

Chapter 17

Developing an E-Commerce Strategy for Success in Brunei

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ABSTRACT

The people in Brunei are digitally connected every day. Brunei recorded itself with the highest internet penetration (95%) in Southeast Asia. However, the local e-commerce industry seems to be still at infancy stage although the idea of e-commerce is not new here. Bruneians shop at global e-commerce sites, purchase from local social sellers, and commission online personal shoppers. But why are local e-commerce brands struggling although they are also providing similar business? Thus, this chapter aims to find out the ways to improve and strive in the Brunei market – What is the problem? What is missing? What can be done? The researcher aims to dissect the root issues and provide recommendations as the e-commerce strategy. The motivation for this research is in the effort to support the government continuous initiatives to curb unemployment in this country; e-commerce industry as the enabler for self-employment, entrepreneurship, and job creation contributes to the economic growth.

INTRODUCTION

Recent years have witnessed a tremendous development of the internet in the world. This has led to a growing number of online users and has increased the importance of e-Commerce and online shopping. Like any growing nation, Brunei is also adopting e-Commerce. The AiTi, or the Authority for Info-communications Technology Industry of Brunei Darussalam conducted a research in 2018 on e-Commerce usage and concluded that approximately 76% Bruneians are using e-Commerce to shop (AiTi, 2018). The next following year, AiTi organized a Brunei Cybershop Fair in February 2019. The fair is organized as part of AiTi's efforts to encourage the public to shop and trade online, particularly through local e-Commerce vendors. As mentioned by RTB (2019), the Deputy Chief Executive of AiTi

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Julianah binti Ali Ahmad noted that while the 76% figure seems very encouraging, there is still a need to shift e-Commerce activities from the local e-Commerce vendors towards online purchasing to generate revenue that can significantly contribute to the growth of Brunei's economy. This indicates that local e-Commerce entrepreneurs need to carry out more continuous efforts to grow and sustain in the market. Growing means to further develop their companies, earning more sales and may be able to hire more staff. To sustain the market is referring to the ability to continue staying in the market and existing to continue operating their business.

e-Commerce companies, in order to survive will need to assess their strategies for sustainability and growth. This includes practicing a strategy for e-Commerce that can cater specifically for Brunei's unique market. The main research aim is to develop an e-Commerce strategy that fits the Bruneian market that can assist companies towards a successful e-Commerce business in Brunei. While there are general guidelines available in textbooks and online, although these available guidelines can be useful however there are less specific to cater the local market here. Brunei has a unique market due to the country's small population in comparison to other countries. Having a small population, Brunei is also facing a serious unemployment problem. At the rate of 9.04%, it is the highest unemployment rate in Southeast Asia (Othman, 2020). As reported in April 2020 by Othman, the unemployment rate among youth aged 15-24 increased from 28.8% in 2017 to 29.9% in 2018. By educational attainment, 40% of the unemployed have tertiary education, or technical and vocational education and technical training. e-Commerce has the potential to create job opening, partnerships and entrepreneurship. To elevate the dream to a successful reality, e-Commerce store owners should not only focus on developing a website with e-Commerce functions without comprehending the current issues and failures to be learned from previous failed e-Commerce businesses. If so, the company will risk facing bills and expenses that exceeds their sales figure. The specific knowledge of e-Commerce business issues and concerns including identifying the current trends, therefore, becomes critical for companies to identify potential success elements in the e-Commerce business. It is this very gap that this research hoped to fill, by developing a specific e-Commerce strategy to penetrate and sustain in Brunei market. Therefore, the objective of this research is to propose a framework for e-Commerce business in order to achieve sustainability in Brunei. The framework will be in the form of Critical Success Factor (CSF). The framework, by the end of the research is created to keep e-Commerce businesses in Brunei to sustain and even flourish. The framework should articulate what a company must do and do well. Meanwhile, the research question that guided the overall research is "What is the Critical Success Factors (CSF) relevant to all companies engaged in e-Commerce in Brunei to sustain their business?"

BACKGROUND

Employment allows people to earn money, spend their income and obtain credit worth. By gaining credit worth, an individual with income are able to pay their debts. This productivity is the driver of development as the country grows. According to Kudjey (2013), employment provides psychological, health and social benefits to people. Jobs are therefore more than a byproduct of economic growth. Brunei is currently facing high unemployment rate. As this issue is alarming, the government has set initiatives to face the challenge and multiple interventions have been carried out to address the problem. This includes setting up the iReady programme. Such programme is matching all unemployed graduates with participating private companies. To encourage private companies to participate, the government offers

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