

Chapter 14

The Perspectives of E–Commerce in Arab Region: An Explorative Study

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ABSTRACT

E-commerce is the technology of realizing business transactions via electronic media. The Internet has presented this media to the degree that business is being more and more made through it. This chapter examined issues such as the scenarios, employment, and recognition of e-commerce, etc. in the Arab Region. Moreover, an extensive literature review has been conducted towards various features of e-commerce. The outcomes of the research, which are presented in this chapter, may shed light to better appreciate the present day e-commerce expansion issues in the Arab Region, which may be beneficial for both practitioners and scholars.

INTRODUCTION

In electronic commerce environment, business to customer electronic commerce had developed rapidly for recent years (Alden et al., 2006; Holt et al., 2004) and advances with the Internet and e-commerce have further diminished trade boundaries. E-commerce and e-shopping create opportunities for businesses to reach consumers

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globally and directly – indeed they are transforming retailing. In turn, business and social science research increasingly focuses on cross-national and cross-cultural internet marketing (Griffith et al., 2006). This paper examines an aspect of e-commerce of increasing potential importance, in the Arab Region context.

E-commerce is described like to make production, presentation, selling, insurance, distribution and payment transactions of the goods and services in the electronic domain. The developments in the information technology which are the effective ways to provide the new arrangements for the relations between firms and clients, called forth the new jobs and commercial tools (Crespo and del Bosque, 2008). Zwass (1996) described the e-commerce as to share the commercial information by preserving commercial transactions and relations conducted with telecommunication networks. Kalakota and Whinston (1997) stated to be defined it as the distribution of products and services via computer networks. Treese and Stewart (1998) referred the e-commerce as the usage of the universal internet for buying and selling of the goods and services. The simplest meaning of the e-commerce is described as buying and selling of the goods via internet (Shih, 2004).

Besides, brick-and-mortar trading activities have moved to the Internet, and are typically conducted via web-based systems called e-marketplaces that enable automated transactions and collaboration between buyers and sellers. According to the e-Marketer (2004), total e-commerce in the business-to-business (B2B) sector exceeded US\$ 2.77 trillion in 2003 whereas e-commerce in the business-to-customer (B2C) sector reached US\$ 0.452 trillion in 2003. E-Marketer (2004) also reported that North America accounted for US\$ 1.6 trillion of the US\$ 2.77 trillion B2B e-commerce market, with the remainder being comprised as follows: Asia-Pacific, US\$ 0.3 trillion, Europe, US\$ 0.8 trillion, Latin America, US\$ 0.58 trillion, and Africa and the Middle East together accounting for US\$ 0.177 trillion. The market intelligent center (MIC) based in Taiwan (MIC, 2004) reported that the value of e-marketplace transactions in Taiwan exploded between 2000 and 2003 (recording US\$ 56 million in 2000, US\$ 125 million in 2001, US\$ 406 million in 2002, and US\$ 750 million in 2003). By 2007, 50% of B2B e-commerce in Taiwan will be transacted through e-marketplaces, compared to an average of 55% of B2B e-commerce worldwide via e-marketplaces, according to Internet Data Center (IDC) Report (IDC 2005).

On the other hand, from the Gulf and Arab Region perspective however, many countries, particularly in the Arab Region, have already or are keen to implement e-business and e-commerce strategies to promote economic and social development. E-commerce can create profound changes in the structure of the economy and accelerate social changes, and its adaptation can result in improvements in productivity, particularly, it gives SMEs in the region the ability to penetrate international markets that few years ago used to be difficult to enter due to high transaction costs and other

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