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(AIJBES)**www.aijbbs.com**A REVIEW OF RESEARCH ON INFORMATION DISCLOSURE
OF ENTERPRISE BUSINESS MODELS**Mao Xinyin ^{1*}, Noorul Azwin Md Nasir²,¹ Faculty of Entrepreneurship and Business, Universitiy Malaysia Kelantan, Malaysia
Email: vivian777_7@163.com² Faculty of Entrepreneurship and Business, Universitiy Malaysia Kelantan, Malaysia
Email: azwin@umk.edu.my

* Corresponding Author

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DOI: 10.35631/AJBES.620007.**This work is licensed under** [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)**Abstract:**

This paper reviews relevant research on the disclosure of enterprise business model information, exploring its importance, disclosure content, influencing factors, and its impact on enterprise value. As the core operational logic of a company, business models' information disclosure holds significant significance for investors, stakeholders, and the companies themselves. The paper begins by delineating the basic concepts and theoretical foundations of business model information disclosure, followed by an analysis of different scholars' viewpoints and classifications regarding the content of business model information disclosure. Subsequently, the paper discusses the factors influencing the disclosure of enterprise business model information, including internal corporate factors and external environmental factors. Finally, the paper summarizes the impact of business model information disclosure on enterprise value, including enhancing investor confidence, strengthening corporate competitiveness, and promoting sustainable development. By reviewing existing research, this paper aims to provide theoretical support and research directions for future studies to further advance the refinement and development of business model information disclosure.

Keywords:

Enterprise Business Model; Information Disclosure; Investor Confidence; Enterprise Value; Sustainable Development

Introduction

The disclosure of a company's business model information is a crucial process for conveying core operational details to external stakeholders. This process aims to ensure proactive,

comprehensive, and credible communication with stakeholders, fostering trust and facilitating cooperation and development Zheng, S., Li, Q., Chen, Y., & Zhao, H. (2020). Information disclosure serves not only as a one-way transmission but also as a bridge for mutual communication, understanding, and collaboration between companies and stakeholders such as investors, partners, and consumers. By detailing operational logic, profit models, customer demographics, and value propositions, companies can showcase their unique competitive advantages and intrinsic value, thereby enhancing their competitiveness and influence in the market (Barney, 1991). Throughout the disclosure process, companies must ensure that the provided information is sufficiently detailed to enable stakeholders to gain deep insights into the company's operational status and growth potential (Jensen & Meckling, 1976; Williamson, 1981). Moreover, the authenticity of information disclosure is paramount, requiring companies to strictly adhere to relevant laws, regulations, and accounting standards to prevent any occurrence of false or misleading information, thus maintaining market fairness and transparency (Leong, W., & Ward, T. (2021)

With the constantly changing market environment and business landscape, companies need to maintain a high degree of agility and adaptability, promptly updating and disclosing the latest business model information (Barney, 1991; Prahalad & Hamel, 1990). This not only allows stakeholders to stay informed about the company's latest developments and directions but also brings more business opportunities and partners to the company (Prahalad & Hamel, 1990). To address the diverse needs and concerns of different stakeholders, companies should formulate personalized information disclosure strategies, providing targeted information to meet their specific decision-making needs (Kaplan & Norton, 1996; Barney, 1991). This customized approach to information disclosure not only enhances communication and interaction between companies and stakeholders but also further enhances the company's brand image and market competitiveness (Barney, 1991).

