

Determining factors of international opportunity recognition: A conceptual approach

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ABSTRACT

Objective: The objective of the article is to advance theoretical knowledge on international opportunity recognition by establishing a conceptual model with particular focus on answering why and how some entrepreneurs identify international opportunities (IOs).

Research Design & Methods: This conceptual paper relies on qualitative and explorative research through literature review methodology. The analysis of available literature leads to the formulation of seven theoretical propositions.

Findings: The findings allow us to establish why and how some entrepreneurs recognize IOs, by indicating that prior international knowledge and experience, international entrepreneurial alertness, entrepreneurial creativity and entrepreneurial passion are the determining factors.

Contribution & Value Added: This research integrates in a single conceptual model various factors that have been studied separately. The influence of all these factors simultaneously and the interaction between them seeks to explain why and how an entrepreneur identifies IOs.

Article type: conceptual article

Keywords: International opportunity recognition; prior international knowledge; prior international experience; cognitive characteristics; conceptual model

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INTRODUCTION

Literature states that international opportunities (IOs) are the cornerstone of international entrepreneurship (IE) field (Mainela *et al.*, 2018). In general, it can be said that IE focuses on researching how international entrepreneurs identify, evaluate and exploit opportunities outside national borders (Tabares *et al.*, 2020). Research on this field has been developed mainly in the last 15 years with a clear influence from entrepreneurship and international

business theories (Mainela *et al.*, 2014). International entrepreneurial behaviour driven by IOs has been considered a key factor in IE (Zuchella, & Magnani, 2016), since it is IOs which foster international entrepreneurial action and the consequent creation of international new ventures (INVs) and firm internationalization (Casado-Belmonte *et al.*, 2020).

In other words, the IE field is recognized as the practice of forming INVs or of business internationalization that arise from decisions and actions taken by individuals and/or teams in reaction to the discovery of IOs (Terán-Yépez *et al.*, 2020a). This makes the phenomenon of International opportunity recognition (IOR) an essential factor in this field, since without the discovery of IOs, opportunities cannot be exploited and, thus, INVs would not be formed and companies would not be internationalized (Ellis, 2011; Urban & Wood, 2015). Shane and Venkataraman (2000) and George *et al.* (2016) establish that the requirements for an entrepreneur to discover opportunities are prior knowledge and cognitive characteristics to judge that knowledge. Prior knowledge refers to sources of information developed from work experience, education, social bonds or other means (Shepherd & DeTienne, 2005) and cognitive characteristics help to obtain, organize and process this knowledge in order to identify opportunities (Hajizadeh & Zali, 2016).

Opportunity recognition is an intentional process and intentions are considered a strong predictor of planned behaviour (Peiris *et al.*, 2012). That is why the identification of opportunities must incorporate the cognitive perspective of the entrepreneur (Mainela *et al.*, 2014), i.e., the “intentions”, since according to the theory of planned behaviour, without intentions there will not be a process of entrepreneurial behaviour (Ajzen, 1991). In this regard, several scholars have focused their attention on some cognitive characteristics of the entrepreneur as being determinants of opportunity identification, however, the cognitive process is much more complex and while there is general agreement that IOR is the central element in IE, the details of the process are largely unknown (Angelsberger *et al.*, 2017). Previous research has mainly studied the relationship between some cognitive characteristics and IOR separately. The lack of attention to other effective factors and the fact that they are not included as a whole in the process of identifying IOs has led to less precise results that do not offer as realistic a framework as they should. In general, it can be said that the existing literature on IE implicitly assumes that internationalization is preceded by IOR, but provides little explanation of this process or the capabilities individuals need to have to identify these opportunities (Chandra *et al.*, 2009; Terán-Yépez, 2020).

Thus, according to Kraus *et al.* (2017), until now research in the IE field has largely ignored the study of the process of recognizing IOs; this being one of the causes for recent calls for further research on this subject (Terán-Yépez *et al.*, 2020a). This begs the research question, how do entrepreneurs (cognitively) identify international opportunities? Therefore, in order to respond to the limitations of current research, this study establishes a conceptual model that integrates prior knowledge and key cognitive characteristics that help entrepreneurs to obtain, organize and process new information, namely prior international experience, entrepreneurial creativity, international entrepreneurial alertness and entrepreneurial passion. By considering the simultaneous impact of all these factors along with the interaction between them the objective is to identify what characteristics are required by an entrepreneur in order to identify IOs. Consequently, this research should serve as the basis for future empirical research.

