

## The role of E-Commerce in Entrepreneurship

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### ABSTRACT

In this paper, we have investigated the role of electronic commerce in entrepreneurship and creation of job opportunities. E-commerce is a term used for business through the information communication systems. Despite the long life of e-commerce, but it plays an important and significant role in our daily life so that we could not avoid it easily. One of the simplest and most efficient roles of e-commerce in the everyday lives of internet users is the purchase and sale of goods and the exchange of cash through smart cards. In fact, e-commerce as the relationship location between IT and business market has provided a permanent market for employment and activity of many people in this field.

*Key words:* entrepreneurship, e-commerce, business, innovation and creativity.

### INTRODUCTION

Today, the issue of unemployment with population growth in developing countries and the need to find a solution and meet their social and economic needs is one of the major concerns and national threats of such countries. Development and creation of entrepreneurship is a solution to solve the presented problem.

The entrepreneurship, in fact, can play an important role in economic growth of countries, employment and social welfare. Extensive changes that have been occurring in the international environment at present, have developed changes in transition from industrial society toward information society such that that some refer the entrepreneurship as an engine of economic development.

The rapid development of internet network provides fast information exchange and the gradually, increasing the new internet capabilities, a new type of business has been developed that is known as e-commerce nowadays. Electronic commerce, due to the speed, efficiency, reduction of costs and exploit fleeting opportunities, has opened a new field of competition so that it is said the being behind the evolution will just lead into isolation in the global economy.

So on one hand, we are dealing with electronic commerce as a context of global employment and the other hand with new entrepreneurs who daily create new opportunities for job seekers and working in cyberspace. As a result, today's world economy is

based on innovation, creativity and using knowledge, particularly knowledge-based information and communication, such economy is called as knowledge-based economy. E-commerce is a growing concept that describes the process of purchasing, selling or exchanging products, services and information via computer networks, including the internet [1].

An entrepreneur is someone who has a new idea and introduces new products or services to the community through the process of establishment and creation a business (company) and accepting the risks [3]. If yesterday the richest people in the world were those who have more financial resources like the Rockefellers, today the richest people in the world are knowledge-based people like Bill Gates, the manager of Microsoft, who does the entrepreneurship using IT and through e-commerce.

#### 2. Definition of Entrepreneurship:

The term of entrepreneurship is derived of the French word "Entrepreneurs" meaning "to undertake". Entrepreneurship was first considered by economists and economic schools of 16th century up to present have described it somehow in their economic theories.

The entrepreneurship is of issues which has been ractically raised in all aspects of economic and social development for about 20 years up to now in the world of business and trade [3]. Too many different definitions of entrepreneurship have been presented, but examining the entrepreneurship literature

indicates that the term was proposed in economic theories and by economists for the first time, and then it has been entered the other schools and theories of science. The sciences related to entrepreneurship, economic sciences and management and trade are closely related to the concept.

Cantillon, who coined the term of entrepreneurship knows an entrepreneur as a risk-taker person that purchases the goods with a given price and sells it with an unknown price [4]. Jeffrey Timmons knows an entrepreneur as a person who creates a valuable thing of nothing [5]. Peter Drucker that is known as entrepreneurship father knows an entrepreneur as a person who starts a small and new economic activity of with its capital, but according to Joseph Schumpeter's opinion Harvard professor and scholar, the entrepreneurship is considered as a moving engine of economic development and improvement, job creation and social reform. An entrepreneur is someone who possesses new idea and introduces new products or services to the community through the process of establishment and creation a business (company) and accepting the risks [6].

### 3. The definition of e-commerce:

Electronic commerce is electronic processing and transmission of data, including text, sound and video. A common definition of e-commerce is the exchange of goods, services and information via computer networks including the internet. In the exchange process, only a part of it may be done electronically.

E-commerce has various definitions, many of which have been based on past experiences in the use of e-commerce. The Internet Society of America: has defined e-commerce as a new media that changes the relationships in the business world, links business and consumer to makes a new business.

