



The Impact of E-Commerce on Business Strategy in Small and Medium Enterprises (SMEs) of Iran

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ARTICLE INFO	ABSTRACT
<p><i>Received: 12 November 2022</i></p> <p><i>Reviewed: 16 November 2022</i></p> <p><i>Revised: 18 January 2023</i></p> <p><i>Accept: 23 January 2023</i></p>	<p>Purpose: The growth, development and survival of economic enterprises depend on the formulation, implementation and correct evaluation of organizational strategic decisions. Therefore, using new methods, changing methods and continuously evaluating structural decisions is one of the main duties of senior managers of organizations. In this article, the impact of choosing e-commerce on business strategy has been studied.</p> <p>Methodology: The statistical data was collected using a questionnaire and the collected data was processed by SPSS software and used for analysis and conclusions. The purpose of this research is applied and the method of data collection is descriptive. The statistical population in this research is all the employees, managers and senior managers of small and medium-sized Iranian companies in Tehran, Iran. The statistical sample in this study includes 384 people who were selected based on the Morgan table and by a simple random method. Step wise regression model was used to analyze the statistical data in this research.</p> <p>Findings: The results obtained by analyzing the data obtained from the software have shown that the choice of e-commerce effectively affects the business strategy.</p> <p>Originality/Value: In this paper, we will examine the impact of e-commerce on business strategy in small and medium enterprises (SMEs) of Iran.</p>
<p>Keywords: <i>Electronic commerce, Strategy, SME.</i></p>	

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1. Introduction

The use of the Internet and social networks has increased widely today, and virtual space has replaced the physical world and has become an integral part of people's lives. Nowadays, many people use virtual space on the Internet to do business, communication, recreation, and entertainment. For this reason, it is the widespread use of virtual space that today we are witnessing the prosperity of business and internet advertising, and most companies use these advertisements in virtual space and social networks, so it can be said that it has largely replaced traditional advertising. Therefore, it is because of the benefits and the increasing use of it and social networks that electronic business has also received a lot of attention. This is why in Iran; electronic commerce has brought an opportunity for small and medium-sized companies. Change the traditional direction towards the new trend that technology has brought to Argha. But using these opportunities will require fundamental changes based on which organization managers should understand some important effects of using e-commerce on business strategy. Therefore, in this research, we will examine the impact of choosing and using e-commerce on business strategy. We briefly review the background of research on electronic commerce.

Mustafai [1] with his research in 2014, which was titled as the ranking of the effective factors of electronic commerce in the competitiveness of enterprises in the industry sector, the results of the research showed that managerial factors ranked first and technical, organizational, individual and cultural factors with lower weights degree of importance. Mahmoudi [2] with his research in 2014 entitled "Evaluation of obstacles affecting the development of e-commerce in small and medium-sized enterprises" showed that the obstacles affecting the development of e-commerce in order of priority are social and cultural obstacles, legal and legal obstacles, political obstacles, obstacles Organizational and economic, infrastructural and technical. Choshin & Ghaffari [3] conducted his research in 2017 under the title of examining the impact of factors affecting the success of e-commerce in small and medium-sized companies. The results showed that there is a set of internal and external factors in e-commerce that should be taken into account, and customer satisfaction, infrastructure, knowledge, information, costs, are influencing factors that have a significant impact on the success of e-commerce.

The research of Phyllis, Fillis Ian & Wagner [4] was done in 2003, and in their research, they investigated the opportunities and obstacles of creating electronic commerce in small companies. In this research, it has been shown that internal factors are as important as external factors, and this has caused larger companies to show much less effort in using e-business due to large personnel and internal changes. Akkeren & Cavaye [5] research was conducted in 2000, and in this research, titled "factors influencing the acceptance of e-commerce in small companies in the automobile industry in Australia", the results showed that the factors influencing the adoption of e-commerce in the investigated companies and finally, these factors have been divided into the characteristics of the manager, the rate of return on investment, the characteristics of the organization and the competition of competitors.

