

Entrepreneurship Trends. How the Future Looks Like

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Abstract

The fast-pacing development of disruptive technologies like Industry 4.0, AI, chat-GPT, etc., state the scene for new entrepreneurial trends. Present paper uses qualitative analysis method to achieve the objective of determining Entrepreneurship Trends. Scrolling through the information reported by different organizations and experts we find thirteen trends that presently influences the entrepreneurs' behaviors and are a base of how the future of entrepreneurship could look like.

Key words: Entrepreneurship, trends, disruptive, AI, niche

J.E.L. classification: L26

1. Introduction

The fast-pacing development of disruptive technologies like Industry 4.0, AI, chat-GPT, etc., state the scene for new entrepreneurial trends. To this need to shifts to fast incorporation of the technologies adding influences rise from COVID pandemic which change the way we work, travel, or deliver goods, among others. Also, we must consider how youngers (especially millennials) react to the present conditions of employment and companies' work environment.

Between at list those conditions the entrepreneurship must react quickly to comply with consumers everchanging demands, intensified by the above facts.

The importance of the present research paper emerges from giving a perspective about the entrepreneurship trends which can be used by implementing possible new insight in a present business or applying them to new ones.

2. Literature review

The entrepreneurship trends are annualized continuously as the economic life depends on the good health of the entrepreneurship. The trends are a result of several influencers like location, culture, government, etc. Yet, in a globalized economy the differences tend to diminish alongside with the need to react to a client which has access to information thorough free access to internet and social media.

The present entrepreneurship has even more to consider, like cooping with disruptive technologies (Industry 4.0, AI, chat-GPT), common elements met in COVID pandemic, or how the work is viewed by the employees.

In this regard the analysis and remarks of entrepreneurship can be found in works from different important organization or experts. World Economic Forum (WEF) presents six trends (Sahasranamam, Ionescu-Somers, & Hill, 2022):

1. Positive entrepreneurial sentiment on opportunities suggests global recovery.
2. Entrepreneurial activity rates are still lower in most countries compared to pre-pandemic.
3. There is a rising trend of low-growth entrepreneurial activity.
4. There is a paradox between perceiving it as easy to start a business and intending to do so.

5. Digitalization is rising among low-income countries and new entrepreneurs.
6. Entrepreneurship education in school continues to fail.

The trends showed by WEF can be used as the reasons for the present state of the new trends in entrepreneurship, like, for example, the remote working, younger entrepreneurs, or gig economy.

Forbes in April 2023 talks about five emerging entrepreneurship trends (Stahl, 2023):

1. Social entrepreneurs - businesses that address social or environmental matters or improving the global wellbeing.
2. Scalable or startup entrepreneurs – trying to disrupt the standards, the entrepreneurs find a breach in the market and try to use it as a niche.
3. Small business owners – earning a living and sustain families with their commerce.
4. Large business entrepreneurs - enlarging businesses models to create global empires.
5. Innovative entrepreneurs - creative problem-solvers bring new products or ideas to the market.

Forbes concentrate the conclusion on how the entrepreneurs respond or must conform with the changes in economy or people's behavior, due to reactions to global transformation like implementation of disruptive technologies (Industry 4.0), COVID pandemic or AI and automation replacing human workers.

Entrepreneur site (MASK, 2023) found three entrepreneurial trends coming out of the current economy:

1. A slow economy requires repositioning and refocusing. A slow economy we met from 2009 to 2012, because of the financial crisis, and closer the COVID pandemic (2019-2021).
2. Talent challenges and opportunities. People are more inclined to work remote, or become freelancers, or accept four days work week (with 10 hours a day), or just living the job they just held at the first issue that they find inadequate to personal requirements.
3. Embrace AI now or pay the price later. The younger people especially, but many of us (even just for fun or from curiosity) uses AI powered platforms or applications like DALL-E, CHAT-GPT, Bing Chat, Bard, etc. The motives are numerous and applied in various fields. But how many from the users are interested by the copyright laws, ethical implications, error of the results of this AI tools?

