



## **Chapter I**

# **Entrepreneurship and Innovation in E-Business: An Integrative Perspective**

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## **Abstract**

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*This chapter argues that a combination of entrepreneurship and innovation is a crucial factor to the long-term sustainability of e-commerce and e-businesses. Entrepreneurship and innovation are positively related to each other and interact to help an organisation to flourish. The chapter takes an integrative approach to exploring the synergies between entrepreneurship and innovation and to analysing the factors that foster an interaction between the two. Case studies of entrepreneurial and innovative dot-com companies were conducted to complement a comprehensive literature review of entrepreneurship and innovation. This empirical study contributes to a better understanding of the existing theories and practices of entrepreneurship and innovation in organisations.*

## Introduction

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The fast growth and business successes of eBay, Amazon.com, travel.com, priceline.com, and so forth, and the bankruptcy of numerous dot-com firms worldwide in 2000 have held potent management implications for IT innovation and entrepreneurial organizations worldwide. **E-entrepreneurship** and **e-innovation** are emerging disciplines for proactively responding to changes in the e-business world. The **dot-com crash** presented new challenges as well as new opportunities to e-business entrepreneurs and managers to rethink and reshape their business strategy. This author argues that a combination of **entrepreneurship** and **innovation** is a crucial factor to the long-term sustainability of e-commerce and e-businesses. In this frenetically changing competitive landscape, an integrative approach to e-entrepreneurship and e-innovation will enable organizations to gain competitive advantage and hold the key to e-business success.

This chapter investigates the relationship between entrepreneurship and innovation and their roles in organizational development, in general, and in dot-com industries, in particular. A review of the current literature about e-business as well as entrepreneurship and innovation found that there is hardly any English language literature investigating dot-com experiences from a perspective of entrepreneurship and innovation. Some studies have dealt with the process, structure, and strategy of either entrepreneurship or innovation (Littunen, 2000; Cornwall & Perlman, 1990; Caird, 1988; Casson, 1982), and others have touched on the conceptual relationship between the two (Schumpeter, 1934; Drucker, 1994; Legge & Hindle, 1997; Kanungo 1998; Sundbo, 1998). However, there have been few empirical studies that explore the synergies between the two.

Thus, the aims of this chapter are:

- to contribute to an understanding of the complementary nature of entrepreneurship and innovation through an empirical study of dot-com companies, and
- to develop an integrative framework for building **entrepreneurial and innovative organization**.

Data for this qualitative study were collected from three sources, using complementary methods. First, a review of principal literature about entrepreneurship and innovation was undertaken to collate the existing theories about the two and explore the conceptual relationships between them. Second, semi-structured interviews were conducted to examine the perceptions of senior managers in e-business regarding entrepreneurship and innovation and the factors that contrib-

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