

# ENTREPRENEURIAL INNOVATION WITHOUT RULES: HOW TRUST AND PLATFORMS BUILD UNREGULATED DIGITAL MARKETS

Tutur Wicaksono<sup>1\*</sup>, Maria Dini Gilang Prathivi<sup>2)</sup>, Maria Christina Liem<sup>3)</sup>

<sup>1-3</sup> School of Business and Management, Department of Management, Universitas Ciputra, Jakarta

Diajukan 03 Februari 2026 / Disetujui: 06 Februari 2026

## Abstract

*Entrepreneurial innovation in unregulated digital commerce has become a significant driver of contemporary market formation, especially in contexts where digital transactions occur outside clearly defined regulatory frameworks and formal institutional governance. This study investigates how entrepreneurs convert institutional ambiguity into viable market opportunities through digital technologies, platform infrastructures, and trust-based mechanisms. Employing the SALSA framework, a systematic literature review was conducted across Scopus and Web of Science databases, identifying relevant peer-reviewed studies published between 2014 and 2025 on digital entrepreneurship, informal digital markets, platform governance, legitimacy formation, and trust-based mechanism. The findings indicate that entrepreneurial innovation in unregulated digital commerce is primarily driven by the substitution of formal institutions with social trust mechanisms, the adaptation of digital affordances into market devices, and the development of platform-based governance systems that reshape entrepreneurial power relations. Contrary to the assumption that regulatory absence necessarily undermines market stability, the review shows that unregulated digital markets often achieve functional stability through community norms, reputational systems, and platform-mediated coordination. However, these systems also create structural vulnerabilities related to governance asymmetry, legitimacy fragility, and long-term sustainability. This study contributes to the literature on entrepreneurship, marketing innovation, and digital technology by integrating institutional theory, digital entrepreneurship, and platform studies into a unified analytical framework. It provides practical insights for entrepreneurs, platform designers, and policymakers seeking to balance innovation flexibility with market stability in digitally mediated commerce.*

**Keywords:** Institutional ambiguity, Informal digital economy, Platform governance, Market creation, Entrepreneurship

## Abstrak

*Inovasi kewirausahaan dalam perdagangan digital yang tidak teregulasi semakin menjadi faktor penting dalam pembentukan pasar modern, khususnya ketika transaksi digital berlangsung tanpa aturan yang jelas dan di luar tata kelola institusional formal. Penelitian ini bertujuan untuk memahami bagaimana wirausahawan mengubah ketidakpastian institusional tersebut menjadi peluang pasar yang nyata melalui pemanfaatan teknologi digital, platform daring, dan mekanisme kepercayaan. Penelitian ini menggunakan kerangka SALSA melalui tinjauan literatur sistematis terhadap basis data Scopus dan Web of Science. Artikel yang dianalisis merupakan publikasi ilmiah terindeks dan telah melalui proses penelaahan sejawat, yang diterbitkan antara tahun 2014 hingga 2025, dengan fokus pada kewirausahaan digital, pasar digital informal, tata kelola platform, pembentukan legitimasi, dan mekanisme kepercayaan. Hasil kajian menunjukkan bahwa inovasi kewirausahaan dalam perdagangan digital yang tidak teregulasi terutama didorong oleh penggantian peran institusi formal dengan kepercayaan sosial, pemanfaatan fitur digital sebagai alat pembentuk pasar, serta pengembangan sistem tata kelola berbasis platform yang memengaruhi hubungan antar pelaku pasar. Berbeda dengan anggapan bahwa ketiadaan regulasi selalu melemahkan stabilitas pasar, kajian ini menemukan bahwa pasar digital yang tidak teregulasi sering kali tetap berfungsi secara stabil melalui norma komunitas, sistem reputasi, dan koordinasi yang dimediasi oleh platform. Namun demikian, kondisi ini juga menimbulkan risiko terkait ketimpangan tata kelola, legitimasi jangka panjang, dan keberlanjutan pasar.*

<sup>1</sup>Korespondensi Penulis:  
[tutur.wicaksono@ciputra.ac.id](mailto:tutur.wicaksono@ciputra.ac.id)

**Kata kunci:** Ambiguitas institusional; ekonomi digital informal; tata kelola *platform*; pembentukan pasar; kewirausahaan

## Introduction

Digital technologies have transformed how people start and operate businesses (Paul et al., 2022). Social media platforms, peer-to-peer marketplaces, and digital payment systems enable individuals to transact without physical infrastructure. However, a growing portion of this activity occurs in environments where regulatory frameworks are weak, unclear, or partially absent.

To address conceptual ambiguity, this study introduces and defines the concept of *Unregulated Digital Commerce (UDC)*. UDC refers to digitally mediated market activities that generate sustained economic exchange while operating outside fully formalized state regulatory systems, relying primarily on platform governance and social trust mechanisms rather than formal legal enforcement. This concept differs from the informal economy, which often includes offline subsistence activities (Salvi et al., 2022), from the gig economy which focuses mainly on labor intermediation (Kellogg et al., 2019), and from the broader platform economy which includes fully regulated corporations (Jacobides et al., 2018). UDC specifically captures market formation processes under institutional ambiguity in digitally mediated environments.

Unlike regulated markets, where businesses follow clear laws on taxation, consumer rights, business registration, and product standards, unregulated digital markets operate through informal systems. These systems rely on trust, community relationships, platform rules, and reputation rather than legal contracts and government enforcement (Elias & Gómez, 2025; Wang et al., 2025). In these environments, entrepreneurs do not simply join existing markets. They actively create markets by building customer trust, increasing visibility, forming networks, and organising transactions using digital tools (Hajli et al., 2024). Entrepreneurship in UDC therefore involves constructing the social and technological conditions that enable exchange.

