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Digitalization and Institutional Context in Entrepreneurial Internationalization: An Evolutionary Review of Shifting Logics (2015–2025)

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Abstract
Entrepreneurial internationalization has increasingly unfolded in environments shaped by rapid digital transformation and diverse institutional conditions. While prior research acknowledges the importance of digitalization and institutional context, these forces are often examined in isolation or treated as static influences. As a result, it remains unclear how their roles have evolved over time and how their interaction has reshaped entrepreneurial opportunity recognition and internationalization processes. This study addresses this gap by conducting an evolutionary review of international entrepreneurship research published

between 2015 and 2025. Adopting a longitudinal and interpretive perspective, the review traces shifting logics in how digitalization and institutional context have been conceptualized across three phases of development. The analysis shows that digitalization evolves from a supportive enabler of cross-border activity, to a mechanism of strategic reconfiguration, and ultimately into a structural force that actively interacts with institutions by generating both new opportunities and new forms of friction. In parallel, institutional context shifts from being treated as a relatively stable background condition to being understood as a dynamic source of constraint, uncertainty, and entrepreneurial advantage. By synthesizing these developments, this review makes three contributions. First, it reframes entrepreneurial internationalization as an evolving process shaped by the co-evolution of digital capabilities, institutional environments, and entrepreneurial agency. Second, it clarifies why digitalization does not uniformly reduce institutional barriers, but often amplifies institutional frictions and governance challenges, particularly in digitally mediated and institutionally diverse markets. Third, it advances an integrative understanding of opportunity recognition as a temporally dynamic and contextually embedded phenomenon, and outlines directions for future research that emphasize longitudinal, comparative, and process-oriented approaches to studying entrepreneurial internationalization in the digital era.
Keywords: Entrepreneurial Internationalization, Digitalization, Institutional Context; International Entrepreneurship, Opportunity Recognition, Evolutionary Review

Introduction

In recent years, entrepreneurial internationalization has increasingly taken place within environments characterized by rapid digital transformation and pronounced institutional complexity. Digital technologies such as online platforms, data analytics, and digitally mediated marketplaces have significantly lowered traditional barriers to cross-border activity, enabling entrepreneurial firms to access foreign markets and engage international customers with unprecedented speed and flexibility (Reuber et al., 2018; Vadana et al., 2020; Yang et al., 2023). At the same time, entrepreneurs continue to operate within diverse institutional environments shaped by regulatory frameworks, governance structures, and socio-economic conditions that vary substantially across countries (Terjesen et al., 2016; Kahiya, 2020). The coexistence of digital expansion and institutional heterogeneity has fundamentally reshaped not only how entrepreneurial firms internationalize, but also how international opportunities are recognized and constructed.

Understanding this transformation is of growing importance for both scholarship and practice. Entrepreneurial internationalization plays a critical role in innovation diffusion and economic development, particularly in small and open economies and emerging markets (Terjesen et al., 2016; Kahiya, 2020). At the same time, recent studies have questioned whether existing international entrepreneurship frameworks—many of which were developed under assumptions of relatively stable institutions—remain adequate for explaining entrepreneurial behavior in digitally mediated and institutionally diverse contexts (Zucchella, 2021; Chakravarty et al., 2021). These concerns highlight the need for a more integrative and temporally sensitive understanding of entrepreneurial internationalization.

Early research in international entrepreneurship primarily emphasized opportunity pursuit across national borders, focusing on entrepreneurial orientation, networks, and learning processes (Oparaocha, 2015; Reuber et al., 2018). Within this stream, institutional context was commonly treated as a relatively stable background condition, while digital technologies were largely framed as supportive or efficiency-enhancing tools rather than as forces capable of reshaping internationalization processes (Reuber et al., 2018; Vadana et al., 2020). Although this literature provided important foundational insights, it offers only a partial understanding of contemporary entrepreneurial internationalization, where digitalization and institutional diversity increasingly interact.

Since the mid-2010s, a growing body of research has explicitly addressed digitalization and institutional context as central elements shaping entrepreneurial internationalization. Studies have demonstrated how digital platforms and digital capabilities reshape international market entry, learning trajectories, and network formation (Vadana et al., 2020; Yang et al., 2023). In parallel, institutional research has highlighted how governance quality, regulatory environments, and institutional support systems influence internationalization outcomes (Terjesen et al., 2016; Hua et al., 2022). More recent contributions further suggest that digitalization does not uniformly reduce institutional barriers, but may amplify institutional frictions, governance challenges, and legitimacy concerns in digitally mediated cross-border markets (Hamrabadi et al., 2025; Secinaro et al., 2025).

