

Market space for Young Entrepreneurs: Opportunities & Challenges

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ABSTRACT

Entrepreneurship is a multifaceted phenomenon. The phenomenon of entrepreneurship is a complex set of continuous and overlapping process such as new product development, price strategy, innovation, technology, disciplinary action, management culture, and change in management etc. Young generation is becoming more enthusiastic in entrepreneurship, but there are various problems to establish new business, among all of these; capital is the main. Some of young entrepreneurs solve this problem by using Market space Business. Market space is an information and communication-based electronic exchange environment. Because of some important benefits of Market space, it is becoming the first choice for young generation to establish their business. This paper is aimed towards understanding the role of market space which can be used by youth entrepreneurs to establish their own business. With this the secondary objective of this research paper is to find out challenges and opportunities in India for youth entrepreneurs, and to create an entrepreneurial awareness in young generation. This study is based upon secondary data which is collected from internet, journals, books, newspapers, etc. Scope of this research paper is limited to the use of market space by young people to become entrepreneurs. The major finding says that young entrepreneurs have to face lots of problems, but they can overcome those by using internet (market space), also how internet can be useful to establish business.

Keywords: Challenges and Opportunities, Entrepreneurial awareness, Innovation, Market space, Multifaceted Phenomenon, Young entrepreneurs.

Introduction

Interviews, Jobs, Security, Switching of Job, Employee Turnover, Risk, Salary, Allowances, Performance Appraisal, Punishment, etc all these words are not wanted to hear by any persons, because they create fear in once mind. After completion of education people generally go for job and spend their whole life in the same company or for the same job to fulfill their needs. After joining any company people work a lot but they don't get satisfactory returns. Also have to face lots of problems related to salary, workload, security etc.

Apart from this traditional routine system to do jobs in companies, some people go for their own businesses. Among all of these some of them are successes and some are failed. We called these people as Entrepreneurs. Generally it is assumed that, to start any business huge capital and manpower is required. It can be true up to some extent. But these are not the only problems in front of entrepreneurs, apart from this they have to face lots of problems which we will discuss in this research paper.

Increasing youth unemployment is the major challenge faced by the Indian government. Within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people. It is an innovative approach to integrating youth into today's changing labour markets.

There are various examples of entrepreneurs who are using internet for their business like naukari.com, flipkart.com, ebay.com, shadi.com, etc.

This paper focuses on the problems and opportunities of young entrepreneurs in India. We have chosen this topic with reference to some objectives. Also this paper has some scope for young people to become entrepreneurs with the use of internet (Market space).

Objectives

- 1) To understand the future challenges for market space entrepreneurs.
- 2) To understand the opportunities have in market space entrepreneurs for youth.
- 3) To find the usefulness of internet to become an entrepreneur.

Scope

This research paper is an analysis of market space entrepreneurs for youth generation in India. Basically this paper covered the area of youth which have enthusiasm in starting the business. This paper is giving the suggestion on start up the business with low capital and without using any physical place. This paper also covered the challenges and opportunities faced by market space young entrepreneurs in India.

Methodology

This paper is mainly based upon secondary data. The research paper type is empirical in nature. We have collected data from internet, Government websites, books, magazines, journals, etc. Based upon the data collected, we tried to analyze the relationship among young entrepreneurs,

internet (market space) and India. Also we have mentioned some facts, figures and diagrams which are collected from National Knowledge Commission, a government website.

Entrepreneurship

Entrepreneurship comes from the French verb 'entreprendre' which means 'To undertake,' is the act and art of being an entrepreneur or one who undertakes innovations or introducing new things, finance and business acumen in an effort to transform innovations into economic goods.

‘Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise *de novo* or diversifying from an existing one (distinct from seeking self employment as in a profession or trade), thus to pursue growth while generating wealth, employment and social good’.

Entrepreneurship involves risk taking, being innovative as well as using knowledge and skills to set up new business or diversify from existing ones. Entrepreneurship adds significant value to the economy by creating wealth and generating employment.

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Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time or career commitment of providing value for some product or service.

The Entrepreneurship ‘Pyramid’ in India (in terms of sectors and numbers of people engaged) is made up of the following:

Level 1: Agriculture and other activities: Crop production, Plantation, Forestry, Livestock, Fishing, Mining and Quarrying.

