

Impact of Entrepreneurial Bricolage on Performance of E-Commerce: Case Study in Jordan

Sakher A. I. Al-Bazaiah

AL-balqa Applied University, Jordan, bazaiah1@bau.edu.jo

ABSTRACT

Most of SMEs are emerging and flourishing as the number of entrepreneurs who start an online business is continuously growing. Third-party e-commerce platforms (such as eBay and Taobao) offer small and medium-sized businesses (SMEs) fantastic chances to overcome technology barriers and access e-commerce markets. However other market entry impediments, such as resource limits and institutional challenges, still exist for SMEs. To shed light on how SMEs could possibly cope with these issues, the study apply entrepreneurial bricolage theory to the setting of online firms functioning on third-party e-commerce platforms. By using a novel approach for investigating the links between various types of entrepreneurial bricolage and the performance of online stores. Survey data from a sample of small online retailers on Alibaba's Taobao.com, China's largest third-party e-commerce platform, was used to test the research hypotheses (NYSE: BABA). The result shows that the Input bricolage has a favorable influence on efficiency, and market bricolage has a beneficial effect on sales.

Keywords: *entrepreneurial bricolage, performance of e-commerce, Jordan.*

I. INTRODUCTION

Since the past decade, the Middle East and North Africa region (MENA) has witnessed a remarkable digital transformation in which citizens, governments and companies are now contributing online more than ever. Companies in the MENA region are enhancing their capabilities to explore and find available online resources to invest and achieve great success. This transformation made it more accessible for entrepreneurs in the MENA region to grow and expand their businesses across different geographical areas. According to Kamel (2017), MENA region is witnessing impressive growth in the number of successful start-ups. It is also increasing the availability of financing to invest in those start-ups, both from a private sector such as investment companies and from a public investment such as governments.

The Hashemite Kingdom of Jordan is one of the Middle East countries with few natural resources such as phosphates, potash, and shale oil. Acs et.al (2018), stated that although the Jordanians represent only 3% of the Arab World population, they still demonstrate 27% of the Arab entrepreneurs in the area. Substantial improvement in the entrepreneurship ecosystem sector has taken place in Jordan over the past decade. According to The Global Entrepreneurship Index 2018, Jordan ranks now 49 out of 137 countries analyzed. Furthermore, it shows that Jordan's score is equivalent to the average score for the Arab region of 37%.

A growing number of SMEs have been able to establish their businesses online because to the rise of third-party e-commerce platforms like eBay and Taobao. Despite the fact that the technological obstacles to e-commerce have diminished, many small firms continue to face traditional market entrance difficulties such as a lack of resources and the difficulty in establishing consumer trust in virtual markets. In entrepreneurial activity, resources are quite important. Firms that hold valuable, uncommon, imperfectly imitable, and non-substitutable resources, according to the resource-based view, can gain a significant competitive advantage. SMEs, on the other hand, frequently have resource limits, making it difficult for them to recruit and acquire crucial resources. In emerging economies, things could get far worse.

However, it's worth looking at how internet retailers survive in a hypercompetitive environment with little resources. In addition, the institutional context for e-commerce markets differs significantly from that of traditional offline markets. On the one hand, the technique for establishing confidence is unique. Evaluating the quality of information acquired online is inherently challenging, which may limit the expansion of third-party online retailers initially. While competition in online marketplaces may be fiercer than in offline markets, the entry barrier to e-commerce is significantly lower than in physical markets because customer needs may plausibly be addressed by simply creating a good website.

Entrepreneurial bricolage refers to actions that involve utilizing a variety of resources to new issues and opportunities propose that instead of embracing their present potential, entrepreneurs can creatively construct resources at hand into new products or services. Entrepreneurial bricolage may assist internet business owners in overcoming resource limits and

developing creative items to expand their market. Entrepreneurial bricolage is divided into three sub-dimensions based on the nature of the ready-to-use resources: input bricolage, market bricolage, and institutional bricolage.

This study aims to investigate the impact of the entrepreneurial bricolage implementation on the performance of e-commerce market players in Jordan. As well as to examine how small scale online firms might manage with resource restrictions and strong market competition.

