



An explanatory study of digital entrepreneurship: Issues and challenges

Nand Lal Kaushal¹, Ghanshyam Chand Yadav²

¹ Assistant Professor, Department of Commerce, Shaheed Bhagat Singh Evening College, University of Delhi, Delhi, India

² Assistant Professor, Department of Commerce, Shaheed Bhagat Singh Evening College, University of Delhi, India

Abstract

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world. In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation that have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, nongovernmental organizations to the most underserved sections of society.

Keywords: entrepreneurship, digital transformation

Introduction

Digital entrepreneurship is a word that describes how entrepreneurship will change, as business and society maintain to be transformed by digital technology. Digital entrepreneurship highlights changes in entrepreneurial practice, theory, and education. Digital entrepreneurship includes everything that is new and different about entrepreneurship in a digital world, including:

- New ways of finding customers for entrepreneurial enterprises.
- New ways of designing and offering products, services and generating income, and reducing cost.
- New opportunities to work together with platforms and partners and sources of opportunity, risk, and competitive advantage.

Digital entrepreneurship opens up fresh potential for anyone thinking of becoming an entrepreneur. Several opportunities are extra technical, but lots of others are within reach for anyone who learns the basic skills of digital entrepreneurship. These skills include finding new customers online, prototyping new business ideas and improving business thoughts based on data.

Meaning of Digital Entrepreneur

Digital entrepreneur is a person focused on creating new business enterprise by using existing digital technology or developing new ones with the purpose to sell digital products or services entirely.

In other words, the meaning of a digital entrepreneur is a new class of entrepreneur that creates and develops businesses exclusively digital. Then it markets them only in the digital space of the World Wide Web.

India has accelerated the digitisation of its economy and society and raised its profile along with technologically advanced countries, not just in the complete size of its market and its potential, as highlighted by the number of subscribers to digital services, but also the speed of its digitisation over the last three to four years. By several

measures of digital adoption, India is already among the global leaders. Its Aadhaar programme, which can digitally verify the identities of 1.2 billion people, is the world's largest biometric identification system. India also has the second-largest mobile subscription base, with nearly 1.2 billion subscribers, and the second-largest internet subscription base, with 560 million subscribers.

Review of Literature

A literature review is a compilation, classification, and evaluation of what other researchers have written on a particular topic. A literature review is what it says it is, it is a comprehensive review of the literature available for any given research question. It is a summary, analysis and evaluation of the literature and an explanation of what research have already been performed for a research area.

Vineela (2018) ^[2] analyzes that key issues which differs digital from traditional entrepreneurship are highlighted. For being a successful entrepreneur, it is very important to understand all the concepts that are related to entrepreneurship. As today's world is mostly depended on national and multinational technologies, it is necessary to include these technologies in the business. The study shows that digital entrepreneurship plays a vital role in empowering an entrepreneur to execute all the activities accurately and effectively. Further study revealed that the problems of virtuality and the need for market orientation are also discussed. The elements which are elementary of digital entrepreneurship along with its pillars are also explained. This helps a digital entrepreneur to modify the business strategies in order to make the business effective and strong. The main objective of Lakshmi and Shiva Shankar (2020) ^[3] study was to find the role of digital entrepreneurship in economic development of country. The other digitalisation and technology in business and the role digitalisation in business. The study exposed that computerized innovations offer incredible development open doors for ventures and, henceforth, nearby networks. The advancement of the computerized economy and

