

Internet penetration and the constraints on the Use of E-commerce

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ABSTRACT: *The Growth Internet, has far reaching implications and impact in the E-commerce market. The owners of the business (and when to spread awareness of the need to go to market E-commerce) started to go to invest in these markets to increase its effectiveness in the commercial market and thus increase earnings. Recently become increasingly oriented business owners to invest a significant market of E-commerce in order to find space for them in the online marketplace can take advantage of the features of this market. The objective of this research is to examine the reality of E-commerce in Jordan through the identification of constraints and challenges faced by the benefits of E-commerce service in Jordan, that country, which was one of the emerging economics.*

Keywords: E-Commerce, Internet penetration, Data Ware housing

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1. Introduction

With The continuous and tremendous development in modern telecommunication has led to the emergence of what is called today the “Electronic commerce” (Ecommerce). On the marketing level, the E-commerce, in its various forms, has become the most important tool for selling and efficient promotion for goods that are offered for trading to users or consumers in all companies around the world. Practically, the spread of this modern marketing should lead to great changes in the behavioral patterns of both sellers and buyers [1].

E-commerce is a generic term given to the use of computer and communications technology to support trading in goods and services where the parties relating to the business with each other electronically instead of traditional physical contact and it is a simple term for the sale and purchase and send the request and orders, whether of goods or services, or other use of the network [2].

Many people believe that E-commerce is the process of shopping directly (On-Line) In fact, the market of E-commerce is a small part of the big picture of E-commerce. The aim of the E-commerce is different between the consumer and the trader is from the point of view of the consumer to be able to identify the goods or service that you wish via the Internet and therefore it is not more than a commercial electronic store. From the viewpoint of the trader [3], the goal of E-commerce is to achieve higher profits than could be obtained without To achieve this, the trader would have an area on the Internet serve as a guide to the procurement of which he spoke of most business processes include information on where the product, inventory system, services customers, and the ability to conduct transactions.

E-commerce has provided the opportunity for these companies to be more effective and flexible in its internal processes and work closer to the business of the parties to the relationship with them, and to be more responsive to the needs and expectations of consumers. It gives the opportunity for companies to select the best suppliers regardless of their geographical location [2]. This research is aimed at achieving the following goals:

- Definition of E-commerce.
- Access to the infrastructure of E-commerce in Jordan.
- To identify constraints on the proliferation of Ecommerce in Jordan.

2. E-commerce

E-commerce, including many of the activities but the main activity is the E-commerce goods and services and digital products, and these activities are [3]:

1- Search for information on the products.

2- Pay for goods and services.

3- Customer service

2.1 Areas of E-commerce

The proliferation and development of broad information technology correspondence was marked by the most important factor in the spread of Ecommerce, not just the Internet, but the use of the Internet has contributed greatly to support the process of marketing and communication environment for the consumer, however, that the proliferation of information technology has changed the ways in which the companies work is here the concept of Ecommerce extends to the following commercial activities [4]: Support pre-sales and acquisitions, Email for internal communication, Timely dissemination of documents and models, Management cooperation between financial and manpower, Supply chain inventory, distribution and warehousing, Facilitate the process of communication between traders, Follow-up orders and shipping and Commercial advertising of goods and services.

There are many activities other than those covered by the said E-commerce, but there is an important fact, combining these activities is; that these activities connected with each other and not separate from each other which together form the outline of the process of E-commerce. Here it should be noted the clear distinction between the physical E-commerce goods and services and E-commerce in digital products that can be delivered to the consumer, the process through a network of contacts [5]. Ecommerce goods and services represent a major shift in the current trade regimes. This model of trade is anticipated to be a significant impact on the level of competition and little impact on the use of manpower.

The trade in products such as digital music, movies, programs, graphics, etc... is a new revolution in the trade as the workshops, including the delivery of trade carried out through the same network. Thus, depending on the success will be achieved in the market the electronic products market will create new features and has a particular impact on competition and the use of employment [6].

2.2 Benefits of E-commerce

The existence of the world of E-commerce on the Internet led to an improvement in the level of productive investment and raise the level of competition for all parties, whether they are producers or consumers; and where E-commerce is central to all parties to a commercial business has a number of benefits, which is divided into benefits for consumers and benefits to the investor [7].

