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The Role of Causal and Contextual Conditions in Identifying Entrepreneurial Opportunities in Network Marketing: An Analytical Perspective from Experts

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Abstract

Network marketing, as one of the modern business models, has provided a significant capacity for creating entrepreneurial opportunities. However, the emergence of such opportunities depends on a set of causal and contextual conditions that have not yet been systematically analyzed. The purpose of this study is to identify and explain the causal and contextual conditions that influence the process of entrepreneurial opportunity formation within the context of network marketing in Iran. This study was conducted using a qualitative research design based on the grounded theory approach. Data were collected through semi-structured interviews with 12 experts in the fields of entrepreneurship, marketing, and network management, and analyzed through open, axial, and selective coding. The findings indicated that causal conditions such as economic motivation, job dissatisfaction, and the pursuit of occupational independence, along with contextual conditions such as legal structures, social culture, professional education, and information technology infrastructure, play a decisive role in identifying and exploiting entrepreneurial opportunities in this field. Accordingly, the proposed conceptual model of the study illustrates the dynamic interaction among these factors as a prerequisite for the emergence of sustainable opportunities. The results of this study can assist policymakers, network marketing practitioners, and entrepreneurs in designing more effective strategies for the development of network marketing-based businesses by gaining a more accurate understanding of environmental and causal conditions.

Keywords: network marketing, contextual conditions, causal conditions, entrepreneurial opportunities, entrepreneurship

1. Introduction

Entrepreneurship plays a pivotal role in the development and transformation of modern economies, providing the foundation for innovation, competitiveness, and employment generation (Shane & Venkataraman, 2000). The evolution of digital technologies and globalization has transformed the traditional structures of entrepreneurship, giving rise to new forms of business activities, such as digital entrepreneurship, e-commerce, and network marketing (Bruton et al., 2021). These transformations have expanded the scope of entrepreneurial opportunities beyond conventional industries, allowing individuals to leverage digital networks, social platforms, and technological infrastructures to identify and exploit market gaps (Glavas et



al., 2017). In this context, network marketing—also known as multi-level marketing—has emerged as an innovative business model that integrates entrepreneurship with social connectivity, technological facilitation, and flexible employment structures (Selamet & Prabowo, 2020).

The recognition and exploitation of entrepreneurial opportunities constitute the essence of entrepreneurship, as entrepreneurs are driven by their ability to identify unmet needs and creatively mobilize resources to address them (Shane & Venkataraman, 2000). Opportunity formation in network marketing is often influenced by a complex interplay of psychological, social, and structural factors. On one hand, individuals are motivated by the desire for economic independence and autonomy; on the other hand, the accessibility of digital tools and communication platforms significantly lowers entry barriers to entrepreneurial activities (Qiu & Galloway, 2015). The emergence of Internet-based marketing networks has reshaped how people discover opportunities, build connections, and engage in economic activities, particularly within developing economies where formal employment options may be limited (Aravik et al., 2025).

Network marketing has evolved into a multidimensional system that allows participants to act as both consumers and distributors. This dual role enhances the perceived legitimacy and inclusivity of the model but simultaneously introduces regulatory, ethical, and managerial challenges (Izadishahnani & Keshkar, 2022). In countries such as Iran, Indonesia, and other emerging markets, this business structure has grown rapidly due to its compatibility with digital communication and social media channels (Selamet & Prabowo, 2020). However, despite its growth, the entrepreneurial potential of network marketing remains underexplored in academic research, particularly regarding the mechanisms through which opportunities are recognized and exploited within its socio-technological framework (Varzeshkar et al., 2024).

The conceptual foundations of entrepreneurship highlight the importance of individual cognition, motivation, and the institutional environment in shaping opportunity recognition (Bruton et al., 2021). According to institutional theory, entrepreneurs operate within systems of norms, rules, and social expectations that either facilitate or constrain their ability to act creatively (Bruton et al., 2021). In the case of network marketing, these institutional factors include legal ambiguities, social perceptions, and the availability of supportive infrastructure. For instance, regulatory gaps and cultural resistance toward network-based sales models can significantly affect entrepreneurial motivation and the legitimacy of such ventures (Izadishahnani & Keshkar, 2022; Paydarfard et al., 2022).

