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SOCIAL NETWORKING WEBSITES; CONDUIT FOR WOMEN ENTREPRENEURS IN PAKISTAN

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Abstract:
Being a conservative society, most of the times, women in Pakistan are not allowed to do outdoor jobs even in urban areas like Karachi and Lahore due to social and religious reasons. However many women have taken advantage of their ingenuity and access to computer and have started doing business through the social networking websites providing additional income to their families in such dire economic conditions.

The ambition of doing this research is to discover how the usage of social networking websites is helping women in Pakistan to carry out and flourish business activities. This research focused on identifying that web aided social network has helped women in expanding their business and to create awareness among potential women about the opportunities to help bring social uplift for Pakistan. The results showed that this medium is becoming popular tool among women entrepreneurs as it allows them to earn their livelihood even by acknowledging the religious and social taboos.
Keywords:
Home Business, Online Shopping, Social Media, Women Entrepreneurs.

Introduction:

The internet revolution has not only affected the way people use technology but it has immensely affected the way people used to do business around the globe. E-commerce is one of the internet related technologies that have changed the business environment. Many people have taken advantage of this technology and have increased tremendously in terms of size and profit, whereas on the other hand, many companies have suffer a serious setback because of ignoring the affects of this newly born technology over their business. Gone are the days when business was done on the basis of face to face meetings only, nowadays most of the business are done solely on the basis of internet and communications technologies (ICT’S) such as teleconferencing, e-marketing, online ordering, e-commerce etc.

The main endeavor of this paper is to examine the role of social networking websites in the success of women entrepreneurs in Pakistan. The issue is very significant since women entrepreneurship development is part of ongoing national efforts to alleviate poverty in developing countries in relation to Millennium Development Goals (MDG’s) Tambunan (2009). This issue is also
important due to the fact that women are not considered appropriate to do business. Sinhaal (2005) observed that less than 10% of the entrepreneurs in South Asia comprising Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka, are women. However with the internet revolution, situation is transforming as women entrepreneurs of this region have started using social media networks such as facebook, twitter and LinkedIn to start, run and make their business grow.

Nylander and Rudstrom (2011) found that with the help of these social networking sites, entrepreneurs connect with new people rather than reifying offline networks. Many women entrepreneurs in Pakistan have made their profile pages, where they have given complete details of their business and products. They have uploaded pictures of the product so as to make it easy for the customer to order. They regularly update any new arrivals or discounts they are offering and customer queries about price or delivery are regularly answered.

Literature Review:

a. Changing Society and Social Media Network
With the advancement in internet usage and internet related technologies, the number of people adopting these technologies have increased many fold in recent years. This has not only changed the life style of the people but it has also changed the way business was done and had transformed the business environment throughout the world. A decade ago, more than 600 million people had internet access and were spending more than US $1 trillion buying goods and services online around the world (Mansuwe, 2004). According to the survey by Nielson Online (2011), by the end of December 2011, the number of internet users has reached to approximately 2,267,233,742 against total population of 6,930,055,154.

With the passage of time the number has grown many times, however, the growth and penetration of e-commerce in developing economies like Pakistan is still on the lower side. Under the national IT policy, the government of Pakistan has established seven “IT Universities” and one virtual university as a step to produce more qualified knowledge workers in conformity with the current needs of ICT age. In response to the government’s policy, the internet penetration is growing in an exponential manner. From a humble start of 10,000 users in the year of 1998, the internet users had reached to 1.3 million in 2001 and to 7.5 million by the end of 2005 (Shahzada, 2006). Freedom on the Net in its 2011 annual report cited International Telecommunications Union (ITU) and said that estimated users have been surging significantly on a monthly basis in Pakistan. As of 2009, the number of internet users stood at around 20.4 million and there were about one million broadband users as of mid-2010.

