

E- ENTREPRENEURSHIP AMONG START-UPS

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Abstract: This paper tries to study the E- entrepreneurship in and tries to investigate business profile, the challenges, the opportunities, and strategies of E- entrepreneurship among start up in India. This study used a mix of qualitative and quantitative methods of research and the data was collected through survey using questionnaire as tool for data gathering among 45 E-start-up entrepreneurs, the results were subjected to simple statistical tools like frequency count percentage to analyse the business profile of the respondents, weighted mean and frequency count was used to analyse the opportunities, challenges and strategies. The main findings of the study are most of the E- entrepreneurs were engaged in service type of business, less than 12 months with a capitalization of 5,00,000 INR and with business partners, among the opportunities for E- entrepreneurship included is E-commerce, on the other hand, the main challenge according to financial challenges was cash flow management and the other challenge, finding qualified employees got the highest rate percentage, therefore, the survey shows the most important strategy that would prevent most of E- entrepreneurship challenges is having more guidance and training from business sector to start-ups.

Key Words: E- entrepreneurship, start up, challenges, business, marketing communication program.

1. INTRODUCTION:

Entrepreneurship usually connected to someone who starts his own, small and new business. The word “Entrepreneur” includes individuals who have skills with a vision to transform it to a good action for the society. Entrepreneurs look for opportunities in the market and convert these available recourses in to a business. A successful entrepreneur needs to achieve several functions such as, innovation, risk, planning, controlling, decision making etc. Moreover, the entrepreneur needs to possess entrepreneurial skills like technical skills, managerial skills and personal skills. In the last decades, the development in the technology and the E world related the innovation of the business to what define now as E entrepreneurship. E- Entrepreneurship is retraction of traditional entrepreneurship with the new technology, as the Entrepreneurship usually connected to someone who starts his own, small and new business. The word “Entrepreneur” includes individuals who have skills with a vision to transform it to a good action for the society. Entrepreneurs look for opportunities in the market and convert these available recourses in to a business. A successful entrepreneur needs to achieve several functions such as, innovation, risk, planning, controlling, decision making etc. Moreover, the entrepreneur needs to possess entrepreneurial skills like technical skills, managerial skills and personal skills.

2. THE OBJECTIVES:

- To clarify the business profile of E entrepreneurship.
- The opportunities that faced E start-ups entrepreneurs in India
- The challenges that faced E start-ups entrepreneurs in India.
- Recommended strategies for E entrepreneurs in India.

3. RESEARCH PROBLEM:

This study aim to, investigate the challenges and the opportunities of E-entrepreneurship among start up in India.

4. RESEARCH QUESTIONS:

- What is the business profile of E entrepreneurs?
- What are the challenges for E- entrepreneurship among start-ups in INDIA?
- What are the opportunities for E- entrepreneurship among start-ups in INDIA?
- What strategies could be recommended to enhance E- entrepreneurship in India?

5. LITERATURE REVIEW:

Previous studies helped in conceptualizing the problem, and interpreting the findings like governments always support entrepreneurs with small business, they consider them one of the most elements for a successful high

economic, according to (Insley, 1996) "Small businesses constitute 97% of all businesses in the United States, and employ more than 58% of the sector is growing at businesses making up the private sector". That shows the importance of small businesses to the economy for the meantime, E- entrepreneurship is a subcategory of entrepreneurship but the old traditional ways of the business were (Hull, 2007) describe the differentiation of the traditional entrepreneurship and the E entrepreneurship, this level of can be derived through the following factors: "first, the degree of E marketing undertaken by a firm, second, a firm's E selling and the E nature of a firm are good or service, third, the E distribution potential of a good or service, forth, the potential E interactions with key external stakeholders within the value chain and finally, the E potential of virtual internal activities associated with a firm's operation." E technologies are time saver for many entrepreneurs. (Okkonen, 2004) Refers E-world help entrepreneurs to find employees and hire them easily without relocating them geographically, like Spotting and hiring talented Locating, controlling cultural diversity, and flexibility are all products of global virtual teams (Walker, 2006). However, managing virtual teams, is a new challenge for the entrepreneur, these advantages and challenges mostly affect extreme on E entrepreneurs, in addition to the advantages are more effective and bringing more benefits to the business and by controlling and modification the products and innovation can easily critically interrupting the sell.

