

# Chapter 1

## The Challenges of the Prosumer as Entrepreneur in IT

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### ABSTRACT

*The aim of this chapter is to put into value the importance of the prosumer as an entrepreneur in the IT domain, taking into account that an active and creative user has an important role in increasing the added value of the business. The value, recognition, and cooperation should be placed on prosumer as a strategic factor of the organisation. The transformation of the prosumer in an IT entrepreneur is generated by his/her personal accountability and by the rampant development of the IT. The Internet plays an important role in the prosumer's life from two perspectives. Firstly, it provides the needed tools for co-creation; secondly, it motivates the prosumer to become co-creative in order to comply with their own needs.*

### INTRODUCTION

The knowledge-based economy has changed the structure of the market competition and this has become more complex and difficult to deal with in real time, creating uncertainty and insecurity for the managers, investors, shareholders, and stakeholders. Therefore, managing the challenges of the prosumer is embedded in efficient organisations' activities in order to identify strategic objectives to archive results and obtain profit.

The information technology development allows people multitasking many activities at once and taking decisions simultaneously. They interact with each other on social platforms and, at the

same time, create movies, take photos, play video games, shop online, change messages using their mobile phone, BlackBerry, Palm, iPhone, or iPod.

The differences between generations are dictated more and more by the capability of people to use the information technology and to find new uses for it. Few days ago I saw a child, 2 years old, playing with an iPod. He watches cartoons and music on YouTube. The parents explained me that their child has few movies that he prefers to watch every day. Moreover, the child added every day a new movie, but he also keeps the other movies. Some movies are not so good for the child because they contain violent scenes that are unsuitable for children. Unfortunately, the parents cannot

restrain the child to find and look at these movies. In few years the child will pass from user stage to prosumer stage without any problem, because it is naturally for him to want to get as much as he/she can from the technology that he/she uses. The tools used by prosumers for doing their work have evolved from the desktop PCs, laptops, and e-mail to iPods, iPhones and other sophisticated IT tools. The children and teenagers grow up with a different motivation and with other concepts about information technology (Ruckenstein, 2011; Tapscott, 2009).

The students are so different in approaching the information technology. The students and young people consider the big amount of knowledge and information as challenge from them and they seek to find new uses for technology. The users naturally combine the learning place, workplace, and marketplace, because their modern life cannot be conceived without new information technology. Therefore, one of the peculiarities of the entrepreneur in IT lies in the facts that he/she is growing up with a brand and he/she contributes to co-innovation of products and services.

In 2006, The Cisco® Internet Business Solutions Group (IBSG, 2008) researched the prosumer's segment and found that the prosumer's market is developing. Statistically, sixty-five percent of the prosumers considered that it is very important to be accessible at all times for work, school, family, and friends. If in 2006, only fifty-eight percent of the prosumers needed to be connected at all times, during 2010-2012 ninety-eight percent of Romanian students involved in the e-learning project (Edu-Antreprenor) and MBA students at the University of Craiova affirmed that they need to be connected every time and everywhere.

This chapter begins with a description of the prosumer as concept (analytically and normatively) and the prosumers' typology. Given the ongoing research on what prosumer is, it is more meaningful to focus on what prosumer is about. It is about producer-consumer relationship; about

prosumer's psychology and motivational factors that lead to the transformation of a producer or a consumer into a prosumer.

In the next section, our particular attention focuses on the impact of Internet and IT on prosumer evolution. In this section, we will find the answer to important questions of prosumer strategic relevance addressed by organisations. The prosumer involvement in organisations makes a difference between organisations. We discuss how to integrate an analysis of the triggers to frame the prosumer issues.

The entrepreneur prosumer stage is explored in the next section. We discuss the strategic process of entrepreneur prosumer in relationship with some elements of innovation and creativity. We take into account the strategic advantage of the entrepreneur prosumer and we examine how elements of strategy of the entrepreneur prosumer are used to increase added value of organisations.

A basic premise of this chapter is that frameworks applied to understand prosumer as entrepreneur in IT can be useful for prosumer and for organisations in the decision making process. Therefore, the particularities of the prosumer as entrepreneur in IT are discussed in the next section.

We close this chapter with future research directions and systematic approaches to understanding prosumer options.

## **THE PROSUMER: A NEW CONSUMER OR A NEW STAKEHOLDER FOR ORGANISATIONS?**

The dynamic evolution of IT in the 21st century has redefined the prosumer and placed him/her in a privileged position within the organisation. Alvin Toffler tangentially discussed about prosumer, in his 1970s book (Future Shock). Ten years later, Alvin Toffler (1980) defines the prosumer as a person who puts together the needs and the

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