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ENTREPRENEURSHIP AS INDUSTRY: MOTIVATIONAL EFFECTS OF THE GOODS AND SERVICES MARKETED TO ENTREPRENEURS

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Principal Topic

This paper constitutes the first comprehensive attempt to define and explore the Entrepreneurship Industry (EI), and is the only study to date to empirically evaluate the extent to which EI influences entrepreneurial action and firm-level outcomes. Consistent with prominent conceptions of industrial sectors, EI is defined as the market for goods and services explicitly intended for current and prospective entrepreneurs. In order to assess EI's impact, we apply the opportunity development framework of Ardichvili Cardozo and Ray to a pair-wise design of data drawn from matched sets, consisting of more than 2,600 consumers and non-consumers of EI goods and services. The central questions we address are: Does the EI actually wield meaningful influence? Does it motivate entrepreneurial activity? And, if so, to what ends?

Data and Methods

Our database consists of survey responses from individuals who attended at least one of five different entrepreneurship expos held in 2006, and a matched set of individuals who had never attended an entrepreneurship expo. Data was gathered for a seven-year period (2006 – 2012) in five categories: (1) entrepreneurship-oriented goods and services used by each respondent; (2) demographic information; (3) perceptions of risk, creativity, managerial acumen, and personal network; (4) entrepreneurial behaviors actually undertaken; and (5) outcomes stemming from entrepreneurial action. Using lists provided by expo organizers, 6,473 attendees were contacted, of which 1,908 (29%) ultimately completed utilizable surveys. A matched pool of 6,000 non-attendees drawn from municipal business directories was contacted, of which 734 (12%) completed utilizable surveys. Using multiple and logistic regression models, we examined the extent to which the entrepreneurship industry influences entrepreneurial activity and outcomes.

Results and Implications

Empirical findings from this study suggest that the entrepreneurship industry exerts significant influence on entrepreneurial activity and does so at multiple levels of analysis. Goods and services marketed to would-be entrepreneurs increase founder confidence, reduce perceived risk, and increase firm formations. The industry also spawns mediocrity, evidenced by weaker results and shorter lifespans for firms founded by customers of the entrepreneurship industry.

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