Research Seminar: Dr. Bala Vissa
Associate Editor, Academy of Management Journal
& Associate Professor of Entrepreneurship, INSEAD

Title: Appeal or Incentive? Entrepreneurs’ network activation strategies and access to investors
Thursday, June 14, 2018 from 2:30-4:00 PM in the David Strong Building, C125

ABSTRACT
The entrepreneurial networks literature has shown that business founders’ personal network features influence valued venture performance outcomes, such as accessing venture capital financing. However, an implicit assumption in this literature is that entrepreneurs’ activation of their network ties is unproblematic. By network tie activation we mean the specific ways in which entrepreneurs communicate with their network contacts to elicit their cooperation and thus secure valuable resources. We ask how entrepreneurs activate their network contact to secure referrals to seed-round venture capital investors. We draw on Fiske’s (1991) elementary relational models to develop our framework on two mechanisms that could be used to activate a network tie: appeal or incentives. Appeal refers to communication strategies that entrepreneurs use that leads network contacts to frame social relationship as one involving reciprocity. Incentive refers to communication strategies that highlight how contacts may financially benefit from rendering assistance to the entrepreneur, thus leading network contacts to frame social relationships as one involving calculative costs and benefits. We test our predictions in two studies. Study 1 is a field experiment conducted at an entrepreneurship accelerator in India. We manipulate entrepreneurs’ communication with their network contact and observe whether the contact renders assistance to the entrepreneur by referring him to a targeted seed-round venture capitalist. Study 2 is a within-subject vignette study with subjects drawn from the Singapore entrepreneurial ecosystem. We find that communication strategies that highlight appeal may be a better way for entrepreneurs to secure assistance from network contacts.

To RSVP please contact Sheryl at GSBFacultysupport@uvic.ca or call 250-472-5647.