
Entrepreneurship and Innovations in E-Commerce

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AIM:

This paper presentation explores the synergies between entrepreneurship and innovation and investigates their roles in organisational development and global opportunities and challenges in e-commerce.

Keywords: *e-business, e- entrepreneurship, electronic entrepreneurship, neteconomy, success factors, entrepreneurial activities, innovation, internet, new companies, e-ventures, new ventures, phases of development.*

INTRODUCTION:

The study shows that, in order to understand the adoption and diffusion of e-commerce in developing countries, cultural issues need to be considered.

The study takes an integrative approach to exploring the synergies between entrepreneurship and innovation and to analysing the factors that foster an interaction between the two.

Innovation +Entrepreneurship= Global Opportunities

Innovation and Entrepreneurship are two sides of a coin. While there is a need for the innovations to occur which should be facilitated and even encouraged deliberately by entrepreneurs, it is equally important for them to create opportunities and environment to realize those innovations. There is no single, but a combination of factors such as market opportunity, family background in entrepreneurship, a new idea with business potential, the prospect of challenge offered by Entrepreneurship, as well as long cherished dreams and desire, that lead to successful entrepreneurship.

Digital technology has transformed the economy. Value creation for customers has shifted from the physical good to an economy that favours service, information and intelligence as the primary source of the value creation. At the centre of this economy transformation is e-commerce.

Globalization and information technologies are radically changing the face of business and organizations. There is a growing interest in the use of e-commerce as a means to perform business transactions over the internet. In the past few years, the term of e-commerce is everywhere across the entire world. People define e-business in various ways and images that it has no standard definition. E-business or e-commerce is often interpreted as selling products over the internet. In its broader sense, ecommerce can be interpreted as the use of electronic transmission mediums to engage in the exchange, including buying and selling, of products and services requiring transportation, either physically or digitally, from location to location. Electronic commerce involves all sizes of transaction bases and it requires the digital transmission of transaction information.

In commercial point of view, e-commerce can also be defined as transaction activities between firms and individuals, also it involves in the exchange of money, goods or duties. This definition clearly excludes email, telephone, fax, as well as internal computing accomplished by accounting sales, inventory, treasure, personnel or executive information systems. In short ways of expressing this definition will be by excluding inter organisational systems in total.

There are many forms of commercial transactions that can occur in daily life from business to business or B2B such as electronic data interchange, auction markets etc. Commercial transactions can also occur in B2C

or business to consumers, such as retailing in the internet and electronic brokerages. E-commerce has tried to take advantage of economies in single point keying to reduce errors and cycle time, a high degree of customizability of product or services to meet customer needs and customer interaction with databases at very low marginal cost.

BACKGROUND OF THE STUDY:

Issues and challenges facing entrepreneurship and innovation in e-commerce

Today's e-commerce operates in a highly competitive marketplace where sustainable competitive advantage is almost impossible as there are minimal barriers to new entrants and competitors in the marketplace. Innovation faces constant challenges of imitation and erosion. There have been different views in the literature about the benefits of first movers in the e-business marketplace. A general belief in e-commerce world is that it is safer and cheaper to imitate the first mover in the e-business environment, where there is higher level of technical uncertainty and a rapid rate of technological innovation.

“Innovation and Entrepreneurship in a Global Economy” Introduction When Peter Drucker wrote about innovation and entrepreneurship in the mid-1980s (Innovation and Entrepreneurship Principles and Practices, 1985), America employed 10 million more people than had been predicted, and its dynamic economy was headed toward a primarily entrepreneurially inspired, innovative business culture.

There was an abundance of young risk takers who were willing to endure the ruthlessly long hours required by entrepreneurial opportunities, especially because of the potential success they offered. At the same time, big business dominated the corporate world and benefitted from a highly loyal workforce.

Incorporating innovative ideas in business quickly became a highly esteemed management goal worthy of great effort. Corporate executives required their people to learn the disciplines of innovation and entrepreneurship, and Peter Drucker became their teacher.

Drucker's ideas were the panacea for institutional giants of his time, and the business climate of the 80s was ripe for adopting them. In this context, he treated both innovation and entrepreneurship in the “new entrepreneurial economy” as practices, decisive duties that could be controlled best in a systematic work environment. Unfortunately for corporate America, the bureaucratic organization structure was not able to sustain an entrepreneurial spirit, and many of the proponents left to start their own ventures.

Twenty-five years and one computer revolution later, where do these concepts stand? American business has undergone more extreme changes in every aspect in every industry than could have ever been predicted. Many centre on technology, information and productivity, which Drucker steadfastly argued were less important than management. Before his death in 2004, he wrote a book called, Management Challenges of the 21st Century. In the chapter, Management's 2 New Paradigms, he reminds business leaders, “The centre of a modern society, economy and community is not technology. It is not information. It is not productivity. It is the managed institution as the organ of society to produce results ... Management is the specific function, the specific instrument to make institutions capable of producing results.” Today, innovation and entrepreneurship have changed. There are different ways of breeding, executing and practicing those concepts around the world.

