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Digital Entrepreneurship Success: Role of Social Media and Government Support

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Abstract

Entrepreneurial success in the digital domain, particularly within the Information Technology (IT) sector, influences the contemporary business landscape. This study focuses on digital entrepreneurship and highlights its interconnections with entrepreneurial success and digital innovation. IT entrepreneurs, driven by a fervor for innovation and a dedication to pushing technological boundaries, actively contribute to the ongoing transformation of industries and societies in the global digital economy. The research framework, grounded in the resource-based theory, investigates the multifaceted digital entrepreneurship by incorporating social media adoption as a mediating variable and government support as a moderator. Empirical insights from 210 actively engaged IT entrepreneurs in Amsterdam provide an understanding of the relationships within this vibrant business environment. Recognizing the transformative impacts of IT entrepreneurs, the study adds to the existing body of knowledge and advocates for continued exploration to fully grasp the multifaceted nature of digital entrepreneurship.

Keywords

Digital Entrepreneurship, Digital Innovation, Entrepreneurial Success, Government Support, Social Media Adoption, Resource-Based Theory.

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1. Introduction

The collaborative spirit of the tech community fosters an ecosystem where innovation thrives (Yang & Liu, 2023). The surge in digitization in recent years is an enduring trend (Bowen & Morris, 2023). A Google search using the terms like "digital transformation," "digital business model," "digital entrepreneurship," and "digital" yield millions of results, reflecting the pervasive nature of digitalization in business and academia (Liu et al., 2023). Discussions about changing company models to fit into a sustainable and circular economy often center around "digital" and related terminology like Industry 4.0 or Innovation 4.0 in political discourse and conferences (Chakraborty & Biswal, 2023; Imiren et al., 2023). The perception of digital words and their relationships varies across academic disciplines, further complicating the digital environment (Bowen & Morris, 2023). This range of viewpoints extends to various interpretations of what constitutes "digital," ranging from creative approaches to identifying and engaging consumers to narrow definitions of "digital" that only relate to technology or the development of new business models (Bican & Brem, 2020). Digital entrepreneurs primarily engage in practices using digital technology to deliver goods or services, minimizing involvement from physical components (Xiao & Su, 2022). Technology becomes a tool to manage risks and uncertainties, facilitating the launch of profitable ventures in the unpredictable domains of digital spaces (Del Giudice et al., 2021; Liu et al., 2023; Sobaih & Elshaer, 2022). Entrepreneurs recognize the paramount importance of entrepreneurial success (Munawar et al., 2023). Success significantly

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influences opinions about entrepreneurship and is often intertwined with personal achievement (Abubakre et al., 2022). The competitiveness of a country's industries, characterized entrepreneurship, is closely tied to innovative and dynamic traits (Chen et al., 2022). Success hinges on various elements such as psychological traits, skills, efficient work-stress management, commitment, independence, self-assurance, and a strong internal locus of control (Hussain et al., 2023; Taleb et al., 2023). Additionally, success demands an inventive mindset, effective communication, negotiating abilities, and a prudent attitude to decision-making (Dzogbenuku & Keelson, 2019; Munawar et al., 2023).

Government backing becomes a crucial factor as governments aim to promote economic innovation and sustainability (Park et al., 2020). Recognizing the benefits of information spillover, governments provide significant funds to support company innovation. Government assistance, in various forms like loans, tax credits, subsidies, and laws, strengthens organizational effectiveness and fosters creativity (Caleb et al., 2021; Yang & Liu, 2023). While some studies explore the impact of specific policies or programs on company innovation (Anwar et al., 2020; Muhamad et al., 2020; Sharma et al., 2023). Others investigate the influence of political relationships and government links on innovation. However, the combined influence of corporate digital innovation outcomes and government support remains underexplored. Innovative technology plays a pivotal role in the business models of digital start-ups, enabled by digital technologies (Maziriri et al., 2022). Social media, now recognized as a core strategy, facilitates communication, customer understanding, cost-effective content management, analytics, and customer interaction (Taleb et al., 2023). They can take many different forms, such as digital platforms (Xiao & Su, 2022), digital tools or infrastructure (Taleb et al., 2023), digital artifacts (Hanelt et al., 2021), digital products or services (Del Giudice et al., 2021), or Internet-enabled service innovations (Caleb et al., 2021). Social media adoption particularly appeals to IT entrepreneurs due to its affordability, technical manageability, user-friendliness, and expansive reach to a large consumer base (Hussain & Li, 2022). Even businesses in developing nations increasingly leverage social media, making it a crucial tactic for IT entrepreneurs (Tohvrel, 2020). The widespread appeal of social media lies in its ability to facilitate quick and open communication between businesses and customers, enabling companies to understand customer demands and respond promptly and proactively (El-Gohary et al., 2023). This study explores how digital entrepreneurship influences entrepreneurial success and digital innovation. Social media adoption is a mediating variable, and government support is a moderating variable that aligns with the resource-based view theory. This theory focuses on a firm's internal resources and capabilities as key determinants of competitive advantage and sustained performance. The study specifically examines the context of IT entrepreneurs, emphasizing sustainability and digitalization values that inspire solutions addressing contemporary challenges (Bowen & Morris, 2023). Whether through cutting-edge software, pioneering artificial intelligence applications, or revolutionizing e-commerce platforms, these entrepreneurs contribute significantly to a tech-forward city.

