The Internet search of entrepreneurs in early-stage startups/

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Abstract

In recent years, Israel has seen a major growth in its hi-tech industry. A very high level of entrepreneurial activity accompanied this growth – thousands of hi-tech startups have been formed. Behind every startup stands the entrepreneur – the one (or ones) with the idea and initiative that are the basis for the startup. Information is an essential resource for the new venture. This exploratory study checks the extent of usage of the Internet network, as an information source, by early-stage startup entrepreneurs. The study checks different aspects of the Internet usage by the entrepreneurs, including its importance as an information source compared with other sources of information. The study considers whether some properties of the entrepreneur, like prior experience and level of search competence, have affect on the entrepreneur's Internet usage.

The study hypothesis is that the Internet would be an important source of information, due to its wealth of relevant, free and accessible information. As background for the study, we cover studies in the field of entrepreneurship. These studies discuss the process of starting the venture, its information search process, the information needs of the entrepreneurs, the entrepreneur's search patterns and the importance of the Internet in the process of collecting business information.

This study examined the search patterns of 92 entrepreneurs, out of 816 entrepreneurs who have received the questionnaire developed for this study. The results of the study have confirmed most of the hypothesis that were raised. It was found that entrepreneurs use the Internet as a primary source of information – more than any other information source. It was also found that the Internet's dominance as a primary source was more significant in Internet-related startups. The study also established a positive correlation between the Internet's dominance as a source of information and the self-perception of the entrepreneur's searching competence. It was also found that the entrepreneurs rely mostly on themselves when searching for information from the Internet, but they do tend to use more extensively information

specialists and domain-specialists when searching for information from bee-based

sources.

The study raises the importance of professional guidance in the information

search process of early stage startups, as some factors, like the entrepreneur's lack of

awareness to his own true searching skills, or tendency for preferring accessible

sources over quality sources may affect the quality of decisions made at this crucial

stage.

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