

# **Cyber Entrepreneurship Ecosystem: Proposed Concept Paper.**

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## **Abstract**

Entrepreneurship ecosystems are at an emerging trend. New concept and definition are being introduced in an attempt to explain entrepreneurship activities. Cyber entrepreneurship has been identified as a new ecosystem when entrepreneurship is being discussed from micro prespective. Research in Cyber entrepreneurship opens a wide spectrum in research gaps. Via this concept paper, Cyber entrepreneurship will be explained from the following approaches: (1) Cyber entrepreneurship characteristic comparing to traditional entrepreneurship, (2) Cyber entrepreneurship position when comparing with e commerce / e business and technopreneurship and (3) Eight dimensions of Cyber

entrepreneurship. Even without government recognition, cyber entrepreneurship is widely being adopted by Malaysian in an attempt to achieving their desired objectives.

**Keywords:** Cyber Entrepreneurship, Entrepreneurial Ecosystem, Cyber Entrepreneurship Dimension

### **Introduction**

Entrepreneurship is a process of starting a business, new ventures or seeking and exploring new opportunities that turned raw ideas into reality in a form of product or services. Entrepreneurs, on the other hand, are person who lead entrepreneurship activities, and those who are willing to take risk and taking advantage of the opportunities exist. Both terms are interrelated and frequently used to show the close relationship between entrepreneurs who perform the entrepreneurship activities. On another note, Entrepreneurship activities represent part of more comprehensive entrepreneurship ecosystem, which refers to the elements of individual, organization or institutions that are conducive for a person to choose, either to be part of entrepreneurship activities or to just becoming an entrepreneurship stake holder that may include government, universities institution, funding sources, students, graduates, research centres etc. Reflecting on the entrepreneurship ecosystems, this research will focus on different dimension of entrepreneurship in internet-based entrepreneurship ecosystem that reflects the title of this concept paper which is Cyber Entrepreneurship Ecosystem: Proposed Concept Paper.

Generally, liberation on education institutions reflecting on the numbers of graduates produced by higher education institutions (HEI's) in Malaysia has exceeded 230,000 annually (MOHE Statistics, 2013). Number of graduate produced annually raised an issue debated in the parliament, in which development of entrepreneurship program has become a main agenda for the nation in encouraging graduates to venture into entrepreneurship and ultimately to become a job creator rather to job seekers. (Ismail et al., 2009; Abu Bakar, 2005). This aim is very much relevance with the "Hadis Sahih" which said 9 out of 10 source of wealth come from business".

Parallel to evolvement on entrepreneurship ecosystems, technology innovation which emerged dynamically in 21<sup>st</sup> centuries is seen as an unstoppable phenomena, especially in education, communication and in the way business conducted, transformation of management style, in socialization and in all aspects of human lives. Technology development has as well influenced the changes that taking place in the way how entrepreneurship activities were conducted. Meanwhile Technology evolution and innovativeness on the way shows shift in entrepreneurship focus. Michael L. Harris and Shanan G. Gibson (2008), for instance, highlighted that increased in number of research on IT innovation in entrepreneurship has transformed and change the way we dealt with entrepreneurship activities. Collaboration between IT innovation and entrepreneurship has shown an emergent of new type of entrepreneurship known as cyber-entrepreneurship

### **Literature Review**

This concept paper intends to explore various literatures on online entrepreneurship and its various dimensions. Entrepreneurship activities have gone through the history tunnel and innovated and transformed throughout the history time line. According to Todd Davey et al, (2011), Entrepreneurship concept has been defined in various ways, ranging from as specific as starting one's own business, to broader concept such as a work attitude that emphasises self-reliance, initiative, innovativeness, and risk-taking. In addition, Gartner (1989) as cited in Zaidi (2001) stated there is no universally accepted definition on an entrepreneur. Therefore

it's suggested for research study to specifically various definitions given on entrepreneurship based on researchers own eagle eyes.

In understanding further the entrepreneurship, this research would like to explain entrepreneurship from two perspectives which is psychological and sociological perspective. There are many literatures using psychological perspective such as motivation to become an entrepreneur; Ajzen, I. (1991); Intentions to become entrepreneurship; Attitudes, Personalities and Behaviour of entrepreneur, Audet, J. (2000); Entrepreneurial education, Bansal, H. (2002); interactive effects of Theory of Plan Behaviour (TPB), Bird, B.J. (1988); Implementing entrepreneurial ideas, Campbell, C.A. (1992); entrepreneurial decision, Chen et al, (1998); entrepreneurial self-efficacy, Gilad, B. and Levine, P. (1986); A behavioural model of entrepreneurial supply, Herron, L. and Sapienza, H.J. (1992); The initiation of new venture, Krueger, N. (1993), perceptions of new venture, Krueger et al, (2000), entrepreneurial intentions, Low, M.B. and MacMillan, I.C. (1988), Entrepreneurship challenges; Shapero, A. (1982). Meanwhile some example of research done from sociological perspective are; Bandura, A. (1986), Social foundations of thought and action; Fishbein, M. and Ajzen, I. (1975), belief, attitude and behaviour Jelinek, et al, (1994), A cognitive theory of organizations; Shapero, A. and Sokol, L. (1982).

