

IMPACT OF E-BUSINESS ON CHINA WHOLESALE MARKET

¹Sakinah mohd shukri, S.M. Ferdous Azam, Adam Amril bin Jaharadak

Abstract--- *Wholesale market has a significant status in China's economy. It not only supplies the lower price product to meet the development of our four-modernization, but also bring many job opportunities to people, tax to government, and integrate the rural and urban area output to increase effectively. There are three types of auto parts makers. They are OEM auto parts supplier, Exporter and Aftermarket supplier. To compete with the local marketer, E-business has being seen as a good channel to improve the current situation and increase competitive advantage for many wholesaler by lowering the cost and increasing high-speed response to customers. Therefore, this study would like to seek some relationship and advantages of using E-business to explore general extent of the impact of E-business towards China auto parts wholesale markets, investigate offline and online strategies, and how wholesale companies exploit synergies from the coordination of electronic and physical channel.*

Keywords--- *Wholesale Market, Supplier, Exporter, Competitive advantage, E-Business*

I. Introduction

The number of Internet users in China is mushrooming. According to a report by the China Internet Network Information Center, with data through 01/18/2005, there are 94 million Internet users who used the Internet one hour a week or more, about 1/2 the number of users in the US. E-business is a broad term used to express the conduct of business through the Internet (Ernst & He, 2000; Nikhashemi et al., 2017; Tarofder et al., 2019; Ulfah et al., 2019; Tarofder et al., 2016; Udriyah et al., 2019), in which e-commerce and e-service can be established as its two underlying dimensions (Ghosh, Surjadaja, & Antony, 2004). Gender breakdown is 60.4% male, 39.6% female. Users are primarily young, with 16.4% under 18, 35.3% ages 18 through 24, and 17.7% ages 25-30. 57.2% and unmarried. 30.7% have graduated with at least a bachelor's degree. China is still a developing country. Internet comes into China in 1994, and the first E-business transaction in 1997. Only 10 years developing history for building infrastructure and E-business platform. We can see there are still many defects in China's E-business environment. Now benefiting from the good government policy, now, there are more than 500 E-shop over Internet, and more than 5 million online shopper in year 2004 (CNNIC).

E-Business in China

In Year 2004, total Internet users in China have reached 94.00 million. There are three portal information ISPs, and E-business ISPs have come to server public. Such as *Alibaba.com*, *Tao Bao*, *8848.com* etc. They offer more than 1 million products to consumers from books, CDs to equipment. According the CNNIC research, there are more shops using Internet in performing their business. Towards the end of 2004, the amount of global E-business has reached \$2.77 trillion dollars.

¹Management and Science University
sakinahshukri@msu.edu.my

The proportion of B2B is 87% of whole E-Business. Simultaneously, B2C and C2C is only 13% of total E-business. In China, the growing rate of E-business is 128.2% from 2003 to 2004 (CNNIC, 2005). The popularization of knowledge and guidance of E-business will lead to Better Corporation of being E-business users. According to the prediction data from IDC, B2B will grow 59.1% each year until 2008 in Asia Pacific countries. That means the need of auto aftermarket service is increasing, and showed that the market was going on booming. The war between the United States and Iraq also caused the uncertainty of the world's situation (Tang & Huang, 2008). It makes lot of countries begin to increase reservation of raw oil. When China entry into WTO member, globalization require wholesale market integrate multi-channel to meet the challenge from all over the world.

Wholesale Market in China

Inchoation of the beginning of 80s, 20 Century, China Wholesale markets, now have become more and more significant, and have spread all over urban and rural area (Baršauskas, Šarapovas, & Cvilikas, 2008; De Silva et al., 2018a; De Silva et al., 2018b; Nikhashemi et al., 2013). On the process of innovation and modernization, wholesale markets have grown as special Chinese features and perspective merchandise trading manner, and organization of market trading. According to the latest data, at the end of 2002, there are 89,043 wholesale markets spread all over China; annual turnover is 3,477.2 billion; average turnover per market is 39.05 million. There are 414 large size wholesale markets and their annual turnover is more than 1 billion, 70 new more than last year. Wholesale markets not only bring benefit to domestic market and supply the local development, but also significantly affect the global market. From this study, we can see the advantages are greater than disadvantages.

