Internet Entrepreneurship: An Impact of Internet on Business

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Abstract

In today's environment where every field has a pervasive effect of the internet, field of entrepreneurship is also considerable. Entrepreneurship is an art of taking risk i.e. it is all about taking the first step and implementing innovative ideas in business. In contrast to business system in the specific locality these specialized digitally-relevant systems works worldwide. It is widely accepted that the usage of the Internet is of a competitive necessity for survival of firms. Even though the usage of internet is giving better outcome in business, there is a scope of improvement in the field internet entrepreneurship. A lot of research work is being going on for finding out the major factors affecting the internet entrepreneurship to enhance the performance. The majority of small business entrepreneurs are aware of and adapting to the digital world, they have the ideas to experiment with risk and expect the good outcome. The use of internet in this business approach can prove to be economical and efficient without the need of much investment and with lesser risk. An extensive analysis suggests that the decision to create a new venture is influenced by a number of variables that are examined in this paper. The focus has been given on some key areas where entrepreneurship can be effectively applied, which may include CPA, e-Commerce, creation of own product etc. An emphasis has been put on to find out the factors and the drawbacks that affect the entrepreneurship. Factors such as culture, environment, political factors, human nature etc. may help in better decisive power for building effective internet applications. It focuses on sets of regulatory choices that must be made while establishing a digitized business. At the end of the paper, some key ideas have been suggested by which business methods can be improved so that the chances of failures would be reduced. Some areas have also been suggested in this paper which can be considered as good decisive areas for investment in internet entrepreneurship in India.

Introduction

Entrepreneurship is the innovation for implementing something new with imagination, inventiveness and openness. Entrepreneurship is the art of taking risk. It is all about taking the first step and implementing new ideas. Entrepreneurs are the persons who not only work for their earning but they also create jobs for others. In the fastest growing internet era, businesses have also affected with the internet giving the better and sometimes bad results. In earlier days, if a person started his business, he needs to spend some quality time on thinking about so many factors. Internet involvement in business has totally changed the concept of entrepreneurship. Now if a person wants to start a business, he only needs a Computer, internet connection and the most important his ideas. Internet entrepreneur regarded as meaning an entrepreneur who has an online based business on the Internet that targets international consumers. These persons do not need offices or extensive support staff all over the world. They just need an idea, a great idea, and a cable to the Internet.

The advent of the internet has leveled the playing field for small businesses to compete with major corporations. The Internet has allowed businesses to grow flawlessly. It increases visibility and revenue, as well as customer potential

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population. An entrepreneur who understands the benefits of utilizing the Internet can maximize the potential of his organization.

Internet marketing has changed the way business is conducted all over the world. Around the world, so many entrepreneurs are entering in this internet world, giving their business maximum heights by global reach of their businesses.

Factors Affecting the Entrepreneurship

Entrepreneurship is taking its new heights due to some factors. These factors may include Cultural, political, Human factors etc. All these factors have a positive or negative impact on business. Such as the cultural factor plays the role of both sides. It gives positive as well as negative effect on business. Student studying in business schools have the tendency to work on their own, people traditionally working in business disdain working as employees. Whereas people engaged in jobs pressure their children to find secure job. Age which is again an important factor also plays a crucial role in business, and at the later stages of business it may become decisive. Here age is not the chronological age its entrepreneurial age. Thus age implies extensive experience which is the best predictor of the business success. Entrepreneurs with vast experiences in managing business are more capable of finding ways to open new business compared to employees with different career pathways. Next important factor is education. It is being surveyed that successful entrepreneurs have higher education levels. Innovative behavior can also lead an entrepreneur to his success, which can be predicted by entrepreneurial personality type. Entrepreneur should be a positive in all circumstances i.e. he should overcome all challenges and crises. He should be a super sales person with innovative ideas, should be able to manage his business in any circumstances. If entrepreneur have these qualities then he can predict success even in the earlier stages of business. The success of an entrepreneurial venture depends on the entrepreneur. The entrepreneur is the leader and driver of the venture, and requires the following skill-set and orientation for success:

- Hard work

- Determination

- Capability of facing challenges

- Ability to draw up a business plan

Some political factors also affect the entrepreneurship such as high taxes that cut into the returns usually discourage entrepreneurs. But due to involvement of internet tax is highly reduced. Economic freedom in the form of favorable legislation and few hurdles to start and operate businesses encourage entrepreneurship. While most businesses accept laws related to the safeguard of labor rights and the environment, some countries have retrograde laws that make compliance very difficult and time consuming. Such legal hurdles create a barrier to entrepreneurship. But in case of internet all these barriers have been crossed as a person can work worldwide just by making a web site and purchasing a domain to bring that website in operation.

