

# Identification and ranking of factors affecting the home businesses

Mahdi Behboodi Azad<sup>1\*</sup>, Abbas Esteghlal Motlagh<sup>2</sup>

<sup>1</sup> Department of Business Management-Financial Management, Qeshm Branch, Islamic Azad University, Qeshm, Iran.

<sup>2</sup> Department of Management, Qeshm Branch, Islamic Azad University, Qeshm, Iran.

\*Corresponding author, Email: M.Behboodi@gmail.com

## ABSTRACT

## Original Article:

Due to the growing home business and its impact on the economic development of each country, it is required to pay particular attention to factors that affect a home business. Home business is one of the most attractive types of businesses. Here what we mean by home business is "economic activity that is to be launched in the private residence with home facilities". The use of home space and its cheap resources has reduced startup cost. Accordingly, less risk and optional work hours have made it become one of the most fascinating things in the world, home business takes place in the home and offers more flexibility in life.

Since this kind of businesses benefit from home facilities, if any downturn happens, they will be more durable. It is said that the chances of success are very high for this type of businesses. To set up a home business, usually there is no need to get permissions. Today establishing home businesses is considered as an important strategy for creating jobs and incomes around the world. The ability to do this kind of business at home results in many benefits for people who are working in this kinds of businesses including a balance between family responsibilities of women and their employment, eliminating the costs associated with the purchase, lease and rent of a workshop, transportation, using of family labor and creating a tendency of family business, the possibility of exchanging experiences through informal learning practices among family members as disciples of teacher-student. Based on the regulatory and protection of home businesses Law, home jobs and home businesses are those activities formed by family members in residential space in a form of business plan without interference and disruption in the quiet residential neighborhood and it leads to service or product is marketable outside of the residency. In this paper, according to the variables and parameters extracted from the articles and after the comments about the importance of home business and doing the necessary statistics, the three effective components on home businesses were extracted of which the environmental component affects home businesses and in the following we have components of skill and marketing.

Received 20 Jan. 2014

Accepted 23 Jun. 2014

Published 30 Jun. 2014

**Keywords:** businesses, economic activity, factors affecting

## 1. Introduction

Although the concept of home business has an ancient history, but there is no general consensus on the definition yet. Common point of emphasis on the home is as the primary place of business (Muscle, 2005). So the Fang and colleagues (2001) believe that business can be defined as a home business that regardless of their size and type they are placed at home. Home business is a broad concept that includes owners and administrators of home businesses (Rosnafiahetal, 2009, p.25-26).

Robins and Chrisman (1997) proposed several definitions of home business in three categories:

### A. Home business

In this way, the individual makes his home a workplace and rather than paying high charges for purchasing or renting a place, he can do his business at home. In this kind of business, he will benefit from value added of goods and services offered as homeowner.

### B. Home-based business

In this way, people deliver the goods and services produced to those ordered them. In this type of business, no matter where goods are produced, but the criteria is that the goods and services are delivered to consumers' homes. In this type of home business, value added of goods and services benefit the one who brings these goods from somewhere outside of house.

### C. Home based entrepreneurship

This type of entrepreneurship is the process of job creation at home through the formation of a unique set of resources to take advantage of opportunities.

## 2. Research History

### The importance of home business

Today, home businesses are considered as a vital and necessary part of the economic activities in developed countries. Home businesses cause diversity in society and economy of each country in terms of job creation, innovation in offering product or service. Also, for young generation, home businesses is a good starting point for launching personal business since its launch is easy in comparison to other types of businesses. For example, you can have e-business with a computer and a telephone line and start offering a variety of services to customers and earn money in this way.

### The reasons for choosing home business

- High quality of life: Today most home business owners believe that working at home improves the quality of their life. Working at home makes them spend more time with their family and pay attention more to other issues such as parenting and raising children. Generally, today

working and life are integrated with each other more than ever.

- Technology development: Nowadays, there are many developments in the field of computer science and other communication devices and because of this home has become the sufficient and efficient place to do businesses.

#### **Benefits of Home Business**

1. Greater freedom and autonomy
2. Flexible working hours
3. Creating more balance between work and life
4. Low start-up costs
5. Low risk
6. Possibility of working part-time
7. Being easier to train kids
8. Having more time and opportunities
9. Proportionality with the physical characteristics of people with disabilities and disability
10. More likely to succeed
11. Proportionality with of different social classes
12. Feeling more comfortable
13. Not require a permit

#### **Employment problems in this section:**

Although home businesses has substantial capacity to create employment but are also facing the problems people associated with this field are also facing problems. Perhaps the reason of these problems is the lack of regulatory law and ID tagging of these businesses and the lack of supportive and monitoring governmental incentives in this field (such as granting the facility, definition of prizes, determining insurance, etc) .

