**How Entrepreneurs Use Information Technology in New Business Development**

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Starting a new venture has always been a difficult thing to do. In today’s world, information technology is becoming more and more of an indispensable aspect of any business. Connecting with business partners, coworkers, and customers has always been a hard thing to do. By combining a new business with information technology, the possibility for success is increased. This paper focuses on how entrepreneurs can utilize information technology in new business development.

After some simple web searches and group brainstorming, it was determined that in order to obtain useful information, the research would have to focus in on areas of information technology that were important to a new business. Through more brainstorming, simple searches and contacting our mentor, three information technology methods came to the focus; Mobile Technology, E-Commerce, and Digital Marketing. Our process involved researching the background of each of these pieces of information technology, analyzing what we found, discover results and answers to our questions and finally forming a conclusion as to why these specific pieces of information technology are so important for any entrepreneur and new business development

We first focused on the background of these technologies. E-commerce is commonly defined as a process. This process consists of executing commercial transactions electronically, or more simply, buying and selling through electronic means. During the early stages of e-commerce’s own development it had few uses. Beginning in the United Kingdom, large organizations, such as Thomson and France Telecom, utilized e-commerce solutions to buy and sell services to other businesses. As the system and idea grew, the process came to the United States. CompuServe is credited as the first business to establish a widespread business to consumer selling model in the United States when they launched the ‘Electronic Mall’ in April of 1984. The Electronic Mall was a great precursor for what we now understand and identify as online shopping.

Today, e-commerce consists of an extremely large amount of uses, and like most aspects of information technology, is continuing to grow. Advancements of secure Internet protocol, like HTTP, and a sped up Internet, led to the huge growth in e-commerce. E-commerce is now an essential part to many businesses. Today, e-commerce can be seen as shopping stores and marketplaces online.

Finding out how entrepreneurs can use e-commerce in their new business has been researched before. For example, studies have recently been completed on the reasons for using and the affects of e-commerce in small businesses as well as tech-based business. These studies will be reviewed more thoroughly later in this paper. Aside from research, there are also many websites that focus on providing different advice and potential systems (for sale) for businesses to use in their e-commerce strategy.

Mobile technology also has a long history of application in the business world. The first cell phone call was placed on April 3, 1973. The first laptop followed closely behind and began being used in 1983. These were two of the first pieces of mobile technology that really jumpstarted what is now one of the largest pieces of information technology. With the development of smart phones, tablets and laptop computes, the different applications for mobile technology in the world of new business development is endless.

Mobile Technology is one of the most utilized pieces of technology for entrepreneurs in new business development. The first big advantage that mobile technology provided a new business with was the ability to access email on the go. While that was great when it came out, today it is insufficient. We need much more. Mobile technology has evolved into a tool that can help new businesses in a variety of different ways including, productivity, client relations and communication, product development, marketing and sales.

Out of all of the different pieces of information technology, none of them make more sense for a new business then digital marketing. Digital marketing is the most important aspect to be considered in order to develop a new business. For a long time, marketers have been using traditional media such as TV, radio, newspapers and magazines. All businesses, especially new ones, need to market themselves in some way or another. Marketing goes where the customers go. As we know, technology has become a huge part of our everyday lives and marketers have caught on.

Social media has affected marketing practices and shifted the way marketers think about digital media marketing. New applications, social platforms and new devices have helped shift marketing from old media to new media. According to the RSW/US article, “thirty percent of marketers shifted from traditional media to digital media.” Today, marketers can listen to customers and respond faster than before. While this is a great opportunity, it also comes with many challenges because it is easy to fall behind. You no longer have the ability to know exactly when you advertisement will be viewed such as a newspaper or TV ad. Social media is rapidly evolving and its hard to keep up. Entrepreneurs and new businesses need to use social media as a tool to engage with potential customers and inform them about their business. According to the RSW/US article, “Agencies are increasing their use of social media as a tool for agency new business prospecting with 87% of agencies stating they use it as a tool for engagement.”

Our research for this project was performed in many different ways. We researched and obtained primary and secondary sources through scholarly research, interviews, professional surveys, and personal surveys.

Secondary research unearthed a surplus of valuable information regarding IT in new business development. The information consisted of basic definitions, histories, ideals and opinions on mobile technology, e-commerce, and digital marketing in new business development. Secondary research really helped guide our primary research.

