

The Impacts of Online Business Among Society

Nur Nasuha Husin

Faculty of Information Management,
Universiti Teknologi MARA, Malaysia

Received: 21 May 2019 • Accepted: 19 September 2019

Abstract. The aim of this paper is to evaluate and discuss the impact of online business among society. This paper is important to evaluate how online business impacts toward society performance. From the previous study that have being done to identify the impacts of online business among society. The results show the impact of online business on the aspect of small medium entrepreneur, productivity and profitability, social media and customer satisfaction.

Keywords: *online business , impacts , society,*

Introduction

Nowadays, online business plays a major role within our society. Most of people are taking the opportunity to do online business generate new income and also to develop an existing business with the advanced technology. Online business give impact to our society. There are 4 impact of online business which is impact of online business on small medium entrepreneur, productivity and profitability, social media and customer satisfaction. The authors which is Saridakis, et al., (2018), Jahanshahi, (2013), Savrul, (2014) and Alzahrani (2019) are focus to impact on small medium entrepreneur. Meanwhile impact on productivity and profitability focused by Yang, et.al. (2017) Benitez et.al., (2018), Falk and Hagsten, (2015), Liu, et.al., (2013). The others authors which is Yada and Rahman, (2018), Grizane & Jurgelane, (2016), Lin, (2018) focuses on social media and impact on customer satisfaction more focused by Sharma & Lijuan (2015), Choshin & Ghaffari, (2017), Nisar & Prabhakar, (2017),and Zhang, (2016).

Online business is also known as e-commerce or e-business. Online business defined as any kind of business activity including selling and buying or provided services over the internet and use of computer systems to improve overall company efficiencies. (Oudan, 2010.) Today, the sophistication of technology stimulates the development of online business. This is because society is aware of the impact on online business.

Literature Review

The impacts of online business

Small medium entrepreneur (SME)

According to Saridakis, et al., (2018), the authors studied the role of industry characteristics portrayed by information intensity of value chain or product in the relationship between the stages of E-commerce development and revenue growth of small and medium-sized enterprises (SMEs). The authors found that profits with static and great for SMEs can be achieved by using their own website or social media platforms as a marketing. It takes into value chain information intensive and product information intensive industries. However, the study by Jahanshahi, et.al. (2013) is to find out the benefit of using e-commerce achieve by an Asian company. The authors found that costs such as marketing, advertising, transaction can be reduced and SMEs can propose and show its products to customers indirectly customers will know their business brand by using e-commerce. Meanwhile in the study by Savrul, et.al. (2014) the authors focused to examine the potential of e-commerce. The authors stated that the impact of e-commerce is to create a way to provide added value, new services and expand existing businesses to a higher level and to increase efficacy and according to Alzahrani (2019) in his study focused to study the effect of e-commerce on business strategy, especially on small and medium enterprises (SMEs) in Saudi Arabia and explore the relationship between e-commerce and business strategy. In the finding he focused on business strategy which is e-commerce gives SMEs the opportunity to meet customer needs everywhere and this means that entrepreneur need to change the approaches of strategic managers and plans. So based on these studies, we can conclude that SMEs involving in e-commerce can get some impact such as a large of profit, can develop and expand their business and others.

Productivity and profitability

According to Yang, et.al. (2017) in their study, is to study the relation of e-commerce congestion effect, productivity effect and profit generation. The authors stated that firms can increase productivity by changing firm size even though technical efficiency has been improved. The authors also stated that high innovation and productivity capabilities are business firm's business-to-consumer (B2C) than business to business (B2B). Meanwhile in the study by Benitez et.al., (2018) the authors found e-commerce has a positive impact on operations. The authors stated leverage can be achieved due to the time and experience in developing their operational capabilities. In this study, authors emphasized that with the web-based technology, it gives an impact on the firm to make real-time exchange and deliver accurate and timely information according to product demand. It provides great benefits to the firm through operational efficiency due to good management. The study more focused on operational efficiencies that the seller's ecommerce or firm can provide timely information. e-commerce user allows for better execution in routine operations. In contrast according to Falk & Hagsten, (2015) in their study, the authors focused on examine patterns in electronic commerce (e-commerce) activities and their impact on labour productivity growth. The authors found e-commerce affects the growth of labour.