After explaining material and methods, this article continues with a literature review of the theory of social cognition and entrepreneurial cognition and how research into the IOR phenomenon has developed. The review allows various cognitive characteristics to be detected as determining factors for IOR. Thereafter, to shed more light on this phenomenon, a conceptual model aims to establish why and how entrepreneurs are able to recognize IOs. Then, it is discussed how the findings could be used by international entrepreneurs and managers to broaden their chances of identifying IOs. Finally, conclusions are drawn and theoretical and practical contributions and recommendations are presented.

MATERIAL AND METHODS

Identifying key determining factors of IOR is relevant and could provide considerable contribution to the existing scientific literature in IE. Thus, it is vital to assess relevant literature to discover every important factor. In addition, it is important to consider the simultaneous impact of all these factors along with the interaction between them and how can they contribute to identifying IOs. Therefore, this conceptual article by using qualitative and explorative research used the literature review methodology. In this way, firstly, a series of articles from the Web of Science and Scopus databases were exhaustively reviewed, making it possible to detect five key determining factors for IOR. Secondly, from these factors, a conceptual model is derived that contains the development of seven theoretical propositions that illustrates the relationship between the variables. The proposed model is applicable to both INVs and incumbent companies, since literature for both types of business was taken into consideration. In summary, this study is conducted under qualitative and explorative research to disclose the key determining factors of IOR.

LITERATURE REVIEW AND THEORY DEVELOPMENT

Theory of Social Cognition and Entrepreneurial Cognition

According to Baron (2014), it is not possible to understand the behaviour of individuals unless it is understood what and how they think about different social situations. In this sense, the Theory of Social Cognition (Holt & Brown, 1931) introduces the idea of the structure of knowledge; that is, the cognitions that are used to achieve personal effectiveness in certain situations. According to Bandura's Social Cognition Theory (1986), what people think, believe and feel affects their behaviour. In turn, the effects of their actions partly determine their thoughts and emotional reactions. In short, Social Cognition Theory encompasses how an individual absorbs, processes and uses information, conceptually organizes and relates his/her experiences and makes decisions (Sánchez *et al.*, 2011).

Based on this theory, several researchers (Kruger & Evans, 2004; Sánchez *et al.*, 2011) argue that the cognitive characteristics of entrepreneurs should be used to analyse and explain their behaviour, mainly in the process of identifying opportunities. In fact, cognitive characteristics are used to determine certain ways of processing information related to entrepreneurial behaviour (Angelsberger *et al.*, 2017; George *et al.*, 2016). This theory is called entrepreneurial cognition, since entrepreneurs have been attributed with a different capacity to process information, and the concept of entrepreneurial cognition has been created as a distinctive characteristic with which to define entrepreneurs (Mitchell *et al.*, 2002).

According to Sánchez *et al.* (2011, p. 433), entrepreneurial cognition can be defined as: “the knowledge of structures that entrepreneurs use to make evaluations, judgments or decisions that involve the identification of opportunities, creation of joint ventures and growth”. In other words, entrepreneurial cognition explains how entrepreneurs use mental models to gather previously unconnected information that will allow them to identify entrepreneurial opportunities (Terán-Yépez, 2020). In summary, it can be argued that the field of entrepreneurial cognition encompasses all aspects of cognition that can potentially play a key role in various aspects of the entrepreneurial process (Sánchez *et al.*, 2011). Therefore, entrepreneurial cognition is becoming increasingly useful to help establish the phenomenon associated with entrepreneurship, since this theory helps us to understand how an entrepreneur absorbs, processes, organizes and relates information (Baron, 2014; Tabares *et al.*, 2020).

