

FORMING SOCIAL BUSINESS OPPORTUNITY BELIEFS IN A DEVELOPING ECONOMY: A CASE STUDY OF INDONESIAN DIGITAL ENTREPRENEURS

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ABSTRACT

The "opportunity actualization" perspective has become a dominant framework for understanding how entrepreneurs identify and pursue social business opportunities. However, existing models are predominantly Western-centric, overlooking the distinct institutional and cultural realities of developing economies. This study addresses this theoretical gap by investigating how digital entrepreneurs in Indonesia form social business opportunity beliefs in an environment characterized by institutional voids. Adopting a qualitative multiple case study design, we conducted in-depth interviews with Indonesian digital impact entrepreneurs and analyzed the data using the Gioia methodology. The findings reveal that opportunity formation in this context is not merely an individual cognitive act but a socially negotiated process driven by "Communal Alertness" rather than individual dissatisfaction. Crucially, the study identifies a novel mechanism of "Digital-Relational Substitution," where entrepreneurs leverage digital platforms and informal networks to substitute for the lack of formal institutional validation common in the Global North. We argue that in high-context cultures, opportunity beliefs are validated through relational capital and digital micro-experiments rather than formal market data. These insights contribute to "recalibrating" entrepreneurship research for the Global South and offer practical guidance for policymakers to foster trust-based entrepreneurial ecosystems.

Keywords: *Social Entrepreneurship, Opportunity Actualization, Digital Entrepreneurship, Developing Economy, Gioia Methodology.*

1. INTRODUCTION

In the contemporary economic landscape, entrepreneurship has transcended its traditional role of wealth creation to become a pivotal instrument for addressing grand societal challenges [1], [2]. The paradigm of "impact entrepreneurship" has emerged as a dominant force, requiring organizations to internalize their externalities and pursue a dual mission of economic viability and social responsibility [3]. Consequently, scholars have increasingly called for a theoretical shift to understand how entrepreneurs identify and pursue these hybrid opportunities [4]. Within this discourse, the "opportunity actualization" perspective has gained significant traction as a robust framework for explaining entrepreneurial action [5], [6], [7]. Unlike traditional views that treated opportunities as entities to be merely discovered or created—a dichotomy

now critiqued for limiting unified research progress [8], [9] the actualization perspective posits that opportunities are propensities arising from the "convolution of consumer desire, technical feasibility, and economic viability" [5], which exist as pre-conditions in the environment [10].

Recent advancements in this domain have sought to resolve the conceptual ambiguities of opportunity beliefs [11], [12], [13]. A critical development is the recognition that opportunity beliefs are not solely market-driven but are knowable propensities deeply embedded in the real world [14]. To address the limitations of purely profit-centric models, recent studies have expanded the actualization framework to incorporate non-market considerations [7]. Notably, Meister et al. [15] recently proposed a holistic model of "social business opportunity belief formation," arguing that

the actualization of economic outcomes cannot be decoupled from ethical and entrepreneurial responsibilities [15], [16], [17]. Their work highlights the critical role of stakeholder breadth and depth in shaping the development of entrepreneurial intentions and beliefs [18]. This aligns with broader calls in the literature to view societal problems as the foundational basis for opportunity [19] and to understand the specific mechanisms of social opportunity recognition [20], [21].

However, despite these theoretical strides, the current literature remains heavily skewed towards the "Global North." Scholars have recently issued urgent calls to "recalibrate" entrepreneurship research to embrace pluralism and decolonize the field from Western-centric assumptions [22]. While the distinct nature of prosocial opportunity recognition has been acknowledged [21], there remains a scarcity of empirical research testing these frameworks in developing economies.

Table 1: Comparison of Motivations and Findings with Previous Studies

Aspect	Meister et al. (2026) - Europe	This Study - Indonesia
Research Motivation	To examine how European entrepreneurs shape opportunity beliefs in the context of strong formal institutions	To examine how Indonesian entrepreneurs shape opportunity beliefs in the context of institutional voids and high-context culture
Source of Alertness	Individual dissatisfaction with the status quo	Communal friction conveyed through community figures
Validation Mechanism	Formal stakeholder integration (lobbyists, officials)	Relational validation via Orang Dalam (Insiders) and KOL (Key Opinion Leaders)
Role of Digital	Communication and scaling tool	Institutional substitute for micro-validation
Basis of Trust	Institutional trust (laws, contracts)	Relational trust (mutual cooperation, silaturahmi/social bonding)
Key Findings	Stakeholder breadth & depth as key	Digital-Relational Substitution as a new mechanism