### **Entrepreneurship Concepts in 21<sup>st</sup> Centuries**

As we enter 21<sup>st</sup> centuries, modern concept on entrepreneurship activities were introduced. Kuratko & Hodgetts, (2004) for example, introduced entrepreneurship concept as an integrated definition of entrepreneurship that is “dynamic process of vision, change, and creation. Continuous research on entrepreneurship helps researchers to observed an emerging theme in entrepreneurship. The term “Cyber” is referred to as place where businesses are conducted. This term were first used by William Gibson via his novel “Neuromencer” to represent a vast network of computer and telecommunication line.

Government is putting much effort in optimizing the IT penetration as well as entrepreneurship adoption among the citizen, therefore encouraging Malaysian to get involved with cyber entrepreneurship. Educating undergraduate on Cyber-entrepreneurship will make them to appreciate more the new communication technology, therefore it would lead to build their interest to learn about the Cyber-entrepreneurship technology.

Any citizen can become cyber entrepreneur and to start business with minimum capital wherever they are and when ever they want. Low entry cost to start cyber-entrepreneurship attracts more Malaysian to venture cyber-entrepreneurship activities.

Evolution on IT and mobile technology shows on emergence of Internet based entrepreneurship or more appropriately known as Cyber Entrepreneurship (CE). To avoid confusion, for purpose of this concept paper, all those new dimension of entrepreneurship will be labelled as Cyber entrepreneurship.

### **Cyber Entrepreneurship Characteristic**

Cyber entrepreneurship is a unique in term and role it plays in laying a platform in the way business conducted. At certain extend Cyber entrepreneurship have similar characteristic with the traditional entrepreneurship. What clearly differentiates it with the traditional entrepreneurship is the following characteristic as shown in Table 1.

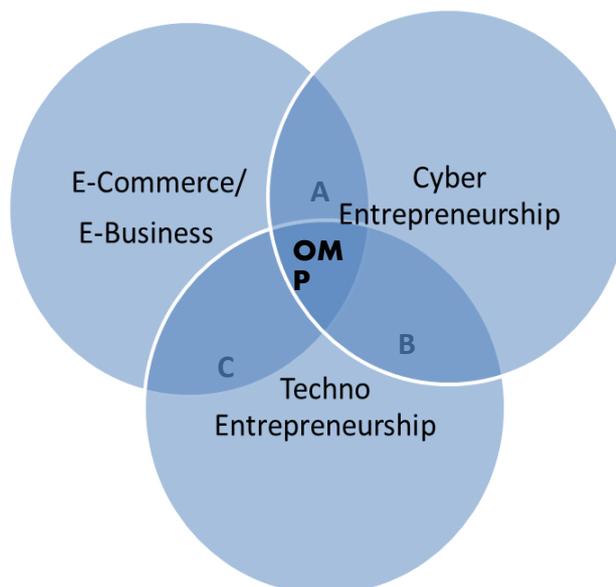
Table 1 The Difference Characteristic between Traditional vs Cyber-entrepreneurship

| No. | Characteristic  | Traditional Entrepreneurship | Cyber-entrepreneurship |
|-----|---|------------------------------|------------------------|
| 1.  | Entrance and exit from Cyber entrepreneurship business model are easy and at very minimal cost.   | No                           | Yes                    |
| 2.  | Entrepreneurs can re-enter in the business model as easy as exiting the business.   | No                           | Yes                    |
| 3.  | Entrepreneurs can replicate the business instantly as many as they want.  | No                           | Yes                    |
| 4.  | This business model fully relies on Information technologies as their business platform.  | No                           | Yes                    |
| 5.  | There are eight dimension of cyber entrepreneurship which is Auction, Drop shipping, Sale letters, multiple pages, Affiliate, Social networking, email marketing and Forum marketing. | No                           | Yes                    |
| 6.  | Cyber entrepreneurship encourages graduates to manipulate more than one business model so they can create multiple revenue model.   | No                           | Yes                    |

### Cyber Entrepreneurship Dimension

Evolution and growth in entrepreneurship since last centuries seems emerging in a new model and shape of entrepreneurship. This online dimension of entrepreneurship can be further outlined into three main dimensions as shown in Diagram 1, which is E-commerce/E-business, techno-preneurship and cyber-entrepreneurship (CE).

