

An Exploration of Undergraduates' Propensity for Online Businesses

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Abstract

An online business primarily operates online, using digital platforms to provide products, services, or information to a global audience at a lower cost than traditional businesses. In Sri Lanka, technological developments have made it easier for young people to start online businesses, with a growing trend among university students. While the drivers of traditional entrepreneurs have been well-documented, the factors influencing undergraduates to start an online business in Sri Lanka remain unexplored. The main objective is to identify the factors that affect undergraduates' propensity to engage in online business. A stratified sampling was used to select a sample of 261 participants. Data were collected using a well-structured questionnaire, distributed both online and in person. Binary Logistic Regression and Exploratory Factor Analysis were employed to examine undergraduates' propensity toward online businesses. Among 261 respondents, 92 were engaged in online businesses, and Gender, Faculty, Monthly income, and Awareness were identified as factors affecting undergraduates' engagement in online businesses. Gender showed that female students were more likely to engage in online business compared to males, and they were 50% less likely to participate. Students from the Faculty of Management Studies and Commerce were 2.15 times more likely to engage in online business than students from the Faculty of Humanities and Social Sciences. Faculty of Applied Sciences was 3.76 times more likely to engage in online business than students from the Faculty of Humanities and Social Sciences. Households with incomes above 100,000 have a 0.37 times higher probability of participating than those with incomes below 50,000. This means that students with higher monthly household incomes are more likely to participate in online business than those with lower household incomes. Financial aid is not significant, and it shows that students can manage the finances of their online businesses without university financial aid. There is no significant impact of GPA on online business engagement, indicating that students have managed their academic work alongside their online business activities. Lack of time is the reason why some undergraduates do not engage in online business. They have a moderate attitude towards online business, and most are willing to start one.

Keywords: Digital platforms, Internet, Online Business, Propensity, Undergraduates

Introduction

A common protocol that connects the many networks that make up the Internet (Internet Protocol, or IP) is the Collection Tree Protocol, which allows users on one network to communicate with users on any other network. (Evans & Volery, 2001). Sri Lanka is getting more connected to the internet, making it easier for young people to start businesses online. An online business is any career activity conducted over the internet. Operating an online business may involve buying and selling online, providing an online service, including selling products or services, offering digital downloads, providing information, and facilitating transactions electronically.

The desire to make multiple attempts to gather data and prepare to develop business plans online is the intention behind online entrepreneurship. This phenomenon is believed to be influenced by several factors, including creativity, online business learning, entrepreneurship education, and digital literacy (Mugiono et al., 2020). The purpose, objectives, and goals that motivate a person to start and run an online business are called the intention of an online business. Many people start businesses online to make money. Beyond monetary gains, other reasons for starting an online business can include a need for freedom and flexibility. In addition to financial factors, individuals frequently launch online businesses because they perceive new opportunities, think they can succeed, adhere to social norms, possess the necessary skills and expertise, are influenced by their environment, and are aware of current market trends.

In recent years, with the growth of online shopping and the development of digital platforms, young entrepreneurs have been given unheard-of opportunities. Armed with technical expertise and motivated by a desire for financial independence and flexibility, undergraduates are increasingly attracted to the idea of starting their businesses online. This trend is further fueled by the availability of entrepreneurial education and resources offered by universities and institutes. Additionally, the financial pressures students face, including rising tuition fees and living expenses, make the prospect of an online business an attractive avenue for income generation. However, there is a strong question regarding the propensity of university students to engage in online businesses. While extensive research has explored the factors influencing entrepreneurship among individuals Krueger, Jr. & Brazeal, (2018) There is a noticeable gap regarding the special propensity of undergraduates to turn to online businesses. By investigating the motivations, challenges, and outcomes of undergraduate students engaging in online ventures, this study aims to identify students' entrepreneurial aspirations in the digital age and to provide valuable insights into how educational institutions can support and nurture them.