The phenomenon of identifying international opportunities

The notion of IOR in IE was introduced by Zahra and George (2002), based on research of this topic within the “domestic” entrepreneurship. This theme has great relevance, since the process of IE begins through the identification of IOs (Ellis, 2011), which are identified by individuals and not by companies (Venkataraman 1997). Therefore, it can be argued that the process of IE is founded and driven by the acts of the entrepreneur (Etemad, 2004). The literature on “domestic” entrepreneurship supports the idea that various cognitive factors are correlated with the identification of opportunities (Ardichvili *et al.*, 2003; Butler *et al.*, 2010). This literary base in entrepreneurship, together with the work presented by Zahra and George (2002) and other researchers, such as the theoretical work of Oviatt and McDougall (2005), which analysed the speed of internationalization, initiated by entrepreneurial opportunity, led to the identification of IOs becoming an emerging theme in IE research, from 2006 onwards (Terán-Yépez *et al.*, 2020a).

Peiris *et al.* (2012) argue that in establishing the entrepreneur as a focal point in the IE process, the identification of opportunities should be highlighted as an integral part of the process. As such, instead of focusing on characteristics at the company level, it is first necessary to identify the entrepreneur as the unit of analysis (Chandra *et al.*, 2012). Thus, the study of the cognitive perspective within the identification of opportunities in IE has been carried out in order to interpret the entrepreneur’s mentality, through the impact of the choice of opportunities and the creation of value in international markets (Kiss *et al.*, 2019). Zahra *et al.* (2005), for example, highlights the value of understanding the minds of entrepreneurs, which can guide and shape internationalization decisions. In addition, Acedo and Florin (2006) highlight the relevance of prior experience and entrepreneurial cognitions, as a strong predictor for the identification of IOs. Furthermore, Butler *et al.* (2010) used the cognitive approach to explain why some people can recognize opportunities in international environments, despite high levels of uncertainty, by focusing on the entrepreneur’s ability to absorb this uncertainty and use creativity to take entrepreneurial action. In a more holistic view, Hajizadeh and Zali (2016) argue that the entrepreneur’s prior knowledge, alertness and entrepreneurial learning could have great relevance in understanding the opportunity recognition process. For their part, Costa *et al.* (2018) and Cardon *et al.*, (2017) propose that within the cognitive style of the entrepreneur, one construct that should be used and studied to further understand the recognition of opportunities is entrepreneurial passion.

Even if some studies have focused on the cognitive characteristics of the entrepreneur as a determinant of IOR, these cognitive characteristics have been studied separately which has led to less precise results and the lack of a holistic framework to outline why some entrepreneurs identify IOs while others do not. Thus, it is necessary to present a broader conceptual model by grouping various characteristics, which were previously studied in a scattered manner, to help understand this phenomenon.

Prior international knowledge and international opportunity recognition

Ardichvili *et al.* (2003) argue that prior knowledge is one of the key aspects for opportunity discovery. On this basis, Tang and Murphy (2012), argue that previous knowledge augments the probability of identifying opportunities, both for product development and service improvement. Moreover, Shepherd and DeTienne (2005) argue that people with prior knowledge tend to emphasize the relevant aspects of existing information, and analyse it in a more efficient way, which leads to the recognition of a greater number of opportunities. Fiet (2007) argues that systematic search is an effective way to increase prior knowledge, since entrepreneurs take advantage of the adjustment between their previous knowledge and new information to identify opportunities. Similarly, according to Corbett (2007), people with greater knowledge relating to industry, technology and the market tend to identify entrepreneurial opportunities more easily. Going even further, Hajizadeh and Zali (2016) demonstrate empirically that an individual's prior knowledge and opportunity recognition are positively related.

In the international context, research carried out by Santos-Álvarez and García-Merino (2010) shows that entrepreneurs' prior international knowledge has a positive influence on the search for information and on the identification of international opportunities. Several researchers (Chandra *et al.*, 2009; Kraus *et al.*, 2017; Tabares *et al.*, 2020; Zahra *et al.*, 2005) argue that prior international knowledge can be acquired through: travel abroad, mastery of a foreign language, life and work experience, education abroad, previous work/commercial experience abroad, international social links, and that the possession of the entrepreneur's prior international knowledge has a positive influence on the recognition of international opportunities. In addition, Galdino *et al.* (2019) and Kiss *et al.* (2019) establish that market and internationalization knowledge help to discover IOs and Lorenz *et al.* (2018) clarify that knowledge acquired in the domestic market may also help when looking for IOs. Thus, recent studies suggest that research on prior knowledge is an important avenue for future research in order to understand IOR (Chetty *et al.*, 2018; Tuomisalo, 2019). Therefore, it could be postulated that prior international knowledge influences the process of IOR.