2. Research Methodology

The current research is practical in terms of its purpose and is considered in the category of quantitative research. The statistical sample in this study includes 384 people who were selected based on Morgan's table and by a simple random method. In this research, two dependent and independent variables have been used: the independent variable of electronic commerce (EC) and the dependent variable of strategy (ST). Step wise regression model was used to analyze the statistical data in this research [6]. The

statistical population in this research is the totality of employees, managers and senior managers of small and medium-sized Iranian companies in Tehran, Iran. The main purpose of the research is the impact of choosing e-commerce on business strategy in small and medium enterprises (SMEs) in Iran. The main research question in this study is whether choosing e-commerce has an effect on business strategy. The main research hypothesis in this study is that choosing e-commerce has an impact on business strategy.

2.1. Method of collecting information

It is accepted in three ways: library method: regarding the collection of information related to the literature of the subject and background. Through the Internet: regarding the search of articles on foreign sites. Field method: In order to collect information to confirm or reject the research hypothesis, an information gathering tool (questionnaire) has been used. The statistical population of this research is the totality of employees, managers and senior managers of small and medium-sized Iranian companies in Tehran province, the city of Tehran.: The sampling method in this research is a simple random method using a questionnaire. Given that it was not possible to accurately determine the total number of managers and senior managers of small and medium-sized companies. The appropriate statistical sample for this research was used based on the Karjesi-Morgan table, which is used to determine the sample size in unlimited societies [7]. Using the table, the optimal sample size was obtained at a maximum of 384. In this research, we have considered electronic commerce or (EC) as an independent variable, the independent variable affects the dependent variable, that is, any increase or decrease in the independent variable. It will cause an increase or decrease in the dependent variable, so we look for the reason for the change in the dependent variable in the independent variable. In this research, we have considered strategy or (ST) as an independent variable, and it is the variable that we are interested in, and unlike the independent variable, it is not within our control, and we cannot intervene or manipulate it. Therefore, it can be said that our dependent variable is a variable that is affected by the independent variable, and our goal in this research is to explain or predict its variability [8]. Since the tool for collecting information in this research is a questionnaire, in this sense, we have used a questionnaire in this research.

The questionnaire on the effect of choosing e-commerce on business strategy has 17 questions and the purpose of designing the questionnaire is to evaluate the effect of choosing e-commerce on business strategy in different dimensions. (Completely agree to completely disagree) is scored. For the accuracy of the questionnaire, its reliability was calculated by Cronbach's alpha and its validity was calculated based on the CVI index. Reliability is one of the characteristics of questionnaire measurement tool. Reliability or reliability refers to the degree of stability and stability of a measurement tool, and its meaning is how much our measurement tool gives the same results in the same conditions. In addition, Cronbach's alpha coefficient is used to measure the one-dimensionality of attitudes, judgments and other categories that are not easy to measure. In this research, for the reliability of the questionnaire, we have used Cronbach's alpha coefficient calculation method in SPSS software. Cronbach's alpha was obtained for 17 questions from 384 selected people and the result obtained is an acceptable number of 0.825. The validity and reliability of a questionnaire or research refers to its accuracy and answers the question of how well our questionnaire measures the desired characteristic. In this research, we have used the CVI index, which is one of the reliability evaluation methods. To calculate the CVI index, we divide the number of those who have chosen our desired options by the total. The obtained number is the CVI index, which is above 0.70 in this research and shows that the validity of the questionnaire is confirmed. $(\text{Total number} / \text{number of experts who answered the item correctly} = \text{CVI}) 0.703 = 270/380$.

2.2. Research model

A model is a representation of reality. Since Systems always have complex behaviors due to interaction with their internal components and external interaction with the environment outside the system. Therefore, due to these complexities, it is necessary for researchers to understand, describe or predict the behavior of a system, based on the desired variables and parameters, to make a model of it and to check the results by applying and making changes to it. Our research model is analytical and content analysis; regression predicts the effect of one or more independent variables on one or more dependent variables. In the simple regression model, we first enter all 16 independent variables and one dependent variable into the software and select the enter command.

Based on the collected data and based on the research model and regression output, the hypothesis of the effect of choosing e-commerce on business strategy in small and medium companies in Iran was confirmed according to the results obtained as follows.

