

# The Factors' Contribution in the Start-Up Process and Success of Tunisian Cyber Enterprises

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## Abstract

The present study focuses on the relationships between entrepreneurial characteristics (Training, success-oriented trend, control locus), Strategic and managerial factors (E.networking, Business model, Management team), Service-quality related (reliability, responsiveness, Site quality), and the success of e-commerce entrepreneurs. An exploratory study has been conducted through semi-structured interviews. The reached results reveal that the factors', in their entirety, appear to enhance well the studied net-entrepreneurs and explain the success level of the Tunisian cyberenterprises.

**Keywords:** Start-up • Entrepreneurs • Cyber entrepreneurship • E-commerce • Internet

## Introduction

### Jel classification

Entrepreneurship is considered as an engine of nations' economic growth and social development. It concerns different aspects of reality and accounts for the policy makers' various concerns and expectations as well as those expressed by the concerned participants and entrepreneurs. Indeed, the latter "create wealth, jobs, are true gifts that the company must hasten to recognize, to value and exemplify", as highlighted by [1]. Noteworthy, however, despite the persistence of some recognition of the legitimacy of entrepreneurship as a proper science, in its own right, research in this area remains still fragmented or, rather, exploded [2]. According to this no definition, subject of a consensus, has so far been reached for a general theory to be constructed [3]. In fact, through contributing to economic reconstruction and development, business and entrepreneurship creation are considered as crucially vital phenomena to society. More recently, entrepreneurship has currently occupied a strategic position worldwide and constituted a critically important economic and social challenge.

This area remains quite dynamically interactive with the environment and its related mutations, particularly, with technological development and economic dematerialization. Throughout time, information has constituted a versatile key to the promotion of managerial practices through its collection, processing, centralization and dissemination modes. Henceforth, the dramatic evolution of information use has largely been explained by the widespread application of information and communication technologies, they have drastically revolutionized our perception of the world, as well as our response manners to different situations. Consequently, experts and specialists tend to dub this new era as that of the new economy or information economy, in which knowledge and information constitute the cornerstones of any development and represent the most important strategic resources.

The growing development in information technology has significantly affected businesses and markets. They are currently revolutionizing the world more permanently and deeply than has any other technology done in the history of mankind [4]. Hence, a new economy, in which knowledge stands

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as the most critical strategic resource, entails companies to reconsider their traditional routines and take advantage of the available value-creating tools. In the meanwhile, the tool that actually stands as mostly crucial in the business world is the Internet. Indeed, the latter represents trade infrastructure, whereby people could exchange information at a rate that has never been witnessed before [5].

Actually, there exist two types of companies operating in this new digitally predominated economy. On the one hand, there are companies with a physical presence (traditional companies), using the Internet as a new distribution channel or, rather, as a logical extension of their traditional activities. On the other hand, there exist dotcom, Internet startups or cybertraders, particularly designed to operate in this new environment. Such companies are playing an important role on the Internet. Dotcoms are usually set up by entrepreneurs on the Internet, also dubbed cyberentrepreneurs, establishing a business that is predominantly founded on electronic commerce, and whose major activities are based on networks exploiting Internet, intranets and extranets. As a matter of fact, the new entrepreneurial mode appears to be a phenomenon that is still in emergence phase.

The new Internet-enterprises as "e-business" and e-business use respectively, as highlighted by, "push as mushrooms and put several people to work" [6,7]. Through the development and progress of new information technologies, the cyberentrepreneurship seems to have a potentially promising future for many individuals eager to innovate and determined to exploit the opportunities made possible. It is in this context that the present research work can be set, with the primary objective being to study the key success factors lying behind the noticeable success marking cyberentrepreneurship. To this end, data has been collected via semi-structured interviews, conducted with three Tunisian cyberenterprises. For this sake, our investigation would rest on a case-study based qualitative research method.

Factors related to the e-business application such as perceived benefit Fits, compatibility, perceived costs, perceived risk and security, complexity, testability and observability can be classified as technological context. Meanwhile, factors related to internal resources of SMEs such as support, nancial resources, innovation and e-commerce expertise can be characterized as an organizational context. The e-business factor of expertise is particularly essential in today's digital workforce as it provides the foundation and can influence the progress of SMEs in e-business-use [8].

