

## **To Study The Entrepreneur's Personality Traits Which Affect The Success of Digital Entrepreneurs in India**

Prof. Kalpana Kumaran<sup>1</sup>, Dr. Veni Nair<sup>2</sup>, Mr. Venumadhav<sup>3</sup>

<sup>1</sup>( IT & Analytics Department, ITM Business School, India )

<sup>2</sup>( Marketing Department, ITM Business School, India )

<sup>3</sup>( IT & Analytics Department, ITM Business School, India )

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**Abstract:** *This research study deals with the digital entrepreneurship which can be described as making use of digital technologies to run the entire business or a part of the business. In the current scenario, there are many entrepreneurs start their business in the digital world, not many of the entrepreneurs come out with a successful business. In this study, I took one of my objectives that is "the entrepreneur's personality traits that affect the success of digital entrepreneur in India". Outside India, few studies have been conducted by analysing some of the factors of entrepreneurs, in India such kind of research study has not been conducted so far. This research study focuses this research gap.*

*The entrepreneur's personality traits can be judged by analysing the factors which include Need for Achievement, Risk taking ability, & Innovativeness. The success of digital entrepreneurs can be measured with their Access to capital, Management skills, Good product at competitive price, Good customer service, Position in society, & their reputation for honesty. The conclusion would be to find that there exists a relationship between entrepreneur's personality traits and the success of digital entrepreneurs in India. This study will be useful for anyone who wants to start a business in this digital world in India.*

**Keywords:** *Need for Achievement, Risk taking ability, Innovativeness, Access to capital, Management skills, Good product at competitive price, Good customer service, Position in society & Reputation for honesty.*

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### **I. Introduction**

Before 1991, the success of all the Indian Business was the combinations of licences, business family, high-level contacts, and a better understanding of the business structure. From 1991, Indian economy got liberalized which led to many others to start the business who are strong in technologies and business knowledge.

India being the technology hub in Asian countries, there are many entrepreneurs who can understand the change in customers need and who has an idea about how to make use of these technologies have started implementing their ideas. Indian government is encouraging such kind of new ideas and helping in implementation which again leads to more entrepreneurs in this digital world.

One of the most interesting effects of the digital revolution has been the democratisation of the business world. Previously, without capital and business connections, a business had to be built gradually from the ground up. The internet, along with powerful, inexpensive technology makes huge resources widely and freely available. This gives everyone the opportunity to develop a thriving business very rapidly even without capital or connections. As a result, the abilities and traits of the entrepreneur become the businesses most important assets.

There are many digital entrepreneurs emerge in all the sectors, but not all of them are able to come out with a successful business though they are capable to run it in this digital era. This study will find out the reasons behind the failure and success of digital entrepreneurs in various sectors.

### **II. Literature Review**

Kathleen M. Eisenhardt and Naushad Forbes (2001) have concluded in their paper that the innovation and economic vitality are the main factors in technical entrepreneurship throughout the world. That clearly indicates that innovation is a key factor to be linked with the success of digital entrepreneurs.

Matthew R. Marvel, Abbie Griffin, John Hebda and Bruce Vojak (2007) suggested in their paper that it is very difficult to investigate the technical corporate entrepreneurs in terms of how to manage them and how to keep up their motivation.

Atsushi Ohyama concludes in his paper that well educated self-employed entrepreneurs in the engineering and science workforce are appreciated and rewarded for their knowledge and capability in implementing the advanced new technical skills in their business. Christin Merz, Andreas Schroeter and Peter

Witt(2010) highlights in their study that the need for refining the theory on the relationship between entrepreneur's various types of experience and the success of their start-ups. This indicates that entrepreneur's experience has a relationship with the success of their start-ups. HadiEsmaeli(2011) concludes in his paper that there is a significant in the perceptions of experts about the content factors of Digital Entrepreneurship at all of dimensions.It is vital to analyse all the dimensions like making use of technologies, Internet facilities, networking in regards to the success of the digital entrepreneurs