After entering WTO in 2001, adapt to the new situation, the old thought must be adjusted. At present, the products of markets is over traditional, too similarity, lack of high quality advantage substitute and R&D. The scale of wholesaler is still small, outdated of technology, managerial methods, and lower delivery network standard (Johnson, 2002; Dewi et al., 2019; Pambreni et al., 2019; Tarofder et al., 2017). In this new era, the tactics of consolidation and development of wholesale market should focus on increasing market scale, and complex market, breeding a batch of modern great scale wholesale companies, transfer the traditional wholesale markets into modern and huge scale wholesale markets, and help the wholesale markets go into internationalization. Chinese currency increases 2% of its value from 21st July 2005. Exporting companies will be affected more deeply by exchange rate changing (Sawmy & Damar-Ladkoo, 2015). Studies done in early 2000s did not find any significant relationship between E-business and wholesale market, and wholesale markets helps economic growth in China via using E-business. On the other hand, low credit card using rate affects the increasing E-business booming (Shepherd & Pope, 2011; Doa et al., 2019; Maghfuriyah et al., 2019; Nguyen et al., 2019). But there are still many methods to solve this problem in China E-business markets. "What do you do if most people in your country don't use credit cards?" Through this study, I am going to look out how is the popular E-business impacts on wholesale markets, and from the positive aspects to seek how E-business help corporation developing, to explore general extent of the impact of E-business towards China auto parts wholesale markets, to investigate offline and online strategies, and how wholesale companies exploit synergies from the coordination of electronic and physical channel (Beck, Koenig, & Wigand, 2003).

II. Literature Review

The world has witnessed the success of China since its opening up in 1978 and China's rapid growth has clearly brought benefits to the world. However, China is now at a crossroads. To name a few central issues faced by China: though China still enjoys GDP growth rate of 7-8%, unemployment is at a record high; though some Chinese firms are successful at home and venture abroad now, many state-owned enterprises are uncompetitive with rising liabilities and shrinking assets; there is increasing concern over overheating pressures building up in China and the widening gap between the rich and the poor, between the rural and the urban areas and between the east and the west in China; environmental problems continue to grow; the financial sector still carries large non-performing loans and problems with governance plague the stock exchange. Preliminary estimation indicated that the gross domestic product (GDP) of China in 2004 was 13,651.5 billion Yuan, up by 9.5 percent over the previous year without showing big ups and downs. In 2004, the total output of grain was 469.5 million tons, an increase of 38.8 million tons or 9.0 percent over the previous year.

The total value-added of the industrial sector was 6,281.5 billion Yuan, up by 11.5 percent over the previous year. The value-added of industrial enterprises above designated size was up by 16.7 percent, slightly lower than that of the previous year. The investment in fixed assets of the country in 2004 was 7,007.3 billion Yuan, up by 25.8 percent over the previous year, a decline of 1.9 percentage points as compared with the growth of previous year. This trend of decline was stable over the year. The transition from a planned economy to a market economy in China started at the end of 1978. The transition has turned China from a poor, inward looking economy to one of the most dynamic economies and largest trading powers in the world (Dissanayake & Singh, 2008; Pathiratne et al., 2018; Rachmawati et al., 2019; Seneviratne et al., 2019; Sudari et al., 2019; Tarofder et al., 2019). The annual growth rate of GDP reached 9.7 percent in 1978-98, while the annual growth rate of import and export trade reached 14.8 percent. The total output of grain in 2004 was 469.5 million tons, an increase of 38.8 million tons or 9.0 percent over the previous year, The total cotton production was 6.32 million tons, up 30 percent; the production of oil bearing crops was 30.57 million tons, up 8.8 percent; the production of sugar crops was 95.28 million tons, down by 1.2 percent; the production of meat totaled 72.60 million tons, up 4.7 percent; and the output of aquatic products was 48.55 million tons, up 3.2 percent.

Agriculture is by far the leading occupation, involving over 50% of the population, although extensive rough, high terrain and large arid areas especially in the west and north—limit cultivation to only about 10% of the land surface. Since the late 1970s, China has de-collectivized agriculture, yielding tremendous gains in production. Even with these improvements, agriculture accounts for only 20% of the nation's gross national product. Despite initial gains in farmers' incomes in the early 1980s, taxes and fees have increasingly made farming an unprofitable occupation. China is one of the world's major mineral-producing countries. Coal is the most abundant mineral; high-quality, easily mined coal is found throughout the country, but especially in the north and northeast (Kaya & Banerjee, 2012). There are also extensive iron-ore deposits; the largest mines are at Anshan and Benxi, in Liaoning province. Oil fields discovered in the 1960s and after made China a net exporter, and by the early 1990s, China was the world's fifth-ranked oil producer. Growing domestic demand beginning in the mid-1990s, however, has forced the nation to import increasing quantities of petroleum. Offshore exploration has become important to meeting domestic needs; massive deposits off the coasts are believed to exceed all the world's known oil reserves.

Industry and construction account for about 50% of China's GDP. The major industries are iron, steel, coal, machine building, light industrial products, armaments, textiles, shoes, toys, cement, and chemical fertilizers. China has become a

preferred destination for the relocation of global manufacturing facilities. Science and technology have always preoccupied China's leaders; indeed, China's political leadership comes almost exclusively from technical backgrounds and has a high regard for science. Deng called it "the first productive force." According to some Chinese science policy experts, distortions in the economy and society created by party rule have severely hurt Chinese science. The Chinese Academy of Sciences, modeled on the Soviet system, puts much of China's greatest scientific talent in a large, under-funded apparatus that remains largely isolated from industry, although the reforms of the past decade have begun to address this problem. China's merchandise exports totaled \$593 billion and imports totaled \$561 billion in 2004. Its global trade surplus was up by about 25%, to \$32 billion. China's primary trading partners include Japan, the EU, the United States, South Korea, Hong Kong, and Taiwan. According to U.S. statistics, China had a trade surplus with the U.S. of \$162 billion in 2004.

