



Ali Ghorbani  
Mohammad Ali Sarlak

# Barriers of E-commerce Acceptance in Export

Co-structure, Content and Context Categories

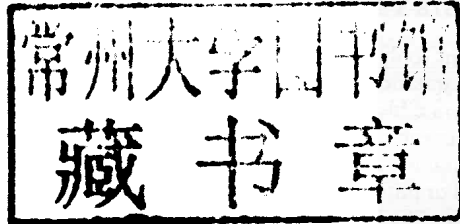


**LAMBERT**  
Academic Publishing

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LAP LAMBERT Academic Publishing

### **Impressum/Imprint (nur für Deutschland/only for Germany)**

Bibliografische Information der Deutschen Nationalbibliothek: Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über <http://dnb.d-nb.de> abrufbar.

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Coverbild: [www.ingimage.com](http://www.ingimage.com)

Verlag: LAP LAMBERT Academic Publishing GmbH & Co. KG  
Dudweiler Landstr. 99, 66123 Saarbrücken, Deutschland  
Telefon +49 681 3720-310, Telefax +49 681 3720-3109  
Email: [info@lap-publishing.com](mailto:info@lap-publishing.com)

Approved by: Iran, Tehran, Payame Noor University, Diss., 2008

Herstellung in Deutschland:  
Schaltungsdienst Lange o.H.G., Berlin  
Books on Demand GmbH, Norderstedt  
Reha GmbH, Saarbrücken  
Amazon Distribution GmbH, Leipzig  
**ISBN: 978-3-8454-0741-8**

### **Imprint (only for USA, GB)**

Bibliographic information published by the Deutsche Nationalbibliothek: The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at <http://dnb.d-nb.de>.

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Cover image: [www.ingimage.com](http://www.ingimage.com)

Publisher: LAP LAMBERT Academic Publishing GmbH & Co. KG  
Dudweiler Landstr. 99, 66123 Saarbrücken, Germany  
Phone +49 681 3720-310, Fax +49 681 3720-3109  
Email: [info@lap-publishing.com](mailto:info@lap-publishing.com)

Printed in the U.S.A.

Printed in the U.K. by (see last page)

**ISBN: 978-3-8454-0741-8**

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## **Chapter I**

# **Preface**

Chapter 1

Preface

## 1-1- Introduction

Change and innovation are inseparable parts of human life and these innovations and modern phenomena have influenced all aspects of human life. Business and economy world is also part of human life and have been influenced by the waves of innovation and change. It can be said that the domains of economy and business have been influenced most from change and innovations.

Innovation and change in the domain of business is important because organizations as economic corporations have workforce, raw materials, and doing productive activities move the cycle of industry and service. Those corporations and companies present in various sectors of a country's economy and even in a global level, make use of modern technologies in order to gain resources, and maintaining and increasing their share in the market. Nowadays the traditional methods of doing business are rarely used and some processes like competition regulations, methods of determining strategies, and reformed ways of gaining information have been created and even the type of relations with customers has been changed in the world of electronic commerce (E-commerce) and it is expected that in the future, E-commerce will be one of the most important sub-sections in the organizations.

A look at statistics of the use of the internet and E-commerce and regard to decrease in spending (up to 25 percent) and the increasing trend in the use of the internet, makes it essential for the organizations to make rapid changes in order not to loose opportunities (Pirhadi, 2004).

The characteristics of E-commerce like globalization of commerce, removing time and place barriers, decrease in the costs paid to resources, increase in sales, removing time barriers in transactions, easy access to information, considerable decrease in transactional spending, decrease in the

time allocated to transactions, and many other advantages have caused a rapid expansion in E-commerce (Sanayei, 2007).

In the Islamic Republic of Iran, too, Commerce Ministry, as the responsible body for international commerce and EDI (Electronic Data Interchange) started activities in 1994 and the policies so E-commerce were passed in 2002 (Pirhadi, 2004).

