Original Article

How Small Businesses can Adapt and Thrive In The Digital Economy: A Review of Best Practices

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Access This Article Online
Quick Response Code
DOI
10.62019/BRDR.01.01.01
Volume: 1 | Issue: 1
Pages: 1-10
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How to Cite This Article
Azeem, M. (2021). The Digitalization of Supply Chain Impact on Business Performance: A Study of Multinational Companies. *Business Review of Digital Revolution*. 1(1), 1-10.

Received:	02-Jul-2021
Revised:	10-Aug-2021
Accepted:	19-Oct-2021
Published:	31-Dec-2021

Abstract

This article aims to provide insights into how small businesses can adapt and thrive in the digital economy by reviewing best practices. A literature review was conducted to identify the key challenges faced by small businesses in the digital economy and the best practices that can help them overcome these challenges. The review identified seven best practices for small businesses to adapt and thrive in the digital economy, including establishing an online presence, leveraging digital marketing, embracing e-commerce, using data to make informed decisions, focusing on customer experience, investing in cybersecurity, and staying agile. The digital economy presents both challenges and opportunities for small businesses, and those that adapt their operations, marketing strategies, and customer experience can thrive. By implementing the best practices identified in this review, small businesses can compete with larger companies and succeed in the digital age. However, it is important for small businesses to be aware of the challenges they may face and to stay up to date on emerging trends and technologies to remain competitive.

Keywords: Social Media Marketing Budget, Website Usability, Online Customer Reviews, E-Commerce Adoption, Business Size, Business Growth.

1. Introduction

The digital economy has changed consumer behavior and expectations. Customers are increasingly turning to online platforms to research and purchase products and services, and they expect a seamless and personalized experience across all channels (Li, Mirosa, & Bremer, 2020). This shift in consumer behavior requires small businesses to adapt their marketing and customer experience strategies to remain competitive. Failure to do so can result in a loss of customers and revenue. Furthermore, small businesses often struggle to allocate resources effectively in the digital economy. With limited budgets and expertise, small businesses may not know where to focus their efforts to achieve the greatest impact. This can lead to wasted resources and missed opportunities. Therefore, small businesses need guidance on the best practices for digital marketing, e-commerce, and customer experience to ensure they are using their resources effectively and efficiently. In addition, the digital economy has made it easier for small businesses to enter new markets and expand their reach. However, this also means that competition is increasing, and small businesses must differentiate themselves to stand out in a crowded market. By leveraging the latest technologies and best practices, small businesses can differentiate themselves and offer unique value propositions to their customers. Overall, the digital economy presents both opportunities and challenges for small businesses. To succeed in this environment, small businesses need to be able to adapt their operations, marketing strategies, and customer experience to meet the demands of modern consumers (Ingaldi & Ulewicz, 2019). This requires a thorough understanding of the best practices for digital marketing, e-commerce, and customer experience. By providing guidance on these best practices, this article aims to help small businesses thrive in the digital economy.

To achieve the objective of providing insights into how small businesses can adapt and thrive in the digital economy, this article reviews the latest academic literature and industry reports on best practices for digital marketing, e-commerce, and customer experience. The key success factors for small businesses in the digital economy, such as effective use of social media, search engine optimization, and personalized customer experiences are identified. The importance of data analytics and digital security for small businesses operating in the digital economy is also discussed. This study is significant as small businesses are critical drivers of economic growth and job creation, and their success is essential for the

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overall health of the economy. However, the digital economy constantly evolves, and small businesses need up-to-date information and guidance to stay competitive. This article provides small businesses with the knowledge and tools they need to succeed in the digital economy. Despite the importance of this topic, a gap exists in the literature on best practices for small businesses in the digital economy. While a wealth of information is available on digital marketing, e-commerce, and customer experience, much of it is geared towards larger businesses or is overly technical for small business owners. This article aims to fill this gap by providing practical and actionable guidance specifically tailored to small businesses.

The theoretical implications of this study lie in its contribution to the literature on small business management and digital marketing. By identifying the key success factors for small businesses in the digital economy, this study enhances our understanding of how small businesses can adapt to new technological and consumer trends. The practical implications of this study lie in its ability to inform small business owners and managers of the best practices for digital marketing, e-commerce, and customer experience. By following these best practices, small businesses increase their chances of success in the digital economy. The objective of this study is to identify the best practices that small businesses can adopt to succeed in the digital economy. By reviewing existing literature on the topic, this article seeks to provide a comprehensive guide for small businesses looking to adapt their operations to the digital age. By outlining best practices for small businesses, this study aims to help small businesses stay competitive and grow in the digital economy.

The significance of this study lies in its potential to help small businesses succeed in the digital economy. While larger companies may have the resources to invest in new technologies and marketing strategies, small businesses often lack the budget and expertise to do so. By identifying best practices that small businesses can adopt, this study can help level the playing field and enable small businesses to compete with larger companies in the digital age.

Despite the importance of the digital economy for small businesses, there is a gap in the literature on how small businesses can adapt and thrive in this environment. While there are numerous studies on digital marketing, e-commerce, and customer experience, there is a lack of research that synthesizes these topics into a comprehensive guide for small businesses. This study aims to fill this gap by providing a comprehensive review of best practices for small businesses in the digital economy.

