

A Theoretical Evaluation of the Effects of Social Media on Entrepreneurial Opportunity Evaluation

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ABSTRACT

Recently, there has been a growth in the use of digital technology and social media by individuals, including entrepreneurs, which has changed the way individuals communicate and interact. However, little is known about how the adoption of online social networking has affected entrepreneurial opportunity evaluation. This paper develops a conceptual framework indicating how online social interaction affects opportunity evaluation using the effect of moderators and mediators. The method used is a theoretical evaluation, which culminated into a framework development for further research. The implications of this paper would be a practical way to test how proposed tools for entrepreneurial processes can be tested for effectiveness. The research implications are that it shows a new way of how the theories of effectuation and causation can be tested and the resource based view is combined with the interactionist theory in entrepreneurship literature.

Keywords: Theoretical Evaluation, Social Media, Entrepreneurial Opportunity, Evaluation, Business

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1. INTRODUCTION

Entrepreneurs are vital components to the success of any country as they drive economic growth through innovation and create jobs not only for themselves but for others as well. Venkataraman (1997) defines entrepreneurship as the discovery, evaluation, and exploitation of future goods and services. This means the study of entrepreneurship entails the study of where opportunities come from, how they are discovered, their evaluation and exploitation as well as the individuals who discover, evaluate and exploit these opportunities (Shane and Venkataraman, 2000). Typically the entrepreneurial process entails identification, evaluation and exploitation of potential opportunities.

There is an extant body of entrepreneurial literature that explains how individuals identify and interpret potential opportunities (Baron & Ensley 2006; Cornelissen & Clarke 2010; Autio et al. 2013; Grégoire et al. 2010; Tang et al. 2012) concentrating on how individual attributes and cognitive abilities recognize potential opportunities and interpret them as being potential opportunities either for themselves (1st person opportunities) or for someone else (3rd person opportunities). However opportunities identified do not come fully formed and go through a process of evaluation and refinement (Dimov 2007; Shepherd 2015) before eventually exploited. Yet, opportunity evaluation has been less studied than other components of the entrepreneurial process (Wood and Mckelvie, 2015). To achieve a complete understanding of the entrepreneurial process, evaluation needs to be given more attention (Smith, Kickul and Fiona, 2010).

Studies that are available on opportunity evaluation have not yet researched the impact of online social interaction by entrepreneurs on opportunity evaluation and the resultant outcomes. To give a deeper understanding on how social resources support entrepreneurs (Dimov, 2007), it was found imperative to investigate opportunity evaluation through online interaction because entrepreneurship research has not fully explored the role that digital technologies play in entrepreneurship (Sussan and Acs, 2017). The purpose of this paper is to provide a conceptual framework to understand opportunity evaluation through the eyes of online social interaction using causation and effectuation theories and the resource based view theory. The social media opportunity evaluation framework presumes that an entrepreneur's evaluation is affected by use of online social interaction.

2. LITERATURE REVIEW

2.1 Entrepreneurial Opportunities

Opportunities are central to the study and practice of entrepreneurship (Shane and Eckhart, 2003). The first step in the entrepreneurship process occurs when people perceive favourable business opportunities. There have been variations in the opportunity literature as to the definitions of the construct. Davidsson (2015) noted that about 80% of studies relating to opportunity did not provide a definition. The studies who did had diverging views on its nature and how they relate to entrepreneurs. One of the earliest definitions, defined it as conditions that enable the introduction of new goods, new services and new processes at lower cost and sold at profit (Shane and Venkataraman, 2000; Shane, 2012). Alvarez et al. (2013) said there are opportunities once there are imperfect but competitive market conditions.

Kornish & Ulrich (2011) defined it as an innovative idea which may have value if substantial investment is made. It is also defined by Dimov (2007) as the steady development of an initial idea and its associated actions to a completely formed idea including the start and operation of a new venture. Wood & McKinley (2010) see an opportunity as a subjective idea that has not yet been tested but can be transformed as it progresses steadily and eventually becomes "objective".