This high penetration of internet has not only gathered attention of businesses but it has also attracted consumers. They are turning towards online shopping as it is considered hassle free and can be done at any time of the day. In developed countries like Japan and USA, e-commerce is at full swing whereas in developing countries like Pakistan and Bangladesh, the usage of ecommerce is still very low.

According to (Aljifri, 2003), the successful implementation of e-commerce in developing countries like Pakistan is subject to a variety of forces. One of these forces is the trust within the system itself. Issues such as cultural encroachment, technological dependence, economic issues and local
regulations are the factors that contribute to the trust level on the system. To gain customer’s trust and satisfaction in an online business is a daunting task as there is no face to face interaction among the buyer and the seller.

The term “electronic commerce” or “e-commerce” has no widely accepted definition; however, according to the UNCITRAL Model Law on E-Commerce, it comprises of the “Commercial activities using a data message generated, sent, received or stored by electronic, optical or similar means including, but not limited to, electronic data interchange (EDI), e-mail, telegram, telex or telecopy.” E-commerce could vaguely be defined as doing business over the Internet. It comprises the advertising and searching, marketing, distributing and selling of goods and services which are delivered offline as well as products which can be delivered digitally, i.e. directly over the Internet, such as computer software, travel bookings, banking and insurance services. E-Commerce or Electronic Commerce covers the range of online business activities for products and services, both business to business and business to consumer, through the internet. Anita Rosen (2002)

Cha (2009) studied some of the surveys related to internet shopping and found out that more recent surveys, such as the Pew internet (2002) and Sky News (2002), indicated that women are more dominant than men when it comes to e-commerce. Focusing on expenditures online, women accounted for 58% of online shopping, whereas men were responsible for 42% between April 2004 and March 2005, according to comScore (Maguire 2006).

Cha (2009) has quoted the work of Girard, Korgaonka, and Silverblatt (2003) find that online shopping preferences depend on product types. Men are more likely to shop online for books; computers and other “utilitarian experience” goods (e.g., cell phones, televisions). Women instead shop online for hedonic experience goods, such as perfume and clothing. Social media play increasingly important roles as a marketing platform. More and more retailer’s use social media to target teens and young adults, and social networking site are a central venue in that trend (Market Watch 2008).

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By using social media entrepreneurs can connect to people in hundreds within no time. Where as they can also get the immediate feedback of what people want and what fashion they want to have in their society. Most of the women entrepreneurs in Pakistan are unable to develop their own web stores due to the misconception about it, while they are more comfortable using social media. Social media is becoming very popular among women in general and women entrepreneurs in particular because the way it is getting close to the routine life of the society. The role social media is playing in bringing change to the society and in creating awareness among the masses on any issue is influential. People think that if they want to spread news about something or want to have views of like minded people on something in a cost effective manner than the use of social media is the first that comes to their mind. Facebook had around 500 million users across the globe in 2011. The opportunity for a small business to have access to this many people was a dream years ago but it is a reality today for entrepreneurs.

Social Media has affected everyone in the society as it is not used by the young generation, but the older generation is also benefitting from it to reconnect with old friends and family members, living abroad. Face book is the most popular among all types of social media as it has both personal and professional usage. Social networking sites enable users to interact with their friends. For example, Facebook added a shopping application that enables users to search for products they want to buy, and then share their opinions of those products with other Facebook members (Forbes 2007).

Although online shopping has grown rapidly in recent years, some internet users remain reluctant to purchase goods on the internet because they are skeptical of how much privacy and security they have in doing so (Aldridge, Forchst, and Pierson 1997; Wang, Yeh, and Jiang 2006). Others may hesitate to shop online because they would miss the direct experience with products.

