

## Chapter 8

# Changing Entrepreneurship in the Era of Digitalization: Digital Entrepreneurship in Turkey

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### **ABSTRACT**

*The rapid developments in information, communication, and transportation have led to an increase in competition between enterprises. As a result, entrepreneurs striving to survive in the global competition have begun to invest in “digital” competition, which differs from traditional entrepreneurship as it does not require large amounts of capital for its establishment. It enables entrepreneurship to operate all around the world with the internet. This chapter focuses on the differences between digital and traditional enterprises, emphasizing the importance of digital enterprises. According to this purpose, the study employed SWOT analysis to identify Turkish digital enterprises’ strengths and weaknesses in relation to the corresponding opportunities and threats.*

### **INTRODUCTION**

Due to information becoming increasingly important and widespread and cheap communication technologies, easy access to information and the initiation of using information in production processes has formed the basis of the transition from an industrial society to an information society (Koçak, 2009). Rapid change and developments occurring in information and communication technologies have also led to increased digitalization. With digitalization, the nature of work and work applications in international business have started to change (Ngoasong, 2015). The integration of entrepreneurship and digital technologies (computer, cloud informatics, social media, internet, big data, cyber physical systems, internet of things, 3D printing and analytical data) concepts has developed a new entrepreneurship approach called “digital entrepreneurship” (Delacroix et al., 2019).

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## ***Changing Entrepreneurship in the Era of Digitalization***

Digital entrepreneurship is a concept that emerged from technological assets like communications and information technology. Generally, any entrepreneurial activity that transfers an asset, service or major part of the business into digital form can be defined as digital entrepreneurship (Kraus et al., 2018). Hence, the digital entrepreneurship approach tends to create new job opportunities based on digital correlativity. In the digitalization process, entrepreneurs' evaluation of fields with increasing opportunity, directing investments and production strategies for the future have great importance in terms of sustaining their future development (Soylu, 2018).

Due to digital entrepreneurship, there are many benefits including economic development and development of the country, ensuring welfare, removal of mediators between producer and customer, increased number of entrepreneurs, rapid access to products by customers, timely responses to the wants and needs of consumers, benefiting from global markets, employing quality workers in operations and increasing entrepreneur profits (Broadband Commission, 2020). For these reasons, digital entrepreneurship is rather important for both developed and developing countries. Especially in developing countries, digital entrepreneurship may be a foundation stone for economic growth and development (Turuk, 2018). The fixed and variable costs which are necessary for product and service production in active business firms with conventional methods are very high in developing countries. Also, there are problems such as having few people with entrepreneurial characteristics or not sufficiently supporting people with entrepreneurial characteristics (Marangoz, 2016). These problems can be minimized thanks to digital entrepreneurship because there is no need to establish a production site, physical materials for production of products or storage of products as in conventional entrepreneurship. Besides, the products and services can reach customers very rapidly and cheaply. Therefore, increasing the number of entrepreneurs with entrepreneurial characteristics who are not active in entrepreneurship due to lack of opportunities, female entrepreneurs and young entrepreneurs from the Y, Z, and Alpha generations, who can use digital technologies very well, will be possible thanks to digital entrepreneurship.

The purpose of the research is to demonstrate the significance of digital entrepreneurship by revealing the differences between traditional entrepreneurship and digital entrepreneurship. Also, the research aims to reveal the current status of digital entrepreneurship, targets for the future and most importantly strong and weak aspects, opportunities and threats. For this purpose, SWOT analysis was employed in the research. SWOT analysis was completed to determine the weaknesses and strengths of digital enterprises that were founded and operate in Turkey along with the opportunities and threats that they have encountered and will potentially face in the future. In the research, the birth, development, and definition of the digital entrepreneurship will be presented. Moreover, the examples of digital entrepreneurship in Turkey and in the world will be presented.

There are numerous studies about digital entrepreneurship in the literature (Cowles, 2015; Davidson & Vaast, 2010; Eleftheriadou, 2014; Mishra, 2010; Özdener, 2018; Soyly, 2018; Turuk, 2018; Vineela, 2019). However, there are no studies regarding strengths and weaknesses, as well as opportunities and threats, of digital initiatives in Turkey. Thus, it is thought that this research will contribute to the relevant literature.

## **ENTREPRENEURSHIP**

Entrepreneurship was described first in the mid-eighteenth century by Richard Cantillon. Cantillon emphasized the risk-taking features of entrepreneurs in his work "Essai Sur La Nature Du Commerce En General", and he defined an entrepreneur as a "speculator in an uncertain environment". The entrepre-

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