

Digital Entrepreneurship

Danny Surya Setyawan
Muhammadiyah University of Sidoarjo, Indonesia



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ABSTRACT

Objective: Many studies have proven entrepreneurship as a key factor for economic growth and also reducing unemployment. To become a successful entrepreneur, it is very important to understand all the concepts related to entrepreneurship. **Method:** This study employs a qualitative approach to explore digital entrepreneurship, focusing on its characteristics, opportunities, and challenges. A literature review was conducted to analyze existing research on digital business models, ICT-based entrepreneurship, and market trends. Secondary data sources, including scholarly articles and industry reports, were utilized to understand the evolution of digital entrepreneurship and its impact on employment and business growth. **Results:** To face the market competition and achieve business goals, every entrepreneur must keep up with the changes that occur in the tastes and preferences of customers and also in the market. Sometimes it is necessary to use some digital technologies and modern software to communicate with customers and also to increase the value of the product. Since today's world is largely dependent on national and multinational technology, it is important to incorporate these technologies into the business. **Novelty:** Digital entrepreneurship plays a vital role in empowering entrepreneurs to perform all the activities accurately and effectively. Since it is the process of using digital applications, it helps every entrepreneur to increase the market value of their products and grow the business both traditionally and technologically. Since information and communication technology (ICT) capabilities are an essential element for the success of digital companies, it is important to know how these technologies help people to improve their businesses. This can enable every individual involved in business to gain knowledge about digital entrepreneurship.

INTRODUCTION

The world today is changing drastically in all areas, especially in information and communication technology (ICT). In this scenario, the rapid rise of digital technologies with new innovative functions is changing the competitive environment, altering strategies, structures and general business procedures (Bharadwaj et al. 2013). For example, in the network economy driven by digital technology, many companies are becoming smaller with only one individual where partnerships are changing. Innovative digital technologies such as social media, big data, and mobile and cloud solutions are giving rise to new methods of collaboration, resource utilization, product/service design, development and deployment through open standards and shared technologies (Markus and Loebecke, 2013). They in turn are influencing business activities by creating job opportunities. For example, Alibaba.com is a digital technology that has enabled millions of Chinese people to become entrepreneurs and is also responsible for creating jobs. Although digital technology has generated many job opportunities, it has also created many challenges.

The labor market is modernized through digital technology. Many countries like Australia are facing many challenges to face economic competition. To face these challenges and overcome obstacles, these countries are advised to take over digital

entrepreneurship and get a suitable position. Digital entrepreneurship increases the employment rate through ICT such as web, mobile technology, social computing, and digital platforms (Davidson & Vaast, 2010; Oestreicher-Singer & Zalmanson, 2013; O'Reilly, 2007; Onetti, Zucchella, Jones, McDougall-Covin, 2012).

Digital entrepreneurship can be simply defined as an entrepreneurial business conducted through digital channels. Many companies are starting digital businesses by selling their goods online to face the competition in the market. As this becomes a necessity, the focus on how to start a business venture is growing in importance. People who want to start a digital business must be clear about the differences between digital and traditional entrepreneurship, opportunities, failures, and obstacles in digital entrepreneurship. For this, people need a digital entrepreneurship format or framework that consists of all the details about the new digital venture such as its features and objectives. This study only provides a brief description and process of digital entrepreneurship to understand the concept.

RESEARCH METHOD

Davidson & Vaast (2010) defines digital entrepreneurship as the act of identifying and exploiting new business opportunities offered by new media and similar to traditional entrepreneurship in the sense that financial gains can be created through digital ventures and are directly linked to economic activities such as the establishment of new businesses or the commercialization of businesses or innovations. Hair, Wetsch, Body, Perotti & Hung (2012) stated that in the case of digital entrepreneurship, all business activities are operated digitally, not in a traditional layout. Hair (2012) said that the main difference between digital and traditional entrepreneurship is the business model and strategies followed by the company for marketing and distributing products. According to Reuber & Fische (2011), a digital company is referred to as a person or business that utilizes ICT to communicate between customers and partners. It involves activities with the primary objective of selling digitalized products or services. Simmons, Armstrong & Rosenbloom (1993) argue that digital entrepreneurship involves large companies such as hardware, software, and network technology to small companies that utilize information and communication technology to organize their business activities. Vasilchenko & Morrish (2011) argue that small scale business enterprises that perform their actions with the support of ICT applications such as online accounting, Wi-Fi - hotspots, phone backup, artificial intelligence software, social computing websites such as music consumption, and mobile and web based small businesses such as specialized information classification/cataloging, travel/recruitment agencies, and marketplaces can also fall into digital entrepreneurship. It is important for everyone to understand the difference between digital entrepreneurship and traditional entrepreneurship. From the above review, we can say that digital entrepreneurship is related to entrepreneurial companies or businesses that rely on digital technology while traditional entrepreneurship is related to businesses that are related to normal business strategies and procedures. This is explained in more detail.