Level 2: Trading services: Wholesale and retail trade; Hotels and restaurants

Level 3: Old economy or traditional sectors: Manufacturing, Electricity, Gas and Water supply

Level 4: Emerging sectors (including knowledge intensive sectors): IT, Finance, Insurance and Business services, Construction, Community, Social & Personal Services, Supply Chain, and Transport- Storage-Communications etc.

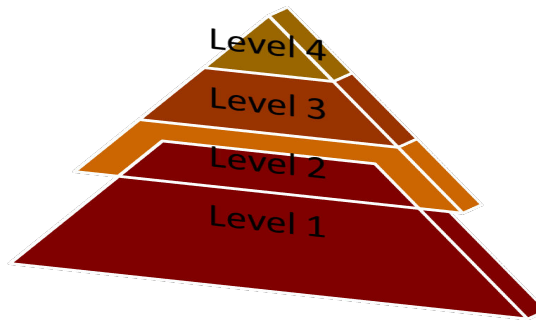


Figure 1: Entrepreneurship ‘Pyramid’ in India

General Qualities of Entrepreneurs

1. *Disciplined:* The entrepreneurs are focused on their accomplishing the objective and achieve the goal. They are always tried to eliminate any impediment or distractions from their goals.
2. *Confidence:* The confidence in the entrepreneurs is necessary to make their businesses successful. They does not asked questions about whether they can succeed or whether they are worthy of success.
3. *Open Minded:* The entrepreneurs should have the ability to look at everything around them. The entrepreneurs always required generating their ideas about workflow, and efficiency, people skills and potential new businesses.
4. *Self Starter:* Entrepreneurs know that if something needs to be done, they should start it themselves. They set the factors and make sure that projects follow that path. They are proactive, not waiting for someone to give them permission.
5. *Competitive:* It is necessary to understand competitive force for entrepreneurs. They are tried to understand competitive position. The competitive approach in business is needful for produced qualitative products.
6. *Creativity:* The creativity is required for entrepreneurs as per changing time, place, product and market. The creativity is being able to make connections between unrelated events or situations.
7. *Determination:* The successful entrepreneurs always try and try again until it does not achieve the goal of organization. Entrepreneurs are never upset by their downfalls. They take this downfall time as an opportunity for success.
8. *Strong people skills:* The entrepreneur has good communication skills to motivate employees. Most successful entrepreneurs know how to communicate with employees and customers.

9. *Strong work ethic:* The work ethic is must for become a successful entrepreneur. They are making sure that in one day an outcome meets their expectations. The successful entrepreneur will often be the first person to arrive at the office and the last one to leave. Their mind is constantly on their work, whether they are in or out of the workplace.
10. *Passion:* The passionate entrepreneurs genuinely love their work and they put extra hours in business to make the business succeed. The passionate entrepreneurs are always ready to collect knowledge from various resources to make business successful.

Market space Entrepreneurs

A market space - much like the real world - is a place where customers and suppliers come together to discuss requirements (from the customer) and the constraints of delivery against those requirements (from the supplier).

Where ever there is a need for a business outcome and the potential for a supplier to deliver a service capable of helping to achieve that business outcome, we have a market space. There can of course be overlaps in market space. This is due to the fact that a service is not simply one component, but a variety of different components whether viewed from the customer perspective (value) or the supplier perspective (service). At the overlapping points the supplier has an ability to consolidate a variety of operational elements (potentially removing some constraints regarding service delivery).

"All businesses, whether they realize it or not, compete in two parallel universes: the physical world of the marketplace and the electronically defined world of the market space. Unlike current marketplaces such as retail stores, the term market space refers to an electronic and information-based world that includes on-line services, intranets, ATMs, cable-TV shopping channels, the Internet, and much more. Because there are now so many electronic marketplaces in which to work, the Harvard faculty has coined the term market space to refer to these electronic, informational, or technological arenas in which business activity occurs, margin is created, and value is extracted using new market channels."

More entrepreneurs are becoming millionaires with internet based companies. Some of the popular enterprises on the internet are involved in website design and development, social media marketing, virtual office set up, affiliate marketing, social networks, online auctions, blogging and online trade among others.

This is attributed to the low operation cost of running internet companies. A website is enough to put the enterprise on the global map, and with little legal requirements. Most people use their home offices before achieving global recognition leading to the need for corporate set-ups. Internet has enhanced communication and trade all over the world linking most parts of the continents. Therefore, entrepreneurs are assured of a larger audience than the one generated by land based establishments.

