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ONLINE SOCIAL NETWORKS AND NASCENT ENTREPRENEUR SUCCESS (INTERACTIVE PAPER)

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ONLINE SOCIAL NETWORKS AND NASCENT ENTREPRENEUR SUCCESS

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Principal Topic
Anecdotal and empirical evidence consistently points to the importance of networking in the emergence of entrepreneurial ventures (Aldrich et al., 1987; Hoang & Antoncic, 2003; Kodithuwakku & Rosa, 2002). However, due to the difficulty in tracking entrepreneurial networking behaviors over time, it is still unclear how entrepreneurs can efficiently develop their networks to accommodate the growth of their businesses. To address these gaps in the literature, we conduct a longitudinal quantitative research project examining entrepreneurs’ online social networking behaviors and their success. In recent years, more and more professionals including many entrepreneurs are using these online social network websites to establish their business networks. Thus, online social network provides us with a great opportunity to observe entrepreneurs’ network in an objective manner and to track their behaviors on a timely basis. Also, we investigate the question in the context of business incubators as nascent entrepreneurs view the incubator as a nexus of resource networks and find significant value in the network surrounding the incubator.

Method
We recruit entrepreneurial companies from five university affiliated technology incubators in the Northeast of the United States. The LinkedIn groups are established for each of the incubators. Then, the entrepreneur participants are asked to connect to their incubator groups at LinkedIn. During a course of 6 months, we retrieve data from LinkedIn at a daily basis for each participant, including contact lists, user profiles, and activity updates. Using statistical and data-mining tools, we analyze their online social graphs, identify entrepreneurs’ strong and weak ties, and classify their network patterns. In addition, network activities conducted by participants associated with the same incubator are aggregated to form collective social graphs and the attributes are examined at the second level. In the end of online data collection, we survey entrepreneur participants regarding their progress in the incubation process. Finally, temporal evolution of social graphs and the changing characteristics will be correlated with the entrepreneurs’ performance obtained from the survey data.

Results and Implications
The results of this study help to identify factors that influence the dynamics of the network formation. In particular, our study may advance the knowledge on how entrepreneurs can effectively develop networks so that relations could be converted into tangible resources efficiently. We also contribute to the body of literature examining the importance of entrepreneurial resource networks by examining an emerging phenomenon, the online social network and considering how it relates to established theory.

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