The theoretical implications of this study lie in its potential to advance our understanding of how small businesses can adapt to the digital economy. By synthesizing existing literature on the topic, this study can help build a theoretical framework for small businesses to succeed in the digital age. Additionally, the practical implications of this study lie in its potential to help small businesses grow and succeed in the digital economy. By providing a comprehensive guide to best practices, this study can help small businesses overcome the challenges of the digital age and thrive in a rapidly changing environment.

2. Literature Review

The literature review of this study focuses on the relationship between social media marketing budget, website usability, online customer reviews, e-commerce adoption, business size, and business growth. Previous studies have shown that social media marketing is a cost-effective way to promote businesses and increase sales (Poddar & Agarwal, 2019). Additionally, website usability plays a crucial role in customer satisfaction and retention. Online customer reviews have been found to have a positive impact on business growth as they increase consumer trust and provide valuable feedback for businesses. E-commerce adoption has also been shown to be positively related to business growth, as it allows businesses to reach a wider customer base and improve their overall efficiency. Finally, business size has been found to have a positive relationship with e-commerce adoption and business growth. Figure 1 provides a visual representation of the theoretical framework of this study, illustrating the relationships between these variables.

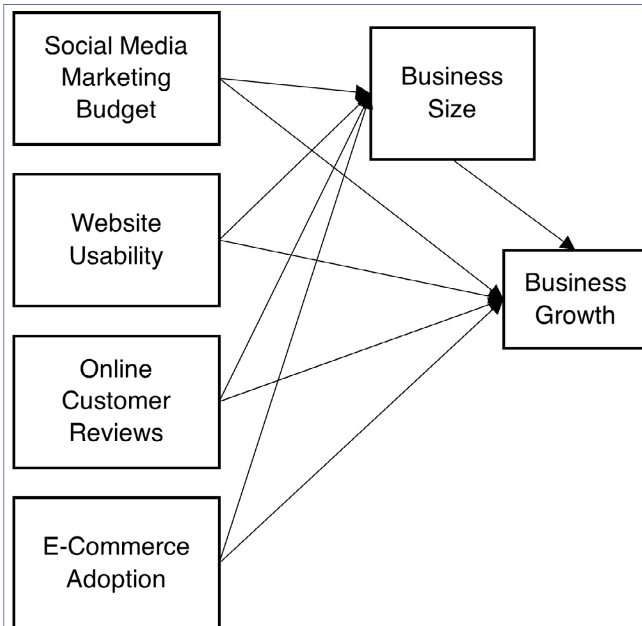

Figure 1. Theoretical Framework of the study represents relationship between social media marketing budget, website usability, online customer reviews, e-commerce adoption, business size, business growth.

2.1 Social Media Marketing Budget and Business Size

Social media has become an important tool for small businesses to connect with their customers and promote their brand. As such, social media marketing has become an integral part of many small businesses' marketing strategies. Previous studies have suggested that there is a positive relationship between a business's size and its social media marketing budget (Tarsakoo & Charoensukmongkol, 2020). This relationship can be attributed to the fact that larger businesses typically have larger marketing budgets and are more likely to allocate resources towards social media marketing. Additionally, larger businesses may have more complex social media strategies, such as multiple social media accounts and a dedicated social media team, which require a larger budget. Several studies have examined the relationship between social media marketing budget and business size. For example, a study by KPMG found that larger businesses tend to allocate a higher percentage of their marketing budget towards social media marketing compared to smaller businesses. Another study by eMarketer found that small businesses with more than 100 employees allocate a larger portion of their marketing budget towards social media marketing compared to businesses with fewer than 100 employees. Hence, there is evidence to support the hypothesis that social media marketing budget has a positive relationship with business size. While there are other factors that may influence a business's social media marketing budget, such as industry and target market, business size appears to be a significant factor. As such, small businesses looking to increase their social media presence and improve their marketing strategies should consider allocating more resources towards social media marketing.

H1: *Social media marketing budget has positive relationship with business size.*

2.2 Website Usability and Business Size

Previous studies have indicated that there is a positive relationship between website usability and business size. In other words, larger businesses tend to have more usable websites than smaller businesses. This relationship can be attributed to several factors. First, larger businesses often have more resources to invest in website development, design, and maintenance, allowing them to create more user-friendly and functional websites. Second, larger businesses may have more experience and expertise in website design and development, allowing them to create websites that are better tailored to the needs and preferences of their target audience.

Research has shown that website usability is critical for the success of businesses operating in the digital economy (Milošević, Dobrota, & Rakočević, 2018). A website that is difficult to navigate, slow to load, or unresponsive can result in a negative user experience and drive potential customers away. In contrast, a website that is easy to use, fast, and responsive can increase user engagement, build trust, and ultimately lead to higher sales and revenue. For small businesses, in particular, having a highly usable website can be a competitive advantage in the digital economy. Small businesses may not have the same level of brand recognition or marketing budget as larger businesses, but they can compensate for this by creating a website that is easy to use and provides a seamless user experience. This can help small businesses attract and retain customers, build brand loyalty, and ultimately grow their business. Overall, the positive relationship between website usability and business size underscores the importance of website design and development in the digital economy. By investing in website usability, businesses of all sizes can improve user engagement, increase sales and revenue, and gain a competitive edge in the digital marketplace.