Proposition 1: Prior international knowledge has a positive impact on the identification of international opportunities.

Prior international experience and international opportunity recognition

The literature argues that prior experience could shape the way an individual confronts their current challenges (Chetty *et al.*, 2018; Lafuente *et al.*, 2019). Thus, recent studies have suggested that to further investigate the antecedents of opportunity recognition, the role of prior experience needs to be studied in depth (Lorenz *et al.*, 2018; Tuomisalo, 2019). These assumptions are based on research such as that developed by Fiet (2007),

who considers that previous experience is the trigger for the process of recognizing opportunities and that this experience could arise from: work activities, the technology used at work, specialized training, social ties and recreational activities.

The results of some previous research support the views that prior international experiences such as living and studying abroad have a positive influence on IOR (Andersson & Evers, 2015). Other studies have also highlighted the importance of the international experience acquired by expatriates after their return from their international assignments (Firth *et al.*, 2014) which could help them identify IOs more easily. Going even further, according to some researchers previous international experience has a positive effect on the IOR process (Chandra *et al.*, 2009; Kiss *et al.*, 2019; Kraus *et al.*, 2017; Lorenz *et al.*, 2018). Tuomisalo (2019) by a qualitative and interpretative analysis, supports the statement that prior experience plays a key role in the opportunity recognition process. Thus, it could be argued that prior international experience influences the process of identifying international opportunities.

Proposition 2: Prior international experience has a positive impact on the identification of international opportunities.

Entrepreneurial creativity and international opportunity recognition

According to Amabile (1996), entrepreneurial creativity is described as the identification of novel opportunities. Brazeal and Herbert (1999) broaden this approach, by postulating that the identification of an entrepreneurial opportunity arises from the imbalance between the potential of something new and its realization, i.e. having the creativity to identify an opportunity that did not exist before. Thus, Gilad (1984) suggests that the identification of opportunities is a consequence of creative behaviour. With a more contemporary approach, Puhakka (2011) postulates that the identification of an opportunity needs a creative vision, creative behaviour and the sensibility about how to combine all the fragmented information that an individual might have. Research by Shane and Nicolou (2015) asserts that creative personality influences the identification of opportunities and therefore it can be argued that all entrepreneurs need a certain level of creativity to identify an opportunity. Furthermore, they postulate that they believe that opportunity identification and creativity have natural connections. Similarly, Amabile (1996) postulate that, if society sees successful entrepreneurs as those individuals who identify opportunities and entrepreneurial creativity as the generation and implementation of new ideas, successful entrepreneurs should possess some creativity in order to recognize those opportunities.

In a first overview of the international environment, Butler *et al.* (2010) used the cognitive approach to explain why some people are able to identify opportunities in international settings, despite high levels of uncertainty, by using creativity to take entrepreneurial action. It is also interesting to note that recent review papers underline the importance of creativity in the entrepreneurial process. George *et al.* (2016) through a systematic review of the literature on the factors that influence the identification of opportunities, recognize entrepreneurial creativity as one of the cognitive factors that affect this phenomenon. Similarly, Sasseti *et al.* (2018), in a systematic and bibliometric analysis on entrepreneurial cognition, identify entrepreneurial creativity as being linked to the generation of novel and useful opportunities. Furthermore, in relatively recent

studies, Chetty *et al.* (2018) and Tabares *et al.* (2020) identify entrepreneurial creativity as a relevant factor influencing IOR. Therefore, from this review, it can be inferred that entrepreneurial creativity influences the identification of international opportunities.

Proposition 3: Entrepreneurial creativity has a positive impact on the identification of international opportunities.

