

## THE IMPACT OF DEVELOPING NEW STRATEGIES IN ELECTRONIC COMMERCE ON COMPETITIVE ADVANTAGE IN THE OPERATING COMPANIES IN JORDAN

Nussaibh Mahmoud Erood, Maha Walied Alfadel

Gulf Institution for Academic Research and Translation,  
JORDAN.

[ansamm\\_83@yahoo.com](mailto:ansamm_83@yahoo.com) , [maha3\\_2007@yahoo.com](mailto:maha3_2007@yahoo.com)

### ABSTRACT

*The study aims to identify and analyzes the impact of developing new strategies in e-commerce on competitive advantage in the operating companies in Jordan. The study sample consists of (20) managers of companies that apply the e-commerce strategies. The survey method is used as a study tool. The paper concludes that developing of new strategies in e-commerce will have significant impacts on companies in Jordan and on each of the business-level strategic areas.*

**Keywords:** e-commerce, operating companies and business-level.

### INTRODUCTION

Recently, E-commerce has received a lot of attention from businessmen, executives, managers, investors, and manufacturing observers, because of the major role that it plays in the world's economy. As information technologies (IT) expand and develop, a new ways of business processes has emerged, creating chaos in the industry. Organizations nowadays frequently combine Internet technology to redesign processes in ways that make their competitive advantages stronger. Success breeds simulation and encourages more entries. The rapid growth of e-commerce values in the past few years has persuaded many people that a new market has been emerged. And the most successful new business models are possibly those that can mix Internet technology to all activities of the enterprise-wide value chain. So with quick growth in technology, novel ways of business process redesign, which include entering the e-commerce marketplace, have emerged. Organizations today redesign their processes in ways that give competitive advantage. Nevertheless, gaining competitive advantage necessitates establishing on the proven values of effective strategy. And from that stand point became the importance to do such a research that aims to clarify the impact of the development of new strategies in electronic business on competitive advantage in the operating companies in Jordan.

### LITERATURE REVIEW

In the promising international economy E-commerce has rapidly got a highly required component of business development as well as a well-built channel for developing economy. Integrating information and communications tech in the field of business has transformed relationships between and within organizations and individuals. Specially, the utilization of ICT has promoted productivity , in business, motivated further customer participation, allowed mass customization in addition to reduce costs (Schneider, Gary and James T. Perry , 2000).

In considering the developments taking place in the technologies that are based on web or in the Internet, differences among traditional markets and the international market place for example

the size of business capital are narrowed down. The game name is positioned strategically, the company's ability to set out emerging opportunities and employ the needed human capital skills in order to make the most of such opportunities through a strategy of e-commerce which is simple, practicable as well as workable in the regard of an international information setting and novel economic milieu. With its result of ranking the playing domain, e-commerce coupled with the proper strategy and policy approach empowers enterprises of small and medium scale to struggle with large and capital-rich enterprises (Kalakota, Ravi and Andrew B. Whinston, 1997).

On the other hand, developing countries receive rapid access to the global marketplace where they compete with the more developed economies. The vast majority of developing countries are already taking part in e-commerce, whether as sellers or buyers. Yet, to ease e-commerce growth in such countries, the comparatively immature information infrastructure has to be developed. The following are amongst the fields for policy intervention: a) High costs to access Internet including the fees of connection service, fees of communication and websites hosting charges, b) Credit cards limited availability and narrowed scale of the system of credit card, c) Weak transaction infrastructure leading to slow goods and services delivery, d) problems of Network security and deficient security protections, e) not having enough skilled human resources and key

It is well understood that in the Information Era, commerce via Internet is a strong tool in the growth of developing countries economically. Whilst there are suggestions of e-commerce support among large organizations in developing countries, there appears to be little and insignificant utilization of the Internet for commerce among firms that are of small and medium size. E-commerce assures better business for sustainable economic development for developing countries (Haylock, Christina and Len Muscarella, 1999). Yet, this is depended on well-built political will, good governance, as well as on a responsible private sector within the context of an efficient policy structure. What is e-commerce?