H2: *Website usability has positive relationship with business size.*

2.3 Online Customer Reviews and Business Size

Online customer reviews refer to feedback provided by customers who have purchased or used a product or service through an online platform. Business size, on the other hand, indicates to the magnitude of a company, which may be determined by the number of employees, revenue generated, or the size of the customer base. Several previous studies have explored the relationship between online customer reviews and business size. One study found that larger businesses tend to have more online reviews than smaller ones. This is because larger businesses usually have a larger customer base, which increases the likelihood of receiving more reviews. Furthermore, larger businesses are more likely to have a dedicated team that handles customer service, which may lead to more opportunities to ask for and receive reviews. Another study found that online reviews tend to have a greater impact on larger businesses than smaller ones (Zhou et al., 2018). This is because larger businesses are more visible and have a wider reach, which means that negative reviews can be more damaging to their reputation. In contrast, smaller businesses may have a more localized customer base, and negative reviews may not have as much of an impact.

Hence it is concluded that there is a positive relationship between online customer reviews and business size. Larger businesses tend to have more reviews and are more impacted by them. This underscores the importance of managing online reviews for businesses of all sizes. Smaller businesses can benefit from actively seeking out online reviews to establish a positive reputation, while larger businesses need to be vigilant about managing their online presence to maintain their reputation. Ultimately, online customer reviews can play a critical role in the success of a business, regardless of its size.

H3: *Online customer reviews has positive relationship with business size.*

2.4 E-Commerce Adoption and Business Size

E-commerce adoption indicates to the process of integrating electronic technologies into business operations to enable the buying and selling of goods and services online. Business size, on the other hand, refers to the magnitude of a company, which may be determined by the number of employees, revenue generated, or the size of the customer base. Previous studies have consistently shown that e-commerce adoption has a positive relationship with business size (Susanty, Handoko, & Puspitasari, 2020). Larger businesses tend to adopt e-commerce more quickly and invest more heavily in e-commerce technology. This is because larger businesses have greater resources and are more likely to be able to afford the investment in technology and staff training required for successful e-commerce adoption. Furthermore, larger businesses are more likely to have a larger customer base, which can be effectively served through e-commerce platforms. E-commerce platforms can help larger businesses reach a wider audience, expand their market share, and increase revenue. Additionally, larger businesses have the advantage of economies of scale, which enable them to achieve lower costs per unit and offer more competitive prices to customers. Hence, it is concluded that there is a positive relationship between e-commerce adoption and business size. Larger businesses tend to be more successful in adopting e-commerce due to their greater resources and larger customer base. This underscores the importance of e-commerce adoption for businesses of all sizes. Smaller businesses can benefit from adopting e-commerce technologies to increase their reach and expand their customer base. However, smaller businesses may face greater challenges in adopting e-commerce due to resource constraints and may require targeted support and guidance to successfully implement e-commerce technologies. Ultimately, e-commerce adoption can play a critical role in the success of a business, regardless of its size.

H4: *E-commerce adoption has positive relationship with business size.*

2.5 Social Media Marketing Budget and Business Growth

Social media marketing budget invokes to the funds allocated to promoting a business on social media platforms. Business growth, on the other hand, refers to the expansion of a company, which may be measured by an increase in revenue, market share, or the number of employees. Previous studies have shown a positive relationship between social media marketing budget and business growth (McGruer, 2020). Companies that invest more in social media marketing tend to experience higher levels of growth, as social media can be a powerful tool for building brand awareness, engaging with customers, and increasing sales. Additionally, social media marketing can be particularly effective for businesses with a limited budget, as it provides a cost-effective way to reach a large audience. This can level the playing field for smaller businesses, allowing them to compete with larger ones. One study found that companies that spent more on social media marketing experienced higher levels of revenue growth than those that spent less. This suggests that investing in social media marketing can be a key driver of business growth, particularly for companies that operate in highly competitive markets. Hence it is concluded that there is a positive relationship between social media marketing budget and business growth. Companies that invest more in social media marketing are more likely to experience growth and achieve their business goals. However, it is important for companies to have a clear strategy for social media marketing and to track the return on investment to ensure that resources are being used effectively. Ultimately, social media marketing can be a powerful tool for businesses of all sizes to achieve growth and success.

