

E-ENTREPRENEURSHIP: PERCEPTION OF YOUTH AND CHALLENGES

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ABSTRACT

Innovation is the term which is often considered as a highlight of entrepreneurship. It is indeed an important trait and its significance has increased tremendously over the period of time. Rising competition, frequent shifts in consumer tastes and habits and imitation of successful business practises are some of the reasons behind innovation drive in entrepreneurship. Entrepreneurship has been around since several decades but it has undergone through lot of drastic changes with the passage of time. With the emergence and acceptance of internet and the electronic technology, the new doors are opened up for the entrepreneurs. E-entrepreneurship can be described as 'Creation of new venture with an innovative commercial idea using an electronic platform and offering the products and services based on electronic network.' E-entrepreneurship is the new era of the business world and certainly it offers bunch of benefits to the entrepreneur and to the enterprise over the traditional form of entrepreneurship. The success of E-entrepreneurship clearly reflects that benefits outweighs the costs and it insures that the trend is going to be upward in the future. The core objective of the study isto evaluate the perception of youth towards the E-entrepreneurship and analyse the associated challenges. Undoubtedly the risk factor cannot be neglected in any form of entrepreneurship and e-entrepreneurship comes with its own unique risks such as internet security, region connectivity, negative perception of people towards e-business etc. Second objective is to study factors influencing perception of youth towards E-entrepreneurship. Goa being the smallest state in terms of geographical area, high literacy rate and state and central government initiatives towards digital economy offers substantial support and boost for e-entrepreneurship but still growth is negligible. The study is empirical and consist of both primary data collected through questionnaire and secondary data.

Keywords: Attributes, E-entrepreneurship, Innovation, Risk.

1. INTRODUCTION

E-entrepreneurship refers to establishing a new company with an innovative business within the net economy which uses an electronic platform in data networks, offers its products and/or services based upon a purely electronic creation of value. Essentially, this value offer was only made possible through development of information technology.

E-entrepreneurship came into limelight in early 1990s as electronic data interchange was standardized and companies could reliably complete transaction among themselves. To surf the internet, Netscape arrived on the scene in 1994 and provided users with simple and colourful browser with safe online transaction technology called secure socket layer. In 1998, fast, always-on internet service was offered by digital subscriber line to customers across California.

E-entrepreneurship involves lot of risk and by crossing the barriers there are successful entrepreneurs in the world who are rewarded with good returns. E-entrepreneurship has changed the life of millions and have turned many entrepreneurs to billionaires. currently the richest person in the world 'Jeff Bezos' who is an American investor and philanthropist born in the year 1964, is at top position because of e-entrepreneurship. He is the founder, chairman and CEO of Amazon.com. One of the richest person from Asia Jack Ma is also a true inspiration in e-entrepreneurship.

A Chinese businessman born in 1964. He is a founder and executive chairman of Alibaba group. To mention some of the successful Indian e-entrepreneurs, Sachin Bansal and Binny Bansal founder of flipkart and Vijay Shekar Sharma Paytm.

According 'India brand equity foundation' the E-commerce industry in India witnessed 21 private equity and venture capital deals worth US\$ 2.1 billion in 2017 and 40 deals worth US\$ 1,129 million in the first half of 2018. The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034. India's e-commerce industry is expected to grow from US\$ 38.5 billion as of 2017 to US\$ 200 billion by 2026. India's internet economy is expected to double from US\$125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by ecommerce. Online shoppers in India are expected to reach 120 million in 2018 and eventually 220 million by 2025. Average online retail spending in India was US\$ 224 per user in 2017. All this figures clearly determines the potential which e-entrepreneurship possess.

2. LITERATURE REVIEW

Zhao F. (2007) has focused on "Issues and challenges facing e-entrepreneurship and e-Innovation" The purposes of this paper, the terms of e-entrepreneurship and e-innovation refer to broadly entrepreneurship and innovation in the context of e-business activities and operations. This paper aims to explore key issues and challenges facing e-entrepreneurship and e-innovation through case studies. The case study draws mainly upon interviews with senior managers of the case companies and documentary research of the companies' publications. The study indicated that there was no difference in the concepts of entrepreneurship online and offline. The author speculates that one of the key issues facing e-entrepreneurship and e-innovation today, as demonstrated by the case studies in this paper is that e-business needs to respond closely to market needs and gain market credibility.