One most important factors is the customer acceptance i.e. customer still thinks twice before ordering from the internet due to fraud, bad product, late supply etc. MCA Institute Nowadays it has also been improved by some websites to deliver goods on time and with money back guarantee on product quality. Youth education is also a considerable factor. If we will talk about the past days, customer was not easily accepting this phenomenon but education also plays an important role, new generation is computer savvy, world is just the click away. They prefer to work through internet. This leads to better success in internet entrepreneurship.

Key areas

On the discussion above, it is necessary to throw some light on the areas which have much better scope than any other areas. If an entrepreneur is thinking to invest, he should consider pros and cons of each area. Some of the upcoming areas and current areas in the field of internet entrepreneurship are

- e-Commerce

- Fast food industry

- Real estate Industry

- Shares

- Information technology industry

- Education

- Health Markets

- Foreign Exchange

- Social Networking

- Social Matching

e-Commerce is a place where any product can be sold or buy using just a website. Customer receives his product within some specific days without any wastage of time. These websites can be prepared by just placing the information of your product on the internet. This is the most demanding field as any person can create an attractive websites and can give their business new heights with wider customer area. Second most demanding area is food industry. Because of the change in lifestyle and the growing population of the middle-class, fast food industry has been improving over the years, sporting a growth rate of up to 35 percent each year. Fast Food Market Analysis claims that, even with this booming fast food industry, a large portion of the world even India remains untapped. Because of this, there is still a good chance that a fast food business will thrive for new entrepreneurs, even with the presence of the largest fast food companies in the busiest parts of India. Entrepreneurs can either open their own fast food business or get a franchise for one of the major players in the Indian fast food industry, which includes McDonald's, KFC, Pizza Hut and Domino's Pizza.

Even though fast food industry has already spread all over the world and proves to be a good source of income. This field still has some scope to work on for better quality and better delivery. Real estate industry is growing rapidly on internet as there is no need to pay the mediator for selling or buying the property on the internet. The Indian real estate industry has been expanding at exponential rates for years. This is because of the rising purchasing power of the people, cheap financing options and demographic issues in India that are favorable. The Indian real estate industry estimates 33 percent growth per annum, projecting to a $50 billion industry within the next few years. With this knowledge, it is

wise for entrepreneurs to start investing in real estate or to start their own real estate business. Real estate in India covers different areas, including house renting, property sales, property purchases, home insurance, commercial insurance, home loans, and housing financing and building.

Stock industry is related to the investors. Investors who don't want to take risks, analyses the trend for particular share and invests accordingly. Sometimes investors seeks advice too which they may receive from internet.

Entrepreneurs who are planning to go into business can opt for the Information Technology industry, as it is one of the budding industries in the places where there is a scope for internet growth around the world. There are many options when it comes to doing business in this industry, including, but not limited to, production, communications and manipulation and dissemination of information. International corporations also are increasing their outsourcing in India. This is a good industry to penetrate because of the millions of Internet users in the country and the world. Obesity is the biggest problem all around the world. It is a well-known fact that average weight around the world is increasing, and we have become aware that there are severe mental disorders affecting eating behaviors. There is whole industries now thriving off this market, and yet there is insatiable demand for more information. In rare medical conditions such as Cancer remains the mysterious illness and everyday people encounter one cancer or another. Other issues such as diabetes and similar illness also continue to require provision of information. Foreign Exchange is wildly fascinating place where profits are made during all economic seasons. Today it has become very accessible to every person, via the internet, and there are ample tools for working in this market. People are using internet for relationship building, reason may be connectivity and loneliness and almost every second person is having account on facebook. So trend of social networking site is also on peek. Social Matching and Connection is also a favorable area. Connecting people all over the world for social matching have also come in requirement. So there are a whole lot of visible and viable markets containing thousands or millions of choices to start an online internet business.

