

# Cost Management Practices in a Selected E-Commerce Company in China: A Basis for a Sustainable Business Development Plan

Ma Xinyu

Trinity University of Asia

[xinyunma@tua.edu.ph](mailto:xinyunma@tua.edu.ph)

---

## ARTICLE INFO

Received: 30 Dec 2024

Revised: 19 Feb 2025

Accepted: 27 Feb 2025

## ABSTRACT

This descriptive quantitative study assesses the cost management practices of organizations, focusing on key components such as cost identification, classification, budgeting, control, and reduction strategies. The respondents are the 285 employees of the selected E-commerce companies in Shijiazhuang, Hebei Province, China. The researcher used a researcher-made survey which was adopted from various related studies that helped address the research objectives. The assessment of the respondents were computed and quantified using the mean. Further, the tests of significant difference in the given answers by the respondents were done through the use of the T-test and ANOVA. The findings reveal that organizations generally rate their cost management practices as “good,” with high levels of consistency across various demographic groups. The study also examines the influence of demographic profiles on these practices and finds no significant differences, indicating widespread implementation regardless of age, gender, or tenure. The results suggest that while current practices support operational effectiveness, there is substantial scope for developing more integrated and innovation-driven cost management approaches to sustain competitive advantage. Overall, the study underscores the critical role of structured cost management in achieving organizational sustainability.

**Keywords:** cost management practices, e-commerce company, China

---

## INTRODUCTION

In the e-commerce environment, geographical and time constraints are no longer the problem, and both sides of the transaction can efficiently and conveniently complete a series of complicated business activities through the Internet, which greatly improves the efficiency and timeliness of the transaction. At the same time, e-commerce activities take the Internet as the main line, and e-commerce activities take the Internet as the main line, which highly integrates various functions and parties of business activities, further improving efficiency.

As far as the e-commerce industry is concerned, the industry has now become a high-speed development industry in many modern industries, the "high-speed" mentioned in it mainly refers to the following two aspects of content, the first is the rapid change of e-commerce platform; The second is the rapid development of e-commerce enterprises. However, the resources and time costs invested by these e-commerce enterprises generally increase rapidly in the early stage of development, and they cannot meet their income requirements (Wu et al., 2022).

Consequently, Gupta et al. (2023) underpin that for e-commerce enterprises, cost minimization control does not mean that enterprises can realize their maximum value. Therefore, for the development of e-commerce enterprises, the current focus in the actual development process of such enterprises is to make full use of various financing methods and venture capital to obtain more development funds, and make reasonable use of the obtained development funds, such as investing in research and development platforms or advertising, to expand the competitive advantage of enterprises in the development process. However, there are some deviations between the above methods and the traditional financial cost management. In the development of e-commerce in recent years, traditional financial management has great limitations. Strategic cost management not only improves the methods and objectives of traditional financial cost management but also compensates for the relevant defects. It uses strategic

thinking to analyze the cost structure of enterprises and provides effective decision-making information for managers according to the internal and external value chains of enterprises, which is consistent with the characteristics

Over the past 20 years, China's e-commerce market has grown at an unparalleled rate due to several factors including the country's fast urbanization, increased internet penetration, rising disposable incomes, and a consumer base that is tech-savvy.

At present, the consumer concept has changed from ordinary offline consumption to popular online consumption, and e-commerce has become a popular marketing method in a direct way. As the key content of the company's operation and management, cost management serves the company's development goal - profit maximization, so it is particularly important to do a good job in the company's cost management.

Cost is an important factor in the company's development and the basis for product price formulation. Traditional cost management mode is not fully applicable to the development of e-commerce enterprises, and the rise history of e-commerce enterprises is short. Domestic scholars have not yet penetrated the research on cost management of e-commerce enterprises, and most of the research is on the theory and significance of cost management of e-commerce enterprises. No specific solutions to cost management are systematically proposed.

Research on cost management practices, particularly in China's e-commerce sector, is still a research gap. The researcher found it fascinating to learn more about the costs associated with managing e-commerce businesses as an accounting graduate, as it allows her to excel in that field. She intended to apply for a new employment chance as a cost accountant at an e-commerce company in China shortly after receiving her master's degree. The researcher feels that she has a better chance of landing an excellent job soon, hence arouse her interest to undertake this study.

