



Factors Affecting Entrepreneurship Opportunity Recognition in Platform Businesses

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Introduction and Problem Statement

Media entrepreneurship as a consequence of digital media technologies is a good opportunity for economic growth in developing countries (Khajeheian, 2013). Achtenhagen (2017) believes that before trying to define media entrepreneurship, the difference between media entrepreneurship and entrepreneurship in other areas should be considered. This difference according to Hoag and Compaine (2012) is the difference between media entrepreneurs in setting up an independent content business with a specific profitability model. For Witt et al. (2016) this difference is in the product itself, which is digitizing and immaterializing more than other industries. The scholars state that media products that are immaterial (like television waves) are usually dependent on a material base (such as television).



Media businesses operating in the form of platform businesses are a kind of business that has flourished in recent years. This growth in the field of platform business in Iran is quite evident and it can be said that in recent years these businesses have flourished a lot. As business platforms are new and growing businesses, many of propellers of

these businesses are in the process of being formed. Such a way that every day, these businesses produce a variety of products and their innovation rates are high. Therefore, studying this field is important in order to identify the factors affecting it. One of the important factors in the field of entrepreneurship as well as media entrepreneurship is the identification of entrepreneurship opportunities. The correct identification of opportunities in the media industry by media entrepreneurs can further boost this industry. In this paper, the authors focus on media businesses that operate in the form of platform businesses and seek to identify factors that are effective in identifying entrepreneurial opportunities in these types of businesses.

Conceptual Framework

Puhakka et al. (2010) identified the opportunity recognition as the compilation of dimensions such as competitive dynamics (information gathering and analysis), the pioneering search for opportunities of future values (a summary picture of the future), and the creation of an innovative way for opportunity creation which are associated with different economic activities. When people encounter new situations or events, they compare them with specific examples of related concepts stored in their memory. While some of the stimuli in the outer world are so transparent that they are identified by everyone, many others are not so clear and are more likely to be identified with more uncertainty, which depends on the factors that will be considered in this paper.

Several factors have been introduced to identify entrepreneurial opportunities. In many studies, entrepreneurial alertness is one of the most important factors. Many researchers have emphasized the impact of alertness on the process of identifying entrepreneurial opportunities. Kirzner (1979) is one of the key scholars in the field of identifying entrepreneurial opportunities. He introduced the alertness as the ability to recognize new opportunities without looking for opportunities that have previously been neglected by others. Kirzner saw this alertness as an entrepreneur's ability to identify opportunities that others have not been able to identify.

According to Kirzner, Gaglio, and Katz (2011), there is a distinct difference between entrepreneurs and others is about what each individual chooses to pay attention to.



Moreover, the difference is how much each person appreciate the value of new information and what it means. In this regard, they state that these differences arise from the fact that the entrepreneur makes up his mental model of the market by using another mental model (alertness) that leads the entrepreneur's mind to stimuli or any clues of change or unusual circumstances. (Gaglio & Winter, 2017). So, the first question is what is the relationship between media entrepreneurs' alertness and the opportunities recognition in the field of platform business?

Previous knowledge has been recognized as one of the other factors influencing the process of identifying opportunities. Previous knowledge sensitizes the entrepreneurs' mindset about getting and identifying entrepreneurial opportunities and attracting the attention of entrepreneurs to the opportunity identification. In other words, prior knowledge affects the entrepreneur's mental plan. Ronstadt (1988) proposed for the first time the phrase "knowledge corridor". This phrase means that the prior knowledge of the individual is the key corridor to tracking and identifying the value of new opportunities (Wang et al., 2013).

Abolhasani (2017) presented a model for the role of market knowledge and its dimensions in identifying and exploiting entrepreneurial opportunities, prior knowledge of customer problems, special interests, relevant experience, the ability to use prior industry knowledge and experience, individual insight and incremental learning, identifying new markets, developing knowledge, storing knowledge of the individual, introducing a practical search for new information and systematic exploration of knowledge corridors as a criterion for the opportunity recognition. Nickrafter and Hosseini (2016) also examine the impact of prior knowledge on entrepreneurial opportunity recognition, and assume that the four dimensions of prior knowledge of technology, market, customer problems, and customer service delivery have a significant impact on the identification of entrepreneurial opportunities.

