KISSING SEVERAL FROGS IN THE SEARCH FOR A PRINCE: EMPIRICAL EXAMINATION OF THE PROCESS OF LINKING TECHNOLOGY TO MARKETS FOR EMERGING FIRMS (SUMMARY)

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KISSING SEVERAL FROGS IN THE SEARCH FOR A PRINCE: EMPIRICAL EXAMINATION OF THE PROCESS OF LINKING TECHNOLOGY TO MARKETS FOR EMERGING FIRMS

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Principal Topic
Following the resource-based view (Penrose, 1959), technological resources can be implemented to serve different markets, and thus technology ventures can engage in identifying and evaluating multiple market opportunities. This market choice is one of the most fundamental decisions in the creation of new technology ventures (Shane 2000, Abell, 1980; Geroski, 1998).

As firms may identify a choice set of market opportunities (Gruber, MacMillan & Thompson, 2008), they face a strategic tradeoff between focusing entrepreneurial attention, by pursuing one single opportunity, and maintaining flexibility, by pursuing several market opportunities simultaneously (Wernerfelt & Karnani, 1987; Gifford, 1992). This single-multiple tension in the context of new technology ventures is the focus of this study which aims to understand what influences the level of this ongoing tension and how is it confronted by technology entrepreneurs.

Method
We conducted an in-depth exploratory study of 21 new Israeli ventures in the imaging and image-processing area. Data was collected through face-to-face interviews and secondary sources, and analyzed using qualitative methodological approach (Miles & Huberman, 1994; Strauss & Corbin, 1998; Glaser & Strauss, 2006).

Results & Implications
Results indicate strong evidence for the ongoing tension between pursuing single market opportunity or multiple opportunities simultaneously. This tension is extremely prominent in the studied context of technology new ventures mainly due to resource scarcity, high levels of uncertainty, conflict of interests between investors and entrepreneurs and the difficulty of entrepreneurs to give up on seemingly promising market opportunities identified along the process of linking technology to markets. Analysis shows various methods for handling this inherent tension by entrepreneurs, including real option creation (McGrath, 1996), search for relatedness and spillover’s among pursued opportunities, or even pursuing alternative markets under the investor’s radar. These findings offer theoretical implications for the growing research on markets for technologies as well as practical implications for technology entrepreneurs regarding their competitive strategy under uncertainty.

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