Youth and Entrepreneurship

According to one survey conducted by Government of India, the average age of entrepreneur is 43. In fact, one-fourth of the entrepreneurs are under 35, in which the median age at which individuals in the sample became entrepreneurs was 27.

Using above entrepreneurship definition facilitates the analyses of youth entrepreneurship, as it is easier to observe what young entrepreneurs do and how they do it than to identify their particular “entrepreneurial” traits and qualities – suggesting that entrepreneurship is innate, rather than something that can be learned.

“Governments at national and local level need to encourage a broad and dynamic concept of entrepreneurship to stimulate both personal initiative and initiative in a broad variety of organizations which include but reach beyond, the private sector: small and large enterprises, social entrepreneurs, cooperatives, the public sector, the trade union movement and youth organizations.” (UN Secretary-General Kofi Annan)

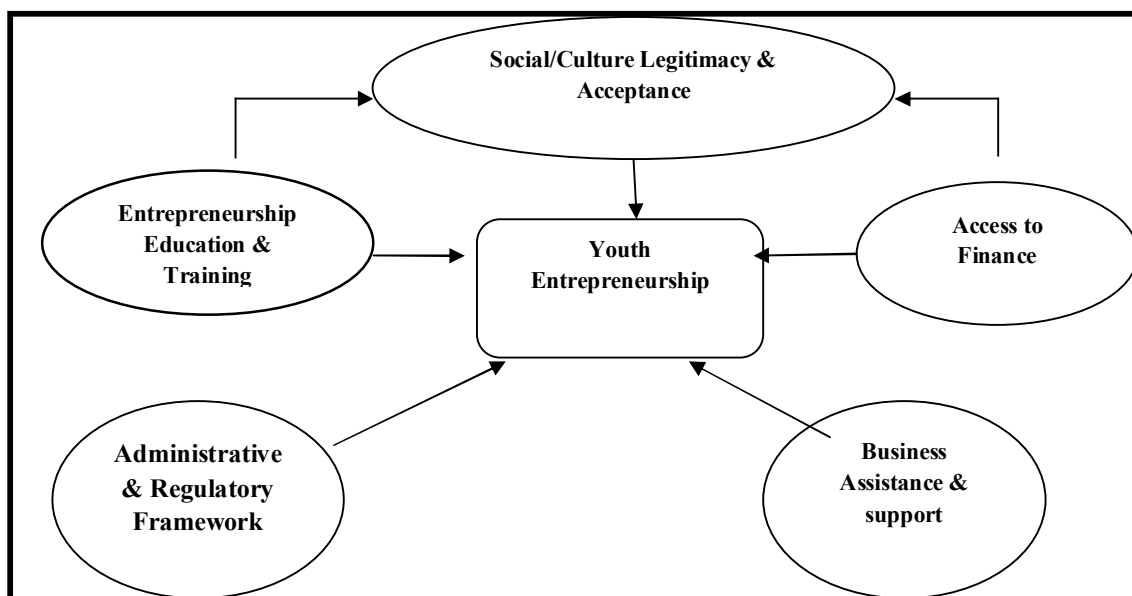


Figure 2: Factors that influence youth entrepreneurship

Importance of promoting youth entrepreneurship:

- 1) Creating employment opportunities for self-employed youth as well as the other young people they employ.
- 2) Bringing alienated and marginalized youth back into the economic mainstream and giving them a sense of meaning and belonging.
- 3) Helping address some of the socio-psychological problems and delinquency that arises from joblessness.
- 4) Helping youth to develop new skills and experiences that can then be applied to other challenges in life.
- 5) Promoting innovation and resilience in youth.
- 6) Capitalizing on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends.

Challenges in market space Business

The first challenge for executives and strategic planners is to understand how to be transition from marketplace to market space is unfolding in key industries. Which competitors are establishing a presence on the networks? Who is using the network to market products or provide after-sales services? Which companies are adding values to their commodity products by providing superior information about that product or service? More than 20 million people have daily access to information services globally over the Internet, and usage is growing at rates of more than 10% a month. Managers will need to understand what the implications of these market space presences are for their individual businesses.