2.2 Opportunity Evaluation

Opportunity evaluation is essential in the study of the entrepreneurship process, because an individual takes action to create a venture in order to produce a good or a service only if he is convinced that an imagined future is attractive enough to pursue (Wood and Mckelvie, 2015). Opportunity Evaluation can thus be seen as the bridge between opportunity recognition and exploitation. Conger *et al.*, (2018) found that entrepreneurs face tensions in trying to evaluate the potential opportunities they wish to pursue. Entrepreneurship is a non-linear process, which requires that entrepreneurs make continual adjustments in order to proceed (Alvarez, Barney and Anderson, 2013; Garud and Giuliani, 2013; Muñoz, 2017). Entrepreneurship just like sometimes health issues has a lot of uncertainties, especially for nascent entrepreneurs, which makes decision making a daunting task. Relating decisions in healthcare to decision making in entrepreneurship is the significance of where in both aspects the constraints determines how much of the available resources are going to be allocated to decide to move forward. In other words, decisions are made with inputs from credible sources to minimize the negative consequences and at the same time ensure a better outcome (Sadovykh, Sundaram and Piramuthu, 2015).

It requires time and effort to evaluate and refine to ensure competitive advantage and maximum returns. Entrepreneurial decisions are complex by nature, prompting an instinct to share information and seek relevant advice to aid in good decision making which can sometimes be nasty, narrowed, scattered or unclear (Sadovykh, Sundaram and Piramuthu, 2015). Muñoz (2017) stressed the point that entrepreneurial action involves the interplay of several confounding elements.

2.2 Prior Reviews on Opportunity Evaluation

There are conceptual and empirical studies on opportunity evaluation. Wood & McKelvie (2015) grouped these studies under mental models, Integration, Congruence and Action Orientation.

2.2.1 Mental Models

Entrepreneurs form mental images about ideas and circumstances representing future potential opportunities and then assess how attractive these opportunities could be based on the images created in their minds (Ardichvili *et al.* 2003; Keh *et al.* 2002). Muñoz (2017) puts it simply as cognition acting impacting individual behaviour thereby generating mental models of the world. Researchers point to the fact that opportunity evaluation is a gradual process that develops through individuals using personal experiences and information to create a mental image of the opportunity and use that to assess its viability and attractiveness (Wood and Mckelvie, 2015). Keh *et al.* (2002) established that entrepreneurs use cognitive frameworks to evaluate opportunities. These frameworks were developed using perceived risk influenced by previous experience. In making decisions in relation to whether an idea is an opportunity or not is usually done under uncertainty and this uncertainty pertains to risk because entrepreneurial situations are most often new and unpredictable. The less the perceived risk the more likely that an idea would be favourably evaluated. However uncertainty can be reduced or eliminated by access to information (Keh *et al.* 2002) which can be obtained via online social interaction which provides access to a large amount of information.

2.2.2 Integration

Studies here focused on understanding how individuals incorporate personal dispositions, knowledge and goals into their mental images of potential opportunities. This implies that both circumstances and individual specific factors influence cognition in the evaluation of opportunities (Wood and Mckelvie, 2015). The evaluation of opportunities is more than just an individual economic assessment of circumstances but now integrates other social and cultural contexts such as religious beliefs with entrepreneurial action happening within the social context (Dave 2008). Religious beliefs Dave (2008) found act as a significant determinant of motivation in opportunity evaluation. In other words, religious values are integrated into the assessment process.

Emotions are also integrated into the opportunity evaluation process as emotions cause individuals to see risks differently (Der Foo 2011). Emotion influences risk perception and risk preferences. For instance, entrepreneurs might evaluate an opportunity positively on a pleasant day mainly because of positive emotions on a day but may evaluate the same opportunity negatively on a bad day. Emotion has the ability to influence other processes that affect opportunity evaluation such as information recall or the processing of new information (Der Foo 2011). Opportunity Evaluation can also be affected by gender where men are found to evaluate opportunities more positively more than women (Gupta et al. 2013).

