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EXPLORING ONLINE BUSINESS TOOLS: ALTERNATIVES TO CHALLENGES IN SETTING-UP AND CONDUCTING BUSINESS

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ABSTRACT

Entrepreneurships provides different communities with higher employment rates and stable economy. These two positive effects have increased importance and entrepreneur number around the world and especially in the Kingdom of Saudi Arabia. The online business tools are developed to ease the process of running a business individually and increase the efficiency of an entrepreneur's work and efforts for entrepreneurs to achieve this constructive change. The primary data is mainly collected through qualitative method and particularly interviews which conducted with small online businesses for application, Graphytes Design Lab business for case study and with experts in the field for validation. The secondary data was collected from different resources such as books, magazines and newspapers mainly found in the university's library. This study is conducted on 11 entrepreneurial ventures to identify whether Saudi entrepreneurs were used online business tools. The study found most businesses are used online tools in the operation and management. In additions, the tools are compared with traditional way of hiring employees and professionals to achieve better method.

INTRODUCTION

Entrepreneurship become a phenomenon of paramount importance that increasing attention in recent years [1]. Entrepreneurship is an important mechanism that generates comprehensive and continuous development through employment, innovation, competitiveness and welfare [2]. Entrepreneurship is defined as identification process opportunity in the marketplace, organizing the resources to pursue these opportunities and dedicated the actions and necessary resources to explore the opportunities for long-term personal gain [3].

Entrepreneurs have ability to improve a society's standard of living by providing more jobs which leads to more competitive and dynamic economy that all countries need [4,5]. Entrepreneur is an individual with different values, attitudes and needs which drive and differentiate this individual from others [6]. The entrepreneurs influence a society's economic growth, politics, organizations and develop solution that bring progress to communities at large [7].

For instance, women struggle to meet with their customers and suppliers without the ability to drive. Both men and women are cutting down the distance with their customers. The entrepreneurs are now able to start and expose their businesses through social media without the need for a physical workplace.

Online business tools offer new businesses the resources needed to establish online, quickly and affordably. In additions, online business tools also allow business owners to manage their daily operations easily and efficiently [8]. Most important benefits of online business tools were help in reduce time consumption [9]. Moreover, businesses used to invest huge amount of budget in technology for quick access to their data. Nevertheless, online tools nowadays help business owner to access their business information in anytime and anywhere.

Another advantage would help in provide businesses with many resources in one place which easier for creating their strategic plans such as Smart Online Inc., which had an online business centre for Small and Medium Enterprises (SMEs) to find many useful tools [10].

Social media in term of web-based platforms which offers the internet users with possibility to interact [11]. Social media is purpose of connecting people together and had revolutionized how people communicate [12]. Social media such as Facebook, Twitter, Instagram, Snapchat and LinkedIn. However, different type of social media tool would include a networking site called NineSigma. This tool provides clients with an open innovation platform which the users can post the ideas and project to gain feedback from other people on the network for a fee.

Social media is defined as online resource that people use to share content such as photos, images, text, ideas, insight, opinion, humour and gossips [13]. Social media are widely used in regular operation in most companies included SMEs and start-ups [14]. Nowadays, strength and low cost had been embraced by business to market their product, connect with customers and find new employees [10]. Business owners also use social media to find new ideas and get feedback on existing.

Many people think social media as most online tool used in the business and did not realise that other effective tools that helps in process become easy and more practical. Entrepreneurs need several tools to communicate with stakeholders and stay organized to start new business. Nevertheless, daily operations completion is main challenging for entrepreneurs. The huge firm

with big resources can easily dedicate time and budget to develop technological advancement for growing while accessing high-tech tools by small businesses is always expensive, complicated and difficult to accomplish.

Entrepreneurs will find new ways to share their ideas and approach more clients. The entrepreneurs will learn on new online tools that help in conduct their business effectively and cut their costs and expenses. A comparison made between traditional method and online method of running a business which will prove whether Saudi entrepreneurs need to change to modern way of running a business or maintain with traditional method to complete needed tasks and services. The study aimed to determine Saudi entrepreneurs were using online business tools.

