Learning to play the game - How entrepreneurs develop a market orientation through individual heuristics learning

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The way in which cognitive abilities – affective as well as intellectual – influence the development of the entrepreneurial mindset has been topic of academic discussion for quite some years (Cardon et al, 2005; Grégoire et al, 2010; Krueger & Day 2010). For example, Baron (2007) argued that cognitive abilities in the form of experience are an explanatory factor for why some people identify business opportunities successfully.

Another way in which cognition plays a role for the entrepreneurial mindset is in the development of market orientation. Market orientation has been described as a behavior (Jaworski & Kohli, 1990) but also as an attitude (Narver & Slater, 1990). As yet, we don’t know what happens cognitively on the level of the individual entrepreneur when he or she develops a market orientation. However, understanding how a market orientation develops is crucial since a market orientation is an essential element to successfully turning a business idea into a viable, commercially successful business (Morgan et al, 2009).

In this study, we conceptualize the development of market orientation as individual learning of heuristics. We identify a number of heuristics which reflect common aspects of market orientation development of entrepreneurs – aspects such as the importance communication, collaboration, various use of networks, and business model development. These heuristics relate to the different market orientation elements described by Kohli & Jaworski (1990) and Narver & Slater (1990). Results of this study indicate that there appears to be a temporal order as to how the various market orientation elements are developed. Also, the relative importance of the heuristics varies per market orientation elements and is moderated by prior entrepreneurial experience.

We propose that these findings present insights into a fruitful research avenue for neurological
By means of neuro-scientific technologies it might be fruitful to look at the following aspects:

1) the study of brain activity when confronting an entrepreneur with a) a/the common topic(s) in market orientation heuristics, and subsequently see what happens when b) a case in which a market orientation dilemma is set out and the entrepreneur is then asked to think aloud what he/she would do in terms of finding a market/getting customers. Maybe this could show us whether those common topics play a role and how they play a role, and if this is different for nascent and more experienced entrepreneurs.

2) Entrepreneurial heuristics might affect brain activity not only on the intellectual level - such as rational decision-making processes based on those heuristics - but also on an emotional, affective level - the activation of values related to topics such as collaboration etc. Relevant questions here are: Do entrepreneurs have different emotions towards alliances or teamwork? And are those entrepreneurs that have positive emotions associated with collaboration – instead of it being ‘just’ a rational choice - more successful in developing a business opportunity?

3) Can affective states associated with certain aspects of entrepreneurship – such as positive affect towards collaboration – be learned, and thus be developed and trained?

Kaffka Bio:

Gabi Kaffka received her bachelor’s and master’s degree in sociology from the University of Amsterdam. During this period, she also attended the university Paris VIII ST-Denis (France) to study sociology and political sciences.

Between 2007 and 2010, Gabi Kaffka worked for the municipality of Amsterdam, in the function of policy advisor. Among other projects, she was part of the Amsterdam team in an award-winning project of the European framework program.

In 2010, Gabi started as a Ph.D. candidate at the University of Twente (Netherlands) which is her current position. Her research focuses on entrepreneurial cognition, in particular how feedback and sense-making mechanisms such as heuristics play a role during the development of an entrepreneurial mindset. In her free time, Gabi studies the Chinese language Mandarin and likes to read philosophy, historical novels and fiction.