ASSESSING THE STATUS OF ELECTRONIC COMMERCE AND ITS PERFORMANCE IN THE JORDANIAN ELECTRONIC STORES

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ABSTRACT

Expansion of the use of internet leads to multiple uses within virtual world. One of these uses is e-commerce which becomes a necessity for dealings in the markets and improving countries economy. And so e-commerce has appeared in the Arab markets including Jordan whether it was through local companies or individuals. This research which aimed to assess the status of e-commerce and its performance in Jordan, adopted the qualitative approach following Content Analysis of the e-commerce literature; it addressed the concepts of the e-commerce and e-businesses, highlighted some international studies that discussed e-commerce and shed light on types of the e-commerce. To achieve the research's goals, samples of Jordanian e-stores were addressed. Results showed partial practice of e-commerce by stores of advertising. Moreover, adaptation of common means of payment to suit requirements of e-commerce was weak compared to modern countries that used the digital checks.

Keywords: E-Commerce, E-Businesses, Assessing, Jordanian E-Commerce, Status, E-Stores, Digital, Technology, Economy, Businesses.

INTRODUCTION

The electronic commerce has linked with the digital commerce in an era characterized by the great use of computer communication and net systems, in addition to satellites. As a result, a virtual world was created and the practice of the e-commerce started. Clarifying the concept of e-commerce, one needs to distinguish between the e-commerce and e-businesses. The concept of e-commerce refers to the process of electronic purchase and sale via internet while e-business as a concept refers to the activities done by the company in purchasing and selling the services and products using computers and communication technology as shopping and advertising via internet and the system management (Kenneth & Zaipuna, 2015). So we can say that e-commerce is a sub category of the e-businesses as it focuses on purchasing and selling products and services to generate revenues. EC can also be defined from the following perspectives: (Turban, 2010):

1. Business Process: EC systems are doing business electronically by implementation business process over electronic networks.
2. Service: EC system is a tool that addresses the desire of government, firms, consumers and management to cut service cost while improving the quality of customer service and increasing the speed of service quality.
3. Learning: EC systems are an enabler of online training and education in schools, universities and other organizations including businesses.
4. Collaborative: EC systems are the framework for inter and intra organizational collaboration.
5. Community: EC systems provide gathering place for community members to learn, transact and collaborate (Turban, 2010).

E-Businesses represent the system that includes the transactions which enhance and support the performance of the e-commerce and this is exactly what we intend to clarify in this research. In other words, it is possible to address the e-commerce through discussing the concept of the e-businesses and selecting some Jordanian electronic stores to evaluate the status of e-commerce and its businesses.

E-Commerce Applications

Bhasker (2004) stated the most significant commonly used applications which have been successfully used in different areas in e-commerce in the past few years:

1. Electronic auctions.
2. Electronic banking.
3. Electronic searching.
4. Education and learning.
5. Marketing.
6. Supply chain management.
7. Electronic trading.

E-Commerce Benefits

Awad [2006] stated more the benefits that can be gained from using e-commerce:

1. Lower cost
2. higher margin
3. Better customer service
4. Quick comparison
5. Increasing productivity
6. Swapping goods and services
7. Customization

Following up the recent global developments in the field of e-commerce and businesses has been the research's main concern. Jordan's tries to deal with the e-businesses as many local companies and individuals started to do so were humble. According to the annual report of knowledge economy which was announced in Business College in University of Jordan entitled by: " e-commerce and its role in the developing countries" and published in the International Conference for Trade and Development in Geneva, Jordan came in the 95 rank out of 130 countries in dealing with e-commerce (Awad, 2006). Many questions arose concerning the process of evaluating the reality of e-commerce and its performance in some Jordanian electronic stores. And so the problem of the research can be summarized in having answers for these questions by addressing the related literature to e-commerce in general and to some Jordanian e-stores in particular and analyzing them to come up with an evaluation to the status of e-commerce and its performance in Jordan. Reasons for choosing this topic vary. The originality of the topic and its relation to the era developments and innovations as working within a virtual world via internet. Additionally, the significant role of the e-commerce in developing countries' economy by using commercial policy via virtual world is another reason for addressing this topic. The e-commerce and its performance have imposed a new behavior of shopping via new environment; the customer visited e-stores and dealt with agents via internet and this undoubtedly saves time and effort in addition to improve the business efficiency. The research aimed to answer the following questions: What is the meaning of e-commerce and its

performance? What are the types of e-commerce? What is the status of e-commerce and its performance in Jordan? And how can the status of e-commerce and its performance in Jordan are assessed? Accordingly, the research aimed to identify the concept of e-commerce and its performance, reveal the types of e-commerce and highlights the status of thee-commerce and its performance in Jordan and to assess the status of thee-commerce and its performance in Jordan.