E-commerce means a wide scale of online business activities for goods, products and services. It also is relevant to any type of business transaction in which the parties can interact electronically by physical exchanges or straight physical contact (Lallana et al, 1997).

E-commerce is typically related to buying and selling via the Internet, or conducting transactions concerning the transition of ownership or rights to make use of goods or services through a -mediated network that is mediated on computer. Although popular, such definition is not wide-ranging enough to capture modern growths in this latest and ground-breaking business phenomenon (Bakos, Y., E. Brynjolfsson, 2000). A further entire definition is that E-commerce is the employment of e-communications and digital data that processes technology in commerce transactions to make, transform, and redefine relationships for value creation among firms and individuals.

### **Problem Definition**

The nature of nowadays business is facing a series of changes and developments that affect various areas of life, and that we need new strategies and problem solutions, based on comprehensive knowledge of the conditions surrounding us and that does not stop at a certain point in our global business environment, so that a lot of experts and specialists keep underestimating its progress and development. Several companies seek to establish a strategic centers in the markets with which they deal. That is to improve their performance and to own a

set of competitive advantages particularly in the light of technical, economical and information developments.

In light of contemporary information revolution the world has witnessed the adoption of most firms, especially in developed countries to the methods of modern marketing working to develop and update the e-commerce.

### **The Statement of the Study**

E-commerce includes a global-market through which all workers can deal with each other in the production chains for their common interests (Sudair y, M. 1999). Under the structure of communication, companies can consolidate the good relations with customers, suppliers and consumers, and facilitate contact workers in different branches of the company. The size of the company is no longer and its assets important that determines its strength, but the online marketing capabilities and efficiency in product presentation, and ability to electronically delivery of the item to the buyer immediately all this will be a cause in determining the success and strength of the company. Places are no longer important since Internet breaks all place barriers and facilitates access to global markets and to identify products that leads the world to be a small market (small village) in which everyone can be familiar with it smoothly and easily. Many researchers went on to suggest that exceptionally e-commerce will replace the old way of business such as purchase through catalog, by mail, fax or even by going to stores, which is a trade exaggeration. It is well known that traditional trade will not be replaced (Applegate, L., MacFarlan, F. and Mckenney, J. 1996).

E-commerce is a new trading activity and a marketing approach that is promising. However, such approach has to be dealt with carefully by taking benefits from the other's mistakes and faults in this field. It is well known that technical developments have exceeded what countries can hold legally and thus e-commerce needs to succeed to flexible laws and regulations that can guarantee the rights of dealers and the mechanism of dealing as well as to be in line with technology. Accordingly, countries should consider that since the percentage of e-commerce dealers is increasing rapidly. Companies need to change styles and strategies they use in order to keep pace with consumer demand and rapid changes of technology. Success today is not an ally who can access through the use of communications networks and the Internet and electronic media, or what is known as multiple e-marketing to suppliers and customers and end consumers, but only to those who can as well as to mechanize work within their organization. The application of e-commerce will be done only in accordance with good strategy and a careful study illustrating the need or not, describes the methods of application without prejudice to work unhindered and prevent enterprises from entering this area of vital. From this point we have noted the urgent need to study the electronic commerce, and attempted to evacuate its ambiguity, developing countries like Algeria, for example, is still far away from the performance and exploit the real benefits of electronic commerce, and trying to eliminate the difficulties of e-commerce, in fact the difficulty of controlling the ethics of its users is the problem and not the tool itself, as it's a tool for doing business easier, faster, and with high efficiency. And is it known that these ethical problems we face them even in the traditional trade, as it a tool we need to know how to use.