The application of Western-centric opportunity belief models to a developing economy context, such as Indonesia, presents a fundamental theoretical disconnect. The model proposed by Meister et al. assumes a stakeholder environment characterized by formal institutional trust. This assumption overlooks the distinct socio-cultural reality of developing economies, where "institutional voids" often render formal channels ineffective [23],

[24], [25]. In contexts like Indonesia, the formation of opportunity beliefs is arguably less dependent on formal stakeholder integration and more reliant on informal social capital and communal trust. Therefore, simply transplanting the existing European-derived model without accounting for these distinct cultural nuances risks oversimplifying the complex cognitive processes of entrepreneurs in the Global South.

While previous studies have examined social opportunity beliefs in Western contexts with strong institutional support [15], this study is among the first to empirically investigate how such beliefs are formed in a developing economy characterized by institutional voids [23]. We introduce two novel constructs—'Communal Alertness' and 'Digital-Relational Substitution'—that challenge the individualistic assumptions underpinning existing opportunity actualization frameworks.

To address this gap, this study investigates the formation of social business opportunity beliefs among digital entrepreneurs in Indonesia. By adapting the opportunity actualization framework, this research aims to answer how the unique socio-cultural fabric of a developing economy influences the perception of stakeholder breadth and depth.

This paper offers readers a nuanced understanding of how entrepreneurship actually works in a developing economy context, not as a deviation from Western norms, but as a legitimate alternative pathway. By the end of this article, readers will: (1) understand the limitations of applying Western opportunity models to the Global South; (2) be able to identify the mechanisms of 'Communal Alertness' and 'Digital-Relational Substitution' in their own contexts; and (3) gain practical insights for designing entrepreneurship support programs that respect local cultural logics. For researchers, this study provides a theoretical framework for studying entrepreneurial cognition in high-context, institutionally void environments. For practitioners, it offers evidence-based guidance on where to invest limited resources when building ventures in developing economies.

2. RESEARCH METHOD

2.1. Research Design

This study employs a qualitative multiple case study design grounded in an interpretivist paradigm [15]. While previous studies in this domain have utilized experimental think-aloud protocols [15], this research adopts a retrospective approach to

capture the lived experiences of entrepreneurs within their natural cultural settings. This design is particularly appropriate for answering recent calls to "recalibrate" entrepreneurship research by embracing the pluralism of entrepreneurial activity in non-Western contexts [22]. Furthermore, qualitative inquiry allows for a granular exploration of how "opportunity actualization" occurs as a cognitive process deeply embedded in specific societal structures [6].

2.2. Data Source and Sample

The study utilizes primary data obtained through semi-structured in-depth interviews. Participants are selected using purposive sampling to represent the unique institutional context of Indonesia. The sample criteria are defined as follows:

1. Dual Mission: Entrepreneurs must prioritize "responsible value creation," integrating both social impact and financial viability [1], [3].

2. Digital Native: The venture must operate primarily through digital platforms to reflect the modern "lean impact start-up" framework [2].
3. Contextual Relevance: Participants must be based in Indonesia (a developing economy) to contrast with the institutional environments of the Global North explored in prior studies [15].

2.3. Research Instruments

The primary instrument is a Semi-Structured Interview Guide, adapted from the framework of Meister [15] but contextualized for the Indonesian landscape. The specific questions were designed to probe the cognitive mechanisms of opportunity formation in a high-context culture, as detailed in Table 2.

Table 2: Interview Protocol and Theoretical Justification

Theoretical Dimension	Key Interview Questions (Adapted for Indonesia)	Objective / Theoretical Link
Alertness & Motivation	"Can you describe the specific moment you realized this social problem needed a business solution? Did this realization come from personal observation or community feedback?"	To identify if alertness is individual-driven (Western view) or community-driven (<i>Communal Alertness</i>).
Belief Formation	"In the early stages, without formal market data, what convinced you that people would pay for this? Did you perform any small-scale tests on social media?"	To explore the mechanism of <i>Digital Micro-Validation</i> in the absence of institutional data.
Stakeholder Breadth	"Who was the first person you contacted to validate your idea? How important was the endorsement of local figures (e.g., religious/community leaders) compared to government officials?"	To contrast <i>Relational Trust</i> (Indonesia) vs. <i>Institutional Trust</i> .
Stakeholder Depth	"How do you maintain trust with your beneficiaries? Do you utilize closed digital groups (e.g., WhatsApp) to gather feedback and co-create solutions?"	To investigate <i>Digital-Relational Substitution</i> and the depth of engagement via technology.
Competition Perception	"Do you view other social ventures in your niche as collaborators or threats? Is collaboration realistic in the current market?"	To test the "Competitor as Co-creator" assumption in a competitive developing economy.

