

eISSN: 2981-1554

Original Article (Qualitative)

Identifying the Dimensions and Components of Competitive Advantage and Innovation in the Policy Framework for the Creation and Development of Digital Entrepreneurship in Knowledge-Based Companies

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Receive:

06 August 2025

Revise:

07 November 2025

Accept:

20 February 2026

Abstract

The purpose of this study is to identify the dimensions and components of competitive advantage and innovation within the policy framework for creating and developing digital entrepreneurship in knowledge-based companies. This research is applicable in terms of purpose, and qualitative in terms of methodology. The statistical population consists of 15 experts, including university faculty members in management and managers of knowledge-based firms located in Kerman. Considering participants' diversity (managers, faculty members, and employees), a purposive sampling method was employed, and interviews continued until theoretical saturation was reached. Data were collected through semi-structured interviews and analyzed using coding and thematic analysis, facilitated by MAXQDA software.

The findings reveal that the most significant themes in this domain include research and development, adoption of emerging technologies, creation of digital business models, data-driven decision-making, digital networking, cybersecurity, development of e-commerce, digital management and online human-resource systems, development of digital markets, digital investment, and attraction of digital financial resources. These results indicate that digital entrepreneurship in knowledge-based firms encompasses multiple dimensions that can contribute to enhanced performance and competitiveness.

Keywords:

Competitive Advantage, Innovation, Entrepreneurship, Digital Entrepreneurship, Digital Management, Digital Networking

Please cite this article as (APA): Jazinizadeh, M., Mohammad Bagheri, M., Shokooh, Z. and Salajegheh, S. (2026). Identifying the Dimensions and Components of Competitive Advantage and Innovation in the Policy Framework for the Creation and Development of Digital Entrepreneurship in Knowledge-Based Companies. *Journal of New Approaches in Management and Marketing*, 4(4), 209-235.



<https://doi.org/10.22034/jnamm.2026.539554.1112>



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Publisher: Research Center of Resource Management Studies and Knowledge-Based Business

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Extended Abstract

Introduction

With the expansion of digital technologies and their prominent role in the global economy, digital entrepreneurship has emerged as a key driver of economic and social development. In this context, knowledge-based businesses—relying on innovation and competitive advantages—possess significant potential for value creation and sustainable development. However, the absence of a comprehensive and effective policy model for establishing and developing digital entrepreneurship in such firms represents a major challenge (Bagaini et al., 2022).

As an emerging and rapidly evolving field, digital entrepreneurship requires specialized operational models tailored to the needs and characteristics of knowledge-based enterprises. Many existing models have been designed in a general form and do not sufficiently address the specific context of digital entrepreneurship or the distinct nature of knowledge-based firms. This lack of operational models often leads to confusion and difficulties in implementing digital entrepreneurship strategies (Merín-Rodríguez et al., 2024).

Innovation and competitive advantage are two critical factors in the success of knowledge-based companies within the realm of digital entrepreneurship. Innovation is a key driver of growth for firms, enabling them to achieve future successes and providing a mechanism through which businesses can sustain their presence in the global economy (Sung & Kim, 2021). It helps companies secure competitive advantages in uncertain environments, outperform competitors; and ultimately influences long-term organizational performance. Innovation is also the primary factor contributing to business growth (Eshkor Vakili & Nojabaei, 2022). The innovation process requires effective management and efficient use of resources and technologies. The lack of an effective model for managing and implementing innovation can diminish competitive capability and hinder the realization of a firm's full potential.

Competitive advantage refers to a firm's ability to, compared to its competitors, deliver greater value to customers. Knowledge-based businesses, particularly those engaged in technology and innovation, must identify and leverage their competitive advantages. However, many such firms face challenges in recognizing, analyzing, and operationalizing these advantages. These challenges often stem from the absence of an integrated and practical framework for analyzing and exploiting competitive advantages (Hoang & Böckel, 2024).

Accordingly, the central question of this study is: How can the dimensions and components of competitive advantage and innovation be identified within the policy framework for creating and developing digital entrepreneurship in knowledge-based companies?

