Barriers and Challenges of E-Commerce in Iran

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ABSTRACT

Today, in many places, such as newspapers, magazines, media, words such as e-commerce, electronic money and electronic communications is heard. But what is interesting is not just dependent on the content and implications of the original structure and modern technology. Ecommerce is often forgotten that one of the main products of modern technology, and the outcome is the development of communication. Tools and platforms and new business are always changing to make it easy to access resources. But this phenomenon in our country Iran helpful somewhat backward and still benefit from the industry has not provided the necessary substrates. In this study, it is also an attempt to express some of these barriers be addressed.

Key words: E-commerce, Barriers and Challenges of E-Commerce, Challenges of E-Commerce in Iran, E-Commerce of Iran

Introduction

Successful in today's global markets and effective ways to support their view that portrays the country's economic empowerment, including compliance with the requirements of the current international system in terms of its economic and industrial progress in the field. Undoubtedly, one of the charms of using information technology to enhance business performance in the national economy to achieve the goal of increasing efficiency requires action on two main commercial information and trade facilitation business information, breaking the monopoly on information, competition and thereby increase productivity is best step to promote social justice. The core business facilitates trade must be utilized modern methods including the use of bar codes, standards, electronic data interchange and electronic commerce and paperless transactions. One of the important features of electronic commerce is lubrication methods and activities to reduce the cost of business operations. Studies indicate that the use of electronic commerce will create 21 to 70 percent savings on the costs of various activities. Electronic commerce due to the speed, efficiency, reduces costs and exploit fleeting opportunities to compete in a new arena is open. It is so far behind the evolution of the global economy will not result in the isolation. There are many barriers to the adoption and implementations of electronic commerce in delay are discussed. This article identifies barriers to e-commerce development in Iran. Way to identify strategies for improving the development process will be opened in new phenomena.

E-Commerce:

Various definitions have been proposed for electronic commerce are often based on past experience in the use of electronic commerce, European Commission e-commerce can be defined as: e-commerce based on processing and transferring electronic information such as text, voice, and image. Various activities such as electronic commerce electronic exchange of goods and services, digital content and instant delivery, electronic funds transfer, electronic stock exchange, electronic bill of lading, commercial design, direct marketing and after-sales service in the covers. Japan's Ministry of Industry and Trade has provided the definition of these categories:

"Electronic commerce, which until recently was limited to a certain number of companies are entering into a new realm in which a large number of users are in the network. Furthermore, the content of data exchange within the order or accepting order is expanded more than past and general business activities such as advertising, negotiations, contracts and liquidate them have expanded.

Commercial-based (Web) in all aspects of the marketing process and can be done by using Internet technology. In general terms, as the name implies e-commerce transactions and purchases and sales are said to be done electronically through communication networks, so that the buyer or

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consumer will be seen goods through the Internet in a
virtual store and then search and order. Finally,
receipt goods, after payment of its products over the
internet takes on acceptable time. Another definition
of e-commerce we can say, a business that based on
the use of ICT in business. Electronic commerce has
a major sub-branch is as follows:
1. E-Commerce
2. E-business : E-business applications can be
classified into the following categories:
  1. Internal business systems
     • Customer Communications Management
     • Enterprise Resource Planning
     • Employee Information Portal
     • Knowledge Management
     • Management of team work
     • Document Management Systems
     • Human Resources Management
     • Process Control
     • Manage internal communication
  2. Enterprise Communications and
Collaboration
     • E-mail
     • Voice mail
     • Discussion Forums
     • Conferences
     • Cooperative systems
3. E-Marketing: The starting point for
successful e-marketing as a marketing strategy or
business strategy to create a process that is well
defined to Link to marketing objectives through
marketing communications and design techniques for
achieving desired goals. Chistun and Chaffey and
colleagues suggest that e-marketing strategy should
include elements similar to traditional marketing
strategies.
4. E-Banking: Muller defined banks are using
the internet for banking, e-banking services to clients
and customers using the internet to organize, control
and perform transactions on their bank accounts. [6]
However, some experts have suggested a broader
definition and the use other means of electronic
channels such as mobile phones and digital television
to information, communication and transaction have
defined as electronic banking. [3]

The important E-banking channels are:
• PCs
• Personal computers
• Kiosks
• managed networks
• landline and mobile phones
• ATMs
• terminals
5. Smart cards: The names "Integrated Circuit
Card" also known which it is installed one of this
type of card instead of a credit card or cash card in
the computer security systems, authentication
systems, and many other uses. Smart cards in terms
of size and shape similar to regular credit cards.