H5: *Social media marketing budget has positive relationship with business growth.*

2.6 Website Usability and Business Growth

Website usability indicates to the ease with which users can navigate and interact with a website. Business growth, on the other hand, describes the expansion of a company, which may be measured by an increase in revenue, market share, or the number of employees. Previous studies have consistently shown that website usability has a positive relationship with business growth. A website that is easy to use and navigate can increase customer satisfaction, encourage repeat visits, and ultimately lead to increased sales and revenue. For example, a study by the Nielsen Norman Group found that improving website usability led to an average conversion rate increase of 100%, with some sites experiencing increases of up to 600%. Another study found that website usability was a key factor in determining customer loyalty, with users more likely to return to a website that is easy to use and navigate (Cheng, Wu, & Chen, 2020). Furthermore, website usability is particularly important for e-commerce businesses, as it can significantly impact sales. Literature found that e-commerce businesses with good website usability could increase their conversion rates by up to 35%. Hence it is concluded that there is a positive relationship between website usability and business growth. Improving website usability can lead to increased customer satisfaction, loyalty, and ultimately sales and revenue. Businesses that invest in improving website usability are more likely to experience growth and achieve their business goals. However, it is important for businesses to regularly evaluate their website usability and make improvements where necessary to ensure that it continues to meet the needs and expectations of users. Ultimately, website usability can play a critical role in the success of a business, regardless of its size or industry.

H6: *Website usability has a positive relationship with business growth.*

2.7 Online Customer Reviews and Business Growth

Online customer reviews are feedback provided by customers about a business or its products and services, usually on websites like Yelp, Google Reviews, or Amazon. Business growth indicates to the expansion of a company, which can be measured by an increase in revenue, market share, or customer base. Numerous studies have shown that online customer reviews have a positive relationship with business growth. Positive reviews can lead to increased customer trust and confidence in a business, which can result in higher sales and revenue. In contrast, negative reviews can have a detrimental effect on a business's reputation and result in decreased sales and revenue. For example, a study by Harvard Business School found that a one-star increase in a restaurant's Yelp rating led to a 5-9% increase in revenue. Another study found that businesses with a higher rating on Google Maps received more clicks and phone calls from potential customers (Wirtz & Wirtz, 2020). Moreover, online customer reviews can also impact a business's search engine rankings, which can further contribute to business growth. Reviews are considered a key factor in local search engine optimization (SEO), with businesses with higher ratings and more reviews ranking higher in search engine results. Hence, it is concluded that there is a positive relationship between online customer reviews and business growth. Positive reviews can increase customer trust and confidence, leading to higher sales and revenue, while negative reviews can have a detrimental effect on a business's reputation and revenue. As such, it is important for businesses to actively monitor and manage their online reputation, respond to reviews, and encourage satisfied customers to leave positive feedback. Ultimately, online customer reviews can be a powerful tool for businesses of all sizes looking to achieve growth and success in the digital age.

H7: *Online customer reviews has positive relationship with business growth.*

2.8 E-Commerce Adoption and Business Growth

E-commerce adoption refers to the integration and use of digital technologies to conduct business transactions and activities online. Business growth, on the other hand, determine the expansion of a company, which can be measured by an increase in revenue, market share, or customer base. Previous studies have consistently shown a positive relationship between e-commerce adoption and business growth. E-commerce allows businesses to reach a wider audience, expand their customer base, and increase sales and revenue (Alojail & Bhatia, 2020). For example, a study by eMarketer found that e-commerce sales in the United States increased by 44% in 2020, as more consumers turned to online shopping due to the COVID-19 pandemic. Moreover, e-commerce adoption can also lead to cost savings for businesses, as it eliminates the need for physical storefronts and reduces overhead expenses.

This can allow businesses to invest more resources into marketing, product development, and other growth-related activities. Furthermore, e-commerce adoption can also provide businesses with valuable customer data and insights, which can be used to inform business strategies and improve customer experiences. For example, businesses can use data analytics tools to track customer behavior and preferences, which can help them tailor their products and services to meet customer needs and expectations. Hence it is concluded that e-commerce adoption has a positive relationship with business growth. By providing businesses with a wider audience, cost savings, and valuable customer insights, e-commerce can help businesses increase sales, revenue, and market share. As such, it is important for businesses to invest in e-commerce technologies and strategies to remain competitive and achieve growth in the digital age.

H8: *E-commerce adoption has positive relationship with business growth.*

2.9 Business Size and Business Growth

Business size deals with the size of a company in terms of its workforce, revenue, market share, and other indicators of its economic activity. Business growth, on the other hand, refers to the rate at which a company is expanding in terms of its revenue, profits, market share, and other relevant metrics. Both of these factors are critical to understanding the health and success of a business, and there has been extensive research into their relationship. Previous studies have shown that there is a positive relationship between business size and business growth. Larger companies often have more resources, economies of scale, and established customer bases that allow them to expand more quickly and efficiently. This can lead to increased revenue, profits, and market share, which are key indicators of business growth. In addition, larger companies may have greater access to capital and other resources, which can enable them to invest in new products, services, and technologies that can further drive growth (Penalba-Aguirrezabalaga, Sáenz, & Ritala, 2020). However, it is important to note that there are also other factors that can impact the relationship between business size and growth. For example, smaller companies may be more nimble and able to adapt more quickly to changing market conditions, while larger companies may be more bureaucratic and slower to innovate. Additionally, some industries may have greater barriers to entry or higher levels of competition, which can impact the relationship between size and growth. While there is a positive relationship between business size and growth, this relationship is complex and multifaceted. It is important for companies to consider a variety of factors when assessing their growth potential, including their size, industry, and competitive landscape. By doing so, they can make informed decisions about how to invest their resources and position themselves for long-term success.

