

Web based Entrepreneurship via Social Networking Sites: Bangladesh Perspective

Abdul Momen (1)
Seyama Sultana (2)

(1) Dr. Md. Abdul Momen, Department of Business Administration, East West University, Dhaka, Bangladesh
(2) Dr. Seyama Sultana, School of Business and Economics, United International University, Dhaka, Bangladesh

Corresponding Author:

Dr. Md. Abdul Momen
Department of Business Administration, East West University,
Dhaka, Bangladesh
Cell phone: 01911302318
Email: a.momen@ewubd.edu

Abstract

The utilization of social networking sites (SNS) by business visionaries is developing more quickly than at no other time throughout the world. Bangladesh is not a special case. Hence the components that assume the most contributing parts for online business visionaries who utilize a social networking site should have been found. The aim of this paper is to decide the relationship between social networking sites and business enterprise. Close to that, the study has attempted to discover the SNS's important components that influence these business visionaries. A comprehensive survey was conducted to gather information from the business visionaries who lead their business by utilizing social networking sites. The business people were haphazardly chosen from all over Bangladesh. The results demonstrated that the significant factors which influence entrepreneurship are "easy access to the internet," "effectiveness as a promotional tool" and "purchasing behavior" but another factor that does not affect enterprise significantly is the "cost factor." On the contrary for the betterment and the prosperity of the economy of the country, it needs young, self-motivated, creative entrepreneurs. This paper provides the fundamental principles for them with the goal that they can make sense of the noteworthy components to consider and disregard the unimportant in the field of SNSs and online business enterprise.

Key words: Social networking sites, entrepreneurship, Bangladesh

Please cite this article as: Seyama Sultana, Abdul Momen. Web based Entrepreneurship via Social Networking Sites: Bangladesh Perspective. *Middle East Journal of Business*. 2018; 13(1):5-11. DOI: 10.5742/MEJB.2018.93187

1. Introduction

By utilizing social networking sites people and gatherings associate and impart information all through the world. In the decade of data framework, social networking sites have assumed a fundamental part in changing business and correspondence (Haque et al., 2013). A portion of the sites are Facebook, Twitter, MySpace, Whatsapp, and so forth. One of the speediest approaches to growing a business' substance is through social networking sites (Livingstone and Brake, 2009). Some social networking sites have emerged to ease interaction between and among the people who have a common interest in and want to share education, music, and movies and so on (Valkenburg et al., 2006). All these radical changes in the social environment likewise influence the method for business people to direct their business and advertisements and other special exercises.

Bangladesh is very nearly achieving the digital age. The vision of "Digital Bangladesh" of the legislature has improved the appropriation of the web and online networking. Thus, new doors have been opened to investigate new parts of working together. In the previous couple of years (2013-2015) business through the informal organization has turned out to be to a great degree well known among the young entrepreneurs (Sultana & Momen, 2017). Simplicity of beginning any new business is by all accounts not the only reason, yet interpersonal interaction destinations are quickly getting acknowledgment as limited time devices in the nation and is another significant explanation behind the specific utilization of these sites by business visionaries (Begum, 2003). Regardless of its engaging quality, a few people wind up ineffective because of their lack of data about the buying conduct of purchasers. Another huge test is the unscrupulous specialists who are taking focal points of this field by abusing the online purchasers and who are similarly hurtful to online purchasers. To give noteworthy data to the concerned gatherings including government, this study has attempted to decide the contributing components to further the prosperity of this sector and to outline activities that will support business through online social networking.

Literature Review

Effectiveness of Social Networking Sites as Promotional Tools

Social media is now known as consumer-generated media. Because of this media, the tools and strategies for communication have been changed significantly with the emergence of these social networking sites. To create, initiate and circulate information about products, brands, services, personalities, and issues these social networking sites are enormously used (Blackshaw & Nazzaro, 2004, p. 2).

Now consumers ignore the traditional sources of promotional tools like advertisements of radio, television, magazines, and newspapers. Consumers now demand more control over their media consumption. They want immediate access to information with convenience (Rashtchy et al., 2007). Consumers are frequently using several social networking sites to conduct their information searches and to make their purchase decisions. Social media has become a more trustworthy source of information towards the consumers regarding any product and service than any sponsored communications through traditional promotional tools (Foux, 2006). Entrepreneurs must adopt social media to make their marketing efforts fruitful. Social media can accelerate the marketing strategies and also the outcomes of the companies greatly. And it is also possible for the small entrepreneurs without hiring expensive highly qualified staff.