The foreign direct investment actually utilized were 60.6 billion US dollars, up 13.3 percent. By the end of 2004, China's foreign exchange reserves reached 609.9 billion US dollars, or 206.7 billion more than that by the end of the previous year. Most of China's wholesale/retail establishments are state-owned small to medium-sized establishments and large enterprises (Chong, Man, & Kim, 2018). These firms have been busy adding stand-alone computers to their stores and offices in the earlier 2000s. The build-up of hardware and software for ERP and other decision supporting functions only began two to three years ago. A very small percentage of firms have started to build up their e-commerce platforms (Aslani, Laios, & Moschuris, 2008). The first commercial transaction online in China was conducted as recently as March 1998. Since then, e-commerce sites have proliferated. At present there are some 48,000 registered domain names in China 2005, and the majority of them are commercial sites (Jutla, Bodorik, & Dhaliwal, 2002). *Alibaba.com* and *TaoBao* are the famous B2B and B2C online business service website. They offer a platform for transaction with "ZhiFuBao" payment system, and charge seller for certain percentage service fees.

In Year 2004, *TaoBao's* (B2C) annual turnover is 2.3 billion, B2B relationships in an online environment, on the surface, the call for closer buyer-seller relationships and the move toward online purchasing appear to be at odds, in that online buying could reduce personal selling activities significantly (Indjikian & Siegel, 2005). Interestingly, a review of recent research reveals how the usefulness and importance of the Internet, as well as the sales force, might vary by relationship type, E-Business consist of E-commerce and E-service (Klaiber, Hermanus, & Mason, 2014). According to the statistics, China's car output amounted to 2,095,700 from January to November in 2004, up 15 percent over the same period last year. With a minor rise, the car output in November ranked highest as of July in 2004. Many events have unfolded since the previous International Metalworkers' Federation (IMF) Auto Report, issued in 2003. Global vehicle sales have surpassed 80 million units for the first time. China has become the fourth largest national vehicle producer behind the United States, Japan and Germany. China's motor industry only a decade ago was made up of thousands of small, fragmented and technically limited state-owned enterprises mostly cut off from one another and from the global economy.

FAW, SAIC and DF together accounted for about half of domestic light vehicle production and this percentage is expected to remain roughly the same through 2007. Each of China's Top Three currently has annual capacity of at least 500,000 units, mostly operated through joint ventures with foreign transnational companies (Xue, Ray, & Whinston, 2004). Domestic sales of motor vehicles in China have thus far grown rapidly enough to absorb the country's expanding capacity. In 2003, China's vehicle market registered sales of more than 4 million units for the first time, increasing by 1.1 million units from the year before. Here is the data collection in 2004 and prediction for future (Brousseau, 2001). A normal automotive product is roughly composed of 14,000 parts that again can be divided into other structural and mechanical subsystems. BCC report

(2005) foreign vehicle manufacturers feel that the quality of local parts suppliers must be drastically improved (Kuzic & McGrath, 2003). The modernization of China's auto components industry will also require greater technology transfer from foreign companies to their Chinese partners.

According to the WTO Report of the Working Party on the Accession of China, China agreed to phase in the following commitments in services that will affect the auto industry (Baršauskas et al., 2008). Within one year of China's WTO entry, Foreign Service suppliers may establish joint ventures to engage in the commission and wholesale business of imported and domestically made products, including automotive products (Tang & Huang, 2008). Within two years, foreign majority ownership will be permitted and no geographic or quantitative restrictions will apply, except those controlled by scheduled quota. Within three years, no restrictions will apply. The government acknowledged in its recent 10th Five-Year Plan for the Development of the Automotive Industry (2001-05) that China's auto market is still highly fragmented (Burinskienė & Burinskas, 2010). Though the passenger-car market in particular has changed from a seller, to a buyer, market over the last decade, many of China's more than 100 original-equipment manufacturers of China is lack of economies of scale (Blashki & Jantavongso, 2006). China's WTO accession in 2001 and its market-opening steps, including tariff reductions and eliminating local content requirements, rapidly advanced the growth of China's automotive market (Basu & Siems, 2004).