### **OBJECTIVES**

This study aims to assess the cost management practices of selected E-commerce companies in China, with the ultimate goal of formulating a sustainable business development plan. Specifically, the study seeks to determine the demographic profile of the respondents, taking into consideration their age, sex, job position, the number of years their company has been in operation, and the number of years they have been working in the company.

Furthermore, the study intends to evaluate the respondents' assessment of the cost management practices employed by their companies. This includes examining aspects such as cost identification, cost classification, budgeting, cost control mechanisms, and cost reduction strategies.

Another objective of the study is to identify whether there are significant differences in the assessment of cost management practices when respondents are grouped according to their demographic profile. This analysis will help to understand how various personal and organizational factors may influence perceptions and implementation of cost management practices.

Finally, based on the results and findings of the research, the study aims to propose a sustainable development plan that can enhance the efficiency, profitability, and long-term viability of E-commerce businesses in China.

### **METHODS**

A quantitative research design was used in the study. The design was preferred because it is concerned with answering questions such as who, how, what, which, when and how much. The respondents are the 285 employees of the selected E-commerce companies in Shijiazhuang, Hebei Province, China. The sample size was determined using Raosoft sample size calculator with 95% confidence level and 5% margin of error.

The main research tool for gathering data was a self-structured survey questionnaire. Part I of the survey questionnaire includes the demographic profile of the respondents. Part II includes the assessment of the cost management practices of e-commerce companies in terms of cost identification; cost classification, budgeting; cost control mechanism; and cost reduction strategies

The researcher secured an ethics clearance for the school prior to data gathering. After the data collection, the results were treated with statistical tools, analyzed, and interpreted, assisted by the data analyst.

In data analysis, percentage distribution was used to describe the demographic profile; Mean & Standard Deviation were used to assess the cost management practices of e-commerce companies ; while ANOVA and T-test were used to determine the significant difference in the respondents' assessment when demographic profile is considered.

## RESULTS

1. What is the demographic profile of the respondents in terms of:

1.1 Age;

1.2 Sex;

1.3 Job Position;

1.4 Number of Years in operation; and

1.5 Number of Years working in the company?

**Table 1- Demographic Profile of the Respondents**

Age	Frequency	Percentage
20-25	11	3.90%
26-30	72	25.30%
31-35	71	24.90%
36 Above	131	46.00%
<b>Total</b>	<b>285</b>	<b>100%</b>
Sex	Frequency	Percentage
Female	118	41.40%
Male	167	58.60%
Total	285	100%
Job Position	Frequency	Percentage
Manager/Supervisor	55	19.30%
Staff	230	80.70%
<b>Total</b>	<b>285</b>	<b>100%</b>
Number of Years in Operation	Frequency	% of Total
Below 5 Years	35	12.30%
o6-Oct	119	41.80%

Nov-15	86	30.20%
15 Above	45	15.80%
<b>Total</b>	<b>285</b>	<b>100%</b>
<b>Number of Years Working in the Company</b>	<b>Frequency</b>	<b>% of Total</b>
Below 5 Years	161	56.50%
06-Oct	84	29.50%
Nov-15	26	9.10%
15 Above	14	4.90%
<b>Total</b>	<b>285</b>	<b>100%</b>

The demographic profile of the 285 respondents reveals a diverse workforce in terms of age and gender. The majority of participants are aged 36 and above, comprising 46.0%, followed by those in the 26-30 and 31-35 age brackets at 25.3% and 24.9%, respectively. Younger employees aged 20-25 represent a smaller portion at 3.9%. Gender distribution indicates a higher representation of males (58.6%) compared to females (41.4%).

Regarding job positions, most respondents are staff members (80.7%), with managers and supervisors comprising 19.3% of the sample. In terms of organizational tenure, the largest group has been in operation for 6-10 years (41.8%), while 12.3% have been operational for less than five years. Similarly, more than half of the respondents (56.5%) have worked in their current company for less than five years, indicating a predominantly relatively new workforce within the organization.

2. What is the assessment of the respondents on the cost management practices in the selected E-Commerce companies in China in terms of:

- 2.1 Cost Identification;

- 2.2 Cost Classification;

- 2.3 Budgeting;

- 2.4 Cost control mechanism; and

- 2.5 Cost reduction strategies?