### **The Importance of the Study**

The importance of the study comes from the need to identify the concept of electronic business and to identify and analyze its impacts on competitive advantage in the operating companies in

Jordan, in order to make those companies able to increase the competitive level of marketing product, providing information and online services form clients “just in time”, which will encourage and empower, along with providing full and immediate access for customers at anytime and anywhere to purchase the product/service that they need.

## RESEARCH QUESTIONS

- a. What is the impact of developing performances quality of performance strategies in electronic commerce on competitive advantage of the operating companies in Jordan?
- b. What is the impact of developing marketing capabilities strategies in electronic commerce on competitive advantage of the operating companies in Jordan?
- c. What is the impact of pricing strategies in electronic commerce on competitive advantage of the operating companies in Jordan?

## HYPOTHESES

The hypotheses of the current study by one major premise that is:

- I. Is there an impact for the development of new strategies in the field of electronic commerce on the competitive advantage of companies working in Jordan?
- II. Is there an impact of new strategies development in E-commerce on the increase of performance quality of companies in Jordan?
- III. Is there an impact of new strategies development in E-commerce on the increase of marketing ability of companies in Jordan?
- IV. Is there an impact of new strategies development in E-commerce on the Pricing in of companies in Jordan?

## PURPOSE OF THE STUDY

The current study aims mainly to: a) identify the impact of developing new strategies in electronic business on competitive advantage in the operating companies in Jordan, b) analyze the impact of developing new strategies in electronic business on competitive advantage in the operating companies in Jordan, c) identify the reality of the application of electronic commerce at companies n Jordan from the viewpoint of managers, d) identify the level of e-culture of managers and employees, e) identify problems that may limit the development of electronic commerce in operating companies in Jordan.

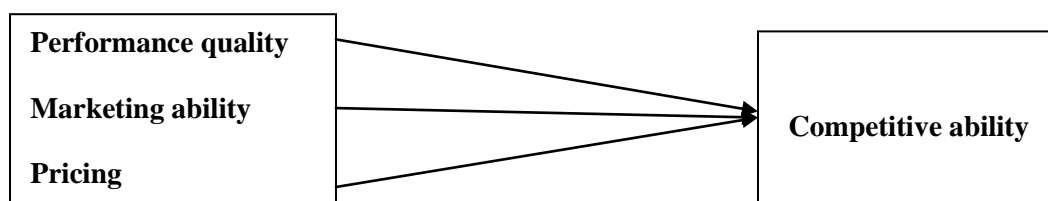


Figure 1. Illustrates the relationships of the proposed research model

## Research Definitions

- a. E-commerce strategies: approaches adopted by governments, individuals or businesses aiming to improve commerce in a particular field.

- b. E-commerce: The process of buying and selling of goods and services between businesses and consumers via an electronic medium with no use of any paper documents.
- c. Competitive ability: is the ability that allows companies to generate more sales or margins and keep more customers than its competition does. There can be a lot of types of competitive ability such as firm's cost structure, product offerings, distribution network as well as customer support (Sudairy, M. 1999).
- d. Performance quality: indicates to the process of testing or observational procedures designed to recognize difference small increments in the quality of actions, behavior, performances, or products that are created by the target individual who is being evaluated (Knebel E ,2000).
- e. Marketing ability: is an important element of its approach and philosophy. Quality strengthens the product marketing programs (Adcock, Dennis et. Al 2002).

## RESEARCH METHODOLOGY

This part of the study discusses the research design, measurement procedure and sampling design which is used as the methodology for this research. The research design employed in this study we will use qualitative type of research.

Research sample consists of (50) managers of the company that applies the E commerce strategies. The population in companies. The effect of using new strategies in the E commerce on the working companies in Jordan.

### The Questionnaire

#### *Survey study*

In order to collect primary and alternative date to implement the purpose of the study that relied on the following tools:

- I. Alternative sources: the research search used literature of previous dissertation and research and article published in journal in addition to Internet, book and Arabic and English references related to the subject of the study.
- II. Primary sources: research collects primary date through questionnaire as maim instruments because of its characteristics of saving times and efforts and covering the sample of the study in reasonable time, questionnaire has been designed based into opinions of a group of researchers and writers, whom talked about the subject of the study, questionnaire consisted of questions with multiple choices, where is composed of two molecules.