However the most important problems in which workers in this sector are involved are as following:

- Working and family life interactions may sometimes be unpleasant to other family members.
- Connection with the market and sales of products are limited
- Low volume production or low level of services ready to offer due to the limited number of human resources
- they have mostly limited revenues.

- There are no social insurances defined specially for these businesses.

#### **Theoretical framework and the principles of research:**

Given the costs and difficulties of setting up small, medium and large businesses, the statistics reflect the growing and impressive home businesses in the world. Comprehensiveness of this industry leads to develop infrastructures, inclusive growth of related technologies and adopting standards at the international level. (Tavassoli, Shakib, 2000,97)

On the other hand, the advantages of starting up home businesses in offering better services and improving productivity indicators, have gained the attention of many researchers around the world. Some recent studies inside and outside is as follows.

It is well understood that the home businesses received little attention within the vast management literature, in particular, development of company theories. This negligence is unfortunate, since home business has a prominent role as an economic organization across the world based on its shares and the number of its shares in particular. Research failures in detecting ,consisting and getting a home business into mainstream of entrepreneurship and management theories may lead in missing factors that make those theories to be stronger and more useful on the other hand ( Beckhard and Dyer ,1983).

In addition, this negligence may mean that the theories presented, are not useful for a range of organizations that exist in the world or will be in the future. Finally, a home business may offer particularly attractive issues for the study of organizational phenomena. It is hoped that this special issue will help to fill this gap (Shanker and Astrachan, 1996).

In the introduction in Journal of Business Venturing for a home business, first we discuss the quality of relationship between home business researches and entrepreneur, and then we study the background that leads to the development of this special issue. After that, we present a theoretical background for the study of home business and a brief introduction of articles and commentaries on this topic.

In one of the recent articles, Gartner asks whether there is a theoretical way to have relationship between entrepreneurship and home business research. We believe there is a relationship. First, many new firms are formed with family investment and manpower and attended by families. A recent study of new firms in business development center by Chrisman and others (2002) have suggested that approximately 80% of these firms show features of home businesses that were defined by Chua And others (1999). We suppose this ratio may be even higher in other parts of the world. There should be reasons for the widespread presence of the family in establishing the new venture. Accordingly, if these theories ignore the presence, they may lose important factors of relationship between home business and

entrepreneurship. It is difficult to develop an entrepreneurial theory if we do not look at the variety of organizations (Aldrich, 2005) we acknowledge that existing researches of entrepreneurship, do not ignore home businesses. However, we suppose that there is an extra optional look that ignores home businesses.

In another study Chrisman and others (1998) argue that entrepreneurship is a special issue in strategic management in which establishing firms, institutional modernization and innovation are strategic activities (Sharma and Chrisman, 2007) that they coordinate between the opportunity and resources. Few strategic decisions are made only with respect to its economic context, and values and aspirations of the owners and senior managers play a key role (Andrews, 2003). When financial issues of a person in order to establish a new firm mainly focuses on profitability and determining factors, are also the needs that are not met by using dollars and cents. So businesses are started to provide basic human needs to build and add value to do something. Family businesses that bring the economic and noneconomic realities of organizational life clearly, offer niche in order to understand how to connect economic and non-economic considerations that affect the strategic decisions.

In another study (Selznick, 2009) Home business entrepreneurs are unique in seeking to build a business that is also a home-based institution. How to seek establishing home businesses by founders and developing organizations in order to create a lasting legacy and economic value should be considered by entrepreneurship researches. Stabilization of this legacy requires to be managed by an administrator. This means that besides the requirement to replace the founding entrepreneurs, it also often requires a change in strategy and structure. These changes may require capabilities to make everything new more often (Stinchcombe, 2010) with a deep meaning for organizational survival and growth. Thus, in our view, to defend about the succession in many cases is a widespread problem, there is not high vastness.

Finally, Tan and Fock (2012) demonstrated that choosing an entrepreneurial leader may be the key to success of the company. So, home businesses may be a good area to test theories about the characteristics of entrepreneurs and understanding of how to develop these attributes. In summary, the data show that a significant share of the new firms is established by a director. They affect entrepreneurial activities by the values and aspirations. They need to strengthen fundamental entrepreneurship among generations in order to achieve their goals. On the other hand, entrepreneurship needs to understand how resources can be operated and how the presence of family can be formed, affects the type of established firm and how the performance of firm can be started. Therefore, we studied the potential for a dependent relationship between entrepreneurship and home business researches.

