BARRIERS TO THE APPLICATION OF E-COMMERCE IN STONE EXPORT
(CASE STUDY OF LORESTAN PROVINCE)

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Abstract: This study is aimed at understanding the barriers to the application of e-commerce in the field of stone export in Lorestan province. This is a descriptive survey of correlation type. The statistical population is comprised of 365 factory managers active in the stone industry in Lorestan province, 187 of which were selected as sample using Cochran formula. A questionnaire was used to collect the required data.

The results show that there is a significant relationship between hardware problems, software problems, problems arising from information technology, manpower problems including instructional, cultural and behavioral problems, problems arising from juridical, security and legal infrastructures and also informational infrastructures and customs and commercial problems; and lack of the application of e-commerce in developing stone export in Lorestan province.

Efforts and planning in both micro and macro levels towards development of e-commerce for all the factories and industries of the country and attention to the required infrastructures including hardware, software, legal, juridical and commercial laws infrastructures are among the suggestions proposed based on the findings.

Keywords: e-commerce, export, stone, Lorestan province.

INTRODUCTION

One of the ways towards economic development in oil exporting countries like Iran, with a mono-product oil-oriented economy, is fast movement towards diversification and increasing the potential for non-oil exports; and it would not be possible without a comprehensive study of the factors affecting non-oil exports. In doing so, although examining imports and exports is performed within the relative price frame in many of the developed countries (most of the analyses have also not stepped beyond this frame in our country), it seems that institutional, scientific, technological and administrative conditions would have a deeper effect on export in Iran’s economy.

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Existence of alternative goods, cost of alternative goods, quality of alternative goods and buyer’s tendency towards alternative goods are considered as factors affecting the intensity of competition. In new markets that have different conditions from local markets, and with different tastes and preferences of consumers, the product can encounter some alternatives. Alternative products limit potential capabilities of every industry and allow increase in the price of goods to a certain point, unless the quality of the goods is improved or there is some modifications in it in which case growth and increase of income would be possible. Higher attraction of the price of alternative goods often limits the profitability of the main industry. If the relative price of alternative products and the costs of producing such products are decreased, competition would intensify and pressures arising from competition would be increased in a market with alternative products. Alternative goods not only limit profitability in normal conditions, but also may decrease the profit of the relative industry at the time of economic prosperity. Some of the determinants for relative goods include: relative price, performance of alternative goods, buyers’ tendency towards alternative goods, etc. (Robinson, 2005)

International Business Machines (IBM) focused most of its efforts and activities on the hardware section of the industry for decades: first on main frame computers and then on personal computers, and parallel with development of internet in mid 1990s, on servers and the related equipment. Target customers of IBM for those hardware were mainly organizations rather than individual consumers and usually large organizations needing a huge power and capacity for data processing and also having the required and sufficient financial power to buy those equipment. However, this company did not forget minor consumers or companies, but relied on independent retailers such as Circuit City and on value-added resellers to focus most of its sales and marketing activities on large organizations while accessing those markets (Walker et al., 2004, p.25).

Compared to traditional market, in internet market for the commercial organization there is the challenge of facing more competitors and less customer loyalty. Therefore, attracting, earning trust, satisfaction and retention of customers in e-commerce is a significant and difficult problem for a commercial organization (Elahi et al., 2009, p. 28).

Nowadays, export is one of the important indicators of development in developed countries. As a developing country, Iran cannot play a significant role in global trade and economy simply relying on mono-product and vulnerable economy of oil; and therefore should coordinate and adjust its economy quickly with global changes in order to succeed in economic development and establishment of a rational and organic relationship with foreign trade and development of non-oil exports.

According to the above, this study is intended to answer this question: What obstacles prevent the use of e-commerce by manufacturers is the stone industry in Lorestan province?