Relationship between small business and entrepreneurship

Entrepreneurship has become a major force in the global economy. Policy makers across the world are discovering that economic growth and prosperity lie in the hands of entrepreneurs—those dynamic, driven men and women who are committed to achieving success by creating and marketing innovative, customer-focused new products and services. Not only are these entrepreneurs creating economic prosperity, but many of them are also striving to make the world a better place in which to live. Those who possess this spirit of

Entrepreneurial leadership will continue to lead the economic revolution that has proved time and again its ability to raise the standard of living for people everywhere.

Electronic commerce (EC) has the potential to improve efficiency and productivity in many areas and, therefore, has received significant attention in many countries. However, there has been some doubt about the relevance of ecommerce for developing countries. The absence of adequate basic infrastructural, socio-economic and the lack of government national ICT strategies have created a significant barrier in the adoption and growth of e-commerce in developing countries.

Entrepreneurs in identifying and evaluating new opportunities and innovations

The electronic marketplace presents an extraordinarily challenging environment for entrepreneurs and their organizations. The fast acceleration and availability of technology is shaping a new economy, with different forms of distribution, marketing, selling and arranging work becoming observable. Attributes of this economy include collapsing boundaries between firms, suppliers, customers and competitors.

Since e-commerce is relatively new, the foundation will support the future market has yet to be solidly defined where much of the thinking and building needed to harness its potential has just begun.

Internet firms that emphasize innovation and rapid response to change may be best positioned for recognizing and identifying new opportunities and ideas for their business. Identifying new opportunities can be critical in initiating innovation and change associated with improvements in products/services, technological capabilities, and seeking alternative markets and opportunities.

Those internet firms which adopt a more conservative and defensive e-business strategy of retaining their market positioning may not fully value innovations associated with incorporating additional marketing strategies or improving business processes.

Entrepreneurship

According to Johnson, entrepreneurship in its narrowest sense involves capturing ideas, converting them into products or services and then building a venture to take the product to market. The key elements of entrepreneurship include risk taking, proactivity and innovation. However, Slevin and Covin have argued that these elements are not sufficient to ensure organizational success. They maintained that a successful firm not only engages in entrepreneurial managerial behaviour, but also has the appropriate culture and organizational structure to support each behaviour.

Innovation

For many years, R & D (research and Development) has been closely associated with technological innovation. Invention is the narrowest definition of innovation. According to Drucker, there were seven basic sources of opportunities to innovate but only one of them was to do with inventing something new. Therefore, innovation is more than invention and does not have to be technical. There are numerous examples of social and economic inventions. Innovation is a proposed theory or design concept that synthesizes extant knowledge and techniques to provide a theoretical basis for a new concept.

Innovation thus has many stages and is multidimensional. The most prominent innovation dimensions can be expressed as dualisms; radical versus incremental, product versus process; and administrative versus technological. Innovation can be radical and incremental. Radical innovations refer to discontinuous, revolutionary, original, basic or pioneering innovations. Incremental innovations are small improvements made to enhance and extend the establishment processes, products and services. For the purpose of this research, innovation is defined broadly to include new products, new processes, new services, new forms of organisation, new markets, and the development of new skills and human capital.

Identifying the strategic opportunities of e-business innovation

E-business innovations are digital transformation of business processes which has a profound effect upon existing business practices. In addition to that, according to Singh, E-business innovations are about embracing

change to company culture, which has been generally described as a system of shared meaning within an organization determining the way employees act. E-business in organizations is linked with the internet and the growth in the use and application of computers.

The conceptual relationship between entrepreneurship and innovation

The economics of innovation, in particular, have attracted increased attention in recent years. Innovation contributed to the growth of the economy because entrepreneurs produced innovations. The concept of entrepreneur as innovator underpins the entrepreneur paradigm in which the role of the entrepreneur is highlighted in the innovation process. According to this paradigm, only a person who founds a new company on the basis of a new idea can be called an entrepreneur. Entrepreneurship is viewed as a creative act and an innovation. Entrepreneurship is about creating something that did not previously exist. The creation adds value to the individual and the community, and is based upon perceiving and capturing an opportunity. Innovation is the specific tool of entrepreneurship by which entrepreneurs exploit change as an opportunity for a different business or service. There is a considerable overlap between entrepreneurship and innovation. Moreover, innovation has to address market needs, and requires entrepreneurship to achieve commercial success

Entrepreneurship and innovation are inseparable because entrepreneurship is the execution of innovation. Entrepreneur always searches for change, responds to it and exploits it as an opportunity. Entrepreneurs innovate.

Entrepreneurship and innovation are relevant in many different sustainable business contexts. They are fundamental for the success of start-up companies that are providing innovative solutions to meet environmental or social challenges.

Entrepreneurship and innovation are also highly relevant for established businesses. This applies all the way up to multinational companies, such as General Electric (GE) or Microsoft, and all the way down to small- to medium-sized companies, such as Timberland, Green Mountain Coffee, Oakhurst, and Stonyfield.

Innovation is the specific instrument of entrepreneurship. *Innovation* creates societal value (through an existing or new product, process, or service),

Innovation is important in entrepreneurship. Take for a scenario, you open up a business that initially had a good start but later in the long run you will have competitors who may overtake your business. So, you need ideas to grow your business and that's where innovation comes into picture.

