

The Role of E-Commerce Platforms in enhancing competitiveness “An Exploratory Study on SME’s in Saudi Arabia”

Mashael Abdulaziz Malibari

The Kingdom of Saudi Arabia, Ministry of Education,
Umm Al-Qura University, Community College
Department of Administrative and Financial Sciences
m-malibari@hotmail.com

Abstract

This research aims to identify the current role of e-commerce platforms as an important tool to enhance the competitiveness of small and medium-sized enterprises (SMEs), employing the competitiveness model of Michael Porter (Porter, 1979), also known as the Five Forces model. The research also provides recommendations for building the strategies which help minimize the effects of weaknesses and enhance the strengths of increasing competitiveness of SMEs using e-commerce platforms. A number of questions and hypotheses have been raised to prove the relationship between e-commerce platforms and competitiveness. The most prominent among the research results is the existence of a strong positive relationship between e-commerce platforms and the enhancement of competitiveness between buyers in SMEs as well as a moderate positive relationship between e-commerce platforms and the promotion of competitiveness between new suppliers and competitors within the same industry and the emergence of alternative goods or services as rivals to SMEs.

Based on the above-mentioned results, the researcher provides a number of recommendations, of which the most significant are providing all the services of e-commerce platforms that increase the purchasing power of buyers and build a trust and loyalty-based relationship between the enterprise and its customers which in turn enhances competitiveness.

Keywords: *E-Commerce, Financial Informatics, Management Information stems, Information Technology*

1. Research Methodology

Our today's world witnesses a tremendous and indisputable technological development in all areas of life. The emergence of the International Network (Internet) is one of the most important manifestations of the technological advance. The new medium facilitated and accelerated communication between individuals and SMEs around the world that has already become a Small village.

Based on the changes that took place in human life, trade had to be affected by technological development, and accordingly the so-called e-commerce platforms came into existence and grew rapidly and globally as indicated by several statistics, especially in America and Europe.

This research seeks to identify the role of e-commerce platforms as a tool and means to raise the level of competitiveness among different SMEs in the Kingdom of Saudi Arabia,

based on Porter's competitive model. This section tackles the method by which the research was planned and managed and it involves the following subsections:

1.1 Research Hypotheses

Reading several references related to the study topic, the researcher approved Porter's competitiveness model for being a strategic business tool used in analyzing the attractiveness of industry structure from an outside-in perspective where the analysis of competitive forces is mainly determined by five major forces (threat of new entrants, threat of substitute products or services, the bargaining power of buyers, the bargaining power of suppliers and the threat of established rivals).

This research seeks to test the following main hypothesis:

Main Hypothesis: There is a relationship between e-commerce platforms and the promotion of competitiveness among SMEs.

This key hypothesis is subdivided into the following sub-hypotheses:

Sub-hypothesis I: There is a relationship between e-commerce platforms and the promotion of competitiveness among buyers.

Sub-hypothesis II: There is a relationship between e-commerce platforms and the promotion of competitiveness among suppliers.

Sub-hypothesis III: There is a relationship between e-commerce platforms and determining the possibility of new competitors' entry into the business environment.

Sub-hypothesis IV: There is a relationship between e-commerce platforms and the emergence of substitute competing products and services.

Sub-hypothesis V: There is a relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same business environment.

1.2 Research Questions

In terms of this research, the following main question has been formulated:

What is the role of e-commerce platforms in enhancing competitiveness among SMEs in the Kingdom of Saudi Arabia?

This key question is subdivided into the following sub-questions:

- 1- What is the role of e-commerce platforms in enhancing competitiveness among buyers?
- 2- What is the role of e-commerce platforms in enhancing competitiveness among suppliers?
- 3- What is the role of e-commerce platforms in determining the possibility of new competitors' entry into the industry?
- 4- What is the role of e-commerce platforms in the emergence of substitute competing products and services?
- 5- What is the role of e-commerce platforms in the enhancement of competitiveness among SMEs within the same business environment?

1.3 Research Objectives

The main objective of this research is to identify the role of e-commerce platforms in enhancing competitiveness among SMEs using the competitive model of Porter by achieving the following sub-objectives:

- 1- Identifying the role of e-commerce platforms in enhancing competitiveness among buyers,

- 2- Identifying the role of e-commerce platforms in enhancing competitiveness among suppliers,
- 3- Identifying the role of e-commerce platforms in determining the possibility of new competitors' entry into the industry,
- 4- Identifying the role of e-commerce platforms in the emergence of substitute competing products and services,
- 5- Identifying the role of e-commerce platforms in the enhancement of competitiveness among SMEs within the same industry.

1.4 Research Significance

The scientific significance of this research is to clarify the role of using e-commerce platforms as a tool and means to enhance competitiveness among different SMEs, by applying Porter's competitive model in order to ensure the promotion of competitiveness among SMEs in Saudi Arabia. The research also draws its practical significance from its anticipated findings and recommendations that SMEs officials can apply in order to guide and support the use of e-commerce platforms with the aim of enhancing the competitiveness of SMEs.

1.5 Research Model

This model was carefully developed by the researcher using Porter's model as a dependent variable and e-commerce platforms as an independent variable.