THEORETICAL BACKGROUND

The research has been divided to four axes: the first aimed to answer the first question by addressing the concepts of e-commerce and e-businesses and highlighting some related literature. While the second one soak to answer the second question concerning the types of the e-commerce and to answer the third question, three Jordanian e-stores were addressed. And the final axis assessed the status of the e-commerce and its performance in Jordan. The great use of internet services indicates the sustainability of the educational, cultural, health, social and economic development. The trend towards adopting the e-government, e-learning, e-health and e-commerce in the world in general and in Jordan in particular is noticed. For its great attendance internationally, the nature of e-commerce and its performance can be addressed as follows:

Based on what has been mentioned previously, Elena et al. (2016) pointed that e-commerce mainly pays attention to the information systems and other abilities concerning information technology in purchasing and selling goods or the services via Internet. Whereas, e-businesses focus on the internal commercial operations within one unit or multi units or institutions. In her study entitled "The coordination of E-commerce and Logistics," Li (2014) defined e-commerce as purchase, sale and exchange services and goods via internet through which transactions or terms of sale are done electronically. The concept of e-commerce refers to a great number of commercial activities via internet for products and services. It helps in changing business models and market structure and providing further economic growth opportunities. So it creates new models for organizing production and dealing with commercial businesses by providing a common thing among models of businesses (Kenneth & Zaipuna, 2015). It can be concluded that e-commerce concept includes sales and purchase operations and products exchange whether they are tangible or intangible widely all around the world. And the basics of the e-commerce are social, economic and commercial technology, in addition to communications. It can be said that e-businesses concept means the operations that take part in operating the electronic or the digital organization and these businesses include: direct commercial activities as marketing, sales, reengineering the commercial operations and change management. Therefore, e-businesses help in developing, improving and integrating the commercial activities.

(Papazoglou & Ribbrers, 2006) mention the effects of E-Business as follows:

1. Improved efficiency and productivity.
2. Reduction in operation cost and cost of goods and services.
3. Improved competitive position.
4. Improved communications, information and knowledge sharing.
5. Improved internal information access.
6. Improved relationships with suppliers and improved customer services.

Many studies have addressed the concept of e-commerce and its performance and the relation between the e-commerce and logistics as follows: In their study, Li (2014) soak to reveal the relationship between the logistic services and e-commerce in Amazon.com. The study

showed that developing logistic services facilitates production delivery and meets the customers' needs. Moreover, results of the study revealed the necessity of logistic services for e-commerce applications as they meet the customers' needs and they are in line with e-commerce applications. Therefore, any development in logistics leads to development in the e-commerce applications and this exactly what Amazon tried to do; it creates a unique mechanism which can help the business and market as it coordinates between the transport companies and logistics and integrate them in e-commerce and creates logistics section to cover the process of delivery the products to all countries all over the world.

Sahu (2016) conducted a study to evaluate the impact of the e-businesses on the organizational performance. The researcher assured the necessity of electronic update of the information to increase the skills and have more tools to complete the daily work of the e-commerce. To solve internal problems, internal nets could be used but to solve the external problems there is a need to internet word processing programs which are expected to affect negatively the labor forces in the supportive administrative jobs which may lead to e-human resources. The researcher showed interest in information technology as it becomes more connected with the commercial decisions and forces the information technology mangers to communicate effectively with businessmen. No one can deny the role of information technology in development, creativity and entertainment regardless experiencing the product itself.

In their study of the marketing mix of the e-commerce, Elena et al. (2016) assured the necessity of examining the process of transformation of marketing in e-commerce as the active participation of businesses organizations in e-businesses is mainly accompanied by problems in applying traditional marketing tools in a virtual environment. Accordingly, the study highlighted the significance of creating electronic marketing mix by involving social networks in the e-marketing and the mobiles applications. Moreover, the study addressed the significance of many issues as the necessity of updating the information presented via internet and being aware of the commerce and information which are presented by the e-stores (Elena et al., 2016).

Dealings between business organizations (business to business) is one of the fastest growing sectors in e-commerce; it's expected to be one of the biggest e-commerce valuable sectors in a few years. This picture includes c-c dealings that are represented in ordering the product and buying it, in addition to the other administrative tasks which are represented in delivery processes, business partnerships, professional services, production processes and wholesale commerce. Also this form sometimes concludes the commercial dealings between the virtual companies which don't have any substantial existence in reality, hence; processes can be implemented through internet and it ensures keeping or conserving the efficiency of exportation and production, it also depends on offering the suitable products and services in the possible speed.