2.2.1 The benefits of E-commerce for the consumer

Show the benefits of consumer E-commerce is evident from the structural characteristics of the center, which includes the availability of information, search mechanisms, the immediate product, leading to a reduction of confidence in the purchase decision and the main benefits are [2]:

- The ability of consumers to have access to more information: using the Internet could become a consumer market of e-

business communication and this communication provides an opportunity in the search for a product bought and who wishes to collect information from more than one product from around the world and then take the appropriate decision.

- Responding quickly to the needs of consumers: one of the most important factors that determines the consumer in light of the purchase price of any product is through E-commerce has become a consumer can be carried out to world prices rather than prices subject only to the local market.
- The lowering of prices and costs: As the market became open to the consumer is no longer restricted only the local market, competition between investors have become focused on quality rather than price and this led to the use of consumer products with higher quality and lower prices as investors are competing to match the specifications of their products with the requirements of the consumer.
- Option at a global level: As e-business market is the global market and is open to everyone, it provides an opportunity for consumers to choose who wishes to purchase the product from the global market and not just a local market.
- Easy search and comparison: The ability of the Internet (Web) to deal with a huge volume of information has given the consumer the opportunity to compare products easily and wants to buy high-speed. (www.itcomm.org.pk/).

2.2.2 The benefits of E-commerce for the investor

- Reducing the supply of the product: the process through the Internet are a direct supply from the investor (the product) to the consumer rather than the traditional situation where the supply of goods which pass through a long series; from manufacturer to wholesaler to retailer and then to the consumer and the best example of goods that are provided through a network of communication.
- providing cost material: the seller and the buyer can communicate with each other directly, they could get rid of the costs imposed by the traditional market and the determinants of this communication is not only cost money, but here there is the time required to complete the business and hence significantly reduce the cost of the business a few very occasionally (Measuring the Internet Economy / June 2000 - University of Texas).
- Cope with the needs of the consumer: the product has been able to make provider understand the needs of the consumer, through electronic communication, which became able to collect detailed information on consumer needs and demand and to amend the specifications of the product to suit those needs. And not only had that, but the interaction with the buyer returned the product the benefit of the product, namely the development of relations with the consumer which is considered the capital.
- Global presence: the boundaries of a product that's not the geographical boundaries or political boundaries but are determined by the expansion of computer communications network is now unlimited. This greatly helped to facilitate the process of creating new markets, and to enter into new markets, and speed in marketing. It has become so small producers can have a global presence for themselves.
- Competing quality: the existence of global Ecommerce market has become a measure of competition between investors, other than the price of the product, as this market is open to the consumer, the price is no longer a major factor of competition are product quality, which has become the main protagonist in the competition here is now directed investors towards improving the quality of their products until the inevitable requirement gives the investor the opportunity to attract consumers from different regions of the world.
- Improving the level of competition: The use of Ecommerce has opened up the opportunity in the investor interest in the new elements of competition is the consumer himself is now closer to the investor and the consumer led to improvement of pre-sales and after-sale services and to improve the technical level by the information on products where the investor provides a clear indication for its products, which helps the consumer to obtain product information easily and quickly.
- Operational benefits: The use of the Internet have opened the door for investors to exercise many of the administrative work through the mistakes and avoiding operational costs example: the investor is now able to electronically access tender, bidding, and bidding the same way [4].
- Tax evasion, where the investor tax evasion, including the sales tax, the use of E-commerce, where the loss of human control to commercial transactions carried out by the investor through the Internet.

All of these benefits and opportunities created by the E-commerce seems to separate from each other, but in fact are

interdependent with each other, for example, to improve competition and level of service that can be derived by adapting to the needs of the consumer, and reducing the supply chain can contribute to reducing costs and prices.

3. E-commerce in Jordan

3.1 The Economic Reality of the Jordanian

The Jordan is an economic renaissance of the States, like many countries in the world, including Arab countries, but in the last ten years, Jordan has witnessed a shift in the economic pattern, after the adoption of the idea of an open economy, Jordan has become a climate attractive to foreign investors on the one hand and a country with its economic relations with many countries of the world On the other hand, in a short period of time the Jordanian economy has witnessed many changes and the most important of these changes are:

- Go to the privatization of certain economic activities such as electricity, telecommunications, water and other process is still ongoing.
- Jordan, a member of the global free trade agreement.
- Opened for investment to foreign investors and create the appropriate atmosphere to it.