Reviews of scholarly research and professional case studies allowed for great insight into how mobile technology, e-commerce and digital marketing are currently used by small businesses. Also, the professional case studies allowed for plentiful comprehension into how information technology affects small businesses. By reviewing scholarly research, we were able to define and ask questions we did not realize earlier or have the answers to.

 The primary research in this paper comes mainly from surveys of entrepreneurs and peers. When researching mobile technology and digital marketing, there was an abundance of scholarly research at our disposal. Based on the surveys we found of entrepreneurs and small business owners, we created our own surveys to ask peers similar questions by asking them to put themselves in the shoes of a entrepreneur starting a new business.

When researching e-commerce, a primary survey was created to gain insight on the consumer’s view of e-commerce and its utility. Survey questions asked participants: If they have used the Internet to purchase, sell, or exchange goods or services, if the participant could give a simple definition of what they thought e-commerce is, terms they thought related to e-commerce, their preference of shopping (online vs in-store), how often they use e-commerce (online shopping outlets/systems), as well as demographical questions. Interviews were also performed in order to gain insight on the entrepreneur’s feelings toward e-commerce and its utility.

Looking at our research and seeing it through the eyes of an entrepreneur in new business development helped us analyze e-commerce. By doing this, it made it easier to draw conclusions from what was discovered in our research. This helped direct results into why an entrepreneur would want to use e-commerce in their new business.

Another ‘lens’ used to determine what types of e-commerce would be most beneficial to entrepreneurs developing a new business was a consumer lens. This consumer lens was developed by findings in surveys of peers about their feelings toward e-commerce. By using this ‘consumer’ type of lens, results and conclusions could also include how an entrepreneur can successfully use e-commerce according to consumers preferences.

 As mentioned before, the advancements in mobile technology have been extremely beneficial for new business development. It has really improved productivity in the workspace. Entrepreneurs and employees in new business are now able to access work related documents on the go. In today’s world, businesses are constantly traveling and the ability to use company data and resources from anywhere is extremely useful. Some examples of when this may be useful include, traveling to meetings, working on sales calls, working from client sites or even working from home. The ability to integrate everything with mobile devices whether that’s a phone, tablet, laptop or something else, has provided a new way of working and communicating on the go. In a survey conducted by an independent research firm, Harris interactive, on small business owners across the US, more then 61% of them agreed that mobile technology serves a function in their business that cannot be completed as efficiently through other means.

 Client relations and communication has been another area that small businesses have benefited from with the advancements in mobile technology. It allows for real time communication with the office. For someone who is on a client site, they are now able to download product information straight to the clients network for presentations. This really helps with a businesses CRM system as it can be updated in real time. Another great advancement that has helped with client relations is interactive order processing.

In addition to what we have already talked about marketing and sales have also seen a big boost from the improvements in mobile technology use. Native mobile applications have helped spread product and brand awareness. It is a feature that customers really love and is a great way to grow a brand name. Many of these applications also cost money or have ‘in-app’ purchase options. This is a great way to make money for your business with mobile applications. In addition to apps, mobile advertising has really taken off in recent years. Whether you are using SMS messages, mobile websites, mobile apps, banner ads, QR codes or something else, there are som any benefits from mobile advertisements. With all of these you can customize your ads to reach your target audience. You also receive higher exposure to ads due to availability of mobile technology. For example, it is more likely for someone to see an ad on his or her phone then it is for him or her to see it on TV because of the amount of time people spend on their phones. In the Harris interactive survey mentioned before, current small business owners use and see tremendous potential in mobile marketing.

 Product development is one more area that has seen significant growth with the implementation of mobile technology. The interactive nature of mobile technology provides quick feedback on products and services from customers. This allows businesses to utilize this feedback for faster research and development that helps it stay ahead of the competition. This leads to faster product development and upgrades. The most important thing in all of this for a small business is the use of mobile technology in product development allows the client to feel as if they have more of an impact on the product and/or service they are paying for. This leads to greater brand recognition and loyalty.

 One of the main uses for digital marketing in new business development is social media. Social media is where many potential clients and customers are. By September of 2012, Facebook had one billion users. More then half of those users, also access Facebook through their mobile phones. With this many people in one place, it is extremely valuable for marketers. The strategy has changed from traditional advertising. When creating a TV advertisement, you know that people will see it, you just need to make sure people will like it and take action because of it. With social media marketing, a new business needs to devise a strategy to attract users to their content.