Despite these advances, existing research remains fragmented. Digitalization and institutional context are often examined in isolation or treated as additive influences, offering limited insight into how their interaction shapes entrepreneurial internationalization processes (Chakravarty et al., 2021; Nave & Ferreira, 2022). Moreover, much of the literature adopts cross-sectional perspectives, providing little understanding of how scholarly interpretations of digitalization and institutional context have evolved over time (Ahmed & Brennan, 2021). As a result, it remains unclear how digitalization has progressively altered the role of institutions in entrepreneurial internationalization and how this evolving interaction has reshaped opportunity recognition logics.

Addressing these gaps, the present study conducts an evolutionary review of international entrepreneurship research published between 2015 and 2025, focusing on the co-evolution of digitalization and institutional context in entrepreneurial internationalization. Rather than summarizing prior studies thematically, the review adopts a longitudinal and interpretive perspective to trace shifts in dominant conceptualizations across three developmental phases. In doing so, it reveals how digitalization evolves from a supportive enabler of cross-border activity, to a mechanism of strategic reconfiguration, and ultimately into a structural force that actively interacts with institutional environments by generating both new opportunities and new forms of friction. In parallel, institutional context shifts from being treated as a relatively stable background condition to being understood as a dynamic source of constraint, uncertainty, and entrepreneurial advantage.

By synthesizing these developments, this study makes three contributions to international entrepreneurship and broader social science debates. First, it reframes entrepreneurial internationalization as an evolving process shaped by the interaction between digital capabilities, institutional environments, and entrepreneurial agency, rather than by any single factor in isolation. Second, it clarifies why digitalization does not uniformly alleviate institutional barriers, but often reshapes and intensifies institutional frictions, particularly in digitally mediated and institutionally diverse markets. Third, it advances an integrative understanding of opportunity recognition as a temporally dynamic and contextually embedded phenomenon, and outlines directions for future research that emphasize longitudinal, comparative, and process-oriented approaches to studying entrepreneurial internationalization in the digital era.

The remainder of the paper is structured as follows. The next section reviews the international entrepreneurship literature through an evolutionary lens, identifying key conceptual shifts across three phases. This is followed by a discussion that synthesizes theoretical and practical implications. The paper concludes by outlining future research directions and broader implications for entrepreneurs and policymakers operating in digitally enabled and institutionally diverse international markets.

Literature Review: An Evolutionary Perspective on Digitalization and Institutional Context

Phase 1: Digitalization under Institutional Stability (2015–2018)

Research on entrepreneurial internationalization during the period from 2015 to 2018 laid the conceptual foundations of the field, with a primary focus on opportunity pursuit across national borders and the role of entrepreneurial actors in driving international expansion. During this stage, digitalization was not yet positioned as a central analytical construct. Instead, digital technologies were implicitly treated as supportive tools that facilitated communication, coordination, and access to information, rather than as forces capable of reshaping internationalization processes. Institutional environments, in turn, were commonly conceptualized as relatively stable background conditions that either constrained or enabled entrepreneurial activities.

Early studies emphasized the importance of networks, institutional embeddedness, and entrepreneurial agency in shaping internationalization outcomes. Oparaocha (2015), for example, highlighted how institutional networks support small and medium sized enterprises in overcoming liabilities of foreignness, stressing the role of relational ties within specific institutional settings. Similarly, Terjesen et al. (2016) advanced a comparative international entrepreneurship perspective, underscoring how national level institutional differences influence entrepreneurial activity across countries. These contributions reinforced the view that institutions matter, but largely as contextual variables rather than as dynamic forces interacting with firm level strategies.

At the firm level, research during this period continued to develop core concepts related to international entrepreneurial behavior. Zhang et al. (2016) examined how entrepreneurial characteristics, ownership structures, and network ties jointly influence the internationalization of Chinese SMEs, while Etemad (2017) proposed a multilayered conceptual framework that integrated individual, firm, and environmental levels of analysis. Although such frameworks acknowledged environmental complexity, digitalization was still largely absent as an explicit theoretical lens. Reuber et al. (2018) further consolidated the field by framing international entrepreneurship as the pursuit of opportunities across borders, emphasizing learning, experimentation, and opportunity recognition, without explicitly considering how digital infrastructures might alter these processes.