This particular issue is a part of the conference, which was held on 28 and 29 September 2011 at the University of Alberta, Edmonton. The conference was sponsored by the University of Alberta, University of Calgary and Wharton

School of the University of Pennsylvania, was the first period to be held every year. This conference has gathered a limited number of scholars from all fields such as strategic management, economics, anthropology, organization theory, finance, entrepreneurship, and ... and also some of master commentators of home business management. The purpose of this conference was to encourage application of the basic theories of organization to study home businesses. We believed this could lead to the development of corporate theories and better understanding of the composition of most organizations in the world. To implement it, we have invited different experts to provide an article about home business according to their professional perspectives.

There are articles in this regards that show a collection of papers and commentaries presented at the conference. All the papers were reviewed by guest editors. Most of presented articles and commentaries here have been accepted to publish and the final selection was made based on related merit among articles accepted by guest editors. The rest of this introduction has been assigned to summarize of these articles and commentaries.

To be present to review the research on new and existing businesses are wrathful, if it leads to different behaviors and outcomes in comparison with the time when there is no home business. As a result, in our view, the theoretical research on family businesses need to express this unity. The quality of this unity should be considered according to the following questions:

A) Do home firms are different from non-home firms in terms of their resources, behaviors and decisions? If it is different, why and how?

B) Do these differences lead to a competitive advantage or the lack of competitive advantage that affect organizational goals?

Articles and commentaries published in this regard, have answered both questions. Articles by Habbershon and others (2003) examined the positive aspects of the presence of a person by combining the resource-based view of firm (RBV) with system theory. They have defined a home business as an interactive system made up of individuals, and a firm. They offer a definition of home firms and investigate the argument of system synergy created by kinship and circumstances leading to competitive advantage and wealth creation. We believe these criteria - uniqueness, inseparability and cooperation – they did not come together before this. They have adopted a standard that future applications of resource based view (RBV) of home business research may lead to it: Those resources were specifically alleged to distinguish home from non-home businesses should be unique and inseparable. Also, they may provide a theoretical framework to explain how differences in home and non-home businesses and how these differences may show themselves in sustainable competitive advantages.

#### **Conceptual model and research methodology**

According to the material we can raise the following questions:

1. What variables affect a home business?
2. What components affect a home business?
3. How is the ranking of effective components?

In the following table, the extracted variables from related literature are provided:

The number of discovered variables from articles and studies was 51, and after their distribution among experts and a survey including 10 experts those variables that were confirmed by experts, were provided as below (it should be noted that those numbers of variables with 70% attraction to experts have been confirmed).

**Table 1:**

Author	Magazine	Year	Name of article	Variable	
M H Atkins	Journal of Strategic Information Syslems 1994 3(2) 123-135	2009	Information technology and information systems perspectives on business strategies	Nature of Business Strategy	1
Adnan Kalkan	Procedia Social and Behavioral Sciences 24 (2011) 854–869	2011	The relationships between firm size, prospector strategy, architecture of information technology and firm performance	Size of business	2
Faisal Al-Madi, Abdelghafour Al-Zawahreh, Suha Al-Qawasmi	International Journal of Management( Vol19, 223 – 353)	2012	Determinants of Consumer's Attitudes to Electronic Marketing in Jordan	Principles of Marketing	3
Douglas E. Durand	Information & Management 13, pp. 111-117	2012	What Does Information Technology “ Do” to Business Communications?:Two Empirical Studies	Communication Skills	4
Minna Mäläskä, Saila Saraniemi, Jaana Tähtinen	Industrial Marketing Management 40 (2011) 1144–1152	2011	Network actors' participation in B2B SME branding	Participation Network	5
Qing Cao*, Shad Dowlatsahi	Journal of Operations Management 23 (2005) 531–550	2001	The impact of alignment between virtual enterprise and information technology on business performance in an agile manufacturing 7environment	Virtual Organization	6
Shirley Gregor	Journal of Strategic Information Systems 15 (2006) 249–270	2006	The transformational dimension in the realization of business value from information technology	Economy	7
Jonathon Hu, John Stanton	Industrial Marketing Management 40 (2011) 534–539	2011	A study of how mainland Chinese small and medium privately owned businesses engage in networking	Private sector	8
Abirami Radhakrishnan., Xingxing Zu, Varun Grover	Omega 36 (2008) 1105 – 1125	2006	A process-oriented perspective on differential business value creation by information technology:An empirical investigation	Information Technology	9