The interest for the present state of the entrepreneurship and for its trends can be found in the research and analysis of different experts, researchers, organizations (private or governmental) and others interested by the subject of the importance of the entrepreneurship in the unfolding and development of economy. As the visions and the principles of research are different, some of the content and results have common ground and conclusions. These common elements are the subject of the present paper.

3. Research methodology

The methodology used in the present paper is secondary qualitative analysis method. Based on the information and hypothesis elaborated by the organizations and experts on the subject of Entrepreneurship.

4. Findings

After reading and analyzing the literature review several trends were determined, and considered their characteristics and influences, the following trends were considered as the most important trends for present entrepreneurship development:

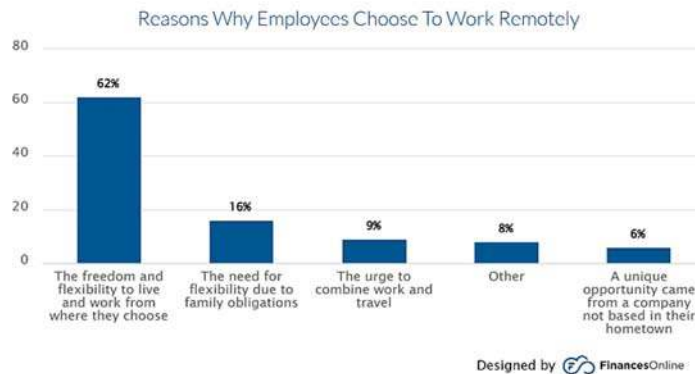
Trend 1. Business will be powered by remote work and Digital nomadism.

A digital nomad is a person who works from any location and uses technology (mainly digital) to carry out his work while moving to different locations.

As the COVID 19 pandemic disrupted the activity, the movement, and the productivity of the work force, one of the responses was the implementation of "working from home". After the pandemic a significant part of the workforce chose to stay and work from home. According to (16 Entrepreneurship Trends, 2023) the most common reason for this choice is the "The freedom and

flexibility to live and work from where they choose" (see figure 1).

Figure no. 1. Reason why employees choose to work remotely



Source: <https://financesonline.com/entrepreneurship-trends/>

Upwork, one of the world's largest work marketplaces, revealed that "Based on 147 million non-farm payrolls as of August 2021 and 27.7% fully remote share". Also, the same platform estimates that "22% of American Workforce Will Be Remote by 2025" (upwork, 2020).

Remote work is thriving in particularly sectors, especially media and professional services. As is using digital tools it is perfect for the knowledge economy.

Trend 2. Rise of the Mobile Commerce

Not new but embracing novel forms of Mobile Commerce can access the customers wherever they are. In 2021 80% of Americans shopped online (16 Entrepreneurship Trends, 2023) as in figure 2.

Figure no. 2. Mobile purchase in 2021 America



Source: <https://financesonline.com/entrepreneurship-trends/>

According to (Alex, 2023) "Americans spend 4 hours, 25 minutes each day on their cell phones" & "Americans check their phones 144 times per day."

Trend 3. Development of Social Commerce

In 2021 "30% of online shoppers tend to purchase products through social media networks such as Facebook (BigCommerce)" (16 Entrepreneurship Trends, 2023) said. The social commerce grew like a ranch of a tree that also have a branch of social media use. In the last years the two developed an interdependent bond. Examples of social commerce can be:

- user-curated shopping (Mashable, like Lyst, The Fancy, Svsply)
- group buying (like Groupon)
- peer recommendations (like Amazon and Yelp)
- social network-driven sales (like in Facebook).

For almost (if not all) of businesses, social media employment will overcome other forms of classic advertisement.

Trend 4. Growing Gig Economy

Oxford Languages defines Gig economy as "a labor market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs" (Languages, 2023)

One of the paybacks for the employers that are using short-term contracts or freelance is not paying for employee benefits like regularly employing firms do. As numerous gigs require employees to bring their own gear, the companies do not have long-term commitments to their suppliers or independent contractors. Proof examples are decacorn companies: Uber (\$75.5 billion in 2019) and Airbnb (\$100.7 billion, in 2020).