b. Recent Developments in Women Owned Businesses

In the recent years, the numbers of women running their own businesses have increase exponentially. This increase is attributed to the media, reflecting how women are getting empowered and contributing towards their
families and society. Women entrepreneurship is much needed today not only because of economic pressure of one breadwinner in a family but more so because of the fact that more women have access to education and self actualization as compared to three four decades back. Now they are in a better position to think differently and creatively to earn for themselves and their families while taking care of all religious and social obligations. Women entrepreneurs could be categorized into three types as suggested by Sharma and Dhameja (2002) and Sinha (2003), “Chance”, “Forced” and “Created” entrepreneurs. These different categories are based on how their businesses got started, or the main reasons or motivations behind starting their own businesses. Chance entrepreneurs are those who start a business without any clear goals or plans. Their business probably evolved from hobbies to economic enterprise over time. Forced entrepreneurs are those who were compelled by circumstances (e.g., death of a spouse, family having financial problems) to start a business, their primary motivation, hence, tend to be financial. Created entrepreneurs are those who are “located, motivated, encouraged and developed” through, for instance, entrepreneurship development programs. Das (2000) found that the most common reasons given were either financial reason or to keep oneself busy.

Although, E-commerce is very common and expanding rapidly, but most people in Pakistan doesn’t understand what E-commerce is and how it works? This is one of the main reasons that many companies in Pakistan at current are not engaging in E-Commerce. Low level of understanding coupled with the unavailability of proper internet framework across the country has led many Pakistani firms to give low priority to e-commerce. Seyal and Awais (2010) found that in Pakistan, adoption of e-commerce in Pakistani firms is not very quick. This point has become an advantage for individual women entrepreneurs, as they are not facing very intense competition from well established firms. Therefore they are able to attract more customers and tap new markets, where e-commerce is understood.

Women in Pakistan face many problems and they have to cross so many hurdles in thinking, starting and running their own business, however, social media is helping the cause of women entrepreneurs. Women entrepreneurs in Pakistan are taking advantage of social networking websites as many women
who could not think of doing business because of religious and cultural constraints are now entering into the world of business. They are engaging themselves into activities that allow them to earn a good amount for their ingenuity and services. In Pakistan most of the women who are engage in e-commerce have taken the help of social networking sites such as facebook, twitter and LinkedIn. They have created their profiles with the details about their businesses, products and contact details and which is regularly updated. These women entrepreneurs are selling stitch/unstitch clothes, purses shoes, jewelries, gift items such as candles and custom made decorative pieces, baked items such as cartoon themed cakes, pastries and cup cakes. They not only get orders from local clients but they have an international clientele as well. Most of the Pakistanis living abroad are enjoying this facility as now they can order their favorite eastern clothes which they can't get easily in foreign countries either due to their unavailability or high price.

These social networking sites are very useful for small businesses who don’t have a huge marketing budget or who can’t afford to have many lavish outlets in high fashioned shopping malls. Moreover, these businesses are able to attract young women costumers’ at an exponential rate as social networking is especially popular amongst young females. Dennis and Morgan (2010)'s findings reveal that young women prefer social e-shopping sites. Both utilitarian and hedonic young adult female shoppers found social e-shopping enjoyable and useful.

c. Barriers to Women Entrepreneurs in Pakistan

In developing countries such as Pakistan, seeing so many women enter into workforce is very overwhelming, even though they are restricted because of factors such as low level of education, unaware of information technology, lack of capital, lack of support from family and friends and cultural and religious factors. But still with all these factors in recent years many women have emerged as successful entrepreneurs.

In Pakistan the rate of women as employers in the past 10 years have not changed where as the number of self employed women has increased. One important fact is that women working as entrepreneurs are still lower than that
of their male counterparts. As in other countries in the region, women entrepreneurs in Pakistan are mainly found in MIEs (that is self-employed units) (Goheer, 2003; Sinhaal 2005; Roomi and Parrot, 2008).

In Pakistan, women entrepreneurs have to face many barriers to grow. The major barriers have been emerging from the literacy and infrastructure problems. However some of them related to the social status of women in Pakistan and how they have been made to be treated as a second class citizen. Most women have no access to education, freedom of choice and less availability of facilities as compared to men. Some of these problems have been shown in chart below with each problem is considered to have significance over entrepreneurial ability of women in Pakistan.