Cynthia K. Riemenschneider	Information & Management 37 (2000) 257±269	2000	What small business executives have learned about managing information technology	Ability to obtain information	10
Yongho Lee	Technological Forecasting & Social Change 79 (2012) 832–842	2012	The changing pattern of SME's innovativeness through business model globalization	Innovation	11
Seung-Pyo Jun	Technological Forecasting & Social Change 80 (2013) 1002–1014	2013	A study of the SME Technology Roadmapping Program to strengthen the R&D planning capability of Korean SMEs	Research and Development	12
Ronald Ramirez	Decision Support Systems 49 (2010) 417–429	2010	Information technology infrastructure, organizational process redesign, and business value: An empirical analysis	HRP	13
Mohsen Attaran	Information & Management 41 (2004) 585–596	2004	Exploring the relationship between information technology and business process reengineering	Re-engineering business	14
Javier Bajo	Expert Systems with Applications 39 (2012) 6921–6931	2012	A multi-agent system for web-based risk management in small and medium business	Business Intelligence	15
Lee J. Yao	International Journal of Accounting Information Systems 11 (2010) 353–362	2010	The influence of firm specific context on realizing information technology business value in manufacturing industry	Competition	16
Ignas G. Sidik	Procedia Economics and Finance 4 ( 2012 ) 373 – 383	2012	Conceptual framework of factors affecting SME development: Mediating factors on the relationship of entrepreneur traits and SME performance	Innovative performance. Innovative capacity	17
Ignas G. Sidik	Procedia Economics and Finance 4 ( 2012 ) 373 – 383	2012	Conceptual framework of factors affecting SME development: Mediating factors on the relationship of entrepreneur traits and SME performance	Market orientation	18
Cecilia Lindh	Procedia Economics and Finance 4 ( 2004 ) 100 –132	2004	How Does Information Technology Impact on Business Relationships? The Need for Personal Meetings	Individual Education	19

*University College of Takestan*

Ignas G. Sidik	Procedia Economics and Finance 4 ( 2012 ) 373 – 383	2012	Conceptual framework of factors affecting SME development: Mediating factors on the relationship of entrepreneur traits and SME performance	Entrepreneurial orientation	20
Reza Zaferani	Entrepreneurship Development	2009	Model of knowledge management in small and medium businesses	Knowledge Management	21
Gandolfo Dominici	International Journal of Business and Management ( Vol. 4, No 9)	2009	From Marketing Mix to E-Marketing Mix: a Literature Overview and Classification	Product, price, distribution and communication and promotion (4P)	22
Steven De Haes and Wim Van Grembergen	Information Systems Management, 26: 123–137	2011	An Exploratory Study into IT Governance Implementations and its Impact on Business/IT Alignment	Business dynamics	23
Azam Hamidi و Maryam Safabakhsh	Procedia Computer Science( Vol.3,365–368)	2011	The impact of information technology on E. Marketing	Planning, approval, planning, analysis, enactment, and analysis	24
Abdel Monim Shaltoni & Douglas C. West	Industrial Marketing Management ( Vol.39, 1097–1102)	2010	The measurement of e-marketing orientation (EMO) in business-to-business markets	The landscape orientation	25
Kevin J. Trainor &, Adam Rapp & Lauren Skinner Beitelspacher &, Niels Schillewaert	Industrial Marketing Management ( 162-174)	2011	Integrating information technology and marketing: An examination of the drivers and outcomes of e-Marketing capability	Technology complements business	26
Ivana Kursan Mirela Mihić	Business Intelligence( Vol. 15, No 1, pp. 69-86)	2010	BUSINESS INTELLIGENCE: THE ROLE OF THE INTERNET IN MARKETING RESEARCH AND BUSINESS DECISION-MAKING	Internet	27
HUEI-CHEN HSU*	Asian Journal of Management and Humanity Sciences( Vol. 1, No. 4, pp. 539-557)	2011	How Advertising Affects: A Study of the Chinese E-market	Propaganda	28