The rapid digitalization of economies has introduced new dimensions to entrepreneurial opportunity recognition. Internet technologies, mobile communication, and artificial intelligence are now integral components of opportunity discovery and value creation (Srinivasan & Venkatraman, 2018). Entrepreneurs in network marketing utilize digital tools not only for communication and sales but also for community building and brand personalization. Studies indicate that online platforms facilitate the diffusion of information, emotional influence, and trust among participants, thus accelerating the process of opportunity exploitation (Robledo et al., 2023). The integration of social networks into entrepreneurial processes enables individuals to compensate for limited resources through relational capital and digital collaboration (Shtal et al., 2023).

In emerging markets, entrepreneurial opportunities in network marketing often stem from economic necessity rather than innovation-driven motives. Necessity entrepreneurship arises when individuals are compelled to pursue self-employment due to unemployment, underemployment, or dissatisfaction with traditional jobs (Qiu & Galloway, 2015). The network marketing model appeals to these individuals by offering low entry costs, flexible work schedules, and the promise of social mobility. However, the sustainability of these opportunities depends heavily on the broader institutional, legal, and cultural environment (Selamet & Prabowo, 2020). In contexts where the regulatory framework is weak or inconsistent, network marketing may face public skepticism and ethical concerns regarding fairness and transparency (Paydarfard et al., 2022).

The interaction between technology and entrepreneurship has become central to opportunity recognition and exploitation (Glavas et al., 2017). The Internet facilitates not only market access but also entrepreneurial learning and knowledge sharing. For instance, online communities and social media allow marketers to exchange experiences, learn strategies, and collectively construct market narratives. Such digitally mediated interactions can foster innovation and adaptability, enhancing entrepreneurs' capacity to navigate uncertainties (Srinivasan & Venkatraman, 2018; Thomkaew et al., 2018). Furthermore,



the rise of digital marketing and social commerce has blurred the boundaries between producers and consumers, enabling network marketers to act as micro-entrepreneurs who co-create value within their networks (Babashahi et al., 2021).

Nevertheless, the integration of digital tools into network marketing also introduces challenges related to data reliability, ethical marketing, and competitive sustainability (Ghaneian, 2023). As more individuals participate in online marketing networks, issues such as market saturation, lack of product differentiation, and information overload can hinder long-term growth. This makes it essential to develop strategic frameworks that align technological capabilities with entrepreneurial intent (Ghaneian, 2023; Varzeshkar et al., 2024). Research on entrepreneurial ecosystems emphasizes that the successful exploitation of opportunities requires the alignment of institutional support, human capital, and digital resources (Bruton et al., 2021).

Recent studies have underscored the role of gender and social inclusion in shaping access to entrepreneurial opportunities within network marketing (Aravik et al., 2025). For women and marginalized groups, network marketing offers flexible pathways to financial participation, particularly in societies where formal labor participation remains constrained. However, empowerment through such channels is contingent on education, digital literacy, and organizational transparency (Aravik et al., 2025; Izadishahnani & Keshkar, 2022). The role of socio-cultural dynamics becomes especially critical in determining how individuals perceive entrepreneurial legitimacy and success in this domain (Selamet & Prabowo, 2020).

Moreover, the entrepreneurial behavior of network marketers is shaped by psychological and motivational dimensions that influence opportunity recognition. Studies have demonstrated that personal ambition, self-efficacy, and social identity construction play vital roles in motivating participation in such business models (Qiu & Galloway, 2015; Robledo et al., 2023). The visualization of success stories through social media contributes to a culture of aspiration and achievement, reinforcing entrepreneurial commitment even in the absence of stable institutional support (Thomkaew et al., 2018). However, this phenomenon also raises concerns about unrealistic expectations and potential disillusionment, particularly when individuals fail to achieve the promised results (Paydarfard et al., 2022).