Researchers have the second question of what is the relationship between the prior knowledge of media entrepreneurs and the recognition of opportunities in the platform businesses.

Interpersonal networks, including weak nodes and strong nodes, facilitate access to extensive information that provides the learning and information flow process to identify more opportunities (Wang et al., 2013). In a variety of communications, social networks are vital in order to exchange of resources, such as information for entrepreneurs. Social communication is established by the nodes of interactive, political and economic communication between multi-agents (Friedrichsen, 2013). Under



uncertain environmental conditions, individual's social networks provide more reliable information, and thus help entrepreneurs to identify opportunities (Manev et al., 2005). Theoretical and empirical analysis presented in the research by Ratajczak Mrozek (2015) refers to the fact that social relations simultaneously encourage the recognition of opportunity and themselves form such an opportunity. These social relationships are not limited to customers and include other people and suppliers.

Tsambou (2016) believes that the entrepreneur's social network is one of the most valuable sources of business. He explains that these networks would facilitate economic activity and enable entrepreneurs to access resources and opportunities. An entrepreneur will raise financial and human resources with social capital. There are opportunities that lead to better exploitation of resources to achieve better performance by connecting with friends, colleagues, and customers. Therefore, individual's social networks provide resources that increase the likelihood of opportunities identifying and recognition.

The third question of this research is about the relationship between the media entrepreneurs' social network and the recognition of opportunities in the field of platform business.

Gielnik et al. (2014) argue that there is a strong link between creativity and the number of opportunities identified by entrepreneurs. Creativity is very important in the process of entrepreneurship. More creative products and services are more likely to offer unique profit to customers or corner the market. Shan and Nicolaou (2014) consider creative personality to identify entrepreneurial opportunities. They believe that people with creative personality are more likely to identify entrepreneurship opportunities. They explain that, although there were previous studies of the relationship between creativity and the creation of a new business, Shan and Nicolaou (2014) identified the relationship between creativity and the identification of entrepreneurial opportunities. Therefore, individual creativity is a personality approach that has a positive impact on identifying opportunities.

The fourth question is what is the relationship between the media entrepreneurs' creativity and the recognition of opportunities in the field of platform businesses?

According to the research findings, these studies have common points in identifying the factors that affect the identification of entrepreneurial opportunities, including alertness, prior knowledge, personality traits and social networks. (Ozgen & Baron, 2007; Moreno



& Victoria, 2008, Mot, 2011; Khajeheian, 2017; Baron, 2004; Achtenhagen, 2017; Gibbs, 2009; Li; Wang & Liang, 2015).

Research Method

The present study has used a qualitative approach to carry out this research. The present study was conducted using the theme analysis method and using the open and semi-structured interviewing tools. The researchers have analyzed their data through an in-depth interview with 16 media entrepreneurs who developed and improved platform businesses and analyzed with the theme analysis method. Since the purpose of this research is to identify the factors that influence the identification of entrepreneurial opportunities in the platform business, the results of the research are presented in the form of the themes that each of these influential factors are introduced and analyzed.

Contribution

After reviewing the literature, the authors have identified that there has not been much work on opportunity identification and opportunity development in the context of media businesses, especially platform businesses. Moreover, given the emergence of this area In Iran, a deep examination of this issue is necessary. The ecosystem of media business in Iran is different from the media business ecosystem in the world (Roshandel Arbatani, 2009). Therefore, as Achtenhagen (2017) emphasized, entrepreneurial opportunities, media entrepreneurship and media start-ups are subjects that should be considered in the cultural, social, and economical contexts of a country. The research gap in this area is not limited to Iran only, and global researchers have expressed the lack of sufficient studies too. Therefore, despite the fact that platform businesses are one of the most important and most prosperous businesses and have a significant place in media entrepreneurship and given that opportunities identification is at the center of the entrepreneurial process, a research to examine effective factors about that have not been taken into account and therefore the results of this research can be applied and efficient in this regard.



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