Zahid Hussain al. International Journal of Recent Research Aspects ISSN: 2349-7688, Vol. 9, Issue 1, March 2022, pp. 21-24

The Digital Revolution: Entrepreneurial risk and opportunities

Zahid Hussain[1], Raja Sultan[2], Muhammad Arif[3]

[1]Student, Department of Business Administration, Shaheed Benazir Bhutto University, SBA
Email: zahidhussain9341@gmail.com
[2]Student, Department of Business Administration, Shaheed Benazir Bhutto University, SBA
Email: rajasultanbrohi12@gmail.com
[3]Student, Department of Business Administration, Shaheed Benazir Bhutto University, SBA
marifgorchani@gmail.com

Abstract- **Digitalization is the way to go for all businesses. In today's business world, digitalization has proven to be almost necessary for success. It occurs when a company starts using digital technologies or platforms that have changed the traditional ways of doing business from bricks and mortar to digital channels such as e-commerce, purchasing via the internet or smartphone, and e-transaction. There is a widespread belief that bringing businesses into the digital age and selling products or services through digital platforms will improve their capabilities and directly increase sales, resulting in improved performance. This paper examines the impact of digitalization on businesses as well as the entrepreneurial opportunities, risks, and challenges that come with promoting and expanding digital platforms. This paper discusses how digital entrepreneurship can help people find new jobs while also boosting economic growth. Hopefully, the discussion's outcomes will increase individual and company awareness and interest in incorporating digital entrepreneurship into their operations.**

Keywords— Digitalization, Entrepreneurs, Opportunity, Risk.

I. INTRODUCTION

The Internet, information technology, and digitalization are all seen as critical to a company's long-term viability and efficiency. Even though earlier business digitalization was only associated with increased efficiency, it is now clear that the impact of digitalization is much more transformational, as it allows companies to "work faster and smarter, and to build new business models to drive up multiple benefits" (Bala, 2018).

"Digitalization enables new methods and techniques, meet quality standards, and new markets, as well as shaping how organizations create value on the Internet," According to the report (Gudergan et al, 2017). Despite their devastating impact on the global economy and businesses, the current COVID-19 pandemics may have served as "the impetus for significant digital technology development."(Khodova, 2021).

Recent innovation and entrepreneurship research has attempted to clarify these implications in more specific or concrete terms. Digital technologies, for example, have been shown to fuel new types of innovation and entrepreneurial initiatives that cross traditional industry / sectoral boundaries, embrace networks, ecosystems, and communities, integrate digital and non-digital assets, and accelerate the inception, scaling, and evolution of new ventures, (See, for example, Fischer and Reuber (2011); Huang et al., 2017; Lyytinen et al., 2016; Rayna et al., 2015; Srinivasan and Venkatraman, 2018; von Briel et al., 2018a, b; Younkin and Kashkooli, 2016). Similarly, studies have documented how established large companies (such as GE, Volvo, Johnson Controls, Caterpillar, and Boeing) have attempted to radically restructure their innovation strategies and practices in response to digitization (e.g., Fitzgerald et al., 2014; Svahn et al., 2017). More broadly, studies (Nambisan, 2017; Nambisan et al., 2017; Yoo et al., 2012) has found that the introduction of new digital technologies alters the nature of uncertainty inherent in innovation and entrepreneurship—in terms of both processes and outcomes—encouraging a radical rethinking of how individuals, organizations, and collectives pursue creative endeavors.

The purpose of this paper is to visualize and summarize the risks and opportunities that digitalization brings. While digitalization offers opportunities to entrepreneurs, it also carries risks. There is always a distinction in business between traditional business practices and new entrants who use new methods such as digitization to disrupt traditional entrepreneurs. New ways to reach, engage, track, and deliver to customers have become available as a result of the digital revolution.

II. THE OPPORTUNITIES FOR ENTREPRENEUR DUE TO DIGITALIZATION

Entrepreneurs and marketers now have limitless opportunities to market their products and/or services globally, regardless of location or time constraints, thanks to digital platforms. Consumers can place orders seven days a week and 24 hours a day on platforms like Amazon, Flipkart, Alibaba, and Daraz. Consumers who want to buy something from these platforms can do so at any time, depending on their convenience and preferred purchasing hour. Simultaneously, these platforms allow sellers to display their current products and upload new products to the platforms' system at any time, regardless of their location. Buyers and sellers have more opportunities to buy and sell their targeted products or services thanks to the convenience and ease of purchasing products or services through digital entrepreneurship platforms. This allows them to enter or expand new markets on a global scale, as well as

increase sales volumes. They can make more money from digital platforms by engaging in online marketing activities like website advertising, free e-vouchers, earning e-coins, and accumulating points for their next purchase.