All these changes have led to the opening of the Jordanian market to the global market and have developed a Jordanian investor in the competition with the foreign investor in the market, whether local or global. There is no doubt that the foreign investors, especially European or American, had reached a high degree of industry development in the business both at the level of production or marketing, this is true as technological advances in the West has had an impact on various aspects of life, including economic life. Has become a large part of the Western economy, from a conventional to a digital economy is a traditional trade routes to E-commerce, which we had previously and what their benefits. The support of this shift in the pattern of economic development in information technology, especially the Internet, which has become known as a mediator of the trade here is the competition faced by the Jordanian investor in the trade differs in content and style of competition is no longer a competition that relies on traditional close the distance between the manufacturer and consumer or In the market price of E-commerce has changed the pattern of competition, as the important factor in the competition is quality[2].

As the online marketplace is a global market and can be reached from different regions of the world As the online marketplace is a global market and can be reached from different regions of the world via the Internet is no longer a political barrier and the geographical limits of an important factor in the competition, any investor can enter the market, regardless of the investment. The development of the Jordanian investor to compete with the foreign investor must not be imposed by the tools that can have a competition and the terms of that E-commerce itself is changed by the pattern of competition is also a tool of competition for those who wanted to have a global presence in the trade. Hence, the use of Jordan's investor E-commerce is a prerequisite to establish its presence in the global marketplace.

The development of the Jordanian investor trend towards the use of E-commerce can not be an individual effort by Jordan and the investor alone or even by groups of investors, but this development must be a national project targeted efforts public and private sectors together on the basis of conscious coordination and cooperation with is through this project to provide the necessary prerequisites for the creation of E-commerce. The spread awareness of the use of E-commerce is not only at the level of the investor, but that includes all parties to the business. The E-commerce is not limited to the use of the investor, but it includes all parties to the businesses, which typically are the investors and consumers. To recognize the importance of the investor to enter the Jordanian market of E-commerce is sufficient to know that the size of the investment world of E-commerce market of approximately 30% of the total volume of investment which is equivalent to 135 billion dollars annually. It is anticipated that the size of the investment of about 62 trillion dollars in the end of 2009. This figure is a warning to all investors to go to the market of E-commerce [3].

3.2 Jordan Ready for the use of E-commerce

Internet technology has entered Jordan in 1995 and the technology is the most widely used in Ecommerce, have been deployed in Jordan, the use of the Internet is widespread among the various segments of the community, but does this proliferation has led to the development towards the use of E-commerce and whether Jordan is ready to use E-commerce? The company (Makona International) has developed five conditions to gauge the readiness of countries to benefit from E-commerce, namely:

- **Networking:** Networking is still the main obstacle to the entry of emerging economies to the world of digital economic and E-commerce, and networking must be provided to sources of reliable power, and infrastructure for the rapid transmission of information at a reasonable cost and to secure transportation services. The lack of any of these factors would weaken the State's capacity to take advantage of the added value of the digital exchange through the Internet.
- **The leadership of the path-mail:** coordination of efforts between the government and the private sector to create and develop E-commerce market, which means the public sector to give up some of the direct roles in the economy and maintaining the role of the observer on the activities of the private sector in order to ensure good service and consumer protection.
- **Information Security:** The weakness of the security and protection of information and software piracy and weak protection of privacy and lack of immunization of networks against hackers attack networks lead to a waste of efforts to increase the readiness of the State to enter the digital economy and E-commerce.
- **Human capital:** The successful investment in human capital and the training is the cornerstone for the success of efforts to establish a business environment of electronic and digital. This requires the strengthening of technical skills and managerial and organizational experience.
- **An environment of E-commerce:** e-business is like the rest of the work in the context of a specific legal environment that is essential to develop the legislation necessary for the completion of a safe and secure.

3.3 Requirements for the creation of Ecommerce in Jordan

The Arab Centre for Law and high technology to conduct a survey - September 2000 was to identify the objectives of the requirements of building E - commerce projects in Jordan have found that these requirements are:

- Ability to provide communications connectivity to the Internet quickly and efficiently
- Providing hardware and software licensed cost acceptable public and private sectors.
- Establishing of information networks (LAN) and information networks (WAN) in the public sector and private sector.
- Reducing of cost to participate and the cost of Internet telephony for the link with the Internet.
- Dissemination of awareness of E-commerce through the various media, and the adoption of teaching computer course in all phases of the study, rehabilitation and training of cadres in the public and private sectors.
- Promoting E-commerce and the deal is done through the support and encouragement of the ways to handle E-commerce such as the adoption of the banks to handle the electronic payment methods, and broaden the base of government services provided through the Internet, the promotion of investments in IT projects, to promote the Urbanization of Internet sites, and others.