From a strategic perspective, modern network marketing represents a hybrid organizational model that combines hierarchical management with decentralized operations (Shtal et al., 2023). Participants function both as independent agents and as part of an interconnected system driven by digital interactions. Effective network marketing thus requires the cultivation of leadership, communication, and adaptive learning skills to sustain engagement and ensure compliance with ethical norms (Babashahi et al., 2021; Ghaneian, 2023). The emergence of digital ecosystems has further intensified competition, necessitating continuous innovation in product differentiation and customer relationship management (Varzeshkar et al., 2024).

In the Iranian context, network marketing has faced both opportunities and challenges arising from economic constraints, cultural attitudes, and regulatory uncertainties (Izadishahnani & Keshkar, 2022). While digital expansion and youth unemployment have fostered widespread participation, the lack of a comprehensive policy framework has often led to ambiguity between legitimate marketing practices and pyramid schemes (Paydarfard et al., 2022). Addressing these challenges requires a deeper understanding of the causal, contextual, and intervening factors that shape entrepreneurial opportunity formation within this domain. By integrating technological innovation, social networking, and institutional regulation, policymakers and practitioners can better harness the potential of network marketing as a vehicle for sustainable entrepreneurship (Selamet & Prabowo, 2020; Varzeshkar et al., 2024).

In summary, the existing literature highlights that opportunity formation in network marketing is influenced by interrelated dimensions of motivation, environment, and technology. Economic necessity, self-fulfillment, and social aspiration motivate individuals to participate; digital and institutional infrastructures either facilitate or constrain their success; and behavioral and strategic choices determine the sustainability of outcomes (Bruton et al., 2021; Glavas et al., 2017; Robledo et al., 2023). Despite the global proliferation of this model, limited research has systematically explored how causal and contextual factors interact to shape opportunity recognition and exploitation in Iran's network marketing environment.

The aim of this study is to identify and explain the causal and contextual conditions influencing the formation of entrepreneurial opportunities in the context of network marketing in Iran.



2. Methods and Materials

This study is applied in purpose and qualitative in nature and method, employing the grounded theory approach. Grounded theory is used to generate theory from data and is considered one of the most suitable methods for gaining deep understanding of complex phenomena within a specific social and cultural context. Given the objective of this research—to identify and explain the causal and contextual conditions influencing the formation of entrepreneurial opportunities in network marketing—this approach enables the exploration of the phenomenon and the interpretation of its underlying structures.

The research population consisted of experts in the fields of entrepreneurship, network marketing, and business policy-making. The sampling method was purposeful sampling, specifically expert sampling. The selection criteria for experts included professional or executive experience in network marketing, teaching or research in entrepreneurship, or managerial experience in institutions related to network-based businesses. Interviews continued until theoretical saturation was reached, and ultimately, 12 experts were interviewed.

Research data were collected using in-depth semi-structured interviews. The interview questions were designed based on the research objectives and after reviewing the theoretical literature. Before final implementation, the questions were pilot-tested with two experts and revised accordingly. The interviews were conducted either in person or by telephone, recorded with participants' consent, and then fully transcribed.

Data analysis was carried out through the three-stage coding process (open, axial, and selective coding) following the Strauss and Corbin (1998) model. In the open coding stage, the initial concepts were extracted from the data. Then, during axial coding, these concepts were organized into central categories based on semantic similarity and relationships. Finally, in the selective coding stage, the final conceptual model was developed, illustrating the interaction among causal conditions, contextual conditions, strategies, and consequences in the formation of entrepreneurial opportunities.

To ensure the validity of the findings, Lincoln and Guba's four criteria—credibility, transferability, dependability, and confirmability—were applied. Techniques such as member checking, peer debriefing, and detailed documentation of the research process were used to enhance qualitative validity.

3. Findings and Results

In the open coding stage, after analyzing the interview transcripts, more than 120 initial concepts were identified. Among these, the concepts referring to causal and contextual conditions were categorized.