## A Literature yet Little Bloated on the Subject

The new economy concept initially appeared in 1995, particularly through the Business Week published article "new thinking about the new economy".

This period coincides with the development of informational and technological tools worldwide. Actually, this concept appears to exceed the simple fact of startups. It has begun to make a subject of study, and heads towards a theoretical and empirical validation of its existence. In this respect, considers that the new economy helps greatly in encourage entrepreneurial behavior, as "new data" is being witnessed [9]. These new-economy related ITs (information technologies), namely: Internet, intranets and extranets, represent powerful tools likely to help enhance commercial transactions, minimize these transactions' relevant costs, establish partnerships with customers, suppliers or even competitors, regardless of their geographical location, and seize business opportunities. Thus, these it would enable the business to transcend the spatial and temporal barriers in such a way to establish connections likely to boost productivity and further stimulate the promotion of innovation. All this has made specialists call this new era as being that of the new economy, or information economy, in which knowledge and information constitute the pillars of any development and the most crucial strategic resources. The advancement of New Information and Communications Technologies (NICTs) has always been regarded as the quintessence of the new economy. Indeed, these new modes of communication have made knowledge transmission and the dissemination possible. As a result, companies have been enticed to switch towards a situation in which intellectual work turns ought to be indispensable and where employee qualification appears to be a key asset [9]. As a matter of fact, the new economy proves to be, also, labeled "information economy", emphasizing the importance of knowledge. The various interactions prevailing among the new technologies and business practices have recently resulted in the emergence of a new mode of entrepreneurship, known as cyberentrepreneurship. As a phenomenon still in emergence phase, cyberentrepreneurship appears to require further and more intense theoretical and empirical research, likely to provide thorough description of its factors and impacts. Creation of such companies as the virtual ones represents the central entrepreneurship pertinent issue marking the 21st century. In effect, the advent of such undertakings may well positively contribute in fighting against unemployment, which continues to strike young graduates, as they do not entail considerable means to set up.

Noteworthy, however, success of such undertakings seems too dependent largely on the importance attributed to technological and informational tools prevalent within a country. This can only be achieved through legislation likely to protect and promotes the creation of the "virtual" company, e-enterprise or e-business. The major objective lying behind a virtual enterprise consists in allowing a certain number of organizations to exchange and transact goods and/or services with the necessary promptness and flexibility. In this respect, and according to the virtual enterprise is a temporary network of interdependent institutions, organizations, firms or individuals who, on applying information and communication technologies' spontaneously and jointly unite together to achieve a goal. Yet, it turns into an entrepreneurial undertaking through implementation of the new economy associated information technologies. Still, despite the cyberenterprise's virtual aspect, of as reflected by its existence and functioning on the cyberspace, it involves an entrepreneurial event. In addition, it encompasses a networking type of organizational structure. It is internally organized in the form of processes' "clusters" and intranet linked functional teams. Moreover, it also develops alliances and partnerships on the extranets and the Internet with strategic partners that might well prove to be customers, suppliers, subcontractors or even competitors. The e-Business, whose main activities involve the use of networks based on Internet technologies, intranet and extranet is a virtual company, but the reverse is not true. Indeed, it englobes a special case of the virtual enterprise, and is primarily the result of the entrepreneurial process. As such, it will be treated under the aspect of entrepreneur, more particularly the innovator as he/she/it represents the major operator of the business' activities. In the entrepreneurship area, some authors make use of the key success factors in trying to explain the business creation process, in a bid to target the company's competitive advantages as well as its strategy. According to the management dictionary, the major factor of success lies in the decisive advantage of the company competitiveness

relative to its competitors. It actually lies in the quality/price ratio, in the after sales' service department, within the commercial image. Researchers in the field have predominantly been interested in the creative process along with the key success factors of an e-Business [10,11]. Relying on the model of Carrier, Raymond and relevant to an e-Business creation process, most authors have undertaken to study the e-enterprise emergence and establishment process, as well as the competitiveness factors and strategies, in which the net entrepreneurs are interested [4].

According to the model devised by relevant to the key success factors of entrepreneurship in e-commerce, many researchers tend to study the relationships governing, on the one hand, the entrepreneurial characteristics (success orientated trends, the risk-taking propensity, the control locus, networking), the electronic service related factors (reliability, responsiveness, ease of use, self-service), government support and, on the other hand, the entrepreneurs' success in the field of e-commerce [10]. Relying on the model set by relating to the e-business setting up process and its competitive factors, along with that proposed by concerning the key success factors of entrepreneurship in the e-commerce, we consider to put forward our research pertaining conceptual model, which the depicts the key success factors of cyberenterprises [4,10] (Figure 1).