Overall, the early phase of research treated entrepreneurial internationalization as a process driven primarily by entrepreneurial intent, human capital, and network relationships, operating within relatively stable institutional contexts. The limited attention to digitalization and the static treatment of institutions represent key limitations of this period. These gaps would later motivate scholars to reconsider how technological change and institutional diversity jointly influence entrepreneurial internationalization.

Phase 2: Digital–Institutional Reconfiguration (2019–2021)
Between 2019 and 2021, international entrepreneurship research entered a transitional phase characterized by a growing recognition of digitalization and institutional diversity as central elements shaping entrepreneurial internationalization. During this period, scholars increasingly moved beyond static views of context and began to examine how digital tools, learning mechanisms, and institutional conditions interact to influence internationalization pathways.

A notable shift involved the incorporation of human capital and learning perspectives into analyses of international entrepreneurial behavior. Jafari-Sadeghi et al. (2020) demonstrated that education, knowledge, and foresight competencies significantly shape entrepreneurial internationalization outcomes, highlighting how individual level attributes interact with broader institutional environments. Complementing this view, Jafari-Sadeghi et al. (2020) further showed that home country institutional contexts condition the effectiveness of entrepreneurial human capital, suggesting that institutions play a more active role than previously assumed. These studies marked a departure from earlier approaches by explicitly linking micro level capabilities with macro level institutional factors.

At the same time, research began to address digitalization more directly. Vadana et al. (2020) examined how digitalization influences international entrepreneurship and marketing, showing that digital technologies enable firms to reconfigure international market engagement and customer interaction. Rather than serving merely as efficiency enhancing tools, digital technologies were increasingly framed as mechanisms that shape learning, opportunity recognition, and market entry strategies. Kahiya (2020) further emphasized the importance of contextual factors by examining entrepreneurial internationalization from a small open economy, reinforcing the argument that internationalization processes cannot be fully understood without accounting for institutional and environmental specificities.

The COVID-19 pandemic acted as a critical external shock that accelerated these conceptual developments. Etemad (2021) reflected on the evolutionary trends of international entrepreneurship in the context of the global crisis, arguing that the pandemic intensified reliance on digital tools while simultaneously exposing institutional vulnerabilities. Review based contributions during this period also highlighted growing methodological diversity and called for greater integration across theoretical perspectives (Ahmed & Brennan, 2021). Zucchella (2021) synthesized prior research and emphasized the need to reassess international entrepreneurship theories in light of digital transformation and environmental turbulence.

Taken together, the 2019–2021 period represents a reorientation of the field, during which digitalization and institutional diversity began to be recognized as interrelated forces shaping entrepreneurial internationalization. However, research remained somewhat fragmented, with limited attention to how these forces evolve over time or interact in different institutional settings.

Phase 3: Digitalization as an Institutional Interface (2022–2025)

From 2022 onward, international entrepreneurship research has increasingly conceptualized digitalization as a structural force that fundamentally reshapes entrepreneurial internationalization, rather than as a peripheral or supportive element. In parallel, institutional contexts have been reframed as dynamic sources of both friction and opportunity, prompting more nuanced analyses of their interaction with digital technologies. Recent studies have highlighted how institutional interfaces influence the momentum of entrepreneurial internationalization. Hua et al. (2022) introduced the notion of institutional friction arising at the intersection of domestic and international institutions, demonstrating how such frictions shape internationalization trajectories. Nummela et al. (2022) further explored the interplay between entrepreneurial and non entrepreneurial internationalization, illustrating how firms navigate hybrid pathways under varying institutional conditions. These contributions reflect a growing emphasis on process oriented and context sensitive perspectives.

At the same time, digitalization has emerged as a central organizing principle of entrepreneurial internationalization. Yang et al. (2023) showed how entrepreneurs' social ties support international digital entrepreneurial marketing, emphasizing the role of digital platforms in mediating cross border relationships. Clark and Pidduck (2024) moved beyond definitional debates surrounding international new ventures, arguing for greater attention to how contemporary technological and institutional conditions shape entrepreneurial action. Studies focusing on resilience and business model innovation further underscored the strategic importance of digital capabilities in uncertain environments (Sadeghi et al., 2024).
A particularly notable development in this phase is the growing attention to governance related challenges. Hamrabadi et al. (2025) introduced the concept of digital governance voids, highlighting how gaps in regulatory frameworks and institutional oversight affect entrepreneurial internationalization in digitally mediated markets. Similarly, Secinaro et al. (2025) examined the role of new technologies in bridging borders while simultaneously intensifying intercultural and institutional complexity. Research conducted in emerging market contexts has also demonstrated how digital marketplaces enable internationalization while exposing entrepreneurs to new institutional constraints and legitimacy challenges (Romli et al., 2025).