Several systematic reviews have examined digital entrepreneurship, platform ecosystems, or informal entrepreneurship. However, these streams largely develop in parallel rather than in dialogue. Reviews of digital entrepreneurship typically focus on opportunity recognition, innovation processes, and ecosystem development within regulated or semi-formal contexts (Paul et al., 2022; Fernandes et al., 2024). Platform-oriented syntheses address governance design, ecosystem orchestration, and generativity within structured platform environments (Constantinides et al., 2018; Chen et al., 2021; Staub et al., 2022). Research on informal entrepreneurship emphasises institutional voids and legitimacy formation, but often does not place digital infrastructural governance at the centre of analysis (Salvi et al., 2022; Soluk et al., 2021). The overlap of these domains in contexts where digital exchange operates under persistent institutional ambiguity remains insufficiently examined. This review addresses that intersection directly. It conceptualises unregulated digital commerce as a distinct phenomenon in which institutional substitution, platform-mediated coordination, and trust-based governance occur simultaneously. Rather than treating entrepreneurship, platforms, and informality as separate analytical categories, this study integrates them within a single process-based framework to explain how market stability can emerge without strong formal regulation, and why that stability remains inherently fragile.

To address this gap, this study integrates institutional theory, particularly the concept of institutional voids and legitimacy formation, with platform ecosystem theory, which explains how digital infrastructures coordinate multi-sided markets and exercise private governance. By combining these perspectives, the study explains how entrepreneurs substitute formal institutions with trust systems, digital recombination practices, and platform-mediated governance structures.

This study addresses this gap by reviewing research on entrepreneurial innovation in unregulated digital commerce. The aim is to explain:

1. how entrepreneurs create markets when rules are unclear,
2. how digital tools are used to build trust and coordination,
3. how platforms shape power and control,
4. how these systems remain stable or become fragile over time.

## Theoretical Foundation

This study explicitly integrates two main theoretical perspectives to provide a coherent analytical foundation. First, institutional theory explains how markets depend on formal and informal rules, norms, and legitimacy structures. In contexts characterised by institutional voids or regulatory ambiguity, entrepreneurs must substitute absent regulatory structures with alternative coordination mechanisms, trust systems, and legitimacy-building practices (Soluk et al., 2021; Elias & Gómez, 2025). Institutional theory thus provides a lens to understand how markets can function despite weak formal regulation. Second, platform ecosystem theory explains how digital platforms coordinate multi-sided markets through governance rules, algorithms, infrastructural control, and access management (Constantinides et al., 2018; Jacobides et al., 2018). Platforms function as private regulators, structuring visibility, interaction, and exchange while concentrating governance power. By integrating institutional theory and platform ecosystem theory, this study explains how institutional substitution and platform governance interact to produce both functional stability and structural fragility in unregulated digital commerce.

## Methodology

This study conducts a systematic literature review to examine entrepreneurial innovation in unregulated digital commerce. The review follows the Search, Appraisal, Synthesis, and Analysis (SALSA) framework, which provides a clear and structured approach to collecting, selecting, and analysing academic studies (Tranfield et al., 2003; Page et al., 2021). This method ensures that the review process is transparent, organised, and reliable. The review was conducted in four main phases.

### Phase 1: Search Process (S)

- A structured literature search was conducted in two major academic databases, Scopus and Web of Science. Both databases were selected due to their strong coverage of high-quality, peer-reviewed journals. The search strategy combined key terms using Boolean operators (AND/OR). The main keywords included: “digital entrepreneurship,” “entrepreneurial innovation,” “unregulated digital commerce,” “informal digital markets,” “platform entrepreneurship,” “peer-to-peer markets,” “social commerce,” “platform governance,” “trust,” and “legitimacy.” These terms were systematically combined to capture studies at the intersection of digital business models, platform dynamics, and governance-related issues. The search, conducted in January 2026, initially yielded 742 records.
- After removing duplicate entries and screening out clearly irrelevant publications, a refined set of 615 unique articles was identified from the two databases.
- The inclusion criteria were: (a) peer-reviewed journal articles, (b) studies published in English, and (c) articles that explicitly examined entrepreneurship, innovation, or market activity in digitally mediated environments with weak regulation, informal governance, or unclear institutional rules.
- Studies focusing solely on technical system development, general e-commerce without an entrepreneurial focus, or fully regulated digital markets were excluded. Non-peer-reviewed sources, including opinion pieces, industry reports, and dissertations, were also omitted to ensure academic rigour.

### Phase 2: Appraisal of literature

- Each article’s title, abstract, and conclusion were carefully reviewed to assess its relevance to entrepreneurial innovation in unregulated digital commerce. Studies were considered relevant if they addressed at least one of the following: (a) entrepreneurial activity in

- informal or unregulated digital markets, (b) innovation processes enabled by digital technologies, (c) trust and legitimacy formation in online exchange, or (d) platform governance and power relations affecting entrepreneurs.
- Articles that focused primarily on regulated digital platforms or conventional e-commerce without addressing regulatory ambiguity were excluded from further analysis.
  - This screening process resulted in the selection of 79 articles for detailed full-text review.
  - Of the 615 refined publications, these 79 studies were chosen for in-depth analysis based on their direct relevance to entrepreneurial innovation, digital commerce, and governance-light market environments.
  - Articles providing empirical evidence, case studies, conceptual frameworks, or strong theoretical contributions were prioritised. Studies offering important policy or governance insights related to digital markets were also retained.
  - Inclusion criteria:
    - (a) Empirical or strong conceptual studies
    - (b) Focus on digitally mediated exchange
    - (c) Explicit discussion of weak regulation, institutional ambiguity, or informal governance
  - Exclusion criteria:
    - (a) Purely technical system design papers
    - (b) Fully regulated e-commerce contexts
    - (c) Non-peer reviewed material

### **Phase 3: Synthesis of Key Findings**

- The selected publications were systematically reviewed, focusing on how entrepreneurs operate in unregulated digital markets.
- Key findings were recorded when they related to: (a) market creation processes in unregulated digital environments, (b) innovation strategies used by digital entrepreneurs, (c) trust, reputation and legitimacy mechanisms, and (d) platform-based coordination and governance structures.

