

CYBER ENTREPRENEURSHIP: A NEW REVOLUTION

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ABSTRACT

Entrepreneurship activity is very important in the development of any nation. It ensures stability as well as growth of an economy. Due to its significant contribution to the economic performance of a country and a region, it has become a global agenda. Entrepreneurship activities are viewed from broad perspective throughout the world. Different nations defined entrepreneurship from different dimension based on their need and mind set. Recently, there is an emerging trend in entrepreneurship. Beside the traditional entrepreneurship which is also known as conventional entrepreneurship, innovation in information technology has shown the emergence of internet based entrepreneurship which is also known as cyber entrepreneurship. The cyber entrepreneur creates a firm that is basically established upon the electronic commerce (e-business start-up), and whose core activities are based on exploring networks using Internet technologies. Literatures on cyber-entrepreneurship are relatively new in the academic world. This dimension of research is still at its emerging stage and recently it started to capture the researchers' attention around the globe and it has also opened a research gap to be fulfilled by researchers. This paper intends to introduce various dimensions and terms used in entrepreneurship, especially the different dimensions of cyber entrepreneurship. It is hoped that based on the terms discussed in this paper, further studies would be made by the researchers to explore other research areas relating to cyber entrepreneurship.

Keywords: Traditional entrepreneurship, Conventional entrepreneurship, cyber entrepreneurship, and online entrepreneurship.

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INTRODUCTION

Entrepreneurship activity is very important in the development of any nation. It ensures stability as well as growth of an economy. Due to its significant contribution to the economic performance of a country and a region, it has become a global agenda. Entrepreneurship activities are viewed from broad perspective throughout the world. Different nations defined entrepreneurship from different dimension based on their need and mind set. Recently, there is an emerging trend in entrepreneurship. Beside the traditional entrepreneurship which is also known as conventional entrepreneurship, innovation in information technology has shown the emergence of internet based entrepreneurship which is also known as cyber entrepreneurship.

EVOLUTION

Thomas (2002), for example identified that at the beginning, the English perception towards entrepreneurship is raised by them. Meanwhile in USA, the entrepreneurship activities are seen as very dynamic. Every second, new businesses are born. Besides that, one in every 12 American is actively involved or at least trying to set up new business (Campbell, 1992). In term of scope of research, studies in Finland and European Union show that entrepreneurship is receiving more attention in the area of business research as stated by Davidsson and Wiklund (2000); Low (2001); and Shane and Vekataraman (2000). Recently, there is an emerging trend in entrepreneurship. Beside the traditional entrepreneurship, which is also known as conventional entrepreneurship, innovation in information technology has shown the emergence of internet based entrepreneurship which is also known as cyber entrepreneurship.

There were also numbers of studies conducted on Malaysian perspective such as Ramayah and Harun (2005); Mohar et al., (2006); Manjit et al., (2011); ArifatulHusna et al., (2010) and Codelia Manson (2011). Gartner (1989) as cited in Zaidi, (2001) stated that there is no universally accepted definition on an entrepreneur. Therefore it's suggested that each research study should specially define the type of entrepreneur that focuses on respective perspective of the study.

CONVENTIONAL ENTREPRENEURSHIP PERSPECTIVE

Researchers in the field of entrepreneurship around the world found that many nations emphasize on traditional form of entrepreneurship. Harris and Gibson (2008) highlighted that entrepreneurs throughout the world are pursuing new ventures out of both opportunity and necessity; to improve overall market efficiency and innovativeness. Malaysia is also one of the countries that have an emerging economy due to its focus in developing entrepreneurial activities at various levels via government investment arms such as Malaysian International Trade Industry (MITI).

In Malaysian perspective, Malaysian Small and Medium Enterprises (SMEs) can be viewed from three categories, which are Micro, Small, or Medium type of businesses. Micro level business categories employ 5 or less employees and the annual sales turnover is less than RM 200,000.00. SMEs under small level business categories employ between 5 - 19 employees and the annual sales turnover is between RM 200,000.00 to RM 1,000,000.00. SMEs under medium level business categories employ between 20 - 50 employees and the annual sales turnover is between RM 1,000,000.00 to RM 5,000,000.00 [1].

Franchising refers to a business model where the "franchisors" authorize the proven methods, strategies and trademarks of their businesses to "franchisees" for a fee and a percentage of gross monthly or annual sales revenue. Franchise in Malaysia is regulated by the Franchise Act 1998. It sets out a legal definition of a franchise and regulates those business models that fall within the legal definition of franchise [2].

Sole proprietorship is a form of business entity which is set up solely by one person only. Everything within this kind of entity will be the responsibility of this one owner. For this entity, his liability is unlimited. Unlimited liability means that the owner will be personally liable for the debts owned by his/her Sole Proprietor business. Meanwhile partnership are a form of entities when two or more persons come together to carry out a business [3].

