A Study on E-Commerce Concept and Customer's Satisfaction in Oman

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Abstract - *E-commerce or electronic commerce, also known as internet commerce, is simply refer to the activities of buying and selling of goods and services through the internet. E-commerce is becoming more popular today due to its benefits over the traditional commerce. Looking at the Middle East, estimate indicate that e-commerce market is growing well. However, for sultanates of Oman, e-commerce market is still nascent. The positive point is that there's a great scope of growth especially for young and entrepreneurs. Sultanate of Oman is one of the important economies in the Middle East. Business-to-business and business-to-customers are the two major economic activities in Oman. Obtaining customer's satisfaction is one key to success in online market. This research paper attempt to explore the concept of e-commerce and the main barriers and factors toward customer's acceptance and usage of e-commerce in Oman.*

Key Words *E-commerce, Electronic Commerce, Online Shopping,* Business-to-Business (B2B)*, Oman.*

1. INTRODUCTION

Due to the rapid development on technology and science, the emergence of implementing new methods and forms of economic activities arise. The implementation of new business form aim to meet the consumer needs should include global competitions, monopolization of sale market and active development of information technology. From here the concept of electronic commerce or e-commerce appear. The term electronic commerce or e-commerce as it's defined by Poliakh (2017) is a specific part of e-business that include all public relations for the sale of goods, services and data through the internet using all tools available on the network [1]. E-commerce adaptation and implementation have been researched more on developed and developing countries. However, the amount of studies concentrate on e-commerce in Oman is inadequate. This study aim to explore the concept and implementation of e-commerce in Oman explained in section II. Type and benefits of e-commerce are presented in section III, IV respectively. And the main barrier to implement e-commerce in Oman are given in section V. Consumer concern of using e-commerce instead of traditional commerce explained in section VI. Last section, VII, summarized the research paper.

2. E commerce Definition

E-commerce is an electronic interaction environment in which information technologies is used to create a base for new products and services. According to Shahriari et al. (2015) , Electronic commerce can be consider as trading goods and services using computer network like internet. Malitska & Melnyk (2018), come to conclude the definition of e-commerce as any business process carried out using the internet and information technology. In addition to buying and selling, many people use internet to compare price and view offers before they make a purchase. Poliakh et al. (2017) define e-commerce as a specific part of e-business including all the relations related to buying and selling goods, services and information using all tools available in the network [2]. E-commerce is a segment of a large business model which allow firm or individuals to conduct different business over electronic network. So e-commerce typically is the process of buying and selling of goods and services through the use of electronic network like internet [3]. Electronic commerce refer to digital process of allowing commercial transactions between and among organizations and individuals (Laudon & Traver, 2014) [4].

3. E commerce Type

Generally, when people speak about e-commerce, they mostly refer to buying and selling of goods and services through the internet. However, e-commerce concept is larger than what people think. There are about 6 categories of e-commerce where all of it represent different purchasing dynamic. These are: Business-to-Business (B2B), Business-to-customer (B2C), Customer-to-Business (C2B), Customer-to-Customer (C2C), Consumer-to-Administration (C2A) and Business-to-Administration (B2A). However the first four type are the widely known and used.

Business-to-Business (B2B): as its name, it refer to all electronic transaction between two businesses. Business exchange goods, services and information with other business including manufacturer selling to distributers and wholesaler selling to retailers [5].

Business-to-customer (B2C): an internet and electronic means that indicate financial transaction between business and customers [6]. Using B2C, customers can get free discount on shopping and free online services. It got its product to the market faster and minimum cost to adapt to customer's demands [7].

Customer-to-Business (C2B): it's rare in practice, but it simply indicate that consumer make its services or products available for the companies to purchase. For example a graphic designer customizing logo to company.

Customer-to-Customer (C2C): this type of e-commerce refer to all the transactions means between consumers. It's often

conducted through the social media network and websites. C2C is becoming more commonplace. It's often conducted in electronic auction environment, however it can occur as a third-party consumer listing, discussion forum, email group or chat room (Davis, 2013) [8].

4. Benefits of E-commerce

E-commerce can offers many benefits for both individual as well as firms. Productivity gains, automatic product identification, cost reductions, efficient sharing of information between organizations within and across industries are such major benefits. E-commerce also plays an important role to close the digital gap between developed and developing economies through improved access to knowledge, information and expertise. E-commerce allows global businesses to efficiently and effectively engage in international trade regardless of location. Consequently, e-commerce can enhance the competitiveness of developing countries and reduce poverty (Qureshi and Davis, 2007) [9].

Consumers around the world can shop online 24 hours a day. People can purchase anything from the companies that provide their products online. Cloths, books, hardware, software, appliance and health insurance are just some of hundreds of products consumer can buy it online. In fact, e-commerce has simplify life and innovate both individual and groups [10].

Based on E-business Index Report, 2018, Vietnam E-commerce Association, the development of e-commerce confirms that the trend of online shopping become more and more popular around the world. This retailing channel attracts lots of attention from businessmen and retailers for its significant impact on traditional channels. More ever, its benefits such as price comparison, ease of shopping and 24/7 service act as stimulants to internet shopping [11].