Manahi et.al. (2012) has done a study on A Conceptual Model for E-entrepreneurship Barriers in Education. This paper tries to identify the barriers to e-entrepreneurship development in education domain. In this research, the idea of Humanities scholars and the theory of social networks are presented. The researchers state that the reason for the progress in developed countries is the development in technology through which these countries have become an authority in the world both economically and militarily, and are directing the world culture towards their own wills. The results show that the main prerequisites of e-entrepreneurship development in education can be categorized into five areas of juridical-technical, educational, social, cultural and economic barriers.

A.E. Bennani. et. Al. (2014) has identified the factors fostering e-entrepreneurship acceptance in a developing country, Morocco. It suggests a model based on Technology Acceptance Model extended by three added constructs “Trust”, “Image” and “Risk”. This research work generates a useful knowledge on e-entrepreneurship that could help policymakers to succeed information technology (IT) strategies, and support future entrepreneurs to succeed their investment in projects based on IT. It aims to enhance e-entrepreneurship by supporting and creating a favorable technology environment throughout development of innovative projects in IT fields. This paper aims to identify factors influencing e-entrepreneurship acceptance by future entrepreneurs in Morocco. To test the research model, study used the Partial Least Squares (PLS) technique. This result emphasizes absence of negative or positive feelings of future entrepreneurs in developing countries toward benefits from investment on project based IT.

Meenakshi (2015) has studied the FACTORS INFLUENCING THE WOMEN IN E-ENTREPRENEURSHIP an attempt has been made to explore the diverse literature available on women in e-entrepreneurship worldwide. The objective of the study was to understand the trend of various research aspects prevailing in the field of e-entrepreneurship related to women through academic research papers, websites etc. This study has made an attempt to measure the impact of demographic, psychographic, motivational and e-service factors on the success of women in E-Entrepreneurship. The data collected by the researchers on these aspects are scattered and not very authentic and doesn't help the government for taking decision for the promotion of women in E-Entrepreneurship.

JelonekD. (2015) has done a research on The Role of Open Innovations in the Development of e-entrepreneurship. This study presents the role of selected models of open innovations in e-entrepreneurship processes. It was emphasized that customers play an essential role in creating innovations. Moreover, the study verified the hypothesis that companies are increasingly committed to implementation of e-entrepreneurial processes, thus strengthening their position in the virtual market. The study was carried out twice, with a three-year interval. First study was conducted in January –February 2012 and second in January – February 2015. Comparison of the results obtained was made to find whether companies improved their entrepreneurial skills, especially those related to e-business. The method of a guided interview was used in the survey. The survey concerned innovations in the field of products, packaging, technologies, marketing, processes and organization. The results of the study showed that customers are a creative source of innovation, especially product and marketing innovation.

Ngoasong M. Z. (2015) the researcher has explored on " Digital Entrepreneurship in Emerging Economies: The role of ICTs and local context ". In this study the researcher has investigated how ICTs as operand resource shape the choices that digital entrepreneurs make when dealing with local contextual influences on digital entrepreneurship. The researcher has adopted a purposeful qualitative research design with multiple case studies. Digital entrepreneurship is nascent in Cameroon. In this study, entrepreneurs who successfully created a digital enterprise were actively using their knowledge of ICTs to identify and offer innovative solutions to the problems facing society. The contributions to existing studies on how entrepreneurs grapple with the opportunities and challenges of identifying and pursuing entrepreneurial opportunities offered by developments in ICTs.

MukolweE. (2016) has done a Case Study of Women Online Entrepreneurs on Kilimani Mums Marketplace on Facebook: Social Media and Entrepreneurship. This paper evaluates how social media can boost women entrepreneurship by looking at benefits, challenges and the social media strategy that can be implemented. This study looked at the tools, benefits and challenges of using social media, and a social media strategy that can be implemented by online women entrepreneurs running small businesses on Kilimani Mums Marketplace on Facebook. This paper discusses about the various benefits that social media offers especially to small businesses, many women entrepreneurs are reluctant to get involved because they lack information. From the research it emerged that apart from Facebook, the majority of the respondent were not active on other social media platforms while a few indicated that they also use twitter, Instagram and pin interest among others. The respondents indicated they preferred these social media networks because of the ability to reach wide range of people, user friendliness and cheaper compared to traditional modes of marketing and advertising.