In Pakistan, people are getting aware of the fact that doing business online is not only less costly but also beneficial for the business in terms of growth and reaching out to untapped customers. Rehman.K, et. al. (2011) conducted a study to cater the attitudes of Pakistani Population towards online shopping. The results divulge that majority of the subjects are already using online technologies for shopping and they prefer to shop online. Various attitudes of the consumers toward online purchasing are catered in the study which reveals that shopping online are easy, comfortable and better than real time shopping due to various reason. The listed reason subject provides are
prices, convenience, and recommendation by someone. According to an online survey, 65% of the people use internet at least once a week and those who have bought online once at least, out of them 99% feel insecure about doing transactions online, whereas 100% of them were satisfied with the shipment and their purchasing experience.

In Pakistan, Roomi and Parrot (2008) found that women entrepreneurs do not enjoy the same opportunities as men due to number of deep-rooted discriminatory socio-cultural values and traditions. These restrictions can be observed within the support mechanism that exists to assist such fledgling businesswomen.

According to Roomi (2006), most of the problems/challenges faced by Pakistani women entrepreneurs are a result of the inferior status of women in society, their underestimation as economic agents as well as the gender bias embedded in the regional, tribal and feudal culture in the name of Islam.

Other previous studies such as Shabbir and Di Gregorio (1996), Shah (1986) and Hibri (1982) state that the main reasons of the challenges they face are the notions of ‘purdah’ and ‘Izzat’, which place severe restrictions on their mobility and they are not allowed to go out and work with men, which might cast doubts on their good reputation and reduce their marriage prospects.

Despite of all these hurdles, in recent years, women entrepreneurship has developed in Asian region and many women are coming forward in this field. Women are doing well in businesses owned by them and in many cases they are alone dealing with all the major functions of marketing, HR, finance, promotion, answering queries and taking care of delivering orders timely. Entrepreneurial abilities in women have not only helped them in improving their lifestyles and purchasing power but they have also impacted on overall poverty alleviation of the country. Women entrepreneurs in Pakistan has also taken advantage of the situation and have started their businesses by either developing websites or business pages/ professional profiles on social networking sites such as facebook, twitter and LinkedIn and are doing well. In fact the women who lack computer related education are also trying to take advantage of this wonderful invention by taking help from either their children or siblings who are more computer literate as computer education is made compulsory at the primary level.
Research Design:

Questionnaires were used to collect data from 54 women entrepreneurs representing three major urban centers of Pakistan (Karachi, Lahore and Islamabad). Questionnaires were also responded through email, which were sent to the women entrepreneurs.

Sampling Frame:

There is no readily available sampling frame for choosing a statistical sample of women entrepreneurs in Pakistan, who are running businesses from their premises. Therefore a sample of 54 women entrepreneurs was considered to be enough for the study.

Sample Composition:

A large number of questionnaires were distributed to all available and reachable samples. Out of those first 54 responses were considered for the study due to limited time period. The questionnaires were distributed randomly to women entrepreneurs and they were requested to fill it timely.

Problems Faced During the Survey:

Some of the women entrepreneurs were reluctant to provide the details of their businesses; they thought that their details might be used by government for tax purposes and due to some social and cultural factors. They were ensured that their information will only be used for academic purposes and will be kept confidential.

A. Analysis and Findings:

The analysis of the data collected through questionnaires showed that 69% of the respondents fall under the age category of 20-30 years where as 19% were above 30 years of age. The results reveal that survey capture young population. While the education analysis showed that 19% are under graduate, 43% of them are graduate, and 31% of the women entrepreneurs are master’s degree holders. 98% of the women are doing business through
The analysis of the products, that the women entrepreneurs are offering, revealed that 43% of them are selling stitch or unstitch clothes, 17% of them are selling jewellery, hair and hijab clips.

