

## The Option of College Students in Entrepreneurship Models Under the Micro-economic Environment

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**Abstract.** As a new economy of innovation, micro-economy is "the power of growth" in the future society. Under micro-economic environment, college students are not only facing with serious employment situation but also having opportunities to start own business. College students choose micro entrepreneurship under the micro-economic environment, which adapts to the trend of social development and also benefits to breaking through the bottleneck of employment. According to the main characters of college students' entrepreneurship, the paper analyses four main entrepreneurship models which fit the college students. And as for the common questions of college students' entrepreneurship, the paper puts forward narrow anterior gradient theory, from which may provide a theoretical reference for one achieving success of entrepreneurship.

### Introduction

As the coming of micro-economic time, university students will face more challenges to be employed, which can be proved by the high unemployment rate. The data issued by Chinese Academy of Social Science early this year showed that the unemployment rate of university students was 9.1% in 2008, 12% in 2010, and 17.5% in 2011. The number of graduated students in China in 2012 arrived at another summit, which was 6.99 million, and all of this indicated a heavier pressure to university employment. While, at the same time, micro-economic environment also brings great opportunities to university students starting businesses. Micro-economy is small creative economy, which is in favor of university students undertaking creative businesses, because of its low risk and low cost. As many policies are published by government to encourage college students to pioneer businesses, more and more university business incubators are established, making more and more students join them, and some of them really do it very well. Thus it can be seen that under the unfavorable circumstance of high unemployment, self-employment might be a right outlet. However, in fact, the survival rate of startups of university students, 3-5%, is far less than that of society person, which is 30%. Therefore, under micro-economic environment, the research of how to improve the survival rate of university students' startups is very necessary, and a critical factor affecting whether a start-up can succeed is the selection of entrepreneurial models.

### Micro-economy and "The Power of Growth" in Enterprise

Since the financial crisis in 2008, economy all over the world suffers a lot at different levels and industry patterns change dramatically as well. Nevertheless it is said that a small boat turns easy, so creative micro-economy protrude its advantages in social economic structure, taking an important role and becoming 'the power of growth' of society. At the same time, with the revolutionary change of information technology, the popularization of internet technology in China, and the

development of 4G Age, Chinese economy is stepping into an age of micro-economy. Middle and small-sized enterprises expand domestic and foreign markets by means of electronic commerce, and this will turn into the main trend to push micro-economy forward.

### **The Concept of Micro-Economy**

About the concept of micro-economy, there isn't an authoritative definition until now. According to the document literature consulted and personal understanding, the author considers micro-economy as an economy with relatively small unit value or an economy which is distinctive and innovative. It includes many micro economic factors, such as micro-enterprise, micro-information, micro-marketing, micro-job, micro-demand, micro-consumption and so on. The characteristics of micro-economic times are liberalization of work, enterprise miniaturization, demand for personalized, information of concise and consumer lifestyle.

### **Micro-Economy, the Power of Growth in Enterprise**

As industry patterns change and information technologies develop, China is stepping into an age of micro-economy. However, if Chinese economy in transformation period wants to keep growth like before, it may be faced with lots of difficulties. Micro-Economy becomes focus of much attention by its extraordinary performance, regarded as "the power of growth". First, the development of micro-economy and electronic commerce bring huge opportunities to small and micro business. Micro business under micro economic environment assembles a big market using point-to-point commercial model. At the same time, the emergence of electronic commerce releases all kinds of constraint for middle and small-sized enterprises. Relying on ubiquitous network and the rapid spread of information, middle and small-sized enterprises and micro businesses can reduce operation costs to get bigger development space, even overseas business opportunities. Second, it is micro-economy adapt to the development of "micro-demand". Strong, diversified supply of micro economy meets the needs of the specialization, individuation, so as to promote the development of the economy. In the end, it is the "information" high permeability. The development of 3G technologies, the application of microblogging platform and the micro economic environment "information", which are more fast and smooth, provide a lot of timely information for the survival and development of middle and small-sized enterprises, and also provide more opportunities for many entrepreneurs.

