

Chapter 2

Development of Social Network Entrepreneurship in Ukraine

Nadezhda Anatolievna Lebedeva

 <https://orcid.org/0000-0003-4095-2631>

International Personnel Academy, Germany

EXECUTIVE SUMMARY

Social networks are some large segments of internet business with their models of development and existence. Social networks as social and economic phenomenon are considered by researchers of various scientific fields. The basis for such research in modern works is the information technology sector as a platform for the functioning of social networks. Economic disciplines have their place in the structure of scientific areas dealing with social networks. Thus, marketing and management, personnel management, and entrepreneurship reflect modern economic trends related to this issue. In modern conditions, the companies that own social networks allow users to become their business partners, thereby creating completely new economic effects. The main tasks of the research are the determination of the impact of social networks on business, determination of approaches and functions of creation in Ukraine, means of existence of alternative social networks, and outline of business models of alternative social networks in terms of companies and individual users.

INTRODUCTION

In our rapidly developing century, it is difficult to imagine life without the Internet. Practically all spheres of human life are somehow connected with the World Wide Web.

The Internet had a tremendous impact on how businesses were held and developed in the tourism sector and also represented a major support for their expansion. The Digital World became more powerful each day and forced businesses to be present in the virtual space to remain competitive and make online business transactions. (Surugiu et al., 2015, p. 3)

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As a result of human communication, social networks appeared which began to play a huge role in our lives. Thanks to them, distances have disappeared, certain standards are being created, and even businesses strive to exert a certain influence on their clients with the help of social networks, to gain recognition from as many users as possible. As a result of the above-mentioned processes, the topic of entrepreneurship development in social networks is becoming more and more relevant. The rapid development of Internet technologies and the emergence of artificial intelligence tools require detailed scientific researchers, extensive literary images and deep thinkers with a future perspective. All this can become the basis of business transformation, especially entrepreneurship.

Social networks have become a kind of centre for coordinating human relations with the function of regulating communication processes in the virtual space. Indeed, promoting products and services using social media is a relatively inexpensive way of marketing and advertising, allowing companies to have direct contact with customers and potential consumers. Of course, creating the image of a company or enterprise (even a small one), as well as sales tools, depends on the goals. In a broad understanding of entrepreneurship in social networks, the concept of social capital should be touched upon, since it underlies the interest of entrepreneurship. Ukrainian scientists Shpykulyak and Hrytsaenko (2019) derived a definition of this concept, which can be considered basic when studying the social activities of people. By their definition, social capital is a set of income-generating connections and socio-economic relations that arise in a certain social network based on existing norms and trust. Social capital is formed based on relationships within groups of people who are united by common interests and maintain informal contacts for mutual benefit and assistance. Social capital is inextricably linked with institutional formations, literally formed thanks to them. We believe that social capital plays a leading role in the development of entrepreneurship (Shpykulyak and Hrytsaenko, 2019, p. 192).

Another problem that contributes to the relevance of research on entrepreneurship in social networks is the war in Ukraine. What is the role of such a business to save the country's economy? Perhaps for states that find themselves in similar conditions, the work and experience of Ukrainian exercises will become very useful and interesting. The author of this chapter sees this as a novelty in the context of international scientific cooperation.

The purpose of this chapter is to take a comprehensive look at the development of entrepreneurship in social networks in Ukraine based on scientific literature. The novelty of this study lies in the generalization of the scientific works of Ukrainian scientists taking into account the experience of advanced foreign researchers. During the research, the author used general scientific methods: synthesis, analysis, complex approach, philosophical and theoretical justification and generalization.

BACKGROUND

According to Smal, & Kokot, (2017), the category “social entrepreneurship” is often used in a very broad sense and for a diverse range of initiatives. For many, social entrepreneurship is associated only with the activities of non-profit organizations that have started commercial activities, earning funds to realize their goals. Others use the term to refer to anyone who has started a non-profit organization. This term is often used to describe business owners who integrate social responsibility into their business activities. It is quite difficult to explain in a few words such a multifaceted sphere of human activity as social entrepreneurship and the entire range of its interpretations” (Smal, & Kokot, 2017).

According to Khan's (2022) opinion:

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