Any commercial activity conducted over the Internet is called an online business. Beheshti & Sangari (2007) noted that a system known as "Internet-based electronic business" enables companies to communicate with clients, partners, staff, and suppliers over intranets, external networks, and the Internet. Further, it mentions that Electronic business's internal and external connectivity helps businesses become more efficient by reducing expenses, boosting output, and achieving objectives more quickly. According to Yunanto & Paizal (2019), as more people use digital devices and the number of internet users grows daily, online marketing is a fantastic way for businesses to advertise their products. Further, they have said that one of the sectors expanding the fastest today is internet marketing. According to Xin & Ma (2023), digital entrepreneurship encompasses influencer marketing, e-commerce trading, game live-streaming, and the development of digital platforms. Then, new forms of entrepreneurship appear, such as live broadcasting, internet commerce, and video production. Based on the definition provided, any business activity conducted online is referred to as an online business. Simply, online business, electronic business, or e-business refers to any business or commercial transaction that involves the sharing of information over the internet. Every individual who uses the internet or digital platforms to do their own business is called a digital entrepreneur.

Besides that, the purpose of online entrepreneurship is to use the internet to plan and gather information to accomplish commercial objectives. (Mugiono et al., 2020).

Graduate entrepreneurship is becoming more widely recognized as a key element of national competitiveness as well as a vital driver of regional and local economic expansion in both developed and emerging nations, according to Millman et al., (2010). Some research has identified key factors influencing engagement in online business, including creativity, online business learning, entrepreneurial education, and digital literacy. However, it examines only how online entrepreneurial ambitions are affected by knowledge of digital technologies, entrepreneurship education, online business learning, and creativity. Xin & Ma, (2023) Highlights: During the COVID-19 pandemic, university graduates struggled to find employment, and some students chose to become entrepreneurs. The digital economy offers university graduates business options. It stimulates the growth of new industries and types of entrepreneurship by lowering the cost of entrepreneurship and the barrier to entry. Further, as these researchers have noted, entrepreneurs need very little money or education. Physical disabilities, gender, or other characteristics no longer restrict digital entrepreneurship.

While several theories have been employed to understand individuals' desire to participate in online business, the theory of planned behavior has received significant attention due to its influence and widespread use in this area. (Watrianthos, 2019). Here, he states that the theory of planned behavior explains that online business intentions among pupils are influenced by factors such as dispositions, 10 subjective norms, and perceptions of behavioral control. Suryawirawan, (2019) has conducted research using the theory of planned behavior, and he has investigated how college students' intentions to engage in online business are influenced by attitude, subjective norm, perceived behavioral control, gender, and self-efficacy. According to BeniĆ, (2021) The theory of planned behavior model examines the effects of attitude toward technology use, subjective norm, and perceived behavioral control on technology use intention. According to Su & Li, (2021) the four fundamental components of the technology acceptance model are: user behavior, or how users really behave when using new technology; behavioral intention, or how willing users are to try new technologies; utility, or how users see new technologies subjectively; and Usability and simplicity of use of the recently adopted technology describes how much work consumers put into utilizing the new tools.

According to Lavanya & Santharooban (2018), a cross-sectional survey design was employed, and descriptive and inferential statistics were used for data analysis. The validity of the question was examined using confirmatory factor analysis (CFA) and Chen & Dai, (2022) used SPSS 26 statistical software, which was used to assess the dependability of 23 items of a 5-variable analysis, including entrepreneurial attitudes, subjective norms, perceived behavioral control, entrepreneurial education, and online entrepreneurial willingness. According to the study by Norleen Rose Servan Aguilar et al. (2022), which examined how social media marketing affects the brand success of student-owned small online businesses, a quantitative research design and statistical analysis were used. Pokhrel (2022) investigated intentions to use social media among business school undergraduates in 2020. SmartPLS 2.0 and SPSS 25 were used to analyze the data, and before testing the directness and moderation hypotheses, the hypothesis of multicollinearity was tested. In addition, Wibowo et al. (2023) conducted a cross-sectional survey using a quantitative approach, employing Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the conceptual framework and the proposed hypothesis.

