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# Transaction Characteristics and Competitive Advantage in Matching Platforms

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## Abstract

Matching platforms such as Airbnb and Uber have become widely accepted in modern society. The role of matching platforms is to reduce transaction costs for users, implying that platforms that most effectively reduce transaction costs can gain a competitive advantage. To reduce costs, platforms invest in technology such as recommendation systems, reviews and ratings, and search tools. Although prior research has stressed the importance of reducing transaction costs, how to achieve this reduction has not been fully examined. Moreover, existing research does not account for the surge of artificial intelligence and the human role. From a qualitative case study on the Japanese logistics industry, we reveal the advantage of direct human intervention in matching platforms.

In the early 2000s, due to the advancement of information technology, more than 40 Vehicle-Cargo matching platforms emerged in the Japanese logistics industry. These platforms match “return truck” and cargos. Although most platforms utilizing a “Bulletin Board” interface to match return truck and cargos have failed, platforms with a “visible hand” have succeeded, reflecting the strength of direct employee involvement in the search, negotiation, and coordination process.

We find three factors behind the strength of the “visible hands” strategy compared to the “invisible hands” strategy: (1) acceptance of ambiguities, (2) reduction of complexities, and (3) reliability. For early-stage enterprises, we find that a “visible hands” strategy may reduce transaction costs. This proposal contributes to platform strategy by shedding light on new sources of competitive advantage.

## **The Most Recent Reviews on Saudi Arabia's Economic Reforms to attract FDI in Non-Oil Sector**

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### **Abstract**

The aim of this paper is to review available research studies on the reform process in Saudi Arabia focused at diversification of the country's economy and attracting foreign direct investment towards non-oil sectors. For this purpose, specific search terms were used in Google Scholar search engine and the results were shortlisted according to the year of publication. As the world's biggest oil exporter country, the Saudi government has realized that the economy cannot be dependent solely on oil revenues, especially in view of the sharp volatility of oil prices and demand during the last few years. The government has come out with long-term plans to attract FDI inflows as well as current reforms which aim at developing other sectors of the economy, improve infrastructure, increase privatization of public sector enterprises, trade openness, improving FDI laws and regulations. This study discusses these four factors in detail to shed light on where Saudi Arabia's reforms and plans are moving, with regards to the diversification of their economy, in a bid to reduce excessive reliance on oil revenues.

**Keywords:** Saudi Arabia, FDI, Economic Reforms, Non-Oil Sectors

# **A Review of the Recent Trends in the Use of Machine Learning in Business**

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## **Abstract**

A review of recently available literature on the use of machine learning in business was conducted. In order to find the relevant literature, first, a search protocol was designed. This protocol was then applied to the open source Google Scholar search engine and results were then subsequently narrowed down using a number of criteria. It is important to note that due to the nascence of the field of machine learning and the relative abundance of available literature, the search was restricted to those articles published in the period of 2017-18. Five search results were selected to be further elaborated and understood. The chosen research works covered an array of aspects of the business work. These included workforce, customer engagement, scalability, operational efficiency and selection of leadership. It was observed that there was no unified or agreed upon definition of machine learning that was used by all researchers. Moreover, it was also evident that there wasn't outright agreement from all researchers whether machine learning would have a positive or negative impact on businesses, be it on business operations, efficiency or profitability.

**Keywords:** Machine Learning, Applications, Business, Review

# **Big Data: Data Privacy and Ethical Issues in Obtaining Information for the Purpose of Auditing Small and Medium Enterprises (SMEs)**

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## **Abstract**

The purpose of this paper is to assess and evaluate the current perception and the present state of data privacy in the world of Big Data. Information is a vital business asset, therefore organisations implement controls to monitor, measure, and respond to security vulnerabilities (Carter, Phillips, & Millington, 2012). Studies have shown that data security breaches impacts an organisation's financial performance (Zafar, Ko, & Osei-Bryson, 2012). Survey by Ernst and Young (2013) showed that oversight of information security policy is the key accountability of the board of directors. SMEs and corporations have recognised the impact of security breaches and data privacy that have surfaced on organisational financial performance. Therefore, the aim of this paper is to understand the following;

1. privacy protection that are more effective and efficient, to strike an equilibrium between data privacy and information flows
2. small and medium enterprises (SMEs) ability to adapt to the rapid changing technology (Big Data) and valuable use of data
3. responsibility of data handling, rather than being compliant while making sure that the expectation and privacy protection is well-maintained.

Using secondary data, statistical datasets (SME Corporation Malaysia, 2016), that is available online and surveys, this paper will investigate the impact on small and medium enterprises (SMEs) and managers or owners' views on privacy, data ownership, responsibility and accountability. The findings from this research aims to provide corporations, organisations and or managers with measures to protect their data, know the use of data, and reduce costs halting from security breaches. Exploring every possibility used by experts in minimising data privacy for performance in business might contribute in the reduction of gap in business practices whilst striking a balance of data security and organisational goals.