In parallel, review studies and research agendas have increasingly called for integrative and longitudinal approaches. Chakravarty et al. (2021) and Nave and Ferreira (2022) emphasized the need to move toward a next generation of international entrepreneurship research that explicitly addresses temporal dynamics, technological change, and institutional heterogeneity. Collectively, recent studies reflect a maturation of the field, characterized by a more holistic understanding of entrepreneurial internationalization as an evolving process shaped by the interaction between digitalization and institutional context.

Discussion: Integrating Digitalization and Institutional Context in Entrepreneurial Internationalization

Building on the evolutionary review, this section synthesizes prior research by identifying three interrelated theoretical shifts that collectively reframe how entrepreneurial internationalization has been understood over the past decade. Rather than reiterating individual study findings, the discussion focuses on how dominant logics have evolved over time, and how digitalization and institutional context have become increasingly intertwined in shaping entrepreneurial opportunity recognition and internationalization processes (Zucchella, 2021; Chakravarty et al., 2021).

Shift 1: From Institutions as Background Conditions to Institutions as Dynamic Frictions

This framework helps reconcile previously fragmented findings by showing that digitalization does not uniformly reduce institutional constraints. Instead, its effects are contingent upon institutional configurations, market maturity, and governance structures. Consequently, entrepreneurial internationalization outcomes cannot be fully understood without considering how digital and institutional forces co evolve.

Early research on international entrepreneurship predominantly treated institutions as relatively stable background conditions that enabled or constrained cross-border entrepreneurial activity. Regulatory quality, governance systems, and institutional support mechanisms were typically modeled as exogenous factors influencing internationalization outcomes, such as speed, scope, or performance (Terjesen et al., 2016; Oparaocha, 2015). Within this perspective, institutions defined the "rules of the game," but rarely entered into the core explanation of how entrepreneurial internationalization unfolded over time.

The literature reviewed in this study points to a clear departure from this static view. More recent research increasingly conceptualizes institutions as dynamic sources of friction, uncertainty, and strategic differentiation that actively shape entrepreneurial decision-making processes (Hua et al., 2022; Kahiya, 2020). Rather than being merely obstacles to overcome, institutional differences across home and host countries influence how entrepreneurs interpret risk, evaluate legitimacy, and sequence their internationalization moves. This shift is particularly evident in digitally mediated contexts, where cross-border activities expose ventures to overlapping regulatory regimes, governance gaps, and institutional misalignments that evolve as digital business models scale (Hamrabadi et al., 2025).

Importantly, this reconceptualization does not suggest that institutions uniformly hinder entrepreneurial internationalization. Instead, it highlights that institutions can become sources of entrepreneurial advantage for firms capable of navigating institutional complexity more effectively than competitors. In this sense, institutions are no longer passive background conditions, but active elements that shape the direction, pace, and form of entrepreneurial internationalization.

As illustrated in Figure 1, digitalization and institutional context are best understood as co-evolving forces rather than independent determinants of internationalization outcomes.