Methodology

Primary data were collected directly from undergraduates at the University of Sri Jayewardenepura to investigate their propensity to engage in online businesses. Secondary data were used to determine the sample size, with the University of Sri Jayewardenepura's annual student registration list as the primary source. The population selected for this study included undergraduate students at the University of Sri Jayewardenepura. The target population is especially limited to three faculties: the Faculty of Humanities and Social Sciences, the Faculty of Applied Sciences, and the Faculty of Management Studies and Commerce. By considering these specific faculties, this research aims to provide a thorough understanding of undergraduates' propensity to engage in online business activities within the university setting across different academic backgrounds. To enhance the representativeness of the sample, the population was divided by faculty, and the sample was selected using stratified sampling. The target population of the study was 8,563 students, and, according to Cochran's formula, the appropriate sample size was 261. Additionally, under the stratified sampling proportionate allocation approach, the corresponding number of undergraduates to be selected from each stratum was computed. A questionnaire was used as a research instrument to collect necessary information. The questionnaire was distributed online and in person to undergraduate students at the University of Sri Jayewardenepura. It was designed to collect information on respondents' demographic factors, propensity to engage in online business, motivation, awareness, academic performance, barriers, and financial status.

A factor analysis was utilized to measure the factors motivating undergraduates to initiate and participate in online business. A 5-point Likert scale and frequency analyses are used to examine respondents' motivation to start an online business and to measure the challenges they face in running one. A binary logistic regression analysis is utilized to measure the association between academic performance and involvement in online business activities. A frequency analysis and a descriptive analysis are used to measure the benefits of participating in an online business from the perspective of undergraduates, since the data are taken from a single dataset (Students who are engaging in online business). The variables BEN_OB (Benefits of engaging in online business) and MI_OB (Monthly income from online business) are analyzed to achieve this objective. A frequency analysis and a descriptive analysis are used to identify the most widely used social media platform among university undergraduates for marketing their online work, as the data is based on a single dataset (students engaging in online business). The variable SOC (social media used to market your online business) is analyzed to achieve this objective.

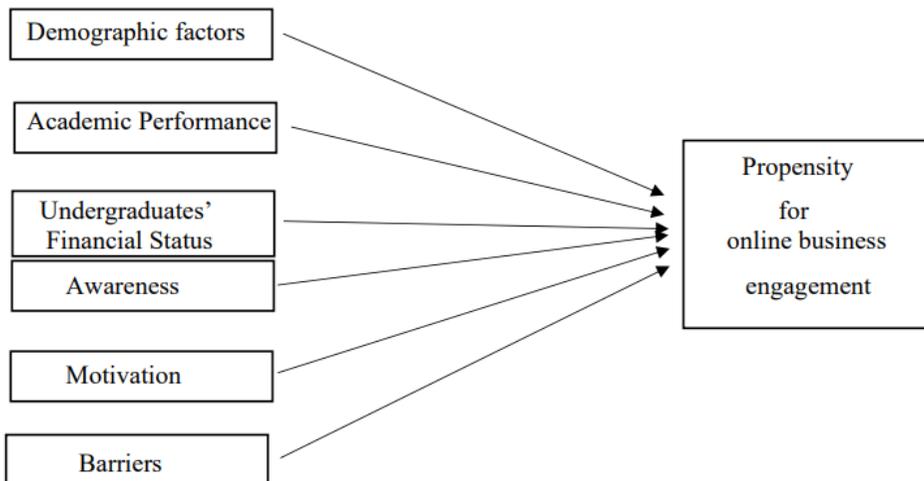


Figure 1: Conceptual Framework of the study
Source: constructed by the researcher

As depicted in the conceptual framework, the dependent variable of this study is the propensity of undergraduates to engage in online business. In contrast, the independent variables include demographic, educational, economic, awareness, motivational, and barrier factors. These variables are considered critical factors in undergraduate students' decision-making about online business engagement.