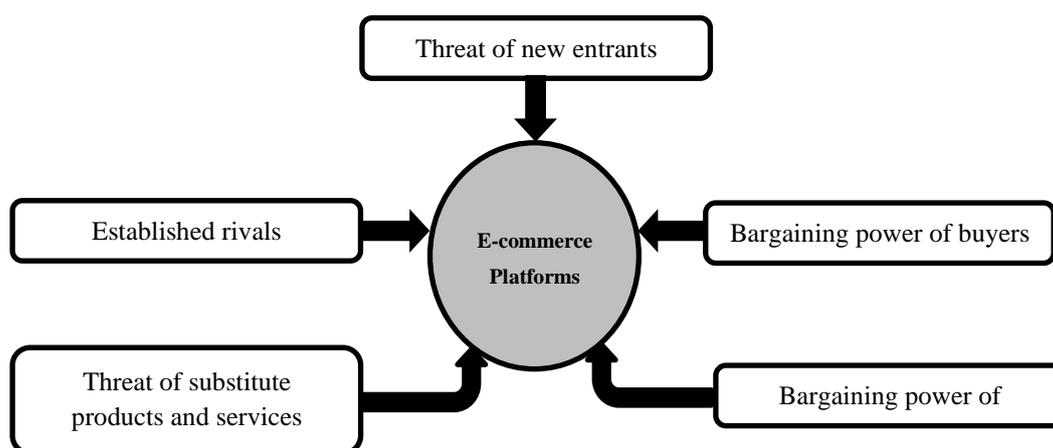


Fig (1) Hypothetical Research model

2. Research Scope and Limitations

The research limitations are restricted to the following:

(a) Temporal Scope

The field part of the research has been conducted during the first half of (1440 H – 2019 AD)

(b) Spatial Scope

The research has been applied to (126) SMEs in the Saudi Arabian cities of Riyadh, Jeddah, Dammam.

(c) Human Scope

The research has been applied to all managers at different administrative levels in the SMEs under study.

(d) **Thematic Scope**

This research was limited to the study of two basic variables: the first one is the role of e-commerce platforms, while the second is Porter's competitive model, including its elements (threats of new entrants, threats of substitute goods or services, bargaining power of buyers, bargaining power of suppliers, and competition between the established rivals).

3. Research tool

The researcher designed a questionnaire that contained demographic and functional variables for the research sample as well as two main axes:

Axis I: deals with the competitive factors affected by e-commerce platforms and includes twenty-five terms.

Axis II: the services axis which aims to measure the importance of these services for further adoption by SMEs in order to enhance the desired competitiveness. The importance of this axis, according to the researcher, is that it is an important source to reach the necessary recommendations of the first axis, which is considered one of the researcher's means to achieve the recommendations that SMEs should take into account when using e-commerce platforms, which is positively reflected in the increase of competitiveness of the organization.

3.1 Data Collection Sources

Data Collection Sources are of two aspects:

- (a) **Primary Sources:** the sources obtained from the questionnaire delivered to the research sample of SMEs managers.
- (b) **Secondary Sources:** the sources collected from references, scientific books and related literature that tackled e-commerce platforms and their role in enhancing the competitiveness of SMEs.

3.2 Research Sample and population

The research has been conducted on a random sample from (126) SMEs. The total sample size is (300) units (questionnaires); but after they have been collected, verified and reviewed, only (267) were found to be complete and statistically valid.

3.3 Research Methodology

In order to address the research problem, researcher applied the descriptive and analytical method which helps to study and surveys the study sample individuals on the role of e-commerce platforms in achieving the competitive advantage among SMEs.

3.4 Statistical Methods and Indicators

Based on the nature of the data to be collected and the methodology used in the research, the researcher found that the most suitable tool to achieve the research objectives is the questionnaire, due to the lack of basic information relevant to the topic such as published data. Data were analyzed through a set of statistical indicators besides the statistical program (SPSS 22.0). Statistical treatments used include frequencies, arithmetic means (means), standard deviation, percentages, reliability coefficient, correlation coefficient, T- test, and mono-variance analysis.

4. Applied Framework

4.1 Validity of the Research Tool

The validity of the research tool was assured by measuring the internal consistency of the questionnaire axes by calculating the correlation coefficient between each axis and the total of the research tool, as shown in Table (1).

Table (1) Validity and internal consistency of the research tool axes with the total sum of the research tool

Axes	Number of Items	Pearson's Second Coefficient
Axis I: Competitive factors influenced by e-commerce platforms	25	**0.785
Axis II: the services that should be taken in SMEs' consideration to enhance the e-commerce-based competitiveness	12	**0.484

Table (1) shows that correlation coefficient values indicate a high internal consistency between each axis with the total sum of the search tool. Thus, the axes of the search tool are highly valid.

4.2 Reliability of the Research Tool

Table (2) Reliability of the research tool and axes

Axes	Number of Items	Reliability Coefficient
Axis I: Competitive factors influenced by e-commerce platforms	25	0.65
Axis II: the services that should be taken in SMEs' consideration to enhance the e-commerce-based competitiveness	12	0.841
Total tool reliability	38	0.775

Table (2) shows that the value of Cronbach's Alpha reliability coefficient for the research tool is (0.775) indicating the tool's reliability and its validity for application. In addition, the values of Cronbach's Alpha reliability coefficient for the research axes are (0.65 and 0.841) respectively, indicating a high reliability especially for the second axis.

4.3 Hypotheses Testing

Main Hypothesis: There is a relationship between e-commerce platforms and the promotion of competitiveness among SMEs within the same business environment.

Sub-hypothesis I: There is a relationship between e-commerce platforms and the promotion of competitiveness among buyers.

Sub-hypothesis II: There is a relationship between e-commerce platforms and the promotion of competitiveness among suppliers.

Sub-hypothesis III: There is a relationship between e-commerce platforms and determining the possibility of new competitors' entry into the industry.

Sub-hypothesis IV: There is a relationship between e-commerce platforms and the emergence of substitute competing products and services.

4.4 Answering the research questions

(i) Answering sub-question I: what is the role of e-commerce platforms in enhancing competitiveness among buyers?