RESULTS AND DISCUSSION

Entrepreneurship and Digital Entrepreneurship - The Difference

The concept of entrepreneurship has been explained through several research literatures (Kumtko and Hodgens, 2004; Cunningham and Lischeron, 1991;

Timmons and Spinelli, 2005). Entrepreneurship is an activity that consists of identifying and exploiting opportunities, transforming ideas and opportunities into useful goods and services, providing added value in the long term, taking risks and gaining rewards. Entrepreneurial actions can include activities in new and existing businesses, non-profit organizations and also the public sector. An important characteristic of entrepreneurship is creating new value for a product through innovation. Digital entrepreneurship is a sub-group of entrepreneurship that involves digitalization methods in carrying out its activities. Therefore, digital entrepreneurship is related to digital business activities along with a number of digital goods and services (Clyde Frame, 2006).

Traditional entrepreneurship can also be transformed into a digital business to increase business intensity. Some of the advantages of digital business include developing business activities, expanding business by starting new businesses, increasing business intelligence, and communicating with a large number of customers in a shorter time. The growth of digital entrepreneurship can also lead to the discovery of new methods and technologies. One of the main differences between digital and traditional entrepreneurship is the type of product, namely goods or services. If a new business offers a digital product, then it is said to be somewhat digital, and also experiences some variation in customer response to the goods. Understanding how digital entrepreneurship works can make many practitioners and business people build digital businesses. The second main difference between digital and traditional entrepreneurship is the workplace. Once the product is digitized, the physical space will automatically decrease.

DeSanctis and Monge (1999) assume that virtual forms of digital entrepreneurship can offer products and services at better costs because this process involves the use of computer-mediated communication (CMC) within and between an organization and also some important external stakeholders (suppliers & customers). The importance of CMC in modern business is increasing making it essential in virtual entrepreneurship.

Facility of Entry

Starting a digital business venture is easier when compared to traditional entrepreneurial ventures. For example, the time required to build a website that sells existing goods and services is less. Existing large companies such as eBay, Amazon allow individuals to take advantage of the opportunity to form small business ventures in a short period of time. This is because many suppliers fail to offer quality products and services that make digital entrepreneurship successful. Partial digital ventures are those that face problems due to this process because some activities require more effort. When high effort is required, companies with less entry capabilities may fail. In addition, this

can also be a motivation for entrepreneurs whose businesses are related to the digital economy.

Easy Manufacturing and Storage

A business venture that operates in the digital product sector has two advantages, namely low production costs and less storage space, while traditional entrepreneurship has high profits. In the process of producing or making digital products, no physical equipment is needed to produce them or no space is needed to store them. This is a "just in time" production that saves many types of costs associated with traditional entrepreneurship. There are more advantages to moderate and extreme digital entrepreneurship when compared to traditional and partial digital entrepreneurship.

Digital Workplace

Because the Internet connects people around the world, entrepreneurs can tap into skilled employees and make them business partners around the world. Duarte and Synder (1999), Lipnak and Stamps (1997) stated that an entrepreneur can identify and recruit talented employees, maintain cultural diversity, improve utilization of available resources, increase flexibility and responsiveness through global virtual teams. Successful virtual teams face many different challenges that are not experienced by traditional managers (Cramton, 2002; Kayworth and Leidner, 2000). Digital entrepreneurs must understand these challenges before entering a digital business.

Digital Products

In addition to the advantages in terms of manufacturing, storage, and delivery, digital products provide more benefits to entrepreneurs. Digital products can be easily adapted to innovative changes without disrupting the manufacturing and marketing processes of goods. Therefore, digital entrepreneurs, before introducing new products, should examine the argument of the Utterback-Abernathy model which states that when innovative ideas emerge after preparing the design, the quality of the product may decline. They state that process innovation must be followed by product innovation to maintain the relationship between processes. This can be an advantage for moderate and extreme digital entrepreneurs because partial and traditional entrepreneurship does not have digital products.

Digital Services

The importance of services in the digital world is increasing. Services are very important for every customer and profit can also be obtained when the cost of service is lower than the value of the customer. The important thing that an entrepreneur must remember is that the services provided must be in accordance with the price they charge for the service. This will give a positive image to the company which also generates profit in the form of goodwill. Effective digital services help entrepreneurs to get more customers and can also be an opportunity to know and understand the demand worldwide.

Slater & Narver (1995), Kohli & Jaworski (1990) and Deshpande & Webster (1989) stated that market-oriented organizations should focus on identifying and reacting to customer needs and observing competitor behavior which is more important for digital

entrepreneurship. Companies with goods and services that are appropriately accepted will not succeed in business because of inadequate attention to the market situation. In the case of digital entrepreneurship, when the required business activities are linked to the required technology, they may think that they have done what they need to do to achieve success which can lead to failure.

How is Digital Entrepreneurship Important?

More customers:

Because digital entrepreneurship is related to the use of digital systems for the implementation of all business activities, communication between buyers and sellers becomes easy, communication via the internet is easier than via other means of communication. Purchasing goods and products online is a convenient way for consumers to buy. Nowadays, people more interested in buying anything online rather than spending their time going to the store.