Table 1. Open Coding: Initial Concepts Related to Causal and Contextual Conditions

No.	Concept	No.	Concept	No.	Concept
1	Financial motivation	41	Lack of prior marketing experience	81	Use of motivational vocabulary
2	Desire for independence	42	Attraction of university students	82	Perceived injustice in compensation
3	Dissatisfaction with current job	43	Advertising on Instagram	83	Desire for rapid success
4	Visualization of success on social media	44	Lack of formal oversight	84	Fear of failure
5	Easy access to the Internet	45	Rapid network expansion	85	Lack of institutional support
6	Deceptive advertising	46	Charismatic leadership appeal	86	Unrealistic advertising
7	Passive income	47	Income dependency on recruitment	87	Post-entry dissatisfaction
8	Support from close relations	48	Use of motivational meetings	88	Resistance to quitting the activity
9	Previous negative experiences	49	Limited product knowledge	89	Recruitment through success stories
10	Hope for a better future	50	Unauthorized sales	90	Loss of personal credibility after failure
11	Lack of stable employment	51	Overestimated sales volume	91	Exponential income growth
12	Familiarity through friends	52	Sales decline after market saturation	92	Use of falsified statistics
13	Absence of time constraints	53	Forced repurchase	93	Profit non-transparency
14	Part-time work	54	Peer influence	94	Alignment with sales culture
15	Low initial investment	55	Trust in leader	95	Financial illiteracy
16	High learning ability	56	Compliance with company structure	96	Emotional selling
17	Opportunity for rapid growth	57	Intra-organizational competition	97	Team loyalty
18	Use of personal branding	58	Creation of new identity	98	Building work teams
19	Hierarchical structure	59	Improved communication skills	99	High risk-taking tendency
20	Ambiguity in regulations	60	Emphasis on financial success	100	Use of psychological rewards
21	Desire for social advancement	61	Comparison with traditional models	101	Lack of legal awareness
22	Use of smartphones	62	Pressure to increase sales	102	Motivational message advertising
23	Word-of-mouth advertising	63	Doubt about legal legitimacy	103	Investment in relationships



24	Lack of financial transparency	64	Attraction of high income	104	Weak market analysis
25	Family skepticism	65	Fatigue from work routine	105	Incomplete understanding of target market
26	Lack of formal training	66	Lifestyle marketing	106	Uncritical following
27	Absence of legal clarity	67	Psychological pressure from failure	107	Imitation of successful leaders
28	Emotional marketing	68	Migration to large cities	108	Denial of failure
29	Repetition of motivational phrases	69	Spousal participation	109	Social convergence
30	Reliance on interpersonal relationships	70	Weak after-sales service	110	Identity change within the network
31	Lack of technical education	71	Experience-based advertising	111	Inability to assess risk
32	Learning through experience	72	Dominance of emotion over logic	112	Recruitment through close networks
33	Escape from bureaucracy	73	Leader's influence on decision-making	113	Enthusiasm without knowledge
34	Lack of employment opportunities in the region	74	Lack of understanding of the business model	114	System-dependent growth
35	Appeal of success stories	75	Conflict with family values	115	Dependence on encouragement
36	Trust-based sales	76	Absence of enforcement mechanisms	116	Financial anxiety
37	Team competition	77	Inadequate product knowledge	117	Lack of competitor awareness
38	Incentive structure	78	Forced product purchase	118	Initial excitement
39	Uncertainty about company's future	79	Income dependency on team performance	119	Decline in motivation over time
40	Gender-based motivation differences	80	Multilevel selling	120	Conflict between personal values and company structure

Through axial coding, the above concepts were categorized into eight main categories:

Table 2. Axial Coding

Related Codes	Core Category
Financial motivation, desire for independence, dissatisfaction with current job, hope for a better future, desire for rapid success, escape from bureaucracy, absence of time constraints, part-time work, migration to large cities, enthusiasm without knowledge, financial anxiety, visualization of success on social media	1. Individual Motivations
Easy access to the Internet, use of smartphones, advertising on Instagram, use of motivational meetings, lifestyle promotion, experience-based advertising, information technology infrastructure, deceptive advertising	2. Technological Infrastructure and Platform
Ambiguity in regulations, lack of legal transparency, family skepticism, doubts about legal legitimacy, absence of enforcement mechanisms, perceived injustice in compensation, unauthorized sales, sales exceeding expectations, forced product purchase, unrealistic advertising, lack of legal awareness, resistance to leaving the activity, conflict with family values	3. Legal and Social Barriers
Hierarchical structure, inter-team competition, income dependency on recruitment, team-building, creation of new identity, intra-organizational competition, use of psychological rewards, team loyalty, multi-level selling, exponential income growth, imitation of successful leaders, system-dependent growth, compliance with company structure	4. Network Structure and Organizational Behavior
Lack of formal training, absence of technical education, learning through experience, financial illiteracy, investment in relationships, incomplete understanding of target market, weak market analysis, use of informal training, weak after-sales service	5. Training and Empowerment
Use of personal branding, emotional selling, lifestyle marketing, use of motivational vocabulary, creation of personal brand, efforts toward legal compliance, hybrid online–offline activities, use of motivational messages, creation of new identity, pressure to increase sales, spousal participation	6. Behavioral Strategies
Fatigue from work routine, decline in motivation over time, dissatisfaction after entry, improved communication skills, sense of failure, withdrawal from activity, previous negative experiences, sales decline after market saturation, loss of personal credibility after failure, initial excitement, fear of failure, dependence on encouragement	7. Outcomes and Experiences
Previous marketing experience, educational level, family support, level of self-efficacy, product quality, lack of competitor awareness, general knowledge level, trust in leader, uncritical following, limited product knowledge, social convergence, identity change within the network, inability to assess risk	8. Contextual and Intervening Conditions

Table 2 presents the results of the axial coding process, in which the 120 initial open codes were synthesized into eight main categories reflecting the underlying structure of entrepreneurial opportunity formation in network marketing. These categories include individual motivations, encompassing factors such as financial motivation, desire for independence, and dissatisfaction with current employment; technological infrastructure and platform, highlighting the role of digital access, social media, and information technology; legal and social barriers, which involve issues like regulatory ambiguity, lack of legal transparency, and negative family or societal attitudes; network structure and organizational behavior, representing hierarchical structures, team dynamics, and system dependency; training and empowerment, emphasizing deficiencies in formal education, financial literacy, and market analysis; behavioral strategies, such as personal branding, lifestyle promotion, and hybrid online–offline activities; outcomes and experiences, including emotional fatigue, motivational decline, and dependence on external encouragement; and contextual and intervening conditions, referring to prior experience, family support, product quality, and



self-efficacy. Together, these categories illustrate the multifaceted interactions between personal, technological, legal, organizational, and contextual factors shaping entrepreneurial opportunity recognition and exploitation within the network marketing ecosystem.

Table 3. Selective Coding: The Paradigm Model of Entrepreneurial Opportunity Formation in Network Marketing

Components	Elements	Description
Core Phenomenon	Formation of entrepreneurial opportunities in network marketing	The central phenomenon of the study represents the process of emergence, perception, and exploitation of entrepreneurial and occupational opportunities within the context of network marketing.
Causal Conditions	Economic and livelihood motivation; desire for occupational independence; dissatisfaction with traditional employment models; attractiveness of success visualization on social media	These factors constitute the initial motivations that drive individuals toward discovering opportunities in the network marketing context.
Contextual Conditions	Information technology infrastructure; cultural and social environment; legal and regulatory frameworks; quality of training and technical knowledge; market conditions of network products	These contextual foundations determine the extent to which individual motivations translate into real opportunities or become neutralized.
Intervening Conditions	Previous marketing experience; level of education and personal capability; family or peer support; individual psychosocial status (e.g., level of self-efficacy)	These moderating factors play an intermediary role by influencing the strength or weakness of causal and contextual effects.
Action/Interaction Strategies	Use of social networks for marketing; engagement in informal learning; creation of personal brand; hybrid online–offline activities; effort toward legal compliance and differentiation from pyramid schemes	These are the strategies adopted by actors to exploit entrepreneurial opportunities under specific personal and environmental conditions.
Consequences	Creation of secondary employment or alternative income source; enhancement of sales and negotiation skills; increased financial independence; frustration and withdrawal (in the absence of suitable conditions)	These outcomes reflect both the positive and negative consequences resulting from the interaction of all preceding elements in the model.