## Study Overview

Given the fact that this research area constitutes a new topic of study that is still in its development and exploration phase research has not yet reached a final motivation stage as to the key factors of success, including the individual factors as well as the strategic and managerial factors, along with the service e-quality ones. The study of cyberenterprises, as presented in this study context, has allowed us to draw initial knowledge with regard to this important generation of new entrepreneurs. The present study has been implemented and performed with respect to three Tunisian cyberenterprises. Data collection is performed through semi-structured interviews along with a field conducted observation. Actually, in the field in fact, e-commerce development phases depend highly and particular by on the Internet integration level within the company presence level on the value chain, both upstream and downstream,

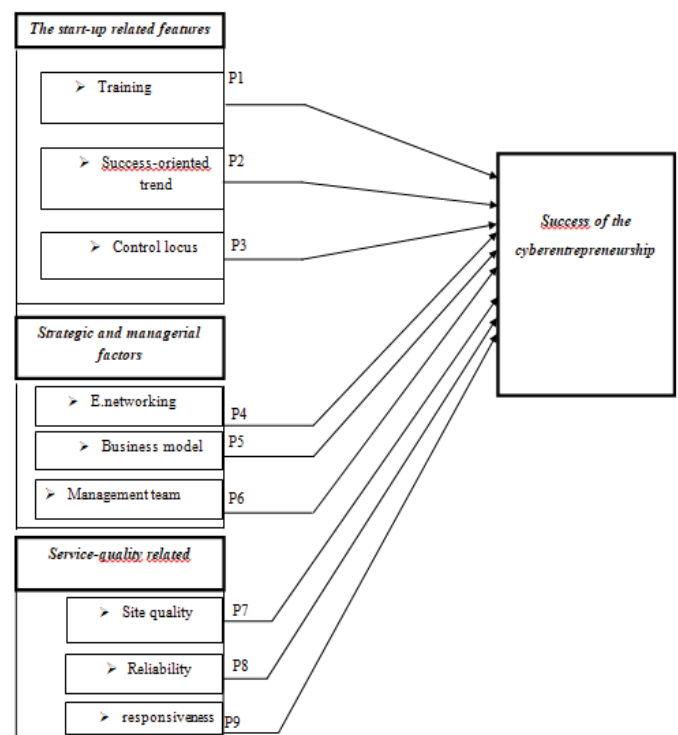


Figure 1. The research proposed conceptual model.

its business models, e-business strategy a long with and various engines and barriers to Internet adoption.

## Reached Results

It is worth recalling this study is focused on highlighting the emergence of the cyberentrepreneurship subject. It presents an attempt to realize how such a phenomenon actually takes place in practice, and to particularly determine the evolution of cyberentrepreneurship over time. Indeed, consists mainly in explaining how to set-up a successful e-Business and make it evolves. Similarly, the research is aimed to clarify the role of individual, strategic and managerial factors along with the service-quality ones in maintaining success for the Tunisia-based cyberenterprises. For this sake, a case-study approach has been opted for as a qualitative research methodology, for the purpose of generating and analyzing descriptive data, such as the written or uttered words and speeches as well as people behavior. Such an undertaking refers, actually, to a research method based on the meaning and observation of a social phenomenon within a natural context (Table 1). Illustrates well and helps visualize a general descriptive overview of cyberenterprises as subject of the present study.

This empirical study, relevant to three Tunisian cyberenterprises, yoopy.tn, e-devis.tn and sobflous.tn, already presented, is part of a research dealing with the theme of cyberentrepreneurship, and is intended as an attempt to remedy for the lack of contributions concerning this subject.

The purpose of this work lies in recognizing the modes where by the cyberenterprises evolve and develop over time, along with the impact of the of individual factors, policy and service-quality factors on promoting and motivating the newly-created cyberenterprises in Tunisia.

Through adoption of the content-analysis method, the gathered data appear to look like presented as answers to questions.