## **1-2- Statement of problem**

Nowadays, the expansion of E-commerce, as a challenge facing the administrators, requires new methods and procedures. In this regard, the importance of the use of internet and E-commerce in order to gain potential customers in international markets is remarkable.

There are few companies that lack a website nowadays. Small- and medium-size enterprises (SMEs) use in a growing trend, the advantages of E-commerce (Bennett, 1997 & Fink, 1998).

The two major trends that describe the perspective of modern business are: the development of the technologies in the field of E-commerce, and the rapid, global expansion of companies. In the first trend, the technologies of E-commerce will lead to new opportunities for exporters to identify new markets and improve their efficiency for receiving orders and responding to them (Prasad, Ramamurthy, Naidu, 2003). In the second trend, the internationalization of international markets will lead to the expansion of global commerce and exporter companies all over the world (Morgan, Kaleka, and Katsikeas, 2004).

Iran is a country that has lots of potentials for entering and presence in international markets. Considering the obligations of E-communication and information, it seems that one of the essential infrastructures for the expansion of non-oil exports is the provision of E-commerce for domestic and

international communication, in a way that government can make effective communication with the outer world and the facilitation of internal communication and the acceleration of the growth trend; by establishing the electronic system make better relations with countries, internal, and international organizations and citizens, and by the establishment of electronic business, cause the increase in country's GDP. Also, it can provide the possibility for the international exchange of goods and services by the establishment of grounds for electronic exports and commerce. In this respect, some industrial and commercial enterprises in Iran have also tried to use E-commerce commerce tools in order to grow rapidly and be successful in the domain of international and global competition. By having a brief look it is apparent that a few industries have progressed relatively, but some others have put trifle steps in this path and have been faced with lots of challenges and obstacles.

This is true especially for the case of dried fruit industry which has the highest value among non-oil products, and considering the strategic geographic and environmental condition of Iran, the growth in its exports can provide a very large sum of money. Considering an initial survey, only 27 out of the whole of 97 enterprises which are active in the export of dried fruit have an exclusive Internet site, from which only one of them was ready to price (in the state of loading) in their site.

So, considering the topics mentioned, and considering the claims of the officials of the Commerce Organization of Tabriz, East Azerbaijan has the second place after Tehran province in the export of dried fruit, the present paper by pointing to the advantages of using Ecommerce while surveying why E-commerce faces obstacles in productive, exporting sections, tries to present working procedures for the expansion of Ecommerce in this industry.



### 1-3- Importance and necessity of research

There is a public agreement that Internet is an inexpensive choice, and those small- and medium size enterprises (SMEs) which had been deprived of global trade for resource limitations, now are able to present their own selves and their products in a professional and remarkable way like bigger companies (Kandasaami, 1998; Poon & Swatman). Even some state that the Internet is the only device in which enterprises can involve trade beyond the borders.

Based on the reports by Forserer research, E-commerce in 2008 is predicted around 50 trillion dollars, in which the timely global exports amounts to 5/5 trillion dollars that shows 54 percent growth from 2002 (Emadzadeh et al, 2006). Also, studies done on more than 2000 Australian companies show that 70% of small-size enterprises and 95% of medium-size enterprises connect to the Internet using their own computers and 76% of them use the Internet to search the information of products and services and also 82% of the small-size economic institutes connect to the Internet to use E-mail (Abdolbaghi, Akhavansarrafi, 2007).

With the expansion of this method of exchange in developed countries, the older paper-based methods have been outdated and in action, the exchange between countries using those obsolete methods will be impossible and this in turn will mean being solitary in world arena (Iranafact, 2001).

Dried fruit producer-exporter enterprises in Iran, also, in the way of designing and operating appropriate strategies of using EC face problems that disallow the establishment of E-commerce in these sectors and most of those who have websites use it as publicizing. These obstacles have both internal and external dimensions. Of course, in the case of E-commerce there have been some case studies in Iran, but according to the initial investigations of the researcher, there has been no research about the