METHODOLOGY

The data was used to complete this study which divided into primary and secondary data. The secondary data was collected from different resources such as books, magazines and newspapers mainly found in the university's library. Besides, online resources also obtained from articles, academic journals and websites. The primary data is mainly collected through qualitative method and particularly interviews which conducted with small online businesses for application, Graphytes Design Lab business for case study and with experts in the field for validation.

This study has targeted 13 small Saudi entrepreneurial ventures of 50 or less employees as its population to interview. However, only 11 entrepreneurs were interviewed due to research limitations. The main goal of the interviews was determined online business tools affected small business and its performances. Entrepreneurs was understood about those tools and enhance the efficiency of their work.

In this study, 10 respondents who are diversified entrepreneurial ventures in Jeddah, Saudi Arabia. Sofana Dahlan was co-founder and CEO of Tashkeil which provided consultancy and exhibition management services under the creative industry. The second respondent was Suhaib Hammad, a partner at HHR Consult, Ltd. which offers business consulting services for small and medium businesses. In addition, Suhaib Hammad also partner in another local entity known as Western Specialty Chemicals Company that provided chemical cleaners. The third respondent was Ammar Albakri had one year business under the food sector. Heba Bayloun was fashion designer who had developed own local fashion house. Sara Khashoggi was owner of untraditional and unique baby shop called as Baby Itra. Kholoud Attar establishment was local entity under the publishing and design sector. Meanwhile, Sarah Al Dabbagh was founder of Lace Events, local entity that provided clients with wedding and event planning services under the hospitality and event-planning sector. Rania Ahmad was founder of Rania's cheesecakes which Saudi local entity under the food sector.

RESULT AND DISCUSSION

Result

Figure 1 shows the respondent distribution based on online business tools usage. In Figure 1, there were 63.6% respondents has utilized business tools, 27% respondents used social media while only a respondent did not used any type of business tools.

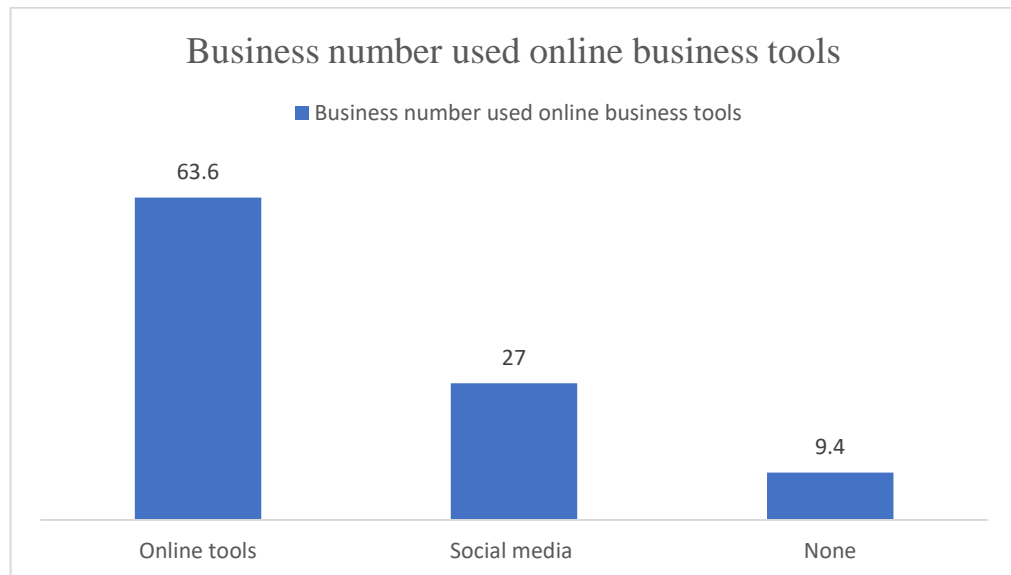


Figure 1: Business Number Used Online Business Tools.

Figure 2 shows the entrepreneurs understanding on these online business tools through different source. There were 7 businesses used different types of online tools, 44.4% respondents found the business tools from website search, 22.2% respondents found on the tools from clients who were used to transfer or share data while other answers included other firms, business magazines and information technology (IT) consultants.

