

The Present and Future State of Entrepreneurship

Ana-Maria Georgescu
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Sacred Heart University

Introduction: Risk in the Future

There is a popular saying: life is all about taking risks. It is an essential component of the human experience that compels individuals to overcome their limitations and pursue their dreams for the future. The people who best incorporate this philosophy in their lives are known as the hustlers, movers and shakers, high-fliers, and go-getters. In a formal definition, they are entrepreneurs. These people undertake an abnormal amount of risk to create, organize, and operate a business. The pursuit of their dreams form the foundation for communities around the world, fulfilling consumer demand and boosting economic growth. However, despite their influence in the socio-economic sphere, entrepreneurs are susceptible to larger forces, which have potential for positive or negative future outcomes. To mitigate the risk of negative outcomes, entrepreneurs must take advantage of predictions regarding the future. Even though these also come with risk, inaction could mean the loss of their hard work to be successful in business. On the other hand, high risk has potential for high reward. Therefore, entrepreneurs must analyze and adapt to socioeconomic shifts to continue the pursuit of their dreams and achieve substantial returns.

The present and future for entrepreneurs is contingent on three factors: market, marketing, and management. Any shift in the three Ms can lead to an opportunity for new or established entrepreneurs. First, insight into future market sectors that would likely dominate the economy can be an opportunity to raise revenue. Second, new marketing techniques instigated by technological advancements can provide a competitive advantage. Lastly, the fast pace of the market can alter managerial expectations, allowing businesses to continue to compete in the market. While the three Ms predict potential opportunities for entrepreneurs, there will always be lingering uncertainties entrepreneurs should also consider, such as a possibility for a future recession.

Market: Favorable Sectors

In the field of entrepreneurship, market sectors are segments of the economy encompassing firms that offer similar products and services. Investors analyze these markets for opportunities to maximize financial returns in accordance to their personal tolerance for risk. Typically, they would analyze a company or market sector's financial and strategic performance. Any past, present, and future evidence of successful performance would attract more investors and grow the business. However, investors must also evaluate the effects of potential macroeconomic forces, which can be harder to predict. A forecast of macroeconomic and market performance can be used to estimate which sectors will lead or lag in the economy. Therefore, a few factors need to be considered to determine which market sectors will be most profitable in the future. According to Fidelity's sector managers, "if the US decisively avoids a recession, then cyclical sectors like materials, industrials, and consumer discretionary could take the lead" (Fidelity Managers, 2024). However, the firm also claims that an onslaught of a recession would mean "defensive sectors like health care, utilities, and consumer staples could come into favor" (Fidelity Managers, 2024). Further investor analysis supports the observations that the health sector would become more prominent as it continues to evolve with advancements in medical technologies, such as "personalized treatments, telehealth, and advances in genetic testing enabling hyper-targeted therapies, making medicine more precise" (Beck, 2024). While these predictions benefit investors, they also demonstrate an opportunity for entrepreneurs. These forecasts in potential leading market sectors indicate an increased likelihood that businesses in the industry would make a profit. Therefore, it seems plausible that there would be a trend for entrepreneurs to create businesses or shift their current models with the purpose of entering these markets as opposed to other markets. Entrepreneurs would take the risk to enter these markets for an opportunity to fulfill high consumer demand and earn revenue. However, sectors that could be

impacted though “short-term market forces” like a recession have a higher associated risk (Fidelity Managers, 2024). Therefore, entrepreneurs may not want to take the chances in the industrial or health market sectors. However, there is another growing sector entrepreneurs are likely to gravitate toward in the future.

In recent years, there has been one sector brought to mass public attention due to its recent advancements: technology. The boom is largely attributed to the Covid-19 pandemic, which grew the technological market by 5.4% from 2020 to 2022 (Owens, 2024). The direct impact of the pandemic propelled digital developments, increasing digitalization across advanced economies “by an average of 6 percentage points” (Jaumotte, 2023). Furthermore, the sector also grew exponentially in artificial intelligence, and created industries in areas like blockchain and quantum computing. Due to these advancements, companies increasingly incorporate technology into their operations. In a recent study, “80 percent of executives believe that emerging technologies will drive future growth for their organizations” (Rathor, 2023). Therefore, the rapid innovation and integration of technology into numerous industries make it a compelling choice for entrepreneurs. They can create or adapt their business models to focus on “researching, developing and distributing technologically based goods and services” (Kirsch, 2024). Entrepreneurs seeking to break into the sector can adopt two key strategies: red ocean or blue ocean. A red ocean strategy would have them compete among existing companies. Currently, there is a rising “demand to develop self-driving taxi cars,” which are in the testing stage with companies like Uber and Tesla (Beck, 2024). While entrepreneurs can exploit the demand in the products and services, they will have to incorporate differentiation or low cost strategies as the competition becomes fierce. On the other hand, entrepreneurs could explore possible ventures in blue ocean strategies, where the market space and competition is

