

Digital Capability, Entrepreneurial Intention, and the Performance of Technology Startups: Insights from Emerging Markets

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Abstract

The widespread adoption of digital tools has reshaped how new ventures are built, giving rise to technology-driven startups that can innovate and expand rapidly. Although scholarly interest in digital entrepreneurship continues to grow, few studies bring entrepreneurial intention, digital capability, and venture outcomes together within one explanatory framework — a gap that is especially pronounced in research on emerging economies. This proposal outlines a study designed to test how entrepreneurial intention, together with digital competence, innovation capacity, and the surrounding startup ecosystem, shapes the performance of technology ventures. Drawing on a quantitative design and structural equation modeling, the research intends to extend entrepreneurship theory while offering practical guidance for policymakers, incubators, and startup ecosystems operating internationally.

1. Introduction

Technology-based and digitally enabled entrepreneurship now sits at the center of economic growth, innovation, and global competitiveness. Developments in artificial intelligence, cloud infrastructure, fintech platforms, software-as-a-service delivery, and online marketplaces have lowered the barriers to starting a business while making it easier for ventures to scale internationally. Consequently, technology startups increasingly compete in environments marked by global reach and considerable uncertainty.

Within the academic literature, digital entrepreneurship builds on traditional entrepreneurship theory by placing greater weight on digital capability, dependence on technology platforms, and embeddedness within broader innovation ecosystems. Much of the existing scholarship treats entrepreneurial intention and startup performance as separate lines of inquiry, and relatively few studies trace the pathway connecting the two through digital capability and ecosystem support. This gap constrains both theoretical progress and the practical relevance of research for policy design.

This proposed study responds to that gap by building and empirically testing a combined model linking entrepreneurial intention, digital skills, innovation capability, and institutional support to the performance of startups. The research is framed to speak to current priorities in entrepreneurship, innovation management, and digital transformation scholarship, positioning it as suitable for supervision at research-intensive universities worldwide.

2. Review of Literature (Brief)

The study's theoretical grounding draws on three established frameworks: the Theory of Planned

Behaviour (Ajzen, 1991), Human Capital Theory (Becker, 1964), and the Digital Entrepreneurship perspective (Nambisan, 2017). Entrepreneurial intention is consistently identified in the literature as a strong predictor of venture creation, yet in digital settings, intention on its own appears insufficient unless paired with relevant technological and innovation-related capabilities.

More recent empirical work indicates that digital competence, the ability to spot opportunities in online markets, and capacity for innovation each play a meaningful role in whether startups survive and grow. Ecosystem-level factors — including incubators, accelerator programs, access to venture capital, and supportive digital policy — further help ventures bring digital innovations to market. Even so, integrative models that have been empirically validated across emerging economy settings remain scarce, which is the gap this study seeks to fill.

3. Research Gap

- A shortage of comprehensive models that connect entrepreneurial intention, digital capability, and startup performance within one framework.
- Limited empirical evidence drawn from emerging and developing economies within the broader international entrepreneurship literature.
- A shortfall of policy-relevant research linking startup ecosystems to outcomes that can be measured.

4. Objectives of the Study

1. To identify the factors that shape entrepreneurial intention among founders of digital and technology-based startups.
2. To assess how digital skills and innovation capability convert entrepreneurial intention into measurable startup performance.
3. To examine whether startup ecosystem support and access to venture capital moderate this relationship.
4. To advance digital entrepreneurship theory and generate policy implications with international relevance.

5. Research Questions

1. Which factors most significantly shape entrepreneurial intention among entrepreneurs?
2. Does entrepreneurial intention have a measurable effect on the performance of small and medium enterprises?
3. In what ways do access to finance and institutional support influence entrepreneurial outcomes?
4. Which strategies could strengthen entrepreneurial success and long-term sustainability?

6. Hypotheses

- H1: Entrepreneurial self-efficacy has a positive effect on entrepreneurial intention within technology-based startups.
- H2: Digital proficiency and readiness to adopt technology positively influence entrepreneurial intention.
- H3: Entrepreneurial intention has a positive influence on startup performance.
- H4: Digital innovation capability mediates the link between entrepreneurial intention and startup performance.
- H5: Support from the startup ecosystem and access to venture capital positively moderate the relationship between intention and performance.

7. Research Methodology

7.1 Research Design

The study will adopt a quantitative, cross-sectional design to evaluate the proposed conceptual model.

7.2 Data Collection

Primary data will be gathered through a structured survey distributed to founders and cofounders of digital and technology-based startups. This will be supplemented with secondary data drawn from academic journals, international reports, and startup databases.

7.3 Sample and Sampling Technique

The research targets a sample of 300 to 400 technology startup founders, selected via stratified random sampling across sectors that include fintech, edtech, SaaS, and e-commerce.

7.4 Data Analysis Techniques

- Confirmatory Factor Analysis (CFA)
- Structural Equation Modeling (SEM)
- Mediation and moderation analysis

7.5 Software Tools

Smart PLS, AMOS, and SPSS.

8. Scope of the Study

This research centre on early-stage and growth-stage digital startups operating in technologyintensive industries. Its findings are expected to be applicable to emerging economies and to startup ecosystems with comparable characteristics elsewhere.

9. Significance of the Study

- Contributes to the international literature on digital and technology-based entrepreneurship.
- Offers evidence-based insight for startup accelerators, venture capital investors, and policymakers.
- Informs the design of entrepreneurship education programs and digital innovation policy at a global scale.

10. Limitations of the Study

- Geographic coverage of the study is limited.
- The research depends on self-reported survey data.
- Time and resource constraints may limit the scope of analysis.

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