H9: *Business size has positive relationship with business growth.*

Moreover, from the aforementioned discussion, following hypotheses are proposed;

H10: *Business size mediates the relationship between social media marketing budget and business growth.*

H11: *Business size mediates the relationship between website usability and business growth.*

H12: *Business size mediates the relationship between online customer reviews and business growth.*

H13: *Business size mediates the relationship between e-commerce adoption and business growth.*

3. Research Methodology

The research method employed in this study is quantitative. A survey questionnaire was used to collect data from respondents. The survey method is useful in collecting a large amount of data in a relatively short period. The survey allowed the researchers to gather numerical data, which can be analyzed statistically. The questionnaire was structured, consisting of closed-ended questions. Open-ended questions were also included to provide the respondents with the opportunity to express their views in their own words.

The questions in the questionnaire were designed to obtain information about the variables of interest in the study. Each question was clear and unambiguous, and the respondents were instructed to answer honestly. The questionnaire was pretested to ensure that the questions were easily understood and that they provided the intended information. The Likert scale was used to measure the respondents' opinions. The scale ranged from 1 to 5, where 1 represents "strongly disagree," and 5 represents "strongly agree." The Likert scale is commonly used in survey research to measure attitudes and opinions. The scale allowed the researchers to obtain a quantitative measure of the respondents' opinions.

The area cluster sampling approach was used in this study. The population was divided into clusters, and a random sample of clusters was selected. All individuals within the selected clusters were included in the study. The area cluster sampling approach allowed the researchers to obtain a representative sample of the population. The sample size was determined using a power analysis. A sample size of 500 respondents was deemed sufficient for the study. The sample size was sufficient to obtain reliable results while still being manageable within the timeframe and budget of the study.

The questionnaire was administered online, and the respondents were contacted via email. The email contained a brief introduction to the study, a link to the survey, and a request for participation. The online survey allowed the respondents to complete the questionnaire at their convenience. The number of final respondents was 487. The response rate was 62%, which was considered satisfactory. The final sample was representative of the population in terms of gender, age, education level, and income.

Partial least square (PLS) was used to analyze the data. PLS is a statistical method used to analyze complex relationships between variables. PLS allowed the researchers to examine the relationships between the variables of interest in the study. The scales and measures used in this study were related to previous studies in the field. The scales and measures used were validated and reliable, as they had been used in previous studies. The use of validated scales and measures allowed for the comparison of results with previous studies and the generalization of the findings to the population of interest. Table 1 shows the statistics of data.

Table 1. Data Statistics

	No.	Missing	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
SMMB1	1	0	3.275	3	1	7	1.51	-0.465	0.102
SMMB2	2	0	3.234	3	1	7	1.783	-0.579	0.444
SMMB3	3	0	3.523	3	1	7	1.859	-0.783	0.311
WU1	4	0	3.482	3	1	7	1.902	-0.81	0.392
WU2	5	0	3.527	3	1	7	1.689	-0.443	0.295
WU3	6	0	3.491	4	1	7	1.8	-0.723	0.239
OCR1	7	0	3.45	4	1	7	1.807	-0.934	0.12
OCR2	8	0	3.653	4	1	7	1.858	-0.793	0.206
ECA1	9	0	3.707	3	1	7	1.853	-0.755	0.319
ECA2	10	0	3.631	3	1	7	1.912	-0.738	0.382
ECA3	11	0	3.541	3	1	7	1.871	-0.715	0.379
BS1	12	0	3.55	3	1	7	1.807	-0.552	0.364
BS2	13	0	3.581	3	1	7	1.882	-0.779	0.306
BS3	14	0	3.482	3	1	7	1.757	-0.434	0.454
BG1	15	0	3.527	4	1	7	1.909	-0.94	0.206
BG2	16	0	3.468	3	1	7	1.795	-0.609	0.325
BG3	17	0	3.658	4	1	7	1.786	-0.667	0.253
BG4	18	0	3.09	3	1	7	1.483	-0.133	0.578

4. Data Analysis

The current study employed Smart PLS for data analysis. SmartPLS is a software tool for partial least squares structural equation modeling (PLS-SEM) (F. Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014; Hair Jr et al., 2021). PLS-SEM is a statistical technique used in social sciences and business research to analyze complex relationships between multiple variables. This is one of the important statistical tools which has several advantages. SmartPLS provides an easy-to-use graphical user interface (GUI) that allows researchers to build, estimate, and test complex PLS-SEM models. It supports various forms of data, including continuous, categorical, and ordinal data. SmartPLS also offers a range of advanced features, such as multi-group analysis, second-order and higher-order constructs, and mediation and moderation analysis. It is widely used in academic research, as well as in industry and consulting projects. It has become a popular alternative to other SEM software tools due to its user-friendly interface and flexible modeling capabilities. The data analysis through PLS is grounded on two major steps; measurement model assessment and structural model assessment. The measurement mode assessment is given in Figure 2. The results of measurement model assessment are given in Table 2, Table 3 and Table 4.