Table 3 illustrates the paradigm model derived from the selective coding stage, integrating the relationships among the six key components that explain the process of entrepreneurial opportunity formation in network marketing. At the core lies the phenomenon of opportunity emergence and exploitation within the network marketing context, representing how individuals identify and act upon potential entrepreneurial pathways. The causal conditions—including economic and livelihood motivations, the pursuit of occupational independence, dissatisfaction with traditional job structures, and the appeal of success images on social media—act as the primary driving forces behind individuals' engagement. The contextual conditions, such as information technology infrastructure, cultural and social norms, legal and regulatory systems, educational quality, and product market characteristics, create the environmental setting that determines whether these motivations can evolve into tangible opportunities. The intervening conditions—comprising prior marketing experience, education level, family support, and psychosocial traits like self-efficacy—serve as mediating factors that shape the intensity and direction of causal influences. Within this framework, strategies such as leveraging social media, engaging in informal learning, developing personal branding, combining online and offline activities, and adhering to legal boundaries are adopted to navigate environmental complexities and enhance success potential. Finally, the consequences range from the creation of secondary income sources and improved professional skills to increased financial autonomy or, conversely, frustration and disengagement when contextual supports are lacking. Collectively, this model encapsulates the dynamic interaction between motivational, environmental, and behavioral factors that underpin entrepreneurial opportunity realization in the evolving landscape of network marketing.

4. Discussion and Conclusion

The findings of the present study revealed that the formation of entrepreneurial opportunities in network marketing is a multifactorial process influenced by causal, contextual, and intervening conditions. The core phenomenon identified—the emergence, recognition, and exploitation of entrepreneurial opportunities in network marketing—is shaped by the dynamic interaction between personal motivations, technological infrastructures, socio-cultural norms, and institutional frameworks. Results from the qualitative analysis indicate that economic and livelihood motivations, the pursuit of occupational independence, and dissatisfaction with traditional job models serve as primary causal factors driving individuals toward participation in network marketing. These findings are consistent with prior research emphasizing that entrepreneurial behavior



often originates from a combination of necessity-based and opportunity-based motives (Aravik et al., 2025; Qiu & Galloway, 2015). In developing economies, where limited formal employment opportunities exist, network marketing provides a flexible mechanism for individuals—especially youth and women—to achieve financial autonomy and self-actualization (Aravik et al., 2025).

Moreover, the attractiveness of success visualization on social media was found to reinforce entrepreneurial intentions by cultivating a sense of possibility and aspiration among participants. This aligns with prior studies suggesting that the digital representation of entrepreneurial success stories plays a critical role in reinforcing self-efficacy and the intention to engage in entrepreneurial ventures (Robledo et al., 2023; Thomkaew et al., 2018). Through motivational narratives, social media acts as a catalyst for emotional engagement and symbolic identity construction, which can amplify individuals' perceptions of achievable success within the network marketing ecosystem. However, this symbolic portrayal of success also introduces a dual effect—on one hand, motivating entry into entrepreneurship; on the other, generating unrealistic expectations that may later lead to frustration and attrition (Paydarfard et al., 2022).

