

# The Impact of the Omani Digital Entrepreneurial Ecosystem on Opportunity Recognition and Entrepreneurial Action: Insights for Enhancing Startup Success

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## ABSTRACT

The purpose of this study is to investigate the Omani digital entrepreneurial ecosystem (EE) and its effect on opportunity recognition and action. Using a descriptive methodology, data were collected from 109 Omani nascent entrepreneurs who are at the stage of launching their tech start-up companies. The authors used SPSS to analyze data. The finding confirmed that the EE positively influences the opportunities and action from a digital entrepreneurship perspective. The original contribution of this research is to offer an empirical investigation of the role played by the EE not only in terms of the digital opportunity recognition process but also on the capability of nascent entrepreneurs to move toward effective entrepreneurial action. This research offers theoretical and practical implications for decision makers on opportunity recognition.

## KEYWORDS

Opportunity Recognition, Entrepreneurial Action, Digital Entrepreneurship, Oman

## INTRODUCTION

As technology and the digital economy advance, entrepreneurs and businesses have more opportunities to find and capitalize on new business prospects. Digital technology and innovative business models reshape how markets and industries operate, empowering entrepreneurs to identify and seize new opportunities (Bican & Brem, 2020). Entrepreneurship involves creating something novel and valuable while pursuing financial, personal, and autonomous objectives. Entrepreneurship in ecosystems refers to the conditions under which entrepreneurs operate, benefiting from teamwork, resource accessibility, supportive policies, and an innovative culture (Shwetter et al., 2019). This dynamic interaction fosters community growth, creativity, and economic progress. Various interdependent factors shape entrepreneurship within ecosystems, collectively creating an environment conducive to business success (Ibrahim et al., 2018; Theodoraki & Messeghem, 2017). It requires

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time, effort, and a willingness to take on social, psychological, and financial risks (Baporikar, 2017). In today's global economy, entrepreneurship must be actively promoted and supported to drive economic growth (Bhandari & Mohite, 2022). A conducive environment, known as an entrepreneurial ecosystem (EE), is essential for fostering entrepreneurship as a catalyst for economic development (Al Hasani & Husin, 2021). This ecosystem facilitates collaboration between start-ups, established companies, and government institutions, fostering a dynamic market for digital goods and services. Within this ecosystem, entrepreneurs gain access to essential resources and knowledge, enabling them to develop innovative solutions tailored to Oman's unique challenges and opportunities (Matriano, 2022).

In the era of the fourth industrial revolution and a rapidly evolving entrepreneurial landscape, the concept of digital Entrepreneurial Ecosystem (DEEs) integrates two existing ecosystem paradigms: digital ecosystems, which focus on infrastructure and digital users, and EEs, which emphasize agency and institutional roles (Al-Azri et al., 2010; Eddin & Thomas, 2017; Purbasari et al., 2021). Oman's digital space offers unprecedented opportunities for aspiring entrepreneurs, deeply intertwined with the country's vibrant culture and shifting economic landscape (Theodoraki & Messegem, 2017).

Understanding the dynamics of Omani entrepreneurs is essential for identifying and leveraging digital opportunities amid the country's commitment to digitization (Al Hasani & Husin, 2021; Gregori & Holzmann, 2020). Strategic initiatives such as Oman Vision 2040 emphasize the role of technology in economic diversification and sustainable growth. The government has made substantial investments in digital infrastructure, broadband expansion, and e-government services to improve efficiency, transparency, and innovation (Almamari, 2016; Alshihi, 2006). This growing ecosystem provides a fertile ground for digital entrepreneurship, with incubators, accelerators, and start-up hubs offering financial support, networking opportunities, and mentorship (Ordoñez de Pablos, 2023).

This study seeks to bridge the gap in understanding how DEEs influence opportunity recognition and entrepreneurial action in developing economies, with a particular focus on nascent entrepreneurs in Oman. The research examines how digital infrastructure, platform accessibility, and ecosystem connectivity shape entrepreneurial behavior, particularly in identifying and pursuing digital business opportunities. Specifically, the study aims to answer the following research questions:

1. How does the DEE enhance opportunity recognition for nascent entrepreneurs in Oman?
2. To what extent do digital platforms, infrastructure, and networks facilitate the transition from opportunity recognition to entrepreneurial action?

By integrating digitalization into the entrepreneurial framework, this research contributes to theoretical discussions on digital entrepreneurship and ecosystem development, while offering practical insights for policymakers, investors, and entrepreneurial support institutions in Oman. This study aims to inform future policies for strengthening digital infrastructure, e-governance, and funding mechanisms, ultimately fostering a more resilient and innovation-driven EE in the country.

## **LITERATURE REVIEW**

### **The Emergence of Digital Ecosystems and Entrepreneurship**

Entrepreneurship is the conditional output of the (eco)system, and robust EEs are distinguished by their capacity to produce, encourage, and foster high levels of entrepreneurship (Purbasari et al., 2021). Studying EEs has become a significant field of research, aiming to understand entrepreneurship holistically. Researchers have developed the concept of EEs through analogies to biological ecosystems. The metaphor was first used in a management study by Moore (1993), representing intricate relationships and dynamic, nonlinear ecosystem characteristics. One of the most widely recognized frameworks for understanding EEs was developed by Isenberg (2010). His model identified six key domains that influence entrepreneurial activity:

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