2. Literature review

2.1. Resource-Based View Theory

According to the resource-based view theory, a firm's success and competitive advantage are predominantly determined by its resources and capabilities. In digital entrepreneurship, this theory underscores that a sustained competitive advantage can be attained by utilizing digital resources, including cutting-edge technologies, knowledgeable personnel, and innovative processes (Bican & Brem, 2020). The revolutionary force of digital entrepreneurship significantly influences both digital innovation and entrepreneurial success. The theory posits that strategically utilizing distinctive resources and skills is pivotal for a firm's persistent competitive advantage (Tang et al., 2023). The efficient incorporation of cutting-edge technologies, a skilled workforce, and creative processes is integral to gaining and retaining a competitive edge. Two crucial variables, social media adoption, and government support, contribute to the dynamic interplay among digital innovation, entrepreneurial success, and digital entrepreneurship (George et al., 2021). As a mediating factor, social media plays a

vital role in the relationship between digital entrepreneurship and overall performance. Acting as catalysts for brand growth and providing channels for marketing and customer involvement, social media platforms mediate the impact of digital entrepreneurship on success. Simultaneously, government assistance assumes a moderating function, influencing the environment in which digital entrepreneurship operates. The impact of digital entrepreneurship on innovation and success is shaped by government financing programs, regulatory frameworks, and supportive policies, adding density to the resource-based view theory (Hanelt et al., 2021).

This integrated model highlights the network of variables that unlock the revolutionary potential of digital entrepreneurship. It combines the foundational principles of the resource-based perspective theory with the pivotal roles played by social media adoption and government support (Del Giudice et al., 2021). Grounded in the idea that an IT business firm's resources are both immobile and diverse, the resource-based view theory asserts that a competitive advantage can be secured through entrepreneurial actions (Satalkina & Steiner, 2020). In this context, resources are the assets that a company possesses and intends to transform into the final goods or services it provides (Hanelt et al., 2021). However, not every resource a company possesses inherently possesses the caliber and potential required to confer a competitive advantage. The resource-based view focuses inward, examining how firms can gain a competitive edge by leveraging various endogenous factors, differentiating it from earlier theories centered on strategic instruments like price increases and market entry deterrence (Elia et al., 2020). This intra-firm focus sets the resource-based view apart from previous theories, emphasizing its ability to elucidate the processes through which businesses can become and remain competitive.

2.2. Digital Entrepreneurship and Entrepreneurial Success

Digital entrepreneurship has experienced a noticeable surge in the last decade, characterized by entrepreneurial pursuits facilitated through digital technology. The definition of digital entrepreneurship encapsulates "the sale of digital products or services across electronic networks" (Bowen & Morris, 2023) and the "reconciliation of traditional entrepreneurship with the new way of creating and doing business in the digital era" (Elia et al., 2020). The scholarly focus on leveraging digital technology for entrepreneurial opportunities has grown, discussions on the implications of digitally enabled entrepreneurship (Hanelt et al., 2021). Liu et al. (2023) explored how digital technology can reshape organizational strategies, marking a profound impact on societal and corporate landscapes through the proliferation of digital, communication and information technology. Scholars distinguish between digitization and digitalization to comprehend the integration of digital technologies into economic and social sectors (Sobaih & Elshaer, 2022). Digitalization is termed the "technical process" of converting analog signals into binary digits (Chakraborty & Biswal, 2023). While Imiren et al. (2023) characterize it as a "sociotechnical process of applying digitizing techniques to broader social and institutional contexts, rendering digital technologies infrastructural." Entrepreneurial success, a multidimensional concept, is influenced by monetary and non-monetary factors (Taleb et al., 2023). Scholars argue that entrepreneurial success aligns closely with the overall success of the venture (Hussain et al., 2023). Gender shape success expectations, with women often relying on intrinsic criteria and men on objective criteria (Allen et al., 2021; Chen et al., 2022). Establishing success metrics in entrepreneurship aids in identifying successful businesses and informs public policy efforts to enhance success rates (Hatak & Zhou, 2021; Munawar et al., 2023). Strong willpower contributes to resource efficiency, cost reduction, and lower entrepreneurial failure rates (Allen et al., 2021; Hussain & Li, 2022). Entrepreneurs incorporating digital entrepreneurship into their processes showcase long-term project sustainability. Anwar et al. (2020) emphasize that not every entering company succeeds, highlighting the significance of entrepreneurs' self-assurance and aggressiveness in nurturing enterprise growth. The performance metrics of investments, profitability, and overall productivity serve as indicators of success (Maziriri et al., 2022).