2.4. Data Collection Procedure

Data collection follows a rigorous three-step protocol to ensure reliability:

1. Pilot Interviews: Two initial interviews are conducted to validate the clarity of the questions and ensure the cultural appropriateness of terms related to "trust" and "community."
2. In-Depth Interviews: Sessions are conducted virtually or in-person, lasting 45–60 minutes, and are digitally recorded [15].
3. Triangulation: To mitigate retrospective bias, interview data is triangulated with secondary data from the ventures' digital footprints (websites, social media, and press releases) to verify the consistency of their stated social missions [15], [16]

2.5. Data Analysis Technique

Data is analyzed using the Gioia Methodology, a systematic inductive approach designed to bring qualitative rigor to entrepreneurship research [26], [27]. The analysis is facilitated by NVivo 12 software to manage large qualitative datasets. The process involves:

1. First-Order Analysis (Informant-Centric Coding): Open coding of transcripts to identify informant-centric terms regarding opportunity identification.
2. Second-Order Themes (Researcher-Centric Themes): Grouping codes into theoretical themes, focusing on the distinct mechanisms of "relational trust" and "informal validation" prevalent in the Indonesian context.

3. Aggregate Dimensions (Theoretical Framework): Distilling themes into a theoretical framework that can be directly compared with the Western-centric model of social business opportunity belief formation. These dimensions represent the highest level of abstraction and form the building blocks of our proposed theoretical framework. In this step, we structured the dimensions to directly parallel yet contrast with the opportunity actualization model of Meister et al [15].

2.6. Computing Research Relevance

Although this study is situated in entrepreneurship research, it offers three contributions relevant to computing and information systems scholars. Human-Centered AI for Entrepreneurship: Our findings on "Digital Micro-Validation" (using WhatsApp for market testing) provide design requirements for AI tools that can analyze informal community conversations to predict venture viability—moving beyond Western-style data analytics. Digital Trust Infrastructure: The concept of "Digital-Relational Substitution" suggests the need for computing systems that encode relational trust (e.g., blockchain-based reputation systems that capture community endorsements, not just transaction history). ICT4D (ICT for Development) Implications: For researchers in ICT for development, our study demonstrates how digital platforms in developing economies serve functions beyond their designed purpose—substituting for missing institutional infrastructure. This has implications for how we design technology for the Global South.

Table

3: Data Structure (Gioia Methodology)

First-Order Concepts (Raw Data Codes)	Second-Order Themes	Aggregate Dimensions
"Alertness triggered by complaints from community leaders (e.g., religious leaders, neighborhood heads) rather than personal observation."	Community-Initiated Triggers	1. COMMUNAL ALERTNESS & RELATIONAL TRIGGERS
"Identification of social issues through collective anxiety expressed in community gatherings."		
"Perception that the problem is a shared burden, not an individual discovery."		
"Motivation driven by the cultural principle of 'Gotong Royong' (mutual cooperation) to help neighbors."	Social Obligation & Moral Duty	
"Viewing the business venture as a means to fulfill a religious or moral mandate (amanah)."		

<i>"Sense of social guilt if ignoring the visible struggles of the immediate community."</i>		
<i>"Skepticism towards formal market data or online surveys due to perceived inaccuracy."</i>	Distrust in Formal Institutions	2. VALIDATION VIA "INSIDER" STAKEHOLDERS
<i>"Avoidance of formal bureaucratic channels due to complexity and perceived inefficiency."</i>		
<i>"Belief that formal feasibility studies do not reflect the ground reality."</i>		
<i>"Validation sought primarily from trusted 'Orang Dalam' (insiders) or key community figures."</i>	Reliance on Key Opinion Leaders (KOLs)	
<i>"Endorsement from a local authority figure is viewed as the necessary 'green light' for the venture."</i>		
<i>"Relying on informal alumni or family networks ('Jalur Belakang') to access resources."</i>		
<i>"Using WhatsApp groups or social media stories to conduct low-stakes market tests ('Tes Ombak')."</i>	Digital Micro-Validation	3. DIGITAL PLATFORMS AS INSTITUTIONAL SUBSTITUTES
<i>"Viral traction in closed community groups serves as a proxy for formal feasibility studies."</i>		
<i>"Screenshots of chat interactions used as proof of demand for investors."</i>		
<i>"Creating exclusive digital groups (e.g., Telegram/WhatsApp) to maintain daily intimacy with beneficiaries."</i>	Digital Intimacy & Trust Maintenance	
<i>"Direct founder engagement on social media to build trust and substitute formal customer service."</i>		
<i>" leveraging 'Digital Silaturahmi' to foster user loyalty."</i>		