International entrepreneurial alertness and international opportunity recognition

The notion of a state of alertness was first used by Kirzner (1973) within the field of entrepreneurship, with the aim of describing the way in which entrepreneurs recognize opportunities. For Kirzner, alertness is the capacity of an individual to identify opportunities that others have not identified. Thus, entrepreneurial alertness has been recognized as a cognitive skill that increases an individual's state of alert to the environment and the information around him/her, thereby leading him/her to discover greater opportunities (Hajizadeh & Zali, 2016). As an information processing and cognitive capacity, state of alertness allows entrepreneurs to obtain, associate, and infer information from diverse areas to help them to discover opportunities, thus, there are entrepreneurs who are always alert to recognize opportunities by continuously perusing the environment (Puhakka, 2011). Tang *et al.* (2012) argued that entrepreneurial alertness increases the probability of identifying opportunities over people who are not in a state of alertness. Indeed, being able to be alert benefits entrepreneurs as they can imagine various scenarios, allowing them to recognize more opportunities (Hajizadeh & Zali, 2016).

Besides, even though George *et al.* (2016) have determined alertness as being one the prominent factors for opportunity recognition, there are, as yet, few studies that have raised the existence of entrepreneurial alertness when identifying opportunities in the international market. Lorenz *et al.* (2018), for example, argue that the IOR scale should contain the entrepreneurs' state of alertness, and Rezvani *et al.* (2019) argue that international entrepreneurial alertness should facilitate the recognition of IOs, but do not give explanations of how alertness can affect IOR. Finally, Chetty *et al.* (2018), through a case study approach, and Tabares *et al.* (2020), through qualitative analysis, propose that entrepreneurial alertness is a distinctive factor for IOR. Therefore, from this review it is clear that alertness influences the process of identifying international opportunities.

Proposition 4: International entrepreneurial alertness has a positive impact on the identification of international opportunities.

Entrepreneurial passion and international opportunity recognition

Although little research has yet been done on the relationship between passion and the identification of entrepreneurial opportunities (Cardon *et al.*, 2017; Costa *et al.*, 2018), passion research seems to be a very promising field in which to advance the study of entrepreneurship, as the literature states that the way people feel and the state of mind they have strongly influences various aspects of both cognition and entrepreneurial behaviour (Tognazzo *et al.*, 2020), and this is why entrepreneurial passion has increasingly attracted the attention of researchers as a specific entrepreneurial affective state (Cardon *et al.*, 2013, 2009). According to Smilor (1997), passion comes from that energetic and tireless search for a worthy, challenging and uplifting purpose. In other words, passion emerges when one has the freedom and opportunity to pursue one's dream and this facilitates the recognition of

entrepreneurial opportunities, due to the constant enthusiasm, joy and zeal that passion generates; as well as the persistent desire to succeed.

Entrepreneurial passion implies an intense positive emotion, which contributes to a better understanding of entrepreneurial behaviours and results, and which enables the analysis of how an entrepreneur identifies an opportunity (Cardon *et al.*, 2009). According to Cardon *et al.* (2017) and Tognazzo *et al.* (2020) passion influences many aspects of entrepreneurial cognition and behaviour and is important for the identification of opportunities and the acquisition of resources. Similarly, Baron and Ward (2004) postulate that passion can help entrepreneurs find complex patterns in order to recognize opportunities and entrepreneurs may experience more positive emotions than other people when exposed to such opportunity identification. Furthermore, Shane *et al.* (2003) establish that passion can facilitate the recognition of opportunities, the development of ideas and the execution of opportunities and Ma *et al.* (2020) argue that entrepreneurial passion can enhance an entrepreneur's ability to identify opportunities.

Following this line, Tabares *et al.*, (2020) and Terán-Yépez (2020) state that passion can also be important for the process of identifying IOs, since passion is an emotional and energizing component within the affective cognitive style that can be present for the identification of opportunities both in the local and international market. Therefore, and although to the extent of our knowledge this variable has not yet been empirically proven for international opportunity recognition, it is clear from this review that entrepreneurial passion influences the identification of international opportunities.

Proposition 5: Entrepreneurial passion has a positive impact on the identification of international opportunities.

