Discussion of:
"How Can Entrepreneurs Build Social Capital? An Experimental Study of Online Mentoring"

Presented by Saurabh A. Lall

Discussed by Anastasia Danilov

IGL Meeting
Berlin, May 21, 2019
Summary

▶ How social capital may be acquired?
▶ Which mechanisms can encourage entrepreneurs in searching for the mentor?
▶ Which mechanisms can help in establishing a "deep" mentor-mentee connection?

▶ RCT with a non-profit online mentoring platform
  - Video message
  - "Chat buddy" with some "practical" advise on how to use available tools
  - "Chat buddy" with a sample text for the first contact
  - "Business as usual"
Preliminary results

- Likelihood having a conversation increases from 64% to 100%
- Likelihood of having a longer conversation of at least 4 messages seems to remain unaffected (20-25%)
Major contribution

- The causal empirical evidence in the research topic of 'social capital' and how it can be acquired is extremely rare
- This study paves the way for understanding of how social capital can be acquired by entrepreneurs in an online environment and what drives this acquisition
- It shows, that whereas the meaningfully designed chat-buddy welcome messages can motivate entrepreneurs to contact a mentor, it is not enough to ensure the establishment of a meaningful relationship
Understanding the effects

- The treatments vary not only in the channel of the advise how to contact a mentor but also in the content of the video message and automated mails.

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Channel</th>
<th>Advisor's name</th>
<th>Entrepr.'s name</th>
<th>Bonnie &amp; Travis</th>
<th>Sample text message to mentor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>Video</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Group 2</td>
<td>Chat</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 3</td>
<td>Chat</td>
<td>✓</td>
<td>✓</td>
<td>(√)</td>
<td>✓</td>
</tr>
</tbody>
</table>
Treatment interventions have a positive effect on the probability of having a conversation

Potential explanations

- Costs of contacting a mentor are reduced by a chat-buddy message
- The mentee's messages became more professional
Treatment interventions have **no positive effect** on the chances of establishing a meaningful relationship

Potential explanations

- Lack of **incentives** for mentors to deepen the relationship
- Mentees invest to **little effort** / do not follow up because they underestimate the **success chance** of the meaningful relationship or the **value** of mentorship

- Rich data-set needs further **statistical exploration**
Suggestions for further investigations

▶ Since any relationship requires two – focus also on mentors
▶ **Survey** mentees/mentors to identify what motivates them (not) to contact a mentor/mentees, and what are the typical barriers for establishing a meaningful connection
▶ Identify characteristics of the mentors who are more likely to respond
▶ Manipulate the set of recommended mentors (either more similar or more distant to entrepreneurs own experience)
▶ Vary the match of the language for **Spanish native speakers** (English or Spanish chat-buddy)
▶ What can increase mentors' motivation to respond? (e.g. reminders, rankings, feedbacks, cockpit statistics)
Suggestions for empirical analysis

Current dependent variables
▶ Having a conversation
▶ Having a meaningful conversation
▶ Exchange of the contact information
▶ Sentiment of the conversation

Possible dependent variables
▶ Number of contacted mentors
▶ Who ends the conversation (doesn't contact back)?

Control variables
▶ Gender
▶ Age
▶ Native language

Potential control variables
▶ Similarity between sent-out and provided sample messages
▶ Interact the native language with the treatment variable
▶ Characteristics of the mentees (e.g., education level, previous experience in the business)
▶ Characteristics of the mentors
Thank you!
Suggestions for empirical analysis

▶ To motivate randomization: Make a graph with time on the x-axes and number of subjects enrolled in each treatment on y-axis
▶ To enable a meaningful interpretation of the logit regression: report marginal effects
▶ Reduce sample in the model (2) only to those who have established a contact (or use 2-step regression / hurdle model)
▶ See a list of control variables on page 7
▶ Check the impact of the online-training (use of online tools) on the success

P.S.: I don't quite understand why this social capital is altruistic. From the mentors side- yes, but from the side of mentee- it is instrumental.