Undoubtedly, use wise of technology, e-
commerce can improve the performance of our
business and the active participation of in the field of
international trade and will help to strengthen the
country's position in the global and regional markets.
The rapid growth of electronic commerce and the
increasing in the developed countries and the
competitive advantages, the concept is those
developing countries should immediately reconsider
his trade, business strategies and policies to provide.
Many economists, scientists and futurists believe
that. In recent years a revolution similar to the
industrial revolution occurred in the world into the
age of information and many economic and social
aspects of human life has undergone a profound
transformation. One aspect of this development is
that the profound changes in the economic relations
between individuals, companies and governments,
there is trade between each other, companies and
individuals together with companies and
governments. Mainly based on the exchange rate
from its traditional mode of paper based documents
Logged and moving transactions conducted through
the use of electronic information systems. [2]

It will include a variety of e-commerce
1. Business to Customer (BTOC): The largest
share of e-commerce in the retail BTOC form the
business grew quickly with expanding web and now
you can easily all kinds of goods ranging from
sweets to cars and computer software purchased
through the Internet.
2. Consumer to Consumer (CTOC): In this
model of e-commerce, auction and bidding is done
via the internet goods. Requirements similar to a
newspaper classified into a stall in the market for
second hand or junk shop. The basic idea of this
model is that consumers could buy and sell each
other without intermediaries.
3. Consumer to Business (CTOB): Purchase
requires new methods for making it easier to buy and
sell online. Online agencies such as the intermediary
between consumers and sellers, the buyers will try
to assist in purchasing. Their work is based on
CTOB model for the model's sales agency should
have ended the profitability of a sales strategy to use.
4. Peer to peer (PTOP): Participants to
liquidate their auction service called Paypal vendor
that is most PTOP trade within that people can work
directly together to exchange and while the lion's
share of the money transfer transactions are
undertaken in the face. Mobile technology, more
people are involved in the trading of non-
verbal.Before the Paypal many online merchants
received different kinds of customer payment via
credit card business accounts. By using Mondex as a
hardware which is a subset of MasterCard, users are
able to transfer their electronic money and your
money will be transferred from one credit card to
another credit card, mobile usage is as follows.
Instead of the usual standard GSM mobile communication technology in many countries, especially in Europe is replaced a protocol employing a different technology application software via wireless devices (Wireless application), that briefly called WAP. In this new mode, through the center of each mobile phone is connected to a computer server and can activate the required software on users computer. Thus, users can send or receive information from their computers through the internet or other services, value-added network (VAN) is connected to the commercial and service centers.

5. Business to Administration (BTOA): This kind of e-commerce business is including all financial transactions between companies and government agencies. Taxes paid by companies and government needs; including those which may be included in this category. BTOA business currently is in its infancy. But will rate growth in the near future when governments want and show respect to improve their relationships.

6. Consumer to Administration (CTOA) this model of e-commerce has not yet emerged but according to the growth of BTOA, governments will expand the state of electronic exchanges as to collect people’s donations, to pay income tax and any other business between the government and the people.

