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NARRATIVE BOUNCING-BACK DISCOURSES IN ALLOCATING OPPORTUNISM IN ENTREPRENEURIAL PROJECT FAILURE IN THE ONLINE DATING BUSINESS FROM THE PERSPECTIVE OF SENSEMAKING (SUMMARY)

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SUMMARY

NARRATIVE BOUNCING-BACK DISCOURSES IN ALLOCATING OPPORTUNISM IN ENTREPRENEURIAL PROJECT FAILURE IN THE ONLINE DATING BUSINESS FROM THE PERSPECTIVE OF SENSEMAKING

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Principal Topic

In this paper, we develop the concept of “bouncing back” from entrepreneurial project failure, that is, an association between entrepreneurs’ failure narratives and their firms’ subsequent performance (Wolfe & Shepherd, 2013a, 2013b). Prior research has established the above link, but there is an insufficient consideration of the boundary conditions of when an entrepreneurial project failure is experienced as a failure and why then, under specific narrative conditions, some experiences improve the subsequent performance while other narratives do not have this bouncing-back effect (see Kim & Miner, 2007). This study identifies those boundary conditions as sensemaking loops (e.g., Weick, Sutcliff & Obstfeld, 2005) and explains their narrative contents as public discourses of communication.

Method

We analyze publicly available empirical data on online dating businesses (i.e., newspaper and magazine articles, blog texts of venture capital investors, court cases, and patent documents). The online dating business represents a field marked by numerous project failures due to the outstanding gap between the entry costs to start this business (low) and the entrepreneurial activities required to make profits out of the websites (high). This is a typical effect in a high tech industry, because there are lots of players in the field with similar knowledge content (i.e., technology) (Cope, Cave & Eccles, 2004). We use the content analysis as our method (see Short, Broberg, Cogliser & Brigham, 2010). We analyze inductively narratives related to fake profiles used in the online dating business, representing the bouncing-back effect in this field.

Results and Implications

The results of our content analysis show that not only the entrepreneurs’ failure narratives, but also the public narratives about opportunism – revealing the discourses about fake profiles – practiced in the business related to entrepreneurial projects affect firms’ subsequent performance. This happens under the boundary conditions of whether these public discourses consider the monetary elements of failure experience or its transformative elements (e.g., emotions). We found that the discourse on monetary elements improves and the discourse on transformational elements decreases the subsequent performance of firms.

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