Given China's weak domestic supplier industry, a large part of China's vehicle production growth in the past couple of years has been assembling imported parts and components, as well as purchasing from the increasing number of foreign suppliers who have made investments in China, the more cars runs on the road, the more aftermarket of auto parts need for maintenance (Martín-Herrán, Taboubi, & Zaccour, 2006). Approximately 1,700 automotive components manufacturers have registered with the government, of which around 450 are foreign invested companies; there are around 3,000 additional smaller component parts manufacturers in the industry, most of which manufacture products for the aftermarket. First of all, it is affected by petroleum price in the world. Petroleum price increases from under USD 30 per barrel in September 2002 to USD 40 in March 2003, when the United States declared war with Iraq. Now, even the war is over, the price of raw oil keeps on going up, and the price is near to USD 60 per barrel. OPEC conference in March 2005 indicates that it will increase raw oil productivities from current 2750 barrel/day to 3000 barrel/day. In yearly petroleum 80,000,000, the energy source consumption reaches the highest record in history.

The consumption of China has increased into 13.5% of the total usage in the world last year. The price of the petroleum in China is still on big pressure to jack up the price. The price has goes up 28% from 2003. As mentioned before, traditional business has lots of disadvantages. Even though wholesale physical store markets are still booming, auto parts manufacturer is one of wholesale market member (Bi, Davison, & Smyrnios, 2014). The other part works as distributor and agency to offer service to customers. They deliver and fulfill order from inventory to automakers or retailers (Konings & Roodhooft, 2002). According to the data gaining from Institution of automobile, outsourcing and exportation is a big market share for profit for most auto parts market except the home country suppliers. Even the wholesale market is booming in this decade, the competition is becoming stronger (Hjouj, 2005). Single channel is difficult to gain competitive advantage. Wholesale marketer intends to use multi-channel to expand market share or survive Multi-channel is a requirement and brought great profit for auto parts maker. First of all, China is a big home country for consumption of products, but competitors and territory is so wide and multi-channel is required. Secondly, via E-business channel, it increases the export profits from increasing export quantity, and consolidates the uncertainty relationship between wholesaler and user (Ramanathan, Ramanathan, & Hsiao, 2012).

Here is set up of two hypothesis of study to increase the understanding of objectives.

H1: E-business brings advantages to auto parts wholesale market outweighs disadvantage.

H2: Introducing and using E-business will result the revenues and profit increase in wholesale marketer.

III. Methodology

Here, we are about to study the E-business impacts on auto parts wholesale market, and how is the relationship between E-business and traditional channel in auto parts wholesale market. Through SPSS Statistic package of social science software and using the systematic process of collecting and analyzing information (data) in order to increase our understanding of the phenomenon about which we are concerned and interested. Data are facts, figures and other relevant materials, past and present, serving as bases for study and analysis. 370 of research questionnaire sent to auto parts wholesale market in the China. The issues covered are critical to online success, in multi-channel wholesale market: branding, merchandising, online and offline integration, pricing, site performance by sending the questionnaires via e-mail, only 17 percent conducted through personal contact, and telephone interview.

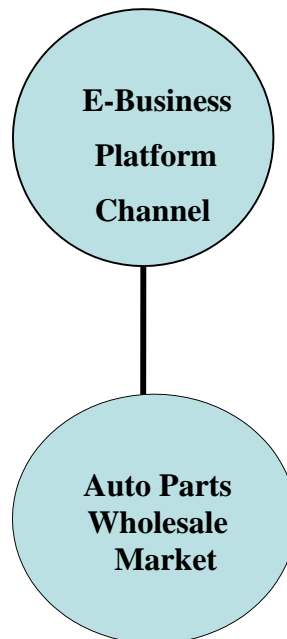


Figure1: The relationship between multi-channel and auto parts wholesale market

The Internet is means for retailers and wholesalers to expand into which they sell, and the benefits derived should include freedom from many current geographic limitations, more effective targeting for marketing and advertisement, and with customers directly rather than distribute through intermediaries, and an increased trends for consumers to purchase. Consumers continue to be very satisfied with the online channel, parameters used to evaluate positive impact of Internet in consumers' perspective are: shipping, and cost, price sensitivity, value of money consumers spend in online. Based on Research in Public Administration, these Multi linear Regress, Two Samples T-test Analysis, and Two-Way ANOVA Theories are used to help find out the understanding of this study. These factors are used to test why E-business being used in wholesale market and being more and more popular impacts on auto parts wholesale market, where dependent variables used is E-Business, while Lower the cost from decreasing inventory and fixed cost; Cost reduction, Increase the speed of order responsiveness and fulfillment, Shorter manufacturing time – parts sourcing over Internet, Faster customer response, Faster into Globalization, Better service quality, Shorter product cycle, Stronger competitors, global competitors, and including manufacturer use E-business to bypass wholesalers, Uncertainty relationship between wholesalers and customers, Problem of Security and payment system are independent variables.

Analysis

The results of this study are based on the variables elected in this study, where the relationship between dependent and independent variables are analyzed, while the impact between two of them is also analyzed.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914(a)	0.835	0.805	0.52457

a Predictors: (Constant), B10, B6, B1, B8, B4, B5, B2, B3, B9, B7

From this table we can see R Square is 0.835, and Std. Error of the Estimate is 0.52457. Adjusted R Square is 0.805.

