

# E-learning, Web 2.0, and Internet Entrepreneur. Exploring Business School Students' Interest on Becoming Internet Entrepreneur

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**Abstract-** With more than 1 billion users around the world and 32.7 hours per week as average time spent, internet has become a business potential for today and in the future. Research to 344 business school students shows that only 18,42% students plan to really conducting business in the internet. Efforts should be made to increase students understanding and interest on internet business. One of them is by using e-learning technology to help students to learn to do business. By using this technology and enlarging participants involved in e-learning, it is hoped that the underused capacities of e-learning technology can be exploited to give students a better understanding and capabilities in internet business.

**Keywords-** e-learning, entrepreneurship, internet entrepreneur, web 2.0.

## I. INTRODUCTION

For business school students in higher education, internet can be used not only as a tool to support learning, but also as a medium to start to conduct business. Names like Chad Hurley and Steve Chen from You Tube, Mark Zuckerberg, founder of Facebook, Sergey Brin & Larry Page from Google, Pierry Omidyar from e-bay are person who find their fame and fortune from the internet business. These people are

known as digital entrepreneur or also known as internet entrepreneur.

With the growth of web 2.0, and the raising popularity of local and international internet entrepreneurs, business school students should be aware of the future trend and find the opportunity to explore more from the internet. If previously the most popular business model is online web store, in the web 2.0 era, there are more opportunities that can be found. One of the most common and easiest way is by using students' own web logs for doing business and also by maximizing e-learning technology that is available as the technology to support students to learn to start and develop business.

## II. E-LEARNING

There have been many researches on e-learning. Many of them are focusing on the most effective ways in increasing learning outcome by using information technology. The use of information technology in education itself has been around for over thirty years, from the use of computer assisted instruction, multimedia, the internet, to podcasting. All of these are in a purpose to enhance learning that are efficient, effective and engaging (Simms, 2008)

Using web 2.0 technology, the results are expected to be better. With the ease of

information exchange among users, e-learning is expected to give a better result, because e-learning can support the dissemination and knowledge exchange in education. The technology that support e-learning can actually be used for more than just as a medium of delivery in education. Hedberg (2006) in Simms (2008) sees the potential to exploit the currently underused capacities of technology options in such a way as to enable student engagement, motivation and higher order thinking skill. Maximizing capacities of technology in e-learning can be done by enlarging user participation. If previously students can participate with other students and teachers, web 2.0 technology can help students more in participating with other parties. For business school students, they can use the technology to interact with other people who are doing business in e-markeplace sites and even more, they can use the technology to learn to do business, such as opening a simple online store, offering online services, or starting with a very simple thing, for example marketing products in their weblogs or in social network sites of which they are member.

In today's condition, when the total global Internet audience has surpassed 1 billion visitors in December 2008, the potential of doing business in the internet is getting bigger even in countries outside U.S. Data shows that the highest percentage of global internet user is in Asia with 41 percent, followed by Europe (28 percent), North America (18 percent), Latin-America (7 percent), and the Middle East & Africa (5 percent). In the case of Asia, China is the country with the largest online audience in the world with 180 million Internet users. (ComScore World Metrix, <http://www.comscore.com/press/release.asp?press=2698>)