The second challenge is to discover and act on new opportunities in the market space. This task may not be an easy one. Learning to manage in the market space requires a radical shift in thinking: from markets defined by physical place to ones defined by information space. Companies must carefully examine what they are offering, how they are offering it, and what enables the transaction to occur. Then they must decide which mix and emphasis will best serve their purposes. What is critical to understand about market space strategies is that they are dynamic. It is possible to develop a strategy that focuses primarily on one layer of the model, as suggested by the credit card example.

Disney's movie animation division, for example, creates splendidly unique content. It is not concerned with context and infrastructure, so it concentrates on the creative expression of the

story. Disney has pursued this strategy from Sleeping Beauty to The Lion King. And it is hardly alone in its preferred emphasis. In the market space, which enables niche markets to be easily accessed, creativity will flourish.

In addition, it is possible to develop a context focused strategy. As we have seen, America Online does not have its own proprietary content or infrastructure. Instead, AOL creates an information based context in which people consume, communicate, and transact. There are, as the scramble to get onto the information superhighway suggests, for tunes to be made - and lost - in establishing new market contexts.

Problems faced by Young Entrepreneurs

1. **Financial Problems:** Finance is the blood of any business, without which it is very difficult to establish and run any business. And this is the biggest problem of young entrepreneur. As they are young, they don't have accumulated capital, and obtaining the support of bankers, managing the working capital, lack of credit resources is very difficult.
2. **Credit Facilities:** Though the percentage of young entrepreneurs is one fourth, they generally not get the credit facility from market or banks easily. Young people are often denied credit by bankers on the ground of lack of experience. Therefore, young's access to risk capital is limited.
3. **Marketing Problems:** This is also a big problem in front of young entrepreneurs, and without marketing it is very difficult to sell out product in the market. For marketing the products entrepreneurs have to be at the mercy of middlemen who pocket the chunk of profit. The elimination of middlemen is difficult, because it involves a lot of running about.
4. **Heavy Competition:** In India there are large numbers of entrepreneurs, some of them have set business, goodwill, brand name, etc in the market. This is the important problem before young entrepreneurs.
5. **Lack of experience:** As the age of young entrepreneur is low, they don't have that much of experience to establish their own business. In India there are lots of entrepreneurs who have family business and lots of experience like TATA, BIRLA, AMBANI, MITTAL, MALLYA, ADANI, etc. They all are very experienced persons. This problem is crucial because to know important things in business, it is very important to have experience.
6. **High cost of production:** High cost of production undermines the efficiency and stands in the way of development and expansion of business. Government assistance in the form of grant

and subsidies to some extent enables them to tide over the difficult situations. other than these, young entrepreneurs so face the problems of labour, human resources, infrastructure, legal formalities, overload of work, lack of family support, mistrust etc.

7. Others Problems: Apart from above problems, there are some problems like infrastructure, legal system. Labour laws, corruption, information, taxation, licenses, etc. which are faced by young entrepreneurs.

Summary of Challenges faced by Market space Entrepreneurs

- 1) Knowledge of computers and new technologies.
- 2) Handling of virtual problems.
- 3) Issues related to viruses and hacking on internet.
- 4) Security problems related with data.
- 5) Transparency in monetary transactions.
- 6) Marketing of website and awareness of using it.
- 7) Making website attractive and user friendly to take attention of internet users.
- 8) Face the cut thought competition existed in the market.
- 9) Manage the supply chain to distribute the product to end users.

Summary of opportunities for market space entrepreneurs

- 1) Capital required is low as compared to other business.
- 2) Risk is limited in this market space entrepreneurship.
- 3) Infrastructural problems are solved up to some extent.
- 4) Wide scope for developing business.
- 5) Young generation can be easily targeted.
- 6) As the number of internet users is increasing day by day, market space business can be the milestone in future.

Finding

Following are some finding which we have found in our research paper.

- 1) There are lots of problem, young entrepreneurs has to face.
- 2) They can solve their problems up to some extent by using internet.
- 3) Market space is the emerging tool to establish business.
- 4) Various opportunities for young entrepreneurs in market space business.

Conclusion

As we have tried to cover some aspects like young entrepreneurs and market space in this paper, and findings which we have found after the study we can conclude that, there are lots of problems young entrepreneurs have to face. But they can use internet (Market space) to overcome those problems. Also we can conclude that there is a lot of potential and scope in this segment which can be useful to young entrepreneurs.

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