Table (3) Trends of the research sample towards the role of e-commerce platforms in enhancing competitiveness among buyers

Item No.	Item	Degree of approval										Mean	Effect degree
		Very effective		Highly effective		Moderately effective		Little effective		Non-effective			
		No.	%	No.	%	No.	%	No.	%	No.	%		
1	E-commerce platforms increase product options before customers	120	44.9	114	42.7	30	11.2	0	0.0	3	1.1	4.30	Very effective
2	E-commerce platforms facilitate the comparison between goods or services	153	57.3	108	40.4	3	1.1	3	1.1	0	0.0	4.54	Very effective
3	E-commerce platforms improve customer service	72	27.0	135	50.6	54	20.2	6	2.2	0	0.0	4.02	Highly effective
4	E-commerce platforms increase special offers on the purchase of goods or services	36	13.5	120	44.9	96	36.0	9	3.4	6	2.2	3.64	Highly effective
5	E-commerce platforms improve after-sale services	96	36.0	120	44.9	48	18.0	3	1.1	0	0.0	4.16	Highly effective
6	E-commerce platforms remarkably reduce the prices of goods or services	33	12.4	63	23.6	84	31.5	66	24.7	21	7.9	3.08	Moderately effective
Weighted Arithmetic Mean											3.96	Moderately effective	
Standard Deviation											0.40		

Table (3) shows the significant role of e-commerce platforms in enhancing the competitiveness among buyers, and this reinforces the value of the weighted mean which is (3.96).

The role of e-commerce platforms in terms of the above factors is supported by the mean values of the responses of the sample respondents of (4.54, 4.30 and 4.16) respectively.

This means that e-commerce platforms make it easier for buyers to make meaningful comparisons for goods or services offered by multiple organizations, increase the number of options for goods or services offered to customers, and thus ease the choice between multiple options for buyers. In addition, e-commerce platforms improve after-sales services, depending on the SMEs' strategies of caring for and retaining customers as long as possible.

(ii) Answering sub-question II: what is the role of e-commerce platforms in enhancing competitiveness among suppliers?

Table (4) Trends of the research sample towards the role of e-commerce platforms in enhancing competitiveness among suppliers

Item No.	Item	Degree of approval										Mean	Effect degree
		Very effective		Highly effective		Moderately effective		Little effective		Non-effective			
		No.	%	No.	%	No.	%	No.	%	No.	%		
7	E-commerce platforms reduce the need to rely on stores	117	43.8	144	53.9	0	0.0	0	0.0	6	2.2	4.37	Very effective
8	E-commerce platforms reduce the number of intermediaries, providing a direct relationship between the manufacturer and the final customer	177	66.3	87	32.6	0	0	3	1.1	0	0	4.64	Very effective
9	E-commerce platforms increase the chances of forging the products of large organizations and reselling them at lower prices	39	14.6	93	34.8	111	41.6	21	7.9	3	1.1	3.54	Highly effective
10	E-commerce platforms increase the possibility of the emergence of new suppliers	126	47.2	117	43.8	18	6.7	6	2.2	0	0	4.36	Highly effective
Weighted Arithmetic Mean												4.23	Highly effective
Standard Deviation												0.37	

Table (4) shows that e-commerce platforms are highly effective in enhancing competitiveness among suppliers. The role of e-commerce platforms in this enhancement is seen in the weighted mean value of (4.23)

The role of e-commerce platforms in enhancing competitiveness among suppliers is supported by the mean values of the responses of the sample of (4.64, 4.37 and 4.36) respectively.

(iii) Answering sub-question III: what is the role of e-commerce platforms in the emergence of substitute competing goods or services?

Table (5) Trends of the research sample towards the role of e-commerce platforms in the emergence of substitute competing goods or services

Item No.	Item	Degree of approval										Mean	Effect degree
		Very effective		Highly effective		Moderately effective		Little effective		Non-effective			
		No.	%	No.	%	No.	%	No.	%	No.	%		
11	E-commerce platforms contribute to further leakage of the secrets and expertise of SMEs	6	2.2	60	22.5	114	42.7	69	25.8	18	6.7	2.88	Moderately effective
12	E-commerce platforms increase the offering of substitute products to the online markets	138	51.7	114	42.7	12	4.5	0	0	3	1.1	1.44	Very effective
13	E-commerce platforms accelerate the development of goods or services	72	27.0	141	52.8	51	19.1	3	1.1	0	0	4.06	Highly effective
14	E-commerce platforms increase new product offering on markets	120	44.9	135	50.6	9	3.4	0	0	3	1.1	4.38	Very effective
Weighted Arithmetic Mean											3.96	Highly effective	
Standard Deviation											0.45		

Table (5) shows that e-commerce platforms are highly effective in the emergence of substitute goods or services competing SMEs. This is seen in the weighted mean value of (3.96).

In addition, the indicators represented in table (5) show that one of the most prominent roles of e-commerce platforms in terms of the emergence of substitute competing goods or services threatening the business of SMEs is the offering of new substitute products to online markets as well as accelerating the development of commodities, services or goods.

The role of e-commerce platforms in the emergence of substitute goods or services competing SMEs is supported by the mean values of (4.44, 4.38 and 4.06) respectively.

(iv) Answering sub-question IV: what is the role of e-commerce platforms in determining the possibility of new competitors' entry into the same business environment of SMEs?

Table (6) Trends of the research sample towards the role of e-commerce platforms in determining the possibility of new competitors' entry into the same business environment

Item No.	Item	Degree of approval										Mean	Effect degree
		Very effective		Highly effective		Moderately effective		Little effective		Non-effective			
		No.	%	No.	%	No.	%	No.	%	No.	%		
15	E-commerce platforms reduce the government-related barriers to entry	39	14.6	132	49.4	87	32.6	6	2.2	3	1.1	3.74	Highly effective
16	E-commerce platforms increase the emergence of new competitors	132	49.4	99	37.1	33	12.4	0	0	3	1.1	4.34	Very effective
17	E-commerce platforms reduce the cost of offering goods or services compared to traditional trade	177	66.3	72	27	18	6.7	0	0	0	0	4.60	Very effective
Weighted Arithmetic Mean											4.23	Very effective	
Standard Deviation											0.42		

Table (6) shows that e-commerce platforms are very effective in determining the possibility of new competitors' entry into the same business environment of SMEs. This is seen in the weighted mean value of (4.23).