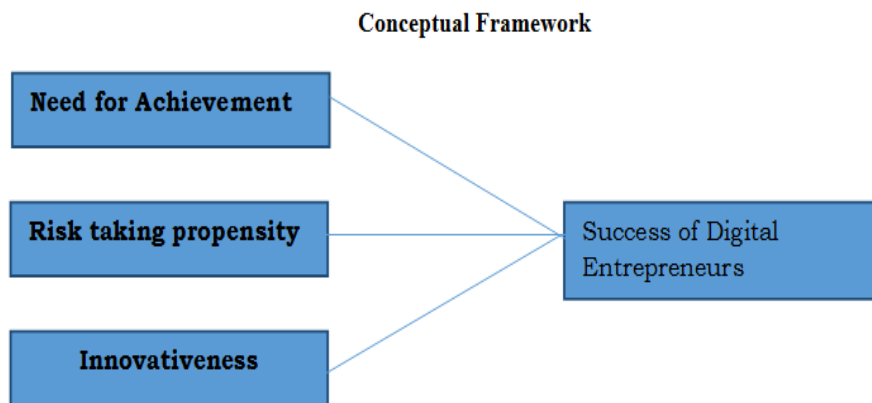
According to Elena Vasilchenko and SussieMorrish,entrepreneurs usingsocial networks may lead to better opportunities for internationalization. They also conclude that networks has a great influence on company's foreign market selection and entry.This International opportunity exploration can result into an unexpected opportunity rather than a planned decision.

### III. Research Hypothesis

**H1** : There exists a relationship between the digital entrepreneur's need for achievements and the success of thedigital entrepreneurs.

**H2** : There exists a relationship between the digital entrepreneur's risk taking propensity and the success of thedigital entrepreneurs.

**H3**: There exists a relationship between the digital entrepreneur's innovativeness and the success of the digitalentrepreneurs.



**Figure 1**

### IV. Methodology & Analysis Of Statistical Results

The study was conducted in cities which are known as digital hubs of India namely Bombay, Bangalore, Hyderabad, Pune & Noida. The possibilities for a better outcome of this paper is more because most of the digital entrepreneurs in India are from these cities only. The digital entrepreneurs were selected based on simple random sampling method. Few companies are from the list of industrial units given by Indian Government and few are from my personal contact.

The primary data for this study was collected by framing a questionnaire and got it filled from digital entrepreneurs. The questionnaire was filled by approaching the digital entrepreneurs in person and also by sending them to their mail ids through google form.The secondary data collected for this research study is from different sources which include online database – PROQUEST, newspapers, E-Magazines, internet resources, Wikipedia, books, journal papers, publications, and technical papers which are related to digital entrepreneurship. Primary data is collected by using a structured questionnaire. The Likert's 5-point scale is used as the measurement scale.

Fig 1 shows the conceptual framework of this study and the relationships between the factors. The questionnaire for this study was designed based on the survey instruments developed by Ivan Stefanovic, Sloboda Prokic and LjubodragRankovic (2010). Each hypothesis was tested to find the correlation between the factors. For which, the hypothesis testing was conducted on whetherthere exists a relationship between need for achievements and success of digital entrepreneurs, whether there exists a relationship between risk taking propensity and success of digital entrepreneurs, & whether there exist a relationship between innovativeness and success of digital entrepreneurs. 30 digital entrepreneurs were surveyed for this study. Bivariate statistical tools were used to analyze the data with the help of SPSS.

V. Findings

H1: There exists a relationship between the digital entrepreneur's need for achievements and the success of the digital entrepreneurs.

Table 1 Correlations							
Need for achievement / success of digital entrepreneurs		Good management skills	Access to capital	Good product at a competitive price	Good customer service	Position in society	Reputation for honesty
1	Even though people tell me it can't be done I will persist	.153	-.134	-.053	.000	-.230	.033
2	I look upon my works as simply a way to achieve my goals	.050	-.089	.153	.031	.070	.028
3	I will not be satisfied unless I have reached the desired level of results	.008	-.174	<b>-.391*</b>	.081	<b>-.506**</b>	.187
4	I never put important matters off until a more convenient time	-.216	<b>-.489*</b>	-.381	-.180	-.203	<b>-.408*</b>
5	I spend a considerable amount of time making an organization I belong to functional better	-.237	-.033	.093	-.280	-.088	.130

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\* . Correlation is significant at the 0.01 level (2-tailed).

From the above Table 1, it shows that entrepreneurs who are achievement oriented and result focused shows a correlation towards their success as an entrepreneur. Again, it is found that people who are not procrastinators show success as an entrepreneurs. From here it is clear that the 2 factors for one's achievement in life mainly result oriented and timely action will definitely lead to success in any venture they begin. This is true of the sample taken for this study also. We find that there exists a correlation only between the factors 'I will not be satisfied unless I have reached the desired level of results and I never put important matters off until a more convenient time' towards the success as an entrepreneur. Persistence, goal achievement, perfectionist which are also the need for achievement variables do not show correlation and therefore does not lead to the success of entrepreneurs. Since out of 5 only 2 factors show correlation we cannot conclude that need for achievement has a direct correlation with the success of digital entrepreneurs.