Results and Findings

The survey response rate was 100%, indicating full participation from the target population. The highest response rate was from the Faculty of Management Studies and Commerce, with second-year students comprising the majority of the respondents. In terms of gender, females were the majority at 64% of the sample, while males were 36%. The average age of the respondents was 23.67 years, with the mode and median being 24 years. In terms of provincial representation, most respondents lived in the Western Province, with the Eastern, Northern, and Uva Provinces having the smallest representation. Ethnically, 96.6% of the respondents were Sinhalese, while religiously, 91.95% of the sample were Buddhists. The majority of respondents, 37.93%, have a GPA between 3.30 and 3.69, while only 1.53% have a GPA below 1.99. 51.72% of respondents receive financial assistance from the university, representing the largest group. 44.06% of respondents have a monthly income of Rs. 75,000/-, making it the largest income group, while 13.03% have a monthly income below Rs. 25,000/-, representing the smallest group.

Awareness of undergraduates about online business

Out of the 261 respondents, 97% were aware of online businesses, while 3% were not. Among those aware, the most recognized type of online business, identified by 68%, was online tutoring. Social media was the most influential source of awareness, with 87% reporting it as the primary driver. Regarding awareness levels, 44% of respondents had high awareness of online businesses, the majority. The age at which respondents

first became aware of online businesses was most likely during their high school years, with 43% reporting this.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.544	25.202	25.202	5.544	25.202	25.202
2	2.142	9.735	34.937	2.142	9.735	34.937
3	1.774	8.065	43.002	1.774	8.065	43.002
4	1.405	6.387	49.390	1.405	6.387	49.390
5	1.127	5.123	54.513	1.127	5.123	54.513
6	.924	4.198	58.711			
7	.901	4.095	62.806			
8	.875	3.977	66.783			
9	.847	3.848	70.632			
10	.729	3.312	73.943			
11	.662	3.011	76.954			
12	.639	2.902	79.857			
13	.572	2.600	82.457			
14	.542	2.462	84.919			
15	.524	2.381	87.300			
16	.513	2.330	89.631			
17	.466	2.119	91.749			
18	.454	2.062	93.811			
19	.373	1.696	95.507			
20	.342	1.553	97.060			
21	.331	1.504	98.564			
22	.316	1.436	100.000			

Table 1: Results of the Eigen Analysis
 Source: constructed by the researcher

	Component				
	1	2	3	4	5
Awareness (AW)		0.781			
E-commerce Stores	0.622				
Service-Based Businesses	0.754				
Digital Products	0.697				
Affiliate Marketing	0.695				
Blogging and Content Websites	0.759				
Bitcoin / Cryptocurrency	0.729				
Social Media Marketing	0.429				
Online Marketplaces				0.531	
Online teaching				0.559	
None of the above		0.836			
Parents	0.069				
Peers	0.260				
Teachers			0.761		
Adults			0.586		
Educational Programs			0.545		
Social Media				0.504	
Mass Media				0.660	
Word of mouth	0.384				
None of the above		0.787			
Awareness Level (AW_LEVL)		0.422			
Age of online business awareness (AGE_OB)					0.863

Table 2: Factor loadings for the results of Exploratory Factor Analysis
 Source: constructed by the researcher

Factor analysis confirmed the dataset's suitability for analysis, with a Cronbach's alpha of 0.719 and a Kaiser-Meyer-Olkin (KMO) value of 0.854, indicating data adequacy.

Bartlett’s test indicated significant interrelationships between variables (p -value < 0.01). Five factors with eigenvalues greater than 1 were found, collectively explaining 54.51% of the total variance across 22 variables. The first factor primarily represents awareness and influences related to online business types, including e-commerce stores, digital products, and affiliate marketing, as well as influences from parents and peers. The second factor highlights overall levels of awareness. The third factor focuses on the role of teachers, adults, and educational programs in shaping online business awareness. The fourth factor reflects the influence of digital platforms and media, including social media and online marketplaces. Finally, the fifth factor highlights the age at which respondents first became aware of online businesses. The community table further confirmed that these five factors can effectively explain the variability in the data set.