non-existent. They can be ambitious bringing ideas such as “AI-powered towns or cities” to life (Beck, 2024). Through these strategies, entrepreneurs can effectively enter the sector. Therefore, the amount of entrepreneurs in the technology market will likely significantly increase as the fusion of technology with traditional industries becomes more widespread.

While the growth of the technological sector would have cynics believe the future will be controlled by computers and carbon emissions, it may not be the case. In the sector, there is extensive research and development for clean and efficient technologies, positioning it as a future-focused industry. According to a survey from McKinsey & Co., “66% of all respondents and 75% of millennial respondents say that they consider sustainability when they make a purchase,” which emphasize how consumers prefer brands that align with their value toward environmental conservation efforts (Martins, 2024). While the implementation of environmental practices is not a new trend, the current difference is the increased consumer demand for more transparency and accountability from companies, which fuels expectations for more companies to make sustainability a priority and openly incorporate it into their strategic plans. Therefore, entrepreneurs should strive to either incorporate or deliver sustainable products and services in their businesses. It simultaneously offers economic returns while addressing social and environmental concerns. Whether they would be in the technological sectors or other markets, entrepreneurs are already responding to consumer demands. According to a survey conducted in 2022, “59 percent of executives from major companies worldwide said that their firms are incorporating the use of more sustainable materials in their sustainability efforts against climate change” (Salas, 2023). Companies recognize that environmental protection efforts enhance consumer trust and loyalty. Therefore, it is in the best interest of future entrepreneurs to utilize sustainable practices as a strategic advantage. Another positive impact for future entrepreneurs is

an opportunity to create products and services catering to the companies shifting their business models. Future entrepreneurs can possibly enter the market with the intent to revolve their entire business on the market sector of sustainability rather than simply implementing the practice.

After analyzing the markets that would be favorable in the future, it is likely an influx of entrepreneurs will enter the health, industrial, technological, and sustainable sectors due to the unique opportunities each provides. While advancements in the health and industry contribute to the growth in each sector, they also have a higher degree of risk due to their stakes in a possible recession. Currently, the technology sector is most likely to provide higher returns due to its recent boom in innovations, which can be applied in numerous industries. Furthermore, entrepreneurs will pursue ventures that incorporate sustainability as more and more current companies adapt to societal expectations. These predictions of the market are crucial to understanding how they could affect the future of entrepreneurship and the economy.

Marketing: Rise of Technology and Personalization

In a business, marketing is a form of communication. It promotes products and services to consumers who determine the value it could provide them. Throughout time, marketing became a key factor for businesses to gain a competitive advantage. Therefore, marketing strategies are constantly changing to incorporate the latest technologies and trends that appeal to the consumers. A few of these strategies can be predicted as companies are informed about current or upcoming tech advancements and social shifts.

Currently, the technology market has made significant progress in numerous innovations. However, the most recent discussions revolve around the usage of artificial intelligence. These discussions are prominent in media and public discourse, which creates an opportunity to creatively use it as a promotional tool since consumers already possess a knowledge and interest

in the technology. Due to the rise in consumer interest, companies have increased their investments in AI. The share of companies mentioning AI on Russell 3000 earnings calls, which is market interest in AI, increased from 5.74% in 2020 to 16.43% in 2024 (Goldman Sachs Research, 2023). It indicates more companies seek to incorporate the technology in their business models because it could provide long term benefits. It can transform how a company analyzes data, optimizes advertisement campaigns, and personalizes a consumer experience. In the current marketing strategy, the integration of AI is used to power chatbots and messaging apps, “revolutionizing customer interactions by providing personalized experiences and instant solutions, which helps build more authentic customer connections” (Patel, 2024). In the present and future, business leaders can benefit as they promote their products and services through the use of these AI-powered marketing tools.