The role of e-commerce platforms in determining the possibility of new competitors' entry into the same business environment of SMEs is supported by the mean values of (4.60 and 4.34) respectively.

(v) Answering sub-question V: what is the role of e-commerce platforms in enhancing competitiveness among SMEs within the same industry?

Table (7) Trends of the research sample towards the role of e-commerce platforms in enhancing competitiveness among SMEs within the same industry

Item No.	Item	Degree of approval										Mean	Effect degree
		Very effective		Highly effective		Moderately effective		Little effective		Non-effective			
		No.	%	No.	%	No.	%	No.	%	No.	%		
18	E-commerce platforms increase cases of mergers and unions among SMEs	42	15.7	120	44.9	87	32.6	18	6.7	0	0	3.70	Highly effective
19	E-commerce platforms provide a variety of payment methods for the purchase of goods	147	55.1	102	38.2	18	6.7	0	0	0	0	4.48	Very effective

Follow Table (7) Trends of the research sample towards the role of e-commerce platforms in enhancing competitiveness among SMEs within the same industry

Item No.	Item	Degree of approval										Mean	Effect degree
		Very effective		Highly effective		Moderately effective		Little effective		Non-effective			
		No.	%	No.	%	No.	%	No.	%	No.	%		
20	E -commerce platforms increase installment payments	27	10.1	72	27	126	47.2	36	13.5	6	2.2	3.29	Moderately effective
21	E -commerce platforms increase commitment to fast delivery of goods and services	60	22.5	126	47.2	57	20.2	24	9	3	1.1	3.81	Highly effective
22	E -commerce platforms lead to the emergence of new means to attract customers	96	36.0	126	47.2	45	26.9	0	0	0	0	4.19	Highly effective
23	E -commerce platforms increase the differentiation between goods or services as well as the variety of goods	138	52.3	96	36.4	27	10.2	3	1.1	0	0	4.40	Very effective
24	E -commerce platforms improve the level of product quality	84	31.5	129	48.3	33	12.4	18	6.7	3	1.1	4.02	Highly effective
25	E -commerce platforms facilitate access to new markets	144	53.9	120	44.9	3	1.1	0	0	0	0	4.53	Very effective
Weighted Arithmetic Mean												4.05	Very effective
Standard Deviation												0.32	

Table (7) shows that e-commerce platforms are very effective in enhancing competitiveness among SMEs within the same industry. This is seen in the weighted mean value of (4.05).

From the aforementioned, we deduce that the most prominent roles of e-commerce platforms in terms of enhancing competitiveness among SMEs within the same industry are represented in the following:

- E -commerce platforms facilitate access to new markets.
- E -commerce platforms provide a variety of payment methods for the purchase of goods.
- E -commerce platforms increase the differentiation between goods or services as well as the variety of goods.

This is supported by the mean values of (4.53, 4.48 and 4.40) respectively.

5. Hypotheses Testing Results

The Linear regression coefficient analysis was used to test hypotheses. The null hypothesis (H0) is to be accepted if the calculated F-value is less than the table F-value, and to be rejected if the calculated F-value is greater than the table F-value.

Sub-hypothesis I:

Null hypothesis (H0): there isn't a relationship between e-commerce platforms and the enhancement of competitiveness among buyers.

Alternative hypothesis (H1): there is a relationship between e-commerce platforms and the enhancement of competitiveness among buyers.

Table (8) results of simple regression analysis of sub-hypothesis I test

Calculated F-value	Table F-value	SIG	H0 result	Correlation coefficient
6.724	3.0054	0.000	rejected	0.37

Table (8) demonstrates a strong positive relationship between e-commerce platforms and the enhancement of competitiveness among buyers since correlation coefficient (R) is ((0.37)). The significance of this value has been demonstrated through the F-test, which shows that the result is statistically acceptable since the calculated F-value is 6.724, which is greater than the table F-value and is significant at the level (SIG)of (0.000).This shows a statistically significant relationship between e-commerce platforms and the enhancement of competitiveness among buyers.

Sub-hypothesis II:

Null hypothesis (H0): there isn't a relationship between e-commerce platforms and the enhancement of competitiveness among suppliers.

Alternative hypothesis (H1): there is a relationship between e-commerce platforms and the enhancement of competitiveness among suppliers.

Table (9) results of simple regression analysis of sub-hypothesis II test

Calculated F-value	Table F-value	SIG	H0 result	Correlation coefficient
5.104	3.0054	0.000	rejected	0.40

Table (9) demonstrates a moderate positive relationship between e-commerce platforms and the enhancement of competitiveness among suppliers since correlation coefficient (R) is ((0.40)). The significance of this value has been demonstrated through the F-test, which shows that the result is statistically acceptable since the calculated F-value is 5.104, which is greater than the table F-value and is significant at the level (SIG)of (0.000).This shows a statistically significant relationship between e-commerce platforms and the enhancement of competitiveness among suppliers.

Sub-hypothesis III:

Null hypothesis (H0): there isn't a relationship between e-commerce platforms and determining the possibility of new competitors' entry into the same business environment of SMEs.

Alternative hypothesis (H1): there is a relationship between e-commerce platforms and the determining the possibility of new competitors' entry into the same business environment of SMEs.