Eighty percent (80%) of the respondents are of the view that doing business over the web has helped them increased in terms of profit. While in terms of percentage, 41% respondents said that their profit increased around 10%, 41% respondents said that their profit increased around 40%, and 19% are of the opinion that their profit increased around 60%. Fifty two (52%) percent of the entrepreneurs are doing business through the web only while the remaining 48% use other means as well.

The analysis further revealed that 52% are using cash on delivery as mode of payment, where as credit card and cross cheques are also used by some of them. Fifty six percent (56%) of the entrepreneurs deliver the products through courier service where as 35% of the entrepreneurs asked their consumers to pick their parcels from their place. However, all of them (women entrepreneurs) are of the view that their customers are satisfied with them and 93% of them enjoy doing business on the web.

Keeping in view today’s law and order situation of the country, 76% of the respondents think that people prefer online shopping as compared to traditional shopping. Sixty three percent (63%) of the entrepreneurs have marketed their business while the remaining 37% have never marketed their business. Eighty three percent (83%) of the respondents are of the view that their business has spread through word of mouth.

The analysis of the responses on the question; “On average how many queries you receive in a month?” reveal that 17% receive below 5, 24% receive between 5-10 queries, where as 22% receive 10 to 15 queries and the remaining 37% receive above 15 queries in a month.

Twenty six percent (26%) of the respondents believe that below 20% queries turn into order, 43% believe that between 20% to 40% queries turn into order while the remaining 32% believe that above 40% queries turn into order.
If the queries don’t turn into order, the possible reasons according to 33% of women entrepreneurs is low understanding of e-commerce methods, 19% think high price and 19% think that better competitors are available while the remaining 20% think it is due to other reasons.

The overall analysis reveals that the women are doing well both in terms of increase in profits and business. The one important aspect that was reveal from this study was that there is a very low percentage of women in Pakistan who are using twitter, LinkedIn or e-commerce store{website}for their business.

B. Conclusion and Recommendation:

Electronic commerce is growing rapidly all over the globe and Pakistan is no exception. The advantages and cost savings offered from dealing on the internet, especially in business-to-business and business to consumer transactions have caused e-commerce to develop very fast. The Web is creating new employment opportunities for skilled IT women workers in technology firms as well as at home where, through tele-working, they have the possibility to work as home-based employees or home-based freelance consultants. Asian women producers and distributors can benefit from substantial cost efficiencies and networking opportunities. Women entrepreneurs need to gear themselves to exploit the potential of e-commerce, and thus be a part of the global production system.

After going through related literature and the results gathered from questionnaires, the study has found that most of the Pakistani women entrepreneurs are using social networking websites to conduct their business. The reason for using these websites as a business possibility is being its ease of use; signing up, creating and maintaining personal and business profile, a large number of global users who can easily access your page.

Another important factor of using these websites is that whenever any information is updated, it will be shown on the wall of all the people who are added as friends. Special customers can be tagged in post or pictures to make sure they have a look at your stuff, and don’t need to sent personal invitations every time. Furthermore, existing clients and friends may also be
asked to help grow business by asking their friends to join the business page who might in future turn out to be a loyal customer.

To further help the business community and the women in particular, the government should back such business by providing them loan facility and by providing the secure payment system. This will not only help these women entrepreneurs in running their businesses smoothly but in return it will also help in improving the social status of families.

C. Scope of the Research:
The reason for doing this research is:

1) In Pakistan, it is very difficult for women to go out for earning even in educated families and urban areas.

2) Many women are sole bread and butter earners for their families

3) Women have better entrepreneurial abilities as compared to men provided they are given support and chance to prove their entrepreneurial abilities.

D. Limitations of the Research:
Due to time and budget constraints, small sample size is used and samples from few cities such as Karachi and Islamabad are collected. This study is based on a review of key literature and primary data collected through questionnaires and face to face interviews with women entrepreneurs.

Conducting business through web without registering the business as a proper company is a new phenomenon; therefore not enough data on total number of women entrepreneurs, amount of capital invested and turnover rate was available.
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