First section: consist variables related to the development of new strategies in e-commerce included (9) paragraphs

Second Section: consist variables related to competitive advantages included (9) paragraphs

### Data Reliability

In this study we will use Chronbach's alpha is the most common test for data reliability. It is a measure of how well each variable in a scale correlates with the sum of the remaining variables. Thus, the current study will use this method to measure data reliability.

**Table 1. Reliability Rate**

Cronbach's alpha	Number of Paragraphs	Domain
%90	3	Quality of performance strategies in electronic commerce
%87	3	Marketing capabilities strategies in electronic commerce
%92	3	Pricing strategies in electronic commerce

The data of the current research used accumulated statistically from reports and studies. For the purpose of data analysis, several statistical techniques are apply, descriptive statistics, factor analysis, correlation analysis, and Multiple Regression analysis.

To answer the questions of the study, the accumulated data have to be analyzed by using the Statistical Package for the Social Science (SPSS Version 15.0). The researcher will also use the following statistic methods: means, standard deviation, and percentages as well as the Pearson correlation coefficient.

### DATE ANALYSES

For answering the first question which states: what is the effect of developing quality of performance strategies in electronic commerce competitive advantage of the operating companies in Jordan? Linear regression was found for quality of performance in electronic commerce table 3 shows that: Linear regression of the domain which measures impact of quality of performance strategies in electronic commerce on competitive advantage in the operating companies in Jordan.

**Table 2.**

Significance level	B Value	Sum of Square	R Square	R value	Domain
.003	1.156	14.835	.134	.366 <sup>a</sup>	Flexibility
.005	.986	22.980	.230	.479 <sup>a</sup>	Creative
.000	1.198	25.766	.380	.616 <sup>a</sup>	Reputation

Table 2 shows there are statically significance differences for quality of performance strategies in electronic commerce at competitive advantage variable of the operating companies in Jordan The value of the significance level (.003) for flexibility domain with value statically significance at the level(.005) And beta value was (1.156) which shows level of impact of developing quality of performance strategies in electronic commerce on competitive advantage of the operating companies in Jordan, and creative statically significance level(.005) its value statically significance at the level(.005) And beta value was(.986) which shows impact level of marketing capabilities strategies in electronic commerce in competitive advantage of the operating companies in Jordan in addition to reputation domain of the operating companies in Jordan significance value (.000) with value statically significance at the level(.005) And beta value was (1.198) which shows impact level of reputation strategies in electronic commerce on competitive advantage of the operating companies in Jordan.



For answering second question states: what is the impact of developing marketing capabilities strategies in electronic commerce on competitive advantage of the operating companies in Jordan? Linear regression was found for marketing capabilities in electronic commerce table 3 shows that: Linear regression of the domain which measures impact of marketing capabilities strategies in electronic commerce on competitive advantage of the operating companies in Jordan.

**Table 3.**

significance level	B Value	Sum of Square	R Square	R value	Domain
.004	1.040	19.980	.102	.319 <sup>a</sup>	Flexibility
.000	.465	21.622	.216	.465 <sup>a</sup>	Creative
.000	1.032	27.384	.404	.635 <sup>a</sup>	Reputation

Table 3 shows there are statically significance differences marketing capabilities strategies in electronic commerce at competitive advantage variable of the operating companies in Jordan the value of the significance level (.004) Flexibility domain value statically significance at the level (.005) And beta value was (1.040) which shows level of impact of developing marketing capabilities strategies in electronic commerce on competitive advantage of the operating companies in Jordan, and creative statically significance level(.000) its value statically significance at the level(.005) And beta value was (.465) which shows impact level of marketing capabilities strategies in electronic commerce on competitive advantage in the operating companies in Jordan in addition to creative domain of the operating companies in Jordan significance value (.000) with value statically at the level(.005) And beta value was (1.032) which shows impact level of marketing capabilities strategies in electronic commerce on reputation domain competitive advantage of the operating companies in Jordan.