3. RESULTS

The analysis of the interview data using the Gioia methodology revealed distinct patterns in how Indonesian digital entrepreneurs form social business opportunity beliefs. Unlike the linear, individualistic process observed in Western contexts, the formation process in Indonesia is deeply communal and mediated by digital trust mechanisms. The findings are categorized into three aggregate dimensions.

3.1. Communal Alertness and Relational Triggers

While Western models suggest that alertness begins with individual dissatisfaction with the status quo, our findings indicate that Indonesian entrepreneurs primarily derive alertness from "Communal Friction". Participants did not identify problems in isolation; rather, opportunity beliefs were triggered when a trusted community leader or a close network member expressed a collective anxiety.

The findings indicate that for Indonesian entrepreneurs, alertness is often socially mediated rather than individually initiated. As Participant 9, a founder of an EdTech platform in Jakarta, explained:

"To be honest, I initially never thought about starting a business. But then, my religious leader mentioned during a community gathering, 'Our youth are finding it increasingly difficult to get jobs without English skills.' That was the moment I felt called to act. It wasn't because I analyzed market data, but because of a sense of responsibility toward my own community."

Similarly, another participant emphasized the concept of *Gotong Royong* (mutual cooperation) as a trigger: *"I saw my neighbors struggling to sell their harvest. In our culture, we cannot just watch; we have to help. My startup is essentially a digital form of Gotong Royong—helping them help themselves."*

1. Observation: Respondents frequently cited religious obligations (e.g., amalan) or the concept of Gotong Royong (mutual cooperation) as the primary motivator to transition from a purely commercial to a social-business logic.
2. Key Distinction: The "self" is not the sole agent of alertness; the "community" acts as the extended sensor for social problems.

3.2. Validation via "Insider" Stakeholders (The 'Orang Dalam' Phenomenon)

The study reveals a stark contrast in Stakeholder Breadth. Meister et al. [15] identified formal lobbyists and state officials as key enablers.

Unlike Western models that rely on institutional data, Indonesian entrepreneurs validate their beliefs through trusted intermediaries or "insiders" (*Orang Dalam*). Participant 4, an AgriTech founder, highlighted the limitations of formal data:

"I don't trust online surveys; people here often fill them out randomly. Instead, I validated my idea through 'back channels'. I approached the head of the local traders' association as a key opinion leader in the market. Once he said, 'This idea can work,' only then did I dare to invest capital. Statistical data is useless if the 'Tokoh Masyarakat' (community figure) doesn't give their blessing."

This illustrates that in a high-context culture, opportunity belief is contingent upon the endorsement of a relational gatekeeper rather than bureaucratic approval.

Conversely, Indonesian entrepreneurs viewed formal channels as "inaccessible" or "high-risk" due to bureaucracy.

1. Mechanism: Opportunity beliefs were validated only when the entrepreneur secured an endorsement from a "Key Opinion Leader" (KOL) or a trusted "Insider" (*Orang Dalam*) within the target beneficiary group.
2. Finding: Without this relational validation, entrepreneurs dismissed the opportunity as "technically feasible but socially impossible," regardless of market data.

3.3. Digital Platforms as Institutional Substitutes

In the absence of reliable market feasibility studies, entrepreneurs utilized digital platforms for "micro-validation." Participant 7, who runs a waste management startup, described this substitution process: *"Before building a sophisticated app, I simply utilized the neighborhood WhatsApp Group (WAG). I threw the idea out there: 'Would you pay 20,000 Rupiah to have organic waste picked up?' It turned out to go viral in neighboring groups as well. That screenshot of the chat was my validation, it was far more convincing to me than a thick business proposal."*

Another entrepreneur added regarding trust maintenance: "Users here need to feel heard personally. I created a VIP Telegram group just to say 'Good Morning' and ask for feedback. This digital intimacy substitutes the need for formal customer service centers."

