

Factors that Influences E-business Services in Saudi Arabia

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Abstract: This study report will aim at investigating factors that influences E-business services in Saudi Arabia. E-business concept has been widely spread in the current world due to advancement of technology. E-commerce business has greatly improved people's lives in the modern world as they can easily purchase the products of their choice at any location. At the same time, it has benefited various companies in the world as they have obtained huge profit. There are three main factors which influences the growth of e-commerce businesses and they include internet coverage in various areas of the globe, the buyer influence factors and also the various mode of payment which are used in e-commerce (Mohamed, Sammi & Ning, 2012). It will also involve a comparative analysis of the key indicators and enablers affecting the diffusion of e-commerce business especially across the economies of countries in Central Asia. The study involved a cross sectional research survey which involves collecting of data from population in Saudi Arabia where the people were questioned on how they have been conducting business transactions and especially on e-commerce issues. The study clearly analyzed the answers which were given by the respondents and made a conclusion that increased internet connectivity and the emergence of mobile phones which allows people to easily access internet has greatly contributed to the growth of e-commerce business in various region (Mohamed, Sammi & Ning, 2012). The main finding of the study is that internet penetration especially in Saudi Arabia has played a critical role in influencing e-business in the nation which has currently being boosted by increased ownership of smartphones with 4G network.

Keywords: E-business services, e-commerce businesses, smartphones, 4G network.

1. INTRODUCTION

Emergence of internet in the modern world has greatly contributed to the growth of e-commerce business due to easy connectivity of various networks. Advancement of technology has enabled the people to shift on online marketing platforms where they can easily seek items online which are brought to their places of residence. Smartphone innovations has enabled majority of the people across the world to easily access internet and this in turn has facilitated to the growth of the e-commerce business as people have installed applications which has made easy for them to buy products online (Riemenschneider, 2009).

Majority of the ecommerce business are in developed countries like United States and the European countries as the level of internet connectivity in those nations are high and the people of the region trust the business. One of the e-commerce business company which has penetrated the world business is the Amazon company. This company having been formed by Jeff Bezos who is the owner of the company, has benefited much in its business transaction. The variety of the goods that the company started selling include among them software, DVDs, video games, music, CDs, MP3s, electronics, footwear among other (Riemenschneider, 2009). The name of the company was originally Cadabra.com where it changed to Amazon which represented a world's voluminous river. Therefore, this study research identified that internet penetration, mode of payment and buyer related factors are the key factors which in turn has influenced E-business services in Saudi Arabia.

Internet Penetration success factor in E-Commerce:

One of the factor which has greatly influenced the growth of e-business is the internet penetration in different regions of the world. Internet growth has contributed much in the growth of e-commerce business in the current world. Current study shows that, the current internet penetration of the world stands at exactly 45% of the world population. This is about 2.5 billion people who majority of them are over age of 15 years old. It is estimated that 78% of the people from North America uses internet while Europe stands in the second position with 75% of the population accessing the internet. Asia and Africa continents has the lowest people who can easily access the internet (Mohamed, Sammi & Ning, 2012). This means that North American and European region has high chances of flourishing e-commerce. This means that North American and European region has high chances of flourishing e-commerce. When people can easily access internet at their regions they can easily engage themselves in ecommerce business (Mohamed, Sammi & Ning, 2012). On line to this, innovation of smartphones has facilitated much to the growth of ecommerce business as the people can easily do various businesses online.

Mode of Payment as a Success Factor in E-Commerce:

The other factor which has led to the growth of ecommerce business is the current different methods of payment which has been innovated and which in turn has enabled easy transactions to be made available in the business. Research shows that majority of the people across the world prefers the use of the modern electronic money as their mode of payment (Riemenschneider, 2009). This is mainly because it is much secure than any other mode of payment. It is also convenient since it saves one's time.

Buyer Related Factors as a Success Factor in E-Commerce:

The buyer related factor is another factor which has been influencing ecommerce business activities. According to research done by Amrithesh and Jayanta, 2016, on the demographic factors which in turn may include the level of education, the age, gender and also the influence on mobile usage have greatly influenced e-commerce businesses which are under operations. The study revealed that the literacy level and the gender does not have great impact on the level of commercial activities taking place in Saudi Arabia (Amrithesh & Jayanta, 2016). Mobile usage among the people revealed to be among the main factors which has greatly influenced the increase of e-commerce activities that are undertaken in Saudi Arabia.

2. RESEARCH FRAMEWORK AND METHODOLOGY

The research study intended to set-up a research and hypothetical model which finds the factors that influence the e-commerce growth in Saudi Arabia. The study involved a survey design of collecting data using administering questionnaire where 10 respondents were interviewed and information obtained. The analysis of the data was done using SPSS (Statistical Package for Social Scientist Software) program (Saunders, Lewis & Thornhill, 2009). Through the use of correlation of inferential statistics, the data was analyzed in order to assess the degree of association between the factors that influence the growth of ecommerce in Saudi Arabia.

3. RESULTS AND FINDINGS

After the analysis of the data, the study finds out that internet penetration has greatly contributed to the growth of the ecommerce businesses in different regions of Saudi Arabia. This is due to the fact that there is presence of good infrastructure and internet connectivity in Saudi Arabia which is accompanied by increased presence of smartphones in the region. This has contributed to increased activity of ecommerce businesses in the region as more people can easily purchase products at comfort of their places. The research study also suggests that most of the residence of Saudi Arabia prefers using cash on delivery as their mode of payment after doing their purchase (Arash, Changsu & Kim, 2016). An average number of people prefers using debit and credit cards and also PayPal methods of payment.

4. CONCLUSION

E-commerce business is one of the businesses which are practiced in almost every single nation around the world. This has been facilitated by increased internet penetration in different regions of the world as internet penetration in the world currently stands at 45% of the world's population. Internet penetration has greatly influenced the growth of e-commerce as majority of the people use their mobile apps installed in their smartphone which has 4G network to make order in an easy manner. Therefore, consumers were increasingly becoming comfortable on making purchases online. The other issue is that the mode of payment which is trusted among the residence of Saudi Arabia is the cash on delivery which in turn has increased the influence of ecommerce business in Saudi Arabia.

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