Mehdi Naimi Nezamabad	Mehdi Naimi Nezamabad( Vol. 2, 1784-1789)	2011	Australian Journal of Basic and Applied Sciences,	Convenience and availability	29
James Wolf	Computers in Human Behavior( Vol.27 784–792)	2011	Business-to-Consumer (B2C) firms in Singapore	Technical Mhrat	30
Maryam Teymoori	Entrepreneurship Development	2010	Effect of Disclosure of Information Technology on Business Risk Management	Risk Pdyry	31
Fariborz Rahimnia وJaleh Farzaneh Hassanzadeh	Industrial Marketing Management ( Vol.50, 240–247)	2012	The impact of website content dimension and e-trust on e- marketing effectiveness: The case of Iranian commercial saffron corporations	Trust	32
Bahgat Attia Rady, Amany Mohamed Mohssen Elshreef and Ahmad Farouk Abd-el-Kader	World Journal of Sport Sciences( Vol.3, 804-815,)	2010	The Electronic Marketing and Services Quality in Sports Clubs	Data Access	33
Thompson S.H. Teo	International Journal of Information Management( Vol.25, 203–213)	2012	Usage and effectiveness of online marketing tools among	Number of Business	34
Hu Ya-Ping	Asian Journal of Business Management( Vol.4 359-366)	2012	E-Marketing Development in Virtual Market-Space: A Strategic Perspective	Price Supplier	35
David Luna وLaura A. Peracchio	Lawrence Erlbaum Associates, Inc( Vol.13, 41-50)	2007	The Impact of Language and Congruity on Persuasion in Multicultural E-Marketing	Language and Culture	36

### 3. Methods

In this paper, factor analysis was used to study the data. Calculated Cronbach's alpha for this paper is 93% and has appropriate reliability for questionnaire. Since factor analysis is sensitive to skewness coefficient, there were variables eliminated including network participation, virtual organizations, individual education,

communication, number of home businesses. Of 41 study variables, 37 variables were confirmed that were presented in 3 factors. Meanwhile, based on content validity, variables were distributed in a form of questionnaire randomly between samples and after collecting and Bartlett test; its validity was confirmed as 0.90 that is an appropriate validity.

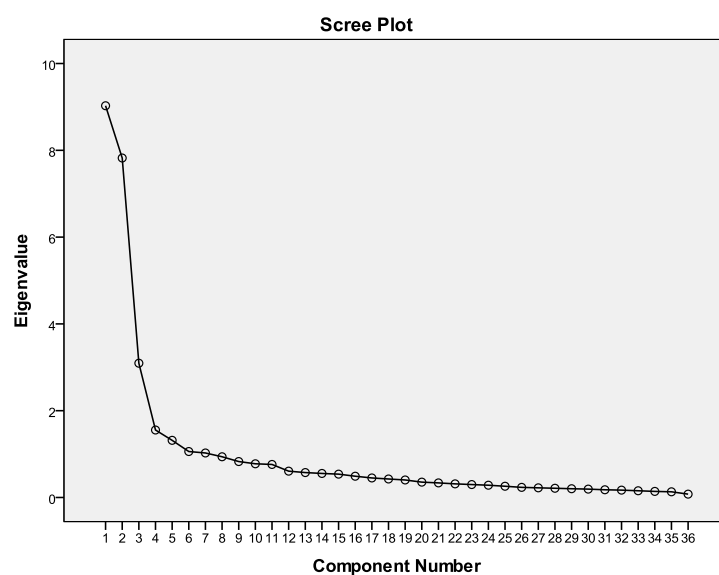
Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.939	.939	250

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.902

Bartlett's Test of Sphericity	Approx. Chi-Square	2.938E3
	df	120
	Sig.	.000

#### 4. Exploratory factor analysis

In this paper, three factors of environmental, skill and marketing have been studied.



Communalities		
	Initial	Extraction
var001	1.000	.678
var002	1.000	.727
var003	1.000	.750
var004	1.000	.679
var007	1.000	.668
var008	1.000	.769
var009	1.000	.692
var010	1.000	.601
var011	1.000	.792
var012	1.000	.727
var013	1.000	.688
var014	1.000	.565
var015	1.000	.557
var016	1.000	.757
var017	1.000	.754
var018	1.000	.788
var020	1.000	.692
var021	1.000	.691
var023	1.000	.653
var024	1.000	.730
var025	1.000	.695
var026	1.000	.642
var027	1.000	.753
var028	1.000	.695
var029	1.000	.691
var030	1.000	.653
var031	1.000	.672
var032	1.000	.670
var033	1.000	.655
var035	1.000	.687
var036	1.000	.702