### **Phase 4: Analysis and Categorization**

- The extracted findings were summarised to identify common entrepreneurial patterns and innovation practices in the literature.
- The results were organised into four main analytical themes: (a) trust creation and legitimacy systems, (b) digital tools and market innovation, (c) platform governance and power imbalance, and (d) informal governance and institutional substitution.
- The final stage of the analysis focused on identifying the most relevant studies for conceptual integration and synthesis.
- Following this refinement process, a core set of 32 articles was retained for final synthesis and interpretation in the Results section. These studies form the main analytical foundation of the review.

## Results

Following this refinement process, a core set of 32 articles was retained for final synthesis and interpretation in the Results section. These studies form the main analytical foundation of the review.

### **Entrepreneurial Innovation and Market Creation in Unregulated Digital Commerce**

The reviewed studies consistently show that entrepreneurs in unregulated digital commerce do not merely operate within existing markets. Instead, they actively build the structures that make markets possible (Heeks et al., [2021](#); Bejjani et al., [2023](#)). Digital platforms provide technical systems, but entrepreneurs create the social and economic order that enables transactions (Lado et al., [2024](#); Costabile, [2024](#)). This means they design ways for people to meet, communicate, build trust, and exchange value even when government regulation is weak or unclear (Heeks et al., [2021](#); Prasetyo, [2024](#)).

Research on platform markets explains that digital platforms coordinate buyers and sellers through system design, rules, and network effects (Lado et al., [2024](#); Cutolo & Kenney, [2021](#)). Platforms connect different user groups and facilitate exchange by organising access, visibility, and interaction (Hanisch et al., [2023](#); Bejjani et al., [2023](#)). Entrepreneurs use these structures to create new markets that do not rely on traditional institutions such as physical shops, formal contracts, or business registration systems (Heeks et al., [2021](#); Prasetyo, [2024](#)). Digital ecosystems also play an important role in market creation (Bejjani et al., [2023](#); Lado et al., [2024](#)). Entrepreneurs operate within digital environments where tools, users, and services are connected. This enables them to develop business activities by linking various digital elements, such as social media, payment systems, delivery services, and communication platforms (Hanisch et al., [2023](#); Costabile, [2024](#)). Markets are thus formed through digital coordination rather than formal organisational structures (Cutolo & Kenney, [2021](#); Heeks et al., [2021](#)).

Another important finding is that value creation in these markets is not limited to products or services (Costabile, [2024](#); Bejjani et al., [2023](#)). Entrepreneurs also create value by designing transaction processes, customer journeys, and interaction systems (Lado et al., [2024](#); Hanisch et al., [2023](#)). They shape how customers discover products, communicate with sellers, and complete transactions (Prasetyo, [2024](#); Heeks et al., [2021](#)). This makes market creation a social and organisational process, not only a technical one (Cutolo & Kenney, [2021](#); Bejjani et al., [2023](#)).

Overall, the literature indicates that entrepreneurial innovation in unregulated digital commerce relies heavily on market construction (Heeks et al., [2021](#); Bejjani et al., [2023](#)). Entrepreneurs develop exchange systems, coordination mechanisms, and interaction spaces to replace formal institutions (Costabile, [2024](#); Prasetyo, [2024](#)). Consequently, markets arise through digital design, social interaction, and platform coordination rather than state regulation (Lado et al., [2024](#); Hanisch et al., [2023](#)).

### **Trust, reputation, and legitimacy systems**

Trust is one of the most important foundations of unregulated digital commerce (Wongkitrungrueng & Assarut, [2020](#); Lu & Chen, [2021](#)). When legal protection and formal enforcement are weak, people need other ways to feel safe when buying and selling online (Heeks et al., [2021](#); Benson et al., [2020](#)). The reviewed studies show that trust, reputation, and legitimacy systems replace many functions normally provided by law and regulation (Barach et al., [2020](#); Cutolo & Kenney, [2021](#)).

Digital trust systems operate in several ways. First, platform design creates structured environments where users feel safer because transactions follow predictable processes (Lu & Chen, [2021](#); Hanisch et al., [2023](#)). Payment systems, dispute mechanisms, and standardised procedures reduce uncertainty (Barach et al., [2020](#); Benson et al., [2020](#)). Second, reputation systems enable users to evaluate sellers and buyers based on past behaviour (Benson et al., [2020](#);

Wongkitrungrueng & Assarut, 2020). Reviews, ratings, and feedback scores serve as signals of reliability and honesty (Lu & Chen, 2021; Barach et al., 2020).

Social interaction also plays a key role. In social commerce and community-based markets, trust develops through repeated communication, shared networks, and personal relationships (Wongkitrungrueng & Assarut, 2020; Lu & Chen, 2021). Buyers often rely on social connections and community approval rather than formal guarantees (Heeks et al., 2021; Cutolo & Kenney, 2021). This creates social accountability, where bad behaviour leads to exclusion from the community (Benson et al., 2020; Barach et al., 2020).

Legitimacy is closely linked to trust. Legitimacy means that market activities are regarded as acceptable and normal by users, even if they are not fully legal or formally regulated (Heeks et al., 2021; Cutolo & Kenney, 2021). Entrepreneurs build legitimacy by presenting their businesses as professional, reliable, and socially acceptable (Wongkitrungrueng & Assarut, 2020; Lu & Chen, 2021). Over time, repeated successful transactions create a sense of normality and stability (Benson et al., 2020; Barach et al., 2020).

