

Chapter 8

Electronic Networks and Gaining Market Share: Opportunities and Challenges

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ABSTRACT

This study provides a deep understanding of the current status of electronic networks in the Jordanian handicrafts sector from managers' perspectives. More specifically, this study enhances utilisation of the e-environment to gain market share in local, regional, and international markets. Four cases of handicraft projects are selected to conduct face to face interviews. The results show that handicraft projects have initial attempts to use E-electronic in their activities, but these attempts are still in embryonic stages, and they do not use E-networks effectively to gain market share. However, project managers believe that there is a direct link between the use of electronic networks and increases in the business's market share. Furthermore, it is intended that these initiatives be treated as innovative and at the end utilised to enhance the business development of similar enterprises belonging to the small and medium enterprises sector. The study recommends that such projects consider adoption of e-networks in their future plans, enhance their staff skills in terms of improving their IT and English language skills, and develop their

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own internet website to create new marketing channels.

INTRODUCTION

Electronic networks can assist an organisation discover and share knowledge and learning within the organisation and from entities outside the organisation (O'Toole, 2003), as an innovative instrument for adding business value. The concept of electronic network is rarely mentioned in the networks literature, but used as e-business (Taylor & Murphy, 2004; Fillis *et al.*, 2004; O'Toole, 2003), e-relationships (O'Toole, 2003), or electronic market-place and e-business (Stockdale & Standing, 2004). Therefore, these terms are used interchangeably with e-networks.

Some studies used the terms e-commerce, internet commerce, and e-business in a compatible way (Stockdale & Standing, 2006; Poon & Swatman, 1998). Ramsey *et al.* (2003) stated that the term electronic business is used broadly and interchangeably with e-commerce and internet commerce to describe the internet activities and process in a business. Moreover, Fillis *et al.* (2004) confirmed that the terms e-business and e-commerce can be used interchangeably to describe firms' utilisation of E-technology in their activities and operations.

Most of the previous studies defined the term E-business to represent all electronic activities and process in a business (Liu & Arnett, 2000; Tang *et al.*, 2003; Fillis *et al.*, 2004). For example, Liu and Arnett (2000) considered e-business as a way of conducting business by companies and their customers performing electronic transactions through computer networks. Moreover, e-business is also defined as the enhancement and optimisation of a business's activities through the usage or creation of new, digital markets and value chains both for strategic and operational benefits (Tang *et al.*, 2003). Furthermore, Fillis *et al.* (2004) defined e-business as "any business carried out over an electronic network (exchanging data files, having a websites, using other companies' websites or buying and selling goods and services online" (p. 179).

The above-mentioned definitions used E-business as a broad term to describe all electronic activities that can be adopted in businesses operations in different ways to build relationships management with other parties. Specifically, small and medium size enterprises (SMEs) do not have the skills or time to implement all internet applications. Firm size affects the level of resources available for investment in information technologies and associated training which can support e-business adoption in SMEs (Serbanica & Militaru, 2008).

Currently, the Internet is most commonly used by SME firms in developing countries for communication and research; the Internet is least used for e-commerce. E-mail is considered an important means of communication. However, the extent of use is limited by the SMEs' recognition of the importance of face-to-face interaction with their buyers and suppliers (Andam, 2003).

In developing countries, there are many barriers and challenges for small business to adopt electronic networks as driver for electronic activities. The previous studies in developing countries have not defined electronic networks in a clear way. For example, Adekunle and Tella (2008) investigated the barriers of electronic networks adoption in Nigerian small businesses. Consequently, they concluded that E-commerce, E-business and e-networks could be used interchangeably.

Up to date, no any empirical study has investigated the use of E-networks in handicrafts sector in Jordan. This paper attempts to make contribution to the recognition of this knowledge gap. It also offers guidance for future research in a field of research.

The paper, first, presents a review of the literature pertaining to the concept of electronic networks, small businesses, E-networks environment, and the Handicraft industry scope. Thereafter, explained the methodology employed for this research. The study results are then analysed and interpreted in the light of theoretical evidence reported in extant literature. Finally, a number of

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