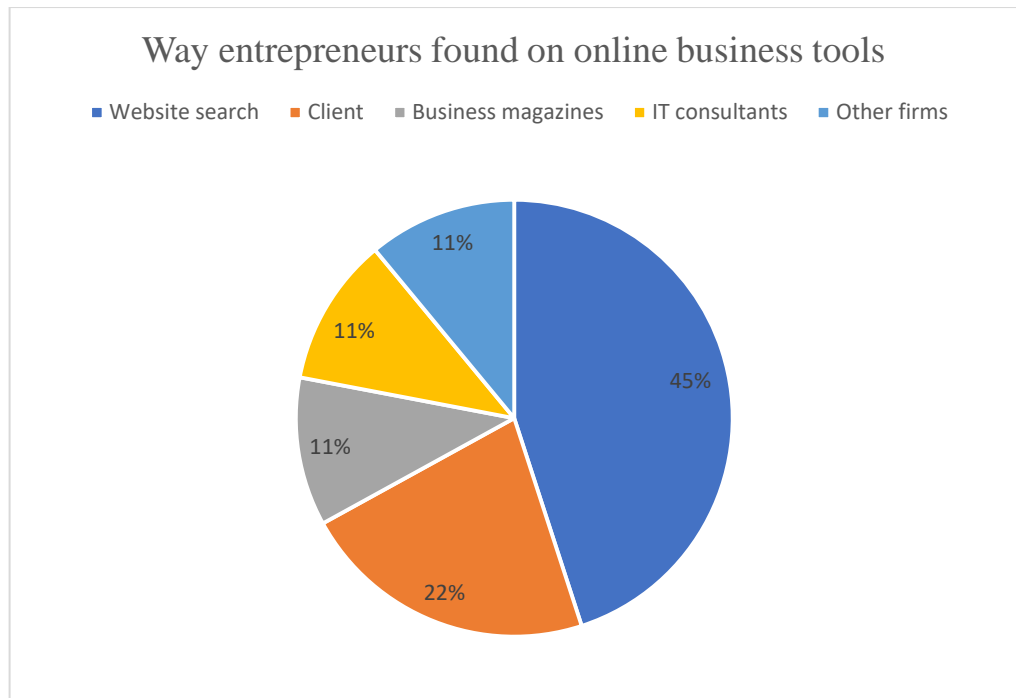


Figure 2: Entrepreneurs Way Found on Online Business Tools.

In Figure 3, 37% respondents did not know on online business tools. In additions, 37% respondents dislike using technology and 13% respondents felt not required to use online business tools in their business.