Entrepreneurs in Bangladesh

Bangladeshi Entrepreneurs have some characteristics which are quite similar to the characteristics of entrepreneurs of other countries. Mostly Bangladeshi entrepreneurs are hard workers, honest, religious, simple living, honest, sincere, good leaders; task oriented and have the capacity to influence others. Bachelor's degree is the highest degree they have achieved. Mostly they start their business after the age of 35. All of them came from non-business family backgrounds. They have previous job experience, and from that experience, they get help to make decisions and perform other managerial activities (Sultana & Momen, 2017). Mostly they are moderate risk takers, and they diversify their businesses (Rahman, 1989). Mostly the entrepreneurs come from three groups (Farouk, 1983), first, those families who have been in business or industry by tradition and their children are now in business. Second, retired government officers or politicians or their families and third, people who began small business but achieved considerable success through their personal efforts.

Because of risk and uncertainty entrepreneurs of Bangladesh feel discouraged to start any new venture even though the investments can be highly profitable and socially desirable. The reason behind the underdevelopment of entrepreneurship is the shortage of experienced entrepreneurs. On the contrary religion of the people of the country, is Islam mostly and that motivates them to conduct business (Sadeq, 1989). The present situation in the country is quite favorable for the young entrepreneurs who use social networking sites to conduct their businesses as they need to invest little and at the same time the risk factor is very low. Bangladeshi entrepreneurs are small risk takers, and the social media use has boomed recently. Al

these bring a perfect scenario for growing technology-oriented entrepreneurs to start, conduct and flourish their businesses by using social media (Sultana & Momen, 2017).

Easy Access to the Internet

At present, there are around 30 social networking sites, and each one has more than one million registered users. In 2006, MySpace.com had 42 million unique visitors per month which was just after FaceBook.com that had 13 million visitors per month, and Xanga.com had 7.4 million unique visitors (Haque et al., 2013). All these were possible only because of the easy access to the internet. There were several reasons for which online business is growing like never before. Easy access to the web through multiple mediums is one of the major causes of this boom (Arbaugh, et. al, 2009).

Low Cost of Using Internet

In this era, internet use is not only a daily phenomena rather it has become each minute's activity where people feel they are lost if they are not connected online even for a moment. All these have become possible because of easy access and low cost of using the internet (Sultana & Momen, 2017). These two significant advantages enforce business entrepreneurs to use more and more internet in every business activity including from procurement to marketing (Lancioni et al., 2003).

Change in Purchasing Behavior

Demographic variables may contribute to influence consumer behavior on the web and this may diverge case to case (Kor-gaonkar and Wolin, 1999). If shopping expeditions are measured then, online shoppers are more demanding, utilitarian and sturdy than offline customers. Consequently, the overall loyalty of consumers on the web is low (Morrisette et al., 1999). In reality, offline customer loyalty depends on the availability of goods and charming relevant factors (Rice 1997, Eighmey, 1997). The focal point of power is shifting from the companies to consumers (Raman 1997). In recent times consumers do not favor traditional online advertising and other promotional activities (Maignan and Lukas, 1997). Online consumers are concerned with the risks inherent in buying on the Web, like credit card fraudulence and uncertainty in receiving the right products. Consumer purchasing behavior is changing based on two factors like the ease of using the internet and another is the perceived risk of deception (Heijden et al., 2001).