Secondly, digital platforms serve as a marketplace for sellers and buyers to meet and discuss their needs. This provides buyers with a variety of products and/or services while also creating a competitive environment for sellers to market high-quality products and/or services through a competitive process. The sellers will be more aware of the need to sell their products at competitive prices in order to attract more customers as a result of the competitive environment. Slight price changes may result in an increase or decrease in sales volume. The competitive environment will encourage manufacturers to produce their products at lower costs while also improving product quality in order to keep current customers while also attracting new ones. As a result, entrepreneurs and marketers have become more aware of market trends, forecasting sales, and understanding changes in consumer behaviour.

Thirdly, both the public and private sectors have encouraged the use of digital applications and practices in marketing their products and/or services to customers. This has resulted in an increase in business activity among industries such as digital services consulting firms, digital platform system design firms, and digital tool providers. Pakistan's government has been supporting the digital entrepreneurship ecosystem since 2018 and is committed to transforming Pakistan into a knowledge-based developed economy (Dawn. news, 2018). More entrepreneurs have been encouraged to start businesses that involve digital marketing, using digital tools or applications for their businesses, or selling or buying through digital platforms as a result of the policy. The Pakistani government has launched the Industry 4.0 policy framework as well as the kamyab jawan programme to encourage entrepreneurs and businesses to participate in digital platforms. The Pakistani government, for example, provided loans and e-vouchers to entrepreneurs who started their businesses by selling and buying on digital platforms. Government agencies such as SMEDA, HBL Bank, National Bank, and others provide financial assistance, digital technology training, human resource support, and collaboration opportunities with foreign firms. This has made it easier for entrepreneurs to get involved in the digital industry. This has a direct impact on the nation's GDP (Gross Domestic Product) and people's income.

III. OBJECTIVE OF THE STUDY

: To define the term "digitalization,"

: To assess the digitalization potential for entrepreneurs:

: To identify the digital world's business opportunities for entrepreneurs.

: Digitization provides essential channels:

: To gain a better understanding of the threats and risks associated with digitization:

: To compare and contrast the impact of digitization on traditional and new entrant businesses.

IV. ENTREPRENEURIAL RISK DUE TO DIGITALIZATION

Digitalization provides important opportunities for businesses while also posing risks. Threats are frequently genuine and come at a rapid pace. In today's advanced multichannel world, various businesses that had relationships with their customers and could offer products and services. One of the main drivers of the digital revolution risk to the entrepreneur is intense market competition. The major competition comes from new entrants in the ecosystem and disrupters, who are challenging and changing markets and traditional business models at a breakneck speed.

1. Traditional businesses are losing their appeal to millennials.
2. One of the main challenges in correctly identifying target segments is data reliability and marketing challenges.
3. Appropriately trained personnel for the changing business model; personnel must keep up with new technology trends in order to deal with digitally savvy customers.
4. Investing in a way that yields measurable results
5. Data Security and Vulnerability
6. Dealing with impulsive customers who have short attention spans due to the abundance of information

V. ENTREPRENEURSHIP CHALLENGES ARISING DUE TO DIGITALIZATION

To implement digital technologies in the firms, first and foremost, the organizational structure and IT infrastructures of the firms would be considered. Due to financial constraints, high costs of human resource (in digital technologies) recruitment, and IT infrastructure facilities that do not support digital technologies, some businesses are hesitant to make the switch to digitalization. This has created a barrier for businesses to enter the digital platform era, limiting their ability to expand and grow.

Second, in addition to the readiness factor of IT infrastructures and facilities in businesses, technology failure can occur when a new idea or innovation product or service is rejected by customers. If consumers are unable to accept new ideas, this will result in consumer resistance, and no sales will be generated. The process of innovation has five stages, two of which are trial and observation stages, according to innovation theory. Consumers will reject new or innovated products and/or services, making digitalization unsuccessful for businesses. Individuals, teams, and businesses have faced difficulties as a result of this.

Thirdly, market changes are always unforeseeable factors that pose a challenge to businesses. For example, in cities with high purchasing power, consumers' preferences have shifted from purchasing low-cost items to purchasing high-cost items in the belief that the latter are of higher quality. Consumers in urban areas, for example, are willing to spend more money to have a good dining experience in upscale restaurants or hotels and spend time with their friends, family, or loved ones. Their purchasing habits and preferences may vary depending on the season or location, such as during the holiday season or in rural or urban areas with varying income levels and living costs. Although market research and surveys were conducted to gather information about consumers, the results were not

always up to date with current events. This has resulted in inaccuracies in projection and forecasting, as well as influencing the decisions of marketers and manufacturers.
Finally, other unprecedented risks such as new government policies restricting products and/or services that can be sold on digital platforms, government meddling in markets by enacting new tax rules for digital platforms, the global financial crisis, and new customs rules and regulations prohibiting some products from being exported or imported have created barriers for marketers and manufacturers to participate in digital entrepreneurship platforms. For example, the government implemented rules requiring sellers who sell tobacco via digital platforms to have a license and only sell to customers over the age of 18.