B. Huang, et.al., (2018) has done a research on E-commerce Development And Entrepreneurship In The People's Republic Of China. In this paper the researchers have utilized an e-commerce development indicator in tandem with big data to measure the variations of e-commerce development across counties in the People's Republic of China and assess its impact on entrepreneurship in both rural and urban areas. In this paper, researcher studied the impact of e-commerce on entrepreneurship in the Chinese context. They explored the mechanism through which e-commerce affects entrepreneurship and find that e-commerce prosperity alleviates the financial constraints facing household entrepreneurship because e-commerce dramatically reduces the transactional and operational cost of business.

3. IDENTIFICATION OF RESEARCH PROBLEM

The research in this paper studies two sides. On the one hand, the perception of youth towards e-entrepreneurship and on the other hand, the different challenges present in e-entrepreneurship influencing the perception of the youth. E-entrepreneurship is a relatively new concept in emerging market like India and hence there exist limited studies in this research area and also no previous studies has been undertaken which focuses on identifying the perception of youth and challenges in e-entrepreneurship within geographical boundaries of Goa. Being identified the above gap, the scope for this study increases and the results shall give important findings.

4. OBJECTIVES OF THE STUDY

- i. To assess the attitude and perception of youth towards the E-entrepreneurship.
- ii. To identify various challenges in the path of E-entrepreneurship.
- iii. To study factors influencing perception of youth towards E-entrepreneurship.
- iv. To analyse the interest of the youth in E-entrepreneurship.

5. RESEARCH METHODOLOGY

5.1 Sample

The population of interest for the purpose of this study is youth not exceeding the age of 35. The convenient sampling method has been applied as it is time efficient and economical. The respondents were selected based on the accessibility and the availability. The sample size constitutes of 50 respondents. The sample only includes the youth from Goa.

5.2 Sources of data

➤ Primary data

The primary data for the study is been collected through a survey using a structured questionnaire, whereby questionnaires were handed out to respondents for self-completion and returned to the researcher immediately. This method has proved to be very successful in attaining high response rate and all the 50 questionnaires completed in all the respect were collected. In an effort to encourage the high response rate, the questionnaires were accompanied with cover letter which assured the respondents of confidentiality and the academic purpose of the study. The respondents were asked to rate a particular issue on a Likert scale of five which ranged from strongly disagree to strongly agree, coupled with close ended questions for personal profile of respondents.

➤ Secondary data

The secondary data has been collected from following sources:

- Text books on entrepreneurship.
- Internet articles and research papers from Shodhganga, Google scholar etc.
- Internet searches through google search engine about E-entrepreneurship which includes blogs and articles from trusted sources.

5.3 Period of the study

The study has been undertaken from November 2018 to January 2019. The primary data collection was done in 7 days time frame in the 2nd week of December 2018.

5.4 Scope of the study

The scope of the study is limited to the following:

- E-entrepreneurship as a discipline.
- The youth from the state of Goa.
- Sample size of 50 respondents.
- Geographical demarcation of Goa.

6. DATA ANALYSIS AND INTERPRETATIONS

Analysis of Perception of Youth and Challenges towards E-Entrepreneurship

Table 1

Cross tabulation on Gender and Interest in being an E- Entrepreneur

			Interest in being an E-entrepreneur Crosstabulation				
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
gender	Female	Count	0	3	18	12	3
		% within gender	0.0%	8.3%	50.0%	33.3%	8.3%
	Male	Count	1	0	3	5	5
		% within gender	7.1%	0.0%	21.4%	35.7%	35.7%
Total		Count	1	3	21	17	8
		% within gender	2.0%	6.0%	42.0%	34.0%	16.0%

Source – Compiled from primary data.