5. Barriers to E-commerce

One of the main barrier to adopt and use e-commerce is the lack of technical skills of individuals. Many people do not have technical skills to deal with computers or to use internet website. In Oman, some people are not so good in English language. For the transaction over internet using electronic devices, language becomes a major factor to purchases a particular product or services. (UNPA & ASPA, 2009) [12]. slow transmission speeds, frequent disconnects, cost of Wireless connection and wireless communication standards over which data is transmitted are the major factors that impede internet access. High-speed bandwidth of Internet connection may not available to some places. Multiple issues of trust including lack of payment gateways, lack of widely accepted standards , privacy of personal data connected over the Internet, security and confidentiality of data, IT Infrastructure and its maintenance, technological and legal provisions are all affecting the growth of ecommerce in any country. With the internet connectivity through mobile devices, many consumers are making

decisions online. The government policies must ensure the effective cost of methods/solutions for enterprises to let it build the brand digitally and enhance productivity. Ecommerce in Oman is destined to grow both in revenue and geographic reach. The challenge of establishing consumer trust in e-commerce causes problems and issues that need further research [13].

As customers interact with a new technology, they will learn the usefulness and the risks associated with that technology. Perceived risk can be define as an assessment of uncertainties or lack of knowledge about the distribution of expected outcomes. So, perceived risk is a major challenge to the growth of any online shopping.

Perceived risk may influence the behavior and attitude of consumers towards the internet services. In the case of purchasing on the Internet, it is possible that consumers may perceive disclosing their credit card information as risky, and they have no control over this [Abhamid & Khatibi, 2006]. There is the risk that the supplier may not satisfactorily deliver the goods ordered. The goods may be inferior, incorrectly selected, or may never arrive.

Security is concerned as a critical factor for implementing e-commerce. Many studies have result that security is a big issue for individuals and government as it's a challenge to e-commerce around the world (Almarabeh & Abu ali, 2010). Security is commonly concerned with network security, computer security and confidentially of personal information. Furthermore, encryption, digital signature, user ID and password, credit card number and bank account number aid on the fulfilment of security goal in e-commerce applications (stibee, 2005) [14]. Lack of computer security easily open access for hackers to a vendor websites and they can steal personal information like names, addresses and credit card details. Fear of online credit card fraud is one of the main reasons customers have not done more extensive online buying [15].

Moreover, e-commerce companies offer Cash on Delivery (COD) as a mode of payment. It's seen that some customers denied to make payment at the time of delivering the products [16].

6. Customers Satisfaction with E-commerce Services in Oman

According to a study done by (Tasneem, 2019), Oman has a steady increase in its internet users. Customers' demands are on increase and online market accounted more than 12 percent of its retail industry. The sultanate of Oman start introduce sound payment methods to provide safe e-commerce environment. Furthermore, Oman bank introduce digital savvy payment method. The sultanate have also to manage e-commerce shipping by managing and structuring the infrastructure of the country. A good solution by the sultanate of Oman is what's called Unified address system. The purpose of the system is to allocate precise addresses to

allow easy identification of any location in Oman. Making door-to-door delivery easier [17].

Based on study done by (Noura, Ghanya, shima, 2018), online shopping preferred by youth as its easy and fast. Online shopping offers overweight traditional shopping offers. Product quality and services guaranteed are the two main factors toward customer's satisfaction of online shopping. Reliable product's information, secured payment gateways, user-friendly application, Timely delivery of the product and package quality can directly impact online customer satisfaction. From there study on Omani youth, they found that Amazon website followed by Jollychic are the most preferred for online shopping [18].

Another Omani study done by (Naqvi et a, 2014), conclude that trust is the major factor toward using e-commerce services. Customers may feel doubts over business transaction and it's confidentially.

(AHMAD SHATAT,2017) in his study of the factors that may affect the adaptation and usage of online services in Oman, he found that privacy, awareness, usefulness, ease of use, security and trustworthiness are all directly affecting the usage of online shopping in Oman. Along with that, decision maker should have better and deep understanding of user's perception toward the usage of online services to provide effective e-services architecture that motivate the end-users to use online services like online shopping. Which at the end will result on raising the sale of online shopping in Oman [19].

Website is the storefront of online stores. Customers draw their first impression about the website according to its design, organization and products details. Well-designed sites with user friendly interface and rich information have a positive impact on customer's satisfaction (Meera, 2015). User experience can be describe as the quality of experience a person derive it when interact with a specific design. User experience can be referred as customer experience, online experience or web experience. User experience and information should be usable, useful, accessible, valuable and credible. User experience include several factors like web design, functionality, usefulness, ease of use, payment and shipping process and products and services details. All these factors directly affect customer's adoption of online shopping (Yasin 2010, Meera 2015, Sam & Sharma 2015) [20].

7. Conclusion

Finding show that all the positive attitude like speed, ease of use, user-friendly and other factors like security, trust, privacy directly affecting adaptation of e-commerce in Oman. The main implication for technical expert and decision maker is to enhance security and privacy to give more trust for users to use e-commerce. Currently in Oman there are many users who are not aware of the concept and usage of e-commerce. There's a need to educate those people and

encourage them to adopt and use e-commerce as its easy, secure and very useful. Further exploration is required to study in deep other barriers to e-commerce and find a solution for it. Factors that may influence customer's satisfaction toward using e-commerce also must be given more attention by the technical expert and the government of Oman as at the end the success in e-commerce will return to raise and success in Oman economic.

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