3.4 Create the infrastructure for Ecommerce projects in Jordan

How the situation is and we are in 2009 after 9 years on the study and whether Jordan has become under the conditions laid down by the International Company Makona ready for the use of electronic commerce? Government of Jordan has realized the seriousness of subsequent competition, both of Jordan as a country is attracting foreign investors and at the level of local investors with other investors in the world and taken in cooperation and coordination with the private sector, serious steps in the development of information technology and the creation of infrastructure for Ecommerce market is these steps:

- To raise awareness of the importance of information technology, and the importance of computer use in business, through television programs, conferences and local and international symposia in the various media and this was done through joint efforts between the public sector and the private sector.
- To facilitate the spread of the Internet among the various segments of the community and alert them to optimal use. Today we see a lot of centers to provide Internet service in Jordan in the various regions, to support the ministries and public institutions to establish their positions in the computer networks and Internet service as is also the case in many institutions, the private sector.
- To teach the basic of computer course at all stages of compulsory education, secondary, colleges and universities in addition to the teaching of computer science devoted to all universities in Jordan have become some universities offer master's and doctoral programs in computer science.

- To reduce the price of the use of the Internet so that a large number of people of different strata to receive the service at home.
- To create the telecommunications sector as the most important building blocks for the infrastructure of the Internet and thus Ecommerce is the creation of communication systems by which information is correspondence between the computer networks (LAN & WAN) and the use of the Internet; Only area has the lines of communication to provide Internet access to all types and the use of what is modern in and delivery of this technology to the user without interruption and at reasonable prices. The companies also quick to cellular telephone service to provide service (GPRS), which enables the use of the Internet using a cellular phone. This service benefits, where it can be of the person from the use of the Internet from places where there is no ground lines of communication had been used as a laptop computer (Laptop PC) with the cellular phone.
- To create the cadres as the staff is one of the human capitals in the e-business investment is through training and rehabilitation of the technical and administrative use of computers and dealing with electronic commerce. The Government in cooperation with the private sector to hold training sessions for staff at various jobs in the computer and holding training courses on the use of the Internet and other courses in dealing with electronic commerce.

4. Conclusions and recommendations

The objective of this research is to identify the proximity to those with disabilities and the reasons preventing the use of commerce in Jordan. Found through research that the most important points that must be referred to in this area are as follows:

- Culture that is characterized by the Jordanian market, which is not been able to access and measured during this study, the traditional patterns of consumption, which is characterized by the Jordanian society, whether individual or institutional form have a negative impact on the prevalence of electronic commerce.
- Lack of knowledge of the Jordanian community,(individual and institutional) to the concept of Ecommerce,the opportunities given by the electronic networks, and their advantages in terms of reducing cost, time and effort.
- Despite the weakness of the independent impact of the range of factors before and during the search which led to the shallowness of the statistical analysis and the lack of depth of the results, which contributed to the small number of companies doing business via the Internet must be pointed to the importance of these factors, as evidenced by the literature and previous studies and similar in different societies, namely:

- 1- Providing the infrastructure of electronic equipment and qualified human cadres for the exercise of this work.
- 2- Funding strategies aimed at the establishment of E-commerce projects.
- 3- The importance of economic and legislative aspects of the proliferation of electronic commerce.
- 4- The dispersion of efforts and lack of adequate coordination between the sectors. Based on the outcome of the study, it can make the following recommendations:

- The need for funding and material support and the adoption of innovative ideas.
- Availability of infrastructure of computing and communications and related specifications and needs.
- Education and training in the field of information technology and increase awareness of the concept of E-commerce.
- Information from the adoption of policies to promote E-commerce deal.
- Coverage of legislation and laws to protect the intellectual property of the content of Internet sites.
- Encourage investment in the field of information technology.
- The existence of special laws relating to issues of electronic cash payments, credit cards, tax-related matters.

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