

## Chapter 8

# The Conceptual Framework for The Examination of a Successful Digital Entrepreneurship in 21st Century

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### ABSTRACT

*There is still lack of a clear conceptual framework to examine a successful digital entrepreneurship within the developing and emerging contexts despite calls by previous scholars. Also, recent studies shown that majority of the digital enterprises studies available today are mostly from the Western world. Thus, there are only few studies on digital enterprises studies emanating from the developing and emerging countries in the Middle-East and Africa continents. Based on the evidence from the literature, this paper provides an overview of digital entrepreneurship, identifies key variables that determine a successful digital entrepreneurship and then provides a conceptual model to guide the understanding of a successful digital entrepreneurship development within the context of developing and emerging economies. The paper offered some implications for digital entrepreneurs, policy makers and some other people in the business of digital entrepreneurship in Saudi Arabia.*

### INTRODUCTION

There have been several attempts by both practitioners and academics to link entrepreneurship to the digital world. However, prior to this time, both empirical and practical evidence suggest the rise of a new category of entrepreneurship, that is, the concept of digital entrepreneurship which is believed to be an emerging trend.

Digital entrepreneurship affects every task, activity and process within a company (Conigliaro, 2017). Therefore, companies must disrupt their own traditional business model before competitors do. In essence, the time to build a digital company is now. Digital transformation is not only about changing technology but also about changing the way companies do business, and no company is left out of this.

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The importance of digital entrepreneurship cannot be undermined. For instance, it attracts talent all over the world. It increases employee's productivity, satisfaction, retention, engagement and improves communication within the organization and equally reduces operating costs for the organization. It equally promotes digital marketing by helping companies to collect valuable information about customers and competitors, particularly in real time. In doing so, it becomes an engine for economic development and growth. Thus, digitalization of the economy is the fundamental mechanism of innovation, competition and growth in today's world, which in turn requires a process of adaptation and transformation. According to Nambisan (2016) and Nambisan (2017) digital entrepreneurship helps in transforming the nature of uncertainty inherent in entrepreneurial processes and outcomes, as well as the ways of dealing with such uncertainty.

Despite the many benefits of digital entrepreneurship as highlighted above, and with the recent increase in the number of digital entrepreneurs across the globe, particularly in the Western world, the academic approach to digital entrepreneurship in the 21<sup>st</sup> century still needs to be explored. Unfortunately, it is yet to be explored and accorded the needed attention and also treated as one of the areas of entrepreneurship study. Additionally, Ngoasong (2017) recently acknowledged that majority of the digital enterprises studies available today are mostly from the Western world. The author argued that the nature of online reach has made this possible for them. The above suggests that there are few studies on digital enterprises studies emanating from the developing and emerging countries, particularly those from the Middle-East and Africa continent.

Practically, digital entrepreneurship seems strong, but the outlook seems theoretically weak in terms of model development. Thus, digital entrepreneurship appears to lack clear models to advance its understanding, particularly in developing countries such as Middle-East and Africa. Also, it appears that the early writers on digital entrepreneurship sound more of practical than academic, and therefore, may not have found a need for models to advance the knowledge in digital entrepreneurship domain. It is on the basis of this that authors such as Archer, Hull, Soukup, Mayer, Athanasiou, Sevdalis & Darzi (2017) and Nambisan (2016) clamored for theoretical frameworks to guide the understanding of digital entrepreneurship and the relevant factors that affect it. The study noted that only limited efforts have been made by previous studies to provide theories and theoretical framework for the examination of digital entrepreneurship. However, some attempts have been made by few to provide theoretical models. On the contrary, these attempts appear to be ineffective as the key variables were not considered, while on the other hand, majority of the frameworks are perceived to be Western based. For example, the theoretical model provided by Ngoasong (2017) seems to have neglected the relevant factors that actually determine successful digital entrepreneurship as the study only focused on digital entrepreneurial competencies, institutional context, local context and technological context, without consideration to variables such as digital knowledge-based, digital business environment, digital skill, digital mindset and digital infrastructure. Also, Giones & Brem (2017) model is only concerned itself with digital technology entrepreneurship. In 2016, Leong, Pan & Liu (2016) advanced another model which they called digital entrepreneurship of born digital and grown digital firms but failed to include the key variables highlighted above. Authors such as Aldrich (2014); Forrester (2017); Nambisan (2016); Ngoasong (2017) claimed that variables such as digital infrastructures, digital knowledge-based, digital business environment, digital skill and digital mindset, cannot be ignored in an attempt to develop successful digital entrepreneurship. In view of this unfolding reality which forms the basis for this study, this paper provides an overview of digital entrepreneurship, identify key variables that determine a successful digital entrepreneurship and then

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