**Table 2- Respondents' Assessment on the Cost Management Practices in the Selected E-Commerce Companies in China in terms of Cost Identification**

Indicators	Mean	SD	Verbal Interpretation	Rank
The Chinese e-commerce businesses correctly pinpoint the direct expenses related to goods and services.	2.86	0.862	Agree	3-5

The Chinese e-commerce businesses correctly pinpoint indirect costs associated with running their businesses.	2.8	0.949	Agree	9-10
The Chinese e-commerce enterprises employ clear and well- documented cost identification techniques.	2.86	0.921	Agree	9-10
Chinese e-commerce businesses adjust their cost detection methods on a regular basis to accommodate shifting market conditions.	2.8	0.934	Agree	9-10
Chinese e-commerce businesses include pertinent teams or departments in the cost detection process.	2.82	0.924	Agree	6-7
There is a clear policies and processes for allocating costs among various departments or activities are in place at the Chinese e-commerce enterprises.	2.82	0.889	Agree	6-7
The cost identification procedures used by the chosen Chinese e-commerce businesses comply with industry norms and recommended practices.	2.87	0.94	Agree	2
Chinese e-commerce businesses use cutting-edge hardware or software to determine costs precisely.	2.86	0.919	Agree	3-5
Chinese e-commerce businesses often audit their operations to ensure accurate cost identification procedures.	2.81	0.95	Agree	8
Chinese e-commerce enterprises train their staff members who are involved in cost detection.	2.88	0.925	Agree	1
<b>Overall Mean</b>	<b>2.84</b>	<b>0.682</b>	<b>Agree</b>	

The results indicate that Chinese e-commerce businesses generally demonstrate effective cost identification practices, with all indicators receiving an "Agree" rating. The highest-rated indicators include staff training in cost detection, compliance with industry norms, and accurate cost determination using advanced hardware or software, each with mean scores near 2.86 to 2.88. Critical processes such as pinpointing direct and indirect costs, employing clear documentation, and regularly updating cost methods also scored highly, reflecting robust cost management approaches. The overall mean of 2.84 suggests that these enterprises possess well-structured cost identification systems aligned with industry standards, supporting efficient cost control and management.

**Table 3- Respondents' Assessment on the Cost Management Practices in the Selected E-Commerce Companies in China in terms of Cost Classification**

Indicators	Mean	SD	Verbal Interpretation	Rank
Chinese e-commerce businesses have transparent cost classification systems.	2.85	0.995	Agree	3-4
Chinese e-commerce businesses consistently classify expenses across several divisions.	2.82	0.977	Agree	7

Chinese e-commerce businesses align their cost classification with industry norms.	2.84	0.938	Agree	5
China's e-commerce businesses utilizing technology to automate cost classification procedures	2.86	0.905	Agree	2
Chinese e-commerce businesses have accuracy of cost allocation to relevant categories	2.79	0.973	Agree	8
China's e-commerce enterprises have cost classification activities' timeliness	2.9	0.931	Agree	1
Chinese e-commerce enterprises have sufficient resources allotted to aid with cost categorization initiatives	2.83	0.913	Agree	6
Chinese e-commerce businesses integrating cost classification into forecasting and budgeting procedures	2.76	0.997	Agree	10
Chinese e-commerce businesses' ability to modify their cost classification schemes to accommodate shifting business needs	2.78	0.916	Agree	9
Chinese e-commerce businesses' openness in disclosing categorized expenses to interested parties	2.85	0.929	Agree	3-4
<b>Overall Mean</b>	<b>2.83</b>	<b>0.712</b>	<b>Agree</b>	

The assessment of cost classification practices among Chinese e-commerce companies shows a strong consensus in favor of effective and transparent procedures. All indicators received an "Agree" rating, with the highest agreement on the timeliness of cost classification activities (mean 2.90), indicating promptness in categorizing expenses. The use of technology to automate classification processes also scored high (mean 2.86), reflecting the organizations' adoption of advanced tools for efficiency. Other key areas, such as maintaining transparency, aligning with industry norms, and integrating classification into forecasting and budgeting, received similar favorable ratings. The overall mean of 2.83 underscores that these companies generally practice effective cost classification strategies, supporting accurate cost management and organizational transparency.