2.2.3 Congruence

This theme drives towards investigating the degree to which there is a match between the individual's mental image of the opportunity and that held by others in relation to the same opportunity (Wood and Mckelvie, 2015). This theme dwells on the premise that it is not just the individual that evaluates potential opportunities but there are other prominent stakeholders like financial investors involved in the decision to pursue an opportunity. The central theme here is the point to which there is a fit between the mental model constructed by stakeholders and that formed by the individual (Wood and Mckelvie, 2015).

Researchers in this theme have mainly centred on how there is congruence between the entrepreneurs evaluations and that of investors (Dimov, 2010; Murnieks *et al.*, 2011). Bammens & Collewaert (2014) added that perceived trust between investors and entrepreneurs influenced the assessment of how a venture would perform. In spite of the fact that congruence has been seen to be an important factor in opportunity evaluation literature, as far as we know there is no study on how the evaluation process should or can be influenced by the congruence between the entrepreneur's mental representations of opportunities and other important stakeholders such as customers and suppliers (Wood and Mckelvie, 2015).

Although there seem to be the different themes in the opportunity evaluation literature, the themes can be brought together in a comprehensive whole in explaining the process of opportunity evaluation. The conception of ideas by individuals can be triggered by events or circumstances and when these ideas are perceived to be a potential opportunity to be exploited by the individual himself then mental representations are constructed. These mental images are then influenced by the individual's existing knowledge and goals.

These images are further shaped by social cognition, where individuals try to incorporate the views of others in their image formation and thus making them congruent with the image held by them (Wood and McKelvie, 2015).

2.3 Factors Affecting Opportunity Evaluation

Some opportunity evaluation studies focused on how mental representations of ideas and circumstances are used to evaluate opportunities (Keh et al. 2002) or how individuals integrate personal knowledge and goals into assessing the viability of a potential opportunity (Wood and Williams, 2014) or fit between the individual's mental image of the opportunity and that held by others (Murnieks *et al.*, 2011). Factors such as uncertainty (McKelvie, Haynie and Gustavsson, 2011), idiosyncratic dispositions (Valliere, 2013), emotions (Foo 2011), prior knowledge (Haynie, Shepherd and McMullen, 2009) and values (Shepherd, Patzelt and Baron, 2013) and role identity (Mathias and Williams, 2017) influence the opportunity evaluation process.

Krueger (2009) intention model points out the factors that affect entrepreneurial intentions in pursuing identified opportunities. These are an individual's attitude towards entrepreneurship, social norms, an individual's ability and collective ability. Social norms refer to the degree to which one sees his behaviour as being consistent with significant others' thoughts. Intentions to pursue a potential opportunity can be likened to evaluation. In their empirical study with Iranian students and Tourism, Esfandiar et al. (2017) found out that the desire towards venture recreation is higher when the attitude toward entrepreneurship is more positive but the impact of social norms has a much bigger effect if the culture was collectivistic. Conger *et al.*, (2018) describe how prosocial entrepreneurs re-evaluated their opportunities after having received B Corp Certification. For some entrepreneurs the re-evaluation of their opportunities caused them to do more while others did not commit resources to it, eventually abandoning the ventures. Receiving certification results whether good or bad results caused entrepreneurs to rethink their goals. It drew their attention to opportunities that they had not yet thought about. This points out the fact that interaction from environments outside the entrepreneur's domain could influence how opportunities are identified and existing ones evaluated. Re-evaluation of opportunities however depended on how open entrepreneurs are to change. Receiving feedback does not mean that the entrepreneur will change or re-evaluate potential opportunities (Conger *et al.*, 2018).

2.4 Online Social Interaction and Opportunity Evaluation

There is an increase in the use of the internet globally and social media is giving rise to new forms of social interaction. The socially embedded aspect points to the fact that potential entrepreneurs do not think or act alone but are engaged in an active process of information exchange with a community. This community can be an offline community or an online community. An entrepreneur's community is usually referred to as social networks. Aside the provision of resources, social networks have varied influences on entrepreneurial opportunity evaluation through the provision of various kinds of information (Autio, Dahlander and Frederiksen, 2013). In this era of new digital technologies, organizations are relying all the time more on contributions from people outside the organization, who are either isolated and dispersed or are in communities, to innovate (Dobusch and Kapeller, 2018) and also use it as a means of expanding their networks (Park et al. 2017).