By implementing comprehensive, authentic, timely, and targeted business model information disclosure, companies can not only showcase their unique business philosophies and competitive advantages but also gain more trust and support from stakeholders, injecting strong momentum into the company's sustainable development (Grüniger, M. C., & Füller, J. (2020)

The Content and Methods of Business Model Information Disclosure

The disclosure of a company's business model information is a critical means for establishing trust and promoting transparency between the company and investors, partners, and the wider society (Fahlenbrach, R., & Frattaroli, M. (2021); Wirtz et al., 2016). Below, we will elaborate on the content and primary methods of disclosing business model information. Firstly, the content of business model information disclosure should be comprehensive and detailed to reflect the company's unique operational logic and value creation methods. This includes the profit model, detailing how the company generates revenue, controls costs, and achieves profitability; the customer base, describing the characteristics, preferences, and interaction methods of the target customer demographic; the value proposition, explaining how the company's products or services create value for customers and confer a competitive advantage in the market; key business processes, providing a detailed description of the core business processes and operational efficiency; partnerships and supply chain, introducing major partner relationships and supply chain structures; strategic positioning and future development,

outlining strategic plans and strategies for adapting to market changes (He, L., Li, Z., & Zhong, X. (2021)). Secondly, the methods of business model information disclosure should be diverse and convenient to facilitate stakeholders' access to and understanding of relevant information. This includes regular reports, such as annual and quarterly reports, to publicly disclose business model-related information; official websites and social media platforms to disseminate various forms of business model information; press conferences and investor relations activities to introduce the business model to the public and investors; industry research reports and media coverage, collaborating with industry research institutions to publish reports or disseminate information through media channels (Moraes, B. V., de Carvalho, M. M., & Nascimento, L. F. M. (2020)).

In summary, the content and methods of business model information disclosure are essential components for establishing a transparent and trust-based operating environment for companies. By comprehensively and thoroughly disclosing business model information and employing diverse and convenient disclosure methods, companies can better communicate and interact with stakeholders, enhancing their value and competitiveness in the market.

The Influencing Factors Of Business Model Information Disclosure

The disclosure of business model information is influenced by various factors, encompassing both internal and external elements of the company's environment as well as technological advancements. Firstly, internal factors within the company include corporate governance structure, organizational culture and values, and internal control and risk management mechanisms. Research indicates that a sound and transparent governance structure contributes to ensuring the quality of information disclosure, while a culture of integrity, transparency, and responsibility encourages proactive disclosure of business model information (Huang, 2018; Mwangi, 2021). Moreover, effective internal control and risk management mechanisms ensure the accuracy and completeness of information disclosure, thereby enhancing stakeholders' trust in the company (Rimmel & Brandl, 2020). Secondly, external environmental factors comprise legal and regulatory requirements, market competition and investor demands, and social media and public scrutiny. Companies need to comply with relevant laws and regulations to avoid legal risks and penalties (Mwaura, 2019). In intensely competitive markets, information disclosure becomes a key means for companies to showcase their competitive advantages and attract investors and partners (Rimmel & Brandl, 2020). Additionally, with the widespread use of social media and the internet, public scrutiny of corporate information disclosure has increased, necessitating timely responses from companies to address public concerns and uphold their image and reputation (Huang, 2018).

Lastly, technological factors also impact business model information disclosure. With the advancement of information technology, companies can utilize technologies such as big data and artificial intelligence to collect, process, and analyze business model information more quickly and accurately, thereby enhancing the efficiency and quality of information disclosure (Mwaura, 2019).

The Impact Of Business Model Information Disclosure On Enterprise Value

The disclosure of business model information has a profound impact on the value of a company. By enhancing transparency and credibility, business model disclosure helps establish and maintain the trust of investors, partners, and consumers (Babbie, 2016). This not only boosts investor confidence and attracts more capital inflow but also strengthens the company's competitiveness in the market, fostering the establishment of partnerships and collaborations

(Ghosh, 2016). Additionally, detailed information disclosure serves as an important reference for internal decision-making and operations, facilitating process optimization, efficiency improvement, and ultimately achieving higher corporate value (Dye, 2010). Therefore, companies should prioritize business model information disclosure, ensuring its authenticity, completeness, and timeliness, to maximize its impact on corporate value.

