

ABSTRACT

Opportunity Recognition (OR) has an important role in the entrepreneurial field. In the prior research OR often called as a key step in entrepreneurial process. Entrepreneurs who can see the opportunity through opportunity recognition will able to exploit the opportunity within the market and will able to answer the market need. Nevertheless not every entrepreneur has an ability to identify an opportunity. Based on prior research there are view factors that will lead entrepreneurs to have OR.

This study aims to test how significance the effect of and the relationship between Self-Efficacy (SE), Prior Knowledge (PK), Social Network (SN) affecting OR using Entrepreneurial Alertness(EA) as mediation. MSME's in the culinary field under Bandung local government as the object of this research approved have a tiny capability to spot an OR based on the interview and prior research.

Data in this research collected by online survey to 339 sample from 2221 population MSME's in the culinary field under Bandung local. the questionnaire consisted of statements with 5 likert scale. Questionnaires were distributed using convenience sampling techniques and data analysis using Structured Equation Modeling-Partial Least Square (SEM-PLS) method using SmartPLS software by testing the outer model observed by convergent validity, discriminant validity and reliability. Subsequently by testing inner model observed by R^2 . Afterwards hypothesis testing observed by bootstrapping.

The result of descriptive analysis research show that SN has the highest percentage 86,4%, which means that MSME's agree that the social environment and relation help MSME's in identifying new business opportunities. In testing the hypothesis shows that all factors are positively related to OR. In addition the result show SE does not significantly influence OR, and SN has the most significantly effect OR.

Keywords : Opportunity recognition (OR), Self-Efficacy (SE), Prior Knowledge (PK), Social Network (SN), Entrepreneurial Alertness(EA), Entrepreneurial, MSME's, and opportunity.