Dealings between business organizations and consumers (business to consumer) concerned with dealings between business organizations and consumers in which these organizations sell their products or services to consumers through internet, they store the data of business website in a catalogue on the internet through data base and it also includes banking services, travelling services and health services. However, this form is not acceptable for consumers, they might doubt the process of guaranteeing safety of their information and the process of using them effectively by the business organization, this form might be vulnerable to security threats through credit cards by business organization which guarantees the consumers' personal information, this determines the importance of heedfulness of security techniques, this guarantees the safety of work information for the consumer. Whereas, dealings between

consumers (consumer to consumer) is concerned with providing dealings between consumers which are represented in electronic auctions (through internet); the consumer is provided by selling advertisement to sell his products to another consumer, hence; the seller and the buyer are registered in the auction website, the seller is required to pay constant fees on the internet, while the buyer in not.

Dealing between consumers and business organizations (consumer to business) is tremendously similar to the way of dealing between business organizations and consumer. However, there is a difference between them; the buyer is the one who organizes work, not the organization, as the consumer is the one who decides the price of a certain product instead of the supplier. This form includes individuals who sell their products and services to organizations. All types of e-commerce contribute in decreasing the telecommunication cost in comparison to the traditional way of communicating which demands using variable transportations. Moreover, it contributes in commercial marketing speed, in addition to enabling business owners to reach the narrow market sectors which contribute in the creation and existence of virtual communities and markets which include specific products and services. Also this thing increases selling opportunities for the seller and purchase opportunities for the buyer. As well as barcoding products and processes so that the product can be uploaded directly through e-mail for customers, digitally or electronically through internet, especially in the case of buying software, music, books, e-magazines and video products.

Kotlyarov (2012) sees that e-commerce with its different forms enables consumer to get a variety of options for his needs, also to process transactions through the whole year any time, any place, for instance; travelling and accommodation transactions. It also enables consumer to choose the best price by comparing prices around the world in a short time and receiving orders either by instant collection available in commodity and product bar-coding, for example, software or mp4 files uploaded through the internet or by fast delivery using express mail within 24 hours. While others have mentioned that e-commerce with its different forms contributes in enabling the developing and rural communities, just like the developed countries, to receive their orders whether they are products, services or information easily. It also enables individuals to accomplish their business any time and any place. In addition, it facilitates the public services, for instance; health services available on internet (online doctors and nurses consultancy).

E-COMMERCE AND ITS BUSINESS FACTS FOR SOME JORDANIAN E-STORES

This form flourished widely in Jordan, simultaneously with the spread of blogs and websites through internet and social media. In Jordan, this system is represented by the existence of websites for a large number of malls that exist in reality. Each mall has its own website which contains other websites for stores linked to it in reality, these stores show variable products through a webpage for electronic selling or buying, for instance; Molaty store for clothes, which has been established in Jordan, 2015, under the supervision of Smart Station for E-marketing. The following methods shows how to deal with store and its services: (Molaty's website)

1. It has a website provided by who we are; contact us, about the store, products pictures, prices, sale offers pages. In addition to things that concern the buyer.
2. It's possible to contact the store using Arabic or English, plus the catalogues that helps the visitor to choose what is suitable of products. Moreover, visitor can find pictures for the product (clothes); this contributes in being aware of the shape and color of the product.
3. This store provides products for show only, this show up under each picture, if the price is under the product's picture; this means that the product is offered for buying online, in case it's not, this means that

the store is presenting an offer only. This represents the way of contact and purchase in traditional commerce.

4. This store provides delivery service for consumer in the capital Amman only; payment will be once the product is received.

ARABIAN AND LOCAL E-COMMERCE GROUPS

This form flourished widely by a group of experts who worked in websites establishment and digital marketing field since 2003, one of the examples is the Jordanian Company for Programming and Marketing (Hala bazaar), as the e-store webpages are linked to the company's webpage through social media; Facebook, Twitter, as well as, customizing the webpage by adding the company's logo and a cover for the webpage. As the stores' products, website, contact information are shown throughout the partnership period. By this it helps companies' owners and businessmen in Jordan and Arab world to upload their business and projects on internet for concerned people in this field. Therefore, expanding the customers' base and creating a yield market to reach groups out of the borders. This group includes different and variable stores, for instance; Safeway stores, restaurants, car stores and so on.

