

Importance of Professional & Social Networking for Entrepreneurs

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Abstract: Studies have consistently found information technology (IT) enhances the business operation and performance, but the adoption of IT among micro- enterprises for business growth is still considerably poor. The factors that influence the micro-enterprises to actively embrace IT that include social networking sites and whether the adoption has led to stronger business performance have become the major attention of the social networking research. Hence, our product deals with investigating the factors that influence micro- enterprises to use social networking as a business platform and examining the relationship between social networking use and the micro-enterprises' business performance. The resultant draws a substantive attention to the understanding of utilizing social networking sites as readily available and low cost technology as a business tool, especially among micro- enterprises.

Keywords: Venture Capitalists, Pre-Launch Start-ups, Consultants, Angel Investors, Top Entrepreneurs.

I. INTRODUCTION

Business Networking is a great way to build relationships online and cooperate with people on the Internet for business. Networking is a good way for people and business men to establish relationships online. It is important for the people participating in it to ask themselves what their goals are. It is also important to know what you are doing and why. You should tell people about your networking if you see that they will benefit from it. This way, people can get answers to their questions very quickly. If we find a doctor interested in politics, but doesn't know a thing about it. He always has the choice of joining some sort of network, and getting help from an actual politician, who can answer the questions that the doctor was confused about.

Social networking has been transforming the delivery and structure of information to reach individuals. The Successful social networking sites which include Facebook, Twitter, Myspace, Friendster and Blog is often seen to benefit underserved communities to achieve the benefits of globalization, particularly to micro-enterprises. According to [1], social networking platforms have a long way to go before they are able to replace more traditional business tools for improving the business performance. A growing number of channel players are discovering real-world business benefits when users get connected via these online platforms.

II. REVIEW OF RELATED LITERATURE

A. Social Networking and Micro-Enterprises

In recent years, social networking has exploded as a form of interactive communications. Social networking has become a popular topic in dynamic website development and it has become a new paradigm for communication tools and involved millions of people to get connected with social networking. The importance for business operator to enforce the usage of social networking in their businesses is highlighted, as it will be the open gate for them to explore the effectiveness of their business

marketing and customer relation in future target and goals. The Facebook is considered as one of the popular social networking tools to connect with new customers and suppliers. A study on social networking application in micro-enterprises businesses concludes social networking contributes many advantages to micro-enterprises businesses in term of profit and business performance. By utilizing the social network, business operator can promote, advertise and sell their products to a wider market. Social networking is a cheap yet reliable business platform for micro-enterprises and its usage will contribute significantly to the business performance. Thus, it has a direct link to the economic development of the group. However, during the initial years of social networking presence, found traditional micro-enterprises were not keen to adopt IT applications, particularly social networking for business development, marketing and management mainly dues to cultural and perception of adoption difficulties. Furthermore, the owners' background and level of education have also been found as the hindrance factors. Further ads micro-enterprises required a long period to learn about IT and it takes some time for them to decide to embrace the applications

B. Conceptual Framework

Several factors that relate to the social networking usage for enhancing business have been identified by searching and reviewing the articles and journals. The first factor is social pressure which arises from both customers and competitors. Sometimes customers prefer to place online orders due to ease of reach, flexibility and wider selection within one touch. In addition, since the competitors are also using information technology to promote their products, it creates a force for micro-enterprises to also use information technology to operate the daily business operation. The second factor is perceived usefulness. Microenterprise operators are perceived to use the internet or social networking for the business performance purposes. The last factor is facilitating condition in which

the condition nowadays is online basis trends. Everywhere people can access to the internet for personal purposes. These three factors are perceived to predict the microenterprise operators to have the intention to use the social networking in which the actual usage can lead to excellence business performance.

III. RESEARCH METHODOLOGY

Using a random sampling technique, data was collected from micro-enterprise operator of E-bizindia Pvt. Ltd. 50 participant employees took part in the study. To control for business and ensure the participants fit with the criteria of having used social networking, a question of whether they have access to the internet and utilize any kinds of social networking was asked. However, only 45 responses were used for the analysis. The respondents' profiles are shown in Table I.

TABLE I. PROFILES OF THE RESPONDENTS

Measures	Items	Frequency	Percentage
Business Status	Full Time	62	53.9
	Part Time	31	27.0
	Temporary	22	19.1
Age of the Operators	Less than 25 years	75	65.2
	26-30 years old	19	16.5
	31-35 years old	12	10.4
	36-40 years old	9	7.8
Highest Academic Qualification	SPM	43	37.4
	Certificate	11	9.6
	Diploma	31	27.0
	Degree	20	17.4
	Other	10	8.7
Frequency of Social Networking Usage	< 30 minutes	24	20.9
	1 – 2 hours	39	33.9
	2 – 5 hours	24	20.9
	> 5 hours	28	24.3

The questionnaire was pre-tested by an expert from the Industry and a lecturer in the area of concern to verify the Content validity of the questionnaire. They were asked to critically evaluate the questionnaire with regard to the objectives, contents, clarity and ease of completion. In addition, a pilot study that consisted of micro-enterprise in Pune was conducted to determine the reliability of the professional networking in entrepreneurship.