Iran and E-Commerce:

If only you search a little in Persian web space, you will be familiar with the different sites that the work is summarized in e-commerce Section. In cyberspace country are so many internet sales sites that are not clear which one is superior to another or who can be trusted more. But the question that comes to mind after seeing this massive site is why has not been reached in the field of e-commerce in our country however the amount of sites work in this field and invite users to buy online. Iran's position in the global ranking in terms of the volume of e-commerce prove theses claim. The latest statistics revealed that Iran's position in the field of e-commerce .Statements of government officials at the Sixth Conference of commerce. Also, according to the latest statistics provided by the Ministry of Communications and Information Technology, and classified by the World Economic Community in 2012, Network Readiness Index (NRI) is the following four criteria, Environment, preparation, application and Influence, Environmental sub-criteria, measures the relationship between the market and regulatory framework to support high levels of ICT use and development potential of entrepreneurship and innovation which includes elements of the political environment and governance and business innovation and also in the preparation of sub-criteria is considered to prepare infrastructure for the construction of commodity with the use of ICT and digital content. The three bases of digital content and infrastructure are included price and cost of services and skills. This index measures the utilization of ICT in their daily activities and including the use of personal, commercial and eventually government, also the influence of sub-criteria evaluates the vast economic and social effects of ICT to enhance competitiveness and welfare of citizens and so this indicates that the economy and society will be moved toward technology-based society and economy and ICT. The rank of Iran, on the table of readiness networking, is 16 among the 20 countries in the region rank and 104 in world.

Barriers and Challenges of E-Commerce in Iran:

Challenges in implementing e-commerce in Iran can be pointed to the following factors:

-Economic and cultural poverty and low levels of IT awareness in the country; MS. Susan Strange has become the worlds leading researchers in the field of globalization believe this is the biggest storm of the technology should be sought in the cultural field. Cultural aspects of globalization to dominate the cultural values of the West and the world is their legitimacy, the distinguishing between internal and external sovereignty is a fundamental principle of the international system which is considered Nowadays, to break down the process of globalization that is major obstacle to the growth of this phenomenon. (Sadeghi, 1387)The Lack of appropriate culture to face with e-commerce, prevent the public by promoting false rumors and thinking, replaced by some other business phenomena such as network marketing that is not relation with e-commerce, and negatively impact business units, customers, e-commerce and physical distribution. However, the political elites in our country even more, and they still are not aware of this new revolutionary in the field of trade but everyone knew it is inevitable that the economy away from tradition and links to modernity .Thus, the lack of proper implementation by the relevant agencies to develop public awareness of the issues of information technology, is a serious obstacle in this way. [11]

- Unfamiliarity responsible for the structure and function of E-Commerce: Low awareness of directors about the objectives of E-commerce, improper development of using internet, resisted previous system’s users, low consumer awareness of the benefits of E-commerce, nature and non-tangible benefits of E-commerce. [2]

-Demographic factors (such as the high average of age in efficiency and income generation of society): The high averages of age in society reduce motivation to replace modern trade (E-Commerce) instead of traditional businesses. These communities have any interest in changing the models of economic performance. [11]
- The value of the time the Iranian folklore: One of the most important cultural issues is lack of attention to the value of "time is gold!" Or "every moment is treasure", which is mentioned in our culture! Until the "time" as a category is worthless in Iranian society, inevitably the little things well and saves a lot of time to be considered, are ignored. [3]

Fig. 1: Position of 20 countries in the region rank in 2012

- International relations (such as financial and banking sanctions against Iran): The impact of economic sanctions has had on the development of e-commerce infrastructure. Among which may be limited or banned the use of credit cards such as MasterCard, Visa Card and... [6]

- Lack of appropriate finance infrastructure and ailing economic system: lack attention of finance infrastructure and new infrastructure accounting in economics that is one of the e-commerce arms; have caused a lot of obstacles in the development of this phenomenon. In our country there are not institutions or organizations that use an electronic internal financial accounting system, to create an efficient online sale. Since the establishment of such institutions is impossible without an integrated accounting and financial systems.

- Disproportion speed internet access, web-down organizations, lack of internet service providers, non-compliance broadband internet, lack of internal experts. Low internal technical experts, high cost and the lack of networking and communications equipment necessary to access the internet fast and easy. Unfortunately in Iran infrastructures networks such as the Internet, mobile and... reach with much more cost and time and one of the most important contexts used in making e-commerce is not readily available. Quick and easy access and broadband Internet as one of the most important contexts used in making e-commerce is not readily available in Iran. Lacks of fast and cheap access to the Internet reduce users' willingness to participate in online commercial transactions largely.