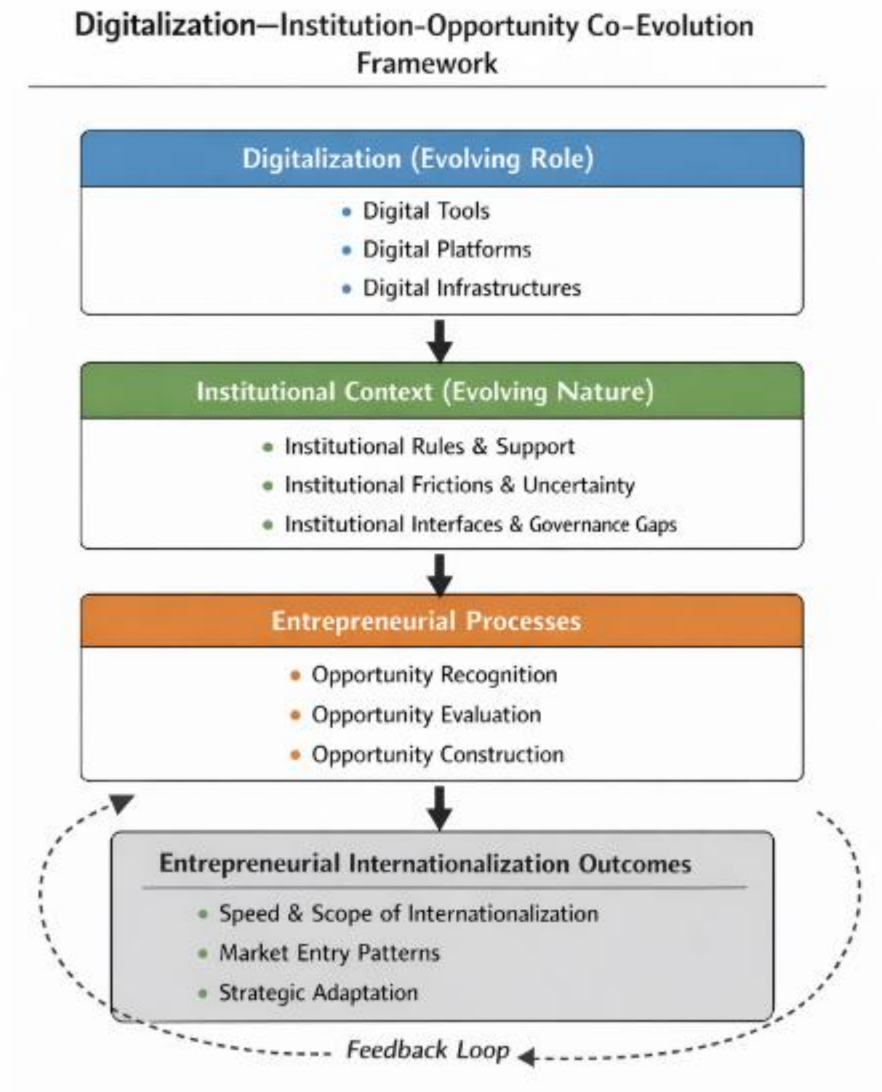

Figure 1. Digitalization–Institution–Opportunity Co-Evolution Framework

Shift 2: From Digitalization as an Enabling Tool to Digitalization as an Institutional Force

A second major shift in the international entrepreneurship literature concerns the evolving conceptualization of digitalization. Earlier studies predominantly framed digital technologies as enabling tools that reduced transaction costs, facilitated communication, and expanded access to foreign markets, particularly for resource-constrained entrepreneurial firms (Reuber et al., 2018; Vadana et al., 2020). Within this perspective, digitalization supported internationalization processes while largely operating within existing institutional arrangements.

More recent research, however, has moved beyond this instrumental view. Digitalization is increasingly understood as a structural force that actively reshapes institutional environments and the conditions under which entrepreneurial internationalization unfolds. Studies focusing on digital platforms, data-driven business models, and digitally mediated market exchanges demonstrate that digital technologies interact directly with regulatory frameworks, governance structures, and legitimacy mechanisms (Yang et al., 2023; Secinaro et al., 2025). Rather than uniformly lowering institutional barriers, digitalization often amplifies institutional frictions by exposing entrepreneurial firms to multiple jurisdictions, regulatory ambiguity, and new forms of governance risk, particularly in institutionally diverse or weakly regulated contexts (Hamrabadi et al., 2025).

This reconceptualization challenges the implicit assumption that digitalization naturally simplifies international expansion. Instead, the reviewed literature suggests that digitalization and institutional context co-evolve over time. Digital technologies reshape how institutions are enacted, enforced, and experienced in cross-border markets, while institutional arrangements condition the risks, opportunities, and strategic consequences of digital strategies. As a result, entrepreneurial internationalization increasingly takes place within a complex digital–institutional interface, rather than along a linear trajectory of technological facilitation.

To consolidate these insights and to highlight remaining gaps in the literature, the following subsection synthesizes key empirical patterns and limitations observed across the three evolutionary phases reviewed in this study.

Cross-Phase Synthesis and Key Limitations in Existing Research

While recent studies have made significant progress in integrating digitalization and institutional context into explanations of entrepreneurial internationalization, several persistent limitations remain evident across the literature. First, a strong reliance on cross-sectional research designs continues to constrain understanding of how digitalization and institutional influences unfold dynamically over time. Although review-based studies have repeatedly emphasized the importance of longitudinal and process-oriented approaches, empirical research capturing temporal change and path-dependent dynamics remains limited (Ahmed & Brennan, 2021; Nave & Ferreira, 2022).