## Individual Factors

As can be noted, the entirety of entrepreneurs are discovered to have advanced training curricula, as two among them are holders of an engineering diploma and the other is of a license degree in computer sciences. So, with respect to Cyberentrepreneurs, it is plausible to believe that specialized and advanced training tends to play an important role in this very particular sector (Table 2). Indeed, all of the respondents turn out to have a university education.

Two cyberentrepreneurs prove to have a solid expertise and qualification in the area of computing. It is also worth noting that the entrepreneur in e-devis.tn has had an initial training in marketing, and received a specific training in sponsorship programs for the purpose of set-up his proper e-business. Noteworthy, given his young age, it turns out to have no long expertise in the field. Thus, the proprietor of sobflous.tn, who has pursued a complementary training in payment via electronic portfolio, also enjoys a

significant experience 5 years of specialization in the web has had respectable five-year web specialization experience. Finally, the proprietor of yoopy.tn has had respectable computer training. He enjoys an extensively solid experience, since he has already worked for having worked 8 years as an IT project manager. Hence, the first proposition (P1) turns out to be accepted and conformed.

### Locus of control

The three interviewed cyberentrepreneurs appear as if they were people belonging to the same internal type members of the same or personnel. Indeed, they prove to provide the same response with regard to the locus of control. Indeed, they firmly believe that their performance and, achievements turn out to depend highly on their proper personal efforts. Thus, the second proposal (P2) proves to be accepted.

### The achievement orientation

The net three of these net entrepreneurs appear to look similar with respect to several aspects, above the initiative, taking spirit the desire to come up with new ideas, and the relentless search for innovation. Besides, they have been constantly willing to improve their online broadcast offers or diffused and make use of the latest opportunities offered by the Web.

In this way, the third proposal (P3) appears is accepted and affirmed.

## Strategic and Managerial Factors

### E. networking

Similarly, the three cyberentrepreneurs have all had a significant network of contacts to and impose their existence on the net. Among the types of contacts: customers one could find: suppliers and partners.

So, proposal (P4) turns out to be accepted.

### Business model

The founder of sobflous.tn flatly established a formal business plan at the time of the creation of his net company. The main funding sources were his personal contribution along with a bank loan. As for the income source, it consists in the sale of products with a commission margin. At the setting up time, there were already existing competitors in the mobile phone online recharge, and they were the first to operate in the electronic portfolio. The company proprietor is???? Target customers all types.

Among the reasons of their offer over is strength, relevant to the traditional sales channels, one could cite: portability, no need to travel, availability and ease of use of the product. It often appears to subcontracting for the management of specific operations of their e Business, including computing with regard to web services and online payment.

For yoopy.tn, for instance, the business model is based on product sales as a major main source of income. Besides; it provides display spaces on

Table 1.Descriptive data of the cyberenterprises subject of study.

Cyberenterprises	Creation date	Number of employees	Average annual turn-over	Business type	Product or service offered
Sobflous.tn	2013	6	Not available	B2C	A free electronic portfolio, permitting to put money into an online account and make different secure transactions.
E-devis.tn	2013	4	Not available	B2B and B2C	Price comparator proposing product quotes
Yoopy.tn	2013	5	between 15 and 16 thousand Tunisian Dinars (TN,D)	B2C	A wide range of products at promotional prices

Table 2.Shows the profile of the three owners net entrepreneurs studied the cyberenterprises.

Profile	Yoopy.tn	e-devis.tn	Sobflous.tn
Training	computer license	Markets Engineering	Computer-science Engineering
Experience	8 years as a project head	No experience	5 years in web specialization
Age	40 years	24 years	33 years

its website for advertising. As for the financing source, it consists in auto finance jointly with personal contribution. The yooopy.tn site targets customers of all types. Prices discounts and home delivery are two major advantages of this e-enterprise offer and supply. To stress the "core business" of the company and to be on the lookout for new ideas, the proprietor has resorted to sub-contracting most of firm's operations, including: inventory management, expedition, computerizing, human resources and accounting.

Finally, with respect to the e-devis.tn company the income source consists in selling subscriptions to suppliers, and concerning the project funding source, it items from, self-financing with a personal contribution of about TND. 4000. At the creation date, the creation date, the company was the first to operate in this area. The e-devis.tn site caters for companies, but also provides services to private individuals. The primary advantages of their offer begin creating sales opportunities.