- The other challenges are the lack of managerial strategic management, lack of senior management commitment to public and non-profit organizations, the multiplicity of decision centers in the field of e-commerce, the lack of cross-sectoral coordination lack of national programs in this field, turning over e-business managers and decision makers.
-Secure exchange of personal data in electronic media: One of the many negative effects of high interest for both users and administrators to develop e-commerce is no security context for the exchange of personal data and confidential information such as account numbers and passwords of electronic payment card and ..., of course good practices have been done in connection with security-related sites such as SSL by some executive of electronic payments banks, however are limited. Another problem is the lack of recognition and issuance of digital signatures and digital certificates can be used in development contexts.

-The lack of codified rules adopted e-commerce and other legal issues: In general, the main problems limiting the growth of e-commerce in developing countries are to accelerate growth of E-commerce should be to remove barriers such as insecurity and lack of legal coverage in connection with financial transactions. However, weaknesses of existing laws on legal issues, customs and taxes, as well as the lack of adequate written laws dealing with electronic crime, is a serious obstacle in this way. Also in this area can point to unacceptable documents and electronic signatures which are the current rules and regulations. More generally, the issue of reliable electronic evidence, the rules of consumer protection, rules for publicity, Personal messages protection, copyright protection in the context of electronic transactions and protection of secrets and trademarks to protect legitimate competition, involved in completely legal issues E-commerce. Fraud and forgery offenses such as criminal law be introduced in violation of messages supporting data, consumer rights, promoting the rule violation, breach copyright and trade secrets and trademark infringement in the context of electronic and punishment can be effective, but they are a codification of rules and regulations concerning the establishment and legal infrastructure for electronic certificates, electronic tax: Including banking, insurance, customs and pay online, e-commerce tax activists, including civil and criminal litigation procedure and forms to electronic methods, training and staff awareness regarding the application of modern methods of judicial proceedings, the jurisdiction of the international criminal justice and penal procedures in the context of electronic exchanges is not considered in the law basically or without regarding to the degree of its importance is mentioned even just a brief or it has been transferred to the by laws.

Conclusion:

For a country which is moving towards industrialization era and has profound and deep distance with the latest industrial and technological achievement of world, If foreign trade is scheduled to be done in a manner worthy of the talents and resources of the region and country, It can be a good way to achieve growth and enhance its. Developing strategies for economic, Social and Cultural Rights of the Islamic Republic of Iran, all that it required a major change in the orientation of manufacturing and trading experience. Unfortunately, the position of e-commerce has not come into force as a law even for the government which usually should be as a supporter and creator. Lack of credit cards are widely is a challenge of e-commerce’s infrastructure. One of the most important issues in the development of our country’s e-commerce is communications infrastructure, it Remains a serious problem in our country about providing the infrastructure and we have the huge gap with leading countries, If we want to use e-commerce in the national interest, must be to create new opportunities, Communications infrastructure and culture are important issues in the development of e-commerce, and it should be noted that this type of business has a social impact and all people can benefit from it. To access the e-commerce must adapt our technology with the world of course, there means no investment and it is necessary to establish diplomatic relations with other countries to achieve electronic technologies that other countries have access to it easily. Other important challenges are information security in electronic commerce such as copying data, allowing people to withdraw their name from the email account, the trade in illegal documents, copying documents, changing people's bank accounts, fraudulent websites created by another name and there is the possibility of denial of information and electronic documents. According to what was mentioned increasing security must be provided in the virtual world in all fields including banking, e-commerce and e-business. Consequently, people are attracted to this kind of business and the development of e-commerce is operated in our society, with it in the hope that officials and individuals associated can eliminate barriers and challenges of this global importance to improve economy and thereby Iran's entry into the global world of e-commerce.

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