Factors motivating undergraduates to initiate and participate in online business

The motivational factors that influence undergraduates to start and participate in online businesses. The results showed that the highest frequency value for motivational factors was 4 (agree), and Cronbach’s alpha of 0.89 confirmed the reliability of the sample data. The Kaiser-Meyer-Olkin (KMO) statistic of 0.826 indicated sufficient data for analysis, with a significant p -value (0.000) indicating interrelationships between the variables, confirming their suitability for factor analysis. The factor analysis revealed that all five motivational variables were highly correlated with one factor, “Motivational Drivers for Online Business Activities”, which explained 69.62% of the total variance. The community table showed extraction values greater than 0.5, confirming the suitability of a one-factor model. Frequency analysis further highlighted sources of inspiration for respondents, with peers the most influential group, followed by teachers and parents, and adults the least influential.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.481	69.619	69.619	3.481	69.619	69.619
2	0.719	14.371	83.989			
3	0.328	6.554	90.543			
4	0.256	5.117	95.660			
5	0.217	4.340	100.000			

Table 3: Results of the Eigen Analysis
 Source: constructed by the researcher

	Component 1
MOT1	0.812
MOT2	0.820
MOT3	0.886
MOT4	0.874
MOT5	0.775

Table 4: Factor loadings for the results of Exploratory Factor Analysis
 Source: constructed by the researcher

Challenges that individuals face in doing online business

One of the study’s specific goals is to identify the barriers individuals face when engaging in online businesses. Factor analysis and principal component analysis were used to examine variables representing barriers, including financial barriers (B1), academic responsibilities (B2), lack of initial knowledge (B3), lack of operational knowledge (B4), time constraints (B5), lack of a support team (B6), and technical barriers (B7). Frequency analysis revealed that the highest frequency value was 3 (neutral). The reliability of the sample data was confirmed by Cronbach’s alpha (0.745), and the Kaiser-Meyer-Olkin (KMO) statistic (0.667) indicated that the data were adequate. Significant p-values (<0.001) indicate interrelationships between the variables, confirming their suitability for factor analysis. The analysis identified two factors with eigenvalues greater than 1, accounting for 59.72% of the total variance. Factor 1, “Practical and Social Constraints,” was represented by B1, B2, B5, and B6, and factor 2, “Knowledge and Technical Deficits,” was represented by B3, B4, and B7. Although B6 and B7 showed slightly lower extraction values (>0.5), the community table confirmed the suitability of the two-factor model. The results indicate that these two factors effectively capture the variability of online business challenges.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.783	39.762	39.762	2.783	39.762	39.762
2	1.397	19.956	59.718	1.397	19.956	59.718
3	0.852	12.174	71.892			
4	0.675	9.644	81.535			
5	0.587	8.392	89.927			
6	0.418	5.967	95.894			
7	0.287	4.106	100.000			

Table 5: Results of the Eigen Analysis
 Source: constructed by the researcher

	Component	
	1	2
B1 (Financial Barriers)	0.769	
B2 (Academic responsibilities)	0.780	
B3 (Lack of start-up knowledge)		0.842
B4 (Lack of sufficient knowledge to operate the business)		0.887
B5 (Time constraints)	0.681	
B6 (Lack of support group)	0.576	
B7 (Technological Barriers)		0.482

Table 6: Factor loadings for the results of Exploratory Factor Analysis
 Source: constructed by the researcher

Relationship between academic performance and involvement in online business activities

The research investigated the relationship between academic performance and online business activities using binary logistic regression. The independent variable was GPA, and the dependent variable was online business activities (OBE). The hypothesis was tested to determine whether adding GPA as a variable would improve the model's predictive power. The p-value of the omnibus test results was 0.089, which is greater than 0.05. This indicates that adding GPA did not significantly improve the model's predictive power. As a result, the model was non-significant, showing no significant improvement in fit over the null model, indicating poor model fit.

Perceived benefits of engaging in online business from the perspective of undergraduates

The research also analyzed the benefits of engaging in online businesses from the perspective of undergraduates, focusing on two variables: benefits of engaging in online businesses (BEN_OB) and monthly income from online business (MI_OB). The findings revealed that financial gain was the most widely recognized benefit, with approximately 80 students identifying it as a major benefit. In terms of monthly income, the largest group of students, about 40, reported earnings below Rs 10,000. These results highlight the primary benefits and income range for undergraduates participating in online business activities.