VI. PRACTICAL IMPLICATION

The research will be benefitted to the entrepreneurs in identifying the opportunities and threats associated with the digital revolution, particularly traditional entrepreneurs in the ecosystem in their efforts to address the challenges that are rapidly increasing in information and communication technologies in most ventures. This paper will help new entrants as well as traditional entrepreneurs to face the impact of digital technologies on their businesses and, as a result, design effective strategies for maximizing the use of digitization to create and maintain market competitiveness.

VII. CONCLUSION

The possibilities of business enterprises have been re-imagined thanks to digitization. The barriers of the simple world are disintegrating. Disappointment is becoming less of a factor, and there is no doubt that the general public is eager to witness the rise of business visionaries who are leaving their mark on the digital world. Entrepreneurs have a new business opportunity in the digital world. We compared and analyzed the role of digitization for traditional and new entrants, and we understand the threats and risks associated with digitization, as well as the opportunities that are perceived to gain advantages.

REFERENCES

[1]. Hansen, B. (2019). The digital revolution–digital entrepreneurship and transformation in Beijing. Small Enterprise Research, 26(1), 36-54.

[2]. Matlay, H. (2004). E-entrepreneurship and small e-business development: towards a comparative research agenda. Journal of Small Business and Enterprise Development.

[3]. Jawad, M., Naz, M., & Maroof, Z. (2021). Era of digital revolution: Digital entrepreneurship and digital transformation in emerging economies. Business Strategy & Development, 4(3), 220-228.

[4]. Skala, A. (2019). The startup as a result of innovative entrepreneurship. In Digital Startups in Transition Economies (pp. 1-40). Palgrave Pivot, Cham.

[5]. Panagariya, A. (2019). Digital revolution, financial infrastructure and entrepreneurship: the case of India. SIPA's Entrepreneurship & Policy Initiative Working Paper Series.

[6]. Belik, E. B., Petrenko, E. S., Pisarev, G. A., & Karpova, A. A. (2019, May). Influence of technological revolution in the sphere of digital technologies on the modern entrepreneurship. In Institute of Scientific Communications Conference (pp. 239-246). Springer, Cham.

[7]. Bijeta Seth, Surjeet Dalal, Vivek Jaglan, Dac-Nhuong Le, Senthilkumar Mohan, Gautam Srivastava, Integrating Encryption Techniques for Secure Data Storage in the Cloud, Transactions on Emerging Telecommunications Technologies, DOI: https://doi.org/10.1002/ett.4108 (Impact Factor 1.594)

[8]. Bijeta Seth, Surjeet Dalal, Dac-Nhuong Le, Vivek Jaglan, Neeraj Dahiya, Akshat Agrawal, Sharma Mayank Mohan, Prakash Deo and K. D. Verma, Secure Cloud Data Storage System using Hybrid Paillier–Blowfish Algorithm, Computers, Materials & Continua Tech Science Vol.67, No.1, 2021, pp.779-798, doi:10.32604/cmc.2021.014466 (Impact Factor 4.89)

[9]. Meenakshi Malik, Rainu Nandal, Surjeet Dalal, Vivek Jaglan and Dac-Nhuong Le, Driving Pattern Profiling and Classification Using Deep Learning, Intelligent Automation & Soft Computing, ISSN: 2326-005X, vol. 28, no.3, pp. 887–906, 2021(SCIE Impact Factor 1.6).

[10]. Meenakshi Malik, Rainu Nandal, Surjeet Dalal, Vivek Jalglan and Dac-Nhuong Le, Deriving Driver Behavioral Pattern Analysis and Performance Using Neural Network Approaches, Intelligent Automation & Soft Computing, ISSN: 2326-005X, Vol.32, No.1, 2022, pp.87-99, doi:10.32604/iasc.2022.020249 (Impact Factor 1.6).

