Chapter 18

The Influence of Internet Security on E-Business Competence in Jordan: An Empirical Analysis

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ABSTRACT

The purpose of this study is to investigate the relationship between internet security and e-business competence in Jordan. The proposed conceptual model examined the antecedents and consequences of e-business competence of its empirical validity, the sample of 152 banking and exchange firms, and tests the posited structural equation model. Results consistently support the validity of the proposed conceptual model, finding that both organizations realize the importance of e-business for their business and are willing to proceed further with e-business. In this regard, businesses are highly concerned about internet security, their awareness of security hazards, and minimal internet performance, concluding that public awareness of the ICT is very low. In light of the data collected, the study has proposed certain recommendations for the interested authorities to improve e-business in Jordan.

INTRODUCTION

Several studies suggested that the internet has become a popular delivery platform for electronic business (Sheshunoff, 2000; Oyegoke, 1999; Birch, 1999; Evans & Wurster, 1997). Electronic business offered an easy access to their accounts 24 hours per day, seven days a week. Regardless of this convenience, adoption rates of electronic business in most developed countries have been very low. Therefore, of interest to ascertain and understand the factors that drive using e-business applications. Jordan, over a long historical period, is a country of commerce and its people are famous for their trading and business activities. When the internet project entered Jordan, the Jordanian business organizations faced challenging
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competition to have a pronounced presence on the web. The aims behind this growing attendance are commercial and for reducing communication costs. Most of the companies in Jordan started to build their own websites on the web and started using them to communicate with both current and potential customers.

Saeed et al. (2005) results illustrated that firms with high electronic commerce competence exhibit superior performance and that customer value generated through Web site functionality partially mediates this relationship. Additionally, firms have now started to realize the danger that comes from using this modern method of business, which is the difficulty of having a secure business. Laudon and Traver (2008) explained that the e-commerce environment holds threats for both consumers and merchants; therefore, unsecure operations can cause a firm to lose successful business. There are misconceptions must be overcome before it can be deemed suitable for electronic commerce. A few of the commonly expressed concerns include reliability, security, scalability, ease of use and payment (Ambrose & Johnson, 1998). Hence, security is one barrier but there is the real underlying factor.

Historical Background

The internet as an information and entertainment technology has affected on education, government, publishing, the retail industry, banking, broadcast services, and health care delivery. Therefore, the scope of internet applications and forces is to deliver the internet resource to business utility. Thus, the core indicators on accept and usage of internet by households and individuals should be used in parallel with flourish e-business activities as a starting point of Jordan that planning to implement the information society. In Jordan, the ICT sector has grown rapidly during the last years and enormous investments recently have made. Jordanian governments, ICT companies are also making efforts to involve more people in the adoption of their products and services. Current Jordanian stakeholders such as the government, internet Service Providers (ISPs), are making a lot of efforts and resources to speed up the adoption of e-commerce applications.

In general, most Jordanian business companies are subscribers to the internet service but the uses of the internet for business purposes are limited to one aspect of internet interaction facilities, i.e., communication. Active internet services in the business affairs of Jordanian banks and exchange companies has not reached the necessary level at which the Jordanian business sector can benefit from participating in e-commerce activities. Although the internet can also be a source of significant dangers and risks, most Jordanian business users today feel they will suffer a greater loss by not connecting to the internet than they will face with security issues. The advances in internet technology should go along the same lines as security. The banks in Jordan are covering behind other geographical regions in the areas of technological interaction. Table 1 shows the increased number of subscriber along the eight years.

In January 2008, the Government completed the sale of its Jordan Telecom shares. Such that 51% of company shares became own by France Telecom, and the rest of the shares distributed between the Social Security Corporation, the Nor Financial Investment Company (Nor), the armed forces and security agencies, leaving 7% available for exchange in Amman Stock Exchange market. In June 2008, telecommunication regularly commission “TRC” announced its intention to introduce 3G services in Jordan. Mid August 2009: TRC granted a third generation (3G) license to Orange Mobile Company.

Literature Review

The use of the internet in business organizations has continuously increased because the facilities that the internet provides push many organizations to replace some of their traditional com-