews with nine rural entrepreneurs in Sweden who work in areas such as food production, farming, hospitality, and local services. The aim was to understand how digital tools shape the way they build networks, share resources, and connect with the world beyond their immediate surroundings.

The findings show that digital platforms do not replace local, place-based interactions and values of doing business; they extend them. Trust, reputation, and a sense of belonging still grow through personal contact within the community, while platforms allow entrepreneurs to reach external customers, partners, and information. The study describes this combination as *hybrid coordination* and introduces the idea of *digitally mediated proximity,* a sense of closeness maintained through digital tools even across long distances. At the same time, relying on platforms that entrepreneurs do not control creates a vulnerability, as they become exposed to rules, fees, and algorithms set by others.

These insights give researchers and policymakers a clearer view of how rural areas can become hubs of innovation and collaboration and show why digital platforms and reliable internet access deserve to be treated as essential infrastructure for rural entrepreneurship.

Appendix 1

Interview Guide

1. Could you begin by telling me about yourself and your business — what you do and how you came to start it?
2. How long have you been based in this area, and how would you describe your connection to it?
3. In what ways, if any, does your location shape how your business operates?
4. What are the main challenges you face because of operating in a rural area?
5. Have you encountered limitations in access to funding, labour, specialist services, or professional networks?
6. How have you responded to or managed these constraints?
7. Who do you typically turn to for practical support, advice, or resources in your work?
8. Are there members of your local community who play a significant role in how your business functions?
9. How did these relationships develop, and what sustains them over time?
10. Do you collaborate with other businesses, organisations, or community members in your area?
11. Do other local actors depend on your business in any way, for example, for market access, distribution, or visibility?
12. How would you describe the relationship between your business and the wider local community in which it operates?
13. Which digital platforms do you use in your business, and what do you use each of them for?
14. How important are these platforms to your day-to-day operations?
15. Have digital platforms enabled you to reach customers, partners, or resources that would not have been accessible through local networks alone?
16. Are there platforms that you have tried but found ineffective or unsuitable? What were the reasons?
17. How do your online activities relate to your physical, place-based interactions and operations?
18. Do customers or collaborators typically discover you through digital platforms before meeting you in person, or does the process tend to work in the other direction?
19. Are there aspects of relationship-building, trust formation, or coordination that digital platforms cannot substitute for? Could you give an example?

20. How do you anticipate the role of digital platforms in your business changing in the future?
21. Are there digital tools or platforms you would like to adopt but have not yet been able to
22. What conditions or resources would make it easier for you to engage more effectively with digital tools?
23. Reflecting on your experience, what has been the most important factor in building and sustaining your business in a rural setting?
24. Is there anything about operating a rural business that you think is frequently misunderstood by those outside this context?
25. Is there anything further you would like to add that we have not yet discussed?

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