H1: There is a significant relationship between digital entrepreneurship and entrepreneurial success.

2.3. Digital Entrepreneurship and Digital Innovation

Integrating digital technologies has reshaped the context and execution of entrepreneurial practices (Caleb et al., 2021). The reduction of barriers to entrepreneurship facilitated by digital technology (Xiao & Su, 2022) has led to the rise of "one-person companies" (Dzogbenuku & Keelson, 2019), while digital platforms and infrastructure have streamlined entrepreneurial endeavors, making them cost-effective and providing access to a global array of resources and markets. Governments, businesses, and organizations increasingly adopt digital technologies such as cloud computing, machine learning, 3D printing, and edge computing (Taleb et al., 2023). The digitalization process introduces new institutional mechanisms, challenging established norms and altering the logic configurations of the current environment by incorporating unique values, practices, and institutions (Elia et al., 2020). Experts argue that technological advantages associated with digital infrastructures expand the potential for producing, distributing, and obtaining value, introducing new channels for these operations (Chakraborty & Biswal, 2023; Imiren et al., 2023). Digital technologies bring forth new behaviors, attitudes, and systems with their dynamic logic, coexisting with and shaping the interpretation and application of previous paradigms (George et al., 2021).

The convergence of digital technologies and entrepreneurship has transformed the processes and outcomes of entrepreneurial ventures (Chen et al., 2022). Scholars stress the need for further research to enhance our understanding of "entrepreneurial actions and outcomes in digital contexts" (Park et al., 2020). Backed by digital technology, distributed innovation provides an ideal environment for businesses to identify and leverage digital entrepreneurial opportunities. Opportunity creation and discovery processes, facilitated by knowledge-sharing in distributed innovation (Tang et al., 2023) and the affordances of digital technology (Caleb et al., 2021), continually fuel the expansion of these opportunities. Latecomers in the entrepreneurial sector can emulate the successful experiences of pioneers, contributing to the growth of digital entrepreneurial prospects through innovation or imitation (Taleb et al., 2023). Xiaomi's "internal resources, external entities" model, combining internal R&D with collaborative initiatives from various innovation entities, exemplifies this phenomenon (Ngisau & Ibrahim, 2020). Collaborative efforts expand innovation networks and potential boundaries, suggesting the ongoing creation of digital business opportunities (Xiao & Su, 2022).

H2: There is a significant relationship between digital entrepreneurship and digital innovation.

2.4. Mediating Role of Social Media Adoption

The emergence of social media within the framework of the fourth industrial revolution has significantly broadened the avenues available to entrepreneurs (Yasa et al., 2021). Its pervasive presence across cyberspace has contributed to establishing an entrepreneurial ecosystem, reducing entry barriers for business owners (Chakraborty & Biswal, 2023). As demonstrated by El-Gohary et al. (2023), social media functions as a technical element in a business's communication, transactional processes, and relationship-building activities. The modern interactive techniques offered by social media platforms have become instrumental in enhancing the competitive position of businesses in the twenty-first century (Qalati et al., 2022). Shifting away from traditional one-way information sharing, social media enables businesses to establish relationships, provide cost-effective deals, communicate efficiently, share knowledge, and enhance brand awareness (Caleb et al., 2021; Olaleye et al., 2021; Qalati et al., 2021). Chakraborty and Biswal (2023) emphasize the positive impact of social media on stakeholder involvement, sales, consumer engagement, and the acquisition of new customers. (Xiao & Su, 2022) underscore the role of social media in enabling users to engage in the dissemination of knowledge within social networks. According to Yasa et al. (2021), social networking eliminates the need for a physical presence by enabling users to share information and generate income. Consequently, social media proves to be a valuable tool for achieving corporate goals and boosting productivity. Researchers like Elia et al. (2020) and Olaleye et al. (2021) argue that social media usage enhances the visibility and presence of businesses in the marketplace.

Social media comprises collaborative online applications and technologies improving participation, connectivity, user-generated content, information sharing, and collaboration among a community of users (Ali Qalati et al., 2021). Linked directly to participation, communication, teamwork, and information sharing, social media, according to Qalati et al. (2021), is pivotal on platforms like Facebook. Social media usage requires a creative, proactive, and risk-taking approach from business owners and managers (Janavi et al., 2021). Oyewobi et al., (2021) stress the need for businesses to adopt an entrepreneurial mindset to navigate social media's positive and negative impacts, an interactive technology that facilitates open and two-way communication. IT entrepreneurs leverage social media channels due to their creativity, proactiveness, and risk-taking tendencies. The adoption objectives include identifying external opportunities, utilizing creative ideas, and understanding stakeholder needs (Chakraborty & Biswal, 2023).