### III. INTERNET ENTREPRENEUR

Whereas entrepreneur is defined as a person who creates a new business in the face of uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on them, (Zimmerer and Scarborough, 2007), internet entrepreneur can be defined as entrepreneur who creates businesses over the internet. Examples of internet entrepreneurs are David Filo & Jerry Yang, Sergey Brin & Larry Page, Jeff Bezos, Pierry Omidyar and many other entrepreneurial icons who run successful websites. All of them are university graduates and now listed in Forbes magazines as 400 richest for year 2008. ([http://www.forbes.com/2008/03/05/richest-people-billionaires-billionaires08-cx\\_ik\\_0305billie\\_land.html](http://www.forbes.com/2008/03/05/richest-people-billionaires-billionaires08-cx_ik_0305billie_land.html)) David Filo and Jerry Yang are the founder of Yahoo. David Filo is in the 281 rank with \$1.7 billion net worth. Originally a website called "Jerry's Guide to the World Wide Web," it was simply a directory of other websites organized in a hierarchy rather than a searchable list. The site was renamed as Yahoo!, and went public in 1996, raising nearly \$34 million. Yahoo diversified in response to the dotcom bubble and the enormous amount of activity on the internet; it acquired the company Four11 and its webmail service Rocketmail, which became Yahoo! Mail, just as ClassicGames.com became Yahoo! Games, and eGroups mailing lists became Yahoo! Groups. Yahoo also acquired webhost GeoCities and launched Yahoo! Messenger to compete with AIM and other services. (<http://www.founderbios.com/jerry-yang.php>) Jeffrey Bezos Founder, President, CEO, and Chairman of Amazon.com, launched the site in 1994, after time spent

working as financial analyst upon graduating from Princeton University. (<http://ezinearticles.com/?Billionaires-Who-Made-Their-Money-Via-the-Internet&id=430169>) Bezos is currently ranked number 110 on Forbes' 2008 list of the world's wealthiest people with \$8,2 billion net worth. Sergey Brin, listed as 13th rank with \$15,9 billion net worth and Larry Page, 14th rank with 15,8 billion net worth are owners and creators of Google. They founded Google when they were students of Stanford University in 1996. Google now is an American public corporation with major revenue comes from advertising. Pierry Omidyar ranked 54 with net worth over \$6,3 billion are creator of eBay. Originally called 'Auction Web' at its actual inception, the eBay site was launched in 1995 based on Pierry's curiosity to see what would happen if all people had equal access for trading in a common venue. The first sale was of a broken laser pointer for \$14.83, and the site quickly built up steam, causing him to put it on its own domain, renamed as eBay (<http://www.founderbios.com/pierre-omidyar.php>)

The younger generation of these internet entrepreneurs are young people, many of which are still below thirty, running innovative websites that can fulfill the taste and the needs of people from their generation. retire21.com is a website that listed top earning websites in the world run by young entrepreneurs as young as 17. Their businesses range from softwares, blogs, social network website, hosting services, to online games. The number one in the list is Mark Zuckerberg, founder of Facebook, born in 1984, this young entrepreneur now have \$1,5 billion network in year 2008 according to Forbes. In the second list is Andrew Gower, founder of Runescape and the third is Chad Hurley, founder of Youtube which this year turns 32. ([www.retireat21.com /top-young-entrepreneurs](http://www.retireat21.com/top-young-entrepreneurs)) All over the

world, there are still many other internet entrepreneurs. They are people who make money by opening websites and gaining revenues by attracting direct advertisers, joining advertising programs, such as Google Adsense, Yahoo Publisher Network, Adbrite or by doing sponsored review. This website monetizing activities has become sources of income for many of them who mostly started this business in a young age. This monetizing activities, can not be separated with web 2.0 technology. Web 2.0 technology has enable its user to do more than just retrieving information. User can use the interactive facilities that are provided for many activities, from making friends to making money. Website such as Youtube, social networks sites such as Facebook, MySpace, and Friendster, also weblogs provided by Multiply, Wordpress, Blogger and many other are popular websites which enable its user to interact with people around the world for social and business purposes.

#### **IV. WEB 2.0 AND INTERNET BUSINESS MODEL**

Turban (2004) defined business model as a method of doing business by which a company can generate revenue to sustain itself. The basic categories of business models in the internet include Brokerage, Advertising, Infomediary, Merchant, Manufacturer (Direct), Affiliate, Community, Subscription and Utility. A firm may combine several different models as part of its overall Internet business strategy (Rappa 2009). These models have been adopted by many websites since the early stage of e-commerce era. But recently, the rise of blogging and social networking have made affiliate and community based model as promising business models for many new internet entrepreneurs.

Affiliate model offering financial incentives in the form of a percentage of revenue to affiliated partner sites. (Rappa, 2009) This model which was started by Amazon.com in 199, now has been widely adopted by many websites, especially after Google launched Google AdSense program which enable websites' owners to add link to advertisers' websites that are provided by Google.