Why Switch over Internet for Business

There are many ways to enter the world of entrepreneurship. It can be in the form of a traditional style corporation, it may be a franchise of a large network or a person can start a work from home. All these methods can provide great benefits in becoming an internet entrepreneur.Many small entrepreneurs are switching to internet for their business. There are so many reasons behind this diversion. Refer Figure I

Entrepreneurs ranked the need to offer better service as the most important reason to implement internet entrepreneurship. Competition is another reason.The need to offer consistent quality is also an important reason for small firms to be involved. Other reason why the internet is taking place in entrepreneurship is to reduce inventories as there is no need to maintain stock in advance. Prices of product is rapidly changing so by switching business to internet the investors will always get the updated price which is usually increased price. Need for customer interaction is almost obsolete as customer is purchasing directly from internet without interacting with individual just by a click. Many large firms consider these reasons critical for implementing internet solutions. Hence, it confounded us why this would be the case for small business. On hindsight it was apparent to us that small business entrepreneurs were probably more capable (or more efficient) than large firms in understanding customers and managing inventory and, therefore, felt the lack of need for a solution in this regard. Use of Internet is not just by selling goods on internet, a business man can use email forcommunication, order supplies, taking orders etc.

By becoming an entrepreneur, amount of taxes can be drastically reduced which means more of cash in pocket. Over business lifetime, taxes will be the single largest expense. While there is no way to completely eliminate taxes, By becoming an entrepreneur things such as computer equipment, mobile phone and internet expenses, car mileage, business travel can be made through rent. This will save the tax on these goods if purchased. By starting own work from home business anyone can breakaway from the world of income caps that restrict from making more money. There are many 'work from home' entrepreneurship stories of entrepreneurs that have replaced their employee salaries by making in a month or two what they used to make in a year. There is no need of Business ideas as several companies offer work from home opportunities through independent marketing consultants. One of the reasons so many people fail to enter the world of entrepreneurship is because they either; don't have business ideas or think their business ideas are not good.

If a person started a business, there may be requirement to put some advertisements locally in the hopes of building a name for the company in the area. The Internet has changed that practice completely. An Internet presence instantly gives that company a global customer. Customers from around the world are able to learn about and purchase their products and services.

Internet advertising ensures that the business is marketed globally and is not confined to any specific region. Local reach of the business means lesser exposure, while global reach means global exposure. From an entrepreneur's perspective, this is a golden opportunity to showcase his/her products and services to the world.The World Wide Web operates 24 hours a day, seven days a week. Businesses that sell ready-made products benefit most from this advantage. By creating an Internet store, these entrepreneurs have the ability to maintain a virtual retail shop that never closes, affording the owner the possibility of literally making money in his sleep.The Internet has created a global community of peers. In the past, a business owner's only option was to join a local chamber of commerce in order to network and learn from fellow entrepreneurs.The creation of chat rooms and Internet forums, however, has taken the idea of fellowship to a new level. A person in Portland, Maine, now can exchange advice regarding marketing and promotional techniques with someone in the same line of business based in Sydney, Australia.

The biggest advantage of using the Internet for business is its cost effectiveness. Opening an online store costs a fraction of the budget required to open a physical shop. For publicity, advertising is less expensive than in traditional media, and moreover it allows business owners to reach demographically large area. The Internet also allows business to be conducted without expensive travel. Internet marketing projects are cheaper than conventional

forms of business. This form of business does not need higher investment in the form of capital Thus, this provides just about every aspiring entrepreneur the opportunity to take a plunge without really worrying too much about losing capital. There are plenty of examples of entrepreneurs starting out humbly and making it big with Internet marketing.The bottom line is becoming an entrepreneur allows you to make as much money as you want.

Shortcomings from Internet Involvement

Attracting customers may not be easy: Due to the problem of customer satisfaction, cultural factors, traditional methods etc. attracting customers for getting involve in business is really a cumbersome task. It is really unpredictable whether customer will accept this new innovation or not. So in this case if an entrepreneur invests even a small amount of money may be in risk of losing the whole money. So pre assessment is necessary, which may also sometimes not work.

Making it big on the Internet becomes a lot easier when an entrepreneur has an access to techniques like article directory subscription and pay per click inclusions. An access to these techniques requires financial investments in varying degrees, which not every entrepreneur may be able to make. Until then, the entrepreneur may have to rely solely on cheaper options like SEO marketing. Obviously, the results will pour in slowly.

The Internet is a place where it may be difficult at times to ascertain the identity and credentials of a potential customer. This could prove to be a big problem if not handled well. There are multiple instances of financial fraud where the victim was really unable to take any step purely because the identity of the fraudster could not be ascertained. Obviously, the entrepreneur needs to take every step very carefully. Risk of obsolescence and need for extensive planning were cited by entrepreneurs as the biggest reasons for not implementing internet entrepreneurship.