Another technological advancement entrepreneurs can consider as a tool is the rise of virtual reality and augmented reality. The growth of technology and the digital world leads to an increased “demand for devices that help users access and interact with it” (Singh, 2022). VR and AR can be an avenue to fulfill this demand by creating simulated environments that are viewed through special eye and head gear equipment, providing users a new way to engage with the business. In 2024, Forbes predicts AR and VR will be integrated more deeply in strategic marketing efforts as e-tailers begin to “offer virtual try-on experiences to improve their brand value and customer experience” (Patel, 2024). This marketing strategy allows consumers to interact with the brand through a new medium. Recent studies demonstrate consumers beginning to be interested and influenced by AR and VR marketing efforts. In a NielsenIQ survey, “56% of shoppers surveyed said that AR gives them more confidence about the quality of a product, and 61% said they prefer to shop with retailers that offer AR experiences” (Chandukala, 2022). The

consumer interest toward the marketing strategy can allow entrepreneurs to reach their target audience through creative campaigns, adapting the digital experience in AR and VR environments to personalize products and service interactions. Therefore, the technology can be used to promote a diverse range of items for the consumers to engage with. For example, consumers can “try lipsticks virtually, without the need to physically apply the product,” allowing them to sample more products than they typically would with product testers (Chandukala, 2022). Ultimately, AR and VR marketing can be a personalization experience which is proven to attract more consumers.

A social trend entrepreneurs can incorporate is personalization. The rise of the internet has contributed to a “shift from mass marketing to personalized marketing” (Rathor, 2023). However, the recent advancements in AI and data analysis made it more accessible for sales and marketing teams to collect consumer data. Therefore, businesses can prioritize content and product recommendations to suit the individual’s preferences. It would lead a business to experience a competitive advantage as it recognizes what each member of their target audience considers to be a valuable product or service. This form of hyper-personalization can be garnered through “personalized marketing messages, customized products, or tailor-made services” (Rathor, 2023). These strategies aid a businesses ability to connect with consumers who demand these types of interactions. A McKinsey study shows that “71% of consumers expect companies to deliver personalized interactions” while “76% get frustrated when this doesn’t happen” (McKinsey & Company, 2023). The study indicates consumers would be attracted to personalized marketing because they crave genuine and authentic relationships with brands. In the present and future, entrepreneurs will take advantage of this strategy, implementing the necessary marketing tools in their business models to attract consumers.

Management: Adaptation to Technology

Many scholars have different interpretations about which qualities constitute an entrepreneur. In 1989, Miller and Covin proposed that entrepreneurs can be measured through four psychological dimensions: innovation, adventure, collaboration, and effort (Wang, 2024). Meanwhile, current journalists believe entrepreneurs are characterized by their autonomy, resilience, and willingness to take risks (Pinto, 2022). While the exact metrics to what makes a successful entrepreneur fluctuate with time, the general understanding remains the same. Entrepreneur's are measured by their ability "to explore new market opportunities and innovative products more actively in order to achieve the long-term development of the company and long-term returns for shareholders" (Wang, 2024). In the future, entrepreneurs will be expected to keep up with the latest technology and trends, exploring new opportunities and innovations. When they incorporate these factors into their businesses, they can effectively gain a competitive advantage in the market space.

As the world becomes faster with the rise of technological innovations and discoveries, entrepreneurs will learn to quickly embrace disruption. Technologies like the internet, artificial intelligence, and augmented reality are already transforming industries around the world. Therefore, entrepreneurs have to learn to quickly change their business models to remain ahead of competitors. In the past, changing a business model by incorporating new technologies has helped businesses grow to become giants in their industry. For example, Netflix embraced technological disruption when it pivoted from a DVD-by-mail service to an online streaming platform, transforming the company into "a dominant player in the entertainment industry and created new job opportunities for creatives across the globe" (Soriyan, 2023). Therefore, entrepreneurs will be expected to remain open-minded and adaptable to change as the technology

sector is projected to grow. The latest technologies like smart homes, VR, and AR have created opportunities for entrepreneurs to build and promote new products and services. If entrepreneurs leverage their agility, they can gain a competitive advantage in the market.

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