3. THEORETICAL FRAMEWORK

3.1 Causation and Effectuation Theories

The process of Causation takes a particular effect as given and focuses on selecting between various means to create the desired effect (Sarasvathy, 2001). Sarasvathy (2008) relates Causation to a jigsaw puzzle where an entrepreneur uses resources to take advantage of an existing market opportunity and creates a sustained competitive edge. The world is seen as having all the pieces readily available, just needing to be assembled the right way to get the expected results (Chandler et al. 2011). Entrepreneurs using the causation process have set out clear objectives and actively search potential opportunities which when exploited meet these set objectives (Fiet, 2002). Opportunities are evaluated and selected based on expected profits and the one with the highest return is chosen (Drucker, 1998). In causation, decisions are taken based on all relevant information and expected returns on each available choice (Viale, 1992). In the effectuation approach an entrepreneur takes a set of means as given and then concentrates on selecting between potential effects that can be generated with the particular set of means (Sarasvathy, 2001).

Effectuation relates to a patchwork quilt. The entrepreneur has to figure out the best way to develop an opportunity by using information as and when it becomes available. In this approach, entrepreneurs start the new venture creation with a broad objective of establishing a new venture, but as they progress through the decision making process they make use of new information and make modifications to their initial objective (Chandler et al. 2011). Cognitive science lays the theoretical foundations in effectuation especially as it relates to how entrepreneurs put together their thoughts regarding the future as they interact with other actors (Sarasvathy 2008; 2009).

The theories of causation and effectuation show us the path that entrepreneurs chart when planning to launch new ventures, whether the entrepreneur has a set objective already or whether the entrepreneur has the means already. Several studies (Fisher, 2012; Harms and Schiele, 2012; Reymen *et al.*, 2015; Laine and Galkina, 2017; Ortega, García and Santos, 2017) tested the use of the two processes in decision making, whether one is used more than the other or one being more effective than another. What was found is that decision making is the interplay of the effectual and causal logic and are key predictors of new venture growth. This means that whatever the case is an entrepreneur will use one of the logics or use the two simultaneously and or interchangeably. Whether an individual has causation or effectuation goals, evaluation of either means or effects must take place. Online social interaction provides a bigger and diverse platform to receive information that affects cognition which plays a central role in opportunity evaluation.

3.2 Interactionist theory

Social interaction is defined as a state where behaviour of one individual is deliberately reorganized and affected by the behaviour of another and vice versa (Hegtvedt and Turner, 1989). The act of social interaction can be divided into three interconnected processes, namely motivational, interactional, and structuring. Motivational is the extent to which an individual is willing to interact with others. Interactional is what someone consciously does to have an impact on another person's behaviour.

Structuring indicates the physical space in which social interaction takes place as well as the fact that it is “often repeated across time” (Hegtvædt and Turner, 1989). This theory helps to provide a better understanding of the environment within which online social interaction takes place because entrepreneurs need to be motivated enough to interact online and be willing to affect and be affected by others in the social media space. It also points to the fact that online social interaction is not a one-time event but is an ongoing process.

3.3 Resource Based View (RBV)

In considering whether a potential opportunity should be pursued or not, firms would evaluate the resources i.e. both tangible and intangible, that they have available to be able to profitably exploit the potential opportunity. Entrepreneurship is concerned with the identification and exploitation of profitable opportunities (Shane and Venkataraman, 2000) and hence the Resource Based View explains how entrepreneurs would evaluate potential opportunities taking into consideration the resources at hand or readily assessable.

4. PROPOSITIONS

4.1 Relationship Between Online Social Interaction And Opportunity Evaluation

Venture creation which is born out of the discovery or creation of an opportunity benefits from Social Capital. Entrepreneurs obtain social capital from both pre-existing social networks and through proactive networking behaviour (Clough *et al.*, 2019). Social Capital is resources acquired from networks and these resources include financial resources (Mollick, 2014; Banerji & Reimer, 2019) information (Upson *et al.*, 2017; Mention, Barlatier & Josserand, 2019; Scheaf *et al.*, 2019), and human resources (Hite, 2005). These resources are crucial to successful venture development. Networks have been proved to play a crucial role in opportunity formation and identification.