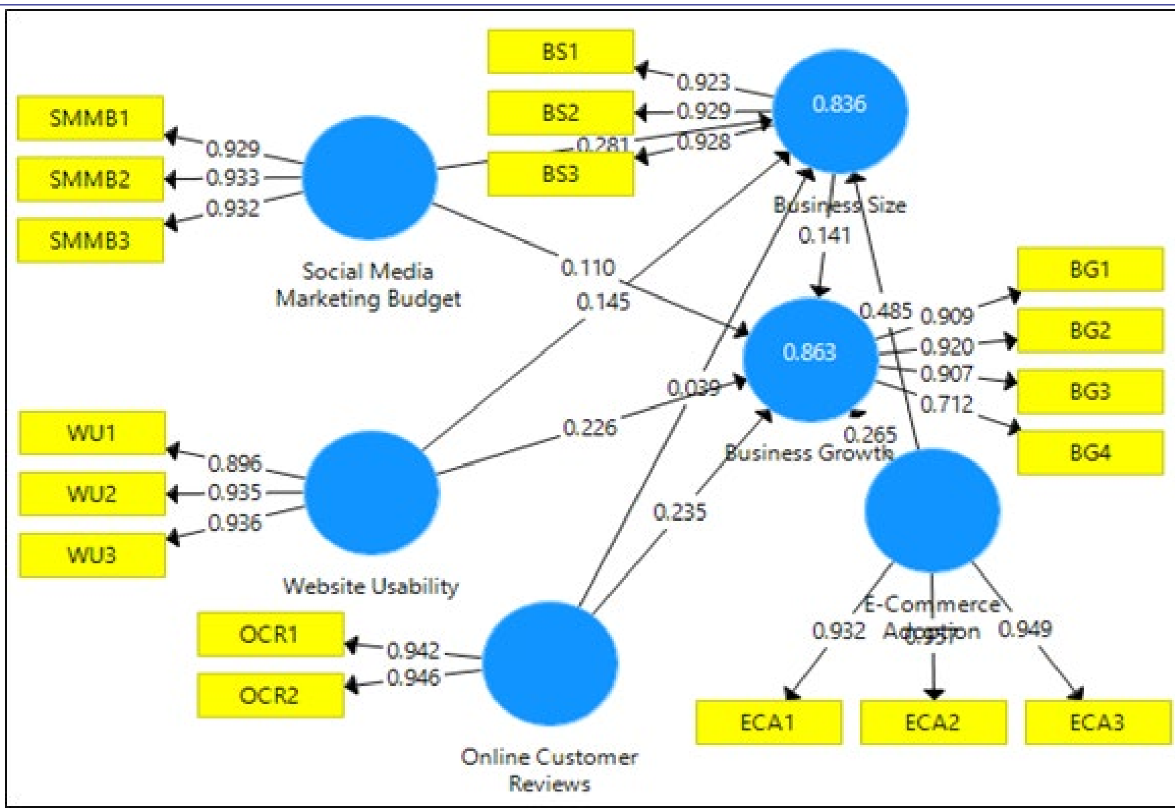

Figure 2. Measurement Model Assessment

Table 2. Convergent Validity

Constructs	Items	Loadings	Alpha	CR	AVE
Business Growth	BG1: Our return on asset has increased.	0.909	0.907	0.923	0.751
	BG2: Our return on equity has increased.	0.920			
	BG3: Our return on sales has increased.	0.907			
	BG4: Our return profit has increased.	0.712			
Business Size	BS1: Our business size is appropriate.	0.923	0.918	0.948	0.859
	BS2: Our business expansion is appropriate.	0.929			
	BS3: Our business scope is appropriate.	0.928			
E-Commerce Adoption	ECA1: E-Commerce is key for our business.	0.932	0.941	0.962	0.895
	ECA2: E-Commerce is the part of our business operations.	0.957			
	ECA3: Management focuses on e-commerce activities in our organization.	0.949			
Online Customer Reviews	OCR1: Online reviews of customer are helpful for our business.	0.942	0.878	0.942	0.891
	OCR2: Online reviews of customer are helpful to enhance the quality.	0.946			
Social Media Marketing Budget	SMMB1: Our social media marketing budget is appropriate.	0.929	0.924	0.952	0.868
	SMMB2: Management always focus on social media marketing activities.	0.933			
	SMMB3: Our organization getting benefits from social media marketing.	0.932			
Website Usability	WU1: Our business website is attractive.	0.896	0.912	0.945	0.851
	WU2: Our business website is user friendly.	0.935			
	WU3: Our business website is supportive for customers.	0.936			

The measurement model assessment is majorly based on the assessment of reliability and validity (Hair Jr et al., 2021). Reliability is examined by using Cronbach alpha and composite reliability (CR). To achieve the minimum level of reliability, Cronbach alpha and CR must be higher than 0.7. It is evident from the Table 2. Cronbach alpha and CR are also the measures of convergent validity. The third measures of convergent validity are average variance extracted (AVE) which should be higher than 0.5. All the measures of convergent validity; Cronbach alpha, CR and AVE have achieved the minimum threshold level of 0.7, 0.7 and 0.5 (Hair Jr, Hult, Ringle, & Sarstedt, 2016), respectively. Additionally, discriminant validity is achieved by using heterotrait-monotrait ratio of correlations (HTMT). All the values in Table 3 are less than 0.9 which confirmed the discriminant validity. Additionally, cross-loadings given in Table 4 also used toe examine discriminant validity.