### **Micro Business Models Selection**

Micro business, which is, at little cost, with the aid of relatively cheap or free tools, such as network and micro platform, personalize management and develop small project. Micro business has many characteristics, like less investment, quicker effect and larger creation. It is mainly based on network platform carrier combined with actual entity. Basing on literature research, in-depth interview and qualitative study, the author considered micro business models mainly include:

#### **Vendor Type Micro Business Model**

Vendor type business is one of the most popular micro business models, namely business in the form of a street vendor providing goods or services for consumers, with no fixed location, no business license, only engaging in simple exchange of commodity or service. Vendor type business is a popular mode in university students business. Choosing this business model, the main reason is that it has many favorable features, such as low investment cost, low risk, work freedom, strong mobility and flexibility, simple operation and so on. Some universities even form vendor streets,

many stalls are owned by our college students, lots of whom have achieved good results through hard management. This model is a kind of low-level startup mode with limited return and size, and its development potential is not big. It is recommended to choose good products to sell before selecting this business model, at the same time to be ready to bear hardships, and stick to it. At the beginning of the business, one must be careful, leaving room for oneself, because putting all eggs into one basket is unreasonable. In addition, this is not one wants to be engaged in the long-term pattern. After accumulating certain experience and capital, one can choose more advanced business models. “Vendor emperor”, Bao Zhengzhong, has achieved huge success after making a transition. Trouble from life at first, Bao Zhengzhong chose low-cost way of street vendor to maintain life, but one year later he opened a shop business using the accumulated 100 thousand. From 3 hundred to 100 thousand, Bao Zhengzhong achieved his dream of entrepreneurship from the street, and eventually selected advanced startup mode, starting a new business.

### **Online Shop Type Micro Business Model**

Online shop type micro business model refers to the use of network platform, with the help of e-commerce to open online shop business. Online shop is the main business model college students choose. Compared with other business models, its success rate is the highest, so it is suitable for college students. According to survey, from purchase to marketing, to cost accounting, and ultimately completing transaction, the whole process of online shop combines curriculum theory and practice, and is very helpful for college students to exercise their ability.

Network opens a shop with a startup of low cost, fast recovery, flexible way, small limit, network management. These characteristics are also effective in reducing the risk of business. But specifically college students need to coordinate the relationship between the opening and study, and grasp consumers' online shopping psychology with business integrity. In the beginning of setting up a shop, one should do well the relevant preparatory work, choose good network platform, determine the store products and after-sell service and so on. Familiar with the various business processes is necessary, paying special attention to prevent risks of trading. As to network shops, YiWu industrial and commercial college students have made great achievements, forming the YiWu college characteristic teaching mode. At present, about 25% of the students of YiWu industrial and commercial college using network open shops for business, and more than half of their students use internet shop incomes to pay tuition, feed themselves, incomes from students more than 25million a year. Among them, the school's entrepreneurial star ShiHaojie created a 3D glasses company in less than 3 years through online business entrepreneurship. Its products are sold through network at home and abroad, with annual sales of up to more than 50million. The success of online shop type business in YiWu industrial and commercial college is closely connected with the advantages of this model, and it also confirms the huge development potential of this model.

### **Micro Blog Platform Business Model**

Microblogging platform entrepreneurship refers to the use of micro platform for new project development or operation of entrepreneurial activity. Microblogging is a new social network platform, and it not only puts people's social life on the internet, but also connects people and things related on the network organically. DCCI research shows that China's micro blog at present is still in its infancy, which is characterized by high growth user rate, quickly changed competitors market share, low user loyalty, and low market barriers to entry. This business model creates income mainly from brand advertising, other sites shared revenue, user database, its own entity shop and micro blog shop in combination.

Micro blog is in development stage in China currently, so college students open startups through

micro blog is a new model. From the characteristics of micro blog itself, micro blog business is micro blog management, the accumulation of fans, and its operation is extremely simple. One of characteristics of university students is like to write logs, and their writing is good, which is what micro blog need. If contents can meet the fans flavor, they can get fans, in order to gain customers. It can be found that popularity is the key factor in micro blog marketing, thus micro blog writing is very important. Its content should not only seize the popular element, but also cater to public taste. At the same time, micro blog marketing should not simply focus on micro blog itself, but also have some necessary knowledge of marketing, do daily management of microblogging, carry out marketing within micro blog. Micro blog venture abroad in micro entrepreneurship has made great achievements, for example, Yammer, Present.Ly and WizeHive. However, in our country some enterprises' microblogging marketing and personal micro blog, such as "@ Mr Spiral lions powder", "@ embarrassing gentleman" have made some achievements, but most are not influential. College students opening micro blog business is lesser, and this is mainly because domestic micro blog is still in its infancy, lack of understanding and development. In our familiar micro blog marketing successful cases Dell rowed in the first place. In 2007 the company opened its first micro blog on Twitter, by 2010 the account has won \$6.5 million in revenue for the company. On February 11, 2010, dell China launched a "@" dell China micro blog account, opening a new marketing situation for dell's development and brand communication in China.