**Table 4- Respondents' Assessment on the Cost Management Practices in the Selected E-Commerce Companies in China in terms of Budgeting**

Indicators	Mean	SD	Verbal Interpretation	Rank
The company's budgets are open and available to pertinent stakeholders.	2.88	0.968	Agree	1-2
Budgets are sufficiently adaptable to consider shifts in the business priorities and state of the market.	2.88	0.88	Agree	1-2
Precise forecasting of budgets minimizes discrepancies between anticipated and actual.	2.84	0.93	Agree	5
The company's strategic goals and objectives are in line with the budgets.	2.83	0.897	Agree	6

Relevant departments actively participate in the budgeting process.	2.82	0.966	Agree	7-8
There are regular reviews and adjustments to the budgets in response to evolving business circumstances.	2.82	0.913	Agree	7-8
Based on priorities, budgets efficiently distribute resources to various company divisions.	2.8	0.919	Agree	9-10
Budgets provide internal cost and expense management for the business.	2.87	0.898	Agree	3
Budgets give the business enough funding to encourage experimentation and innovation.	2.85	0.887	Agree	4
Budgets are a tool for accountability and performance assessment.	2.8	0.997	Agree	9-10
<b>Overall Mean</b>	<b>2.84</b>	<b>0.693</b>	<b>Agree</b>	

The assessment of budgeting practices among Chinese e-commerce companies reveals a high level of agreement across various indicators. The most positively evaluated aspects include openness and accessibility of budgets to relevant stakeholders (ranked 1-2, mean 2.88) and the adaptability of budgets to market and business changes (also ranked 1-2, mean 2.88). Additionally, budgets are regarded as tools that facilitate internal management, support accountability, and promote innovation, with mean scores around 2.85 to 2.87. The overall mean of 2.84 confirms that these organizations generally implement effective and flexible budgeting practices that align with strategic goals and support operational needs, fostering transparency and responsiveness in financial planning.

**Table 5- Respondents' Assessment on the Cost Management Practices in the Selected E-Commerce Companies in China in terms of Cost Control Mechanism**

Indicators	Mean	SD	Verbal Interpretation	Rank
The company strictly adheres to budgetary constraints to control costs effectively.	2.76	0.968	Agree	10
There are robust systems in place to monitor expenses across various departments and activities.	2.86	0.924	Agree	3-4
The company actively seeks out and implements cost reduction initiatives.	2.84	0.958	Agree	5-6
The company has effective vendor management practices to negotiate favorable terms and control procurement costs.	2.88	0.938	Agree	2
The company's inventory control solutions optimize stock levels and reduce carrying costs.	2.84	0.891	Agree	5-6
To find opportunities for improvement, the organization constantly compares the costs to industry norms.	2.8	0.921	Agree	8
The company efficiently uses its resources to minimize waste and needless spending.	2.79	0.94	Agree	9

The company has strong procedures in place to guarantee adherence to laws and guidelines pertaining to costs.	2.86	0.925	Agree	3-4
The employee actively participates in cost-cutting initiatives and are invited to offer suggestions for cost-control measures.	2.82	0.911	Agree	7
To encourage cost-conscious behavior, metrics for performance evaluation incorporate cost management strategies.	2.89	0.954	Agree	1
<b>Overall Mean</b>	<b>2.83</b>	<b>0.699</b>	<b>Agree</b>	

The evaluation of cost control mechanisms in the selected Chinese e-commerce companies indicates a strong overall commitment to cost management. The highest-rated indicator is the incorporation of cost management strategies into performance evaluations (mean 2.89, rank 1), highlighting the emphasis on fostering cost-conscious behavior among employees. Vendor management practices to negotiate better terms received a high rating (mean 2.88, rank 2), demonstrating efforts to control procurement costs effectively. Systems for monitoring expenses and implementing cost-reduction initiatives also received favorable assessments, with means around 2.84 to 2.86. Other areas, such as adhering to legal guidelines and actively seeking continuous improvement through industry comparisons, similarly scored well. The overall mean of 2.83 reflects that these companies generally have effective cost control mechanisms in place, supportive of operational efficiency and cost savings.