An attempt is made to find the level of interest in e-entrepreneurship on the basis of the gender. The purpose of this table is to find the attitude towards E-entrepreneurship. More positive the attitude, more likely the e-entrepreneurship will be taken up by the youth. It can be understood that majority of the female are neutral in their approach, followed by 33.3% as next majority segment agreeing to the statement. With regards to the male there exist a clash in the majority class between agree and strongly agree with the score of 33.3%. More males are on the positive side in their interest. To analyse the entire sample as a whole, majority of the respondents are neutral in the approach followed by next big response rate in ‘agree’ category.

Cross tabulation on participation in E-entrepreneurship education and interest in E-entrepreneurship.

Central government, state government and various private organisations, from time to time organises various entrepreneurship educational programmes to boost up the entrepreneurship and to provide required assistance for entrepreneurship. This educational programmes usually consist of information and assistance in areas such as in finance, tax benefits, shades for business, schemes etc. The table makes an attempt to find if such educational programmes are effective in boosting up the entrepreneurship spirit in youth. Table also attempts to study the level of participation.

Table 2

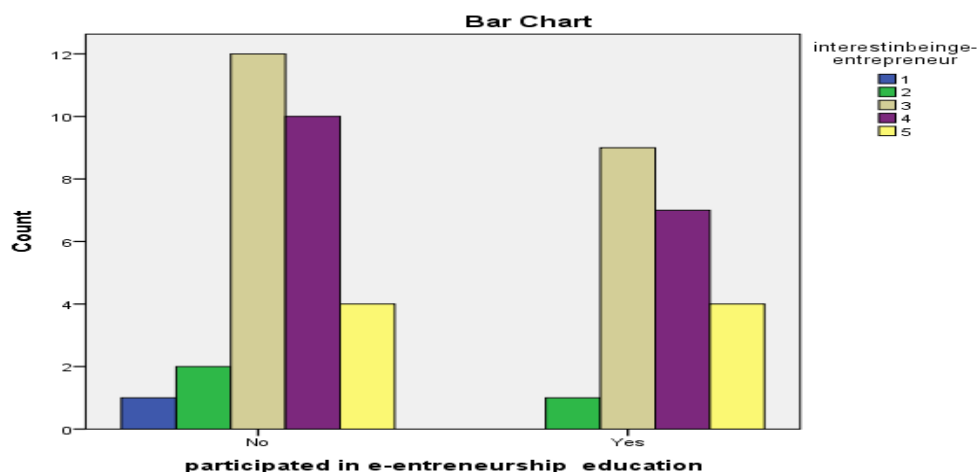
Participated in e-entrepreneurship education * interest in being e-entrepreneur			Cross tabulation				
			Interest in being e-entrepreneur				
			1	2	3	4	5
participated in e-entrepreneurship education	No	Count	1	2	12	10	4
		% within participated in e-entrepreneurship education	3.4%	6.9%	41.4%	34.5%	13.8%
	Yes	Count	0	1	9	7	4
		% within participated in e-entrepreneurship education	0.0%	4.8%	42.9%	33.3%	19.0%
Total	Count	1	3	21	17	8	
	% within participated in e-entrepreneurship education	2.0%	6.0%	42.0%	34.0%	16.0%	

Source – compiled from primary data

Out of the total sample, 29 respondents have not participated in any educational programme and only 21 have confirmed the participation. The below bar graph depicts that the respondents who have participated in such programme are less interested in E-entrepreneurship.

This signifies that such programmes are ineffective in increasing the interest of the youth and also the participation level is low in such programmes.

FIGURE-1



Source - Compiled from primary data

Reliability Analysis of Primary Data

The collected data from questionnaire has been tested for Reliability using Cronbach’s Alpha. Since the questionnaire consist of various Likert scale questions, the Reliability analysis has been carried out for determining the reliability of the scale.

A high level of internal consistency for the scale is been indicated with Cronbach’s Alpha value of .761 for 23 variables. This value indicates good reliability as values lower than .50 are considered unacceptable.

Table 3
Reliability Statistics
Cronbach's Alpha
.761

Source – Compiled from primary data

Factor Analysis

Factor analysis is used in theory testing to verify scale operationalisations and construction. Factor analysis groups similar variable in dimensions. To analyse individual advantages and challenges, factor analysis is carried out on eight factors.

Table 4	
KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	
	Approx. Chi-Square
Bartlett's Test of Sphericity	df
	Sig.