Together, trust, reputation, and legitimacy systems create informal governance structures (Heeks et al., 2021; Cutolo & Kenney, 2021). These systems do not rely on courts or regulators, yet they organise behaviour, control risk, and support stable exchange (Barach et al., 2020; Benson et al., 2020). This explains how unregulated digital markets can function stably even without strong formal institutions (Lu & Chen, 2021; Wongkitrungrueng & Assarut, 2020).

### **Causal mechanism of institutional substitution and market stabilisation**

The previous subsection outlines the core elements of trust and informal governance. The literature, however, goes further. It shows how these elements interact over time and gradually produce stability under institutional ambiguity. Stability in unregulated digital markets does not emerge instantly. It develops. What begins as uncertainty is slowly transformed into patterned exchange through a series of reinforcing steps.

#### *Step 1. Institutional ambiguity generates uncertainty.*

When rules are unclear and legal enforcement is weak, buyers and sellers face genuine risk. Contracts are difficult to enforce. Consumer protection may be absent. Fraud, non-delivery, or opportunistic behaviour become plausible threats. Under such conditions, large-scale exchange should stall. Yet it does not.

#### *Step 2. Entrepreneurs introduce initial trust cues.*

To make transactions possible, entrepreneurs signal credibility. They disclose identity, communicate consistently, provide product evidence, respond promptly, and display transparency in pricing. These actions do not eliminate risk, but they reduce it enough for initial transactions to occur. Exchange becomes “safe enough,” though not perfectly safe.

#### *Step 3. Platforms structure the transaction process.*

Platforms then standardise how exchange unfolds: search, contact, payment, delivery, confirmation. The sequence becomes familiar. Messaging systems, payment tools, and dispute features embed basic safeguards. Over time, this structured flow functions like a routine. Even without state regulation, interaction follows a predictable pattern.

#### *Step 4. Reputation systems stabilise expectations.*

Past behaviour is converted into visible signals: ratings, reviews, feedback scores. These aggregated traces reduce information asymmetry. Trust shifts from purely personal judgement to system-supported evaluation. Users no longer rely solely on intuition; they rely on history.

#### *Step 5. Repetition produces informal enforcement.*

As transactions accumulate, norms emerge. Participants learn what is acceptable and what is not. Community pressure reinforces these norms. Poor behaviour leads to negative reviews, exclusion,

or reputational damage. Because future income depends on continued participation, these informal sanctions carry weight.

*Step 6. Platform governance makes enforcement tangible.*

Platforms control visibility, ranking, and access. They can promote compliant actors or demote violators. Accounts can be limited or suspended. Algorithms quietly shape opportunity. This is not state law, but it has consequences. Dependence on platform infrastructure turns governance into a credible enforcement mechanism.

*Step 7. Legitimacy builds through repeated success.*

When transactions repeatedly conclude without major failure, participation starts to feel normal. What was initially uncertain becomes routine. Users perceive the market as workable, even if it remains outside full regulation. Psychological barriers decrease. Participation grows.

*Step 8. Stability remains conditional.*

This stability is never absolute. It depends on functioning reputation systems, consistent platform rules, and credible enforcement. Sudden algorithm changes, governance asymmetry, inconsistent moderation, or public scandals can weaken trust quickly. Stability can erode as fast as it formed.

In short, trust and platforms substitute for formal institutions through a layered process: reducing uncertainty, routinising exchange, signalling reliability, and enforcing behaviour via infrastructural control. Stability is not imposed from above; it is built transaction by transaction, then maintained through repetition and platform power.

## **Digital tools and innovation practices**

Innovation in unregulated digital commerce is primarily practical and adaptive, rather than technological in the traditional sense (Fan et al., [2021](#); Meurer et al., [2022](#)). Entrepreneurs rarely develop new digital technologies; instead, they use existing tools in novel and creative ways (Bogers et al., [2022](#); Belitski et al., [2023](#)). Social media platforms, messaging apps, online marketplaces, and digital payment systems serve as the basic building blocks of business activity (Appel et al., [2020](#); Meurer et al., [2022](#)). Digital tools lower the barriers to entry for entrepreneurship (Belitski et al., [2023](#); Meurer et al., [2022](#)). People can start businesses with very little capital, limited infrastructure, and minimal formal support (Fan et al., [2021](#); Bogers et al., [2022](#)). This enables many individuals to become entrepreneurs who would not be able to start businesses in traditional markets (Meurer et al., [2022](#); Belitski et al., [2023](#)). Innovation occurs through experimentation and learning (Fan et al., [2021](#); Belitski et al., [2023](#)). Entrepreneurs test ideas, modify strategies, and adjust practices based on customer feedback and platform responses (Bogers et al., [2022](#); Appel et al., [2020](#)). Business models are not fixed; they evolve through daily practice, making innovation a continuous rather than a planned process (Meurer et al., [2022](#); Fan et al., [2021](#)).

Another important process is recombination. Entrepreneurs combine different digital resources to create new forms of value (Bogers et al., [2022](#); Belitski et al., [2023](#)). For example, they link social media marketing with digital payments and platform logistics (Appel et al., [2020](#); Meurer et al., [2022](#)). These combinations generate new business models without the need for complex technological development (Bogers et al., [2022](#); Fan et al., [2021](#)). Digital tools thus act as flexible infrastructure, allowing entrepreneurs to adapt quickly to changing market conditions, platform rules, and customer preferences (Belitski et al., [2023](#); Meurer et al., [2022](#)). Innovation becomes a process of adjustment, learning, and recombination, rather than formal research and development (Bogers et al., [2022](#); Fan et al., [2021](#)). This explains why unregulated digital commerce is dynamic and fast-changing (Appel et al., [2020](#); Meurer et al., [2022](#)).

