Chapter 1
The Role of Business Model Development in the Ex–Post Creation of Online Entrepreneurial Opportunity

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ABSTRACT

This research aims to tap into the largely opaque origins of opportunities in the online context by exploring the role of business model development as a key for the creation and configuration of the mental and social infrastructure necessary for the emergence of online entrepreneurial opportunity. Tracing the sources of online entrepreneurial opportunity reveals that successful online entrepreneurs claim to proactively manage their environment in terms of unfolding actions which result in the enactment and creation of entrepreneurial opportunities. Based on this real life contention and the emerging view of entrepreneurial opportunity, this chapter aims to achieve a deeper understanding on the creation of online opportunities through a quantitative study empirically testing the link between business model development and online entrepreneurial opportunity as creation in order to shed light on how business model generation shapes the way entrepreneurs socially co-create opportunities in the online context.

DOI: 10.4018/978-1-5225-2466-3.ch001
INTRODUCTION

When it comes to the future, there are three kinds of people: those who let it happen, those who make it happen, and those who wonder what happened. - John Richard

The phenomenon of entrepreneurship can only be built on the concept of opportunity. Without an opportunity, entrepreneurship cannot be realized (Short et al., 2010). Hence, acknowledging the role of opportunities from which entrepreneurship activities sprout has recently framed the defining question of the entrepreneurship field around the concept of opportunity (Alvarez and Barney, 2007). However, the field of entrepreneurship remains largely untapped and contradictory with regard to the origins and the nature of opportunities especially in today’s online entrepreneurial explosion (Wood and McKinley, 2010). Therefore, the online entrepreneurship literature calls attention to achieve a deeper understanding on; how the entrepreneurial opportunities emerge.

This recent focus on the emergence of online entrepreneurial opportunity generates a dichotomy in the literature on whether opportunities are discovered or created. On the one hand there is the realist approach viewing opportunities as objective realities independent of the individual perception which can only be seen and thus discovered by special alert individuals (Kirzner, 1997; Venkataraman, 1997; Ardichvili et al., 2003; Baron, 2006; Gorling and Rehn, 2008). This view is labeled either as individual/opportunity nexus or discovery approach and have been dominating the entrepreneurship literature since the work of Austrian economists such as Hayek (1945), Kirzner (1973), Von Mises (1949). Besides this realist approach of opportunity discovery, there is the constructionist approach which regards opportunities as social constructions of the entrepreneurs who first interpret and assign meaning to phenomena and then mold their actions according to this created -subjective reality (Sarasvathy, 2001; Alvarez and Barney, 2007; Aldrich and Ruef 2006). This view is presented as the opportunity creation approach which explains opportunity through the interpretive understanding of entrepreneurs. Thus according to this view entrepreneurial opportunity is a subjective creation of the entrepreneur which cannot exist independent of the his/her creative imagination, social skills and their relative interaction with the environment (Suddaby et al., 2015).

The opportunity creation approach becomes particularly important for the online context. The online context is where “the dynamic interaction and negotiation between stakeholders seeking to operationalize their (often vague and unformed) aspirations into concrete products, services and institutions that constitute the economy” (Sarasvathy, 2010, p. 157) has reached to a great potential through the worldwide expansion of the internet and its evolution since the dot-com boom of late 1990s. Now the Third Wave of Internet is conquering our lives through reimagining how

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