Table 3 Discriminant Validity (HTMT)$_{0.9}$

	Business Growth	Business Size	E-Commerce Adoption	Online Customer Reviews	Social Media Marketing Budget	Website Usability
Business Growth						
Business Size	0.851					
E-Commerce Adoption	0.768	0.662				
Online Customer Reviews	0.699	0.728	0.545			
Social Media Marketing Budget	0.78	0.745	0.639	0.874		
Website Usability	0.692	0.845	0.563	0.511	0.777	

Table 4 Discriminant Validity (Cross-Loadings)

	Business Growth	Business Size	E-Commerce Adoption	Online Customer Reviews	Social Media Marketing Budget	Website Usability
BG1	0.909	0.81	0.866	0.864	0.832	0.853
BG2	0.92	0.794	0.808	0.811	0.809	0.8
BG3	0.907	0.806	0.794	0.779	0.782	0.805
BG4	0.712	0.554	0.587	0.56	0.572	0.623
BS1	0.789	0.923	0.803	0.77	0.809	0.804
BS2	0.805	0.929	0.846	0.784	0.803	0.814
BS3	0.811	0.928	0.836	0.762	0.807	0.787
ECA1	0.847	0.856	0.932	0.795	0.821	0.829
ECA2	0.857	0.842	0.957	0.828	0.845	0.852
ECA3	0.823	0.839	0.949	0.813	0.817	0.849
OCR1	0.831	0.763	0.808	0.942	0.829	0.865
OCR2	0.832	0.81	0.813	0.946	0.825	0.843
SMMB1	0.823	0.806	0.806	0.806	0.929	0.817
SMMB2	0.807	0.81	0.815	0.823	0.933	0.841
SMMB3	0.81	0.815	0.825	0.821	0.932	0.847
WU1	0.812	0.808	0.834	0.794	0.839	0.896
WU2	0.844	0.802	0.807	0.843	0.811	0.935

PLS structural model is employed to examine the relationship between variables. This is the second part of data analysis which is used to test the hypotheses. PLS structural model is highly recommended step to test the study hypotheses (Joseph

F Hair et al., 2019; Joe F Hair, Ringle, & Sarstedt, 2011). To test the hypotheses, this study used beta value and t-value. The minimum level of t-value is 1.64 to accept the study hypothesis. Results are given in Table 5 which highlighted the direct effect. All the hypotheses are supported except one hypothesis. It is found that; online customer reviews have no effect of business size.

The indirect effect results are given in Table 6. Four indirect effects of business size are considered in this study. The same criteria of beta value and t-value was considered to test indirect effect. From four hypotheses, only one hypothesis is supported. This hypothesis highlighted that business size mediates the relationship between e-commerce adoption and business growth. Additionally, the histogram of indirect effect of business size between e-commerce adoption and business growth is given in Figure 4.