4. DISCUSSION

4.1. The "Communal-Digital" Model of Opportunity Belief

This study answers the call to recalibrate entrepreneurship research by stepping outside Western paradigms. The findings demonstrate that in a developing economy, the "Opportunity Actualization" process is not an individual cognitive act but a socially negotiated process.

While Meister et al. [15] posit that entrepreneurs balance social and business logics through formal stakeholder depth, our data suggests that Indonesian entrepreneurs achieve this balance through "Relational Trust". The belief that an opportunity exists is contingent upon the entrepreneur's existing social capital. If the entrepreneur cannot leverage a pre-existing network to bridge the trust gap, the opportunity belief fails to form, even if the economic indicators are positive. This confirms Ramoglou's proposition that opportunities are "knowable propensities", but adds that in developing economies, these propensities are "knowable" only through relational proximity.

4.2. Theoretical Contribution

1. Extending the Actualization Perspective: We extend the framework of Meister et al. by introducing "Digital-Relational Substitution." In environments with institutional voids (developing economies), digital platforms and informal networks substitute the role of formal institutions (e.g., laws, detailed market reports) in validating opportunity beliefs.

2. Redefining Stakeholder Breadth: We challenge the notion that "Competitors are Co-creators" in all social contexts. In the hyper-competitive Indonesian digital market, competitors remain threats. However, "Collaborators" are found in non-market actors (community heads, religious leaders) who hold "customer-like power".

4.3. Practical Implications

1. For Entrepreneurs: Aspiring social entrepreneurs in Indonesia should prioritize building "Relational Capital" before seeking financial capital. Validating ideas through WhatsApp communities or local influencers is a more accurate predictor of success than formal market research.
2. For Policymakers: Incubators should not force Western-style "Business Plan Competitions" as the primary validation tool. Instead, they should facilitate "Matchmaking Forums" that connect digital entrepreneurs with local community leaders to foster the trust required for opportunity belief formation.

4.4. Bridging the Gap: How This Study Extends and Challenges Prior Work

The opportunity actualization framework proposed by Meister and colleagues represents a significant advancement in understanding how entrepreneurs form social business opportunity beliefs in developed economy contexts. Drawing on empirical data from European entrepreneurs, their model emphasizes the critical role of stakeholder breadth and depth in shaping opportunity beliefs. In their framework, entrepreneurs validate social business opportunities through systematic engagement with formal stakeholders, including lobbyists, government officials, and institutional actors, while balancing market and non-market logics. The underlying assumption is that institutional trust is readily available, formal market data is accessible and reliable, and stakeholder relationships can be cultivated through structured, professional channels. This model has proven valuable for understanding entrepreneurial cognition in contexts where institutions function effectively and where entrepreneurs can reasonably expect formal mechanisms to validate their opportunity beliefs.

4.4.1. Three Fundamental Differences in the Indonesian Context

Our findings reveal that the Indonesian entrepreneurial landscape operates on fundamentally different premises. We identify three critical points of divergence that challenge the universality of the Meister framework:

First, the source of legitimacy differs fundamentally. In the Western model, legitimacy flows from formal institutions, government bodies, registered associations, certified market research, and legally binding contracts. Entrepreneurs seek validation through these channels because they trust that institutional endorsement translates into market access and stakeholder cooperation. In contrast, Indonesian entrepreneurs derive legitimacy from community gatekeepers, religious leaders, neighborhood heads (RT/RW), trusted elders, and informal opinion leaders. A business opportunity is not considered legitimate until it receives the implicit or explicit blessing of these figures. As one participant explained, "Statistical data is useless if the Tokoh Masyarakat (community figure) doesn't give their blessing." This reflects a fundamental difference in how legitimacy is constructed: it is socially conferred, not institutionally granted.

Second, the role of technology diverges sharply. In developed economies, digital platforms typically function as complements to existing institutional infrastructure. They enhance communication, enable scaling, facilitate data collection, and improve operational efficiency, all within a context where basic institutional functions (rule of law, contract enforcement, market information) are already present. In Indonesia, however, digital platforms serve as substitutes for missing or ineffective institutions. Entrepreneurs use WhatsApp groups to conduct market research because formal surveys are unreliable. They treat viral traction in closed community groups as equivalent to feasibility studies. They maintain "digital intimacy" through Telegram channels to substitute for formal customer service systems. This is not merely a difference in degree but in kind: digital platforms are filling institutional voids, not enhancing institutional capacity.