Table 2: Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.65	0.411		-1.59	0.1
	B1	0.12	0.093	0.121	1.3	0.2
	B2	0.32	0.116	0.306	2.74	0
	B3	0.09	0.115	0.095	0.78	0.4
	B4	0.02	0.124	0.018	0.16	0.9

B5	0.07	0.118	0.06	0.6	0.6
B6	0.19	0.13	0.158	1.44	0.2
B7	0.27	0.12	0.226	2.25	0
B8				-	
	-0.01	0.106	-0.007	0.12	0.9
B9	0.1	0.084	0.081	1.13	0.3
B10	0.08	0.106	0.049	0.72	0.5

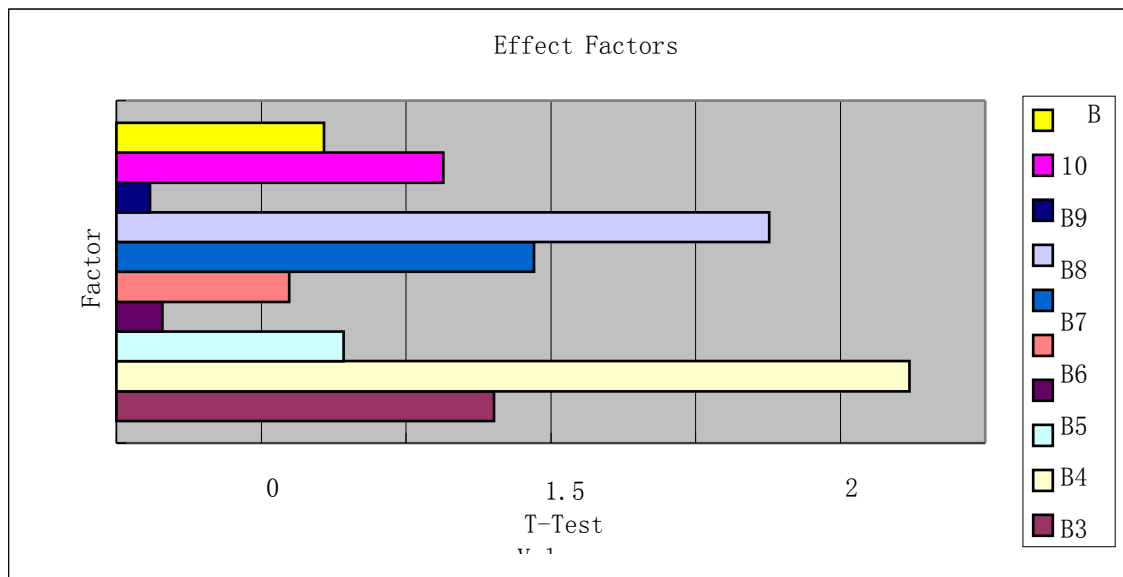


Figure 1: E-business Factors impacts on Auto parts wholesale markets

From this chart, we can see B2, and B7 affect the E-business towards auto parts wholesale markets stronger than other 7 factors. Absolute t-test values of them are more than 1.5. B4, B8 is the less important in all factors in this study. Significance is 0.002. That means most of the factors of E-business Channel being used in auto parts wholesale market will bring advantage to the market, which will increase the competitive advantage.

Table 3: Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Traditional Business & E-Business	31	0.998	6.4102915763.89E-36

Table 4: ANOVA (b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113983.19	4	28495.8	4780.21	7.4640707
		154.991	26	5.961		3.62E-34
	Residual Total	114138.18	30			

a Predictors: (Constant), E-cost, T-cost,

b Dependent Variable: Revenue

Here, the significance of study is $7.464070693616e-037 < 0.01$. The result shows X significantly affects Y by regression analysis.

Table 5: Coefficients (a)

Model		Unstan arized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	B eta		
1	(Constant)	.695	.610		1.140	.265
	T-cost	-.598	.501	-.221	-1.192	.2443
	E-cost	-1.457	1.960	-.130	-.744	.4642

Traditional business significance is $0.0018 < 0.01$, and it is the most factor that affects revenue; E-business significance is $0.0021 < 0.01$, it affects revenues as well as traditional business greater. Traditional-business cost and E-business cost are 0.2443 and 0.4642 respectively, and all > 0.01 . That means it is no strongly affected on the revenue of the auto parts wholesale markets.

This study has three types of channels, and three types of wholesale marketer. If we combine them, we can get $3^3 = 27$ possibility for recommendation to auto parts wholesale marketer.