Second, the geographical distribution of empirical evidence remains uneven. Much of the existing research focuses on developed economies, while comparatively fewer studies examine entrepreneurial internationalization in emerging or institutionally volatile contexts. This imbalance is particularly problematic given that digitalization often plays a more transformative role in settings characterized by institutional voids, regulatory uncertainty, and weak governance structures (Kahiya, 2020; Hamrabadi et al., 2025).

Third, although the interaction between digitalization and institutional context is increasingly acknowledged, it is frequently treated implicitly rather than theorized explicitly. Digital technologies and institutional conditions are often modeled as separate explanatory variables, which contributes to fragmented findings and inconsistent conclusions regarding the effectiveness of digital strategies across institutional settings (Chakravarty et al., 2021; Clark & Pidduck, 2024). As summarized in Table 1, these limitations point to the need for more integrative and theoretically grounded research designs that explicitly address the co-evolution of digital and institutional forces in entrepreneurial internationalization.

Table 1
Evolution of Research Focus and Key Limitations in Entrepreneurial Internationalization (2015–2025)

Period	Dominant Focus	Treatment of Digitalization	Treatment of Institutions	Key Limitations
2015–2018	Opportunity pursuit and networks	Implicit enabling tool	Static background context	Limited integration, minimal digital focus
2019–2021	Learning and contextual diversity	Emerging strategic role	Conditioning variable	Fragmentation, cross sectional designs
2022–2025	Digital platforms and governance	Structural force	Dynamic friction and opportunity	Limited longitudinal and comparative analysis

This consolidated assessment reinforces the argument that understanding entrepreneurial internationalization in the digital era requires moving beyond static and additive models toward process-oriented, comparative, and longitudinal approaches capable of capturing evolving digital–institutional dynamics.

Shift 3: From Static Opportunity Recognition to Context-Embedded Opportunity Construction
The third theoretical shift concerns the nature of opportunity recognition in entrepreneurial internationalization. Traditional perspectives often conceptualized international opportunities as relatively stable and objectively identifiable, assuming that entrepreneurs "discover" opportunities through superior information, experience, or network access (Reuber et al., 2018). In such approaches, opportunity recognition was typically examined independently of broader technological and institutional dynamics.

More recent research, however, increasingly portrays opportunity recognition as a dynamic and contextually embedded process shaped by ongoing interaction between entrepreneurs, digital infrastructures, and institutional environments (Etemad, 2021; Zucchella, 2021). Digitalization alters how information is generated, interpreted, and acted upon, while institutional contexts shape the legitimacy, feasibility, and sustainability of entrepreneurial action. As a result, opportunities are not simply discovered but constructed through iterative processes of interpretation, experimentation, and adaptation.

This perspective highlights the temporal dimension of opportunity recognition. As digital technologies evolve and institutional conditions shift, entrepreneurial judgments about international opportunities are continuously revised. Studies emphasizing institutional friction and digital governance challenges further illustrate how opportunity construction is shaped by uncertainty and learning rather than by static evaluation criteria (Hua et al., 2022; Sadeghi et al., 2024). Opportunity recognition in entrepreneurial internationalization thus emerges as an evolving process embedded within changing digital and institutional landscapes.

Integrative Implications: Entrepreneurial Internationalization as a Co-Evolutionary Process
Taken together, these three shifts suggest that entrepreneurial internationalization is best understood as a co-evolutionary process shaped by the interaction between digitalization, institutional context, and entrepreneurial agency. Digital technologies reshape institutional

interfaces; institutional arrangements condition the deployment and consequences of digital strategies; and entrepreneurs actively interpret and navigate these dynamics in constructing international opportunities (Etemad, 2017; Nave & Ferreira, 2022).

This integrative perspective helps reconcile fragmented findings in the existing literature by demonstrating why digitalization does not uniformly reduce institutional barriers, and why similar digital strategies may lead to divergent internationalization outcomes across contexts. By foregrounding co-evolution rather than isolated effects, the review provides a more coherent theoretical foundation for understanding entrepreneurial internationalization in the digital era and offers a basis for future research that is more longitudinal, comparative, and process-oriented.