For instance, entrepreneurship is shrouded in uncertainty but uncertainty can be reduced or eliminated by access to information (Beninger *et al.* 2016; Keh *et al.* 2002). Social Capital is obtained from physical contact with persons either through physical meetings or telephone conversations. Another means of obtaining resources is via online social interaction which provides access to a large amount of information, especially via social media. Dimov (2007) points out that by obtaining resources through social interaction, the initial idea could either increase or decrease in scope given the wider set of interpretations that it could be subjected to.

From the review of literature, it has been established that factors such as uncertainty (McKelvie, Haynie & Gustavsson, 2011), idiosyncratic dispositions (Valliere, 2013), emotions (Foo, 2011b), prior knowledge (Haynie *et al.* 2009) and values (Shepherd, Patzelt & Baron, 2013) and role identity (Mathias & Williams, 2017) influence the opportunity evaluation process. However, what has not been studied is how online social interaction can affect opportunity evaluation or affect all these factors, or if one factor impacts the process more than the other. For instance, social interaction using social media can reduce uncertainty through the access of large amount of information, how emotions are formed or affected through the use of social media, if gender responds differently when using social media, how does the use of social media affect values and the creation of prior knowledge.

Would an individual adjust mental images to fit others that they interact with on social media? Fischer & Reuber (2011) pointed out that social interaction plays a dominant role in effectuation processes including interaction via social media. However, the researcher believes that it is not the process of effectuation alone that is affected or is influenced by any form of interaction, including online interaction but also causation processes.

Social media is a collection of technology based applications accessed via the internet which enables the formation and exchange of content developed by the users (Kaplan & Haenlein, 2010). It consists of social networks such as Facebook, micro-blogging services like Twitter and video sharing platforms, for example, YouTube. Businesses use social media applications to interact with customers to enable them to improve performance. An example can be seen in how some banks use a variety of social media applications to interact with their customers (Setia, Venkatesh & Joglekar, 2013). Thus, it can be said that social media as a source of information is gradually being accepted and serves as an interactive medium. Social media is a source of new ideas and a means to share these ideas. Some entrepreneurs use it as a means of expanding their networks (Park *et al.* 2017).

The researcher thus proposes that

Proposition 1: *Online social interaction increases the mean opportunity evaluation score.*

Online Social Interaction and Using the Causation or Effectuation Approach

Sarasvathy (2001, 2008) introduced the notions of causation and effectuation as processes by which new ventures are created. Venture creation is the result of either the discovery or creation of opportunities. In other words, if there is no existence of an opportunity no ventures would be created. In her work Sarasvathy (2008) relates Causation to a jigsaw puzzle where an entrepreneur uses resources to take advantage of an existing market opportunity and creates a sustained competitive edge over his competitors. Effectuation she relates to a patchwork quilt where the entrepreneur has to figure out the best way to develop an opportunity by using available information. Several studies (Fisher, 2012; Harms & Schiele, 2012; Reymen *et al.*, 2015; Laine & Galkina, 2017; Ortega, García and Santos, 2017) have tested the use of the two processes in decision making, whether one is used more than the other or one being more effective than another. An entrepreneur will use one of the logics or use the two simultaneously and or interchangeably. Berends *et al.*, (2014) found that small companies use effectuation at the initial stages of venture creation and causation during the latter stages. What has however not been studied is the outcome of the final opportunity using these.

The researcher thus proposes that;

Proposition 2: *The effect of online social interaction is not the same across levels of effectuation and causation*

The Effect of Online Social Interaction on Opportunity Evaluation Mediated by Resource Availability

As mentioned in the Resource Based View, human capital is one of the resources that a firm possesses which

can help it gain sustained competitive advantage. Human Capital has also been shown to be of distinct importance to entrepreneurship. Although some entrepreneurs have similar education and experience, the knowledge and skills they possess are different. Skills are required to function effectively.

