Critical success factors for e-commerce in Jordan: case study analysis

Dmaithan Almjali
Assistant professor
Management Information system,
Zarqa university
Amman, Jordan

Abstract: Recent reviewers (Venkatesh and Kumar, 2012) have called for more research into the factors that affect E-commerce Trust. In this paper, we develop and empirically test specific forms of management model which are required to drive E-commerce Trust. Further, we propose model to examine the impacts of three factors on E –commerce Trust. The data from over 300 students, using structural equation modeling generally support the hypotheses. Furthermore, the study's findings suggest that attitude toward store, perceived usefulness, easy of use; impact significantly E-commerce Trust.

Keywords: ecommerce, easy of use, usefulness, Trust, attitude towards astore

I. INTRODUCTION

The explosive growth of the Internet since the mid-1990s radical changes in the economy. Internet has become more than a simple and effective way to exchange e-mail and documents; it is emerging as the backbone of a crucial trade. He had been following the growth of the Internet for the spread of e-commerce .It is one of the most obvious examples of the way in which information and communication technology can enhance to economic growth. It assists countries enhance trade efficiency and facilitates the integration of developing countries into the world economy. It allows firms and entrepreneurs to become more competitive. In addition, the total value of e-commerce in developing countries pales in comparison with the rate in developed countries.   In addition , business models of electronic in Western countries and trade to take advantage of the advanced infrastructure and try to manage the flow of information, and the flow of goods and the flow of pay as much as possible with electronic solutions (Liu and Amett, 2000). On the other hand, has been to restrict the growth of e-commerce in developing countries through ineffective work environments and infrastructure, and cultures that make up the great challenges of e-commerce projects. For example, include the common challenges in developing countries, the absence of the affluent consumer in the local markets, and the lack of trust , and the high cost of and access to unlimited Internet, and inadequate knowledge workers and transport systems inefficient, and inadequate access to the computer, and the lack of electronic payment methods credit cards, and limited ability to deal with security on the Internet (E- commerce and Development Report , 2002). Also, business models and e-commerce that succeed to be different from those in developed countries and developing countries. In addition of the challenges facing e-commerce projects in developing countries and some e-commerce was business ventures successful. The intent of this research is to understand what it takes e-commerce for a project to be successful in developing countries by identifying the critical factors that affect the success and critical success factors for e-commerce can then provide a framework to guide the development of e-commerce projects in developing countries.

Moreover, it can be compared to these critical factors with those found in developed countries. The results could provide guidelines for projects in developed countries, which is planning to enter the markets of developing countries.

a)   *E-Commerce in Developing Countries: The Case of Jordan*

The present study, the researcher has chosen Jordan as a developing country representative in Which to study the e-commerce development. The selection is based on two reasons Jordan. One reason is that the Jordanian government is considering e-commerce as a key to gain a competitive advantage in regional and global market. The second reason for the selection of Jordan is that e-commerce development in Jordan is increasing.

b)   *Critical Success Factors for E-commerce*

For projects of e-commerce to achieve success, you must meet the basic work conditions, as well as to successfully compete against their competitors in meeting the needs of their customers. The concept of critical success factors, which was originally developed by Rockart (1979) to determine the needs of real information from senior executives in the decision-making process. According to Rockart (1979), and identifies critical success factors in the areas or functions in the things that should be going in the right direction to ensure successful competitive performance of the organization. For the purpose of this research, and plans for e-commerce refers to a limited number of specific elements of the implementation of trade or internet promotion that should be going in the right direction for e-commerce to thrive.

Research and a wide range of schemes for e-commerce has shown. However, these factors are based on the e-commerce studies in developed countries, where the infrastructure that supports the development of e-commerce to fully develop. Developing countries, on the other hand, we have underdeveloped infrastructure and different culture and business practice, which may not support the development of e-commerce in the same class or the same ways as those in developed countries. This raises the question of whether the factors that affect the success of e-commerce in developing countries are different from those in developed countries. Success decisive relevant for all companies in the industrial sector, in particular, the factors, which include the elements required by any company operating in the same industry, but usually these vary among industries. This research is an attempt to determine electronic commerce requirements of factors.