Table (10) results of simple regression analysis of sub-hypothesis III test

Calculated F-value	Table F-value	SIG	H0 result	Correlation coefficient
5.698	3.0054	0.000	rejected	0.45

Table (10) demonstrates a moderate positive relationship between e-commerce platforms and determining the possibility of new competitors' entry into the same business environment of SMEs since correlation coefficient (R) is ((0.45)). The significance of this value has been demonstrated through the F-test, which shows that the result is statistically acceptable since the calculated F-value is 5.698, which is greater than the table F-value and is significant at the level (SIG) of (0.000). This shows a statistically significant relationship between e-commerce platforms and determining the possibility of new competitors' entry into the same business environment of SMEs.

Sub-hypothesis IV:

Null hypothesis (H0): there isn't a relationship between e-commerce platforms and the emergence of substitute goods or services competing SMEs.

Alternative hypothesis (H1): there is a relationship between e-commerce platforms and the emergence of substitute goods or services competing SMEs.

Table (11) results of simple regression analysis of sub-hypothesis IV test

Calculated F-value	Table F-value	SIG	H0 result	Correlation coefficient
6.318	3.0054	0.000	Rejected	0.42

Table (11) demonstrates a moderate positive relationship between e-commerce platforms and the emergence of substitute goods or services competing SMEs since correlation coefficient (R) is ((0.42)). The significance of this value has been demonstrated through the F-test, which shows that the result is statistically acceptable since the calculated F-value is 6.318, which is greater than the table F-value and is significant at the level (SIG) of (0.000). This shows a statistically significant relationship between e-commerce platforms and the emergence of substitute goods or services competing SMEs.

Sub-hypothesis V:

Null hypothesis (H0): there isn't a relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same industry.

Alternative hypothesis (H1): there is a relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same industry.

Table (12) results of simple regression analysis of sub-hypothesis V test.

Calculated F-value	Table F-value	SIG	H0 result	Correlation coefficient
5.248	3.0054	0.000	Rejected	0.32

Table (12) demonstrates a moderate positive relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same industry since correlation coefficient (R) is ((0.32)). The significance of this value has been demonstrated through the F-test, which shows that the result is statistically acceptable since

the calculated F-value is 5.248, which is greater than the table F-value and is significant at the level (SIG) of (0.000). This shows a statistically significant relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same industry.

6. Results and Recommendations

6.1 Research Results

In light of the research data analysis and interpretation, the research reached the following results:

- 1- There is a strong positive relationship between e-commerce platforms and the enhancement of competitiveness among buyers. This refers to a statistically-significant relationship between e-commerce platforms and the enhancement of competitiveness among buyers, lying in the reduction of bargaining power of buyers.
- 2- There is a moderate positive relationship between e-commerce platforms and the enhancement of competitiveness among suppliers. This refers to a statistically-significant relationship between e-commerce platforms and the enhancement of competitiveness among suppliers, lying in the reduction of bargaining power of suppliers.
- 3- There is a moderate positive relationship between e-commerce platforms and determining the possibility of new competitors' entry into the same business environment of SMEs. This refers to a statistically-significant relationship between e-commerce platforms and determining the possibility of new competitors' entry into the same business environment of SMEs, lying in the reduction of the threats related to new entrants to business environment.
- 4- There is a moderate positive relationship between e-commerce platforms and the emergence of substitute goods or services competing SMEs. This refers to a statistically-significant relationship between e-commerce platforms and the emergence of substitute goods or services competing SMEs, lying in the reduction of the threats related to the emergence of substitute goods or services threatening the business of SMEs.
- 5- There is a moderate positive relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same industry. This refers to a statistically-significant relationship between e-commerce platforms and the enhancement of competitiveness among SMEs within the same industry, lying in the reduction of the threats related to the established competitors within the same industry.
- 6- In terms of the effect of e-commerce platforms on the buyer-related factors, the research showed that they are highly effective, indicating greater competitiveness levels among SMEs. The research also showed that the most prominent effects of e-commerce platforms on buyers are:
 - E-commerce platforms make it easier for buyers to compare goods or services.
 - E-commerce platforms increase product options for buyers.
 - E-commerce platforms improve after-sale services provided for buyers.
- 7- In terms of the effect of e-commerce platforms on the supplier-related factors, the research showed that they are very effective, indicating greater competitiveness levels among SMEs. The research also showed that the most prominent effects of e-commerce platforms on suppliers are:
 - E-commerce platforms reduce the number of intermediaries, providing a direct relationship between the manufacturer and the final customer.
 - E-commerce platforms reduce the need to rely on stores.

- E-commerce platforms increase the possibility of the emergence of new suppliers, thus enhancing competitiveness among them.
- 8- In terms of the effect of e-commerce platforms on the factors related to the emergence of substitute goods or services threatening the business of SMEs, the research showed that they are highly effective, indicating greater competitiveness levels among SMEs. The research also showed that the most prominent effects of e-commerce platforms on the factors related to the emergence of substitute goods or services threatening the business of SMEs are:
- E-commerce platforms increase the offering of substitute goods or services to the online markets.
 - E-commerce platforms increase the offering of substitute goods or services to marketplaces.
 - E-commerce platforms accelerate the development of goods or services.
- 9- In terms of the effect of e-commerce platforms on the factors related to the new entrants to business environment, the research showed that they are very effective. The research also showed that the most prominent effects of e-commerce platforms on the factors related to the new entrants are:
- E-commerce platforms reduce the cost of offering goods or services compared to traditional trade.
 - E-commerce platforms increase the chances of the emergence of new competitors.
- 10- In terms of the effect of e-commerce platforms on the factors related to the rivals within the same industry, the research showed that they are highly effective, indicating greater competitiveness levels among SMEs. The research also showed that the most prominent effects of e-commerce platforms on the factors related to the rivals within the same industry of SMEs are:
- E-commerce platforms facilitate access to new markets.
 - E-commerce platforms provide a variety of payment methods for the purchase of goods.
 - E-commerce platforms increase the differentiation between goods or services as well as the variety of goods.
- 11- The research showed that e-commerce platforms are very effective in enhancing competitiveness among SMEs. Their roles affect all the concerned parties within the SMEs industry such as the bargaining power of buyers, the bargaining power of suppliers, new entrants, established competitors and the emergence of substitute goods or services.