The most outstanding social media platform used by university students to market their online business

The research examined the most popular social media sites that college students utilize to market their online businesses, focusing on the variable SOC (social media used to Market Online Businesses). The findings revealed that WhatsApp and Facebook were the most popular platforms, each with approximately 80 respondents. Instagram was also widely used, with 45 respondents reporting use. In contrast, LinkedIn, Snapchat, and Reddit were the least-used platforms, with the lowest representation among respondents.

Factors influencing the propensity of undergraduates to engage in online business.

The primary goal of the research was to identify the factors affecting undergraduates' engagement in online businesses. The frequency analysis revealed that 65% of the sample, consisting of 169 students, were not engaged in online businesses, while 35% of the students, 92, were actively participating. To assess the factors influencing this engagement, a binary logistic regression analysis was conducted. Demographic variables such as gender (GEN), age (AGE), academic year (AC_YR), faculty (FAC), GPA, financial aid (FIN_AIDS), monthly income (MI), and awareness index were considered as independent variables. At the same time, online business engagement (OBE) served as the dependent variable. The results of the omnibus test showed that the predictive power of the model was significantly improved by adding the variables, with a p-value <0.001. The Hosmer and Lemeshow test confirmed a good fit, as the p-value of 0.239 exceeded the alpha value of 0.05. Furthermore, the Cox & Snell R Square and Nagelkerke R Square values indicated that the model explained between 19.4% and 26.6% of the variance in online business engagement.

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	56.136	14	< 0.001
	Block	56.136	14	< 0.001
	Model	56.136	14	< 0.001

Table 7: Results of the Omnibus Test
 Source: constructed by the researcher

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	12.195	8	0.143

Table 8: Results of the Hosmer and Lemeshow Test
 Source: constructed by the researcher

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	282.629 ^a	0.194	0.266

Table 9: Model Summary
 Source: constructed by the researcher

Variable		Coef. (B)	S.E.	Sig.	Odds Ratio Exp(B)	95% C.I. for EXP(B)	
						Lower	Upper
Gender	Male			0.000	1		
	Female	-0.704	0.331	0.034	0.495	0.259	0.947
Age	AGE	-0.160	0.110	0.144	0.852	0.687	1.056
Faculty	FHSS			0.012	1		
	FMSC	0.767	0.366	0.036	2.152	1.051	4.409
	FAS	1.325	0.452	0.003	3.763	1.551	9.130
GPA	Above 3.30			0.695	1		
	3.29 – 3.00	0.285	0.334	0.394	1.330	0.690	2.562
	Below 2.99	0.133	0.431	0.758	1.142	0.490	2.661
Financial Aid	Mahapola			0.368	1		
	Bursary	-0.699	0.559	0.212	0.497	0.166	1.489
	Other	0.122	0.345	0.724	1.129	0.574	2.220
Monthly Income	0 – 50,000			0.027	1		
	50,000 – 100,000	0.146	0.366	0.689	1.158	0.565	2.372
	Above 100,000	-0.983	0.460	0.033	0.374	0.152	0.922
Awareness Index	AW_Index1	-0.064	0.093	0.489	0.938	0.781	1.125
	AW_Index2	-0.849	0.319	0.008	0.428	0.229	0.799
	AW_Index3	0.128	0.120	0.287	1.136	0.898	1.438
	AW_Index4	-0.364	0.134	0.007	0.695	0.534	0.905
	Constant	2.774	2.631	0.292	16.026		

AW_Index 1: Awareness and Influencers of Online Business Types

AW_Index 2: Awareness Levels

AW_Index 3: Educational and Adult Influences on Online Business Awareness

AW_Index 4: Digital Platforms, Media Influences on Online Business Awareness and Age of Online Business Awareness

Table 10: Table 4. 41: Variables in the equation
 Source: constructed by the researcher