**Table 6- Respondents' Assessment on the Cost Management Practices in the Selected E-Commerce Companies in China in terms of Cost Reduction Strategies**

Indicators	Mean	SD	Verbal Interpretation	Rank
The company has a clear cost-cutting plan in place that supports its goals.	2.89	0.958	Agree	1
The main goals of cost reduction techniques are waste elimination and increased operational efficiency.	2.79	0.974	Agree	9
The company uses technology to cut expenses and simplify procedures.	2.86	0.871	Agree	5
The company efficiently reduces labor and production expenses by outsourcing and offshoring.	2.87	0.977	Agree	4
To reduce costs, the company regularly bargains with suppliers to obtain better terms and prices.	2.81	0.925	Agree	8
There is an initiative for continuous process optimization to find and fix inefficiencies.	2.84	0.963	Agree	6
The company uses economical marketing techniques that increase exposure while lowering costs.	2.88	0.933	Agree	2-3
To minimize inventory holding and lower carrying costs, the company uses effective inventory management techniques.	2.82	0.974	Agree	7
Employees actively participate in making suggestions and putting cost-cutting ideas into action.	2.88	0.942	Agree	2-3

Strategies for cutting costs are implemented while taking operational hazards into account.	2.78	0.91	Agree	10
<b>Overall Mean</b>	<b>2.84</b>		<b>Agree</b>	

The assessment of cost reduction strategies among the Chinese e-commerce companies reveals proactive initiatives focused on efficiency and cost savings. The most prominent indicator is the presence of a clear cost-cutting plan aligned with company goals (mean 2.89, rank 1), emphasizing strategic planning. Use of economical marketing techniques that boost exposure at lower costs also achieved high ratings (mean 2.88, ranks 2-3), reflecting innovative marketing approaches. Employee participation in suggesting and implementing cost-saving ideas is highly valued (mean 2.88, ranks 2-3), demonstrating a culture of cost-consciousness. Other effective practices include outsourcing to reduce labor and production expenses (mean 2.87, rank 4) and leveraging technology for cost efficiency (mean 2.86, rank 5). The overall mean score of 2.84 indicates a strong and comprehensive approach to cost management, emphasizing planning, employee involvement, and technological integration to optimize operational costs while managing risks.

3. Is there a significant difference in the assessment of the respondents on the cost management practices in selected E-Commerce companies in China when grouped according to profile?

**Table 7- Comparison of the Assessment of Cost Management Practices in Terms of Age**

Indicators	Age	N	Mean	SD	$\chi^2$	p	Significance
Assessment of Cost Identification Practices	20-25	11	3.02	0.508	3.86	0.277	Not Significant
	26-30	72	2.73	0.725			
	31-35	71	2.79	0.713			
	36 Above	131	2.91	0.646			
Assessment of Cost Classification Practices	20-25	11	3.12	0.5	5.57	0.135	Not Significant
	26-30	72	2.73	0.762			
	31-35	71	2.75	0.749			
	36 Above	131	2.9	0.67			
Assessment of Budgeting Practices	20-25	11	3.22	0.312	3.45	0.328	Not Significant
	26-30	72	2.73	0.739			
	31-35	71	2.78	0.728			
	36 Above	131	2.9	0.657			
Assessment of Cost Control Mechanism	20-25	11	3.16	0.45	7.71	0.052	Not Significant
	26-30	72	2.73	0.738			
	31-35	71	2.73	0.726			
	36 Above	131	2.92	0.666			
Assessment of Cost-reduction Strategies	20-25	11	3.23	0.369	7.29	0.063	Not Significant
	26-30	72	2.71	0.747			
	31-35	71	2.79	0.736			

	36 Above	131	2.91	0.661			
--	----------	-----	------	-------	--	--	--

The comparison of cost management practices across different age groups indicates that there are no statistically significant differences in the assessments of various practices, such as cost identification, classification, budgeting, control mechanisms, and reduction strategies. Although the mean scores increase slightly with age—especially in the 36 and above group—the p-values (all above 0.05) suggest these variations are not significant. This implies that perceptions and practices related to cost management are relatively consistent regardless of age among respondents.