Diagram 1 Cyber Entrepreneurship Dimension



Source: Develop For Research

The first dimension is E-commerce / e-Business presented in the model. It represents e-commerce/e-business activity on the net which were conducted in formal online business structure. It requires the business to officially register their business with the authorities. E-C targets small level business while e-business supports enterprise level business. Those who involved in this type of business needed to formally register their business with the authorities. They must comply with all the business regulation. Loudon, (2013) identified e-commerce and e-business as most interesting market mechanism and widely used in Business to Business (B2B), Business to Consumer (B2C), Consumer to Consumer (C2C). Government to Business (G2B) and Government to Consumer (G2C) model.

The second dimension is the Technopreneurs. University Kuala Lumpur, UNIKL (2013) defined technopreneurship as entrepreneurs who are venturing into the core businesses involving technology-based industries. They make use of technology to come out with new or innovative products through a process of commercialization. The businesses are generally marked with high growth potential and high leverage of knowledge and intellectual property. Potential Technopreneurs must be equipped with both technical and business skills.

There are some studies which referring the technology based entrepreneur with various terms such as: IT Technopreneur (derived from the word “technology entrepreneur”) is interchangeably used with the word entrepreneur in order to relate that techno-entrepreneurship as the subset of entrepreneurship. Our search on literature and web base searching, suggest that those persons who set out to be IT Techno-entrepreneurs are often seen as special, brave, strong, or else well connected to sources of start-up income beyond those that could reasonably expect to obtain.

The third dimension is the cyber entrepreneurship. Even though cyber entrepreneurship is very fast emerging entrepreneurship, it not academically researched in term of potential and the impact on graduate who venture in this form of business. It opens a wide gap in creating research opportunity. Researcher at higher education institution should encourage undergraduate students to explore this research area and contribute in filling the research gap that are at emerging stage.

E-C / E-B vs. CE covers the overlapping areas label as “A”. It represents area where the similar business model available in both segment such as: Auction, Drop shipping technique; Single / Multiple Page; Affiliate; Social Networking; Email marketing; and Forum Marketing. Online Marketing and Promotion (OMP) represented by the overlapping areas between the three online business dimensions. OMP focus more on promotion and marketing rather than selling. Understanding the fact that the word “cyber entrepreneur” is not just a concept, but it is an innovative business practice that enables business opportunities to be detected and seized.

Meanwhile Cyber-entrepreneurship (CE) vs. Techno-entrepreneur (TE) The overlapping area are label as “B”. It involved advanced business technologies segment such as: Dell, Google, Yahoo, Acer etc. It is well developed and widely implemented globally. What the industry offer in this nature of entrepreneurship covers wide range of technology based product and services. Google, Yahoo, Facebook, Microsoft and International Business Machine (IBM) are an example of techno entrepreneurship. For the purpose of this study, techno entrepreneur scope will be briefly explained and illustrate as another dimension of online entrepreneurship.

Electronic Commerce (EC). Electronic Business (EB), Technopreneurship (TE), represented by the overlapping area which label as “C”. It represents level of integration between entrepreneurship models. Fundamentally, it fully relies on technology platform such as Internet, Extranet and Internet.

### **Cyber Entrepreneurship Dimensions.**

As elaborated in detail the dimension of cyber entrepreneurship, this study would only focus on the area of cyber Entrepreneur and more specifically the adoption of cyber entrepreneurship activities among business undergraduate in Malaysian research universities. There are eight categories of cyber entrepreneurship which is as follows: Auction, Drop shipping, single page web site or sales letter, multiple page web sites (MPWS), Affiliate, Social networking, Email marketing, and Forum (Nizam, 2013).

#### **Auction**

Wikipedia, (2013a) defined Auction as a process of buying and selling goods or services by offering them up for bid, taking bids, and then selling the item to the highest bidder. An auction may refer to any mechanism or set of trading rules for exchange. Meanwhile according to Investopedia, (2013), Auction can be defined as a system where potential buyers place competitive bids on assets and services. Auction is a unique way to offer product on the web.

#### **Drop shipping**

"Drop Shipping" is an online business opportunities for people to become agents selling branded goods without large capital, at the same time enjoy a large profit margin. According to Wikipedia, (2013b). Drop ship or Drop shipping is a supply chain management technique in which the retailer does not keep goods in stock, but instead transfers customer orders and shipment details to either the manufacturer or a wholesaler, who then ships the goods directly to the customer.

#### **Single page web**

Single page web site used to promote product into clearly identify niche market. It introduced only single product which outline A – Z about the product in detail. Single page web site normally designed and it contain 9 section such as: graphic header; headline promise section; information section; product introduction section; product advantage; testimonial; bonus offered section; action section; and payment method.