### **Creative Micro Factory Business Model**

Creative micro factory entrepreneurship refers to the creative activities and business process of designing and developing new products according to the "micro demand. It includes manufacturers dominate micro creative development and customer control micro creative DIY two kinds. At present, the factory micro creative development has made big progress in the market, and creative commodity sales very well on Alibaba. Customer micro creative DIY development is also favored by customers more and more, and the biggest attention is the DIY (Do it or Design it). Here, we mainly aimed at DIY to analyze. DIY refers to do it yourself or design it yourself, which involves many industries and fields. At present, the development of a more in-depth include: anime DIY gift industry DIY, clothing DIY, DIY furniture, etc. "DIY" process is the process of innovation, which can train the ability of customers' "DIY", provoke customers a sense of achievement, develop their intelligence and spirit, and DIY as a typical way of one to one marketing, can grasp the needs of customers at real time, win the market.

From these functional characteristics of DIY we can see that its future market space is extremely broad, but just now DIY to our country is still a new industry, mainly in the eastern coastal developed cities. For our college students it is strange, but college students still can implement entrepreneurial dream from DIY entrepreneurial pattern. First of all, college students have innovation, which is accorded with the creative characteristic of DIY. Second, DIY small factory invested capital is not much. Finally, DIY has big development potential, not only the potential of market demand is big, and also there is no limit to its size, so it can be a small factory, can also be a large-scale factory. As creative small factory entrepreneurial model is introduced relatively late in our country, the development time is short. Although there are some successful cases in this kind of business model, the popularity of them is not high. However, this is an opportunity. Once college student ZhangTinghe got contact with creative DIY, he found its potential. He began to do business with this model, and the original DIY is to put photos on T-shirt, then print them on any items. Keeping on learning and accumulating, at present, normally ZhangTinghe crane sales to more than 10thousand a month, profit margins of more than 50%, and successfully achieved his

dream of entrepreneurship.

### **Related Theory Enlightenment of Micro Business**

Anterior gradually narrow theory refers to the tortuous, chaos and narrow road ahead, therefore, one should grasp the good direction, make full mental preparation, to ensure that we in face of various events have certain prediction and prevention, which can adapt to all kinds of emergencies, and make appropriate and timely correct decision. It is a theory of psychological self tips. Anterior gradually narrow theory provides a theoretical basis for entrepreneurs' risk management, with strong warning function. According to a recent research, China's entrepreneurial activities are dynamic, and a new round of entrepreneurship upsurge is forming. However, at the same time, China's start-up failure rate is as high as 70% above, and college students' failure rate is as high as 97%, with the average enterprise life less than three years, seventy percent enterprises only surviving for one year. The main causes of their failure are not usually said like funds, policy environment and other factors, but the entrepreneurs who target too idealistic, do not reach the designated understanding position of entrepreneurship risk, and underestimate difficulties. Although many college students are passionate, confident in some cases, college students' entrepreneurial success rate is only 3% - 5% because of such reasons (social entrepreneurial success rate of 30%). Anterior gradually narrow theory tells us that in the beginning we'd better have full mental preparation, warning that the road ahead will be more and more narrow, getting ready, keeping awake, so that the road in the future will be more smoothly, setbacks can be solved better, rather than being avoided or escaped, even vulnerable. "Migrant workers are not dog, entrepreneurs must be the Wolf." In the way of entrepreneurship one should have the Wolf's ambition, more should have Wolf's determination, perseverance and wisdom.

In short, entrepreneurship is an advanced form of employment. In micro economic environment, selecting appropriate business model is very important, and is the key to business success. The advantages of micro economic environment provide college students enough opportunities. Micro business patterns are varied, and this paper sums up the above four main micro business models for college students' entrepreneurship, they are vendor type micro business model, online shop type micro business model, micro blog platform business model, and creative micro factory business model. These four kinds of startup models have their own advantages and disadvantages, therefore, college student entrepreneurs should choose the proper business model, according to their own characteristics and specific environmental conditions.

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