For answering third question which states: what is the impact of pricing developing strategies in electronic commerce on competitive advantage of the operating companies in Jordan? Linear regression was found for marketing capabilities in electronic commerce table 5 clarifies that:

**Table 4.**

significance level	B Value	Sum of Square	R Square	R value	Domain
.000	.284	8.900	.157	.396 <sup>a</sup>	Flexibility
.000	.264	6.979	.123	.351 <sup>a</sup>	Creative
.000	.609	25.142	.444	.666 <sup>a</sup>	Reputation

Table 4 shows there are statically significance differences pricing strategies in electronic commerce at competitive advantage variable of the operating companies in Jordan the value of the significance level (.000) Flexibility domain value statically significance at the level(.005) and beta value was (.284) which shows level of impact of developing pricing strategies in electronic commerce on competitive advantage of the operating companies in Jordan, and creative statically significance level(.000) its value statically significance at the level(.005) and beta value was

(.264) shows impact level of pricing strategies in electronic commerce on competitive advantage in the operating companies in Jordan in addition to creative domain of the operating companies in Jordan significance value (.000) with value statically significance at the level(.005) and beta value was (.609) shows impact level of pricing strategies in electronic commerce on reputation domain competitive advantage of the operating companies in Jordan.

## CONCLUSION

The study finds impact of marketing capabilities strategies in electronic commerce on competitive advantage of the operating companies in Jordan the results of the study also show there is impact level of pricing strategies in electronic commerce on reputation domain competitive advantage of the operating companies in Jordan also impact level of marketing capabilities strategies in electronic commerce on reputation domain competitive advantage of the operating companies in Jordan.



## REFERENCES

- Adcock, Dennis., Al Halborg, Caroline Ross (2001). "Introduction". Marketing: principles and practice p. 15.
- Bakos, Y., E. Brynjolfsson. (2000). Bundling and competition on the Internet: aggregation strategies for information goods. *Marketing Science*, 19 (1) 63-82.
- Chaudhury, Abijit; Jean-Pierre Kuilboer (2002). *e-commerce and e-Commerce Infrastructure*. McGraw-Hill.
- Haylock, Christina and Len Muscarella (1999). *Net Success*. Holbrook, MA: Adams Media Corporation.
- Kalakota, Ravi and Andrew, B. Whinston (1997). *Electronic Commerce*. Addison- Wesley Longman Inc., Reading, MA.
- Knebel, E. (2000). The use and effect of computer-based training: what do we know? Operations Research Issues Paper 1(2). Bethesda MD: Quality Assurance Project, Center for Human Services, University Research Company, LLC.
- Mani Subramani, Eric Walden (2001). The Impact of E-Commerce Announcements on the Market Value of Firms. *Information Systems Research*, Vol. 12, No., pp. 135-154 DOI: 10.1287/isre.12.2.135.9698
- Miller, Roger (2002). The Legal and E-Commerce Environment Today Learning. pp. 741.
- Roid, G. H., & Woodcock, R. W. (2000). Uses of Rasch scaling in the measurement of cognitive development [9] growth. *Journal of Outcome Measurement*, 4(2), 579-594
- Schneider, Gary and James T. Perry (2000), "Electronic Commerce," Course Technology, Cambridge, MA.
- Yannis Bakos. Henry C. Lucas, Jr. Wonseok Oh Gary Simon Siva Viswanathan Bruce Weber (2005). The Impact of E-Commerce on Competition in the Retail Brokerage Industry, Forthcoming in Information Systems Research. [[www.citeseerx.ist.psu.edu/viewdoc/download?](http://www.citeseerx.ist.psu.edu/viewdoc/download?)]