## **Platform governance and power relations**

Although these markets are described as unregulated, they are not without control (Cutolo & Kenney, 2021; Kellogg et al., 2020). Digital platforms act as private regulators, shaping how markets operate (Helberger et al., 2020; Van Dijck, 2020). They define rules, control access, manage visibility, and structure interactions between users (Jacobides et al., 2021; Staub et al., 2022). This gives platforms significant influence over entrepreneurs (Cutolo & Kenney, 2021; Kellogg et al., 2020). Platforms govern markets through technical systems and policies (Helberger et al., 2020; Van Dijck, 2020). Algorithms determine which sellers are (Staub et al., 2022; Kellogg et al., 2020). Rules specify what can be sold and how transactions occur (Jacobides et al., 2021; Helberger et al., 2020). System design shapes user interactions (Van Dijck, 2020; Staub et al., 2022). These forms of control are often invisible but highly powerful (Kellogg et al., 2020; Cutolo & Kenney, 2021). This creates strong dependence. Entrepreneurs rely on platforms for customers, income, and market access, yet have limited influence over platform decisions (Cutolo & Kenney, 2021; Jacobides et al., 2021). Platforms can change rules, fees, or algorithms at any time, creating uncertainty and risk for small entrepreneurs (Staub et al., 2022; Van Dijck, 2020).

Power imbalance is therefore a central feature of unregulated digital commerce (Cutolo & Kenney, 2021; Kellogg et al., 2020). Platforms control the infrastructure, data, and rules, while entrepreneurs depend on these systems to survive (Jacobides et al., 2021; Helberger et al., 2020). This can create opportunities for growth but also vulnerability and instability (Van Dijck, 2020; Staub et al., 2022). Platforms sometimes adapt to informal economic practices, especially in emerging markets (Heeks et al., 2021; Prasetyo, 2024). This enables more people to participate in digital commerce but also increases regulatory uncertainty (Helberger et al., 2020; Cutolo & Kenney, 2021). As a result, platform governance creates both inclusion and risk, opportunity and instability (Van Dijck, 2020; Kellogg et al., 2020). Overall, the literature shows that unregulated digital commerce is governed not by the state but by platforms (Jacobides et al., 2021; Helberger et al., 2020). Market order is produced through platform rules, technical systems, and social trust rather than formal regulation (Cutolo & Kenney, 2021; Staub et al., 2022).

## **Structural risks and long-term sustainability challenges**

Although unregulated digital commerce can achieve functional stability through trust systems and platform coordination, the literature makes clear that this stability is structurally uneven and potentially fragile. Platforms act as infrastructural gatekeepers, controlling access, visibility, and data, and creating pronounced power asymmetries between platform owners and dependent entrepreneurs (Constantinides et al., 2018; Jacobides et al., 2018; Cutolo & Kenney, 2020). Algorithmic governance intensifies this imbalance. Visibility rankings, steering mechanisms, and incentive structures shape market outcomes without transparent justification, embedding governance in code and system design (Barach et al., 2020; Kellogg et al., 2019; Van Dijck, 2020; Chen et al., 2021). Entrepreneurs often adjust their behaviour to align with platform incentives rather than long-term strategic goals, reinforcing dependency and reducing autonomy (Cutolo & Kenney, 2020; Yao et al., 2022). Reputation systems, while capable of disciplining opportunism (Benson et al., 2019), may entrench inequality through cumulative advantage effects, where early visibility and positive reviews disproportionately benefit established actors.

Trust in these environments is also shaped by interface design and affective cues (Lu & Chen, 2021; Tuncer, 2021), so declines in platform credibility or perceived fairness can rapidly erode market confidence. Beyond individual vulnerability, broader sustainability concerns arise. Digital entrepreneurial ecosystems evolve quickly and often depend on temporary affordances, regulatory gaps, or shifting network effects (Belitski et al., 2021; Soluk et al., 2021; Bejjani et al., 2023). Platforms increasingly assume quasi-regulatory roles (Eliás & Gómez, 2025; Helberger et al., 2017), yet their governance lacks democratic accountability, raising questions about legitimacy and moral responsibility (Gilbert et al., 2024; Lobschat et al., 2021). Over time, network concentration may amplify inequality and limit mobility within digital ecosystems (Elia et al., 2019; Nambisan et

al., 2019). Thus, the mechanisms that enable coordination and innovation in unregulated digital markets simultaneously generate structural vulnerability, concentrated authority, and uncertain long-term sustainability.

### **Contextual contingencies and institutional variation**

The patterns identified in this review are recurrent but not context-free. Unregulated digital commerce does not function identically across all institutional environments. The intensity and consequences of institutional substitution vary with regulatory strength, economic development, and platform maturity. In emerging and developing economies, institutional voids are often deeper and more persistent (Soluk et al., 2021; Heeks et al., 2021). In these settings, platforms frequently assume functions otherwise performed by the state, including coordination, dispute mediation, and access to market infrastructure (Elias & Gómez, 2025). Trust systems and platform governance thus become primary stabilising mechanisms rather than supplementary ones. Market participation may expand rapidly as digital infrastructures compensate for weak formal institutions.

The situation differs in highly regulated economies, where unregulated digital commerce tends to operate alongside stronger legal enforcement and consumer protection. Institutional substitution is partial, not foundational. Platform governance still shapes visibility and opportunity, and algorithmic control remains significant (Kellogg et al., 2019; Cutolo & Kenney, 2020), yet regulatory oversight can moderate extreme asymmetries. Dependence persists, but its effects are filtered through existing institutional constraints.