Hypothesis development

From the literature review portion, several hypotheses can be developed. They are the followings:

H1: "Easy Access to the internet" influences the growth of Entrepreneurship

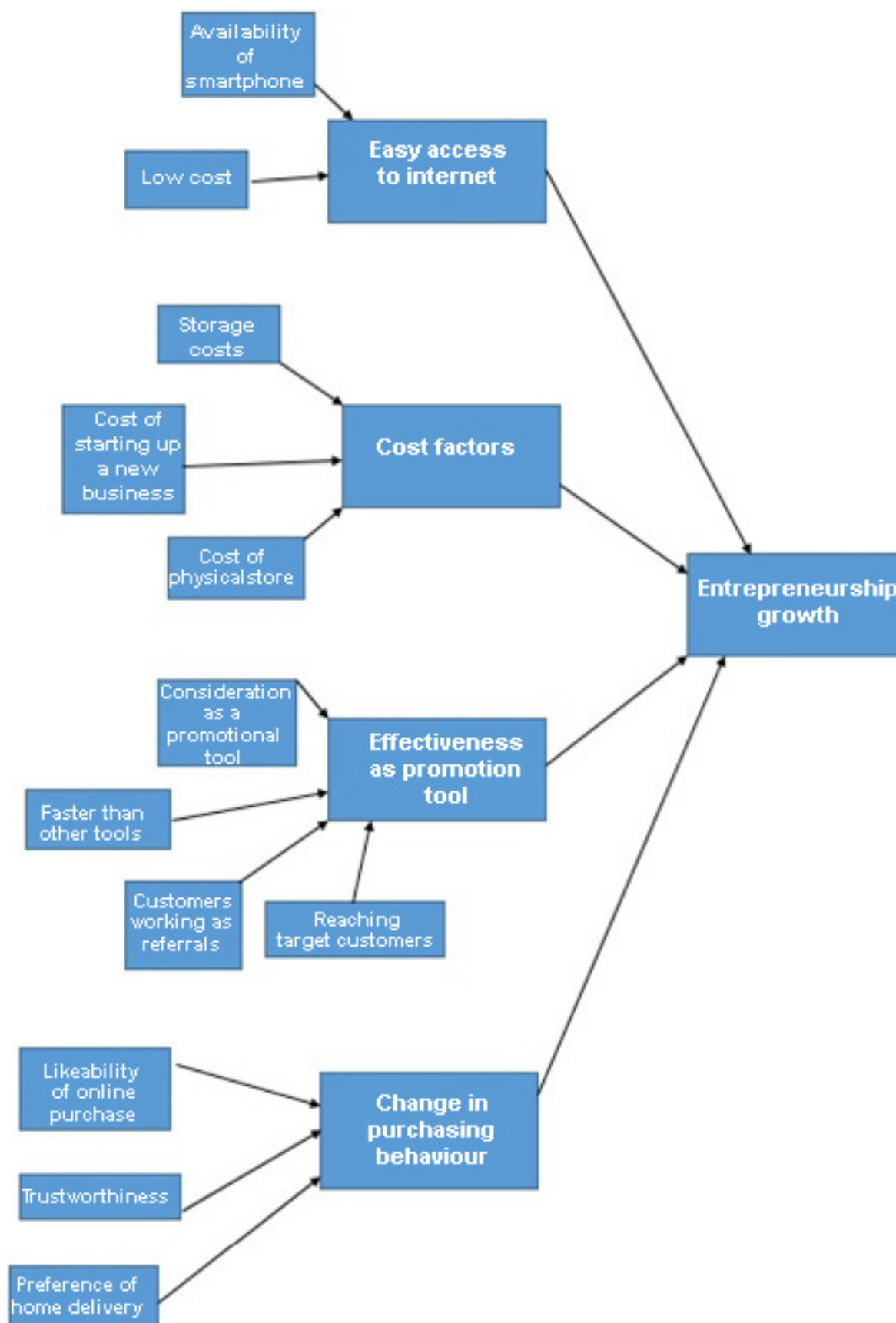
H2: "Cost factor of using internet" influences the growth of Entrepreneurship.

H3: "Effectiveness as a promotional tool" influences the growth of Entrepreneurship.

H4: "Change in purchasing behavior" influence the growth of Entrepreneurship

Conceptual model

Figure 1: Conceptual Model of the Study



Methodology

The research is quantitative in nature. A structured questionnaire was distributed among 100 entrepreneurs of Bangladesh who are conducting their business with the help of social

networking sites. Five point Likert scales are used to measure the data. Sample adequacy test, factor analysis, and regression analysis have been done. By the use of several types of a statistical tool, it has become possible to identify which hypothesis is accepted or rejected.