**Table 8- Comparison of the Assessment of Cost Management Practices in Terms of Sex**

Indicators	Group	N	Mean	SD	U	p	Significance
Assessment of Cost Identification Practices	Female	118	2.86	0.695	9349	0.46	Not Significant
	Male	167	2.82	0.674			
Assessment of Cost Classification Practices	Female	118	2.81	0.735	9501	0.606	Not Significant
	Male	167	2.84	0.698			
Assessment of Budgeting Practices	Female	118	2.85	0.715	9345	0.547	Not Significant
	Male	167	2.83	0.679			
Assessment of Cost Control Mechanism	Female	118	2.81	0.715	9822	0.964	Not Significant
	Male	167	2.85	0.689			
Assessment of Cost- reduction Strategies	Female	118	2.83	0.742	9696	0.818	Not Significant
	Male	167	2.85	0.686			Not Significant

All p-values are more than 0.05 which indicate that there are no statistically significant differences in the assessment of cost management practices between female and male respondents across all indicators. The means for both genders fall within a very narrow range (2.81–2.86), indicating highly consistent perceptions.

**Table 9- Comparison of the Assessment of Cost Management Practices in Terms of Job Position**

	Group	N	Mean	SD	U	p	Significance
Assessment of Cost Identification Practices	Manager/ Supervisor	55	2.85	0.694	6049	0.614	Not Significant
	Staff	230	2.83	0.68			
Assessment of Cost Classification Practices	Manager/ Supervisor	55	2.84	0.747	6039	0.601	Not Significant
	Staff	230	2.82	0.706			
Assessment of Budgeting Practices	Manager/ Supervisor	55	2.81	0.685	6068	0.638	Not Significant
	Staff	230	2.84	0.696			
Assessment of Cost Control Mechanism	Manager/ Supervisor	55	2.83	0.709	6308	0.976	Not Significant
	Staff	230	2.84	0.698			
Assessment of Cost Reduction Strategies	Manager/ Supervisor	55	2.87	0.753	5806	0.342	Not Significant
	Staff	230	2.84	0.689			

The results reveal that there are no statistically significant differences in the mean scores between the two groups across all five indicators: cost identification practices. All p-values exceed the 0.05 level of significance, indicating that job position does not significantly influence how respondents assess cost management practices. The consistently similar mean scores suggest a shared understanding of cost management practices among both managerial and staff-level employees, potentially reflecting standardized training or a cohesive organizational approach to cost-related processes.

**Table 10- Comparison of the Assessment of Cost Management Practices in Terms of Years of Company Operations**

Indicators	Number of Years in Operation	N	Mean	SD	$\chi^2$	p	Significance
Assessment of Cost Identification Practices	6-11	86	2.89	0.667	3.06	0.382	Not Significant
	15 Above	45	2.94	0.611			
	5-10	119	2.76	0.72			
	Below 5 Years	35	2.82	0.668			
Assessment of Cost Classification Practices	6-11	86	2.86	0.7	2.74	0.434	Not Significant
	15 Above	45	2.98	0.608			
	5-10	119	2.75	0.751			
	Below 5 Years	35	2.82	0.723			
Assessment of Budgeting Practices	6-11	86	2.89	0.677	1.31	0.726	Not Significant
	15 Above	45	2.93	0.624			
	5-10	119	2.77	0.715			
	Below 5 Years	35	2.85	0.739			
Assessment of Cost Control Mechanism	6-11	86	2.91	0.686	4.87	0.182	Not Significant
	15 Above	45	2.92	0.632			
	5-10	119	2.74	0.717			
	Below 5 Years	35	2.84	0.739			
Assessment of Cost Reduction Strategies	6-11	86	2.9	0.683	2.49	0.478	Not Significant
	15 Above	45	2.94	0.624			
	5-10	119	2.77	0.726			
	Below 5 Years	35	2.84	0.749			

The comparison of cost management practices based on the years of company operation shows no significant differences among the groups. The p-values for various practices—such as cost identification, classification, budgeting, control mechanisms, and reduction strategies—are all above 0.05, indicating that the length of time a company has been operational does not significantly influence perceptions or assessments of these practices. The mean scores across groups are relatively consistent, suggesting uniformity in how cost management practices are viewed regardless of company age