H3: Social media adoption mediates between digital entrepreneurship and entrepreneurial success.

H4: Social media adoption mediates between digital entrepreneurship and digital innovation.

2.5. Moderating Role of Government Support

Government support, encompassing subsidies, commercialization aid, technical assistance, or incentives, represents the assistance provided by government organizations (Yang & Liu, 2023). This support can manifest as subsidies for innovation or allowing duty-free imports of machinery to spur the adoption of innovative technology in commercial operations. The nature of government assistance varies globally, with its significance notably emphasized in developing nations (Chaudhuri et al., 2023). Digital entrepreneurship, defined as the pursuit of new venture opportunities presented by new media and internet technologies, plays a pivotal role in the contemporary business landscape (Tohvrel, 2020). Gao et al. (2020) further elaborate, stating that digital entrepreneurship involves generating new values through digital goods or services in digital marketplaces, workplaces, or distribution channels. The European Commission's digital entrepreneurship monitor (Ngisau & Ibrahim, 2020) expands this definition to include social media, cloud, and mobile technologies in entrepreneurial practices. Although traditional and digital entrepreneurship shares common features such as idea generation, opportunity discovery, and product/service commercialization, the key distinction lies in how digital technology is applied in various venture-related tasks (Gao et al., 2020; Park et al., 2020). Muhamad et al. (2020) categorize digital entrepreneurship into three types: cloud computing, sophisticated multimedia platforms, and basic e-commerce websites.

Recent studies underscore the crucial role of government assistance in the success of IT entrepreneurs, especially in emerging countries (Anwar et al., 2020). According to Yang and Liu (2023), government support directly impacts firm performance favorably. However, entrepreneurial traits do not exert the same level of influence. Financial resources provided by IT entrepreneurs endure over the long term but may not uniformly translate into improved productivity and profitability (Tohvrel, 2020). Government assistance facilitates businesses in seizing entrepreneurial opportunities both domestically and abroad (Park et al., 2020), significantly enhancing overall business performance (Muhamad et al., 2020). Governments globally employ various strategies to promote family businesses, including incentives like tax breaks on export revenue and reduced import tariffs on raw materials (Chaudhuri et al., 2023; Sharma et al., 2023). Disparities arise in the perspectives of family businesses run by men and women, particularly regarding the aggressive pursuit of government support (Anwar et al., 2020; Ngisau & Ibrahim, 2020). These differences stem from varying gender-related strategic management and entrepreneurial behaviors exhibited by family businesses controlled by men and women (Caleb et al., 2021; Tohvrel, 2020). Research indicates that women, when seeking government support for family businesses, tend to be less aggressive, more circumspect, less self-assured, and less capable of solving problems when making riskier decisions compared to men (Gao et al., 2020; Yang & Liu, 2023).

H5: Government support has a moderating impact on social media adoption and entrepreneurial success.

H6: Government support has a moderating impact on social media adoption and digital innovation.

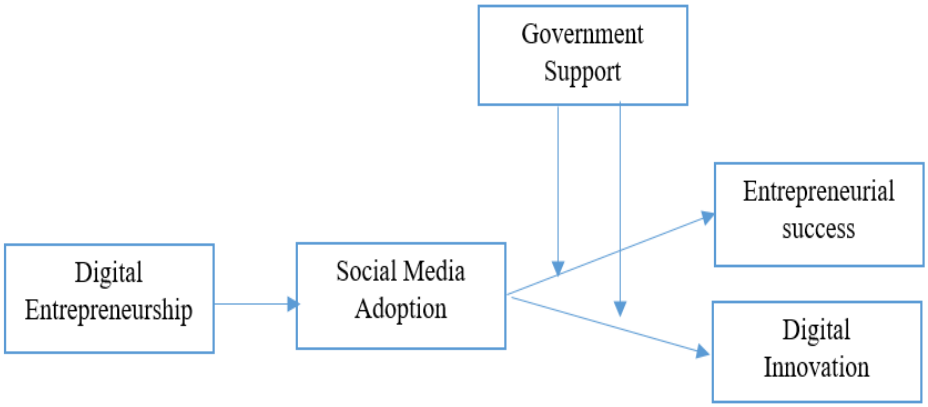

Figure 1: Conceptual Framework

3. Methodology

This research employs a quantitative approach to examine formulated hypotheses using a cross-sectional time horizon, collecting data from 210 IT entrepreneurs in Amsterdam, Netherlands, through convenience sampling. Data collection utilized a survey approach with a structured questionnaire, capturing relevant information aligned with the study's hypotheses. The questionnaire, distributed to participants, aimed at obtaining primary data directly from the IT entrepreneur population. The chosen methodology ensures a comprehensive understanding of factors influencing IT entrepreneurs in Amsterdam. The cross-sectional time horizon allows for the examination of the current state of IT entrepreneurship. The convenience sampling technique is practical, considering the challenges associated with accessing the entire population. Smart PLS is employed for analysis, providing meaningful insights into variable relationships. The statistical analysis utilized Smart PLS for testing hypotheses and evaluating structural relationships.

