

Literature review on online business interaction

[Sociology](#), [Communication](#)



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Literature Review

Scholars have extensively studied the importance of good business interaction. Most of these studies stress the centrality of good business communication in establishment of any business relationship. They all stress on the fact that information has to be of high quality in terms of richness of information and frequency to establish a good relationship between business entities. Borghini and Rinallo (2013), argue that the development of beneficial business relationships is very crucial especially in marketing between different business entities. This state depends on the quantity and quality of information that the businesses exchange. The business community has turned its attention to internet. This trend is because the internet has had a great deal of influence in business and communication within institutions (Leek et al, 2012). Some studies on online business interactions conclude that it enhances business relationships. For example, Boyle (2011) found out that the communication via internet between buyers and suppliers in overall increased communication in business. Additionally, Rao et al. (2013) argue that the quality of information between business entities improve when the two communicate through internet. This approach resulted in improved quality of the relationship. In support of Rao et al. report, Leek et al. 2012 argues that it is possible to contest that the use of the online platform in communication improves relationships in business. This improvement is because of the quality of interaction influences the quality of association. Online business interaction also makes it possible for communication between businesses to be done more often. This trend

makes relationships stronger and also enhances efficiency in business .

While quite a number of researchers suggest that online business interaction enhances business relationships, the importance of face-to-face communication cannot be overemphasized. Recent studies on this topic imply that internet communication has become the basis upon which business relationships have been established (Leek et al. 2012). For this reason, scholars have conducted many studies on this topic. In most circumstances, they have concluded that internet based communication channels cannot substitute face-to-face communication, but rather the complement it (Rao et al. 2012). Kelly et al. (2012) additionally states that face-to-face communication is a prerequisite to effective online business interaction. In as much as the use of internet based channels in communication do not necessarily replace face-to face communication, its increased usage calls for more attention from the scientific world.

A number of groups of researches have emerged from the extensive research works that have been carried out in the marketing literature. There are groups that have exclusively studied the impact of online business interaction on business-to-business relationship . A different group studies use and impact of online interaction on the marketing discipline as a whole. Recently, studies have focused their investigation on the impact of online business interaction on components of business-to-business relationships such as satisfaction, commitment and trust . In spite of the fact that there have been extensive studies on the use of internet in business in this digital age, it is important to note that there are still identifiable gaps in this field. There is not much done, for example, on the characteristics and nature of

internet-based communication (Rao et al., 2013).

In conclusion, this area of online based business interaction calls for more research. This is so due to the nature of the internet, a resource characterized by constant changes and developments. Secondly, according to Deeter-Schmelz and Kennedy 2012, most of the studies that has been done focus on purchasing. There is, therefore, need for studies that will focus on examining the process of development of relationships through internet-based communication.

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