6.2 Research Recommendations

Based on the previous results which showed a positive relationship between the role of e-commerce platforms and competitiveness as well as the analysis of the services to be provided by SMEs to its customers in order to enhance the desired competitiveness when utilizing e-commerce platforms, the researcher provides the following recommendations:

1. The results of sample respondents' responses showed that the most important services to be adopted by SMEs to enhance competitiveness when utilizing e-commerce platforms are the following:
 - Providing after-sales service,
 - Providing warranty on goods or services,
 - Quick response to online inquiries and complaints,
 - Providing multiple means of payment for the purchase of goods or services,

- SMEs' commitment to promptly deliver goods or services after payment,
- Clarifying the order's status and location as of the purchase date till the arrival of the product,
- Clarifying the product's nature and providing adequate information on its uses,
- Offering discounts for goods or services.

All these services are in favor of buyers thanks to their effective role in enhancing competitiveness. So, the researcher recommends SMEs aspiring to high competitiveness to focus on buyers and pay attention to providing all the above-mentioned services of e-commerce platforms that increase the purchasing power of buyers and build a strong relationship based on trust and loyalty between the enterprise and its customers, which in turn leads to enhanced competitiveness.

2. Reducing buyers' negotiating power by utilizing e-commerce platforms as a tool to enhance competitiveness through:
 - Multiple online and virtual stores that increase the options of goods or services available to customers. E-commerce platforms offer many options to the customer because of the accessibility of products and business enterprises that were not available near the client, thus increasing the competitiveness among SMEs compared with traditional trade that offers customers a few limited options.
 - Integrated information provided by e-commerce platforms on goods and services that facilitate the comparison of goods and services provided by SMEs easily and without any pressure from vendors, so that the customer can get their best offers, which in turn leads to increased competitiveness; unlike traditional trade, which requires visiting each different geographical location only in order to compare between the goods of each business enterprise.
 - Electronic markets (E- Markets) that work permanently (all year round (24/7/365)), without holidays where customers do not need to travel or wait in line to buy a particular product, nor do they have to take this product home. All this leads to improve customer service, since the purchase of a goods or services only requires a click on the product and this in turn achieves the desired competitiveness among SMEs.
 - Quick service provided by e-commerce platforms to customers in obtaining the necessary information and services within seconds or minutes, since e-commerce platforms reduce the time between payment and receiving goods and services, leading to the improvement of after-sales services, thus increasing competitiveness among SMEs. On the contrary, in traditional trade, it may take days and weeks to get a response if you request information or services from a traditional trading site.
 - Online shopping, which saves a big deal of the costs spent in regular shopping, representing an advantage for customers, in addition to a marked discount on commodities and goods due to the presence of many online SMEs sell goods at lower prices compared with traditional stores, because e-commerce platforms Promote competition, which is accompanied by price reduction.
3. Reducing bargaining power of suppliers by using e-commerce platforms as a tool to enhance competitiveness by:
 - Shift from relying on traditional stores to e-stores as e-commerce platforms allow inventory reduction, which in turn increases competitiveness among SMEs.

- Reducing the number of intermediaries resulting in a direct relationship between the manufacturer and the final customer, as e-commerce platforms terminate the role of intermediaries in many transactions, both for the benefit of the investor and the customer. This leads to a reduction of costs and prices, which in turn leads to faster turnover of the business and investment process and consequently enhances the desired competitiveness.
 - Effective communication with partners and customers provided by e-commerce platforms for SMEs, since e-commerce platforms provide an effective route for sharing information with partners. E-commerce platforms also provide a good opportunity for enterprises to benefit from the goods and services provided by others (i.e. suppliers), thus contributing to an increase in the possibility of new supplier's emergence and thus better competitiveness, unlike traditional trade, which makes it difficult to build effective communication between partners and customers.
4. Limiting the threats of new entrants to the industry by using e-commerce platforms as a tool to enhance competitiveness by:
- Access to global markets and achieving higher return. E-commerce platforms have reduced the government-related barriers to entry as the global character of e-commerce abolished border restrictions before access to commercial markets and contributed to turning the world into an open market before customers, regardless of the geographical location of the seller or the buyer because they inherently do not recognize existing limits and restrictions and encourage us not to adhere to them. With little cost, an enterprise can find more customers, better suppliers and more convenient partners quickly and easily, limiting the threats of new entrants to the industry and thus increasing competitiveness, unlike traditional trade which is vulnerable to boundaries and constraints at all levels.
 - Reducing the cost of goods or services offering compared to traditional trade by reducing the expenses of SMEs since the process of setting up and maintaining the websites of e-commerce platforms is more economical than building retail markets or maintaining offices. SMEs do not need to spend heavily on promotional affairs or install expensive equipment for customer service. There is no need for the business enterprise to use a large number of staffs to carry out inventories and administrative work, as there are online databases maintaining the history of sales in the enterprise as well as the names of customers. This manages a single person to retrieve the information in the database to examine the sales dates easily.
5. Limiting the threats of the emergence of substitute goods or services that threaten the activity of SMEs by using e-commerce platforms as a tool to enhance competitiveness through:
- Harmonization between some regulations relating to commercial and tax transactions, standards and measures on the one hand and meeting the urgent needs required by e-commerce platforms to create a transparent and flexible legal environment on the other. This increases the confidence of users by establishing the appropriate legal and accountable framework for the rights of different parties, limiting the threats of rivals and achieving the desired competitiveness.
 - SMEs should seek to create their own interactive websites, including all information about their products and services, so that e-commerce platforms can become a channel through which all information about customers can be brought to know their needs and

quickly respond to them. This means that the business enterprise will take the initiative to provide substitute goods or services needed by customers, which in turn increases the competitiveness of SMEs.