Trend 5. Importance of the Niche Markets

Based on the current powerful believe that we are each unique and we want to be unique, the markets shift to high customer centricity. In fields like food industry, fashion, web platforms, and even gadgets, companies tend to find and deliver personalized and customized products. Also, the prices for eccentric goods are high and this kind of goods are on an increasing trend.

Figure no. 2. Niche markets in 2019



Source: <https://financesonline.com/entrepreneurship-trends/>

Examples of Niche Market targets are (Turner, 2023):

- left-handed people
- conscious consumers
- the LGBTQ+ community
- female business owners
- casual clothes
- travelers / adventurers
- remote workers
- larger men
- gamers
- ethical cosmetic consumers
- homeowners that rent out their homes
- vegan baking
- ...

As the interests and choices become more specific, the niche markets will become more profitable.

Trend 6. Overwhelming Subscription-Based Business

Who doesn't use a subscription. A subscription business can reduce firm's customer acquisition costs and make accessing the product more fitting for subscribers. Subscription business models are built on the principle of selling a product or service for a recurring monthly or annual subscription income. The firms concentrate on customer retention over customer acquisition. Subscription business models looks to how revenue is produced so that a single client pays multiple payments for

prolonged access to a good or service instead of a one-time high upfront price. Now the economy is trending towards more subscriptions instead of ownership for cars, software, entertainment and shopping. This increases customer lifetime value as (Tarner, 2022) said. Example of subscription business content:

- Streaming Service. For a low monthly fee, subscribers have instant access to thousands of movies, music files, videos and audiobooks. (example: Netflix)
- Software as a Service. Customers are charged an annual or monthly fee in exchange for access to the latest edition of the software with real-time updates, bug fixes and customer support for word-processing program or antivirus. (example: Adobe)
- Content Subscriptions. Different from streaming services are made to be consumed in more of an "active" rather than "passive" manner.
- Health and Wellness Subscription. Health and wellness subscription models use access to some facilities to create a package deal, such as 24/7 gym access, 24/7 doctor access and a monthly or annual session with a personal trainer.
- "Perks" Subscription Business Model (example: Amazon Prime). Subscriptions that give members exclusive access to insider discounts and faster service.
- Vehicle Subscription. (example: Porsche Drive)
- Curated Subscription Boxes. Curation deliver a box of varied products each month to introduce the customer to different brands.
- Replenishment Subscription Boxes. curation deliver a packet of varied products each month to familiarize the customer to diverse brands.
- Food Service Subscription. Company sends the customer a varied packet of food based on the customer's selected dietary plan.
- Repeat Service Subscription. Content marketing firms, advertising firms and even cleaning firms that perform ongoing services for clients and acquire a price for these services monthly. (example: Cleaners in Europe)

Trend 7. Adoption of Disruptive Technology

Everyday life product that we use, but do not give them the real importance: the wheel, the light bulb, and the cellphone are examples of disruptive technologies. Disruption is an axiom for many years now (COVID-19, Industry 4.0, AI's ChatGPT).

According to (Smith, 2022) disruptive technology is an innovation that significantly alters the way that consumers, industries, or businesses operate. Also, disruptive innovations can democratize goods, services, and the benefits that come with them (innovations are disruptive only when they allow a whole new population of consumers at the bottom of the market access to products or services that were inaccessible to them before).

But disruptive technologies also pose a threat to new entrepreneurs.

Trend 8. Importance of Social Responsibility

Most Millennials prefer buying from ethical brands - ethically-sourced raw materials, better working conditions for employees, gender equality, and environment-friendly policies. Many entrepreneurs take advantage of this trend. A company's social responsibility can be easily checked as people tend to find and share information in an instant. Thus, companies' insincerity is therefore easily detectable. Also, businesses that are socially responsible can also appear more attractive to investors.

Businesses that take social responsibility seriously can win costumers and grow a platform to market and earn more attention from the consumers. Social responsibility can help people see companies as a positive energy in society. The projects companies develop can aid to raise consciousness for important causes and keep business top of mind (Heyward, 2020).