The disadvantages must not deter any aspiring entrepreneur from taking to Internet marketing. The disadvantages can be worked out, and the positives in fact outweigh the negatives. Long term vision and well thought out strategies and their execution can give better results in Internet marketing.

Conclusion

Primary goal of this study was to understand the impact of Internet on business entrepreneurs. In conclusion the following comments can be made about the impact of Internet on small businesses based on this survey.

In summary, the results of the study indicate that some factors could be used to accelerate the development of successful businesses. Such variables are: Age - chronological as well as entrepreneurial - and experience of the entrepreneur.This study shows that entrepreneurial age has a significant effect on business success. Experienced entrepreneurs who are successful in managing business could be exploited as valuable sources for the development of the business world. Personality traits contribute to the formation of innovative behaviour. Innovative behaviour contributes to business success. Ultimately this has to be stimulated by parents in their children or through the school curriculum. Finally, the involvement in managing a business can be the origin of the emergence of new entrepreneurs. Thus the implementation of a balanced entrepreneurship education with both theory and practice could contribute to the emergence of new entrepreneurs all around the world.

If results are impressive in some cases, there are some places where results are showing the negative impact. Sometimes customer never get attracted so there may be chances for loss, caution should be taken before planning by taking in action some back plan.As the customers are worldwide, sometimes the pressure on works increased unexpectedly.This can also be managed by proper database management. Some entrepreneur says that there is much less benefits to work through internet. So taking into consideration study structure of the business schools also have the scope to be enhanced for driving the young entrepreneurs to the internet. Internet entrepreneurs combine creativity and marketing skills to sell goods and services on the World Wide

Web. The Internet has shown spectacular growth over the past few years and will almost certainly continue to grow. On the other hand, the failure rate of Internet businesses is high, because the medium evolves in ways that are impossible to predict. Employment in web-related business is volatile. Many large companies have invested heavily in developing Internet sites. Then, as those sites fail to produce revenue, companies alter their plans and "downsize" or abandon the sites, often laying off employees in the process. Like other new industries, the Internet offers high-risk opportunities. Individuals with the right idea and the skills necessary to capitalize on it can earn a fortune.

At the end of this paper it may be concluded that accept internet in a steady manner if anyone is having the traditionally set business, analyze each and every module gradually by examining it carefully and if all skills are sufficient then convert the whole business in e-Business form as, "the internet is yet to be used to full potential - but that's good - because we need to walk before we run". But on the other hand youth are expected to drive full devotion in working through internet. Young entrepreneurs, who are interested in entering in business, should pay their whole attention through internet entrepreneurship.

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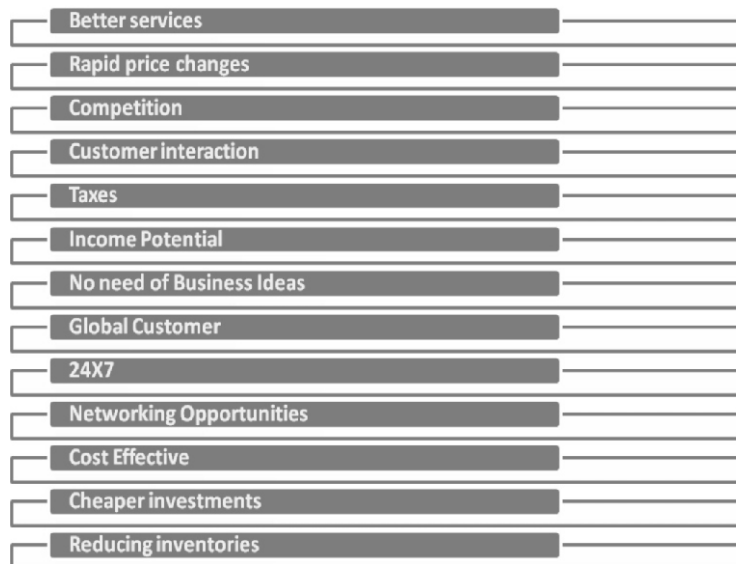- http://ebooks.iaccp.org/ongoing_themes/chapters/riyanti/riyanti.php?file=riyanti&output= screenslide 3 of 5.

Figure I : Benefits of Using Internet