computerized enterprise principally relies upon the utilization of advanced innovations by people, firms and governments. Finally the study shows that Governments and political pioneers should make it a need to recommend entrepreneurs to carry out the most recent computerized advances in their regular tasks so as to use the full financial compensation. The paper of S. Anim-Yeboah *et al.* (2020) ^[4] contributes to information systems research by describing and classifying the published literature in digital entrepreneurship and by pointing out the gaps where further research is most needed. The study also contributes to the understanding of the conceptualization of the digital entrepreneurship phenomenon. In addition, the paper provides a framework that may provide a conceptual structure for future studies in digital entrepreneurship. Future research should consolidate the understanding of the field, with models and frameworks that recognize digital entrepreneurship as an academic research field in its own right, and also consider the impact of enterprise capabilities and capacities on digital entrepreneurship. Naude and Liebrechts (2020) ^[5] study provides an overview of the central research questions currently being pursued in this field. These include questions such as: What is digital entrepreneurship? What is different in the digital economy from an entrepreneurial perspective? What is the impact of digitalization and big data on business models and entrepreneurship? The paper identifies areas of neglect, and makes proposals for future research. The Covid-19 pandemic forces accelerate the development of the digital economy. In a digital economy, digital entrepreneurs follow opportunities to produce and trade in digital artifacts on digital artifact stores or platforms, and to generate these digital artifact stores or platforms themselves. There is a well-recognized need for more research on digital entrepreneurship. Fang and Alan (2020) aims to explore the emerging concept of digital entrepreneurship from multiple disciplinary perspectives, namely, information technology and systems, entrepreneurship and management, as well as contextual political, legal and socio-economic factors and their impacts in a systemic and integrative way. For that purpose, the study develops a conceptual model to study digital entrepreneurship drawing on current literature and three well established theories social network theory, social capital theory and institutional theory. The model addresses five fundamental research questions of digital entrepreneurship, thus leading to a better understanding of the concept and practice of digital entrepreneurship. In this regard, the study cover the way for future research into this important and yet underexplored study field. Satalkina and Steiner, (2020) ^[7] attempt to gain deeper knowledge of digital entrepreneurship as part of the innovation system, a comparative study approach across not only geographic but also functional boundaries might also be useful. Beyond the organizational context, policy implications regarding the establishment of a supporting ecosystem are crucial. Digital entrepreneurship is an essential driver within the innovation system. It changes the structure, aims, and networking mechanisms of the overall business system and, ultimately, affects the various levels and dimensions of the innovation system. The study suggests the application of a systems science approach in order to understand how the particular dimensions of the innovation system are interrelated. Malhan *et al* (2021) ^[8] evaluates the entrepreneurial levels of the state universities students who are expected to be

young entrepreneur applicants. The study based on quantitative tools as factor analysis and responses are collected on Likert five-point scale. The Findings of the study shows that factors which influence the entrepreneurial tendency of students, the most dominant factor which affects the entrepreneurial tendencies of students emerged as "Self Confidence" and further it was found that the entrepreneurship scale included in this study was valid and reliable. The results of this study reflect that entrepreneurship potentials of the participating students belonging to state universities in North India are sufficient. Zhao Yang (2021) ^[9] investigated the role of mentorship in digital entrepreneurship with mediating effects of organizational psychology and knowledge sharing. This study has used PLS-SEM to assess these relationships. From the study it has been found that mentorship plays a vital role in knowledge sharing, reinforcement, and innovation, which subsequently affects digital entrepreneurship except for reinforcement. This study has contributed to the literature by exploring the emerging concept of digital entrepreneurship in this pandemic and its influence on normal education in China.

Methodology

The main purpose of this research paper was to identify the issues and challenges of Digital Entrepreneurs and also highlights the benefits, Technology Advancement tools by using Digital Entrepreneurs.

The study was based on secondary sources. Secondary data are those data which have already been collected by someone else. The study used both print and electronic resources. Secondary data have been collected from various documents such as; books, newsletters, reports, magazines, journals, daily newspapers and web resources from the internet.