#### **Multiple Page Website**

According to (Merriam-webster.com, 2013), Multiple Page Web Site (MPWS) can be defined as a group of World Wide Web pages usually containing hyperlinks to each other and made available online by an individual, company, educational institution, government, or organization. It is a type of web site targeted for wide general market. Meanwhile Webopedia, (2013), defined web site as a site (location) on the World Wide Web. Each Web site contains a home page, which is the first document users see when they enter the site. Visitors may have information on product or services but the MPWS were designed to target for broader market. They may have various product or information to share with reader/ visitors. MPWS normally have basic page which content direction as Home, Home/Main, Product, Gallery,

Booking, Album, Product component 1, and Product component 2, Frequently Asked Question (FAQ), Contact us, Sitemap. This type of business need some amount of start-up capital for the data traffic and hosting the site. Visitor to multiple page web sites may have more variety option rather than visitor to (Single page web site).

### **Affiliate**

Affiliate is a method to replicate sales on cyber spaces. It successful increase sales with the assistance of other affiliate that forms a network. Specific term is widely used in business use affiliate known as "viral marketing". Affiliate business, seek others to publicize on the members products to others in the same time share the earnings within those who are successfully making sales on our behalf. Affiliate concept is simple, if we market our own products; the market is limited to our own environment. Maybe 10, 100 or 1000 prospects in a time and if lucky we can get up to 30-40 sales. If we use the method affiliate, many people will help us voluntarily. Maybe 10 or 100 people will sign up to become an affiliate and they will help us create a campaign to your friends and contact them.

### **Social networking**

Social networking phenomenon has been successfully portrayed as way of life that fully utilizing Web 2.0 technologies to create virtual place where people can be connected. Most famous social network system is the Facebook ([www.facebook.com](http://www.facebook.com)). Facebook is equipped with various application supports to enable Facebook meet the growing needs of consumers. Facebook become so popular that people feel shy or embarrassed to admit if they don't have Facebook account. Facebook can be summarized as following. Combination of the eight elements on Facebook such as Fan page; Add fans; Connect; Experience; Buy ads; Offer promotion; Online mobile; and Keep Updating, will be a very promising. The Facebook account is able to help to generate thousands of dollars if user knows how to manage it properly.

### **Email Marketing**

Wikipedia, (2013c) defines Email marketing as directly marketing a commercial message to a group of people using email. In its broadest sense, every email sent to a potential or current customer could be considered email marketing. Meanwhile Webopedia, (2013), defined it as a type of direct digital marketing that uses electronic mail (also called email or e-mail) as the marketing communication delivery method. Meanwhile brickmarketing.com, (2013) defining email marketing as a way to reach consumers directly via electronic mail. Unlike spam, direct email marketing reaches those interested in your business' area of expertise. Email marketing is used in a number of ways by organizations and marketers for brand and customer loyalty building, acquiring or converting customers, company advertisements, or for communicating promotional offers and more. It is the fastest medium of communication and cost effective.

Study in 2011 reported in Module 1 3.0 Emailmarketing.com: email control 56.8% of the total traffic that comes to the sales page. Social Media such as Facebook and other platform received 4.3% only. This shows that email marketing is the most effective medium to attract fast web traffic to sales. And high traffic would make the sale high as well. Email Marketing Concept- Email marketing is a form of marketing that uses email 100%. All marketing activities performed by only using email. The concept is very simple to use email to promote and sell.

## **Forum Marketing**

Forum Marketing is another online entrepreneurship program. It can be defined as An Internet forum, or message board, is an online discussion site where people can hold conversations in the form of posted messages. They differ from chat rooms in that messages are at least temporarily archived. Also, depending on the access level of a user or the forum set-up, a posted message might need to be approved by a moderator before it becomes visible (Wikipedia, 2013d). It also further defining it as an Internet forum, or message board, is an online discussion site where people can hold conversations in the form of posted messages. They differ from chat rooms in that messages are at least temporarily archived. It is one of the most effective platform and socially acceptable. Forum can be used to achieve the global market.

## **Conclusion**

Cyber entrepreneurship should be given more attention by policy makers due to its capabilities in preparing Malaysian Citizens especially youth, graduates and young entrepreneurs to penetrate global markets. Low entry cost in Cyber entrepreneurial activities can as well stimulate Malaysians to venture in Cyber entrepreneurship and become a self-employed and contribute in becoming job creator rather than job seekers. In the long run Cyber entrepreneurship can lead to nation growth. To see fast impact, government should provide start-up fund so that potential entrepreneurs can utilize it for training and consultancy.

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