Among the significant predictors, gender showed that female students were 0.495 times more likely to engage in online business compared to males, and they were 50% less likely to participate. Faculty also played an important role: students from the Faculty of Management Studies and Commerce were 2.15 times more likely to engage in online business than students from the Faculty of Humanities and Social Sciences. Faculty of Applied Sciences was 3.76 times more likely to engage in online business than students from the Faculty of Humanities and Social Sciences. Monthly household income significantly affected engagement. Households with incomes above 100,000 have a 0.37 times higher probability of participating than those with incomes below 50,000. Awareness factors also had a significant impact, with Awareness Indicator 2 (Awareness Levels) and Awareness Indicator 4 (Digital Platforms and Media Influence) being significant predictors of engagement. However, the values are somewhat contradictory to the overall outcome. In contrast, some variables, such as age, GPA, financial aid, Awareness Indicator 1 (Influencers of online business types), and Awareness Indicator 3 (Education and Adult Influence), did not show a significant relationship with online business engagement.

Finally, the fitted model can be generated as follows.

$$\log\left(\frac{p}{1-p}\right) = 2.774 - 0.704GEN2 + 0.767 FAC2 + 1.325 FAC3 - 0.983 MI3 - 0.849AW_Index2 - 0.364AW_Index4$$

$$\left(\frac{p}{1-p}\right) = e^{2.774 - 0.704GEN2 + 0.767 FAC2 + 1.325 FAC3 - 0.983 MI3 - 0.849AW_Index2 - 0.364AW_Index4}$$

GEN2: Female

FAC2: FMSC

FAC3: FAS

MI3: Above 100,000

AW_Index 2: Awareness Levels

AW_Index 4: Digital Platforms, Media Influences on Online Business Awareness and Age of Online Business Awareness

Conclusion and Suggestions

This research reveals the factors that affect undergraduates' engagement in online businesses. A significant number of students are involved in online businesses, including social media marketing, e-commerce, and online teaching. Gender differences were significant, with male students more likely to engage in online businesses than female students. Faculty also played an important role, as students from the Faculty of Management Studies and Commerce (FMSC) and the Faculty of Applied Sciences (FAS) showed a higher tendency to engage compared to students from the Faculty of Humanities and Social Sciences (FHSS).

Households with incomes above 100,000 are more likely to participate than those with incomes below 50,000. This means that undergraduates with higher monthly household income are more likely to pursue online business ventures than students with lower household income. However, students from low-income families primarily seek financial benefits through online business activities. Awareness factors, such as familiarity with digital platforms, media influence, and age-related awareness of online businesses, significantly influenced engagement. Students who were better informed about online businesses were more likely to participate. Motivations for engagement were stronger, and peers were the primary source of motivation. The study also identified two barriers: practical and social barriers, and knowledge and technology gaps. While these barriers were moderate for most respondents, they did not significantly impact engagement. Academic activities were not found to impact participation in online businesses negatively. In terms of income, most students earned Rs. 10,000 or less, while a minority earned Rs. 75,000 or more. WhatsApp emerged as the most popular platform for online business marketing, followed by Facebook, Instagram, TikTok, and YouTube. Although many students expressed a desire to start an online business, a lack of time was a major reason for non-participation.

Finally, online business engagement among undergraduates offers financial and social opportunities, with motivation, awareness, and faculty affiliation being key influencers. Despite moderate barriers, most students maintain a positive outlook on online business and show potential for further participation. The study recommends several steps to improve undergraduates' engagement in online businesses. Universities should offer digital literacy programs, such as workshops and courses on e-commerce and digital marketing. To encourage female participation, initiatives such as mentoring programs and ventures that highlight successful female entrepreneurs are proposed. Faculty-specific entrepreneurship resources and programs tailored to students' subjects should be introduced. To address barriers such as financial constraints and lack of knowledge, universities and policymakers should provide financial assistance, mentoring, and practical resources. Financial aid should be available to all students, regardless of income, to ensure equal opportunities. Finally, entrepreneurship education should begin early, in high school or early college years, to prepare students for successful online businesses.

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