Total Variance Explained

Cobponent	Initial Eigenvalues			Extraction Subs of Squared Loadings			Rotation Subs of Squared Loadings		
	Total	% of Variance	Cubulative %	Total	% of Variance	Cubulative %	Total	% of Variance	Cubulative %
1	3.027	25.075	25.075	9.027	25.075	25.075	8.407	23.353	23.353
2	2.823	21.729	46.804	7.823	21.729	46.804	5.371	14.920	38.273
3	3.094	8.594	55.398	3.094	8.594	55.398	3.325	9.236	47.508
4	1.555	4.319	59.717	1.555	4.319	59.717	2.780	7.723	55.231
7	1.025	2.848	69.165	1.025	2.848	69.165	1.128	3.134	69.165
8	.938	2.606	71.771						
9	.828	2.300	74.071						
10	.776	2.157	76.228						
11	.761	2.114	78.342						
12	.607	1.685	80.028						
13	.574	1.595	81.622						
14	.554	1.538	83.160						
15	.538	1.494	84.654						
16	.490	1.361	86.015						
17	.450	1.250	87.264						
18	.426	1.184	88.448						
20	.354	.982	90.551						
21	.336	.933	91.484						
23	.298	.827	93.183						
24	.283	.785	93.969						
25	.259	.719	94.688						
26	.233	.648	95.336						
27	.222	.618	95.953						
28	.212	.590	96.543						
29	.202	.560	97.104						
30	.193	.535	97.639						
31	.178	.494	98.133						
32	.169	.471	98.603						
33	.155	.430	99.034						
35	.131	.363	99.786						
36	.077	.214	100.000						

Cobponent Batrix<sup>a</sup>

	Cobponent						
	1	2	3	4	5	6	7
var001	.674	.367	-.099	.051	.010	.040	.272
var002	.645	.468	-.051	-.064	-.094	.075	-.265
var003	.723	.414	-.016	-.003	-.132	.143	.131
var004	.590	.374	-.090	.023	-.126	.257	-.316
var007	.683	.389	.036	-.021	-.028	.158	-.070
var008	.687	.406	.005	.090	-.076	.162	.159
var009	.670	.387	-.039	.077	.208	-.043	.134
var010	.673	.392	-.129	.070	.276	-.167	.190
var011	.612	.491	-.070	-.103	.183	-.099	-.134
var012	.451	.352	.034	.066	.283	-.361	.242
var013	.703	.470	-.231	-.022	-.089	.098	.066
var014	.582	.520	-.124	-.057	.006	-.074	-.305
var015	.600	.530	-.102	-.033	.082	-.071	-.154
var016	.568	.427	-.187	-.073	-.095	-.087	.061
var017	.050	-.180	.629	-.020	.246	.152	-.206
var018	.272	.000	.798	.090	.088	-.024	.173
var020	.248	.098	.821	-.026	.025	-.081	-.034
var021	.331	.059	.821	.036	-.014	-.009	-.010
var023	.365	.068	.695	.010	-.243	.085	.017
var024	-.260	.484	.070	-.548	-.277	-.031	-.089
var025	-.252	.456	.131	-.439	-.379	.040	.252
var026	-.410	.591	.010	-.189	-.188	.176	.314
var027	-.331	.621	.016	.302	-.241	-.084	.032
var028	-.542	.630	.083	-.017	.089	-.149	.035
var029	-.351	.595	-.004	.368	-.030	-.258	-.124
var030	-.393	.593	.069	.251	-.137	-.173	-.137
var031	-.477	.688	.040	-.167	.147	-.029	-.001
var032	-.436	.638	.109	.054	-.127	-.233	-.113

var033	-.520	.578	.040	-.124	.074	-.251	.018
var035	-.503	.497	.045	.072	.180	.099	.321
var036	-.301	.389	-.003	.555	-.240	.249	.055
Extraction Method: Principal Component Analysis.							

#### 4.1 Skill factors

Skill strategy includes Fourteen variables of Variable human resource planning, business re-engineering, innovative performance, innovative capacity, entrepreneurial orientation, dynamic business landscape, organizations, businesses complementary technologies, knowledge management, research and development, communication skills, skills technical, business intelligence and business size. Calculated Cronbach's alpha of this factor is 0.83.

Option	Factor weight	eigenvalues	% of variance	Accumulated
Entrepreneurial orientation	.746	3.031	52.767	52.767
HRP	.726			
Re-engineering business	.646			
Innovative performance	.646			
Innovative capacity	.728			
Business dynamics	.686			
Business Outlook	.786			
Technology complements business	.665			
Research and Development	.865			
Communication Skills	.754			
Technical Skills	.801			
Nature of Business	.784			
Business Intelligence	.870			
Size of business	.801			

#### 4.2 Environmental factors

Environmental strategy includes eleven variables of economics, the private sector, information technology, the ability to obtain

information ,internet, program analysis, data access, convenience and availability, risk-taking, planning and knowledge management. Calculated Cronbach's alpha of this factor is 0.71.