Results and Discussion

Table 1:

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.739
Bartlett's Test of Sphericity	Approx. Chi-Square	465.560
	df	66
	Sig.	.000

From Table 1 or KMO and Bartlett's Test table, it is shown that the relevance of this study is 73.9% and the significance level is 0.000. Therefore the sample is quite adequate.

Table 2

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.571	29.754	29.754	3.571	29.754	29.754	2.122	17.681	17.681
2	1.448	12.068	41.822	1.448	12.068	41.822	2.100	17.496	35.177
3	1.314	10.950	52.772	1.314	10.950	52.772	1.592	13.266	48.443
4	1.043	8.692	61.465	1.043	8.692	61.465	1.563	13.021	61.465
Extraction Method: Principal Component Analysis.									

From Table 2, it is clear that the cumulative percentage of the study is 61.465. Therefore the study is valid, and it can be further proceeded.

From Table 3 it can be figured out that the components EA1 (Low cost of Internet), EA2 (Availability of smartphones), CF2 (Storage cost), CF3 (cost of physical store), PT1 (consideration as a promotional tool), PT2 (Faster than other instruments), PT3 (Easy to reach target customer), PT4 (Customers work as referral), PB1 (Like to purchase through SNS), PB2 (Trustworthy) and PB5 (Home delivery) have significant impact on the dependent variable (Growth of Entrepreneurship).

The independent variables can explain 39.5% variation in the dependent variable. The independent variables (Easy Access to Internet, Cost Factor, Promotional Tool and Purchase Behavior) are enough to account for the variation in the dependent variable (Growth of Entrepreneurship) (Table 4).

From Table 5, it is found that the significance level of this study is 0.000 which is less than 0.05 which means the study is valid.

Table 3:

Rotated Component Matrix				
	Component			
	1	2	3	4
EA1				.617
EA2				.737
CF1				
CF2			.747	
CF3			.825	
PT1	.684			
PT2	.527			
PT3	.815			
PT4	.689			
PB1		.808		
PB2		.764		
PB5		.733		

a. Rotation converged in 6 iterations.

Table 4

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.629*	.395	.380	.42862	.395	26.949	4	165	.000

a. Predictors: (Constant), Purchasing behavior, Easy access, Promotional tool, Cost factor

Table 5:

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.804	4	4.951	26.949	.000*
	Residual	30.314	165	.184		
	Total	50.118	169			

a. Predictors: (Constant), Purchasing behavior, Easy access, Promotional tool, Cost factor

b. Dependent Variable: Ent_growth

Table 6::

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.064	.294		3.621	.000
	Easy access	.123	.048	.166	2.567	.011
	Cost factor	.089	.055	.115	1.621	.107
	Promotional tool	.352	.069	.343	5.079	.000
	Purchasing behavior	.199	.051	.261	3.881	.000

a. Dependent Variable: Ent_growth

The significance of "easy access to the internet" is 0.011, so the null hypothesis is rejected, and the alternative hypothesis is accepted. So there's a relationship between easy access to the internet and the growth of entrepreneurship. Here, the Beta value for this variable is 0.166 which is the third most relatively important variable to the dependent variable.

The significance of "cost factor" is 0.107, so the null hypothesis is accepted, and the alternative hypothesis is rejected. So there's no relationship between cost factors and the growth of entrepreneurship. Here, the Beta value for this variable is 0.115 which has no impact on the dependent variable.

The significance of "effectiveness as a promotional tool" is 0.000, so the null hypothesis for this variable is rejected, and the alternative hypothesis is accepted. So there's a relationship between effectiveness as a promotional tool and the growth of entrepreneurship. Here, the Beta value for this variable is 0.343 which is the first most relatively important variable to the dependent variable.

The significance of "Purchasing behavior" is 0.000, so the null hypothesis for this variable is rejected, and the alternative hypothesis is accepted. So there's a relationship between effectiveness as a purchasing behavior and the growth of entrepreneurship. Here, the Beta value for this variable is 0.261 which is second most relatively important variable to the dependent variable.