However, an entrepreneur may not possess all the skills, knowledge and abilities to pursue a potential opportunity and may thus rely on others to be able to do so. This is referred to as social capital. Skills and resources that the entrepreneur does not have, can be obtained from social capital and could influence their evaluation of identified opportunities.

The researcher thus proposes that:

Hypothesis 3: *Online social interaction has an indirect effect on opportunity evaluation through resource availability*

4.2 Conceptual Framework of the Study

Based on the review of literature and the related theories, the researcher develops the following conceptual model (Figure 1), which should be tested empirically by further researchers

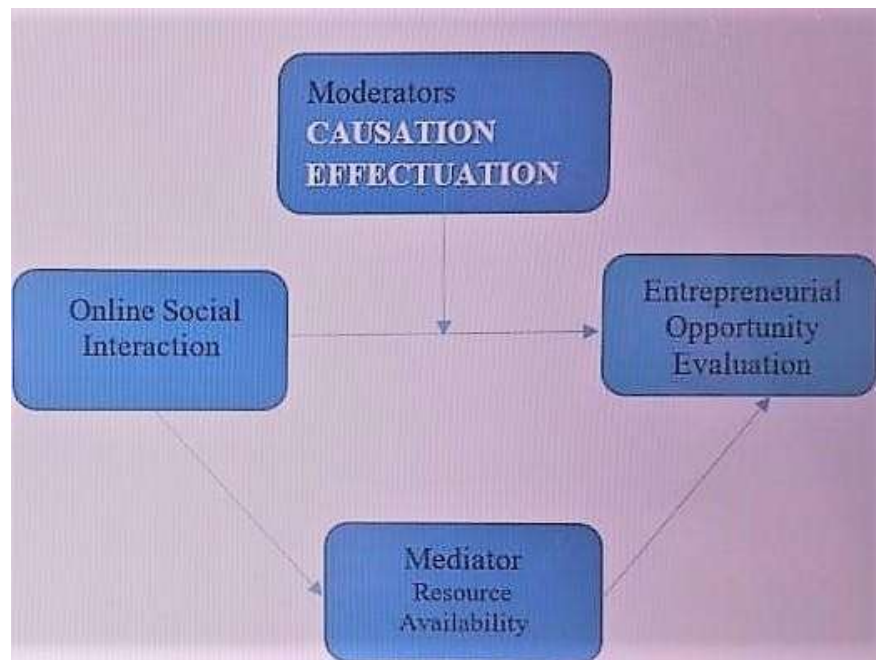


Figure 1 - Conceptual Framework (*Moderators and Mediators of opportunity evaluation and social media*)

Source: Author's conceptual framework

5. DISCUSSION

This paper contributes to the entrepreneurial opportunity literature by developing a framework which indicates that online social interaction can have substantial influence on the opportunity evaluation process whether the decision-making process used by the entrepreneur is causation or effectuation. With the advent of the digital age, online social interaction cannot be ignored in the entrepreneurial process. Bashir et al. (2017) empirical study found that social media was an important tool for Multinational Corporations (MNC) to get knowledge from new products that they have developed to help improve upon the existing products. Information from social media is an external source of information and a means of getting new ideas for new products. This could be seen as effectuation.

The relationship between online social interaction and opportunity evaluation could be moderated by other variables that have been studied in entrepreneurship such as gender and these could be tested empirically to establish their effect on the relationship. Entrepreneurs would need adequate and appropriate resources to pursue identified opportunities. At the onset, the entrepreneur may not have enough resources to pursue an opportunity and may thus evaluate it in the negative light. However once they are able to obtain resources their evaluation of a previous opportunity seen as 3rd person would become a 1st person opportunity.

These resources can be obtained from Networks. Networks have been shown to play a tremendous role in providing various forms of resources to help in entrepreneurs in venture creation. These can be obtained via online social interaction. Dimov (2007) points out that by obtaining resources through social interaction, the initial idea could either increase or decrease in scope given the wider set of interpretations that it could be subjected to. The relationship between online social interactions could also be affected by other mediator variables aside resource availability.