**Table:** Factor analysis for the strategy of environmental factors

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Economy	.844	3.489	68.223	68.223
Private sector	.744			
Information Technology	.730			
The ability to obtain information	.814			
Internet	.784			
Analysis Program	.750			
Data Access	.574			
Convenience and availability	.684			
Risk	.750			
Planning	.744			
Knowledge Management	.698			

#### 4.3 Marketing factors

Marketing strategy includes twelve variables of innovation and globalization, price, promotion, distribution, product, publicity,

trust, marketing principles, language and culture, prices of supplier, competition and market orientation. Calculated Cronbach's alpha is 0.65.

**Table:** Factor Analysis for marketing strategy

Option	Factor weight	eigenvalues	% of variance	Accumulated
Innovation and Globalization	.840	3.501	61.767	61.767
Price	.622			
Promotion	.754			
Distribution	.784			
Product	.652			
Propaganda	.635			
Trust	.771			
Principles of Marketing	.603			

Language and Culture	.760
Price Supplier	.720
Competition	.831
Market orientation	.715

### 5.conclusion and Suggestions

Home business is a business in which owner transforms his home into an office and is involved in business activities. Today, home businesses are considered as a critical part of the economic activities of developed countries. Home business leads to a large variety in society and economics of each country in terms of job creation and innovation in offering products and services. Home business is a good starting point for setting up a personal business for women and young generation because its setting up is easier in comparison to other types of businesses.

Home business has broken the boundaries of thought and action in traditional societies and has provided a fertile ground for creativity and dynamic thinking and accelerating business growth. Human efforts to optimize the business and activities of all current and long-term jobs without benefiting from these components are virtually impossible.

The transition from the industrial age and entering the era of information and communication has left deep and interesting results in organizations. Organizations and enterprises are of positions that are influenced the most or better to say the first and they match themselves with changes due to not being away from competitive processes.

In this situation, the complexity and high speed of work and current affairs and the need for fast and accurate communication in companies and enterprises in domestic and international dimensions causes the formation of necessity for the presence of macro-economic regimes approved at international dimensions.

Nowadays, home business has found its place as one of the main concepts of businesses in societies and has an appropriate place of services in different field of businesses.

Data and the results of the study were reviewed and analyzed using factor analysis for home business. In present study, 250 people who were active in home business were questioned randomly. After reviewing 41 collected variables according to skewness outcome, 37 variables to determine components were approved by using SPSS software and after naming of factor titles of environmental, skill and marketing, they were described. After identifying variables of each component and categorizing them and their impact in home business, the most effective component is skill and in following are environmental component and marketing.

