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MEASURING THE USEFULNESS OF SOCIAL MEDIA INFORMATION FOR NEW VENTURE DEVELOPMENT DECISION-MAKING (INTERACTIVE PAPER)

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≈ INTERACTIVE PAPER ≈

MEASURING THE USEFULNESS OF SOCIAL MEDIA INFORMATION FOR NEW VENTURE DEVELOPMENT DECISION-MAKING

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Principal Topic

Social media are being adopted by a growing number of entrepreneurs. Yet, the majority of academic research has focused on social media as marketing tools. Little is known on how these media are used by entrepreneurs for information acquisition and to what extent entrepreneurs use social media information in their decision-making during venture development. This paper addresses this gap in two ways. First, by assessing to what extent entrepreneurs perform four entrepreneurial information acquisition behaviors in social media environments: questioning, idea networking, observing and experimenting (Dyers et al., 2008). Second, by analyzing the extent to which entrepreneurs use social media information in their decision making for venture development.

Method

A questionnaire was conducted in a high-tech incubator located in the Netherlands measuring a group of 75 entrepreneurs. The questionnaire included measurements on the four information acquisition behaviors, social media use and decision-making. For measuring the four information acquisition behaviors Dyers et al. (2008) items were adopted. These items were reformulated to fit the social media context of this study. Decision-making refers to acting upon the interpret information (Daft & Weick, 1984). This measurement was operationalized by asking entrepreneurs to what extent they have used social media information for their decision-making and to what extent social media information has improved the quality of their decision-making.

Results and Implications

As of yet there are few if any validated guidelines for understanding what can be done with social media for new venture development (Fischer & Reuber, 2011). This study goes beyond the common view that social media are primarily communication channels and tools for conducting marketing activities. The results of this study help to understand the potential of social media information for have on venture development decision-making. This study has identified to what extent entrepreneurs use social media as a corridor for identifying new venture ideas and facilitate bringing the new venture idea to fruition. Last, it identified the extent to which entrepreneurs use social media information for decision-making.

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