INTERNATIONAL FORM OF E-COMMERCE

This form spread widely in developed countries, it's a system that includes tremendous commercial websites, it has representatives around the world and Jordan is one of them. As they do shipping service, delivery, product's collection to the registered address on the sign out page. Therefore, Jordan's role in e-commerce comes from this form, as it contributes in contributes in product collection process, product clearance and then delivering product process for buyer; as it represents the major e-store that exists in a foreign country. One of the examples is KashBasha store. As KashBasha store linked its website to other websites, so visitor can browse these websites freely before starting the purchase process and filling up the shopping trolley. As the customer finishes shopping, he clicks on finish and then comes the provided service represented by the application that calculates any extra expenses, for instance; shipping fees, customs and tax depending on product. It is offered to the buyer either by dollar or by local currency, as visitor pays only the price that is seen. Furthermore, it could be found by specialized services, for instance; medical, legal, geometrical consultancies and so on. This matter assures the importance of developing logistic services accompanying this form of e-commerce in Jordan; as Arabic and Jordanian logistic services need also to develop the flow and management of different resources like commodities, power, data and human resources, in comparison to what foreign studies have shown about the concern of developed regarding this matter. A study has shown that the relationship between logistic services and e-commerce has provided facilitated services through e-commerce. Moreover, it is possible to include groups form in the global categorization which refers to dealings between business organizations-to-consumer, as well as, the dealings between consumer-to-business. As for the global e-commerce form, represented by KashBasha store in Jordan, we can say that this store has employed its experience in a great, exciting shopping trip, as the website is linked with other websites so that the visitor can browse them freely before starting the purchase or selling processes. As well as, the website has electronic purchasing service. Therefore, it provided the application service to calculate expenses, shipping fees and customs and tax so that it becomes possible to prepay using Visa Cards. After finishing the purchase process, orders are shipped electronically to the major center in USA and then they are prepared and shipped to the intended destination. Shipments are tested by destination once they

are received. Hence, we can say that this form suggests the universality feature that exceeded. As a result, the world is transformed into an open market for the consumer, despite the geographical location of the seller and the buyer.

E-commerce agreements strive to liberate service and commodity commerce, as e-commerce naturally, accomplishes this goal without any negotiations. Thus, e-commerce requires a mass effort to organize it because originally it does not require barricades or borders. Based on that, depending this form of e-commerce gives an opportunity to show products and services constantly without any limits internationally. This provides a great opportunity to earn extra profits, in addition to reaching a great number of customers. Moreover, the possibility of decreasing the administrative expenses, shipping and advertisement, data of design and manufacturing, decreasing company's expenses and the possibility of establishing a worldwide specialized companies. After finishing the electronic purchase process, KashBasha Automatically ships all the orders to the main address in USA to be prepared and shipped internationally to destination country. As it's received, it will be tested and cleared by destination and then it will be delivered effortlessly to the buyer. The applied reality of e-commerce in Jordan shows variable patterns represented by offering products, services through internet and proceeding in selling products online using websites along with cash payment, credit cards and other payment methods.

By reviewing the theoretical background of e-commerce and its business, for some Jordanian e-stores represented by the local individual form, we can say that this form contributes in increasing the number of individuals who work in e-commerce from their homes. In addition, individuals who live in remote areas away from capital cities will be able to get products and services were not reachable in traditional ways. Furthermore, this form may have some negativity exemplified by depending on traditional e-commerce methods; it's giving an opportunity to show products for show only, without pricing it for sale. This issue is a sign of inadequacy and absence of e-commerce culture for some citizens in Jordan. In addition, logistic services for this form are inconsiderable. Users of this form depend on the traditional way of delivering the product inside the capital Amman boundaries; this matter is a sign of absence of e-payment process, which is considered as one of the technical methods used in e-commerce.

Hence, in Jordan, the local individual form of e-commerce combines between the virtual and real environments; according to that, it's possible to place this form within the international categorization, which indicates the dealings between C-C, as the consumer is provided by a selling offer on products, to another consumer. As for e-commerce groups form, we can say that it includes that simultaneously sell products and services, as this form allows shopping from many places and makes a fast comparison. In addition, this form of e-commerce could be seen in some fields, for instance; banking commerce, engineering designs, commercial dealings and services, books and magazines commerce, clothing e-commerce, cars and so on. Moreover, it could be found commercial dealings form, for instance; presenting graphics and electronic samples for the product, exchanging documents and exchanging pre and post selling service. Thus, some limiting obstacles cannot be exceeded the development of e-commerce in Jordan. These obstacles are represented by the language factor that hinders the interaction between customers and many websites. This issue assures the necessity of developing some programs; it can create a qualitative shift in translating contexts to understandable languages for customers. Thus, it's important to take culture, habits, traditions and values into consideration, as this won't hinder the commercial websites usage. Therefore, it's possible to say that there is distrust in the electronic methods of payment; it's the most limiting obstacle that faces the Jordanian e-

commerce. This assures the importance of using specialized programs for securing the payment methods; to establish the customers' trust. However, there are the payment portal gates linked with international companies like Visa and Master Card that hinders the verification of payment process unless the security code sent to the user's mobile was entered. Hence, we can say that international e-commerce as a whole, depends on the virtual environment, as a result, this form is concerned with dealings between B-B, as well as B-C.