Table 6: Tests of Between-Subjects Effects

Dependent Variable: data

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	22746.024(a)	5	4549.205	3.244	0.01
Intercept	55608.714	1	55608.71	39.65	0
MC	484.414	1	484.414	0.345	0.56
WC	16476.656	2	8238.328	5.875	0

MC * WC	5784.954	2	2892.477	2.063	0.13
Error	193521.8	138	1402.332		
Total	271876.538	144			
Corrected Total	216267.824	143			

a R Squared = .105 (Adjusted R Squared = .073)

(I) Wholesale Categories	(J) Wholesale Categories	Mean Difference (I-J)	Std. Error	Sig.	99% Confidence Interval	
					Lower Bound	Upper Bound
Aftermarket	Exporter	-13.1008	7.644	0.2	-35.745	9.5434
	OEM	-26.2017(*)	7.644	0	-48.846	-3.5574
Exporter	Aftermarket	13.1008	7.644	0.2	-9.5434	35.745
	OEM	-13.1008	7.644	0.2	-35.745	9.5434
OEM	Aftermarket	26.2017(*)	7.644	0	3.5574	48.846
	Exporter	13.1008	7.644	0.2	-9.5434	35.745

Table 7: Homogeneous Subsets

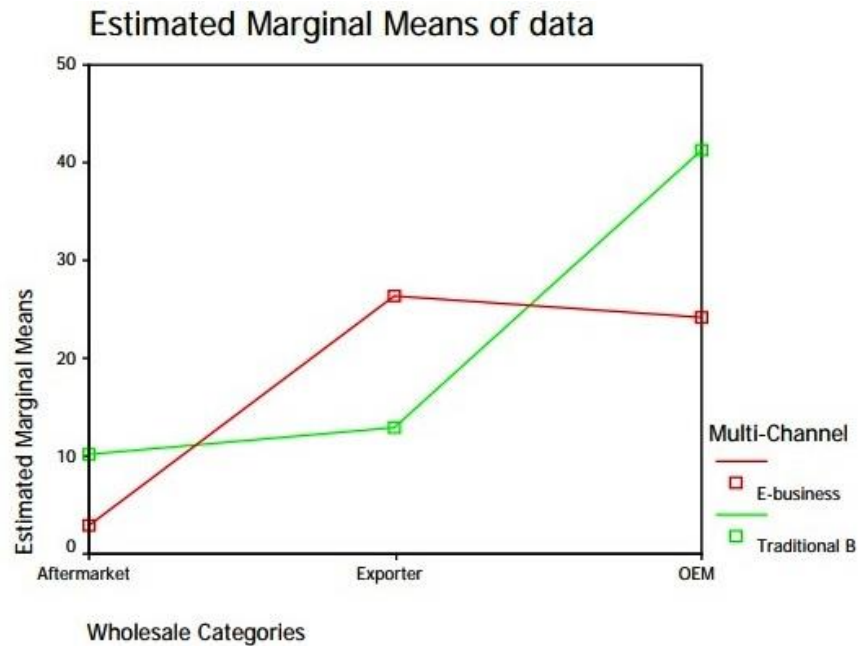
Wholesale Categories	N	Subs et	
		1	2
Aftermarket	48	6.5504	
Exporter	48	19.6513	19.6513
OEM	48		32.7521
Sig.		.204	.204

Means for groups in homogeneous subsets are displayed. Based on Type III Sum of Squares the error term is Mean

Square (Error) = 1402.332.

a Uses Harmonic Mean Sample Size = 48.000. b

Alpha = .01.



III.1

Figure 2: **Profile Plots**

Table 8:

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Sample	566.3582	2	283.1791	0.206316	0.813743	4.709136
Columns	5870.609	2	2935.304	2.138578	0.120418	4.709136
Interaction	21447.62	4	5361.904	3.906529	0.004426	3.41106
Within	284117.7	207	1372.55			
Total	312002.3	215				

From SPSS and Microsoft Excel analysis, the result shows E-business is a good manner for autoparts market to use in order to increase the competitive advantages. Interaction' P-value is 0.004426 < 0.01, that means Multi-channel effect significantly affected each other. E-Business, Modernization Wholesale market, and Franchising Retailing Shops all affect the company's income and revenue. Each channel affects OEM auto parts

supplier, Exporter, and after-market supplier.

IV. Discussion and Conclusion

From the data analysis, there is evidence for E-Business effects on auto parts wholesale market in China at present, and it is predicted to have stronger effect in near future, if there are no other significant factors that affect the economic environment or large changes in the government policy. From this data analysis, we see the Exporter of auto parts wholesaler were affected by E-business more than other two types of auto parts wholesaler, and more intend to use E-business as tools to increase revenue. Innovation of existing wholesale markets to be more modernization, Franchising Retailing Shops, and E-business all affect auto parts wholesale market significantly. Through this study, we found out that E-business, Franchising Retailing Shops, and Innovation exist wholesale market are all affect OEM supplier, Exporter, and Aftermarket supplier by different significant. Integrated multi-channel with hybrid wholesaler will gain the maximum profit. This study is limited by the responses of the samples. The respondent rate was only 13.1%, which recorded at 48 responses out of 370 of questionnaires. Hence, since the 11 sole-proprietorships did not respond to the questionnaires, a one-to-one interview had to be conducted to acquire accurate and necessary information for this study. Due to the factor of time constraint for this project, the survey could not cover all the samples. The data analysis indicated that E-business affects the amount of one company's revenue greater. Data analysis also indicated the cost of the E-business is far lower than the profit if compare with the cost and the gain from revenue. So, here I would like to recommend Small-medium-sized enterprises (SMFs) to set up or use E-business as a multi-channel to increase its products sale, and gain lower supply chain by using E-business. Even there are many factors affect one company adopt E-business as a marketing channel or not. E-business is one of good channel, which affects wholesale company survival and expanding market share in future.