The Problems and Challenges of Business Model Information Disclosure

The disclosure of business model information faces multiple challenges and issues in practice. Firstly, completeness and accuracy are urgent concerns. Some companies may selectively disclose information, avoiding key issues, making it difficult for investors and stakeholders to obtain comprehensive and accurate data, thus affecting the accuracy of decision-making (Kothari, 2016; Siregar & Utama, 2008). Secondly, timeliness and standardization are also significant challenges. As business models evolve constantly, timely updates in information disclosure become crucial, while outdated information may mislead market participants. Additionally, the lack of unified disclosure standards makes information comparison difficult, increasing regulatory difficulties (Kothari, 2016; Smith & Jones, 2017).

Furthermore, business model information disclosure involves issues of information security and privacy protection. While pursuing transparency, companies must ensure the non-disclosure of core business secrets, comply with data protection regulations, and protect the privacy rights of stakeholders (Fadzly & Ahmad, 2015; Xu et al., 2011). This requires companies to balance and exercise caution during the information disclosure process. Faced with these challenges, companies should strengthen internal management, enhance the professional capabilities of information disclosure, while governments and relevant institutions should reinforce supervision and guidance, promoting the standardization and normalization of information disclosure processes.

Outlook for Future Research

The future research on business model information disclosure holds several important directions worth exploring in depth. Firstly, with the rapid development of technology and markets, business models are constantly evolving and innovating. Therefore, future research needs to focus on the new trends and characteristics of business models and how these changes affect the content and manner of information disclosure. For instance, with the deep integration of digitization, Internet Plus, and artificial intelligence technologies, business model information disclosure may rely more on big data analysis and intelligent tools to improve information accuracy and timeliness. Secondly, the standardization and normalization of business model information disclosure is also a crucial direction for future research. Currently, the lack of uniform standards and norms results in significant differences in information disclosure among different enterprises, causing confusion for investors and stakeholders. Therefore, exploring how to develop scientific and reasonable standards for business model information disclosure, as well as promoting the implementation and popularization of these standards, is crucial for enhancing the quality and effectiveness of information disclosure.

Additionally, the regulatory issues surrounding business model information disclosure are another important topic for future research. As the importance of information disclosure becomes increasingly prominent, how to strengthen the supervision of corporate information disclosure, prevent fraudulent and misleading disclosures, and protect the legitimate rights and interests of investors and stakeholders is an urgent issue to address. Therefore, research on improving regulatory mechanisms, enhancing regulatory efficiency, and strengthening

sanctions against violations is crucial for promoting the healthy development of business model information disclosure. Lastly, with globalization and the development of the digital economy, business model information disclosure faces cross-national and cross-sectoral challenges. Future research needs to focus on the differences and similarities in business model information disclosure among different countries and regions, as well as how to promote international cooperation and information sharing to facilitate the development and improvement of global business model information disclosure. In summary, future research on business model information disclosure will involve multiple aspects, including new trends in business models, the standardization and normalization of information disclosure, regulatory issues, and cross-national and cross-sectoral challenges. These studies will help us better understand and address the issues and challenges associated with business model information disclosure, promoting its healthy and orderly development.

Conclusion and Discussion

In practice, the disclosure of business model information faces numerous challenges and issues. Firstly, the integrity and accuracy of disclosure are pressing concerns. Some companies may selectively disclose information, making it difficult for investors and stakeholders to obtain comprehensive and truthful data, thereby impacting the accuracy of decision-making. Secondly, timeliness and standardization are also significant challenges. As business models evolve continuously, the timely updating of information becomes crucial, while the lack of unified disclosure standards complicates information comparison and increases regulatory complexity. Additionally, business model disclosure involves issues of information security and privacy protection. Companies must ensure the confidentiality of core business secrets while adhering to data protection regulations and safeguarding stakeholders' privacy rights. In conclusion, addressing the challenges and issues surrounding the disclosure of business model information requires concerted efforts from both companies and regulatory bodies. Ensuring the integrity, accuracy, timeliness, and security of disclosure is essential for fostering transparency, building trust, and facilitating informed decision-making in the business environment.

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