### References

- [1] HUEI-CHENHSU(2010) "How Advertising Affects: A Study of the Chinese E-marke Asian Journal of Management and Humanity Sciences Vol. 1, No. 4, pp. 539-557
- [2] Ivana Kursan& Mirela Mihić (2010) " BUSINESS INTELLIGENCE: THE ROLE OF THE INTERNET IN MARKETING RESEARCHAND BUSINESS DECISION-MAKING"Business Intelligence Vol. 15, No 1, pp. 69-86
- [3] Gandolfo Dominici(2010) "From Marketing Mix to E-Marketing Mix: a Literature Overview and Classification" International Journal of Business and Management Vol. 4, , pp. 69-89
- [4] Mohammad RAOOFI(2012) "MODERATING ROLE OF E-MARKETING ON THE CONSEQUENCES OF MARKET ORIENTATION IN IRANIAN FIRMS Management Marketing volume 3, pp. 79-96
- [5] Sandeep Krishnamurthy(2010) "Introducing E-MARKPLAN: A practical methodology to plan e-marketing activities" Business Horizons Vol.49, , pp 51—60
- [6] M. Sadiq Sohaila, & Balachandran Shanmugham<sup>1</sup> " E-banking and customer preferences in Malaysia: An empirical investigation Information Sciences Vol.49 P.P, 207—217
- [7] Azam Hamidi و Maryam Safabakhsh2011" The impact of information technology on E. Marketing" Procedia Computer Science Vol.3 P.P,365–368
- [8] Abdel Monim Shaltoni& Douglas C. West<sup>1,1</sup> "The measurement of e-marketing orientation (EMO) in business-to-business markets" Industrial Marketing Management Vol.39, P.P 1097–1102
- [9] Kevin J. Trainor &, Adam Rapp &Lauren Skinner Beitelspacher &, Niels Schillewaert (2011)<sup>1</sup> Integrating information technology and marketing: An examination of the drivers and outcomes of e-Marketing capability" Industrial Marketing Management Vol.12 P.P,162-174
- [10] Fiona Elli(2012)-Chadwick Web advertising: The role of e-mail marketing&"10 Neil F. Doherty)Journal of Business Research Vol. 65 P.P 843–848,
- [11] Fariborz Rahimnia&Jaleh Farzaneh Hassanzadeh<sup>1,1</sup>" The impact of website content dimension and e-trust on e-marketing effectiveness: The case of Iranian commercial saffron corporations Industrial Marketing Management Vol.50, P.P 240–247
- [12] David Luna &Laura A. Peracchio<sup>1,10</sup> The Impact of Language and Congruity on Persuasion in Multicultural E-Marketing" Lawrence Erlbaum Associates, Inc Vol.13, P.P 41-
- [13] Andrew Lancastre Luis Filipe Lages<sup>1,10</sup> Facebook as international eMarketing strategy of Taiwan hotels" International Journal of Hospitality Management Vol.31, P.P 972– 980
- [14] Yu-Lun Hsu2012 Facebook as international eMarketing strategy of Taiwan hotels"International Journal of Hospitality Management Vol.31, P.P 972– 980
- [15] Bahgat Attia Rady, Amany Mohamed Mohssen Elshreef and Ahmad Farouk Abd-el-Kader2010 The Electronic Marketing and Services Quality in Sports Clubs" Vol.3, , pp 804-815
- [16] Mehrdad Salehi&Hanieh Mirzaei2013 Dissimilarity of E-marketing VS traditional marketing"" International Journal of Academic Research in Business and Social Sciences Vol. <sup>1</sup>Mehdi Naimi Nezamabad2011 The Impact and Benefits of Internet on Marketing Mix" "Australian Journal of Basic and Applied Sciences, Vol. 2, P.P 1784-1789
- [17] David R. Fortin,Ruby Roy Dholakia Nikhilesh Dholakia(2012) " Emerging issues in electronic marketing: thinking outside the square" Journal of Business Research Vol.55, , pp 623 – 627
- [18] Xiaoming Meng<sup>1,1</sup> Developing Model of E-commerce E-marketing" International Symposium on Information Processing pp. Vol15, pp 225-228
- [19] Hande Kimiloğlu2010" AFramework forUnderstanding the Accumulated Knowledge aboutInternetMarketing" Academy of Marketing Science Review Vol15, P.P 323 – 352
- [20] Faisal Al-Madi, Abdelghafour Al-Zawahreh, Suha Al-Qawasmi2012 Determinants of Consumer's Attitudes to Electronic Marketing in Jordan" International Journal of ManagementVol19, P.P 223 – 353
- [21] Hu Ya-Ping 2001 E-Marketing Development in Virtual Market-Space: A Strategic Perspective" Asian Journal of Business ManagementVol.4 P.P 359-366
- [22] Thompson S.H. Teo2013" Usage and effectiveness of online marketing tools among International Journal of Information Management Vol.25 P.P, 203–213
- [23] James Wol2011" Business-to-Consumer firms in Singapore <sup>1</sup>Computers in Human Behavior Vol.27 P.P 784–792
- [24] BUSINESS MODELS "By A V Vedpuriswar "Published in 'Gurukul' " (Vol. 1, No. 1, December 2003) the quarterly journal ofState Bank Academy "Gurgaon
- [25] Derek F Abell, "Defining the Business: The starting point of Strategic Planning " " PrenticeHall "1980.
- [26] Clayton M Christensen, "Why Great Companies Lose Their Way " " Across the Board "October 1998 "pp.
- [27] N. Venkataraman and John C. Henderson, "Real strategies for virtual organizing " " Sloan Management Review "Fall 1999" Innovation in Industry " " The Economist – A Survey " February "2002.

- [28] Ranjay Gulati and Jason Garino “Mix of clicks and bricks” , Harvard Business Review ,May - June 2012 ,pp. 107 – 114
- [29] Constantinos ,C Markides “All the Right Moves – A guide to crafting break through strategy ,”Harvard Business School Press ,2010.
- [30] Gary Hamel “Leading the Revolution ,” Harvard Business School Press ,2009.
- [31] Aaron Goldberg “Killer business models ,” Upside Today , September 2008
- [32] Michael E Porter “Strategy and the Internet ,” Harvard Business Review ,March 2011
- [33] Joan Magretta “Why Business Models Matter?” Harvard Business Review ,May 2010
- [34] David Rosenblum ,Doug Tomlinson and Larry Scott “Bottom - Feeding for Blockbuster Business” ,Harvard Business Review , March 2009.
- [35] Patrick Stahler’s website “www. business - model - innovation.com
- [36] Jane C Linder and Susan Cantrell “Lessons in Business Models ,” www.accenture.com