Trend 9. Increasing Diversity

The diversity has always been around. Many people in minority groups still do not have equal opportunities to succeed. Many businesses and entrepreneurs will likely go for diversity as a metric.

Is also arguably better for entrepreneurs to have a diverse set of points of view to draw information and inspiration from.

If you're a successful entrepreneur, focus on hiring a more diverse group of employees, and mentor them to be leaders of their own. As more diversity is encouraged in the startup world, it can only serve to benefit our society, increasing innovation and opportunity for all involved.

Trend 10. More Specialized Business Education

As the disruptive technologies flood the entrepreneurial world new educational programs were build and many educational programs needed renewing. Also, more specialized courses will be developed in local colleges, universities, or on e-learning platforms.

For example, as the Industry 4.0 disrupted the manufacturing industry, there are more and more ongoing cross-disciplinary teamwork going on between business schools and other academic disciplines such as engineering and computer science. Two important trends in business education were considered in 2019 (see figure 3).

Figure no. 3. Education trends in 2019



Source: <https://financesonline.com/entrepreneurship-trends/>

Some trends in Business Education are (Novellis, 2022):

- Rise of the Virtual Campus - MBA programs in hybrid or online formats, and most schools have a lasting impact of the pandemic on their programs.
- Climate Consciousness - reducing program-related carbon emissions.
- Stackability - business schools offer ever more flexible ways of learning. Council of the European Union (EU) issued The Recommendation seeks to support the development, implementation, and recognition of micro-credentials across institutions, businesses, sectors and borders.
- Interdisciplinarity - collaborating departments, integrating the insights from diverse fields—humanities, political science, natural sciences, and design—into the curriculum.
- Return of the International Candidate - more international students arriving on business school campuses, as international applications continue to recover from the hit they took at the start of the pandemic.

Trend 11. Younger Entrepreneurs

Because of difference of vision about work condition and wages, it is hard for Millennials to find good-paying jobs. This is added to the fact that younger people have strong motivations to become businessmen. This is why many of them to seek out non-traditional career paths like going into business by building their own businesses (see figure 4).

So, young people (about of quarter of them) go into business because they want to be their own bosses. Others want to pursue their passions and young people don't seem to lack reasons to become entrepreneur.

Trend 12. Hyperlocal Specialty Shops

As niches are getting created, many localities are getting fertile for specialty shops. They sell products and services uniquely relevant to their localities. They don't go for big. Instead, they go for unique: religious shops, thrift stores, fireworks retail, smokers' accessories, art supplies, and

antiques.

Many hyperlocal businesses in these markets position themselves to be environmentally conscious.

Figure no. 4. Millennials motivations for business



Source: <https://financesonline.com/entrepreneurship-trends/>

Trend 13. Green Businesses

As the entrepreneurs tend to be younger, the interest in climate change is more intensive. Eco-conscious movement spans different industries, including green consulting, green app development, energy efficiency auditors, and recycling businesses. Environmentally conscious policies, products, and information drives have affected the psyche of consumers. Thus, companies offering recycled office supplies, green architecture services, non-toxic cleaners, and social innovation firms are more attractive to consumers.

5. Conclusions

Based on the secondary qualitative analysis of by different organizations and experts about Entrepreneurship Trends, 2022 until 2023, we found 13 trends that, from our point of view, already started to influence how entrepreneurship behaves. The major reasons for this trends change are COVID pandemic, technology disruptions, and AI technology implementation.

The thirteen trends determined are: Business will be powered by remote work and Digital nomadism; Rise of the Mobile Commerce; Development of Social Commerce; Growing Gig Economy; Importance of the Niche Markets; Overwhelming Subscription-Based Business; Adoption of Disruptive Technology; Importance of Social Responsibility; Increasing Diversity; More Specialized Business Education; Younger Entrepreneurs; Hyperlocal Specialty Shops; Green Businesses.

As the entrepreneurship is a dynamical field that must react and adapt the market, competition and customers, the above trends are supposed based on the current situation, yet we are sure that new trends will appear with the development of new technology and rapid change in the customers behavior.

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