Turban: e-commerce is a growing concept that describes the process of purchase, sale or exchange of goods, services and information via computer networks, including the internet.

The Association to Advance Collegiate Schools of Business (AACSB) has defined e-commerce as any type of complete interaction that occurs in a computer network level, including the transfer of ownership or appropriate use of services [7].

### 4. Features and benefits of e-commerce

Each advanced technology creates new threats and opportunities for the organizations. Changes in technology change business laws and transform the social and organizational systems. Electronic commerce can affect the three parameters of speed, accuracy and cost of activities.

Information technology can make five major advantages: cheaper (to produce the same outputs at lower cost), higher (to produce higher outputs with the same cost), faster (to produce similar outputs to

the same cost in less time), better (to produce same outputs with the same cost and the same time, but with the high quality standards), and for the first time (to produce new output) [8].

### *E-commerce volume and the speed of its spread:*

The rapid growth of e-commerce in developed countries and increasingly competitive advantages and its important role in creating jobs and production growth in the countries represents that the countries have essentially revised their current and commercial policies. Companies like Yahoo, EBay, Amazon and others in a short time could acquire much value. Statistics show that over the last 5 years the value of some of the more than 200-fold [9].

### *Innovative businesses:*

Entrepreneurship generally means opportunism. An opportunity can be as a favorable set of circumstances created or a need or an explanation of a business concept. Business concept is defined as investment on new opportunities as unique or innovative factors. This feature can be reflected in production or services delivery in business or in some operational aspects of finding adventure such as distribution methods or pricing approach [10].

### *Types of innovation framework:*

- New product or service in the world.
- New product or service in the market
- New product or service of the agency if there is at least one competitor
- Add to the product line or service of the agency
- Improvement of product and service reform including the application of new selecting features or new changes
- New application of existing products or services, including applying for a new market sector
- Restoration of existing service or product
- Improvement of the processes that led to the creation of value for customers, increase productivity and reduce costs
- Implementation of new system or procedure
- New structure or organizational form
- New production method
- New sales or marketing approach
- New customer support program
- New distribution channel and method
- New strategic approach
- New method of financing
- New approach of pricing
- New shopping technique

### *Entrepreneurship through e-commerce:*

Entrepreneurship through e-commerce is not limited to these items and many items especially in the field of entrepreneurship in internet customer acquisition practices, internet marketing, collaboration and virtual networks, virtual reality, training and telecommuting and so on, all show the

extent of entrepreneurship in the information age and in the field of e-commerce. The present age is the age of innovation and if the product is not improved by quality, it will be quickly eliminated of the competition cycle and innovation and creativity is certainly the best solution to maintain the existing market and access to new market. In today's world, the biggest capitals and assets of an economic enterprise are its intellectual and creative learners and forces, and they are not ones except the entrepreneurs.

An entrepreneur is an individual with unique innovation who converts ideas into reality and entrepreneurship causes promotion and productivity, continuous innovation in producing goods, prosecuting and encouraging investment and creating wealth. Electronic commerce and entrepreneurship are closely related to each other, entrepreneurship lead to creativity and innovation on growth and it is also affecting the e-commerce and e-commerce will have a direct impact on facilitating and creating new ideas and creating new markets and expanding existing markets. The internet is a virtual network that is largely independent of location. The network is a market without borders in which we can easily do the business. For this end entrepreneurs have to establish internet companies with new ideas and after

a while they become tremendous valuable they can sell them. E-commerce as a relationship location between IT and the business market has led to the permanent market for employment and activity of many people in this area. E-commerce allows the entrepreneur to innovate and create new ideas, and assists him in the process of decision-making and communication across business processes and it will also enables him to automating the processes [11].