Third, the nature of trust operates on different foundations. The Western model assumes institutional trust & confidence in abstract systems, legal frameworks, professional certifications, and formal procedures. Entrepreneurs can trust that contracts will be honored, that market data reflects reality, and that government approvals carry weight. The Indonesian context, however, operates on

relational trust & confidence built through personal relationships, shared identity, reciprocal obligations, and long-term social interaction. Trust is not generalized to institutions but is specific to individuals and networks. Entrepreneurs do not ask "Is this market viable?" but "Who do I know who can vouch for this market?" They do not ask "What does the data say?" but "Which Orang Dalam (insider) has validated this approach?" This relational foundation fundamentally alters how opportunity beliefs are formed, tested, and acted upon.

4.4.2. Why This Gap Matters: Implications for Policy and Practice

Understanding these differences is not merely an academic exercise, it has profound implications for how entrepreneurship is supported in developing economies. When incubators, investors, and policymakers apply Western assumptions without adaptation, they systematically misread the entrepreneurial landscape and misallocate resources.

Consider a typical incubator program designed in Silicon Valley and exported to Jakarta. It emphasizes business plan competitions, market size calculations, financial projections, and pitch decks, all tools that assume institutional trust and formal validation mechanisms. Entrepreneurs who excel in this environment are those who have learned to mimic Western entrepreneurial norms, not necessarily those who have built deep relational capital with their communities. Meanwhile, entrepreneurs who have secured endorsements from religious leaders and validated their ideas through WhatsApp groups, achievements that signal genuine traction in the local context may be overlooked because their validation does not fit the prescribed format.

Similarly, investors trained in Western due diligence may discount the value of relational capital because it does not appear on spreadsheets. They may fail to recognize that a founder's connection to a neighborhood head is worth more than a thousand online survey responses. They may misinterpret the absence of formal market data as a sign of risk, when in fact the entrepreneur has already conducted extensive micro-validation through informal channels.

For policymakers, the stakes are even higher. Programs designed to formalize the informal sector, impose Western-style reporting requirements, or mandate institutional registration may inadvertently destroy the very relational trust that makes entrepreneurship possible. Without

understanding that relational and institutional trust are not interchangeable, policy interventions can undermine the ecosystems they aim to strengthen.

4.4.3. Theoretical Contribution: Recalibrating Opportunity Actualization

By documenting these three fundamental differences, we extend the opportunity actualization framework in three ways. First, we introduce the concept of legitimacy source heterogeneity—the idea that what counts as validation varies across institutional and cultural contexts. Second, we propose digital functionality contingency, the recognition that digital platforms play qualitatively different roles depending on the institutional environment. Third, we advance trust modality differentiation, the distinction between institutional and relational trust as parallel but non-fungible foundations for entrepreneurial action.

4.5. A Critical Reflection on the State of the Literature

The opportunity actualization perspective has advanced our understanding of entrepreneurship by moving beyond the discovery-creation debate [6,7]. However, this study reveals three critical blind spots in the current literature:

The Institutional Blind Spot: Existing frameworks assume the presence of functioning institutions (market data, legal contracts, formal validation channels). In contexts where these are absent or distrusted, entrepreneurs develop alternative validation mechanisms that current theories cannot explain.

The Cultural Blind Spot: By treating entrepreneurial cognition as universal, the literature overlooks how high-context vs. low-context cultures fundamentally shape how opportunities are recognized and validated. The "individual alertness" celebrated in Western entrepreneurship may be less relevant in collectivist societies.

The Digital Blind Spot: Current literature treats digital platforms as tools for scaling or communication. Our findings suggest a more radical role: digital as institutional substitute. This demands new theoretical frameworks that recognize technology's role in bridging institutional voids.

Without addressing these blind spots, entrepreneurship research risks becoming increasingly irrelevant to the majority of the world's entrepreneurs who operate outside Western institutional contexts.

This study matters because it demonstrates that entrepreneurship theory is not culturally neutral. Applying Western models to developing economies without adaptation risks producing ineffective policies and incubator programs. By documenting how Indonesian entrepreneurs actually form opportunity beliefs, we provide evidence-based guidance for ecosystem builders in the Global South.

4.6. Comparison with Prior Literature

To clearly position our contribution, we systematically compare our findings with the opportunity actualization framework proposed by Meister et al. [15] and other key studies in the field. Table 4 summarizes the key contrasts.

