

Chapter 5

Digital Entrepreneurship: Opportunities, Barriers, Key Drivers

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ABSTRACT

This chapter discusses the concept of digital entrepreneurship with a focus on its opportunities, barriers, key drivers, and expectations for the future. Today, people are living in a time in which digital transformation and the rapid development of technology are affecting every aspect of their lives. With the emergence of new devices, business models, technologies, and platforms, as well as the advancement of social media and innovative advertising, the transition from employment to entrepreneurship has become easier. Digital entrepreneurship involves enhancing business operations, developing new business models, enhancing business intelligence, and engaging stakeholders and clients. This chapter contributes to the theoretical development of digital entrepreneurship. In particular, it responds to a call to capture the concept of digitalisation in entrepreneurship as well as opportunities, key drivers, existing barriers, and potential areas for future research.

INTRODUCTION

People are living in a time in which digital transformation and the rapid development of technology are affecting every aspect of their lives. As long as there have been people living on this planet, technology has been reinventing different aspects of human lives. These changes range from communicating with smoke signals to complex advancements in space technology in search of life beyond Earth. The current digital systems have had an effect on how people communicate with one another, travel, and, most significantly, perform their jobs (Parker et al., 2022). The new discoveries and developments in technical design have significantly improved people's standard of living and paved the way for the emergence of the modern era. Increased standardization, computer-aided design, and the proliferation of information technology are some of the defining characteristics of the modern era. According to modern-day thinking, the introduction of brand-new digital technologies is largely responsible for the current state of economic success. This is consistent with the concept of "Industry 4.0" in terms of the advancement

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of technology in manufacturing and related industries in the value creation process. The term “Industry 4.0,” also known as the “Fourth Industrial Revolution,” refers to the digital transformation that is taking place across the entire value chain of products’ life cycles (Gupta, 2023). The implementation of preventative and predictive maintenance, as well as other improvements, are made possible by Industry 4.0. This leads to a reduction in unplanned downtime as well as lower long-term capital expenditures. The emergence of new business models and the widespread implementation of new technologies are the primary drivers behind the increased productivity of manufacturing industries in the era of Industry 4.0.

The widespread availability of the Internet has unquestionably brought about changes in the ways in which businesses manage their operations and communicate with their clients and customers. With the emergence of new devices, business models, technologies, and platforms, as well as the advancement of social media and innovative advertising, the transition from employment to entrepreneurship has become easier. Entrepreneurship is the engine that drives the economy since successful “new combinations” disrupt current market equilibrium and improve productivity, which boosts economic growth (Nabisaalu & Bylund, 2021). There is a characteristic that distinguishes entrepreneurial businesses from other types of companies. Entrepreneurial businesses are in the business of doing something new, whether that be by creating or identifying new processes, products, or markets. This specifies entrepreneurial businesses apart from other types of companies. There are some businesses that are not entrepreneurial, and even some new businesses that are not necessarily run in an entrepreneurial manner. It is generally agreed that entrepreneurship entails more than the management of a newly established business. In a world that is becoming ever more competitive and where there is a growing desire for perfection, companies are finding that innovation related to digital technology is becoming an increasingly important area to focus on. It is recognized as a crucial source of competitive advantage, performance, and growth, and it is recognized as an important element in achieving the real expectations of business. In order to become a modern entrepreneur and keep up with the rapid development of technology, it is essential for business owners or entrepreneurs to embrace digital transformation, which leads to digital entrepreneurship.

Digital entrepreneurship encompasses all new ventures and the transformation of current enterprises that create and use innovative digital technologies to drive economic and social value. Digital enterprises stand out for their intense use of cutting-edge digital technologies, particularly social, big data, mobile, and cloud solutions, to enhance business operations, develop new business models, sharpen business intelligence, and engage customers and stakeholders (Sahut et al., 2021). During the pandemic of COVID-19, it was found that there were challenges to accelerating the transition of enterprises to digital platforms, including the availability of fast and equitable internet through the provision of telecommunications infrastructure, the development of quality human resources, and the certainty of network security (Purbasari et al., 2021). Indeed, the COVID-19 pandemic provides opportunities for advancement for digital entrepreneurs as well as for others to follow in the footsteps of engaged digital entrepreneurs. Thus, post-COVID-19, online businesses have become the norm, and transactions have been conducted across borders without much difficulty (Minai et al., 2021). With the advancement of information technology for communication and a reliable banking system, international business for enterprises is expected to become more common. However, there are still many enterprises that have not managed to become modern entrepreneurs that embrace digital transformation. As a result, it is critical that this chapter discuss the concept of digital entrepreneurship with a focus on its opportunities, barriers, key drivers, and future expectations.

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