- Paying a special attention to time, especially the speed rate of providing information on markets, goods or services and enterprises owing to the importance of time in e-commerce platforms in reducing the threats of substitute goods or services and thus enhancing competitiveness.

6. Reducing the factors related to competitors in the same business environment by using e-commerce platforms as a tool to enhance competitiveness by:

- Acquisition of the largest market share through mergers between SMEs. E-commerce platforms have the required technical infrastructures, financial management and marketing strategies, relationship management and communication management, that's why e-commerce platforms facilitate mergers between SMEs without any losses or Concessions between merged parties, leading to increased competitiveness among SMEs.
- Multiple means of payment for the purchase of goods. E-commerce platforms only require some information about the credit card. In addition to credit cards, there are many convenient payment methods such as the use of electronic money (E-money). This leads to increased competitiveness among SMEs.
- Commitment to quick delivery of goods or services. E-commerce platforms provide direct interactive communications, allowing organizations on the online marketplace to utilize these features to respond quickly to customer demands, providing better customer service. This achieves customer satisfaction and loyalty, and boosts competitiveness among SMEs.
- The emergence of new ways to attract customers. E-commerce platforms improve the image of the business enterprise, boost customer service, find new business partners, facilitate operations, reduce the time needed to send goods and services, raise productivity in addition to the disposal of paper and reducing transportation costs and finally increasing flexibility in dealing. This leads to increased competitiveness among SMEs.
- Differentiation of goods or services and the variety of goods. E-commerce platforms enable SMEs to understand the needs of their customers and provide a wide range of shopping options for them. This achieves a high customer satisfaction rate which is not seen in traditional means of trade. The customer can know the items, prices and features of each category, trade-off and evaluate the product to be purchased in terms of how well it satisfies the desire and choices of the buyer. This in turn leads to increased competitiveness among SMEs.

7. The necessity to activate an online system of "electronic commercial register" for e-commerce platforms by the Ministry of Commerce so that this system can determine the rules, frameworks and procedures, to ensure protection, security and confidentiality and preserve the privacy of SMEs and their customers as well as the business of e-commerce platforms. This leads to the enhancement of the desired competitiveness, which in turn achieves the integration and economic and trade balance of the State.

References

- [1]. Alaa, Ghada (2010) **Complex Adaptive E-Commerce Systems: Analytical Tool and Evolution Processes**, LAP Lambert Academic Publishing.
- [2]. Awad, Elias M. (2006) **Electronic Commerce: From Vision to Fulfillment**, 3rd edition, Prentice Hall.
- [3]. Baltzan, Paige and Amy, Phillips (2009) **Business Driven Technology**, 4th edition, McGraw-Hill/Irwin.
- [4]. Bateman, Thomas and Snell, Scott (2005) **Management: Leading and Collaborating in The Competitive World with Online Learning Center access Card**, 7th edition, McGraw-Hill Companies.
- [5]. Bidgoli, Hossein (2010) **The Hand Book of Technology Management: Management Support Systems, Electronic Commerce, Legal and Security Considerations**, Volume 3, John Wiley & Sons, Incorporated.
- [6]. Boar, Bernard H. (1994) **Practical Steps for Aligning Information Technology with Business Strategies: How to Achieve a Competitive Advantage**, John Wiley & Sons, Incorporated.
- [7]. Borodin, Allan and El-Yaniv, Ran (2005) **Online Computation and Competitive Analysis**, Cambridge University Press.
- [8]. Botha, J., Bothma C. and Geldenhuys, P. (2008) **Managing E-Commerce in Business**, 2nd edition, Juta Legal and Academic Publishers.
- [9]. Carr, Nicholas G. (2004) **Does IT Matter? : Information Technology and the Corrosion of Competitive Advantage**, Harvard Business School Press.
- [10]. Chaffey, Dave (2011) **E-Business and E-Commerce Management: Strategy, Implementation and Practice**, 4th edition, Prentice Hall.
- [11]. Chesney, Thomas (2003) **Competitive Information in Small Business**, Kluwer Academic Publishers.
- [12]. Chu, Lawrence Jan Tow (2011) **Building the Competitive Advantage in E-Commerce Capabilities: Building and Sustaining the Sources of Competitive Advantage in E-Commerce Capabilities**, LAP Lambert Academic Publishing.
- [13]. Ciaramitaro, Barbara (2010) **Virtual Worlds and E-Commerce: Technologies and Applications for Building Customer Relationships**, IGI Global.
- [14]. Cyr, D. (2008) **Modeling Website Design across Cultures: Relationships to Trust, Satisfaction and E-loyalty**, Journal of Management Information Systems, Vol. 24.
- [15]. Eid, M. and Al-Anazi, F. (2008) **Factors Influencing Saudi Consumers Loyalty Towards B2C E-Commerce**, 14th Americas Conference on Information Systems, Toronto, Ontario, Canada, August 14-17, 2008.
- [16]. Eid, Mustafa I. (2011) **Determinants of E-Commerce Customer Satisfaction, Trust, and Loyalty in Saudi Arabia**, Journal of Electronic Commerce Research, Vol. 12, No 1, P. 78-91.
- [17]. Gloor, Peter A. (2005) **Swarm Creativity: Competitive Advantage Through Collaborative Innovation Networks**, Oxford University Press.
- [18]. Glossbrenner, Alfred and Rosenberg, John (1995) **Online Resources for Business: Getting the Information Your Business Needs to Stay Competitive**, 2nd edition, John Wiley & Sons, Incorporated.