[11]. Edeh Michael Onyema, Piyush Kumar Shukla, Surjeet Dalal, Mayuri Neeraj Mathur, Mohammed Zakariah, Basant Tiwari, "Enhancement of Patient Facial Recognition through Deep Learning Algorithm: ConvNet" Journal of Healthcare Engineering, vol. 2021, Article ID 5196000, 8 pages, 2021. https://doi.org/10.1155/2021/5196000, Hindawi Publication (Impact factor 2.682)

[12]. Edeh MO, Dalal S, Dhaou IB, Agubosim CC, Umoke CC, Richard-Nnabu NE and Dahiya N (2022) Artificial Intelligence-Based Ensemble Learning Model for Prediction of Hepatitis C Disease. Front. Public Health 10:892371. doi: 10.3389/fpubh.2022.892371

[13]. Surjeet Dalal, Bijeta Seth, Vivek Jaglan, Meenakshi Malik, Surbhi, Neeraj Dahiya, Uma Rani, Dac-Nhuong Le, Yu-Chen Hu, "Adaptive Traffic Routing Practice for Load Balance and Congestion Control in AdHoc Network in Cloud-MANET", Soft Computing, Impact factor 3.643 (2022) DOI 10.1007/s00500-022-07099-4.

[14]. Bijeta Seth, Surjeet Dalal, Designing Hybrid Security Architecture in Multi Cloud System, International Journal of Control Theory and Applications, Vol. 9, Issue 41, pp. 767-776, 2016

[15]. Dac-Nhuong Le, Bijeta Seth, Surjeet Dalal, A Hybrid Approach of Secret Sharing with Fragmentation and Encryption in Cloud Environment for Securing Outsourced Medical Database: A Revolutionary Approach, Journal of Cyber Security and Mobility, Vol. 7, Issue 4, pp. 379-408, 2018, (Scopus Indexed)

[16]. U. Rani, S. Dalal, and J. Kumar, "Optimizing performance of fuzzy decision support system with multiple parameter dependency for cloud provider evaluation," Int. J. Eng. Technol., vol. 7, no. 1.2, pp. 61–65, 2018.

[17]. B. Sudha, Surjeet Dalal, Kathiravan Srinivasan, Early Detection Of Glaucoma Disease In Retinal Fundus Images Using Spatial FCM With Level Set Segmentation, International Journal of Engineering and Advanced Technology (IJEAT) ISSN: 2249 – 8958, Volume-8 Issue-5C, pp. 1342-1347, May 2019 India.

[18]. Shakti Arora, Surjeet Dalal, Integrity Verification Mechanisms Adopted in Cloud Environment, International Journal of Engineering and Advanced Technology (IJEAT), ISSN: 2249 – 8958, Volume-8, Issue-6S3, pp. 1713-1717, September 2019

[19]. Shakti Arora, Surjeet Dalal, DDoS Attacks Simulation in Cloud Computing Environment, International Journal of Innovative Technology and Exploring Engineering (IJITEE), ISSN: 2278-3075, Volume-9 Issue-1, pp. 414-417, November 2019

[20]. Arora, Shakti; Dalal, Surjeet, Trust Evaluation Factors in Cloud Computing with Open Stack, Journal of Computational and Theoretical Nanoscience, Volume 16, Number 12, December 2019, pp. 5073-5077(5), Publisher: American Scientific Publishers, DOI: https://doi.org/10.1166/jctn.2019.8566

[21]. Arora, Shakti; Dalal, Surjeet, An Optimized Cloud Architecture for Integrity Verification, Journal of Computational and Theoretical Nanoscience, Volume 16, Number 12, December 2019, pp. 5067-5072(6), Publisher: American Scientific Publishers, DOI: https://doi.org/10.1166/jctn.2019.8565

[22]. Surjeet Dalal, Osamah Khalaf, Prediction of Occupation Stress by Implementing Convolutional Neural Network Techniques, Journal of Cases on Information Technology (JCIT), Vol. 23, issue 3, July-Sept. 2021, pp. 27-42 (WoS ESCI)

[23]. Upasna Jindal, Dr. Surjeet Dalal, G. Rajesh, Najm Us Sama, NZ Jhanjhi, Mamoona Humayun, An integrated approach on verification of signatures using multiple classifiers (Support vector machine and Decision Tree): A Multi classification approach, International Journal of Advanced and Applied Sciences, 9(1) 2022, Pages: 99-109 DOI: https://doi.org/10.21833/ijaas.2022.01.012

[24]. Dalal, S., Agrawal, A., Dahiya, N., Verma, J. (2020). Software Process Improvement Assessment for Cloud Application Based on Fuzzy Analytical Hierarchy Process Method. In: , et al. Computational Science and Its Applications – ICCSA 2020. ICCSA 2020. Lecture Notes in Computer Science(), vol 12252. Springer, Cham. https://doi.org/10.1007/978-3-030-58811-3_70

[25]. Jindal U., Dalal S., Dahiya N. A combine approach of preprocessing in integrated signature verification (ISV), International Journal of Engineering & Technology, Vol. 7, No. 1.2, 2018, pp. 155–159.