Theoretical Framework

Digital Entrepreneurship

Digital entrepreneurship refers to the process of creating and developing businesses that primarily focus on digital technologies and technology-based business models. This type of entrepreneurship involves utilizing the internet, digital software, online platforms, and emerging technologies to establish, launch, and grow new ventures (Sharma, 2022).

Competitive Advantage

Competitive advantage refers to an organization's ability to create higher value than its competitors and achieve market superiority. This advantage enables organizations to differentiate themselves from rivals by leveraging unique resources and capabilities; thereby gaining a larger market share (Teece, 2020).

Mir Jalali et al. (2025) investigated the design of a customer relationship management development model and the role of sustainable competitive advantage in sports clubs in Gilan province. The research findings indicated that 469 indicators could be effective in customer relationship management with an emphasis on sustainable competitive advantage in sports clubs in Gilan province. Subsequently, in the axial coding of indicators, they were categorized into 105 concepts and 41 categories. The data obtained from interviews were analyzed using the grounded theory approach. The results showed that seven main categories—Marketing, Organizational Environment, Infrastructure, Performance, Management and Planning, Service Quality, and Relationship Management—are important for optimizing the customer relationship management system to develop CRM with an emphasis on sustainable competitive advantage. Managers of sports clubs can utilize the identified indicators, concepts, and categories in their future planning for effective customer engagement.

Abhkiz et al. (2024) examined the presentation of a competitive advantage model with a pioneering approach in Iran's aviation industry. The results indicated that having an appropriate network and scope of air routes, flights, and airport services in the country; the possibility (capability) of technological sharing for producing modern aircraft; the technical and technological capabilities of the industry for pioneering; possessing strategic management vision and abilities for the industry to lead; having experience in joint cooperation with international consultants, companies, and governments; the willingness of statesmen and decision-makers in the industry to be pioneers; commitment to strategic plans by industry managers for pioneering; the aviation industry's learning, adaptation, and future-gazing capabilities for pioneering; possessing skills and expertise among managers and human resources in the industry for pioneering; the number and composition of the air transport fleet; and having cohesive, integrated, and strategic marketing and branding plans in the industry have the most influence among variables on competitive advantage for pioneering.

Research Methodology

In terms of its objective, the research methodology is applicable; and in terms of execution, it is qualitative. The statistical population of the research includes 15 experts, university professors in management, and managers of knowledge-based companies in Kerman city. For sample selection, considering the diversity of experts (managers, professors, and staff), a purposive sampling method was used, and interviews continued until theoretical saturation was achieved. Semi-structured interviews were used for data collection.

Research Findings

For data analysis, coding and thematic analysis methods were employed, utilizing the Maxqda software. The results indicated that the most significant themes in this domain include Research and Development (R&D), utilization of new technologies, creation of digital business models, data-driven decision-making, digital networking, cybersecurity, e-commerce development, digital management and online human resources, digital market development, digital investment, and digital fundraising. These findings suggest that digital entrepreneurship in knowledge-based companies encompasses various dimensions that can contribute to improving the performance and competitiveness of these firms.

Conclusion

The present research was conducted with the aim of identifying the dimensions and components of competitive advantage and innovation in the policy-making for the creation and development of digital entrepreneurship in knowledge-based companies. These findings

are consistent with the results of previous studies by Mir Jalali et al. (2025), Abhkiz et al. (2024), Hosseini et al. (2023), Masah Choolabi et al. (2023), Porter & Kramer (2023), Teece (2022), Snihur et al. (2022), Fartash (2022), Nambisan & Baron (2021), and Ciriello et al. (2021). Hosseini et al. (2023) have shown that challenges such as technological limitations and legal institutions, along with digital market opportunities, are considered the main barriers and opportunities for digital entrepreneurship in Iran.

Based on the research findings, the following suggestions are provided:

Establish digital infrastructures for online sales and customer acquisition through various platforms. These models should be designed to cover the specific needs of particular customers and markets.

Create an online system for collecting, evaluating, and implementing suggestions. This system can assist companies in identifying new market needs and improving internal services and processes.