Drawing on the evolutionary analysis and critical assessment, three priority directions for future research emerge. First, future studies should adopt longitudinal and process oriented designs to examine how digital capabilities and institutional influences co evolve over time. Such approaches are essential for capturing causal mechanisms and path dependent dynamics that remain obscured in cross sectional analyses (Ahmed & Brennan, 2021).

Second, greater emphasis should be placed on comparative and multi country studies that explicitly address institutional heterogeneity. Examining how similar digital strategies generate different internationalization outcomes across institutionally distant contexts would deepen understanding of contextual contingencies and boundary conditions (Terjesen et al., 2016; Hua et al., 2022).

Third, future research should further theorize the interaction between digitalization and institutional context by developing integrative frameworks that explain how digital technologies reshape institutional arrangements and how institutions condition the deployment and consequences of digital strategies. Table 2 outlines a future research agenda that links key research themes with appropriate methods and contextual settings, responding directly to recent calls for next generation international entrepreneurship research (Chakravarty et al., 2021; Nave & Ferreira, 2022).

Priority theme	Representative research questions	Suggested methods	Recommended contexts/samples	Expected contribution
Digitalization as a structural force	How do platform-based capabilities reshape internationalization pathways over time?	Longitudinal process designs; event-based or panel approaches	SMEs scaling via cross-border platforms; multi-year datasets	Explains path dependence and mechanism evolution
Institutional friction and interfaces	When does institutional friction slow, redirect, or accelerate entrepreneurial internationalization?	Comparative multi-country studies; mixed-method comparisons	Institutionally distant market pairs; emerging vs developed contexts	Identifies boundary conditions and contextual contingencies
Digital governance voids	How do governance gaps affect risk, legitimacy, and compliance in digital internationalization?	Multi-case studies; qualitative comparative analysis; policy mapping	Digitally mediated sectors with uneven regulation	Clarifies governance risks and institutional adaptation strategies
Digital resilience and business models	How do ventures build resilience through digital capabilities under shocks and turbulence?	Longitudinal case studies; triangulation with archival/survey data	Post-crisis and volatile institutional environments	Links resilience, adaptation, and sustained performance
Social ties in digital internationalization	How do social ties and networks change when international marketing becomes digitally mediated?	Network analysis; sequential mixed methods	International digital entrepreneurial marketing settings	Reframes network mechanisms under digital mediation

Conclusion

This narrative review examined how digitalization and institutional context have jointly reshaped entrepreneurial internationalization between 2015 and 2025. By adopting an evolutionary perspective, the study demonstrates that international entrepreneurship research has undergone a clear conceptual transition. Early studies primarily treated digital technologies as supportive tools and institutions as relatively stable background conditions. Over time, however, digitalization has come to be understood as a structural force that reshapes opportunity recognition, market entry strategies, and international growth trajectories, while institutional contexts are increasingly conceptualized as dynamic sources of friction, constraint, and opportunity (Zucchella, 2021; Etemad, 2021).

Three overarching evolutionary patterns can be identified. First, the role of digitalization has shifted from a peripheral enabler to a central organizing mechanism of entrepreneurial internationalization, particularly through digital platforms and data driven business models (Vadana et al., 2020; Yang et al., 2023). Second, the treatment of institutional context has evolved from static descriptions toward more nuanced interpretations that emphasize institutional diversity, governance gaps, and regulatory friction (Hua et al., 2022; Hamrabadi et al., 2025). Third, and most importantly, recent research increasingly recognizes the interdependence between digitalization and institutional context, suggesting that their effects cannot be meaningfully examined in isolation (Chakravarty et al., 2021; Nave & Ferreira, 2022).

By synthesizing these developments, this review contributes to international entrepreneurship research in several ways. Conceptually, it offers an integrated understanding of entrepreneurial internationalization as a dynamic process embedded in both technological and institutional environments. Methodologically, it highlights persistent limitations in existing research, including the dominance of cross sectional designs and limited use of longitudinal and comparative approaches (Ahmed & Brennan, 2021). Substantively, it helps explain why similar digital strategies may produce divergent internationalization outcomes across institutional settings.

Looking forward, future research should prioritize longitudinal designs, comparative institutional analysis, and stronger theorization of digital–institutional interaction. Addressing these directions would enhance the theoretical coherence and empirical rigor of international entrepreneurship research, while providing more actionable insights for entrepreneurs and policymakers operating in digitally mediated and institutionally diverse global markets.

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