Most firms take the opportunity to use the website to promoting and selling their product with more success and achieving targets. Through e-commerce firms can achieve more profits. However according to Liu, et.al., (2013) in their study, focused examine the effect of e-commerce and R&D on productivity. The authors found information technology (IT) is a tool to increase productivity. By applying the system, it can increase productivity in e-commerce and R&D. R&D can be a basis for increasing production and services. By applying e-commerce can reduce transaction costs that have an impact on improvement and productivity. So greater profits can be achieved. As conclusion, e-commerce affects the productivity of entrepreneurs as it allows for easier and more efficient of buying and selling process.

Social media

According to Yadav & Rahman, (2018) in their study, the authors focused to study the effect of social media as marketing activities especially on customer loyalty in e-commerce scope and the found social media is an important platform in marketing. This shows that entrepreneur need to use it as a marketing tool to increase loyalty customers. where social media is one of the factors to attract customers. The purpose of e-commerce is to increase customer loyalty to the product or business. In contrast with the Grizane & Jurgelane, (2016), in their study focused to measure the social media impact on business evaluation. The result found that seller who is running e-commerce by using social media as a platform, they can get impact or benefit where are they can provide information to deliver to the customers such as, price, size and others. Hence social media provides an opportunity for customers to know all the details of a product's information. Therefore, sellers should always update their accounts to provide the latest information for their customers or public. However, in the study by Lin, (2018) his he focused to fill gap of urbanism. He stated focus on urbanism. Which is he introduced a social media application called taobao. it aims to develop and expand the business of people in one village. This application is buyers and sellers to interact and share the information easily. He concluded that by applying this app it facilitates the business management. For conclusion with this online platform beneficial to buyers and sellers. Besides that, they can save time, communicate and conduct borderless and time-bound trading.

Customers satisfaction

According to Zhang, et.al. (2016) on their study is to study the outcome of e-commerce on the demand. In their finding the authors found customers are more satisfied to buy through online because of commodity prices, which the price offered in e-commerce is cheaper than at the shop. In terms of accessibility where buyers can access every detail corner such as to obtain information. Meanwhile according to Choshin & Ghaffari, (2017), the authors focused to analyse the significant factors in online business. The authors found customers satisfaction in aspect of security of personal information. once entered data, the data is secured and does not leak to others and in aspect of accessibility. The customers and seller easy to provide and retrieve the information. In contrast study by Nisar & Prabhakar, (2017) has show that the results are positive where e-commerce is a platform for customer to sort and gather information and retrieve the opinion from other reviews before buy the products in

order suitable with the objective which is to examine customer satisfaction in e-commerce. However according to Sharma & Lijuan (2015) in their study , to analyse service quality of e-commerce Websites in online platform and their contribution on e-business sales. The authors found that on a website that provides enough information. The buyers will ensure sufficient information to attract customers and also offer them a better experience. Otherwise the customer is more satisfied as they can buy many items in a website by simply looking at all the information provided. This shows in one website they can access all things easier. As conclusion, customer satisfaction is one of the impacts to measure the quality of the business and improve the service of a business.

In this research, the most previous study focuses on impact on small medium entrepreneur, productivity and probability also impact on customer satisfactions. However, limited study focuses to impact on social media. Therefore it is very important in the future to include all four impact on small medium entrepreneur (SME), productivity and profitability , social media and customers satisfaction to evaluate the impact online business among entrepreneurs.

Table 1. Analysis of Review

Impact of online business Authors	Impact on small medium entrepreneur (SME)	Impact on produc- tivity and profita- bility	Impact on social media	Impact on cus- tomers satisfac- tion
Yadav, & Rahman, Z. (2018).			✓	
Saridakis, et al. (2018)	✓			
Yang, et.al. , (2017).		✓		
Grizane, & Jurgelane (2016).			✓	
Jahanshahi, et.al. (2013).	✓			
Benitez, et.al. (2018).		✓		
Savrul, et.al. (2014).	✓			

Choshin, & Ghaffari (2017).				✓
Nisar & Prabhakar. (2017).				✓
Falk & Hagsten, (2015).		✓		
Lin, (2018).			✓	
Alzahrani, (2018)	✓			
Liu, et.al .(2013)		✓		
Sharma & Li-juan (2015).				✓

Conclusion

As a conclusion, we conclude that most of the previous study on the impact of online business focus on the impact on small medium entrepreneur (SME), productivity and profitability, social media and customers satisfaction. The study from the literature review that all four impact are important in order to evaluate the impact online business among society in order for them to improve their performance and to expand the business in future.