Therefore, the number of customers can be enhanced due to ease of purchase.

Following the competition:

The use of digital marketing allows companies to get more customers and be strong enough to face the competition. For facing various market challenges, digital technology is very important for every business to face challenges and develop their business.

Maximizing the value of a website:

Every business website should offer as many services as possible to convert visitors into efficient customers and in turn become consumers. Different entrepreneurs follow different ways to achieve this, but one common goal for everyone is to have high sales for their company. Therefore, a well-designed website for every business can be a platform to achieve this goal. Lower costs:

Digital technology is very feasible in terms of finance. This means that digital marketing is very affordable. The cost varies depending on the type of strategy they use to market the product. So automatically the cost can be reduced by using digital technology.

Instant feedback:

One of the important advantages is that people can be highly involved in the process of interacting with customers. Since the conversation is two-way, entrepreneurs can get instant feedback. An entrepreneur can immediately know when a customer is not satisfied with the product being offered. He can modify the product if necessary to suit the needs of the customer. This allows an entrepreneur to keep abreast of the trends in customer requirements, tastes, and preferences.

7 Ways to Improve Digital Innovation and Entrepreneurship

Digital innovation and entrepreneurship analysis suggests 7 ways to encourage digital entrepreneurship.

These methods are:

1. Targeting digital innovation and entrepreneurship

Many skills and abilities such as technical, managerial, and financial are required for digital innovation and entrepreneurship.

Along with this, an entrepreneurial culture, acceptance of risk and failure, substantial funding, and an innovation-friendly environment are also required which involve capacity building and some business strategies. Digital innovation does not only involve ICT applications but also developments in other fields through digital technology also need to be considered.

2. Controlling difficulties and reducing their negative impacts

Controlling digital disruption and securing the status quo is one short-term strategy. It is also important to look beyond the economic impacts of digital innovation. Therefore, policymakers must consider its impacts on other aspects along with social impacts. For example, changes occur in the employment structure and income distribution.

3. Pay attention to the diversification of digital innovation and entrepreneurship

Some inputs from policies that enable innovation and entrepreneurship among the various areas of digital innovation and entrepreneurship ecosystems are important and needed. In the physical area, business policies should encourage public and private research and development and make digital infrastructure essential. In the remaining ecosystem areas, more flexible tools and innovative strategies are said to be effective. In areas where more interruptions occur due to digital platforms, regulation plays a critical role.

4. Strengthen collaboration

To provide collaboration, knowledge transfer and spillover should be more focused on public policy. Building ecosystems and building relationships between them can enable knowledge flow and absorption.

5. Provides scale-up

More attention should be paid to the complementarity between public and private funding for innovation along with increasing funding for innovation. Public funding should be focused on research failures and bear the costs of failure. In addition, it should also ensure the stability and determination of funding for technology ventures to neutralize the investment cycle of private funding.

6. Building a stable technology-related network and IPR exchange

To ensure technology transfer and information use and build a technology-related network, synchronization between several technology standards is needed. SMEs and start-ups are also included in this standardization process. The technology market can also be used to exchange information that plays a key role in contracts with technology divisions. Their efficiency depends on the quality of IPR.

7. Balancing between openness and incentives

To innovate The technological complications associated with increasing digital innovation require stability between two inconsistent goals: facilitating incentives to create new products and inspiring knowledge distribution.

CONCLUSION

Fundamental Finding : There is evidence to suggest that digital entrepreneurship is a distinct field of academic study and has its own social and economic importance. The European Commission, through its study on Digital Entrepreneurship in 2013, recognized this concept as important for certain analyses. In the current study, there is little information related to digital entrepreneurship that can form the basis for many existing concepts in the field of digital economy and entrepreneurship. Since knowledge of digital technologies is essential to become a digital entrepreneur, this study helps people to gain basic knowledge about digital entrepreneurship. **Implication :** In this context, the current study paves the way for analyzing digital entrepreneurship in a broad manner. The variation between traditional and digital entrepreneurship is focused on as it is very important for every entrepreneur to justify their type of business. In examining this, many key issues that differentiate digital entrepreneurship from traditional entrepreneurship are highlighted. In addition, the issue of virtuality and the need for market orientation are also discussed. The fundamental elements of digital entrepreneurship along with its pillars are also explained. This helps a digital entrepreneur to modify the business strategy to make his business effective and strong. Finally why digital entrepreneurship is important is given to know the objectives of digital entrepreneurship along with the steps for developing digital and innovative entrepreneurship. **Limitation :** Moreover, the major limitation of the current study is that it is entirely theoretical relying on the existing work done by many authors to understand the new digital entrepreneurship phenomenon. **Future Research :** This paper presents a new way of thinking about internet and digital business.

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***Danny Surya Setyawan (Corresponding Author)**

Muhammadiyah University of Sidoarjo, Indonesia

Email: gaskuy070@gmail.com