In Malaysia, the most common type of limited companies is those limited by shares. These companies are incorporated and governed by the Companies Act, 1965. Companies limited by shares will carry "SdnBhd", "SendirianBerhad" behind their names according to Section 22(4) of

the Act. The meaning of private limited companies is that the liabilities of its members are limited to the amount of shares they hold in the company. For example, if a person has shares in a SdnBhd amounted to RM10,000.000, and he has fully paid for the shares, in general, he has no further liability with regards to the SdnBhd concerned. The most obvious advantage in private limited company is the liability "protection" to its shareholders, limited their exposures to the amount of share capital that they subscribed for. For any amount of debts beyond their shareholdings, they are not liable provided there is no fraud or other malpractice [4].

CYBER ENTREPRENEUR PERSPECTIVE

Another dimension of entrepreneurship which is the actual focus of this study is online entrepreneurship. Evolution and growth in entrepreneurship since last century seem emerging in new model and shape of entrepreneurship. This dimension of entrepreneur can be further outlined as cyber entrepreneurship. Online or cyber entrepreneurship will explore a very new dimension of entrepreneurship.

The new dimension of cyber entrepreneurship opens a wide gap in research opportunity. The term "Cyber space" refers to a place where businesses are conducted by a vast network of computers and telecommunication lines (first used by William Gibson in his novel "Neuromancer"). According to Verity and Hof (1994), doing business on the net, is at least 4 times cheaper compared to doing business offline.

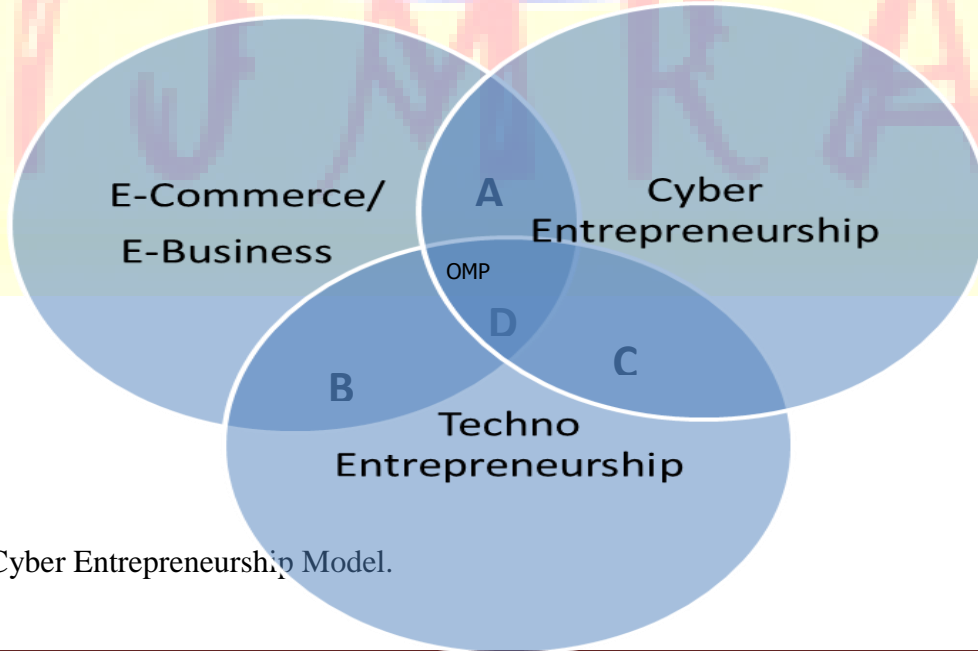


Figure 1 Cyber Entrepreneurship Model.

Online Entrepreneurship model, specifically developed for this study is shown in Figure 1. E-commerce/E-Business in the model represents e-commerce activities on the net which are conducted in formal online business structure. It requires the business to officially register their business with the authorities. E-commerce targets small level business while E-business supports enterprise level business.

Techno entrepreneurship represents technological entrepreneurship. This is high level technology based entrepreneurship. This business category involves huge amount of capital in highly technical environment. Those who involved in this type of business need to formally register their business with the authorities. They must comply with all the business regulations. Techno-entrepreneur is the one who takes the risk to start up the business. Techno-entrepreneurs operate in a dynamic situation, want to innovate, hoping that they can make money, create new markets and products.

Cyber entrepreneurship represents an online activity which involves an online transaction. Here, the service providers are not required to register as a formal business, but as usual, it is better to register the business as a formal entity. The overlapping area between E commerce/E business and Cyber entrepreneurship is labelled as “A”. It represents the area where similar business models are available in both segments like auction, drop-shipping technique, single/multiple page, affiliate, social networking, email marketing, and forum marketing.