3.1. Instrument

The adapted questionnaire consists of three parts: the first outlines the study's purpose, the second gathers demographic information, and the third addresses variables using a 5-point Likert scale. Digital entrepreneurship is measured using (Tang et al., 2023) 3-item scale, social media adoption with (Oyewobi et al., 2021) 4-item scale, government support as a moderating variable with (Park et al., 2020) 5-item scale, and entrepreneurial success with (Hussain & Li, 2022) 7-item scale. The study also measures digital innovation using (Tang et al., 2023) 6-item scale.

3.2. Data Collection

This research is centered on primary data collected directly from respondents. A total of 250 questionnaires were distributed among IT entrepreneurs, resulting in 210 responses, indicating an 84 percent response rate—a significant figure for analysis. Respondents were briefed on the instrument during data gathering, ensuring accurate information. No coercion or pressure was applied during data collection, with ample time provided for responses. Ethical considerations were maintained by directly approaching and requesting participation, assuring respondents of data use solely for the study.

Table 1: Demographic profile

	Description	Percentage of Responses
Gender	Male	57%
	Female	43%
Age	22-33	43%
	33-44	38%
	Above 45	19%
Education	BSIT	38%
	BSCS	43%
	Diploma in Computer	19%
Experience	Less than 3 Years	33%
	4-5 Years	38%
	More than 6 Years	29%
No. of Employees	Less than 500	29%
	500-900	38%
	More than 900	33%

This study explores relationships among digital innovation, digital entrepreneurship, and the moderating effects of social media adoption, alongside government support's role in aiding IT entrepreneurs in Amsterdam, Netherlands.

4. Analysis and Results

To scrutinize factor loadings, validity, and reliability, we examined the outer model while estimating the measurement model. Subsequently, the structural links represented by the inner model underwent assessment through bootstrapping with 2000 iterations of resampling. This resampling technique determined the significance of path coefficients, facilitating hypothesis testing within the structural model. This two-step approach ensured a rigorous investigation of the research constructs, enabling a comprehensive examination of the model's measurement properties and structural linkages.

4.1. Measurement Model

Partial least squares structural equation modeling (PLS-SEM) was employed in this study, emphasizing the assessment of validity and reliability. As shown in Table 2, the values exceeded the recommended cutoffs for average extracted variance (AVE) and composite reliability (CR), set at 0.5 and 0.7, respectively, according to Hair et al. (2019). These results indicate strong internal consistency and accuracy, forming a robust basis for proving convergent validity. Cronbach's alpha scores were used to estimate the impact of randomized errors on variable scores, with a coefficient of 0.7 or higher generally denoting acceptable construct reliability (Nunnally, 1978). Overall, these findings support the validity and reliability of the research measures, laying a robust foundation for subsequent analyses and conclusions.

Table 2: Reliability and Validity

Construct	Item	Loadings	CA	CR	AVE
Digital Entrepreneurship	DE1	0.805	0.826	0.896	0.743
	DE2	0.861			
	DE3	0.915			
Digital Innovation	DI1	0.768	0.912	0.931	0.694
	DI2	0.855			
	DI3	0.878			
	DI4	0.817			
	DI5	0.837			
	DI6	0.837			
Entrepreneurial success	ES1	0.790	0.879	0.907	0.583
	ES2	0.846			
	ES3	0.829			
	ES4	0.760			
	ES5	0.705			
	ES6	0.756			
	ES7	0.639			
Government Support	GS1	0.810	0.873	0.908	0.663
	GS2	0.843			
	GS3	0.808			
	GS4	0.795			
	GS5	0.813			
Social Media Adoption	SMA1	0.796	0.829	0.886	0.662
	SMA2	0.751			
	SMA3	0.851			
	SMA4	0.851			

Hair et al. (2020) argue that discriminant validity, the ability of items to measure distinct concepts, is crucial. The findings in Table 3 illustrate the theoretical distinctiveness of each variable in the study, supported by correlation coefficients consistently below 0.70 (Sobaih & Elshaer, 2022). Moreover, the assessment of discriminant validity using the Heterotrait-Monotrait ratio (HTMT) criterion, as shown in Table 3, aligns with previous research (Hair et al., 2020). While a more conservative approach suggests values below 0.9 or 0.85, HTMT remains a robust metric for assessing discriminant validity despite differing recommendations (Hair et al., 2020). The highest HTMT value in this investigation was 0.841, well below the cautious cutoff point of 0.85. Consequently, all constructs in the analysis meet the requirements for discriminant validity, confirming the distinctiveness of each variable in the study model and supporting the validity of the study's conclusions and the dependability of the measuring model.