The research model in this research is mathematically:

$$Y = \beta_0 + \beta_1 X_{ES} = \beta_0 + (\beta_1 Q_1 + \beta_2 Q_2 + \beta_3 Q_3 \dots + \beta_{16} Q_{16}) \quad (1)$$

3. Findings

The adjusted R value is 0.929, this value shows that 92.9% of the change in factors influencing the impact of choosing e-commerce on business strategy has been taken into account, the Watson camera of this model is 2.019, it can be said He said that there is no self-correlation and independence of errors is confirmed. The significance of the whole model was evaluated and since Sig. is smaller than 0.005, the model is significant. The obtained beta coefficient shows that with more than 90% confidence, it can be said that the hypothesis of the research is confirmed and the factor of choosing e-commerce is effective on the business strategy, and this effect is 74.2%, in other words, we can say that if our independent variable, which is a factor in this e-commerce hypothesis, changes by 100%, the intention of the company's strategic decisions will change by 74.2%. It can be safely said that the factor of choosing e-commerce is effective on business strategy.

4. Discussion and Conclusion

in this study, the effect of choosing e-commerce for business strategy. Bahman designed a questionnaire for each of the desired changes and then the questionnaire was distributed among the available statistical community and the data was collected and analyzed using SPSS software. Based on the result obtained by analyzing the data obtained from the questionnaire, it was obtained based on step-by-step regression data in SPSS software. Since the adjusted R value is 0.929, this value shows that 92.9% of the change in factors influencing the impact of e-commerce choice on business strategy has been taken into account, which can be said this model is a good model. In addition, considering that the Watson camera statistic of this model is 2.019, it can be said that there is no autocorrelation and the independence of the errors is confirmed. Variance analysis also evaluated the significance of the whole model and since Sig. is smaller than 0.005, the model is significant. Finally, according to the results of the table, with more than ninety percent confidence, it can be said that the researcher's opinion is confirmed and the factor of choosing e-commerce is effective on the business strategy.

The result of the above research showed that e-commerce has an impact on business strategy. This means that the variables of this research are a decisive and effective factor in business strategy.

Theoretical commitment most previous studies have focused on the adoption process of e-commerce and its benefits. Because this study provides a comprehensive understanding of the relationship between e-commerce and business strategies, it is unique in examining the impact of e-commerce adoption on business strategy. However, this study has increased the knowledge and literature of e-commerce adoption as well as strategic management concepts and by addressing the question, what is the impact of e-commerce adoption on business strategy? A suitable answer is sought, a question that has not been addressed in the previous literature. The findings of this study confirm that the proposed framework is valid in showing the impact of e-commerce on business strategy, which will be useful for future e-commerce adoption studies. Finally, this research focused on SMEs in Iran, which may be useful for SMEs in other countries with similar characteristics. The practical implications of the findings of this study can be useful for owners, managers and employees of small and medium enterprises to help them understand and recognize the impact of e-commerce on their plans and strategies. In addition, it increases their awareness of the factors that moderate the relationship between e-commerce adoption and business strategies.

It will also be useful for SMEs to plan their strategies according to the findings of this research. The unique information and findings of this study can be used by owners, managers and employees for successful e-commerce adoption and strategic planning. Moreover, the results of this study can help policy makers and governments in developing appropriate policies and initiatives. This encourages SMEs to adopt e-commerce and start formulating formal strategies. Governments are advised to provide advice to SMEs on the process of conversion to the use of technology and e-commerce. In addition, policymakers should reduce barriers to e-commerce adoption and provide SMEs with technical, financial, and managerial support. Finally, this research focused on SMEs in Iran. which may also be useful for SMEs in other countries with similar characteristics. The practical implications of the findings of this study can be useful for owners, managers and employees of small and medium-sized companies and help them understand and recognize the impact of e-commerce on their plans and strategies. In addition, it increases their awareness of the factors that moderate the relationship between e-commerce adoption and business strategies. It will also be useful for SMEs to plan their strategies according to the findings of this research. The unique information and findings of this study can be used by owners, managers and employees for successful e-commerce adoption and strategic planning. Moreover, the results of this study can help policy makers and governments in developing appropriate policies and initiatives. This encourages SMEs to adopt e-commerce and start formulating formal strategies. Governments are advised to provide advice to SMEs on the process of conversion to the use of technology and e-commerce. In addition, policymakers should reduce barriers to e-commerce adoption and provide SMEs with technical, financial, and managerial support.

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