- [19]. Hoffman, D. and Novak, T. (2000) **How to Acquire Customers on the Web**, *Harvard Business Review*, Vol. 78, 3:179-185.
- [20]. Khosrow-Pour, Mehdi (2009) **E-Commerce Trends for Organizational Advancement: New Applications and Methods**, IGI Global.
- [21]. Laudon, Kenneth and Traver, Carol Guercio (2009) **E-Commerce: Business, Technology, Society**, 6th edition, Prentice Hall.
- [22]. McCormack, Kevin P. and Johnson, William C. (2001) **Business Process Orientation: Gaining the E-Business Competitive Advantage**, CRC Press.
- [23]. McFadyen, Thomas (2008) **eCommerce Best Practices: How to Market, Sell, and Service Customers with Internet Technologies**, McFadyen Solutions.
- [24]. Meier, Andreas and Stormer, Henrik (2009) **eBusiness & eCommerce: Managing the Digital Value Chain**, 2nd edition, Springer-Verlag New York, LLC.
- [25]. Nacht, Richard and Chaney, Paul (2006) **Realty Blogging: Build Your Brand and Outsmart Your Competition**, McGraw-Hill Companies.
- [26]. Pietersen, Willie (2010) **Strategic Learning: How to Be Smarter Than Your Competition and Turn Key Insights into Competitive Advantage**, John Wiley & Sons, Incorporated.
- [27]. Porter, M. E. (1980) **Competitive Strategy: Techniques for Analyzing Industries and Competitors**, Free Press.
- [28]. Porter, M. E. (1982) **Cases in Competitive Strategy**, Free Press.
- [29]. Porter, M. E. (1985) **The Competitive Advantage: Creating and Sustaining Superior Performance**, Free Press.
- [30]. Porter, M. E. (1985) **Technology and Competitive Advantage**, *Journal of Business Strategy* 5, no. 3.
- [31]. Porter, M. E. (1986) **Changing Patterns of International Competition**, *California Management Review* 28, no. 2.
- [32]. Porter, M. E. (1987) **From Competitive Advantage to Corporate Strategy**, *Harvard Business Review* 65, no. 3.
- [33]. Porter, M. E. (1990) **The Competitive Advantage of Nations**, *Harvard Business Review* 68, no. 2.
- [34]. Porter, M. E. (1994) **The Role of Location in Competition**, *Journal of the Economics of Business* 1, no. 1.
- [35]. Porter, M. E. (1995) **The Competitive Advantage of the Inner City**, *Harvard Business Review* 73, no. 3.
- [36]. Porter, Michael E. and Millar, Victor A. (1995) **How Information Gives You Competitive Advantage**, *Harvard Business Review* 73, no. 4.
- [37]. Porter, M. E. and van der Linde, Claas (1995) **Green and Competitive: Ending the Stalemate**, *Harvard Business Review* 73, no. 5.
- [38]. Porter, M. E. and van der Linde, Claas (1995) **Toward a New Conception of the Environment-Competitiveness Relationship**, *Journal of Economic Perspectives* 9, no. 4.
- [39]. Porter, Michael E. (1996) **Competitive Advantage, Agglomeration Economies, and Regional Policy**, *International Regional Science Review* 19, nos. 1-2.
- [40]. Porter, M. E. (1998) **Competition in Global Industries: A Conceptual Framework**, *Hitotsubashi Business Review* 35, no. 4.

- [41]. Porter, Michael E. (2000) **Location, Competition and Economic Development: Local Clusters in a Global Economy**, Economic Development Quarterly 14, no. 1.
- [42]. Porter, M. E. (2001) **Strategy and the Internet**, Harvard Business Review 79, no. 3.
- [43]. Porter, M. E. and Kramer, Mark R. (2006) **Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility**, Harvard Business Review 84, no. 12.
- [44]. Porter, Michael E. (2008) **On Competition: Updated and Expanded Edition**, Harvard Business School Press.
- [45]. Porter, Michael E. (2008) **The Five Competitive Forces That Shape Strategy**, Special Issue on HBS Centennial, Harvard Business Review 86, no. 1.
- [46]. Sarapovas, Tadas, Barsauskas, Petras and Cvilikas, Aurelijus (2010) **E-Commerce Models to Increase Business Effectiveness: Basics, Concepts, Methods**, LAP Lambert Academic Publishing.
- [47]. Schreiber, Mark and DeLeon, Angela (2010) **A Guide to Marketing Your Business Online: How to Make Sure Your Next Customer Finds You First**, CreateSpace.
- [48]. Segovia, Javier, Szczepaniak, Piotr S. and Niedzwiedzinski, Marian (2010) **E-Commerce and Intelligent Methods**, Springer-Verlag New York, LLC.
- [49]. Sterne, Jim (2000) **Customer Service on the Internet: Building Relationships, Increasing Loyalty, and Staying Competitive**, 2nd edition, John Wiley & Sons, Incorporated.
- [50]. Stricker, Tim (2008) **Retaining Loyal Customers in E-Commerce - Winning Customers is Good, but Keeping Them is Better**, GRIN Verlag.
- [51]. Sun, Zhaohao and Finnie, Gavin R. (2010) **Intelligent Techniques in E-Commerce**, Springer-Verlag New York, LLC.
- [52]. Thomas, Brychan and Simmons, Geoff (2010) **E-Commerce Adoption and Small Business in the Global Marketplace: Tools for Optimization**, IGI Global.
- [53]. Turban, Efraim, King, David, Lee, Jae, Liang, Ting-Peng and Turban, Deborrah (2009) **Electronic Commerce: A Managerial Perspective**, 6th edition, Prentice Hall.