 Another great benefit of digital media and more specifically social media is the ability to target a specific demographic. Users on Facebook create their own personal profiles that list personal interests, gender, religion, where they live and much more. This allows new businesses to target a specific demographic or audience that they are trying to attract.

 One of the most important aspects of digital and social media is the ability to engage with clients and customers. It is critical for a new business to be able to accumulate important data such as where there audience is, what are they talking about, etc. By engaging on social platforms and asking questions to potential customers you can gather extremely important and useful information. This leads to quick feedback on your products and helps build a brand name and image. Entrepreneurs and new businesses are still learning how to properly use social media in order to take advantage of all that it offers in terms of marketing their new business.

 Researching e-commerce uncovered a lot of information. By analyzing this information, results were concluded in order to help find ways for entrepreneurs to utilize information technology. First, facts were obtained to determine whether or not e-commerce is feasible in new business development.

 E-commerce, like many types of technology is on the rise, especially within small and new businesses. Our research supported this. For example, of small and new businesses that sell something online, 64% of them stated that selling via the Internet increased their revenues or sales. In fact, the Internet is becoming an increasingly important part of retail sales in the United States. The figure below shows the consistent increase of e-commerce sales as a part of retail sales from 1999 until 2007.

 

 Today, e-commerce sales are 5.1% of total retail sales in the US. Due to this obvious growth in e-commerce, new start-ups are defining new, quicker and simpler ways of buying and selling online. Great examples of these include Kout, Gumroad, Chripify and Ribbon. These new start-ups are one of many options for entrepreneurs seeking an e-commerce system to help their new business development. Aside from new up incoming solutions, there are more traditional solutions. These include simple HTML shopping carts, licensed software solutions, or even selling via Amazon or Ebay stores. One important aspect of e-commerce found through surveys is that consumers often enjoy shopping online when it reflects the in-store shopping experience. This is an important factor to keep in mind when considering an e-commerce platform.

 Research also leant itself to the result that e-commerce is popular. E-commerce is popular with both consumers and businesses. For example, in a recent Oracle E-Commerce Survey, the most invested technology by businesses was an e-commerce platform. From surveys of peers, every participant had bought something online. Also, the use of e-commerce by participants is increasing. 15% of participants use the Internet to buy products online very often.

 The final aspects of research on e-commerce lead to two important findings. First is that implementing an e-commerce solution can be very inexpensive for the new business. Designing your own simple shopping cart web application in order to sell a product or service. Also, the efficiency of e-commerce was an important finding. The inexpensiveness and efficiency of e-commerce together lead to a more important finding. This is the ability to reach customers from every corner of the country and potentially world.

 With the new developments in a growing market it is important to think about the future when it comes to e-commerce. As e-commerce continues to develop, having an online outlet will be extremely important.

Based on the different types of research we conducted, especially scholarly research and surveys, we found some very interesting results on how small business owners view the present and future of mobile technology and its impact on their business. A survey conducted by Harris interactive of small business owners across the US, pointed out what parts of mobile technology small business owners see with the most potential as well as what they consider the biggest barriers. In terms of significant potential for mobile technology, 68% of small business owners think communication has the greatest potential. 31% see CRM as another area that could benefit as well as 21% for order processing, 40% for GPS, 35% for marketing and 23% for project management. In terms of the biggest barriers for the use of mobile technology for new business development, 33% of small business owners see few relevant uses for their business. 25% of them are worried about the cost while 14% don’t know if they cane take the time to learn and only 11% lack the technical expertise and 7% have security concerns.

 As we can see from the results above, entrepreneurs and small business owners across the US are very aware of the potential of mobile technology as well as some of the problems in may present. The survey also asked these business owners who they think benefits most from mobile technology. 84% of them said Individuals/Entrepreneurs and Small businesses. As a group, we also conducted a survey of peers and classmates. We asked, “If you were starting a new business, how big of an emphasis would you put on utilizing mobile technology?” Close to 65% of them answered that they would place a large emphasis on incorporating mobile technology into their new business strategy.

 From our research we have found that digital marketing is still a tool that new businesses are trying to adjust to and take advantage of. The results of our research have shown that social media marketing really requires certain skills and knowledge in order to be effective. Some marketers have complained that they did not see results from their social marketing efforts. According to the RSW/US survey, “29% of marketers think social media is not effective in new business.” What we have discovered from our research as that in order to be truly effective in social media marketing, you must provide interesting content and focus on the user, not just your specific service or product. Those who provide intriguing content and deliver powerful messages at the right times when users are active are seeing positive results from their efforts.