The overlapping area between Cyber entrepreneurship and Techno-entrepreneur is labelled as “C”. It involves advanced business technologies segment such as Dell, Google, Yahoo, and Acer etc. The overlapping area between E commerce/E business (EB) and Techno entrepreneurship is labelled as “B”. It represents the level of integration between these two entrepreneurship models. Fundamentally all these three models fully rely on technology platform such as Internet, Extranet and Internet.

Online Marketing and Promotion (OMP) is represented by the overlapping area between the three online business dimensions. 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 electronic commerce comes in a form of technology platform

to support the entrepreneurship activity on the net. It appears to offer promise for individuals wishing to innovate and exploit opportunities generated by the development of new business technologies.

Hull, Hung, Hair, Perotti, and DeMartino (2007) categorized digital entrepreneurship into three types such as:

1. Venturing into the digital economy as a supplement or complement to traditional setting is called mild digital entrepreneurship.
2. Venturing into the digital economy that requires “a significant focus on digital products, digital delivery, or other digital components of the business” is called moderate digital entrepreneurship.
3. Venturing into the digital economy in which “the entire venture is digital, including production, the goods or services themselves, advertising, distribution, and the customers”, is called extreme digital entrepreneurship.

There are many definitions and concepts in explaining cyber entrepreneurship. Table 1 shows the list of terms and concepts used for the new cyber-entrepreneurship.

Table 1: List of Cyber-entrepreneurship Terms and Concepts

No	Entrepreneurship Term	Concept
1.	Cyber entrepreneurship	Cyber-entrepreneur can be defined as an individual who creates a firm that is essentially founded upon e-commerce, and whose main activities are based on the exploiting networks, using internet, intranets and extranets.
2.	Online Business	Online business generally also known as a form of

		electronic business can be defined as the utilization of Information and Communication Technologies (ICT) in support of all the activities of business.
3.	Face book Marketing	Face book Marketing is a new form of social platform to enable the members to interact and socialize with all their new and old friends. It can also be integrated with many tools and applications to make the activity at Face book “alive”
4.	Social Networking Marketing	Social Network marketing is an activity enabling the user to utilize web 2.0 technology to offer products or services to other ‘pall’ within their circle of network.
5.	News Letter Marketing	Single page provides detailed information on product and services offered on single web page.
6.	Email Marketing	Email Marketing is an online marketing concept which utilizes email 100%. All products or services promotion activities fully done on email business.
7.	Sales Letter/ Single Page web site	Sales letter/ single page website focuses on promoting single product per page. All information will be provided on single page complete with ‘checkout’ form and ‘online payment’ facilities.
8.	Auction page / ebay marketing	Auction page / eBay marketing is a form of business platform, allows participant to register freely and offer various products for auction or sales on the business platform.
9.	Blog marketing	Blog Marketing is s form of web 2.0 technology

		platform which allows registered blog owner to promote products by posting article regarding the products. Potential buyers who are interested will respond to the article by clicking the link to seek further information or to purchase the products.
10	Digital Entrepreneurship	Digital entrepreneurship is a subcategory of entrepreneurship in which some or all of what would be physical in a traditional organization has been digitalized.
11	Digital Ventures	Digital ventures can use computerized technologies as the main means of communication within their organization, between the organization and their key stakeholders.
12	Digital workplace	Digital workplace is an internet activity that enables digital entrepreneurs to hire their employees from anywhere and make partnerships around the world without relocating them geographically. Locating and hiring talents, controlling cultural diversity and increasing responsiveness and flexibility are all products of global virtual teams.
13	Digital goods	In addition to the advantages mentioned so far, digital goods have other benefits. Modification of the products and even fundamental innovations can be established without critically interrupting the production and selling process

14	Digital services	Although the digital services may be conducted through an automated procedure or program and not costing greatly, this service may be of great value to the customer
15	Digital commitment	Although in digital environment, the line between virtual and real is not defined, the difference between real and virtual commitment is clear. Development of commitment in virtual companies may be harder than in physical companies.
16	Digital economy	The digital economy is considered as a new social, political and economical system placed in an intelligent space framework whose factors are information, intelligence, and information processing tools and needs the means of communication.

CONCLUSION

Information Technology innovation is taking place in order to offer a dynamic digital world. Evolution in entrepreneurial activity is not limited to the dimension of physical entrepreneurial activity. It also expand in the way they offer the digital products and services. Many researches have attempted to identify specific characteristics of Technology and internet-based entrepreneurs. The new digital entrepreneurship is another common term referred for cyber entrepreneurship, which provides opportunities for many entrepreneurs to create new ventures in different business areas according to electronic commerce models.

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[3] <http://www.smeinfo.com.my/index.php/en/starting-a-business/business-structure/sole-proprietary>
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