Platform scale and ecosystem maturity are also important. Global, highly concentrated platforms generate different dependency structures from those of locally embedded or emerging platforms (Constantinides et al., 2018; Nambisan et al., 2019). Network effects in dominant ecosystems can amplify hierarchy and lock-in, whereas smaller or fragmented environments may allow greater flexibility but less stability.

For these reasons, the mechanisms identified in this review appear structurally general yet institutionally contingent. Institutional substitution, trust-based coordination, and platform governance recur across contexts. However, their durability, distributional consequences, and social impact depend on the surrounding regulatory and economic environment.

### **Conclusion**

This systematic review demonstrates that unregulated digital commerce is not chaotic. It is organised, but differently so. Markets form through deliberate action by entrepreneurs, supported by digital tools and structured by platform governance. Entry alone is insufficient. Participants build visibility, establish trust, and coordinate transactions until exchange becomes repeatable. Regulation is not absent; it is reconfigured.

Trust, reputation, and legitimacy assume roles typically associated with formal institutions. When legal enforcement is weak, users and platforms construct alternative safeguards. Ratings accumulate. Reviews circulate. Repeated interactions create expectations. Over time, these routines reduce uncertainty and shape behaviour. Market order emerges from digital systems and social reinforcement rather than direct state oversight.

Innovation in this environment is rarely about invention; it is about recombination. Entrepreneurs connect existing platforms, payment systems, messaging tools, and community spaces into workable arrangements. They test, adjust, and iterate. Business models shift through practice rather than formal research and development. This explains the speed and flexibility that characterise unregulated digital markets.

At the same time, these markets are not neutral spaces. Platform governance is embedded in infrastructure. Algorithms determine exposure. Rules define participation. Access can expand or disappear rapidly. Entrepreneurs rely on these systems for income and survival, yet they rarely shape the rules that govern them. Stability therefore rests on dependence. Trust routines create continuity, but concentrated control introduces vulnerability.

By bringing together digital entrepreneurship, informal market research, and platform governance studies, this review clarifies how stability can emerge under institutional ambiguity. Unregulated digital commerce is neither marginal nor transitional. It is a structured mode of coordination, sustained through institutional substitution and infrastructural authority.

The theoretical contribution lies in demonstrating that market order does not require strong formal regulation, that governance can be enacted through digital architecture, and that innovation may arise from practical recombination rather than technological breakthrough. The framework proposed here also makes clear that stability and fragility are not opposites; they coexist within the same system.

This leads to a more focused research agenda. Longitudinal designs could trace how trust-based coordination evolves and identify when institutional substitution begins to weaken under regulatory intervention. Comparative studies across legal systems would clarify whether platform dependence produces greater income volatility in emerging economies than in tightly regulated contexts. Micro-level empirical work should examine how algorithmic ranking influences adaptation strategies, exposure cycles, and survival probabilities. Policy shifts, fee restructuring, or moderation changes offer natural experiments for analysing how legitimacy and user trust respond to governance adjustments. Theoretically, further integration between institutional theory and algorithmic governance research could model digital infrastructures as evolving quasi-regulatory regimes rather than passive coordination tools.

## References

- Abbas, S., Alnoor, A., Yin, T. S., Sadaa, A. M., Muhsen, Y. R., Khaw, K. W., & Ganesan, Y. (2023). Antecedents of trustworthiness of social commerce platforms: A case of rural communities using multi group SEM & MCDM methods. *Electronic Commerce Research and Applications*, 62, 101322. <https://doi.org/10.1016/j.elerap.2023.101322>
- Appel, G., Grewal, L., Hadi, R., & Stephen, A. T. (2019). The future of social media in marketing. *Journal of the Academy of Marketing Science*, 48(1), 79–95. <https://doi.org/10.1007/s11747-019-00695-1>
- Barach, M. A., Golden, J. M., & Horton, J. J. (2020). Steering in online markets: the role of platform incentives and credibility. *Management Science*, 66(9), 4047–4070. <https://doi.org/10.1287/mnsc.2019.3412>
- Bejjani, M., Göcke, L., & Menter, M. (2023). Digital entrepreneurial ecosystems: A systematic literature review. *Technological Forecasting and Social Change*, 189, 122372. <https://doi.org/10.1016/j.techfore.2023.122372>
- Belitski, M., Korosteleva, J., & Piscitello, L. (2021). Digital affordances and entrepreneurial dynamics: New evidence from European regions. *Technovation*, 119, 102442. <https://doi.org/10.1016/j.technovation.2021.102442>
- Benson, A., Sojourner, A., & Umyarov, A. (2019). Can Reputation Discipline the Gig Economy? Experimental Evidence from an Online Labor Market. *Management Science*, 66(5), 1802–1825. <https://doi.org/10.1287/mnsc.2019.3303>
- Bogers, M. L. a. M., Garud, R., Thomas, L. D. W., Tuertscher, P., & Yoo, Y. (2021). Digital innovation: transforming research and practice. *Innovation*, 24(1), 4–12. <https://doi.org/10.1080/14479338.2021.2005465>
- Camps, C., Kraus, S., Thomas, A., Tiberius, V., & Jones, P. (2025). Digital Entrepreneurship: A review, research synthesis, and development of a framework. *Technology in Society*, 84, 103124. <https://doi.org/10.1016/j.techsoc.2025.103124>