Stakeholder Breadth	Competitors viewed as potential co-creators; broad stakeholder mapping including formal actors [15]	Competitors remain threats; collaborators are non-market actors (community heads, religious leaders, local influencers)	Market and non-market stakeholders must be distinguished. In high-context cultures, non-market actors hold "customer-like power" to validate or block opportunities.
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Table 4: Comparison of Findings with Prior Literature

Theme	Prior Literature (Western Context)	This Study (Indonesia)	Theoretical Implication
Source of Alertness	Individual dissatisfaction with status quo; personal observation drives opportunity recognition [15]	To identify if alertness is individual-driven (Western view) or community-driven (<i>Communal Alertness</i>).	Alertness is culturally mediated. In collectivist societies, the community acts as an extended sensor. The "individual entrepreneur" model is incomplete.
Validation Mechanism	Formal stakeholder integration (lobbyists, government officials, institutional partners); reliance on market data and feasibility studies [7, 15]	Relational endorsement from Orang Dalam (insiders) and Key Opinion Leaders (KOLs); community blessing as necessary condition	Trust substitutes for formal data. Relational capital is the primary currency of validation. Institutional channels are often bypassed as ineffective or untrustworthy.
Role of Digital Platform	Tools for communication, scaling, and operational efficiency; digital as complement to existing institutions [2]	Institutional substitutes for validation; digital micro-experiments replace formal market research; platforms enable trust maintenance	Digital plays qualitatively different roles depending on institutional context. In developing economies, technology fills voids rather than enhancing existing capacity.

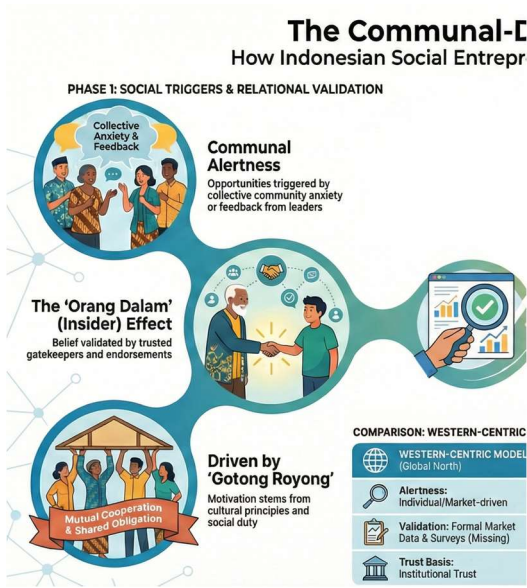


Figure 1: The Communal Digital Framework



Figure 2: Mind Map Social Business Beliefs and Relational Trust in Indonesia

5. CONCLUSION

5.1. Synthesis of Findings

This study set out to investigate the formation of social business opportunity beliefs in a developing economy, challenging the universality of Western-centric models. The analysis of Indonesian digital entrepreneurs reveals that opportunity actualization is not merely an individual cognitive act of balancing market and non-market logics, but a deeply socially negotiated process. Unlike their counterparts in the Global North who rely on formal institutional structures and broad stakeholder lobbying, Indonesian entrepreneurs navigate "institutional voids" by leveraging communal alertness and digital micro-validation. The formation of a robust opportunity belief in this context is contingent less on objective market data and more on the endorsement of trusted community insiders (Orang Dalam) and the viral traction within closed digital groups.

5.2. Theoretical Contributions

Theoretically, this research extends the Opportunity Actualization Perspective by introducing the mechanism of "Digital-Relational Substitution." We argue that in developing economies, digital platforms and informal networks do not merely facilitate communication but actively substitute the validation functions typically performed by formal institutions (e.g., market research firms, government bodies). Furthermore, this study refines the concept of Stakeholder Breadth, demonstrating that in a high-context culture, the "power" to validate an opportunity lies not with formal authorities, but with non-market actors who possess high relational capital. This confirms that "knowable opportunities" are culturally bound; what is "knowable" in Europe through data is only "knowable" in Indonesia through trust.

5.3. Practical Applications of the Findings

For Digital Entrepreneurs: Before building a product, invest 3-6 months in building relational capital with community gatekeepers (RT/RW heads, religious leaders, local KOLs). Use WhatsApp Groups as living labs for micro-validation before committing development resources.

For Incubators and Accelerators: Replace traditional "Business Plan Competitions" with "Trust-Building Bootcamps" that facilitate matchmaking between tech founders and community leaders.

Develop "Relational Capital Score" as a key metric in startup selection, not just market size or traction.

For Policymakers: Design digital infrastructure that bridges formal and informal sectors (e.g., integrating community-based validation into government SME support programs). Recognize that trust is a public good—invest in platforms that enable community-entrepreneur interaction.