Whereas new value creation is the defining characteristic of entrepreneurship, (Hull, 2007) assumed that entrepreneurship involves recognizing and taking opportunities, transforming those opportunities into valuable goods or services, estimate risk, and realizing including new and old ventures, non-profit institutions, and the public sector. (Bird, 1989) Stated that firms where their owners are more innovation, risk taker, and had training are more successful. Referencing to (Zetlin, 1994), business owners think that by having a good products is the most important thing in the business, however, a achieving success include a commitment to quality and to the customer, innovation in marketing, and accept changes, maintaining good supplier and customers relationships, and having good employee. However, small business faces many challenges and opportunities either from the entrepreneur himself or from external factors. (Steiner, 1988) Reported that key success factors in startup businesses are the experience from the owner himself in the business, good financial resources; a competitive advantage, focusing on specific products, and strategic planning. Supporting that by (Roberts, 1991)High stakes for high-tech entrepreneurs: understanding venture capital the success of an entrepreneur in a new technology based venture is related to his/her previous similar experiences. On the other hand, (Sc, 2010) new entrepreneurs faced many challenges such as; lack of experience in solving problems, lack of self-motivation, laziness etc, moreover there are more important business challenges includes; creating vision and ideas, raising capital, finding good customers, assembling a team, finding the right location , finding employees, marketing facilities, lack of infrastructural facilities, overcoming competition, keeping up with business changes and trends and of the new exiting businesses. Meanwhile, Study that had looked at appropriate management and financial planning and skill development of managers were by (Ibrahim, 1986), (Montagno, 1986), (Susbauer, 1989) these studies also looked at ecological factors and innovative characteristics as factors in business success.Finnaly, all startup entrepreneurs from different countries face many challenges and opportunities but few of them turn their challenges into strategies for the business benefits. This study focus on E Entrepreneurs in India and due to lack of information in India about E- entrepreneurship the research fill the gap by questionnaire the Indian start-up's and will be as reference for start-up in India or future researchers later on.

6. METHODOLOGY:

This study made used mix of a qualitative and quantitative study design and describes the challenges and opportunities of E- entrepreneurship in India, used the survey technique involving the collection of primary data about subjects, usually by selecting a representative sample of the population under study using a questionnaire. The primary data were sourced from the responses of the start-up E entrepreneurs who been in their entrepreneurial venture for less than two years. The secondary data were taken from the various sources such as entrepreneur books, journals, magazines, pamphlets, internet and other related reading materials. The respondents of the study were start-up E entrepreneurs in India who been in business from 2014 to present and a list was taken from Ministry of commerce and industry.

7. DISCUSSION:

Table 1
Business Profile of E Entrepreneurs in India

| | Respondents Business Profile | Percentage |
|-------------------------|-------------------------------------|-------------------|
| Type of business | Art & fashion | 15 |
| | Food | 17 |
| | Cosmetic | 28 |
| | Services | 30 |
| | Education | 9 |
| | Consulting | 2 |

| | | |
|-----------------------|------------------------------|----|
| Longevity in business | 1-6 months | 23 |
| | 7-12 months | 31 |
| | 13-18 months | 22 |
| | 18-24 months | 25 |
| Capitalization | Less than 5,00,000 INR | 15 |
| | 10,00,000 INR -30,00,000 INR | 32 |
| | 40,00,000 INR -50,00,000 INR | 13 |
| | 50,00,000 INR and above | 39 |
| Ownership | Single proprietorship | 48 |
| | Partnership | 52 |
| | Corporation | 0 |

Table 1 shows the business profile of the respondents, in terms of the type of business, many of the respondents were on service type of business, which is 30%, while the least number was on consulting which is 2%, which means that service type of business is the most wanted and considered the most sought by different types of customers. On the other hand consulting requires more in physical interaction with customer, which is difficult regarding to E entrepreneurship. In terms of longevity in business operations, 31% were in business from 7-12 months, while least of the respondents were operating from 13-18 months. This implies that all of the respondents were start-up venture. For capitalization, 39% of the respondents were for business capitals that are above 50,00,000 INR and above, the majority of the answers were service type of business, which need a big capital to establish it. The business profile was the ownership. 52% from the answers were for partnership, while single ownership was 48%.

8. OPPORTUNITIES FOR E ENTREPRENEURSHIP:

Based from the secondary sources from various readings E- entrepreneurship have many opportunities for in India. One of the good advantages in E entrepreneurship, the products can be sent around the country. Today, the internet makes a huge assortment of products and services available to everyone on the planet with an Internet connection. Having a E business is no longer complicated. Companies like eBay and Amazon gave individuals the opportunity to create small business ventures in hours, though many entries are of low quality, one of the benefits of E entrepreneurship is the low cost of manufacturing and the storing, fewer distractions relating to manufacturing and storage allow entrepreneurs to focus on the rest of the business. E businesses are more flexible. Overall, India is attractive for E business and the market is on growth because of its largest population in the region, its growing Internet penetration to offering low operating costs, however, E entrepreneurship is not in the perfect shape yet in India and still there is room for development and better enabling practices by both governmental and non-governmental actors.

Table 2
Financial challenges for E-entrepreneurship

| Indicators | Strongly Disagree (1) | Disagree (2) | Agree (3) | Strongly Agree (4) | Mean | Interpretation |
|------------------------------------------------|-----------------------|--------------|-----------|--------------------|-------------|----------------|
| Access to funds (loans) | 7 | 10 | 20 | 9 | 2.52 | Agree |
| Cash flow Challenge | 5 | 14 | 18 | 8 | 2.74 | Agree |
| Poor financial management | 6 | 9 | 19 | 11 | 2.69 | Agree |
| Lack of timely and accurate financial records. | 4 | 13 | 19 | 9 | 2.62 | Agree |
| Overall Mean | | | | | 2.66 | Agree |