The entrepreneurship can create new conditions through e-commerce in which producers, sellers and consumers, and almost all of the factors involved in an economic cycle are able to communicate with each other in a shared virtual space and to exchange information, services, products and money. The internet in the form of e-commerce has proposed new theories that continuous employment is one of them. In this type of employment, the employee performs his work using computer facilities and provides the employer or client with its result through the internet. It's more interesting to know that receiving or paying wages is also done using the internet and through the internet financial channels, such as internet accounts and credit cards. The set of activities and transactions can be created in the form of e-commerce by entrepreneurs to develop field of employment and do the internet small businesses [12].



**Fig. 1:** more information more entrepreneurial means.

Information and communication are two basic tools of any entrepreneurial activity. These are both worthy and create worth and value. A person that is aware of different markets and price of goods or their past and future will certainly make better decision to achieve higher profits. Communication is valuable as well as information and will provide the entrepreneur with value-added commensurate with the size and type of communication accruing to is proportional to the size and type of communication. According to Figure 1, the entrepreneurship involves discovering a social need and social needs discovery depends on identifying the community, its needs and cultural and socioeconomic. In identifying the need of any entrepreneurial activity, an idealist or theorist should has to have vision and towards the environment, is. The e-commerce allows entrepreneurs to innovate and create new ideas and assists him in the process of decision-making and communication in the business process and it also enables him to automate the processes [13].

#### *The results of empirical researches:*

Golsorkhi [2] with the aim of creating employment and social welfare found that e-commerce can be effective in creating employment and it may be considered as one of the tools of

modern entrepreneurship, he concluded that e-commerce will provide new opportunities for business replacement and, in addition to expanding the e-commerce, we can also observe the entrepreneurship.

Aghajani, Sarahar and Babaei [5] with the aim of comparative study of the role of e-commerce in entrepreneurship found that e-commerce can be effective in creating employment and it may be considered as one of the tools of modern entrepreneurship. The entrepreneurship is required for the development of e-commerce and e-commerce development is considered as a platform for entrepreneurship.

Shahabi with the purpose of creating internet businesses for women presence in virtual trade market found that home-based businesses related to women is an income source and has a significant role in economic development and unemployment rate reduction, he's recommended that this important issue has reached self-actualization with a scientific and theoretical insight and it has become an income source for women.

Navid Far with the aim of innovative business found that social entrepreneurship is a combination of trading investment with social impacts, and has concluded that entrepreneurs are called the

development motor and they are the starter of innovation and new opportunities in the markets and new technologies.

Dabiri and Sarfarazi with the aim of investigating the role of information technology in entrepreneurship found that information technology has created many developments in all social activities, including entrepreneurship and it has been taken into consideration jobs as the most important tool of modern entrepreneurship, they concluded that nowadays the development of information technology in the world has provided frequent fields of work.

Hejazi with the aim of reviewing the current state of IT in the market and emphasizing its entrepreneurial role found that IT has created many developments in all social activities, including entrepreneurship and he has concluded that entrepreneurship is required for the development of e-commerce and e-commerce development is as a platform for entrepreneurship is required for the development of technology and technology development is considered as a platform for entrepreneurship.

#### *Conclusion:*

The results showed that electronic commerce can be effective in creating employment and has been considered as one of the tools of modern entrepreneurship. The entrepreneurship is required for the development of e-commerce and e-commerce development is considered as a platform for entrepreneurship. The entrepreneurship through e-commerce, in the field of entrepreneurship in the ways of attracting internet customers, internet marketing, collaboration and virtual networks, virtual reality and remote education and work, etc., all show the extent of entrepreneurship in the age of information and in the field of e-commerce.

Unlike usual businesses, the entrepreneurship through e-commerce is not limited to a specific time and place. Using the network may provide the possibility to create new business models and virtual and network organizational structures. The electronic commerce has provided new opportunities for business replacement, especially in the field of music, publication, transportation, information services, banking affairs, marketing and advertising. Thus, in addition to expanding the e-commerce, the entrepreneurship can be also observed.

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