H2 : There exists a relationship between the digital entrepreneur's risk taking propensity and the success of the digital entrepreneurs

Table 2							
Correlations							
Risk taking propensity / success of digital entrepreneurs	Good management skills	Access to capital	Good product at a competitive price	Good customer service	Position in society	Reputation for honesty	
1	If I invested in stocks, it would probably only be in safe stocks from large, well-known companies	.378	.172	<b>-.505**</b>	.189	-.167	-.377
2	Taking risk bothers me even if the gains involved are potentially high	.111	<b>.501**</b>	.045*	.482	.407	<b>.274*</b>
3	I consider security as an important element in every aspect of my life	.103	<b>.442*</b>	<b>.527**</b>	.211	<b>.180*</b>	.309
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

From the above Table 2, it shows that all the 3 questions under Risk taking propensity is correlated with the success of digital entrepreneurs. All 3 questions relate to the Entrepreneurs propensity to take risk, be secured also at the same time. This is because taking risk blindly will always lead to failures. So calculated risk is what entrepreneurs need to take and which will lead to the success of digital entrepreneurs. And also they should ensure that there should be security in whatever risks they venture into. Since all 3 factors show correlation we can conclude that risk taking propensity has a direct correlation with the success of digital entrepreneurs

**H3.** There exists a relationship between the digital entrepreneur's innovativeness and the success of the digital entrepreneurs.

Table 3 Correlations							
Innovativeness / success of digital entrepreneurs	Good management skills	Access to capital	Good product at a competitive price	Good customer service	Position in society	Reputation for honesty	
1	People always ask me help in creative activities	<b>.418*</b>	.025	-.044	.044	-.164	.115
2	I often try to invent new uses for everyday objects	-.102	.226	.018	.110	.144	<b>.026*</b>

3	I believe that to become successful in business you must spend some time every day developing new ideas	-.384	.072	-.184	-.105	.313	-.203
4	I am generally cautious about accepting new ideas	-.047	.131	-.167	.000*	-.296	.042

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*\*. Correlation is significant at the 0.01 level (2-tailed).

From the above Table 3, it shows that the entrepreneurs who are creative, experimentalize, is correlated with the success of digital entrepreneurs. entrepreneurs who are only generating ideas and who are very conservative in their ideas do not show any relationship to the success of digital entrepreneurs. Since digital world is very dynamic the entrepreneurs has to be very creative and innovative to capture the current changing technologies and trends. Otherwise competition will overtake them and they will be left behind. So this study also proves that there is a direct correlation between creativity and innovation to the success of the entrepreneurs.

**Table 4** Profile of the enterprise

Profile of the enterprise	Percentage
<b>Year of establishment</b>	
• 2011	38%
• 2013	27%
• 2014	15%
• 2009	8%
<b>Location</b>	
• Bangalore	43%
• Hyderabad	19%
• Mumbai	10%
• Pune	14%
• Noida	14%
<b>Type of Industry</b>	
• Manufacturing	27%
• Retail	27%
• Service	46%
<b>Source of initial funds</b>	
• Own Capital	54%
• Borrowed Capital	46%
<b>Website for the firm</b>	
• Yes	88%
• No	12%
<b>Mobile App for the firm</b>	
• Yes	65%
• No	35%

From the above Table 4, the enterprise profile comprises of mainly startups started after 2010 ( 38%). This is because the digital entrepreneurs has seen a growth in the last 10 years. 43% of the sample are from Bangalore city as Bangalore is the digital hub of India. About half of the respondents surveyed belong to the service sector which proves that in India the service sector is growing much faster than the manufacturing sector. Fund raised for starting the business is mainly put in by the entrepreneurs in about 50 % of the cases. This could be because for setting up a digital enterprise the cost is lesser when compared to manufacturing industry. Majority of the start ups operate online either through a web site or a mobile app.

## **VI. Conclusions**

The current government is giving a lot of thrust to entrepreneurship which is seen in the growth of digital entrepreneurs across India. This study was aimed to find the reasons why entrepreneurs succeed or fail in their ventures. This paper focus mainly on the success factors and the reasons for being a successful entrepreneur. For this study only personality traits were taken and analyzed. In that it was found that the risk taking propensity has a major impact to the success of entrepreneurs compared to need for achievement and innovativeness. There is a scope for further research by studying the influence of characteristics, demographics, social cultural background, etc on the success of entrepreneurs.

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