In general, Jordan is still in the primary stages according to the usage of application in e-commerce, as the process of adjusting the traditional payment method is inconsiderable, in comparison to developed countries that use electronic check instead of paper check. In addition, it's possible to infer this diagram of e-commerce in Jordan according to the research inputs (Figure 1):
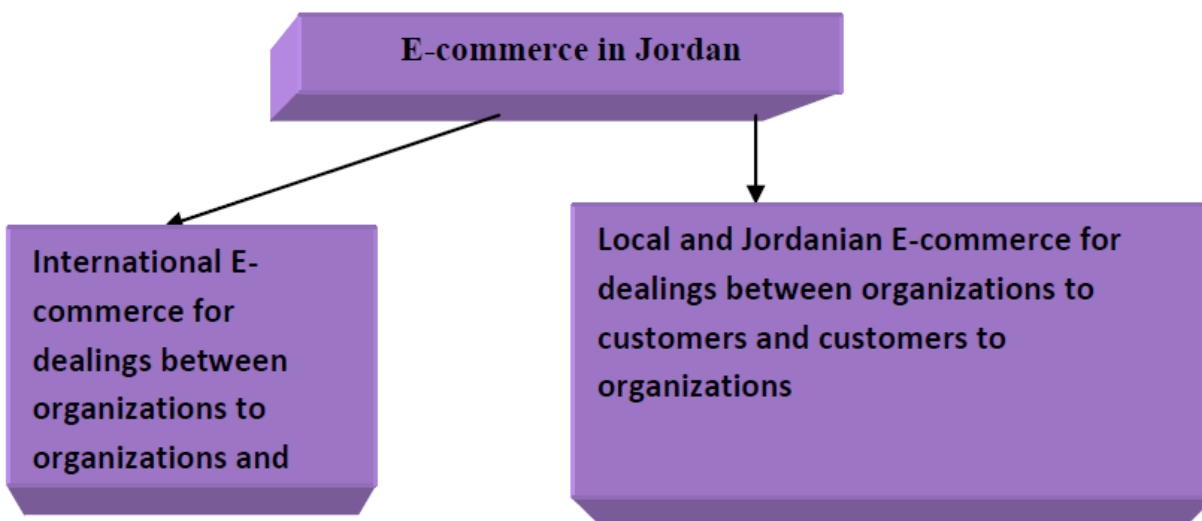

FIGURE 1
E-COMMERCE IN JORDAN DIAGRAM-2017

CONCLUSIONS

1. As a result of analyzing the theoretical background, it was clear that there are approaches to transmit internet services for houses, this increased the number of customers who can reach e-stores from their houses, also it enhanced e-commerce's role.
2. Results have shown that e-commerce exists partially; as it's for show and advertisement only. Therefore, e-commerce is an incomplete, partially practiced, process.
3. Results have also shown that there is a failure in the process of implementing all the traditional methods of payment in Jordan; to suit e-commerce requirements, in comparison to developed countries that use electronic checks instead of paper check.
4. Results have shown a sort of insufficiency in credit cards usage, as they are limited in outreach to be used in e-commerce transaction.
5. Results have shown that there is an inconsiderable understanding of logistic services accompanying the Jordanian e-commerce.

RECOMMENDATIONS

1. Spreading awareness for the importance of e-commerce technology, logistic services and its practical application by the ministry of trade and industry and media institution.

2. Following up with all practices related to e-commerce and assessing them by stakeholders; to enhance the valid practices and limit the invalid ones.
3. Understanding the significance of using electronic payment methods by e-commerce users; as being one the important factors of e-commerce existence.
4. Understanding the necessity of a detailed and examined strategy to establish and create websites for e-commerce; as the digitalized commercial stores exist in a limitless, virtual world, in comparison to the traditional stores that exist in limited markets.
5. Conducting more studies and research about e-commerce; to spread awareness and understanding about the significance of dealing using it, as this era is rich with modern technologies.

ENDNOTE

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