**Table 11- Comparison of the Assessment of Cost Management Practices in Terms of Years of Stay in the Company**

Indicators	Number of Years Working in the Company	N	Mean	SD	$\chi^2$	p	Significance
Assessment of Cost Identification Practices	6-11	26	2.6	0.783	3.25	0.355	Not Significant
	15 Above	14	2.93	0.626			
	5-10	84	2.96	0.621			
	Below 5 Years	161	2.8	0.691			
Assessment of Cost Classification Practices	6-11	26	2.64	0.78	3.51	0.32	Not Significant
	15 Above	14	2.84	0.695			
	5-10	84	2.93	0.679			
	Below 5 Years	161	2.8	0.718			
Assessment of Budgeting Practices	6-11	26	2.55	0.763	6.46	0.091	Not Significant
	15 Above	14	2.92	0.68			
	5-10	84	2.95	0.614			
	Below 5 Years	161	2.82	0.712			
Assessment of Cost Control Mechanism	6-11	26	2.57	0.815	4.88	0.184	Not Significant
	15 Above	14	2.92	0.658			
	5-10	84	2.96	0.609			
	Below 5 Years	161	2.8	0.717			
Assessment of Cost Reduction Strategies	6-11	26	2.57	0.864	5	0.171	Not Significant
	15 Above	14	2.96	0.679			
	5-10	84	2.98	0.615			
	Below 5 Years	161	2.81	0.706			

The assessment of cost management practices in relation to the duration of an employee's stay in the company indicates no significant differences across groups. The p-values for all indicators—cost identification, classification, budgeting, control mechanisms, and reduction strategies—are all above the 0.05 threshold, suggesting that the length of tenure within the company does not significantly impact perceptions or evaluations of these practices. The mean scores across different tenure groups are relatively similar, reinforcing the notion of consistent assessments regardless of staff tenure.

## DISCUSSION

The demographic profile of the respondents reflects a diverse workforce in terms of age, gender, and job roles. The majority of participants were aged 36 and above, indicating a mature workforce, while younger age groups were less represented. Males constituted a greater proportion of the sample compared to females. Most respondents held staff-

level positions, with a smaller percentage occupying managerial or supervisory roles. In terms of organizational tenure, a significant portion of companies had been in operation for 6–10 years, and over half of the respondents had worked in their current company for less than five years. These characteristics suggest a workforce that is relatively young in organizational experience but demographically balanced in other respects.

The results of the study indicate that cost management practices were generally assessed as “good” by the respondents, as reflected in the overall mean ratings across key variables: cost identification, cost classification, budgeting, cost control mechanisms, and cost-reduction strategies. This positive assessment suggests that organizations have established and are actively implementing foundational cost management procedures. The “good” rating across these domains may be attributed to increasing awareness and adherence to financial management best practices within organizations, regardless of size or maturity. It also implies that the respondents perceive their companies to be effectively monitoring, categorizing, and controlling costs, which are essential for ensuring operational efficiency and long-term sustainability.

Furthermore, the consistency of the ratings across job positions, gender, and years of company operation, as indicated by the lack of statistically significant differences in the comparative analyses, reinforces the notion that cost management practices are widely and uniformly applied within the participating organizations. This may reflect institutionalized policies, standardized training, or internal controls that promote consistency in cost management approaches. While the practices were rated as “good,” the results also point to potential areas for further enhancement, especially in aligning cost strategies more closely with performance outcomes and innovation-driven cost savings. Organizations may consider leveraging these baseline strengths to move toward a more strategic and integrated cost management framework.

According to Wu et al. (2022), the advancements in science and technology, Internet-based businesses grow at a much faster speed, including Baidu, Tencent, NetEase and so forth. The growth of the Internet has made possible conceivable to communicate with restaurants via apps or supermarkets rather than phones. Today's populace just must select a few icons to access their preferred eatery to select the goods they like they will be given them practically everywhere. Increasingly more businesses have now investigated the realm of online delivery. It is crucial for online retailers to control the same price as creating software. In fact, at this time, nearly all of the Internet businesses must consider the expense structure, as well as the influencing and motivating aspects system. Several published works claim that the Internet businesses' costs are significantly higher in marketing and sales, creation, and investigation so cash flow could be in jeopardy if they do not allocate their decently priced. Thus, having a greater understanding of the framework will be important for an online business to control its spending and establish a suitable plan of inventiveness and advertising

Profit maximization is typically the goal since it maximizes the wealth of shareholders, which is the goal of investing in a business, even though other goals are also thought to be highly essential and are mentioned above. Naturally, investors will choose extremely lucrative companies. As a result, in the long term, only those who maximize profits can survive in the corporate world. However, there must be sufficient cost control in place for a business to record a profit. A business that has a suitable cost structure has a better probability of hitting its profit goal (Oluwagbemiga et al., 2022).