Table 3: Discriminant validity

	DE	DI	ES	GS	SMA
Digital Entrepreneurship	0.862				
Digital Innovation	0.602	0.833			
Entrepreneurial success	0.690	0.824	0.764		
Government Support	-0.604	-0.759	-0.679	0.814	
Social Media Adoption	0.583	0.639	0.678	-0.511	0.813

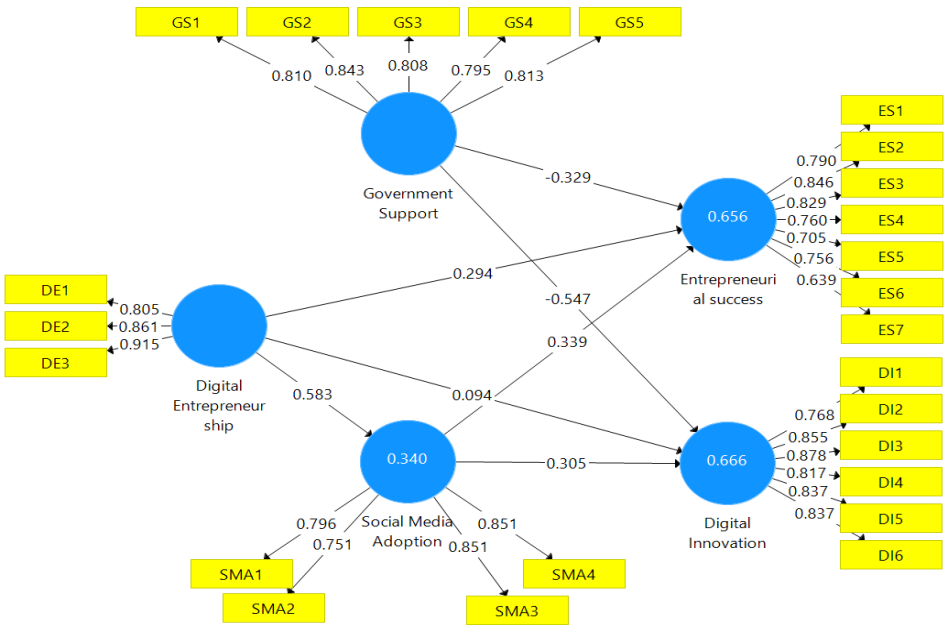

Figure 2: Measurement Model

4.2. Structural Model

The conceptual model underwent rigorous hypothesis testing utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM), employing bootstrapping across 5000 subsamples to ensure robustness in the analysis. Figure 3 visually presents the outcomes of the structural model estimation, providing a comprehensive illustration of the connections and statistical significance attributed to each hypothesis. The initial hypothesis (H1) posits a significant correlation ($\beta = 0.294$, $t = 2.190$, $p < 0.029$) between digital entrepreneurship and entrepreneurial success, garnering empirical support for H1. Similarly, the second hypothesis (H2) asserts a significant correlation ($\beta = 0.064$, $t = 7.222$, $p < 0.000$) between digital entrepreneurship and digital innovation, finding substantial support for H2. Moving on to the mediation hypotheses, H3 suggests a mediating substantial correlation between social media adoption ($\beta = 0.198$, $t = 6.132$, $p < 0.000$) in the relationship between digital entrepreneurship and entrepreneurial success, with empirical backing for H3. Correspondingly, H4 posits a mediating substantial correlation between social media adoption ($\beta = 0.178$, $t = 5.232$, $p < 0.000$) in the connection between digital entrepreneurship and digital innovation, finding robust support for H4. Concerning the moderating hypotheses, H5 proposes a moderating substantial correlation between government support ($\beta = 0.068$, $t = 1.974$, $p < 0.049$) on social media adoption and entrepreneurial success, gaining empirical validation for H5. Simultaneously, H6 suggests a moderating substantial correlation between government support ($\beta = 0.103$, $t = 2.516$, $p < 0.012$) on social media adoption and digital innovation.

