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SUCCEEDING IN THE VIRTUAL MARKETPLACE: THE ROLE OF ENTREPRENEURIAL SELF-EFFICACY AND VIRTUAL SELF-EFFICACY (SUMMARY)

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≈ SUMMARY ≈

**SUCCEEDING IN THE VIRTUAL MARKETPLACE: THE ROLE OF
ENTREPRENEURIAL SELF-EFFICACY AND VIRTUAL SELF-EFFICACY**

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Principal Topic

Building on the self-efficacy literature, we suggest that self-efficacy of online business owners plays a critical role in determining their creativity and performance. In general, self-efficacy is a major factor that influences people's performance (Judge & Bono, 2001). Thus, in the virtual marketplace where online business owners are responsible for most of the operations, their self-efficacy is likely to affect online business performance. Different types of self-efficacy function depending on people's tasks and contexts (Gong, Huang, & Farh, 2009), suggesting the importance to conceptualize self-efficacy specifically relevant to online business operations. Considering key activities required in a venturing process, we use entrepreneurial self-efficacy (ESE) to capture task-specific self-efficacy. In addition, because online business owners face a virtual business environment, we include virtual self-efficacy (VSE) to capture their context-specific self-efficacy. VSE is defined as "an individual's belief in his or her abilities to use information communication technologies and accomplish work tasks virtually" (Wang & Haggerty, 2011:304). We believe these two specific types of self-efficacy, ESE and VSE, have positive effects on online business performance, through enhancing owners' operational creativity.

Method

We collected survey data on ESE, VSE, and operational creativity from more than 300 business owners registered on Taobao.com, one of the largest trading platforms in the world. All the measurements of the constructs included in this study are adopted or adapted from prior studies. We measure online store performance by adopting six items used by Stam and Elfring (2008) and measure operational creativity using a seven-item scale adapted from Gong et al. (2009). We used structural equation modelling (SEM) to test the hypotheses.

Results and Implications

We found sellers' entrepreneurial self-efficacy and virtual self-efficacy are positively associated with their operational creativity and online seller's operational creativity is positively associated with his/her performance in online marketplaces. We contribute to the entrepreneurship literature in two ways. First, we further knowledge of self-efficacy by theorizing about and testing the direct and interactive effects of two types of self-efficacy, ESE and VSE. Previous researchers have highlighted the importance of a situated approach to understanding self-efficacy (Judge, Jackson, Shaw, Scott, & Rich, 2007). Second, we investigate the effect of operational creativity and suggest a mechanism through which entrepreneurs can achieve superior performance in the virtual marketplace.

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