## **CONCLUSIONS**

Based on the findings, it can be concluded that the organizations surveyed demonstrate a generally positive perception of their cost management practices, which are rated as “good” across key areas such as cost identification, classification, budgeting, control mechanisms, and cost reduction strategies. These practices appear to be consistently applied across different job roles, genders, and organizational tenures, indicating the presence of standardized policies and procedures that promote uniformity in cost management efforts. The demographic profile suggests a relatively young workforce with substantial experience in the organization, which may contribute to the effective implementation of these practices. While the current level of cost management is satisfactory, there are opportunities for organizations to enhance their strategies by aligning cost management more closely with performance outcomes and fostering innovation-driven cost savings. Overall, the results highlight a strong

foundation for operational efficiency that can be further developed into a more strategic and integrated cost management approach.

## **IMPLICATIONS**

The implications of this study suggest that organizations possess a solid foundation in cost management practices, which can serve as a strategic platform for further operational enhancements. The consistent application of these practices across diverse demographic profiles indicates an organizational commitment to financial discipline and internal control mechanisms. However, the relatively young workforce with limited organizational tenure highlights the need for ongoing training and development to sustain and advance cost management capabilities. Additionally, the identified potential for aligning cost strategies with performance outcomes emphasizes the importance of integrating innovation and strategic planning into cost management frameworks. By leveraging these insights, organizations can improve financial efficiency, foster a culture of continuous improvement, and position themselves for long-term sustainability and competitive advantage in dynamic markets.

## **REFERENCES**

- [1] Gupta, S., Kushwaha, P., Badhera, U., Chatterjee, P., & Gonzalez, E. D. R. S. (2023). Identification of benefits, challenges, and pathways in E-commerce industries: An integrated two-phase decision-making model. *Sustainable Operations and Computers*, 4, 200–218. <https://doi.org/10.1016/j.susoc.2023.08.005>
- [2] Mao, H., & Chen, L. (2021). E-Commerce Enterprise Supply Chain Cost Control under the Background of Big Data. *Complexity*, 2021, 1–11. <https://doi.org/10.1155/2021/6653213>
- [3] Oluwagbemiga, O. E., Olugbenga, O. M., & Zaccheaus, S. A. (2022). Cost management practices and the firm's performance of manufacturing organizations. *International Journal of Economics and Finance*, 6(6). <https://doi.org/10.5539/ijef.v6n6p234>
- [4] Paridhi, Porwal, S., & Porwal, H. K. (2021). Cost classification and decision-making: Practical approach. *International Journal of Applied Research*, 7(4), 33–39. <https://doi.org/10.22271/allresearch.2021.v7.i4a.8457>
- [5] Rounaghi, M. M., Jarrar, H., & Dana, L.-P. (2021). Implementation Of Strategic Cost Management in Manufacturing Companies: Overcoming Costs Stickiness and Increasing Corporate Sustainability. *Future Business Journal*, 7(1). <https://doi.org/10.1186/s43093-021-00079-4>.
- [6] Sun, M. (2020). The role of cost control in the financial management of small and medium-sized enterprises. *E3S Web of Conferences*, 218, 01039. <https://doi.org/10.1051/e3sconf/202021801039>
- [7] <https://doi.org/10.1051/e3sconf/202021801039>
- [8] Wu, G., Wang, W., & Li, X. (2022). Analysis of cost structure and control of E-Commerce enterprises - taking Meituan as an example. In *Advances in economics, business and management research/Advances in Economics, Business and Management Research* (pp. 1684–1689). [https://doi.org/10.2991/978-94-6463-036-7\\_252](https://doi.org/10.2991/978-94-6463-036-7_252)