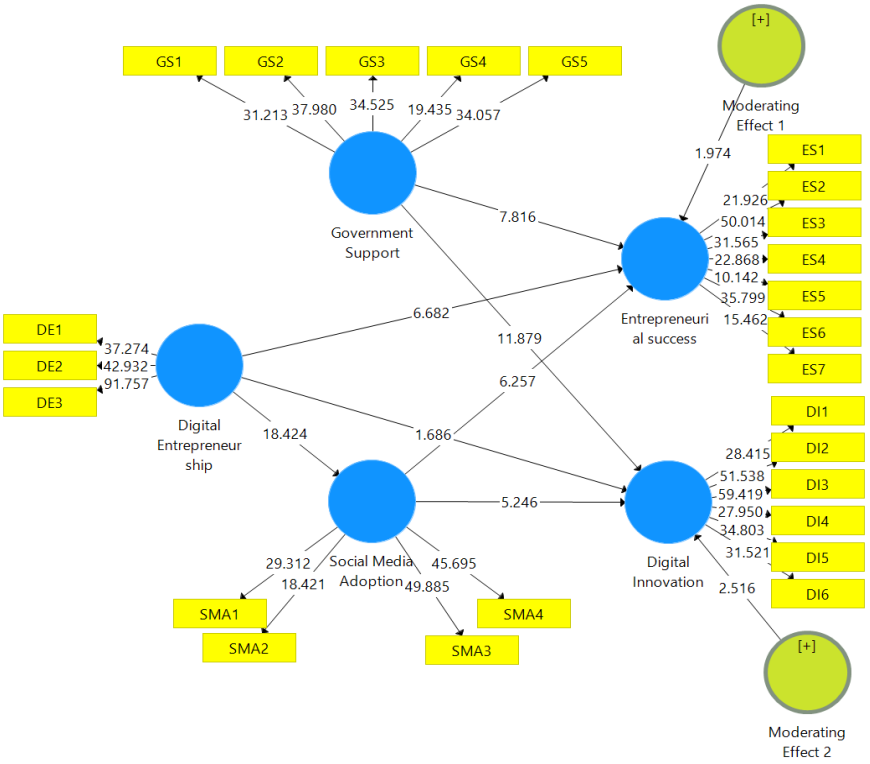

Figure 3: Structural Model

The R-square coefficients for the latent variables, as analyzed following the criteria by Cheah et al. (2020), categorize the R-square values of 0.67, 0.33, and 0.19 as high, medium, and small, respectively. The R-square values for digital innovation, entrepreneurial success, and social media adoption in this study were determined to be 0.663, 0.653, and 0.338, respectively, as indicated in Table 4 and Figure 2. These findings underscore the model's explanatory potential, demonstrating its ability to effectively forecast the endogenous constructs' variance effectively.

Table 4: Assessment of R square

	R-Square	Adjusted R-Square
Digital Innovation	0.666	0.663
Entrepreneurial success	0.656	0.653
Social Media Adoption	0.340	0.338

5. Discussion

The study establishes a relationship between digital entrepreneurship, entrepreneurial success, and digital innovation. Significantly, social media adoption emerges as a pivotal mediating variable, amplifying the impact of digital entrepreneurship on entrepreneurial success and digital innovation. All hypotheses proposed in this study find empirical support, highlighting the relationships between digital entrepreneurship, social media adoption, government support, and the studied entrepreneurial outcomes. The findings reveal a noteworthy correlation between digital entrepreneurship, entrepreneurial success, and digital innovation (H1, H2). It suggests that an entrepreneur's overall business performance is influenced by their inclination to disseminate knowledge across various business dimensions, facilitating timely decisions and enhancing entrepreneurial success. The study effectively explores the relationship between digital entrepreneurship, success, and IT culture as a second-order hierarchical reflective construct. Results indicate that IT culture plays a pivotal role as a key predictor of digital entrepreneurship and success within the hierarchical model. The cultural values framework, rooted in managerial literature, has been introduced, with little prior utilization in digital

entrepreneurship and success. Based on basic demands and motivations, this framework provides insight into how digital entrepreneurs shape their ventures (Abubakre et al., 2022; Chakraborty & Biswal, 2023). The IT culture theory outlines the influence of digital entrepreneurs on digital entrepreneurship and success through shared cultural values driven by requirements and motives. Particularly, the cultural values framework is an invaluable analytical tool for scholars, capturing the common desires and drives of individuals satisfied or left unfulfilled by their use of IT (Bican & Brem, 2020). This perspective clarifies the connections between IT culture, human requirements, incentives, and the achievement of digital entrepreneurship. Analyzing this focus in light of existing research on successful entrepreneurship allows for an understanding of the varied degrees of success among different groups of digital entrepreneurs in their ventures.

The results reveal a mediating correlation of social media adoption between digital entrepreneurship and entrepreneurial success and digital innovation (H3, H4). This finding aligns with the broader recognition of social media as a transformative tool for businesses, enhancing visibility, communication, and stakeholder engagement (Caleb et al., 2021). By actively adopting and integrating social media strategies, IT enterprises can leverage these platforms to bolster entrepreneurial success and foster digital innovation. The mediating correlation underscores the nature of the digital landscape, where interconnected elements contribute synergistically to entrepreneurial outcomes. This resonates with prior research emphasizing the strategic role of social media in shaping competitive advantages for businesses in the digital era (Chen et al., 2022).