Creating content and posting it is the easy part in digital marketing. The hard part is making sure the content you are delivering has value to the user who will be seeing it. New businesses must understand user behavior in order to reach the maximum number of users with their content. Amanda Norris from Marketing Zen explains that, “finding the right blaze to communicate your message is a function of targeting your message to the right audience, and then finding the communication channels that reach that audience. ” Using digital media correctly for marketing and provide new opportunities for new businesses to interact with users across different social platforms and influence and engage them with their brand.

 With so many different digital and social platforms available, it can be challenging for a new business to decide which are best suited for them. In a survey shown below, marketers responded to which forms of online content marketing they currently use.



Many of these platforms differ from one another in functionality and purpose. It is not necessary to use all social and digital platforms. Entrepreneurs and new businesses must choose among them, which best fit, the goals of their business. Once they have chosen a platform, marketers can then ask themselves whom they are trying to reach and how they can go about doing that. Charles Lamb explains that there are really six different categories of social media users; creators (Create content and share it online), critics (post comments, ratings and reviews), collectors (use RSS feeds to collect information), joiners (maintain their social networking profiles), Spectators (read blogs, listen to podcasts), and finally, inactive users who do none of these things. Identifying these user categories is significant to new businesses in order to have effective interaction with their users.

 Entrepreneurs in new business development for many reasons should utilize e-commerce. They include the power, efficiency, and future potential of e-commerce. The power behind e-commerce is that new businesses can immediately start selling to a large audience of potential customers. The efficiency of e-commerce comes from the ability to sell to massive amounts of consumers anywhere at anytime. Finally, with the world moving toward a digital age, e-commerce is an ever-important part of joining that digital age, and should be utilized.

 In conclusion, this paper gives insight into how and why an entrepreneur would use e-commerce in new business development. Entrepreneurs looking to implement information technology should consider an e-commerce solution. Tech-savvy or not there is a way to utilize e-commerce. Whether it be a software solution, or an original solution, it is important to consider what type of e-commerce platform is right for the type of business being developed. If something being sold is simple, like a merchandise sale, the online feature should reflect this. Overall, knowing the business and what is being sold, should have a great effect on what type of solution is chosen.

To conclude what we learned about mobile technology, the five major benefits of mobile technology in creating a new business are increased productivity, flexibility, profitability, connectivity and control. Mobile technology continues to grow each and every day and its application to entrepreneurs and small business will grow along with it. Because of the huge amount of mobile technologies available today, there is a specific strategy that we would recommend based on our research. For the entrepreneur looking to utilize mobile technology for new business development we recommend starting by defining the goals of the business. Different mobile technologies can be utilized to accomplish different business goals such as mobile advertisements for marketing and mobile CRM for productivity. It is important to alight your business goals with which mobile technologies can help. Once you have done this you must weight the pros and cons of using that part of mobile technology. For example does the increase in productivity outweigh the time and people needed to implement and maintain the new mobile strategy? If so, then you are ready to go ahead and develop and implement that strategy. Once you have define goals of the business, you can then develop a specific mobile strategy based on what technologies you will be implementing.

Concluding what we have learned about digital marketing, socil and digital media have really changed the way new businesses go about marketing. There is an increasing awareness of the benefits of social media and its impact on new business development. For a entrepreneur or new business with a tight budget, digital marketing is an extremely cheap and effective way of growing your customer base and building a brand name. Social media offers unique opportunities to personally interact with your customers and get feedback. It encourages new businesses to improve their customer base by interacting with them across all the different platforms out there. SocialMediaToday’s website shows that 62% of new customers come from social media. By aligning your business goals and target audience with specific social and digital platforms, any entrepreneur can develop an excellent marketing strategy for the development of their new business.

Information Technology is growing everyday. For any entrepreneur looking to develop a new business, there are a multitude of technology options to take advantage of. Based on our research and findings, the most important thing for any entrepreneur is before picking which technologies you will use, form a well thought out business plan with specific goals. That way you can choose which technologies can best help you achieve those goals and more? With that said, mobile technology, e-commerce and digital marketing are three technologies that any entrepreneur looking to start a new business should take advantage of.

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