The company has outsourced the computerizing part of their activity types. In its online catalog, e-devis.tn is oriented to all sectors of activity, whether to particular individuals (Automobile, Home appliances and Garden, Electronics, Computerizing and Hi-Techest.), or to professionals (Automobiles, Home Appliances, Computers and Hi Tech, Buildings, premises and miscellaneous works, Marketing and Sales, Furniture and Furnishings, Business Services etc.). The entirety of respondents highlights the critical importance of their business model for the success of their e-businesses. The funding sources, offer originality and the strategic choices relevant to the management of activities turn out to be essential factors for success on the net.

Consequently, proposal (P5) appears to be accepted.

## Management team

Most of the surveyed entrepreneurs responded similarly regarding their management teams characteristics, based mainly on perseverance, patience and competence skills. They motivate their employees through kindling and enhancing team work and collective spirit with adequate working conditions in a bid to get a simultaneously creative and productive management team.

In this way, proposal (P6) proves to be confirmed.

## The Service-Quality Related Factors

Concerning the site quality of e-devis.tn site, the most important element among the following (navigation, design, content organization, interactivity and information usefulness), from the customer point of items, turns out to be navigation, i.e., ease of use and the pages response time. In terms of service quality, the team's responsiveness constitutes the most crucial part for customers to get prompt responses to their raised questions and solve the encountered problems. With regard to Sobflous.tn, the essential element for their customers regarding the site quality level besides in interactivity, whatever the page might be, whether Facebook page, forum etc. Besides, the most important element in the customers' eyes, concerning service quality, consists in security through security protocols. Finally, design and ergonomics, with respect to yooopy.tn, turn out to play an important role and represent the major key element for customers. Concerning the site quality, personal data and payment security, stands also as most crucial for customers. As a result, proposals P7, P8 and P9 appear to be affirmed.

## Discussion

The empirical results achieved through the present research work appear to affirm the need for the e-entrepreneur to have a high-level specialized university training in order to succeed, and even's well, in the electronic commerce area this finding proves to corroborate well the results documented by as well as [4,10]. Similarly, our attired results, along with those published by seem to confirm well that the success oriented tendency as well as the locus of control turns out to stand as enhancing factors for the cyber entrepreneurs to achieve success [10]. Noteworthy, however, e-networking, as a very crucial factor for Tunisian cyber entrepreneurs, does not seem to stand as significant

for the Thailand entrepreneurs [10]. As regard the e-service quality factors, information reliability and site usability prove to play an important role in the success of Tunisian cyber enterprises, a fact which appears to conform well to the results reached by, who have discovered that reliability constitutes the most critical factor for success on the Internet followed by the ease of use factor [10]. Yet, responsiveness, which has not been a significant element for, proves to be quite acceptable with respect to our model [10]. This finding could have its explained in the fact that e-commerce in Thailand proves to be much more developed than in Tunisia, and that the responsiveness issue has already been surmounted there. This does not seem to be the case in Tunisia, where the cyber consumer highly seeks promptness, and responsiveness for their needs and requests to be well satisfied. Compared to the models devised as well as those of, the model applied in the present research work appears to further incorporate certain strategic and managerial factors relevant to the e-Business success [4,10]. The sources business model characteristics, pertaining to the target choice, offer, income sources and activity management sources as well as the management team support appear to have a positive effect on the success of cyber entrepreneurs. Following the collected data analysis, the most important of the success factors, as considered by the cyber entrepreneurs, have been detected, namely, training, e-networking, the managing team, the business model as well as the e-services-quality. The analyses performed on this relatively new issue that of cyberentrepreneurship, have allowed us to verify and validate our suggested proposals, and revealed that the individual, strategic and managerial factors along with the service quality ones turn out to be crucially essential factors the success of creating and managing of a cyberenterprise.

## Conclusion

Like any results following a qualitative research, the results reached by the present work can by no means be generalized, given the limited number of treated, cases, which stands as for this a limitation research. Yet, within a context where all the present study is conceived to provide a mode to attempt to understand a relatively new phenomenon relevant to the business environment a certain contribution can still be perceived. Indeed, the research reached results have actually enabled to develop a special cyberenterprise creation model along with a highlight proposed of the depicted, factors likely to help motivate the setting up of successful e-business. It is also worth noting that these efforts are intended as preliminary contribution likely to prove the way and help guide the elaborating further hypotheses for further potential research works to be conducted or more large scale study samples.

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