REFERENCES

- [1] Aslani, M. P., Laios, L. G., & Moschuris, S. J. (2008). The perceived impact of e-procurement in EU enterprises. *International Journal of Value Chain Management*, 2(2), 168-187.
- [2] Baršauskas, P., Šarapovas, T., & Cvilikas, A. (2008). The evaluation of e-commerce impact on business efficiency. *Baltic Journal of Management*.
- [3] Basu, A., & Siems, T. F. (2004). *The Impact of E-business Technologies on Supply Chain Operations: A Macroeconomics Perspective*: Federal Reserve Bank of Dallas, Research Department.
- [4] Beck, R., Koenig, W., & Wigand, R. (2003). The efficient usage of e-commerce applications by SMEs in the retail/wholesale industry: A four-nation comparison. *AMCIS 2003 Proceedings*, 87.
- [5] Bi, R., Davison, R. M., & Smyrnios, K. X. (2014). E-Business Use and Value for Fast Growth Small-to-medium Enterprises in Turbulent Environment. *PACIS 2014 Proceedings*.
- [6] Blashki, K., & Jantavongso, S. (2006). *E-Business in SMEs of Thailand: A descriptive survey*. Paper presented at the Proceedings of 2006 Information Resources Management Association International Conference.
- [7] Brousseau, E. (2001). Retail and Wholesale Trade E-Commerce: What the Numbers Really Mean. *Yankee*, 850, 144,000.
- [8] Burinskienė, A., & Burinskas, A. (2010). INVESTMENTS INTO E-BUSINESS TECHNOLOGIES. *Economics & Management*.
- [9] Chong, W. K., Man, K. L., & Kim, M. (2018). The impact of e-marketing orientation on performance in Asian SMEs: a B2B perspective. *Enterprise Information Systems*, 12(1), 4-18.
- [10] CNNIC, T. (2005). 15th Statistical Survey Report on the Internet Development in China.
- [11] Dissanayake, D., & Singh, M. (2008). Managing returns in e-business. *Journal of Internet Commerce*, 6(2), 35-49.
- [12] Ernst, D., & He, J. (2000). The Future of E-commerce in China.