The second promising model, Community based model is a business model that is based on user loyalty. Users have a high investment in both time and emotion. Revenue can be based on the sale of ancillary products and services or voluntary contributions; or revenue may be tied to contextual advertising and subscriptions for premium services, as it is seen in social networking websites such as Flickr, Friendster, Orkut (Rappa, 2009) To look deeper on which websites that people around the world are visiting, Table 1 shows global and Indonesia's top websites from Alexa.com, a web information company.

**TABLE I.**  
GLOBAL TOP SITES

No.	Global	Indonesia
1	Yahoo.com	Yahoo.com
2	Google.com	Google.co.id
3	Youtube.com	Facebook.com
4	Live.com	Google.com
5	Msn.com	Friendster.com
6	Myspace.com	Blogger.com
7	Wikipedia.org	Youtube.com
8	Facebook.com	Wordpress.com
9	Blogger.com	Detik.com
10	Yahoo.co.jp	Kaskus.us

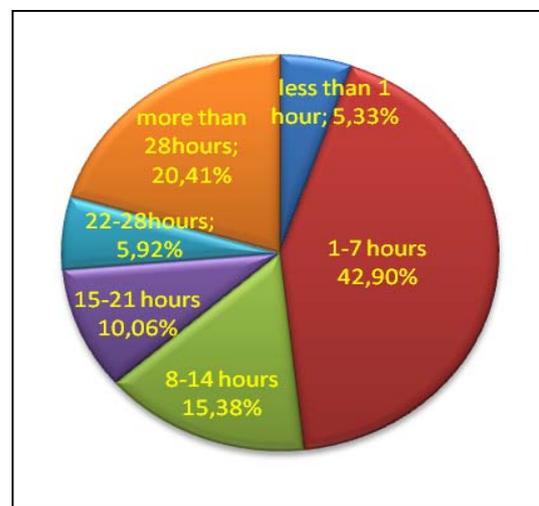
Source:<http://www.alex.com>

Data shows that informational and interactive websites dominate the top ten list. Well known e-commerce sites, such as e-bay and Amazon is in number 18 and 28 for global list. As for Indonesia, Amazon.com is in number 36, and klikbca.com, an internet

banking websites is in number 19. From this list, it is seen that pure e-commerce website is not listed in top ten list. Even in U.S., Amazon.com is in number 13, followed with Walmart in number 44, and in China, country with biggest internet audience, online business-to-business marketplaces for global trade such as Alibaba.com is only in number 44.

### V. EXPLORING STUDENTS' KNOWLEDGE AND INTEREST

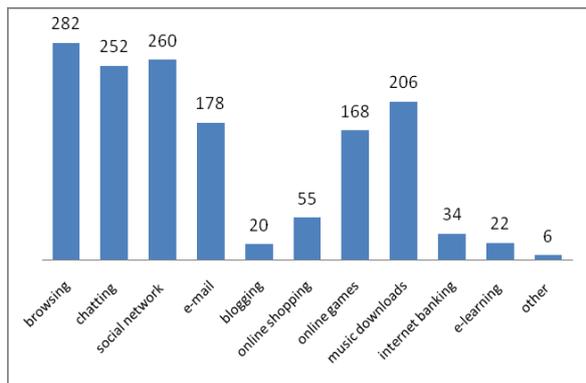
A research with 344 business school students from Petra Christian University (PCU) Surabaya, Indonesia as respondents, is conducted to explore their knowledge and interest on internet busines. PCU is one of the leading Universities in eastern part of Indonesia, and Surabaya itself is the second largest city in Indonesia with a longtime history as a business city. The result are shown below:



**Fig.1** Time spent in the internet/ week

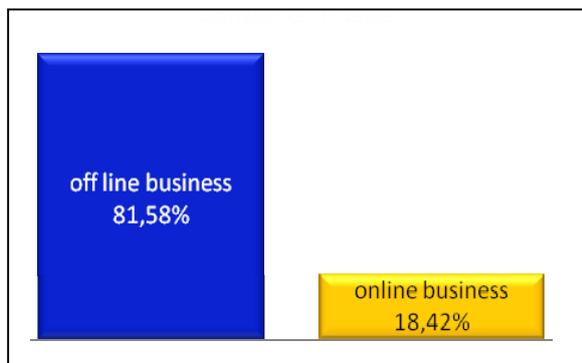
Data shows that almost 50% percent of respondents spent 1-7 hours in the internet per week, while globally, internet users spent 32.7 hours per week based on IDC data (<http://www.webpronews.com/topnews/2008/02/19/intern>

et-outpacing-tv-for-time-spent). The three most popular activities among respondents are browsing for information, spending time in social networking sites and chatting. Only 55 respondents use their time for shopping. This because 59,78% respondents think that internet is the media for finding information and only 7,03% think that internet is the media for doing business. For overall respondents, only 27,06 % have the experience on buying products from the internet.



**Fig. 2** Activity in the internet

Interesting findings from this research is that there are 52,35% respondents admitting their interest in doing business in the internet, but only 18,42% that prefer to conduct their future business in the internet. The majority (81,58%) still prefer to open an off line business. Most of their reasons are lacking trust, and the perception that internet business is not a real business.



**Fig 3.** Future Business Plan.

Results also shows that gaining revenue from direct selling and advertising is still considered as the major revenue. The highest percentage (27,12%) respondents plan to open online store if they do business in the internet. Only 1,55 % respondents know that affiliate is one of the way to generate revenue.

## VI. CONCLUSION

Today, with more than 1 billion users around the world and average time spent is 32.7 hours per week, internet is no doubt has become a business potential for everyone. The raising numbers of internet entrepreneurs in billionaires list also prove that internet business could become a choice of doing business in the future.

When the highest internet traffic goes to informational and social networking websites, this indicates that search engines and websites such as facebook.com is the suitable place to market products and services in the internet. Placing ads and develop more affiliate partners are two things that should also be done by website owners.

More efforts should be made to enrich business schools students' knowledge about internet business. So far internet is still seen as information exchange media. Only small percentage (7,03%) think that internet is a media for business and only 18.42% respondents plan to really conducting business in the internet. The result indicates that students knowledge about internet business is still relatively low.

Efforts to enrich students' knowlege and experiences on internet business is by optimizing e-learning facilities as it is mentioned by Simms (2008) about the potential to exploit the currently underused

capacities of technology options in such a way as to enable student engagement, motivation and higher order thinking skill. Exploiting the underused capacities of technology can be done by enlarging parties that participate in interactive communication. If previously interactive communication is between students and lecturers, now the interactive communication can take place between students, lecturers and business owners in entrepreneurship course.

Entrepreneurship course which contain entrepreneurial and enterprising experiences and opportunities, can be delivered by using e-learning technology. In this course, students can learn more than just developing classical brick and mortar business in their business plan, but also developing an online model, or a combination of both. For online business, students can start with something simple, for example, placing ads in students' weblogs, joining affiliate program, joining e-marketplace websites, advertising products and services from entrepreneurship projects by using mailing list, social network websites and other online community, doing sponsored review for friends' products until opening online store with interactive facilities.

When the majority of entrepreneurship courses are still offered in business and economics students, web 2.0 technology can also help to enlarge the participant to non business school students. Non-business students are very good technically, and frequently have very strong product ideas. However, they are weak in the area of commercialization and marketing. On the other hand, teaching entrepreneurship for students in the economic and business fields has a much narrower focus, as the other business competence studies are offered separately (European Commission, Enterprise and Industry Directorate-General, 2008). Therefore mixing business with non

business students in entrepreneurship course will make easier for students to contribute each other in learning and establishing an internet business. Moreover, data shows that internet entrepreneurs listed in billionaires list are mostly university graduates with excellent computing skill, a skill that is mostly found in non business students. Enlarging participant in entrepreneurship course will also provide students with real business situation, where people with different skill, personality, education and resources work together to achieve a certain goal.

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