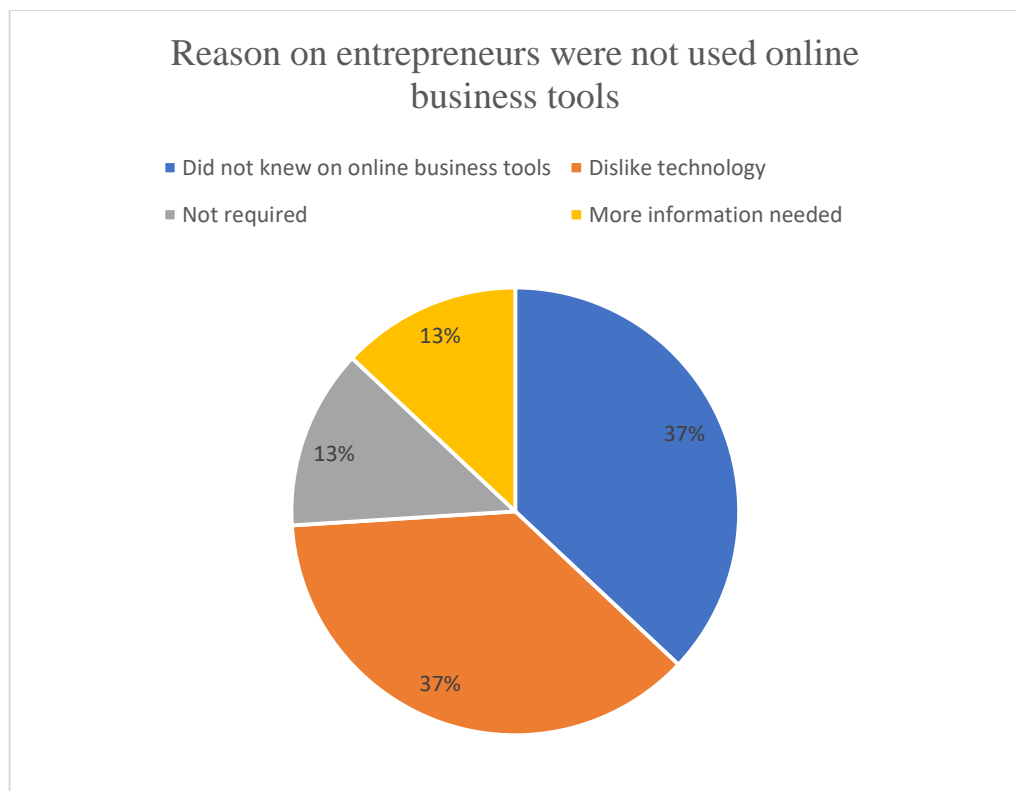


Figure 3: Reason on Entrepreneurs Were Not Used Online Business Tools

Table 1 shows that the tools used and number of business used online tools. Some tools had recommended by some entrepreneurs for other businesses. There were 9 respondents used social media as online business tool and 4 respondents used Dropbox as online business tool. Meanwhile, 2 respondents used Freshbooks, Basecamp and Yammer and 3 respondents used Evernote and Hootsuite as their online business tool.

Table 1: Online Business Tools by Saudi Entrepreneurs

Online business tool	Number respondents
Social media	9
Dropbox	4
Evernote	3
Hootsuite	3
Freshbooks	2
Basecamp	2
Yammer	2

Case Study of Graphytes Design Lab

Graphytes Design Lab has integrated online business tools since their first day operation. These tools provided the chances to reduce company budget and enjoy free services by pay salary for an employee to manage user-friendly tool instead of paying for more expensive and complicated software and programs. Graphytes Design Lab claimed that online tools are completely affected their business performance in positive way. Online tool has high level of accessibility which provided ability to access the company information and accounts. Graphytes Design Lab is able to perform business from various places as able to issue quotes and access their portfolio from any machine. Online business tools is more convenient than hiring professional which easy to learn and took minimum of 6 hours and maximum of a week for an employee to learn new tool.

The online tools includes Dropbox for sharing files with clients and team members, HostGator for web development, Google Hangout for communicating with clients, Icalendar for scheduling and sharing meeting timings, social media for marketing and approaching potential clients, GoogleDocs to share and edit documents between team members, Hootsuite for social media management, WeTransfer for submitting final design to clients, Freshbooks for financial management, Teambox for operations and project management and Evernote to take different types of notes and archiving.

Graphytes Design Lab rated same aspects of online tools which includes additional expense, speed, competitive advantage, required in the industry and essential requirement. Nevertheless, there was difference in the ratings of information security, information loss and essential requirement. High level of knowledge in online business tolls which difficulty to trust technology especially internet. Graphytes had high understanding and dependence on

online business tools which hard to complete their business tasks without using tools.

DISCUSSION

The result indicated most respondents are using online business tools with 63.6% and 27% of respondents are using social media as medium in the business. This result indicated higher percentage of Saudi entrepreneurs are aware and used online business tools to conduct their business. Meanwhile, 2 business has used social media only such as Rania's Cheesecakes and Ammar AlBakri which under food sector. The main online tool used was social media especially Instagram which the respondents fully depend on pictures in attracted the customers and market their food. A small indication that online tools were more required in other sectors than in food sector. Genc et al. (2015) mentioned that people feel Instagram transparent structure is more convenient since the Instagram users can follow the worldwide trends and their current photos can be seen by anyone in an opener ground compared to other social media such as Facebook [15]. Constantinides et al. (2015) has proposed social networking sites (SNS) as business process management (BPM) and found significant positive impact on the ease of SNS usage on perceived usefulness among the users [16].