The study also highlights contextual conditions—such as the availability of digital infrastructure, cultural acceptance, regulatory frameworks, educational quality, and the competitive environment of network-based products—as decisive in shaping entrepreneurial outcomes. Consistent with the findings of (Selamet & Prabowo, 2020), robust information technology infrastructures enable the establishment and expansion of network marketing systems by reducing operational barriers and facilitating the integration of digital sales strategies. The penetration of smartphones and social media platforms has further accelerated market access and consumer interaction, enabling entrepreneurs to transcend geographical constraints. These findings corroborate earlier works that recognize the Internet as a transformative tool for opportunity recognition and market participation (Glavas et al., 2017; Srinivasan & Venkatraman, 2018).

At the same time, cultural and social factors remain influential. The study found that societal perceptions of network marketing often oscillate between optimism and skepticism, reflecting cultural ambivalence toward nontraditional work models. This finding supports the argument of (Bruton et al., 2021), who emphasized that institutional legitimacy and societal norms profoundly influence entrepreneurial behaviors, particularly in contexts with ambiguous regulatory environments. In Iran, as in other emerging economies, cultural attitudes toward risk, collective identity, and social trust shape how individuals evaluate the legitimacy and desirability of entrepreneurial opportunities (Izadishahnani & Keshkar, 2022). Negative societal attitudes, coupled with uncertain legal boundaries, can undermine participant confidence and impede the scalability of network-based enterprises.

Another key finding pertains to the role of legal and regulatory frameworks, which emerged as both enablers and inhibitors of entrepreneurial opportunity development. Ambiguity in laws, lack of transparency in financial transactions, and insufficient oversight mechanisms were identified as structural barriers. These findings resonate with those of (Paydarfard et al., 2022), who discussed the prevalence of fraudulent or pyramid-like structures within unregulated network marketing systems. Inadequate governance not only erodes public trust but also exposes participants to significant financial risks. As (Bruton et al., 2021) noted, strong institutional frameworks are essential for fostering ethical entrepreneurship and sustaining long-term market legitimacy. Therefore, effective policy interventions—such as clear licensing standards, legal safeguards, and education on consumer protection—are vital to ensuring sustainable growth in this sector.

Furthermore, intervening conditions such as prior marketing experience, educational background, family support, and psychosocial factors (e.g., self-efficacy and confidence) were found to moderate the relationship between causal and contextual variables. These personal attributes influence the extent to which individuals can identify and exploit opportunities successfully. The moderating role of human capital in entrepreneurship has been well documented in prior studies, which assert that experience, knowledge, and self-efficacy increase the likelihood of opportunity recognition and persistence under uncertainty (Qiu & Galloway, 2015; Varzeshkar et al., 2024). For instance, individuals with higher education levels or prior exposure to sales and marketing tend to possess better analytical skills, which enable them to evaluate market dynamics and manage risks more effectively. Similarly, emotional and social support systems—such as encouragement from family or peers—serve as buffers against the psychological and financial challenges associated with entrepreneurial ventures (Aravik et al., 2025).

The action/interaction strategies identified in this study—such as leveraging social networks for marketing, engaging in informal learning, developing personal brands, integrating online and offline operations, and striving for legal compliance—reflect adaptive responses to environmental complexities. These strategies are consistent with the concept of effectual logic in entrepreneurship, which emphasizes adaptability, experimentation, and leveraging existing means to achieve goals (Robledo et al., 2023). In particular, the use of personal branding and lifestyle marketing was found to play a significant role in opportunity exploitation. This observation aligns with (Babashahi et al., 2021), who highlighted that digital marketing strategies grounded in authenticity and individualized branding are instrumental for small businesses operating in competitive, trust-dependent markets. Informal education and mentorship within network communities were also instrumental in enhancing entrepreneurial competence, echoing findings from (Shtal et al., 2023), who identified continuous learning and knowledge sharing as essential elements for modern entrepreneurial success.