c)   *E-commerce Business Model*

For the purpose of this research, I will use the framework of the business model and e-commerce to capture systematically how it works on the e-commerce project, and at the same time check e-commerce roles in the context of a comprehensive plan for the activities of e-commerce . Literature provides a variety of business model definitions. For example, Timmer (1998), e-commerce business model as the structure of the definition of products and services and the flow of information, including a description of the various business actors and their roles. He described the potential of the different operators in the business sector benefits. A description of the sources of income .Marshall and McKay, 2002 that the business model on the Internet explaining how to use a range of online activities and the Internet to make money over the long term and medium term, the company is connected to the Internet. For this research, and business model, electronic commerce as a model for the definition of company value creation how to put together a piece of companies to make money through the internet channel. E-commerce business model includes a wide range of business activities, which include not only the activities related to the Internet, but also Internet activities are relevant that require the company. To know the main factors behind the ecommerce Trust in Jordanian context, the researcher conducted a preliminary study. The interview-based preliminary study of the students in faculty of economic and administrative science in zarqa university suggests that attitude toward a store , perceived ease of use and perceived usefulness are the most important factors which are representative of the culture gap between customer and ecommerce trust. Previous studies discuss these factors below:

Attitude toward a store

Found high levels of confidence by buyers to stimulate positive attitudes and behavior (Anderson and Narus,1990). I found Macintosh and Lockshin, 1997 that the consumer confidence in the shop influenced consumer attitudes towards the shop. Exchange partners who bonded are socially very positive attitudes towards each other (John,1984)

Perceived Usefulness

Benefit seen is the belief that a particular technology will help the user achieve business objectives him or her. In the context of the adoption and use of new technology in the workplace, Venkatesh, Morris, (2000) provide evidence that the most important of the employee's position towards the adoption and use of new technology is to his or her perception of the usefulness of this technology factor.

Perceived Ease of Use

Ease of use refers to the user's belief that the technology in question is difficult Use. Specifically, is the degree to which the use of free technical assessment effort (Davis, 1989). If a particular piece of technology or a complex system excessively or otherwise difficult to use, it is unlikely to be used when there is an alternative way. Thus, it is difficult to judge the use of technology by the operator to be less useful under voluntary conditions.

d)   Proposed Conceptual Research Model and hypotheses formulation

This section aims to present the conceptual framework proposed in this study together with the hypotheses formulated for the purpose of testing the proposed model as figure below:
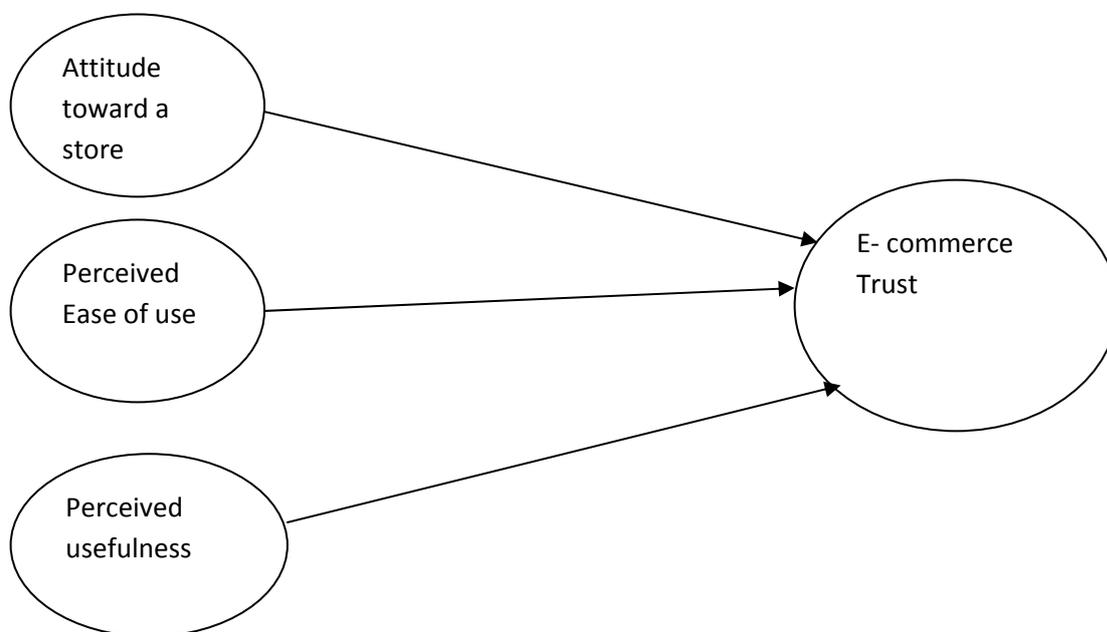

Figure 1: proposed model

H1: There is a significant relationship between attitude toward a store and ecommerce Trust

H2: There is a significant relationship between perceived ease of use and ecommerce trust

H3: There is a significant relationship between perceived usefulness and ecommerce Trust

11. Methodology

e)   Research Population and Sampling Frame

The research population consist of all students in faculty of economic and administrative science in zaraqauniversity , the sample fram was determined from zarqa university website (www.zu.edu.jo) which include 2600 students from eight specialists