For Investors: Train local investment teams to assess relational capital, not just financial projections. Look for "digital intimacy" metrics (e.g., engagement in closed community groups) as leading indicators of success.

5.4. Limitations and Future Research

While this study provides meaningful insights into social business opportunity formation in a developing economy context, several limitations must be acknowledged. These limitations also open avenues for future research.

5.4.1. Methodological Limitations

First, our sample is limited in geographic scope. The 12 entrepreneurs interviewed were primarily based in Java, particularly in urban areas such as Jakarta and surrounding cities. Indonesia is enormously diverse, with hundreds of ethnic groups and distinct cultural traditions across its archipelago. Entrepreneurial practices in Sumatra, Sulawesi, or Papua may differ significantly from what we observed in Java. Future research should include entrepreneurs from eastern Indonesia and other regions to capture this diversity.

Second, retrospective interviews carry inherent bias. Participants were asked to recall how they formed their opportunity beliefs, sometimes months or years after the fact. Memory is imperfect, and entrepreneurs may unconsciously reconstruct their stories to sound more coherent or intentional than the actual process was. While we triangulated with digital footprints (social media posts, website content, press coverage) to verify key claims, we cannot eliminate retrospective bias entirely. Longitudinal studies that track entrepreneurs in real-time would address this limitation.

Third, as a single-country study, our findings are deeply contextualized in Indonesian culture and institutions. This depth is a strength, but it also raises questions about transferability. Do similar dynamics operate in other developing economies say, in Nigeria, Brazil, or Vietnam—where institutional voids exist but cultural contexts

differ? Comparative studies across multiple Global South countries would help establish which patterns are universal to developing economies and which are specific to Indonesia.

5.4.2. Theoretical Open Issues

First, the concept of Digital-Relational Substitution requires further testing. Does this mechanism operate only in digital ventures, or does it also apply to traditional social enterprises? Is it unique to early-stage validation, or does it persist as ventures scale and formalize? Future research could examine whether digital platforms continue to substitute for formal institutions as ventures grow, or whether institutional trust eventually replaces relational trust.

Second, longitudinal dynamics remain unexplored. Our study captured a single point in time. We do not know how relational trust evolves over the venture lifecycle. Does the endorsement of a community leader remain equally valuable after five years? Do entrepreneurs eventually need to transition from relational to institutional validation? How do ventures navigate this transition? Longitudinal research following entrepreneurs from opportunity formation through scaling would answer these questions.

Third, gender dynamics warrant attention. Our sample included both male and female founders, but we did not systematically analyze gender differences. Prior research suggests that women entrepreneurs may face different barriers in accessing community gatekeepers and building relational capital. In many Indonesian communities, religious and neighborhood leadership positions are still male-dominated. Does this create additional hurdles for female founders? How do women entrepreneurs navigate these dynamics? Future studies should explicitly examine gender.

Fourth, we must consider the potential dark side of relational trust. While our findings highlight the benefits of community endorsement and insider networks, these same mechanisms may create exclusion. Entrepreneurs who lack connections to key community figures, perhaps migrants, minorities, or outsiders, may find themselves locked out regardless of their idea's merit. Relational validation can perpetuate elite capture and reinforce existing power structures. Future research should investigate these negative consequences and explore how entrepreneurial ecosystems can balance relational trust with inclusivity.

5.4.3. Disputable Claims for Future Research

We offer three claims that invite scholarly debate and empirical testing: Claim 1: Digital platforms in developing economies function as institutional substitutes, not merely complements. This claim challenges the dominant view of technology as enhancing existing systems. It suggests a more radical role. Skeptics might argue that digital platforms in urban Indonesia are increasingly complementing formal institutions as the economy develops. Comparative research across cities with different institutional maturity could test this. Claim 2: Relational capital matters more than financial capital in early-stage opportunity validation. This claim inverts typical investor wisdom. Critics might counter that product-market traction, revenue, users, growth, remains the ultimate validation regardless of context. Longitudinal studies measuring relational capital at founding and predicting survival rates could provide evidence. Claim 3: Communal alertness is more effective than individual alertness in collectivist cultures. This claim challenges the individualistic assumptions of Western entrepreneurship theory. It could be tested through cross-cultural experiments comparing opportunity recognition in collectivist versus individualist settings.

We encourage researchers to take up these questions. The field of entrepreneurship studies needs more context-sensitive theory, and the Global South offers rich ground for developing it.

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