Note: 3.51-4.0 Strongly Agree, 2.51-3.50 Agree, 1.51-2.50 Disagree, 1.00-1.50 Strongly Disagree

From the table 2 it is evident that Overall the mean rating is 2.66 “agree” which means that being new in the business provides many financial opportunities and challenges for start-up. Among the four indicators, cash flow challenge got the highest mean rating of 2.74 “agree”. Studies show that as many as 80% of all small business start-ups fail because of poor cash flow management. Cash flow problems are in most cases tied to the complex circumstances that small businesses find themselves and it can be deducted from the findings that every start-up or new ventures needs funding for purchasing of inventory materials, payment of employees’ salaries and trainings,

marketing activities, procurement of tools and equipment and many other expenses that relates to operations. All of the mentioned expenses are paid before cash is being generated from sale. This gives a challenge for entrepreneurs.

Table 3
Management challenges for E- entrepreneurship

| Indicators | Strongly Disagree (1) | Disagree (2) | Agree (3) | Strongly Agree (4) | Mean | Interpretation |
|--------------------------------------------|-----------------------|--------------|-----------|--------------------|-------------|----------------|
| Finding the right and qualified employees. | 4 | 14 | 15 | 12 | 2.72 | Agree |
| Compliance with the Ministry of labor laws | 4 | 9 | 11 | 13 | 2.30 | Disagree |
| Lack of management experience | 1 | 5 | 12 | 17 | 2.50 | Agree |
| Existence of Competitors | 2 | 4 | 8 | 22 | 2.72 | Agree |
| Time management | 3 | 8 | 10 | 16 | 2.49 | Agree |
| Limited knowledge of the industry | 3 | 4 | 14 | 15 | 2.55 | Agree |
| Overall Mean | | | | | 3.14 | Agree |

Note: 3.51-4.0 Strongly Agree, 2.51-3.50 Agree, 1.51-2.50 Disagree, 1.00-1.50 Strongly Disagree

From the table 3, it shows the management challenges that the E- entrepreneurship can be affected by it, in general, the respondents agree with a mean rating of 3.14 which means starting a venture is rewarding in terms of both financial and personal satisfaction, however, success in their E venture requires sharp problem-solving skills and an exceptional understanding of people, including customers and employees. The data further shows that finding the right qualified employees were among the highest with the mean rating of 2.72 which means that E-entrepreneur should consider looking for the right people to form a venture team to complement their existing competitors in other areas. For instance the company develops; the owner must continually look ahead and define what additional skills may be needed in the future, making the management team always a work in progress. The second one is competition can be hard especially in well-known E-market. To adjust that is to find a niche market, not yet started by other smaller companies. Limited knowledge of the industry got 2.55 mean rating, It is important to have an ample knowledge about the industry, your competitors, your target market, current trends, advertising, and marketing techniques as well as financial know-how. E-entrepreneurs must develop their skills to start up a new business. By education, doing research, and ask other business owners. Without any research and required knowledge skills of the business, it may lead it to a huge loss.

Table 4
Strategies for E- entrepreneurship

| Indicators | Strongly Disagree (1) | Disagree (2) | Agree (3) | Strongly Agree (4) | Mean | Interpretation |
|----------------------------------------------------------------------------|-----------------------|--------------|-----------|--------------------|------------|----------------|
| Develop programs that could assist entrepreneurs | 4 | 12 | 20 | 9 | 2.76 | Agree |
| More guidance and training from business sector to startups | 2 | 11 | 23 | 9 | 2.86 | Agree |
| Establish an innovation system network between private and public sectors. | 4 | 24 | 13 | 4 | 2.38 | Disagree |
| Government helps the entrepreneurs in finding sources of funding. | 2 | 14 | 20 | 9 | 2.8 | Agree |
| Overall Mean | | | | | 2.7 | Agree |

Note: 3.51-4.0 Strongly Agree, 2.51-3.50 Agree, 1.51-2.50 Disagree, 1.00-1.50 Strongly Disagree

Table 4 shows strategies that would help E entrepreneurs, the mean rating is 2.7 which means that being new in the business needs some strategies to help them success. Among the four indicators, more guidance and training for start-ups got the maximum mean rating of 2.86. Training is very important in any company that aims at progressing and acquiring the essential skills required for a certain industry to understanding the business process and to reach the

company goals. This includes decision making, thinking creatively and managing people. Exchanging ideas between startups and other business sectors can have a huge benefit. Finding business opportunities is often as easy as recognizing problems many people share and find a way to resolve them.

9. CONCLUSIONS:

This paper draws the following conclusions, E businesses should focus on working effectively online, rather than reducing their cash flow in opening a branch unless the business to stabilize, Start-ups E businesses must choose their competition and demonstrate what differentiates between them through the company positioning and marketing communication program, E entrepreneurs should invest in human capital such as entrepreneur's advisers whom have already an experience in the field, Entrepreneurship should build good connection, to make the process easier for the owner in finding rights employees who he has already worked with, Corporation need to engage more with start-ups and enterprises need to give entrepreneurs better access to their key decision makers, future work may draw on this paper to focus on the causes of the challenges that faced E-entrepreneurs in India.

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