A. Trends in Entrepreneurship in India

Given the increasing significance and visible impact of Entrepreneurship in wealth-creation and employment generation, NKC considered the subject to be of immense importance in India's growth and development. This study explores factors that have advanced Entrepreneurship in India as also various others that could further encourage and facilitate even greater growth. The methodology adopted for this exploration includes structured one on one interviews with entrepreneurs and other stakeholders in the entrepreneurial ecosystem (such as educational institutions, incubation centres, the banking and financial sector, including angel investors and venture capitalists, as well as chambers of commerce, entrepreneurial

associations, etc.) across the country. Most of the entrepreneurs interviewed were from Pune.

Figure 1.2: Registration of new companies according to nature of economic activity

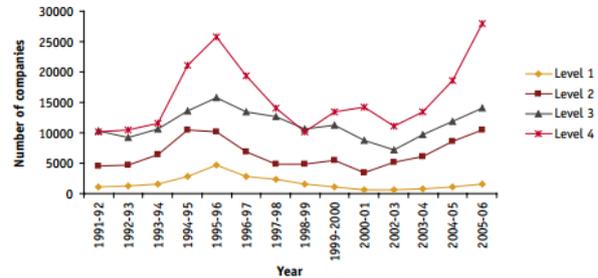
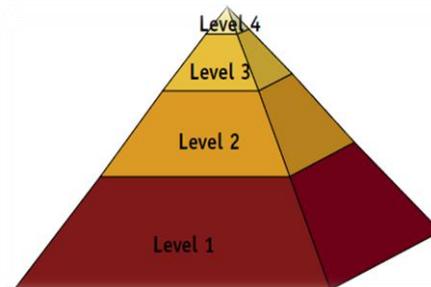


Fig1Source: Based on data received from Ministry of Company Affairs

Fig. 2 shows an example of a low-resolution image which would not be acceptable, whereas Fig. 3 shows an example of an image with adequate resolution. Check that the resolution is adequate to reveal the important detail in the figure. Please check all figures in your paper both on screen and on a black-and-white hardcopy. When you check your paper on a black-and-white hardcopy, please ensure that:

- the colors used in each figure contrast well,
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B. Entrepreneurship Pyramid



The Entrepreneurship 'Pyramid' in India (in terms of sectors and numbers of people engaged) is made up of the following:

- Level 1: Agriculture and other activities: Crop production, Plantation, Forestry, Livestock, Fishing, Mining and Quarrying.
- Level 2: Trading services: Wholesale and retail trade; Hotels and restaurants.
- Level 3: Old economy or traditional sectors: Manufacturing, Electricity, Gas and Water supply.
- Level 4: Emerging sectors (including knowledge intensive sectors): IT, Finance, Insurance and Business services, Construction, Community, Social & Personal Services, Supply Chain, and Transport -Storage-Communications etc.

IV. DISCUSSIONS

A useful online business makes the business performance as more excellence. In order to achieve the high level of targeted business performance while creating self-personal Brand, the micro-enterprise business operator needs to explore and expose them in the internet. Moreover, it is also to satisfy the customer's needs and wants. In a layman term, satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met his or her needs and expectations. Due to this technology era, micro-enterprises business operator must know how to upgrade the business by following the customer's buying trends. This study was undertaken to create a better understanding on the intention of social networking usage affecting the actual usage of social networking in microenterprises to improve the business performance. The results of the study indicate that the factors affecting the intention of usage are highly reliable due to the advancing technology era. As an overall result, the intention to use social networking affects the actual usage of social networking that leads to better business performance.

V. CONCLUSION

Social networking is without no doubt important to promote and market products and services. Social networking technology has the potential to improve internal communication, taking information out of business unit and making it widely available across the company. In this context, it allows the business operators to be better-informed, which leads to more creativity, innovation, and productivity. Some micro-enterprises who use these technologies have found that the increased information flow results in shorter development cycles for products and services. This creates for the businesses to be more competitive, yet more profitable. However, there are many other potential uses of social networking technologies. For example, each business operator could have a profile and could post status updates or product update when selling new product on the market. Besides, a micro blogging tool could be useful for a free flowing promoting and creating personal brand to inform the customers.

The findings of this study have implications for improving the business performance of the micro-enterprise. In order for the micro-enterprise business operators to utilize the internet and social networking in future, a few suggestions as highlighted below:

1. In order to meet customers' expectation and achieve higher level income, the micro enterprises should consider starting using the social networking as their main tools to expose their products in order to remain competitive.
2. A strong environmental and surrounding pressure has played important roles in affecting the intention to use social networking. The factors help for better understanding on the importance of social networking in this advance technology era. Indirectly, it will embed the intention element for utilizing the social networking.

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