- Chen, L., Tong, T. W., Tang, S., & Han, N. (2021). Governance and Design of Digital Platforms: a review and Future Research Directions on a Meta-Organization. *Journal of Management*, 48(1), 147–184. <https://doi.org/10.1177/01492063211045023>
- Constantinides, P., Henfridsson, O., & Parker, G. G. (2018). Introduction—Platforms and Infrastructures in the Digital Age. *Information Systems Research*, 29(2), 381–400. <https://doi.org/10.1287/isre.2018.0794>
- Costabile, C. (2023). Digital platform ecosystem governance of private companies: Building blocks and a research agenda based on a multidisciplinary, systematic literature review. *Data and Information Management*, 8(1), 100053. <https://doi.org/10.1016/j.dim.2023.100053>
- Cutolo, D., & Kenney, M. (2020). Platform-Dependent Entrepreneurs: power asymmetries, risks, and strategies in the platform economy. *Academy of Management Perspectives*, 35(4), 584–605. <https://doi.org/10.5465/amp.2019.0103>
- Dahlander, L., Gann, D. M., & Wallin, M. W. (2021). How open is innovation? A retrospective and ideas forward. *Research Policy*, 50(4), 104218. <https://doi.org/10.1016/j.respol.2021.104218>
- Elia, G., Margherita, A., & Passiante, G. (2019). Digital entrepreneurship ecosystem: How digital technologies and collective intelligence are reshaping the entrepreneurial process. *Technological Forecasting and Social Change*, 150, 119791. <https://doi.org/10.1016/j.techfore.2019.119791>
- Elias, A., & Gómez, G. M. (2025). Digital platforms as institutional actors in the Global South – Evidence from India’s informal sector. *Digital Geography and Society*, 9, 100146. <https://doi.org/10.1016/j.diggeo.2025.100146>
- Fan, T., Schwab, A., & Geng, X. (2021). Habitual entrepreneurship in digital platform ecosystems: A time-contingent model of learning from prior software project experiences. *Journal of Business Venturing*, 36(5), 106140. <https://doi.org/10.1016/j.jbusvent.2021.106140>
- Fernandes, A. J. C., Ferreira, J. J., Fernandes, C. I., & Kraus, S. (2024). Digital Entrepreneurship: theoretical foundations, methods, and trends. *Foundations and Trends® in Entrepreneurship*, 20(6), 574–678. <https://doi.org/10.1561/03000000122>
- Fernandes, C., Ferreira, J. J., Veiga, P. M., Kraus, S., & Dabić, M. (2022). Digital entrepreneurship platforms: Mapping the field and looking towards a holistic approach. *Technology in Society*, 70, 101979. <https://doi.org/10.1016/j.techsoc.2022.101979>
- Gilbert, D. U., Schrage, S., & Behnam, M. (2024). Advancing the Moral legitimacy of digital platforms as gatekeepers: a critical analysis from a political corporate social responsibility perspective. *Journal of Business Economics*, 94(7–8), 1115–1145. <https://doi.org/10.1007/s11573-024-01200-z>
- Hajli, N., Baydarova, I., & Nisar, T. (2024). Digital entrepreneurial ecosystem: the role of the sharing economy in driving innovation. *Entrepreneurship and Regional Development*, 37(5–6), 785–815. <https://doi.org/10.1080/08985626.2024.2444908>
- Hanisch, M., Goldsby, C. M., Fabian, N. E., & Oehmichen, J. (2023). Digital governance: A conceptual framework and research agenda. *Journal of Business Research*, 162, 113777. <https://doi.org/10.1016/j.jbusres.2023.113777>
- Heeks, R., Gomez-Morantes, J. E., Graham, M., Howson, K., Mungai, P., Nicholson, B., & Van Belle, J. (2021). Digital platforms and institutional voids in developing countries: The case of ride-hailing markets. *World Development*, 145, 105528. <https://doi.org/10.1016/j.worlddev.2021.105528>
- Helberger, N., Pierson, J., & Poell, T. (2017). Governing online platforms: From contested to cooperative responsibility. *The Information Society*, 34(1), 1–14. <https://doi.org/10.1080/01972243.2017.1391913>

- Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal*, 39(8), 2255–2276. <https://doi.org/10.1002/smj.2904>
- Jiang, H., Yang, J., & Gai, J. (2022). How digital platform capability affects the innovation performance of SMEs—Evidence from China. *Technology in Society*, 72, 102187. <https://doi.org/10.1016/j.techsoc.2022.102187>
- Johnson, N. E., Short, J. C., Chandler, J. A., & Jordan, S. L. (2022). Introducing the contentpreneur: Making the case for research on content creation-based online platforms. *Journal of Business Venturing Insights*, 18, e00328. <https://doi.org/10.1016/j.jbvi.2022.e00328>
- Kang, K., Lu, J., Guo, L., & Li, W. (2020). The dynamic effect of interactivity on customer engagement behavior through tie strength: Evidence from live streaming commerce platforms. *International Journal of Information Management*, 56, 102251. <https://doi.org/10.1016/j.ijinfomgt.2020.102251>
- Kellogg, K. C., Valentine, M. A., & Christin, A. (2019). Algorithms at Work: the new contested terrain of control. *Academy of Management Annals*, 14(1), 366–410. <https://doi.org/10.5465/annals.2018.0174>
- Lado, A., Castro-Abancens, I., Moreno-Menéndez, A. M., & Casillas, J. C. (2024). Traditional and digital entrepreneurial ecosystems: a framework of differences and similarities. *Journal of Global Entrepreneurship Research*, 14(1). <https://doi.org/10.1007/s40497-024-00404-5>
- Lobschat, L., Mueller, B., Eggers, F., et al. (2021). Corporate digital responsibility. *Journal of Business Research*, 122, 875–888. <https://doi.org/10.1016/j.jbusres.2019.10.006>
- Lu, B., & Chen, Z. (2021). Live streaming commerce and consumers' purchase intention: An uncertainty reduction perspective. *Information & Management*, 58(7), 103509. <https://doi.org/10.1016/j.im.2021.103509>
- Meurer, M. M., Waldkirch, M., Schou, P. K., Bucher, E. L., & Burmeister-Lamp, K. (2021). Digital affordances: how entrepreneurs access support in online communities during the COVID-19 pandemic. *Small Business Economics*, 58(2), 637–663. <https://doi.org/10.1007/s11187-021-00540-2>
- Milone, F. L., Paolucci, E., & Raguseo, E. (2025). Do digital platforms create entrepreneurial opportunities? Evidence from marginal areas. *Strategic Entrepreneurship Journal*. <https://doi.org/10.1002/sej.1542>
- Nambisan, S., Zahra, S. A., & Luo, Y. (2019). Global platforms and ecosystems: Implications for international business theories. *Journal of International Business Studies*, 50(9), 1464–1486. <https://doi.org/10.1057/s41267-019-00262-4>
- Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., Shamseer, L., Tetzlaff, J. M., Akl, E. A., Brennan, S. E., Chou, R., Glanville, J., Grimshaw, J. M., Hróbjartsson, A., Lalu, M. M., Li, T., Loder, E. W., Mayo-Wilson, E., McDonald, S., . . . Moher, D. (2021). The PRISMA 2020 statement: an updated guideline for reporting systematic reviews. *BMJ*, 372, n71. <https://doi.org/10.1136/bmj.n71>
- Paul, J., Alhassan, I., Binsaif, N., & Singh, P. (2022). Digital entrepreneurship research: A systematic review. *Journal of Business Research*, 156, 113507. <https://doi.org/10.1016/j.jbusres.2022.113507>
- Plaza-Casado, A., Blanco-González, A., Rivero-Gutiérrez, L., & Gómez-Martínez, R. (2023). Does the legitimacy of countries influence the internationalization of emerging market multinationals. *European Research on Management and Business Economics*, 30(1), 100233. <https://doi.org/10.1016/j.iedeen.2023.100233>
- Prasetyo, E. H. (2023). Digital platforms' strategies in Indonesia: Navigating between technology and informal economy. *Technology in Society*, 76, 102414. <https://doi.org/10.1016/j.techsoc.2023.102414>