Source – Compiled from primary data

One of the prime test required for factor analysis is KMO and Bartlett’s test. The measure varies between zero to one, values closer to one are better. The KMO measure of sampling adequacy should be greater than .600 in order to carry out factor analysis on the data. Since the obtained value is .643, the data is eligible for factor analysis.

Varimax rotation is applied as it imposes the restriction on the factor correlation and oblique rotations.

Factor analysis is a method to reduce correlational data to smaller number of dimensions, beginning with the correlational matrix, small numbers of components or factors are extracted that account for interrelations observed in the data. Factor analysis has resulted into reduction of eight factors in two prominent groups.

Table 6	
Rotated component matrix	
	Component
	1
knowledge and capabilities required to succeed as an e-entrepreneur	.885
confident to I succeed if in e-business	.817
India is an excellent country to start an e-business	.740
well-functioning infrastructure to support the start-up of new e-enterprise in state	.561
Rural markets are difficult to capture in e-entrepreneurship	
Internet connectivity serves as a big problem in India for e-entrepreneurship	
Raising fund is a difficult task in e-entrepreneurship	
It is difficult to acquire customers in e-entrepreneurship	

Source – compiled from primary data

The first factor comprises of four variables, with highest factor loading closely associated based on correlation. The variables in this group consist of psychological and infrastructural factors. Confidence and knowledge coupled with supporting infrastructure plays a vital role in taking up e-entrepreneurship as a career option.

The second factor clubs in various challenges and difficulties in the way E-entrepreneurship. In general higher the difficulties associated with e-entrepreneurship, negative is the attitude and less likely people will consider taking up e-entrepreneurship.

Descriptive Statistics of Challenges

Table 7.				
Descriptive Statistics				
	N	Minimum	Maximum	Mean
Ruraldifficulty	50	2	5	3.46
Qualityconcern	50	2	5	3.88
Highrisk	50	1	5	3.62
Diffacquirecust	50	2	5	3.72
Fundraisingdifficulty	50	1	5	3.72
Internetproblem	50	2	5	4.16
Valid N (listwise)	50			

Source – compiled from primary data

A table has been constructed considering different challenges from the questionnaire. The mean and standard deviation is calculated for the following variables:

1. Rural markets are difficult to capture in e-entrepreneurship.
2. Quality is the point of concern for people to buy products and services online
3. E- entrepreneurship is a highly risky activity
4. It is difficult to acquire customers in e-entrepreneurship
5. Raising fund is a difficult task in e-entrepreneurship
6. Internet connectivity serves as a big problem in India for e-entrepreneurship

The mean value of 4.16 is highest for the factor 'Internet connectivity serves as a big problem in India for e-entrepreneurship'. This signifies that the biggest problem lies in internet connectivity. As e-entrepreneurship is completely reliant on internet and no internet connectivity means no business in that area. The other variables are very close to each other in its mean with next highest mean associated with the factor 'Quality is the point of concern for people to buy products and services online' which reduces the online purchases, resulting into lower consumer base. The lowest mean is associated with the factor 'Rural markets are difficult to capture in e-entrepreneurship' which states that rural market capturing lies close to neutral. Respondents don't consider it as a big challenge and certainly is true as rural people are actively using numerous e-services and number of e-commerce players are delivering their goods and services in such rural areas.

The standard deviation of 1.008 is highest for 'high risk' factor which means the data is more scattered around its mean and has a larger spread. The next highest standard deviation is with 'quality concern' and least with the factor 'difficulty to acquire customer' which means the data is very close to its mean.

7. FINDINGS

Challenges in general that Early Stage E-commerce Startups Face in India

• Finding a Niche

A niche in e-Commerce means identifying people who will be willing to transact over the internet for a specific product. A niche e-commerce is something that a startup can take up. But there are too many niche e-Commerce players in the market and finding a large enough market willing to buy online is the first and foremost challenge for a startup.

• Customer Acquisition

To get people to come on an e-Commerce and make a purchase involves heavy cost due to advertisement and marketing. This cost is important and with proper and right strategies can be reduced down to cost per customer. Experts are of the opinion that the average figure for this metric in the present e-Commerce ecosystem is in between INR 500 - 1000 customer, which isn't sustainable for many new companies.