Objectives of the study

- To identify the problems faced by the digital entrepreneurs.
- To study the benefits and key technologies that drive digital transformation

Discussion

Major Issues and Challenges of Digital Entrepreneur

The Digital entrepreneur will come face to face with all these troubles and how to hold them will play in your long-term success and continued existence. Following are main challenges faced by Digital Entrepreneurs, which has given below;

- **Accounting and Finance:** This is the biggest difficulty faced by a new digital entrepreneur. Accounting is huge and complex and for these reasons, various fresh business owners put it off. Finances and tax are the most familiar reasons new start-ups fail, therefore make sure that your enterprises are always on top of it.
- **Managing social media accounts:** Social media is currently the most popular and profitable marketing platform there is and simply by having an existence on websites such as Facebook, Whatsapp and Instagram, So set your business up for success. Social media a platform let entrepreneurs attain their target market across the world, humanizes business and lets you attach with your customers through widely-used and popular services.

- **Recruiting staff:** Recruiting is a long process that is time consuming and can be very difficult. When business gets to this point it is constantly going to be a good idea to subcontract to recruitment agencies. Even as company's early days by utilizing contractors and freelancers, to develop properly and truly make a success of business and finally need to hire fully-fledged employees.
- **Build a website:** At present without a website to any further extent businesses that fail to establish a web presence will not last very long. Opportunely, creating an essential site is relatively simple. While start business, make sure that essential site is active and working
- **Considerable time to scale up:** Some group of people is known for life form eager to grow, it is the digital entrepreneur. We can hardly blame them; but, trying to reach long-term objective and grow too rapidly can result in exhausted time and resources. Scaling up business is one of the final start-up challenges of digital entrepreneur.

Major Benefits of Digital Entrepreneur

In this digital era, many businesses, both big and small, are taking advantage of innovative means to grow their brand. Digital transformation can significantly contribute to the success of any business. Many business owners are jumping in on this trend, thanks to the numerous benefits enjoyable from being a digital entrepreneur. So if you're wondering the benefits you'll enjoy from taking your business online, here's a quick peak.

- **Flexible job Time:** Digital entrepreneur allows creating schedule in a way that spreads out tasks throughout the day. On the other hand, this doesn't mean that you will set in less effort. In fact, entrepreneurs are mandatory to put in maximum effort during the premature stages of your business. Once business has attained some level of stability, subsequently enjoy flexible work time.
- **Easier Business level:** Digital entrepreneurship is an easier business level. While both business models deal with growing volumes and sales, running an online business can be easier than a physical store. While it comes to business level then products that deal with services cannot be lost.
- **Sell Global Level:** Digital entrepreneur is that allow sell your products or services globally. As result entrepreneurs able to sell to anyone on the world as long as they have access to the internet. All the services may even get recognized by different countries around the world. In this case, there is no requiring traveling to their offices around the world. They can simply search for your services on the web and get an interview with you.
When this happen, your industry will developed.
- **Continuous Work:** Digital entrepreneurship agrees to you to work and travel at the same time. As long as you have a good internet connection and sufficient electricity, you will be competent to work from anywhere.
- **Social Networks:** There will be times when you are mentally tired and you can't imagine of new ideas. Through visiting diverse social media channels, entrepreneurs get contact to millions of ideas that can inspire you. So entrepreneurs can also use this tool to

present new brand and gain new clients.

Technologies that Drive Digital Transformation

Key technologies that drive digital transformation Digital transformation refer to the economic and societal effects of digitisation (i.e. the conversion of analogue data and process into machine-readable format) and digitalisation (i.e. the use of digital technologies and data, as well as interconnections that result in new or modified activities). Key technologies driving the digital transformation include:

- **Internet of Things:** An extension of internet connectivity into devices and objects, allowing them to be remotely monitored and controlled. This enables new business models, applications and services based on data collected from devices and objects.
- **Next-generation wireless networks (5G and beyond):** Improvements in wireless networks include higher speeds (i.e. 200 times faster than 4G) and networks that better support diverse applications through the virtualisation of the physical layers (i.e. "network slicing"). This will improve connectivity between devices and objects, and is critical for applications such as self-driving vehicles.
- **Cloud computing:** A service that offers flexible, on-demand access to a range of online computing resources (e.g. software applications, storage capacity, networking and computing power). These resources can be used (and priced) in an adaptable manner to enable customers to better meet their needs, as well as transform fixed costs into lower marginal costs.
- **Big data analytics:** Data that is characterised by high volume, velocity and variety, often sourced from IoT. "Big data" can be used to develop new products and services, processes, organisational methods and markets, and enables data-driven innovation.
- **Artificial intelligence (AI):** The ability of machines and systems to acquire and apply knowledge, including performing a variety of cognitive tasks such as sensing, processing language, pattern recognition, learning, and making decisions and predictions. AI is already part of daily life (e.g. recommendations from streaming entertainment services) and will increasingly drive new kinds of software and autonomous robots (i.e. they can make and execute decisions without human input).
- **Blockchain:** A ledger or spreadsheet that is maintained and stored across a network of computers. The network regularly updates the database in all locations so that all copies are always identical, which allows records to be visible and verifiable by everyone. Should someone try to change information stored in the block, the "chain" is broken and all nodes in the network would be aware of it. Applications of blockchain technology include smart contracts, cryptocurrencies and supply chain management.
- **High-performance computing (HPC):** The aggregation of processing power to deliver far greater performance than a single computer.
- **Quantum computing (QC):** The use of "qubits" that are organised in "states" that represent a combination of 0 and 1, rather than the traditional processing of binary data, i.e. 0 or 1. While still an emerging field with substantial obstacles, QC potentially offers an enormous leap in processing power that could be applied to AI and cloud computing.

Conclusion

Digital has helped a lot to promote entrepreneurship in India. Hence, this plan will help our country to overcome the economy, unemployment and numerous other obstacles the country is facing in the path of development. Therefore, the number of entrepreneurs will be increased. There will be less job seeker and more job creators. Entrepreneurship should be promote everywhere be it school, colleges, Village, District and State or institutes or any kind of counseling.

Digital entrepreneurship can make possible business formation for many individuals because it often has lower difficulty to entry than traditional entrepreneurship. Thus, many disagree that there is potential for digital entrepreneurship to help “level the playing field” in entrepreneurship, making it more inclusive. However, there is a emergent body of research that suggests that many hurdle faced by entrepreneurs from disadvantaged groups carry over into the digital economy, including difficulty access financing due to low levels of savings and security, low skill levels and small and unsuccessful entrepreneurship networks. The study suggests that carefulness is needed in encouraging digital entrepreneurship as a means of addressing exclusion because socially constructed disadvantages often appear to be reproduced within the digital context.

Various new entrants are encouraged by very positive messaging about the potential of digital entrepreneurship but have little realistic potential for success. Policy should do more to address some of the broad issues, including addressing gender and age gaps in basic digital skill levels, boosting the self-confidence of young girls in STEM fields and improving increase access to the internet and digital business support services, particularly in rural areas. Whereas these procedures will help improve the environment for digital entrepreneurship, more tailored support is needed to help the self-employed from underprivileged groups in adopting digital technologies to improve their business and also to sustain new digital business start-ups by these groups.

Recommendations

Recommendation constructs a more comprehensive culture towards digital Entrepreneurship:

- Fighting the stereotype that digital entrepreneurs are young males by showcasing a wide range of role models and success stories in entrepreneurship drive and entrepreneurship education. However, be careful not to promote it as an activity that will be suitable for all since digital entrepreneurship tend to have lower survival rates.
- Take account of entrepreneurship modules in science-based programmes in higher education to increase knowledge about the potential of entrepreneurship for these students.
- Design tailored digital entrepreneurship schemes for women, youth and immigrants so that they convert participants into role models and ambassadors after successful completion of the initiative.
 - o Collect more gender and age disaggregated data on the digital economy and digital self-employment. Support the development of digital and entrepreneurship skills:
- Embed digital entrepreneurship modules in entrepreneurship education to help youth develop

digital and entrepreneurship skills in parallel. This would also require developing teaching materials and training teachers on the digital economy.