It is important to note that the effect of online social interaction on opportunity evaluation can be applicable to opportunity evaluation even if social media does not affect the opportunity evaluation process directly. It can do so indirectly by affecting other factors that affect opportunity evaluations such as emotions and values. Welpel et al. (2012) indicated that joy, fear and anger affect the way entrepreneurs evaluate potential opportunities. Foo (2011) indicated that these emotions can be induced. Hence it is possible for interaction on social media to induce emotions of entrepreneurs.

5.1 Practical Implications

Entrepreneurial support can be targeted to boost social interaction of nascent entrepreneurs. This interaction can be encouraged not to be only in the immediate environments but in any parts of the world to give a wider access to vital resources. With the advent of more business schools and easy access to social media more students can be encouraged to put forth their ideas which do not need to be perfect from the start but through a formal structure, their ideas can be shaped into valuable business opportunities (Dimov, 2007). Fischer & Reuber (2011) in their study pointed out the fact that social media specifically Twitter affects the effectuation process but it is most likely also going to affect causation although may be with a lesser effect. In the study of Bashir et al. (2017), MNCs used information obtained from their customers using social media tools both before and after the new product development process meaning. Thus either way an entrepreneur decides to proceed with venture creation online social interaction should be encouraged.

5.2 Research Implications

The research implications are that it shows a new way of how the theories of effectuation and causation can

be tested and the resource based view is combined with the interactionist theory in entrepreneurship literature.

5.3 Limitations

Although we are proposing that online social interaction influences opportunity evaluation, it is difficult to completely rule out other factors that might also affect it such as offline social interactions. Entrepreneurs would have interactions that are offline which cannot be controlled as to how much these offline relationships would influence the opportunity evaluation process as compared to online social interaction.

6. SUGGESTIONS FOR FUTURE RESEARCH

From review of literature it has been established that an entrepreneur uses either the causation or effectuation approach or both at different stages in decision making (Sarasvathy 2003; Sarasvathy 2008; Chandler et al. 2011). It would be interesting to know which of the processes would have a greater impact on opportunity evaluation from online social interaction. Vogel (2016) advocated for research into how external pressure influences the opportunity evaluation process. Social Media can be classified as an external pressure considering the increase in its use and thus suggest research to identify if the relationship between online social interaction and opportunity evaluation is affected by a mediator, or if social media affects other factors affecting opportunity evaluation.

It would also be imperative to find out if there are moderators that affect the relationship between online social interaction and opportunity evaluation and which ones have greater impact than others. Vogel (2016) in his proposed framework shows how both feasibility and desirability affect the opportunity evaluation process. Two individuals would evaluate the same opportunity differently depending on their feasibility and desirability state. Researchers could study how and if the use of social media creates desirability or how it affects feasibility or both.

There is a lack of qualitative methods in opportunity evaluation research that use structured interviews or even case studies although it would have been expected that more qualitative methods would have been used due to the nature of the construct (Wood and Mckelvie, 2015). Opportunity evaluation is a non-linear process that unfolds over time and events would have been better detailed and evaluated using qualitative methods. The iterative and dynamic nature of opportunity evaluation would be best researched into through longitudinal studies, however to the best of our knowledge there are no longitudinal studies in opportunity evaluation. This is also in line with response to a call for more longitudinal studies in entrepreneurship (McMullen and Dimov, 2013). In line with this Vogel (2016) suggested for longitudinal research into which individual and environmental factors lead to the greatest variation in an idea leading up to the opportunity. One can examine how much an opportunity changes due to the effect of online social interaction.

7. CONCLUSION

In this paper the researcher has presented a framework with which to test the effect of online social interaction

on the opportunity evaluation process. Invariably the opportunity evaluation process is the bridge between opportunity identification and opportunity exploitation. Social Media has become a very important aspect of our everyday lives and its effect cannot be underestimated. However as far as the researcher knows, not much has been studied on the relationship between online social interaction and opportunity evaluation and has provided a framework to test for moderation and mediation effects. The empirical outcomes of this would be useful in entrepreneurship training as well help in promoting open innovation.

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