- Salvi, E., Belz, F., & Bacq, S. (2022). Informal Entrepreneurship: an Integrative review and future Research agenda. *Entrepreneurship Theory and Practice*, 47(2), 265–303. <https://doi.org/10.1177/10422587221115365>
- Sarkar, S., & Mateus, S. (2024). Distributed bricolage – The affordances of digital technologies towards a collaborative entrepreneurial agency response to COVID-19. *The International Journal of Entrepreneurship and Innovation*. <https://doi.org/10.1177/14657503241245610>
- Senali, M. G., Iranmanesh, M., Ghobakhloo, M., Foroughi, B., Asadi, S., & Rejeb, A. (2024). Determinants of trust and purchase intention in social commerce: Perceived price fairness and trust disposition as moderators. *Electronic Commerce Research and Applications*, 64, 101370. <https://doi.org/10.1016/j.elerap.2024.101370>
- Soluk, J., Kammerlander, N., & Darwin, S. (2021). Digital entrepreneurship in developing countries: The role of institutional voids. *Technological Forecasting and Social Change*, 170, 120876. <https://doi.org/10.1016/j.techfore.2021.120876>
- Staub, N., Haki, K., Aier, S., & Winter, R. (2022). Governance Mechanisms in Digital platform ecosystems: Addressing the Generativity-Control Tension. *Communications of the Association for Information Systems*, 51, 906–939. <https://doi.org/10.17705/1cais.05137>
- Taylor-Wesselink, K., & Teulon, F. (2021). The interaction and influence of digital and non-digital structures, cultures and social norms on entrepreneurship. *Canadian Journal of Administrative Sciences / Revue Canadienne Des Sciences De L Administration*, 39(3), 244–258. <https://doi.org/10.1002/cjas.1639>
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing Evidence-Informed management knowledge by means of systematic review. *British Journal of Management*, 14(3), 207–222. <https://doi.org/10.1111/1467-8551.00375>
- Tuncer, I. (2021). The relationship between IT affordance, flow experience, trust, and social commerce intention: An exploration using the S-O-R paradigm. *Technology in Society*, 65, 101567. <https://doi.org/10.1016/j.techsoc.2021.101567>
- Van Dijck, J. (2020). Seeing the forest for the trees: Visualizing platformization and its governance. *New Media & Society*, 23(9), 2801–2819. <https://doi.org/10.1177/1461444820940293>
- Wang, C., Huang, J., & Wu, S. (2025). An empirical study on assessing the role of digital platforms in shaping entrepreneurial opportunities. *Journal of Organizational and End User Computing*, 37(1), 1–22. <https://doi.org/10.4018/joeuc.386843>
- Wang, J., Shahzad, F., Ahmad, Z., Abdullah, M., & Hassan, N. M. (2022). Trust and Consumers' purchase intention in a social Commerce Platform: A Meta-Analytic Approach. *SAGE Open*, 12(2). <https://doi.org/10.1177/21582440221091262>
- Wongkitrungrueng, A., & Assarut, N. (2018). The role of live streaming in building consumer trust and engagement with social commerce sellers. *Journal of Business Research*, 117, 543–556. <https://doi.org/10.1016/j.jbusres.2018.08.032>
- Yao, Q., Baker, L. T., & Lohrke, F. T. (2022). Building and sustaining trust in remote work by platform-dependent entrepreneurs on digital labor platforms: Toward an integrative framework. *Journal of Business Research*, 149, 327–339. <https://doi.org/10.1016/j.jbusres.2022.05.046>
- Zhu, L., Li, H., Wang, F., He, W., & Tian, Z. (2020). How online reviews affect purchase intention: a new model based on the stimulus-organism-response (S-O-R) framework. *Aslib Journal of Information Management*, 72(4), 463–488. <https://doi.org/10.1108/ajim-11-2019-0308>