What are the key policy dimensions regarding innovative entrepreneurship in e-commerce?

The following six policy dimensions are particularly relevant for innovative entrepreneurship:

-) Access to knowledge
-) Access to finance
-) Market environment
-) Access to labour
-) Entrepreneurial capabilities and
-) Culture Regulatory Framework

Innovation and Sustainability

Sustainable business is in large part about changing business practices. Successful sustainable businesses are focused on the creation of new products, services, or practices that address or mitigate environmental and social concerns in new ways. Success in implementing sustainable business practices relies on entrepreneurship and innovation.

Innovation in business involves a change in a product offering, service, business model, or operations that meaningfully improves the experience of a large number of stakeholders. There are two particularly important words in the previous definition—"meaningfully" and "stakeholders."

Why is innovative entrepreneurship important?

At a time when policy makers are pooling efforts to restore growth and overcome the global economic and financial crisis, specific attention has been focused on innovative entrepreneurship, as it can play an important role in contributing to economic growth, job creation and poverty reduction, and can help address key social challenges. Entrepreneurship and innovation as it relates to sustainable business

LITERATURE REVIEW AND RESEARCH GAPS:

The purpose of this paper is to investigate and analyse the role of entrepreneurship and innovation in e-business. A review of principal and current literature on e-business perspective of entrepreneurship and innovation was undertaken to collate the existing theories about the two and to explore the conceptual relationships between them

Internal and external information and communication processes at enterprises across almost every industry sector have been increasingly supported by electronic information technologies. The fundamental advantages of such technologies insure that this trend will continue in the future. The constant development of technology in the accompanying Net Economy has had a significant influence on various possibilities for developing innovative business concepts based on electronic information and communication networks and realising these by establishing a new company (e-ventures). Against this background, the term 'e-entrepreneurship' respectively describes the act of establishing new companies specifically in the Net Economy.

STATEMENT OF THE PROBLEM AND RESEARCH QUESTIONS:

“ENTREPRENEURSHIP AND INNOVATION IN E-COMMERCE”

1. Is there a relationship between entrepreneurship and innovation in e-commerce?
2. What are the effects of entrepreneurship and innovation on e-commerce?
3. Is innovative entrepreneurship will influence on the e-commerce?
4. What type of innovative entrepreneurship increases business in e-commerce?
5. What are the new concepts of entrepreneurship and innovation in e-commerce?

OBJECTIVES OF THE STUDY:

- To identify the relationship between entrepreneurship, innovation and e-business
- To identify, innovation will increase the chances of success but if the innovation is not liked or understood by the customers it can increase the chances of failure too.
- To understand innovation is very much important in every field, not only in entrepreneurship. In entrepreneurship, innovation helps your business to be identified in a crowd of similar businesses.
- To find out entrepreneurship and innovation are positively related to each other and interact to help an organization to flourish.
- To establish the relationship between entrepreneurship, innovation, e-business and sustainability

HYPOTHESIS:

The following hypotheses would be tested.

Hypotheses (H0):

1. There is no significant relationship between entrepreneurship and innovation
2. There is no significant relationship between entrepreneurship, innovation and E-commerce.

Hypotheses (H1):

1. There is significant relationship between entrepreneurship and innovation
2. There is significant relationship between entrepreneurship, innovation and E-commerce.

RESEARCH DESIGN AND METHODOLOGY:

Sources of Data:

Secondary data is collected by referring to research articles thesis, journals, periodicals, internet and books pertaining to the subject of the study.

EXPECTED OUTCOMES AND SIGNIFICANCE:

The outcome of the study is expected to prove the hypothesis that the economically poor are also information poor and the improving of the standards of entrepreneurship and innovation in e-business means better growth. The study will prove the correlation between the entrepreneurship, innovation, e-commerce and outcome at e-business.

This study would be of great importance in diverse ways. This research on entrepreneurship and innovation will have the impact on the e-commerce.

This research will help the entrepreneurs to be more innovative in order to sustain in the e-business and also for future active planning to improve the quality of services, products to sustain in the e-business.

The research findings will also help to enlighten and provide the insights for quality entrepreneurship and innovation which will benefit both researchers and practitioners.

FINDINGS:

From the review of the principal literature and from conduct available secondary data sources by the authors, the results revealed that e-commerce firms that emphasize a market leadership position and rapidly respond to changes within their environment were more likely to identify and assess new opportunities and ideas for their business.

It is suggested that internet firms that emphasize constant change with their strategic orientation may be positioned for success in this new form of entrepreneurship.

Entrepreneurship and innovation should be regarded as on-going, everyday practices in organizations.

CONCLUSION:

Innovation should be a part of any organization. Not necessarily in their products/services. Innovation might also be in their marketing ideas and strategies

I would put innovation as one of the many aspects of successful entrepreneurship. Innovation alone won't be sufficient to build an enterprise because of the unpredictability of outcomes. For stability and consistency, a bit of old school principals would definitely be valuable for an enterprise.

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