In additions, most respondents found online business tools from website search and clients. All businesses choose to use these tools personally. Western Specialty Chemical Company who uses Yammer which was introduced and provided by their information technology (IT) consultant. There were 45% respondents had online to search for business tools which shows that there was a need in the market for services and no one was provided small businesses in Saudi Arabia with needed advice to choose best tools. The focus of IT consultants had more complicated and larger software, non-simple and non-expensive tools suitable for start-up and entrepreneurs. Small business might not afford hired or consulted an IT expert for help in choosing IT services.

Besides, 5 businesses used online tools to pay between SR1000-SR2000 annually for the tools whereas YIG and HHR Consultants were not paid. The spending of SR1000-SR2000 annually for the services that online business tools provided was considered very low price which made these tools more suitable for entrepreneurs in early stages of businesses. For HHR Consult Ltd, online tools provided access to international clients and more markets. In additions, the tools made easier to track the emails and manage their volunteers. Infrared Studio found positive impact on their information security that saved in online databases and ability to deliver more work and approach more clients in a faster way.

Other three businesses are used social media for similar reasons. Rania's Cheesecakes did not know about the tools but enjoyed dealing with technology. Other respondents claimed that needs more information about the tools and not required for business at this stage but considering online business tools when needed. Meanwhile, a respondent mentioned two reasons included not being technical person and not know about online tools.

Furthermore, a respondent used Yammer instead which was online tool for operation management because of most clients were major corporation who only sell through test and trials in their offices. The online business tools usage also depends on the business sectors, type and nature of company and its clients.

The entrepreneurs are asked to determine aspects for both online business tools and regular employees included an additional expense, speed in completing tasks, security of information, loss of information, provides business with competitive advantage, required in the industry and essential requirement.

The different ratings of entrepreneurs might due to dissimilar business sectors which lead to different needs and uses of online tools. The speed of online tools scored high ratings indicated that online tools helped entrepreneurs to complete their tasks in a faster way with an average of 7. The security of the business information saved in different applications and websites which entrepreneurs did not believed that high with average of 6. However, most respondents had security guarantee to ensure high levels of security in their servers.

The possibility of losing the information saved online was another aspect rated and respondents had rated with average of 7. This result shows that entrepreneurs believed that entrepreneurs lose their data with using online business tools. These tools would provide a competitive advantage for the business which reached highest rating of 8. The reason start-up used online business tools due to their confident that online business tools usage can help the business stay ahead and be different than competitors. Online tools are provided competitive advantage by given entrepreneurs the chance to reach and approach bigger markets, communicate with existing and potential customers.

Another aspect that scored an eight was requirement of online tools in each entrepreneurs' sectors. The entrepreneurs who used online business tools were performing under different business sectors. Hence, the need of tools in a specific sector could not determine based on this rating. The essential requirement of the tools generally in small businesses which received an average of 7. This result indicated that the tools are essentially require to perform business. However, there was good chance that small businesses performed and survive without tools.

Besides, the respondents also asked to rate same aspects for professional or employees to arrive to a conclusion which tools were better. The employees are an additional expense on average of 6. This result was higher than rating for the tools which was 4, indicated that entrepreneurs believed that online tools saved more money than employees. The speed of online tools did not score very high was due to slow internet connection in KSA as mentioned by some entrepreneurs.

In chances of information loss employees were given rating of 4 which was big difference as entrepreneurs believed that there was big chance that lose their data by maintained as online business tools. The entrepreneurs were asked whether employees and experts could provide with a competitive advantage was on average of 7. For employees to provide a business with competitive advantage need to creative in many ways while the tools in first places helped the entrepreneurs to stay always creative and organized.

For the requirement of the employees in the industry, the respondents have rated as 6 while the respondents are not required in first stages of the business. The online business tools were given an 8 because used as an alternative for employees at early stages of a business.

CONCLUSION

In conclusion, most businesses are used online tools in the operation and management. Saudi entrepreneurs understood on the online business tools and used to complete business tasks. Meanwhile, rest of businesses used either social media or did not used any online business tools for their business operation and management. There was a need for online tools as entrepreneurs went on the internet to find the businesses. The advantage of online business tools allowed businesses to access their information anytime and everywhere which reach more clients and more markets.

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