Moreover, this study aligns with the sentiments expressed by scholars highlighting the importance of embracing digital platforms for innovation and success in contemporary business environments (George et al., 2021). The mediating effect of social media adoption signifies that IT enterprises actively engaging with these platforms are better positioned to achieve entrepreneurial success and drive digital innovation. The study emphasizes the transformative impact of social media adoption in digital entrepreneurship, showcasing its pivotal role in shaping outcomes and development of innovation for IT enterprises.

The study uncovers a significant moderating correlation between government support and social media adoption, exerting influence on entrepreneurial success and digital innovation (H5, H6). This discovery aligns with the acknowledgment that government policies and initiatives are pivotal in shaping the digital entrepreneurial landscape (Imiren et al., 2023). By actively moderating the process of social media adoption, governments can amplify the positive outcomes associated with this digital strategy, thus nurturing an environment conducive to Information Technology (IT) enterprises. The positive correlation between government support and social media adoption underscores the crucial role of external factors in shaping the digital entrepreneurial milieu. Through policies encouraging and facilitating social media use in business contexts, governments contribute significantly to creating an environment that fosters innovation and success for IT enterprises (Hussain & Li, 2022). This aligns with prior research that underscores the influential role of government support in advancing digital entrepreneurship and economic growth (Janavi et al., 2021). Moreover, the moderating impact of government support extends beyond mere adoption, influencing broader aspects of entrepreneurial success and digital innovation. As government initiatives fortify the integration of social media strategies, IT enterprises gain visibility and market reach and cultivate an innovative culture. This concurs with research emphasizing the pivotal role of supportive government policies in propelling digital innovation and entrepreneurship. In essence, the collaborative synergy between government support and social media adoption establishes a conducive ecosystem for IT enterprises, promoting an environment that not only encourages digital entrepreneurship but also propels innovation and economic growth.

5.1. Implications

The theoretical implications of this study contribute significantly to understanding digital entrepreneurship, especially within the context of IT entrepreneurs. The study affirms the relevance of

the resource-based view theory by elucidating how resources such as technological capabilities and knowledge assets influence entrepreneurial success and digital innovation (George et al., 2021). It underscores the importance of internal resources in shaping the competitive advantage of IT enterprises in the digital ecosystem. Identifying social media adoption as a mediating variable enriches theoretical frameworks, highlighting the interconnectedness of digital strategies with entrepreneurial outcomes. Additionally, the study advances the understanding of government support as a moderator, emphasizing its role in shaping the impact of digital entrepreneurship on success and innovation. This aligns with theoretical perspectives that highlight the contextual influence of external factors on entrepreneurial processes (Liu et al., 2023). On a practical level, the findings offer actionable insights for IT entrepreneurs and policymakers. Entrepreneurs can refine their digital strategies by recognizing the mediating role of social media adoption, leveraging it for visibility, driving entrepreneurial success, and promoting innovation. Policymakers can use these insights to tailor supportive measures targeting the enhancement of social media adoption among IT entrepreneurs, recognizing its pivotal role as a catalyst for success and innovation. The practical implications extend to promoting a collaborative ecosystem, where IT entrepreneurs navigate digital landscapes with resource-based advantages and the support of government initiatives. The convergence of internal and external elements is crucial for innovation projects to succeed. National policies and regulations function at both micro and macroeconomic levels, aiming to strengthen inventive capacities and support economic growth and competitiveness.

5.2. Limitations and Future Research

As with any investigation, there are limitations to the current study. The study's reliance on a relatively small sample size may impact the generalizability of findings beyond Amsterdam's IT entrepreneurs. Future research could address this by incorporating a more extensive and diverse participant pool. Additionally, the focus on quantitative research limits the depth of insights. Future research could incorporate qualitative methods for a richer understanding. Exploring unexplored mediation and moderation variables that could further shape relationships is necessary. Future research should extend the scope by examining additional mechanisms and exploring other variables.

5.3. Conclusion

The study establishes a significant connection between digital entrepreneurship, entrepreneurial success, and digital innovation, highlighting the pivotal role of the IT sector in driving economic growth and technological advancement in Amsterdam. Introducing social media adoption as a mediating variable and government support as a moderator unveils mechanisms through which external factors interact with entrepreneurial endeavors. The integration of resource-based theory enriches the theoretical framework, emphasizing the relevance of internal capabilities in shaping entrepreneurial outcomes. Acknowledging limitations opens avenues for future research to refine understanding. This study is beneficial to practitioners, helping them navigate the complexities of digital entrepreneurship. The implications of these results are felt on several levels, depending on how companies view implementing digital technology, their unique qualities, and their location. The study shapes the direction of future research, emphasizing the significance of a contextualized understanding of digital entrepreneurship and paving the way for a understanding of the interaction between context and digital entrepreneurship.

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