References

- Alzahrani, J. (2018). The impact of e-commerce adoption on business strategy in Saudi Arabian small and medium enterprises (SMEs). *Review of Economics and Political Science*, 4(1), 73–88. <https://doi.org/10.1108/rep-10-2018-013>
- Benitez, J., et.al. (2018). Evolution of the impact of e-business technology on operational competence and firm profitability: A panel data investigation. *Information and Management*, 55(1), 120–130. <https://doi.org/10.1016/j.im.2017.08.002>
- Choshin, M., & Ghaffari, A. (2017). An investigation of the impact of effective factors on the success of e-commerce in small- and medium-sized companies. *Computers in Human Behavior*, 66, 67–74. <https://doi.org/10.1016/j.chb.2016.09.026>
- Falk, M., & Hagsten, E. (2015). E-commerce trends and impacts across Europe. *International Journal of Production Economics*, 170, 357–369.

- <https://doi.org/10.1016/j.ijpe.2015.10.003>
- Grizane, T., & Jurgelane, I. (2016). Social Media Impact on Business Evaluation. *Procedia Computer Science*, 104, 190–196. <https://doi.org/10.1016/j.procs.2017.01.103>
- Jahanshahi, A. A., Zhang, S. X., & Brem, A. (2013). E-commerce for SMEs: Empirical insights from three countries. *Journal of Small Business and Enterprise Development*, 20(4), 849–865. <https://doi.org/10.1108/JSBED-03-2012-0039>
- Lin, Y. (2018). E-urbanism: E-commerce, migration, and the transformation of Taobao villages in urban China. *Cities*. <https://doi.org/10.1016/j.cities.2018.11.020>
- Liu, T. K., et.al. (2013). E-commerce, r&d, and productivity: Firm-level evidence from taiwan. *Information Economics and Policy*, 25(4), 272–283. <https://doi.org/10.1016/j.infoecopol.2013.07.001>
- Nisar, T. M., & Prabhakar, G. (2017). What factors determine e-satisfaction and consumer spending in e-commerce retailing? *Journal of Retailing and Consumer Services*, 39, 135–144. <https://doi.org/10.1016/j.jretconser.2017.07.010>
- Saridakis, G., et.al. (2018). Industry characteristics, stages of E-commerce communications, and entrepreneurs and SMEs revenue growth. *Technological Forecasting and Social Change*, 128, 56–66. <https://doi.org/10.1016/j.techfore.2017.10.017>
- Savrul, M., Incekara, A., & Sener, S. (2014). The Potential of E-commerce for SMEs in a Globalizing Business Environment. *Procedia - Social and Behavioral Sciences*, 150, 35–45. <https://doi.org/10.1016/j.sbspro.2014.09.005>
- Sharma, G., & Lijuan, W. (2015). The effects of online service quality of e-commerce Websites on user satisfaction. *Electronic Library*, 33(3), 468–485. <https://doi.org/10.1108/EL-10-2013-0193>
- Yadav, M., & Rahman, Z. (2018). The influence of social media marketing activities on customer loyalty: A study of e-commerce industry. *Benchmarking*, 25(9), 3882–3905. <https://doi.org/10.1108/BIJ-05-2017-0092>
- Yang, Z., et.al. (2017). Analysis on pure e-commerce congestion effect, productivity effect and profitability in China. *Socio-Economic Planning Sciences*, 57, 35–49. <https://doi.org/10.1016/j.seps.2016.08.002>
- Zhang, D., et.al. (2016). The effects of E-commerce on the demand for commercial real estate. *Cities*, 51, 106–120. <https://doi.org/10.1016/j.cities.2015.11.012>