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The Role of Social Networks and Internet-based Virtual Environments in Social Entrepreneurship: A Conceptual Model

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Abstract:
We present a parsimonious theoretical model that illustrates how Internet-based virtual environments (such as social networking Web sites) moderate the relationship between social networks and social entrepreneurship. Social networks promote social entrepreneurship by means of (a) technology and knowledge transfer; (b) locating information; (c) generating entrepreneurial opportunities; (d) building entrepreneurial competency; (e) financing innovation; and (f) building effective networks for commercialization of innovations. Internet based virtual environments increase the velocity with which online social networks are formed and operationalized. They, thus, have a moderating effect in the relationship between social networks and social entrepreneurship. We also represent three concepts that are core to social networks: density, centrality, and heterogeneity. We posit that all three explain variance in social entrepreneurship and that Internet based virtual environments moderate each of the relationships these three elements of social networks have with social entrepreneurship.