- [13] Ghosh, S., Surjadaja, H., & Antony, J. (2004). Optimisation of the determinants of e-service operations. *Business Process Management Journal*.
- [14] Hjouj, K. (2005). *Applying e-business in fast moving consumer goods (fmcg) wholesale enterprises in Palestine*. Birzeit University.
- [15] Indjikian, R., & Siegel, D. S. (2005). The impact of investment in IT on economic performance: Implications for developing countries. *World Development*, 33(5), 681-700.
- [16] Johnson, L. K. (2002). New views on digital CRM: managers' opinions vary about the goals and value of Internet marketing.(E-Business). *MIT Sloan Management Review*, 44(1), 10-11.
- [17] Jutla, D., Bodorik, P., & Dhaliwal, J. (2002). Supporting the e-business readiness of small and medium-sized enterprises: approaches and metrics. *Internet Research*.
- [18] Kaya, H. D., & Banerjee, G. (2012). IMPACT OF BUSINESS CYCLES ON RETAIL AND WHOLESALE FIRMS'ASSET VALUES LEVERAGE RATIOS AND CASH FLOWS: EVIDENCE FROM US LISTED FIRMS. *Journal of Financial Management & Analysis*, 25(2).
- [19] Klaiber, U., Hermanus, T., & Mason, R. B. (2014). *E-business Developments and Skills Requirements in the Retail Sector: Wholesale and Retail Leadership Chair*, Cape Peninsula University of Technology.
- [20] Konings, J., & Roodhooft, F. (2002). The effect of E-business on corporate performance: firm level evidence for Belgium. *De Economist*, 150(5), 569-581.
- [21] Kuzic, J., & McGrath, G. (2003). *Drivers and perils of e-commerce in the Australian wholesale and retail industry*. Paper presented at the Proceedings of the 25th International Conference on Information Technology Interfaces, 2003. ITI 2003.
- [22] Martín-Herrán, G., Taboubi, S., & Zaccour, G. (2006). The impact of manufacturers' wholesale prices on a retailer's shelf-space and pricing decisions. *Decision Sciences*, 37(1), 71-90.
- [23] Ramanathan, R., Ramanathan, U., & Hsiao, H.-L. (2012). The impact of e-commerce on Taiwanese SMEs: Marketing and operations effects. *International Journal of Production Economics*, 140(2), 934-943.
- [24] Sawmy, T., & Damar-Ladkoo, A. (2015). Wholesale and retail e-commerce in Mauritius: Views of customers and employees. *Studies in Business and Economics*, 10(2), 170-186.
- [25] Shepherd, I. J., & Pope, D. (2011). The Impact of E-Commerce on book wholesale operations. *Journal of Business Cases and Applications*, 3, 1.
- [26] Tang, Q., & Huang, J. (2008). Impact of web site functions on E-business success in Chinese wholesale and retail industries. *Tsinghua Science and Technology*, 13(3), 368-373.
- [27] Xue, L., Ray, G., & Whinston, A. (2004). Benefiting the online multi-brand retailer: The impact of supplier's direct channel on wholesale market competition. *AMCIS 2004 Proceedings*, 296.
- [28] De Silva A.D.A., Khatibi A., Azam S.M.F. (2018a). Can parental involvement mitigate swing away from science? Sri Lankan perspectives, *Cogent Education*
- [29] De Silva A.D.A., Khatibi A., Azam, S. M. F. (2018b). Do the Demographic Differences Manifest in Motivation to Learn Science and Impact on Science Performance? Evidence from Sri Lanka, *International Journal of Science and Mathematics Education*
- [30] Delafrooz N., Paim L.H., Khatibi A. (2009). Developing an instrument for measurement of attitude toward online shopping, *European Journal of Social Sciences*
- [31] Dewi N.F., Azam, S. M. F., Yusoff S.K.M. (2019). Factors influencing the information quality of local government financial statement and financial accountability, *Management Science Letters*
- [32] Doa N.H., Tham J., Khatibi A.A., Azam S.M.F. (2019). An empirical analysis of Cambodian behavior intention towards mobile payment. *Management Science Letters*
- [33] Maghfuriyah A., Azam, S. M. F., Shukri S. (2019). Market structure and Islamic banking performance in Indonesia: An error correction model, *Management Science Letters*
- [34] Nguyen H.N., Tham J., Khatibi A., Azam S.M.F. (2019). Enhancing the capacity of tax authorities and its impact on transfer pricing activities of FDI enterprises in Ha Noi, Ho Chi Minh, Dong Nai, and Binh Duong province of Vietnam , *Management Science Letters*
- [35] Nikhashemi S.R., Paim L., Haque A., Khatibi A., Tarofder A. K. (2013). Internet technology, Crm and customer loyalty: Customer retention and satisfaction perspective , *Middle East Journal of Scientific Research*
- [36] Nikhashemi S.R., Valaei N., Tarofder A. K. (2017). Does Brand Personality and Perceived Product Quality Play a Major Role in Mobile Phone Consumers' Switching Behaviour? *Global Business Review*
- [37] Pambreni Y., Khatibi A., Azam, S. M. F., Tham J. (2019). The influence of total quality management toward organization performance, *Management Science Letters*
- [38] Pathiratne S.U., Khatibi A., Md Johar M.G. (2018). CSFs for Six Sigma in service and manufacturing companies: an insight on literature, *International Journal of Lean Six Sigma*

- [39] Rachmawati D., Shukri S., Azam, S. M. F., Khatibi A. (2019). Factors influencing customers' purchase decision of residential property in Selangor, Malaysia , Management Science Letters
- [40] Seneviratne K., Hamid J.A., Khatibi A., Azam F., Sudasinghe S. (2019). Multi-faceted professional development designs for science teachers' self-efficacy for inquiry-based teaching: A critical review, Universal Journal of Educational Research
- [41] Sudari S.A., Tarofder A.K., Khatibi A., Tham J. (2019). Measuring the critical effect of marketing mix on customer loyalty through customer satisfaction in food and beverage products, Management Science Letters
- [42] Tarofder A.K., Azam S.M.F., Jalal A. N. (2017). Operational or strategic benefits: Empirical investigation of internet adoption in supply chain management, Management Research Review
- [43] Tarofder A.K., Haque A., Hashim N., Azam, S. M. F., Sherief S. R. (2019). Impact of ecological factors on nationwide supply chain performance, Ekoloji
- [44] Tarofder A.K., Jawabri A., Haque A., Azam S.M.F., Sherief S.R. (2019). Competitive advantages through it-enabled supply chain management (SCM) context, Polish Journal of Management Studies
- [45] Tarofder A.K., Nikhashemi S.R., Azam S. M. F., Selvantharan P., Haque A. (2016). The mediating influence of service failure explanation on customer repurchase intention through customers' satisfaction, International Journal of Quality and Service Sciences
- [46] Udriyah, Tham J., Azam, S. M. F. (2019). The effects of market orientation and innovation on competitive advantage and business performance of textile SMEs, Management Science Letters
- [47] Ulfah R., Amril Jaharadak A., Khatibi A.A. (2019). Motivational factors influencing MSU accounting students to become a certified public accountant (CPA), Management Science Letters