Conclusion

Raising development of social networking sites like Facebook, Twitter, Myspace, and so forth are opening new prospects for a differing gathering of the masses. Alongside the expanding interest of SNS, there is likewise a developing chance which allows youthful business visionaries to begin their very own endeavours. Through social networking sites, youthful business visionaries can have simple access to their clients, can spread their offerings among customers rapidly and limited time movement should be possible also. Every one of these elements diminishes the cost and in addition decreases hindrances from the method for becoming a fruitful business person. This paper can be useful to a few youthful, spurred techno master business people by giving them the basic in-

formation on what they ought to do, which components they have to work out, and which of those is most significance. As these components are shown in this exploratory paper, consequently future business pioneers of the nation can be shaped, and they can work immediately because of low venture rates and low rate of support required in this area of business.

References

- Arbaugh, J. B., Godfrey, M. R., Johnson, M., Pollack, B. L., Nien-dorf, B., & Werch, W. (2009), "Research in online and blended learning in the business disciplines: Key findings and possible future directions", Vol. 12, Issue 2, June, The Internet and Higher Education, Pages 71–87
- Begum, R. (2003), Determining Entrepreneurial Success Status of Women Entrepreneurs, Dhaka University Journal of Business Studies, Vol. XXIV, No.1, June, pp. 127-136.
- Blackshaw, P., & Nazzaro, M. (2004). Consumer-Generated Media (CGM) 101: Word-of-mouth in the age of the Webfortified consumer
- Eighmey, John. (1997). Profiling user responses to commercial Websites. J. Advertising Res. 37(3) 59–66.
- Farouk, A. (1983), Lessons From a Biographical Survey of Bangladeshi Entrepreneurs, The Dhaka University Studies, Part-c, Vol. 4, No. 4, December, pp. 77-81.
- Foux, G. (2006, May 8). Consumer-generated media: Get your customers involved. Brand Strategy, 38—39.
- Haque, A, Momen, A, Sultana, S, F Yasmin (2013) Online Brand Awareness: Determining the Relative Importance of Facebook and Other Strategies among the Malaysian Consumers
- Information Management and Business Review 5 (4), 168
- Heijden, Hans van der, TibertVerhagen, Marcel Creemers (2001). Predicting online purchase behavior: Replications and tests of competing models. Proc. 34th Hawaii Internat. Conf. System Sci., Maui, HI.
- Korgaonkar, Pradeep K., Lori D. Wolin (1999). A multivariate analysis of Web usage. J. Advertising Res. 39(2) 53–68
- Lancioni Richard, Schau, H. J., & Smith, Michael F., (2003), "Internet impacts on supply chain management", Vol. 32, Issue. 3, April, Pages 173–175.

Livingstone, S., and Brake, D. (2009) On the rapid rise of social networking sites: New findings and policy implications. *Children and Society*, 24(1): 75-83.

Maignan, Isabelle, Bryan A. Lukas(1997). The nature and social uses of the Internet: A qualitative investigation. *J. Consumer Affairs* 31(2) 346–371.

Morrisette, Shelley, James L. McQuivey, Nicki Maraganore, Gordon Lanpher(1999). Are Net shoppers loyal? *The Forrester Rep. March*.

Rahman, A. H. M. H. (1989), Profile of Bangladeshi Entrepreneurs, Bangladesh Business Research Reports, University Grants Commission, Vol. 1, pp.70-75.

Raman, Niranjana V. (1997). A qualitative investigation of Web browsing behavior. *Adv. Consumer Res.* 24 511–516.

Rashtchy, F., Kessler, A. M., Bieber, P. J., Shindler, N. H., & Tzeng, J. C. (2007). *The user revolution: The new advertising ecosystem and the rise of the Internet as a mass medium*. Minneapolis, MN: Piper Jaffray Investment Research.

Rice, Marshall. (1997). What makes users revisit a Web site? *Marketing News* 31(6) 12.

Sadeq, A. H. M. (1989), Socio-Cultural Environment for Entrepreneurship Development, Bangladesh Business Research Reports, Vol.1, September, University Grants Commission, Dhaka.

Sultana, S, Momen. A (2017) Determinants of the use of social networking sites: Example of a South Asian state. *Middle East Journal of Business* 12 (1), 38-46

Valkenburg, P. M., Peter, J., & Schouten, A. P. (2006). Friend Networking Sites and Their Relationship to Adolescents' Well-Being and Social Self-Esteem.