Stratified random sampling could be the best way from the sampling designs when there are strata populations available and able to provide the information needed (Sekaran, 2003). The student in faculty of economic and administrative science were targeted for the survey. The author aimed to engage all students from the 2600. Thus, the minimum sample size for this study is

335, Krejcie and Morgan, 1970 provided guidelines for sample size decision. The sample was randomly selected from the suitable population who meet the inclusion criteria. Different student were selected to ensure that the sample population included genders, all ages, and different specialties.

f) Measures

Scales to measure each of the factors in the model were developed based on previous literature and using existing scales where possible. In particular, measures of attitude toward store was based on the suggestions of (Ajzen and Fishben ,1980), measures related trust was based on the scales of (Doney and Cannon ,1997), and scales related to perceived ease of use was based on prior work by Davis, Bagozzi, and warshaw,1989. Measures related perceived usefulness was based on the scales of(Davis,1989)

The preliminary instrument was pilot tested and reviewed by many assistant professors in faculty of economic and administrative science in Zarqa University for clarity and completeness. Modifications to refine and shorten the instrument were made based on these preliminary tests.

111. Finding

Validity test was conducted through reliability (cronbach alpha), composite reliability, confirmatory factor analysis (CFA) and average variance extracted (AVE). The reliability readings for all variables are well above 0.6 which indicate internal consistency for all measurement. The result of CFA shows that all factor loadings which shown above 0.3 for all items, thus indicating convergent validity for all latent variables. The result of AVE as compared to correlation square ($r2$) are positive which shows that discriminate validity is supported for all constructs (Fornell and larcker, 1981). Further more if the GFI,AGFI,CFI are from 0.80- 0.90 are considered to be acceptable (Bentler, and Bonett, 1980).The results of Goodness of fit (GOF) of the revised structural model shows that Goodness of Fit Index (GFI) is .94, Adjusted Goodness of Fit Index (AGFI) is .81, CFI is .93. Also RMSEA values takes into account the goodness – of-fit of the model, and that the accepted values should rang between 0.05 and 0.08 (Hair, Black, Babin, Anderson, and Tatham, 2006). However the value of Root mean Square Error of Approximation (RMSEA) in this study is .064, Also (Carmines and McIver, 1981) stated that the ratio of Chi-square per degree of freedom which ranges of 2 to1 or 3 to 1, is considered to be acceptable. Consequently, the value of cmin/df ratio in this study is 1.51 within the suggested value. Therefore all hypotheses are discussed based on the revised model. To test the hypotheses, the standardized estimates beta (β) and the critical ratio (CR) are shown in parentheses. Thus, H1 is supported when attitude toward a store is positively influencing ecommerce trust (β =.294, CR=3.2, P – value =.007), perceived ease of use is positively influencing ecommerce trust (B=.177, CR=1.64, P- value= .094), Thus H2 is supported, perceived usefulness is positively influencing ecommerce trust (β = .288, CR = 2.25, P- value= .087) thus H3 is supported.

II. DISCUSSION

This study provide comprehensive model to understand which factors affect on ecommerce trust in Jordanian context .The result suggest attitude toward a store   which consist from the idea of using the Internet to shop from virtual organizational enhance ecommerce trust. The result emphasize that virtual organization need to make sure about the easy of use design for website, so perceived easy of use influence positively on ecommerce trust in Jordan. Also the result from this study suggest that perceived usefulness is positively influence on ecommerce trust in Jordan, This research strongly will encourage   researchers to pay more attention to the ecommerce aspect, and to examine its factors and ecommerce trust. The model offers virtual organization some indication of the ways in which they can organize their IT to promote ecommerce trust. It could help them to develop their practices and mechanisms driving toward supporting interaction, using and shared knowledge.

III. CONCLUSION

The topic of ecommerce trust remains one of the most essential areas in the MIS field. Also, there have been recent calls from scholars and researchers (e.g. Venkateshand Kumar, 2012) to investigate the topic area further. Therefore, this reflects the importance of this research in the field of MIS generally, and in the ecommerce trust, in particular.

The proposed model implemented in this study contributes to the enrichment of the research in the field of ecommerce of IT by considering an integrative approach containing factors of ecommerce trust, attitude toward a store, perceived ease of use, and perceived usefulness. Moreover, this research makes a methodological contribution to IS theory by using structural equation modeling with the powerful AMOS approach that assists data analysis. By using the rigorous SEM tests in this research, a precise foundation has been established for the theory, building in the area of ecommerce trust. Therefore, based on the research findings, the current research model should be considered as a starting point for future research in identifying the best ways of realizing ecommerce trust , so that virtual organization can maximize the benefit from it.

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