- Offer digital entrepreneurship training programmes for women, youth and immigrants, covering the identification of opportunities in the digital economy, effective use of social media, reaching international markets and understanding regulatory differences across jurisdictions. It is important to ensure that training initiatives include opportunities to build networks and gain access to business development service providers.
- Improve access to resources for the creation of digital businesses and the digitalisation for the self-employed:
 - o Include clear targets for different population groups in national digital plans and strategies to ensure that internet accessibility does not exclude people from digital entrepreneurship.
- Ensure that digital entrepreneurship schemes increase awareness about digital entrepreneurship and digital business networks and their benefits. Improve access to finance for digital entrepreneurship:
- Support and promote crowd funding platforms to improve access to start-up financing for digital entrepreneurs, particularly women and youth.
- Use award programmes to provide small grants and visibility digital entrepreneurs from under-represented and disadvantaged groups. Use the application and selection process to provide workshops on key topics (e.g. pitching business ideas, identifying opportunities), as well as coaching.
- Promote gender balance in the financial sector, especially those receiving public funding.

Future Scope

The model and factors influencing the decision-making process of people at the bottom of the pyramid has been identified in this paper and this leaves enough room to give direction to the empirical study to be conducted soon. The proposed conceptual model raises more questions than providing answers. It provides a basis for future work.

References

1. Noshir Kaka, Anu Madgavkar, Alok Kshirsagar, Rajat Gupta, James Manyika, Kushe Bahl, Shishir Gupta. Digital India: Technology to Transform a Connected Nation, McKinsey Global Institute Analysis, San Francisco, 2019, 23.
2. Siva Vineela G. Digital Entrepreneurship, IJRMPS, ISSN: 2349-7300,2018:6(4):441-448.
3. Lakshmi V, Dr. Shiva Shankar KC. A Study on the Role of Digital Entrepreneurship in Economic Development, International Journal of Current Research,2020:12(1):9447-9452.
4. Samuel Anim-Yeboah, Richard Boateng, Emmanuel Awuni Kolog, Acheampong Owusu, Ibrahim Bedi. Digital Entrepreneurship in Business Enterprises: A Systematic Review, International Federation for Information Processing, 2020, 192-203.
5. Naude Wim, Liebrechts Werner. Digital Entrepreneurship Research: A Concise Introduction, Institute of Labor Economics, 2020, 1-29.
6. Zhao Fang, Collier Alan. Digital Entrepreneurship: Research and Practice, 9th Annual Conference of the

- Euro Med Academy of Business, Innovation, Entrepreneurship and Digital Ecosystems, 2016, 2173-2182.
7. Liliya Satalkina, Gerald Steiner. Digital Entrepreneurship and its Role in Innovation Systems: A Systematic Literature Review as a Basis for Future Research Avenues for Sustainable Transitions, 2020, 1-27.
 8. Divya Malhan, Mohan, Preeti, Sushma, Bijendra Singh Yadav, Rajesh Siwatch. An Evaluation of Entrepreneurial Tendencies of State Universities Students of North India: An Empirical Study, International Journal of Entrepreneurship,2021:25(4):1-1.
 9. Zhao Yang. Examining Digital Entrepreneurship: The Goal of Optimization of Transformation Path Normal Education in China Front Psychol,2021:12:766498. Doi: 10.3389/fpsyg.2021.766498
 10. The missing entrepreneurs. OECD/EU, What Potential does digital entrepreneursip have for being inclusive, 2019, 180-181.
 11. <https://www.vdocument.in>
 12. <https://www.remotetribe.life>
 13. <https://www.digitalindia.gov.in>
 14. <https://www.learnigitalentrepreneurship.com>
 15. <https://www.mckinsey.com/mgi>.
 16. www.mdpi.com/journal/sustaninablity
 17. <https://www.holded.com>
 18. <https://www.autusconsulting.com/post/five-benefits-of-being-a-web-entrepreneur>