However, while these strategies foster adaptability and growth, they also expose participants to challenges related to information overload, emotional fatigue, and ethical ambiguity. Overemphasis on motivational messaging and lifestyle ideals may lead to burnout or disillusionment when results do not align with expectations. This mirrors the findings of (Thomkaew et al., 2018), who reported that excessive reliance on motivational culture within online entrepreneurial environments often generates short-term enthusiasm but fails to sustain long-term engagement. Hence, a balanced approach integrating motivational support with realistic training and transparent performance evaluation is required.

The consequences identified in this study encompass both positive and negative outcomes. On the positive side, many participants achieved secondary employment opportunities, enhanced sales and communication skills, and increased financial independence. These findings correspond with previous literature recognizing network marketing as a platform for professional skill development and personal empowerment (Aravik et al., 2025; Selamet & Prabowo, 2020). For women and youth, in particular, such models have provided pathways for socio-economic inclusion and flexible income generation. Nevertheless, the study also observed adverse consequences, including frustration, decline in motivation, and withdrawal from activity—especially when participants encountered structural limitations such as market saturation, unfair compensation, or misleading promises. These patterns are consistent with (Paydarfard et al., 2022), who noted that weak regulatory oversight and deceptive marketing practices can produce high turnover rates and negative perceptions of the industry.

In summary, the findings reaffirm that entrepreneurial opportunity formation in network marketing is a systemic and interactive phenomenon governed by motivational, technological, institutional, and social factors. It operates at the intersection of individual agency and structural context, where success depends on the alignment of personal aspirations with supportive infrastructures and transparent regulations. The results substantiate prior theoretical perspectives suggesting that entrepreneurship cannot be understood merely as an individual act of innovation but must be viewed as an embedded process shaped by institutional and environmental dynamics (Bruton et al., 2021; Varzeshkar et al., 2024). Moreover, digital technologies and social platforms have amplified the role of social capital and emotional influence in entrepreneurial processes, expanding both the potential and the risks inherent in network marketing (Glavas et al., 2017; Srinivasan & Venkatraman, 2018). Thus, fostering sustainable entrepreneurship in this domain requires coordinated efforts across technological innovation, regulatory policy, and social education.

This study, while comprehensive in its qualitative exploration, is subject to several limitations. First, the sample size was limited to 12 experts, which constrains the generalizability of findings to the broader population of network marketing participants. The reliance on expert interviews, though rich in contextual insight, may underrepresent the experiences of lower-tier distributors or new entrants in the field. Second, the study focused exclusively on the Iranian context, where cultural norms, economic pressures, and legal environments differ significantly from other regions. This limits cross-national comparability. Third, as the grounded theory approach is inherently interpretive, the researcher's subjectivity in data coding and model formulation may have influenced the interpretation of themes. Additionally, the dynamic nature of digital marketing environments suggests that findings may evolve rapidly as new technologies, regulations, and social media trends emerge.

Future research should aim to address these limitations through broader and more diverse data collection methods. Quantitative studies employing structural equation modeling or mixed-method approaches could validate and generalize the conceptual model developed in this study. Comparative analyses across countries or cultural contexts would also provide



valuable insights into how institutional variations influence opportunity recognition in network marketing. Furthermore, longitudinal research could examine the long-term sustainability and career trajectories of network marketers, particularly in relation to motivation, income stability, and psychological well-being. Exploring the role of emerging technologies—such as artificial intelligence, blockchain, and data analytics—in shaping transparency, consumer trust, and operational efficiency in network marketing systems could also represent a promising direction for future inquiry.

From a practical standpoint, the findings underscore the need for multi-level interventions. Policymakers should develop transparent regulatory frameworks that differentiate legitimate network marketing from fraudulent schemes, ensuring ethical compliance and consumer protection. Educational institutions and entrepreneurship development programs could design specialized training modules on digital marketing ethics, financial literacy, and risk management to empower aspiring entrepreneurs. Companies operating within network marketing should prioritize transparency in compensation structures, product quality, and performance evaluation to foster long-term trust and retention. Finally, entrepreneurs themselves should cultivate critical awareness, evidence-based decision-making, and realistic goal-setting to balance ambition with sustainability in this evolving business landscape.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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