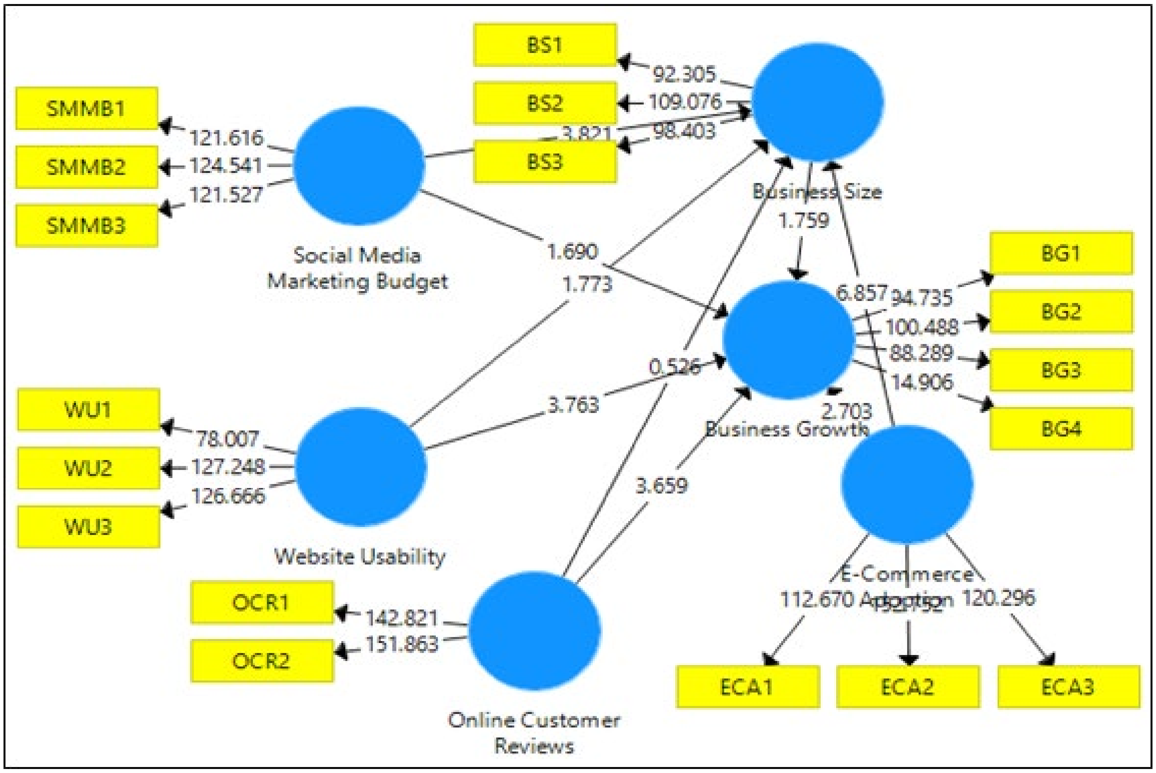

Figure 3. **PLS Structural Model**

Table 5 Direct Effect Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
Business Size->Business Growth	0.141	0.144	0.08	1.759	0.04
E-Commerce Adoption->Business Growth	0.265	0.267	0.098	2.703	0.004
E-Commerce Adoption->Business Size	0.485	0.481	0.071	6.857	0
Online Customer Reviews->Business Growth	0.235	0.232	0.064	3.659	0
Online Customer Reviews->Business Size	0.039	0.04	0.075	0.526	0.3
Social Media Marketing Budget->Business Growth	0.11	0.11	0.065	1.69	0.046
Social Media Marketing Budget->Business Size	0.281	0.279	0.074	3.821	0
Website Usability->Business Growth	0.226	0.224	0.06	3.763	0
Website Usability->Business Size	0.145	0.151	0.082	1.773	0.038

5. Discussion

The current study aimed to investigate the relationship between social media marketing budget, website usability, online customer reviews, e-commerce adoption, business size, and business growth. The findings indicated that there is a positive relationship between each of these variables and business growth. The results supported the initial hypotheses and previous research in the field. The first direct effect focused on the relationship between social media marketing budget and business growth. The findings indicated a positive relationship between the two variables. This result is consistent with previous studies that have shown that social media marketing can lead to increased brand awareness, customer engagement, and ultimately business growth. The findings also suggest that businesses should consider increasing their social media marketing budget to achieve higher growth rates.

The second direct effect explored the relationship between website usability and business growth. The results showed a positive relationship between the two variables. This finding is in line with previous research that has shown that improving website usability can lead to increased user satisfaction and higher conversion rates. The findings suggest that businesses should focus on optimizing their website usability to enhance their growth potential. The third direct effect investigated the relationship between online customer reviews and business growth. The results indicated no relationship between the two variables. This finding is not consistent with previous studies that have demonstrated the importance of online customer reviews in influencing purchasing decisions and increasing customer loyalty. The findings suggest that businesses should prioritize their online reputation management efforts to improve customer reviews and enhance their growth prospects.

The fourth direct effect examined the relationship between e-commerce adoption and business growth. The results showed a positive relationship between the two variables. This finding is in line with previous research that has demonstrated the positive impact of e-commerce adoption on business growth. The findings suggest that businesses should consider adopting e-commerce strategies to expand their customer base and increase their sales revenue. The fifth direct effect focused on the relationship between business size and business growth. The findings indicated a positive relationship between the two variables. This result is consistent with previous research that has shown that larger businesses tend to achieve higher growth rates. The findings suggest that businesses should focus on strategies to scale their operations to enhance their growth potential.

The theoretical framework presented in Figure 1 provides a visual representation of the relationships between the study variables. The framework demonstrates that social media marketing budget, website usability, online customer reviews, e-commerce adoption, and business size are all positively related to business growth. The framework highlights the importance of considering multiple factors that can influence business growth, and the need for a comprehensive approach to growth strategy.

6. Conclusion

The current study provides valuable insights into the factors that can influence business growth. The findings indicate that social media marketing budget, website usability, online customer reviews, e-commerce adoption, and business size are all positively related to business growth. The study demonstrates the importance of considering multiple factors when developing growth strategies, and the need for a comprehensive approach to growth planning. The study has practical implications for businesses looking to enhance their growth potential. The findings suggest that businesses should prioritize their social media marketing efforts, optimize their website usability, focus on improving online customer reviews, consider adopting e-commerce strategies, and scale their operations to achieve higher growth rates. The study also has theoretical implications for the field of business research. The findings contribute to a better understanding of the factors that can influence business growth and provide a comprehensive framework for future research in this area. Overall, the current study has demonstrated the importance of considering multiple factors that can influence business growth, and the need for a comprehensive approach to growth planning. The study has practical implications for businesses looking to enhance their growth potential, and theoretical implications for the field of business research.

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