• Reliable Logistics and Supply Chain

Failing in this area can mean significant damage to a startup's future. Sometimes reverse logistics is required for bad or wrong products wherein additional time and cost is involved and this in turn is directly associated with customer's satisfaction level. The reputation of the e-Commerce portal gets worst when the faulty product stays with the customer for long duration.

- **Customer Service**

Customer service is an area that is generally overlooked in the Indian context. However, quality customer support is going to be a big differentiating the dense e-Commerce market. Reassuring customers of a particular situation or timely communicating status of a process is sometimes all that is needed to keep the customer from being panic. The challenge lies in getting customer support oriented resources in India.

- **Raising Funds to Scale**

Undoubtedly, it is a herculean task raising funds for business ventures given the fact that the entire process requires adaptation of unconventional approaches, lateral to establish right connection with investors to make them believe in the entrepreneurial models of start-ups. Start-up owners agree that it is no easy task when it comes to discovering the right connect with investors who in present world are more focussed in comparison to their predecessors a years ago.

- **Self-doubt**

An entrepreneur's life is not easy, at least in the start. It's extremely easy to get discouraged when things do not go right or when entrepreneur is not growing as fast as he had anticipated. Self-doubt creeps in, and entrepreneurs feel like giving up.

- **Social Rejection**

Starting the own e-business makes it hard to maintain social connections. Usually there are no co-workers to chat with, and the friends and family may not understand the unconventional route young entrepreneur has taken. Additionally, with how busy entrepreneur will be working, it may be difficult to get out and meet some new people or maintain relationships with existing known people.

- **Dealing with Stress and Self-Doubt**

Starting out as an e-entrepreneur can be very stressful. Unlike an employee at traditional job, entrepreneurs are solely and directly responsible for making the business profitable. There exists no larger company structure to manage wrongs in organised manner.

8. CONCLUSION

- Entrepreneurship education plays an important role in boosting the entrepreneurship and for providing the required assistance, however the level of participation in such programmes among the youth is low and also there has been no significant improvements in level of interest among the participated respondents.
- Internet connectivity is regarded as one of the prime challenge in e-entrepreneurship. Even though India has large internet users base, certainly the penetration level is very low. Internet has not yet reached in many parts of the country and internet speed and the service of the telecom operators are poor in the country. According to one of the recent study, India is among the countries with slowest internet speed.
- Infrastructure it is yet another challenge as there exist a great potential market but due to lack of proper infrastructure, opportunities cannot be explored.

- Many of the respondents are of the opinion that college courses do prepare students well in considering entrepreneurship. As most of the respondents are from commerce background, usually entrepreneurship subjects are part of curriculum which provide them with required knowledge in entrepreneurship area. However, E-entrepreneurship content is still yet to make its good presence in the ordinary course structure.
- With regards to the interest in being an e-entrepreneur, majority of the respondents have positive attitude irrespective of the various difficulties.

9. LIMITATIONS OF THE STUDY

- The sample size needs improvement. Due to time and cost constraints, a small sample size is considered, even though the sample has the ability to give a strong representation of the population, a larger sample always has an edge over a small sample.
- Although utmost care has been taken while selection of sample, structuring of the questionnaire, data collection, data input and analysis still there is a possibility of human and other research errors.
- The outcome of the study is limited to a selected geographical area.
- The high level of apathy towards the survey among the people in general may adversely affect quality of the result.

10. SUGGESTIONS

- There is a need for guidance and support for e-entrepreneurship development in the state.
- Educational programmes to encourage youth entrepreneurship should be thoroughly researched and accordingly altered.
- A good financial support system which allows for trial and error should be developed
- A good supporting infrastructure with better internet connectivity and other required resources should be developed.
- Faculty in the institutions should be motivated to support and develop e-entrepreneurship in students.
- There is a need for more entrepreneurship development institutions which will provide incubation to the various new ideas and concepts.
- A simplified and less bureaucratic system for granting of licences and capital assistance should be developed.
- State as well as central government is working in the digitalization of the economy and hence there are plenty of opportunities available, these opportunities should be effectively capitalised by the youth.

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