

THE FUNCTIONS OF ELECTRONIC COMMERCE (E-COMMERCE) IN HEALTHCARE INDUSTRY: A STUDY ON KPJ RAWANG SPECIALIST HOSPITAL

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ABSTRACT

Electronic commerce or e-commerce has now become a trend as the accessibility to the Internet is higher. In this digital era, people has apply e-commerce in their daily life in selling and buying process. The convenient of using e-commerce has help in simplifying the life of the society as people easily order any items from food, clothes and gadget. Nowadays most industries and companies such as those selling services and products also has applied e-commerce in their system as it has help improving their systems and organizations. However in healthcare industry not all healthcare provider such as private hospitals apply e-commerce especially in their internal management structure. Therefore this study aims to assess and determine the role of e-commerce in healthcare industry and learn if it is effective in developing the system in the healthcare industry primarily private hospitals.

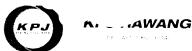
Keywords: Electronic commerce, Healthcare industry, private hospitals, KPJ hospitals.



1.0 Background of study

In this day and age more and more people are using e-commerce such as online shopping when they purchase an item from the Web. The expansion in the internet also allow the people to do shopping and transaction at the click of their fingers. The e-commerce also can be apply widely on both business to consumer (B2C) and business to business (B2B). In healthcare industry hospital need to connect rigorously with its supply chain system. In business environment, e-commerce enterprises that sells product has implement e-commerce widely in their business. Numerous business has gone online in promoting their business and integrating their supply chain systems. Popular brands that has go for online for instance is the Lazada.com, Zalora.com and 11street. These online business apply e-commerce in their business enabling them to reduce the cost of having an actual shop which is brick and mortar business and able to convey the information to their subordinates and customers more effectively and indirectly reduce their cost of transaction and provide wide range of access globally.

On the other hand, most corporations or firms that provide services to people has not yet go for online since services is intangibles and therefore need to be delivered at the moment of purchases. The simplest example would be services provided by a barber which required the barber to deliver his skills in doing the hair.



It is impossible for a barber to deliver his services online as the services is intangibles. Hospitals is also one of the business that provide services to its customers such as health checkup, doctors' consultations and medical aid services. Hence, for a hospitals to go for online and implement e-commerce is nearly impossible. But that is not necessarily impossible as the hospitals may still able to apply e-commerce in their internal organization to help improve the organization effectiveness and efficiency. This situation could actually give advantages to the hospitals in reducing their cost, increase the access of information sharing and improve the efficiency of organizations entirely. Ultimately, this situation could aid the hospitals in delivering their healthcare services.

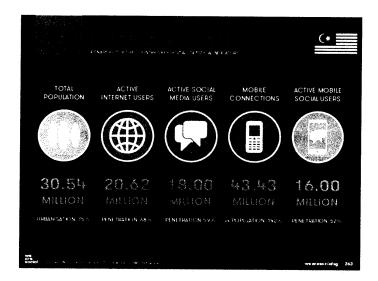


Figure 1.1 Statistics of the Internet users in Malaysia.