International entrepreneurial alertness and entrepreneurial creativity as mediators

Knowledge has been recognized as a static concept that is activated and applied through the practical application of cognitive mechanisms (Corbett, 2005), which means that cognitions help individuals to benefit from the acquisition of knowledge (Hajizadeh & Zali, 2016). Entrepreneurial creativity and international entrepreneurial alertness have been pointed out as being two of the most relevant cognitive characteristics of entrepreneurs, enabling them to acquire, organize and process information and consequently their prior knowledge (Chang & Chen, 2020; Rezvani *et al.*, 2019).

Cognitive theories focus on thinking and information processing are particularly useful for a discussion on creative cognition since creativity is one of the cognitive characteristics that helps entrepreneurs to use prior knowledge to identify opportunities (Shane & Nicolaou, 2015). Woodman and Schoenfeldt (1990), state that previous knowledge is one of the individual qualities that affect creativity, that is, the greater the previous knowledge, the greater the creativity; while Chang and Chen (2020) and Sasseti *et al.* (2018) postulate that the creativity of individuals influences the identification of opportunities, therefore, all entrepreneurs need some creativity and some prior knowledge to identify an opportunity. Similarly, Butler *et al.* (2010) argued that some people can identify opportunities in international environments by exploiting their creativity based on their previous international knowledge. Therefore, it can be argued that a higher level of creativity on the part of entrepreneurs results in previous knowledge becoming more efficient which will guide these entrepreneurs to identify IOs.

Moreover, individuals who possess the greatest entrepreneurial alertness use it in order to exploit and develop their previous knowledge, which allows them to identify new opportunities (Chetty *et al.*, 2018). In fact, entrepreneurial alertness permits entrepreneurs to obtain more information associated to their previous knowledge and to use, organize, analyse and infer it more efficiently than non-entrepreneurs; and consequently to utilize it to identify greater opportunities (Tang *et al.*, 2012). Furthermore, according to George *et al.*, (2016) and Tabares *et al.* (2020) prior knowledge and entrepreneurial alertness are both influencing factors of IOR and that interaction between these could enhance the possibility of discovering IOs. Thus, according to Kraus *et al.* (2017) it can be argued that a higher level of entrepreneurial alertness renders greater efficiency from prior international knowledge when discovering IOs.

Proposition 6: Prior international knowledge has a positive indirect impact on the identification of international opportunities through entrepreneurial creativity.

Proposition 7: Prior international knowledge has a positive indirect impact on the identification of international opportunities through international entrepreneurial alertness.

Figure 1 depicts how the interaction and dynamics between entrepreneurial cognitions and prior international knowledge lead entrepreneurs to identify IOs (George *et al.*, 2016; Shane & Venkataraman, 2000). Thus international entrepreneurs can, through their prior international knowledge and entrepreneurial cognitions, amplify their chances to discover IOs and consequently to start the international entrepreneurial process, which could lead to the emergence of INVs or to the internationalization of the firm (Casado-Belmonte *et al.*, 2020).

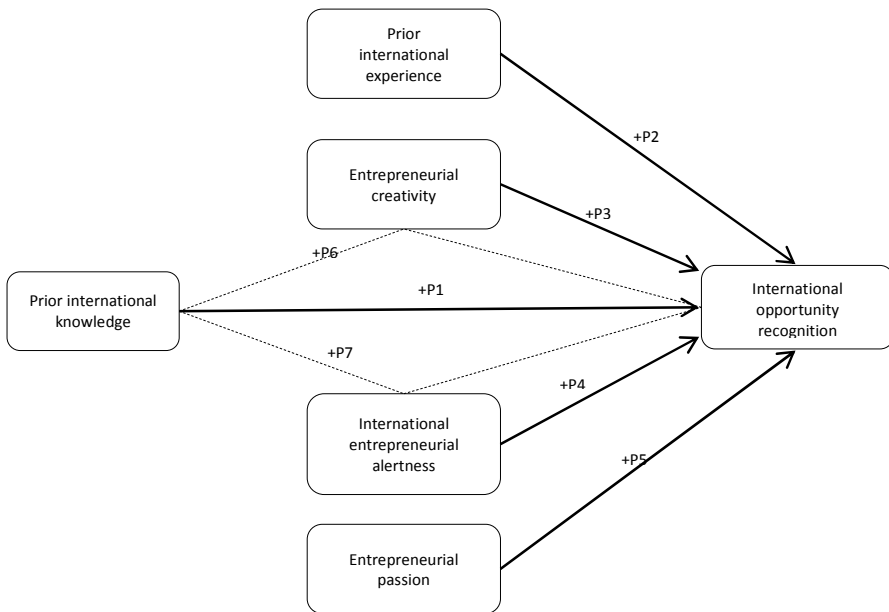


Figure 1. Key determining factors of international opportunity recognition
 Source: own elaboration.

