OPPORTUNITY RECOGNITION AND EXPLOITATION IN ONLINE-COMMUNITIES (INTERACTIVE PAPER)

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Recommended Citation
Hienerth, Christoph and Lettl, Christopher (2007) "OPPORTUNITY RECOGNITION AND EXPLOITATION IN ONLINE-COMMUNITIES (INTERACTIVE PAPER)," *Frontiers of Entrepreneurship Research*: Vol. 27: Iss. 21, Article 10.
Available at: http://digitalknowledge.babson.edu/fer/vol27/iss21/10

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INTERACTIVE PAPER SESSION

OPPORTUNITY RECOGNITION AND EXPLOITATION IN ONLINE-COMMUNITIES

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Principal Topic

In this study we focus on online-communities as an arena of opportunity recognition and exploitation. Online-communities are loosely coupled networks of professionals and/or hobbyists who share a field of interest. Within these communities, members often freely reveal new product concepts and receive valuable feedback on how to improve them (e.g. Armstrong and Hagel, 1996; Wenger, 1998; von Hippel, 2001; von Hippel, 2005). Furthermore, members share knowledge and experiences with respect to the field of interest, creating a knowledge corridor (Venkatraman, 1997) that is only accessible for community members. Many online-communities are open for commercial firms. Participating firms can thus also benefit from the innovation activities and knowledge exchange in online-communities and therefore leverage them for opportunity recognition. We study the opportunity shaping process, opportunity recognition and opportunity exploitation within online-communities. In particular, we address the following research questions: How do opportunities shape in online-communities? What set of information cues do individual members or firms lead to the actual recognition of an opportunity? What information cues shape an opportunity in the perception of individual members of firms? How can incumbent firms or entrepreneurial individuals leverage online-communities for opportunity recognition (identification of innovations, market trends, emerging markets)?

Method

We study data filed from past postings and discussion forums. We compare the quantitative data tracked in log-files to the more qualitative data, the content of the postings in order to identify patterns of innovative activities. First insights are then compared to existing findings of innovative lead users in the medical equipment industry.

Results and Implications

Our results show that valuable information is concentrated among certain users within a community. Such users develop networks of other users in order to combine different types of knowledge and experience in order to develop their innovations. Online-communities can thus be used as “new product development and testing laboratories” that allow market sensing and the recognition of opportunities and emerging markets.

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