DISCUSSION

The model proposed in this research, which outlines key determining factors of IOR, has strong practical implications for international entrepreneurs and business managers when looking to internationalize a firm. The establishment of this model is not limited only to the conceptual development of the IOR phenomenon, but also to professional practice. As suggested in the model, prior international knowledge, prior international experience, entrepreneurial creativity, international entrepreneurial alertness and entrepreneurial passion will determine why and how some entrepreneurs are capable of identifying IOs. In a practical sense, therefore, it is clear that international entrepreneurs and business managers must be able to develop both their prior international experience and prior international knowledge to expand their chances of recognizing IOs. To develop such knowledge and experience they may use a variety of sources, such as travel abroad, foreign language skills, life and work experience, education and business experience abroad, international social links, assistance to international fairs, conducting export market research or by using foreign tourists as an external-market information source (cf. Berbel- Pineda *et al.*, 2018; Chandra *et al.*, 2009; Chetty *et al.*, 2018; George *et al.*, 2016; Hajizadeh & Zali, 2016; Kiss *et al.*, 2019; Kraus *et al.*, 2017; Terán-Yépez *et al.*, 2020b; Zahra *et al.*, 2005).

The process of IOR, however, is also influenced by other cognitive aspects such as entrepreneurial creativity, international entrepreneurial alertness and entrepreneurial passion. International entrepreneurs should be aware that just doing activities and tasks different from others does not imply there are being creative (Amabile, 1996). To foster their entrepreneurial creativity they should force themselves to seek solutions even when they are not necessary and even reserve a few minutes each day or week for this (Shahab *et al.*, 2019). International entrepreneurial alertness can be generally improved by constantly scanning the environment (Tang *et al.*, 2012). This requires, for example, increasing interactions with people, continuously reading newspapers, magazines, trade publications or being aware of new business ideas (Fust *et al.*, 2016). Finally, entrepreneurial passion, by having an undeniable link to the passion for inventing, requires the entrepreneur to see the identification of opportunities as an exciting, enjoyable and motivating activity (Cardon *et al.*, 2013). In this sense it is of vital importance that entrepreneurs experience intense positive feelings with regard participating in entrepreneurial activities (Cardon *et al.*, 2009). To increase such cognitive skills such as entrepreneurial creativity and international entrepreneurial alertness, and why not entrepreneurial passion, higher education institutions could play a relevant role by establishing effective entrepreneurship education programs (cf. Byun *et al.*, 2018).

CONCLUSIONS

International opportunity recognition is one of the most highly discussed and debated topics in international entrepreneurship literature. Evaluation of the determining factors of why and how international entrepreneurs identify IOs therefore is a relevant contribution to the existing research in this scientific field. This article has evaluated the theories on social cognition and entrepreneurial cognition and the evolution in IOR research to determine what leads entrepreneurs to identify IOs. From this review, a conceptual model is derived that explains why and how entrepreneurs recognize opportunities in international markets

through the use of prior international knowledge, prior international experiences, entrepreneurial creativity, international entrepreneurial alertness and entrepreneurial passion. Thus, this study conceptually states that the simultaneous impact of all these factors and taking into account their mutual interaction contributes to explaining how entrepreneurs identify IOs cognitively. Therefore, this research serves as the basis for future empirical research.

The findings will help to provide junior and senior researchers, entrepreneurs and others interested in the study of international entrepreneurship with a new integrated model that will establish key effective factors for the discovery of IOs. The findings help to advance theoretical knowledge on IOR, however, these results need to be proven empirically. In a practical way, the proposed model will help entrepreneurs to disclose and develop the factors that influence their IOR, thus improving their entrepreneurial capacity. This model can also be used in the field of education to identify problems in the recognition of IOs by individuals and to encourage international entrepreneurs.

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