II. LITERATURE REVIEW

The concept of entrepreneurial bricolage, which was originated from the discipline of anthropology (Hatton 1989), describes the phenomena that human creates tools or myth by recombining existing substances or roles (Lévi-Strauss 1967). In the entrepreneurial context, bricolage is creating something from nothing by making do with what is at hand to solve problems and uncover opportunities. As stated by Baker and Nelson (2005), formally introduced this concept into the strategy literatures to explore how SMEs tend to grow under severe resource constraints. They additionally added that the concept as “making do by applying combinations of the resources at hand to new problems and opportunities”.

There are three features of entrepreneurial bricolage. The first is making do, which entails a proclivity for action and active engagement with the question of whether a functional solution can be fashioned from what is available. The second is merging and repurposing resources for new applications rather than the ones for which they were designed or employed originally. The final option is to use existing resources rather than seeking out new ones. Entrepreneurial bricolage is proposed to help SMEs to explore new opportunities by taking advantage of resources at hand to overcome the difficulty in acquiring resources due to the liability of newness and smallness (Phillips and Tracey 2007; Guo et al. 2016).

Bricolage is a strategy in which individuals make the best use of available resources. That strategy could be to use the resources they have to be healthy, seek health, or address a health problem. And the term bricolage is used today to describe certain religious behaviours that are characteristic of the most modern societies. Bricolage is used as a method of innovation in a resource-constrained context in entrepreneurial research. Entrepreneurship research has emphasised the importance of bricolage, particularly as a means of mobilising resources. The majority of the research has been conducted in developing countries, in 'new firms' or start-ups, or in corporate transitions.

Input bricolage refers to making do by applying combinations of physical (e.g., materials) and human (e.g., labour and skillsets) resources at hand to new problems or opportunities (Baker and Nelson 2005). They also defined it is a powerful approach for small firms such as online stores. Plus, it has the ability to turn "worthless" materials into valuable products by repurposing ignored, abandoned, worn, or ostensibly "single-application" materials in unique and inventive ways. With some help from family members, friends, and associates, online stores utilizing input bricolage are able to leverage low-cost labor for various entrepreneurial activities. In addition, by making use of amateur and self-taught skills, input bricolage can also create useful services (Baker and Nelson 2005; Desa 2012).

Market bricolage refers to the activities of transforming existing networks of entrepreneurs to create new customers (Baker and Nelson 2005). For example, networking bricolage is useful in marketing efforts as it is a sort of an effective way in which an entrepreneur taps into his or her current personal and professional networks. Although networking and resource leveraging indicate that an organization's founders seek resources from previously unknown people, network bricolage involves the entrepreneur's already established contacts. It is identified as a mechanism adopted to address resource constraints in the early stage of the development of any business. Successful entrepreneurs always explore new ways of using existing networks to create new markets (Garud and Karnøe 2003; Baker and Nelson 2005; Tasavori et al. 2017).

As online stores are virtual and geographically dispersed, it could be uneasy or inconvenient for them at first to obtain useful feedback about a certain product (Yu et al. 2015). Network bricolage is a sort of bricolage in which an entrepreneur taps into his or her current personal and professional networks. Although networking and resource leveraging indicate that an organization's founders seek resources from previously unknown people, network bricolage involves the entrepreneur's already established contacts. In addition, marketing capability can assist firms in detecting and responding to market changes such as competitor moves, technological evolution and revolution, enabling firms to leverage the capabilities and resources of partners for value creation, and assisting firms in anticipating and anticipating customer explicit and latent needs. With the help of effective market bricolage activities (i.e., converting competitors into suppliers), online stores are able to expand their product inventory or service combinations (Leong et al. 2016).

Institutional Bricolage is a process in which people use existing social and cultural systems, both consciously and unconsciously, to shape institutions in response to changing circumstances. Institutional bricolage refers to working around symbolic principles, rules, and practices to bring about institutional change (Campbell 2004; Baker and Nelson 2005; Desa

2012). Institutional bricolage is divided into two levels. The first is to socially re-construct existing definitions of how to use resources at hand. By being unlocked from into existing practices of using a certain type of resources, entrepreneurs get to engage in institutional bricolage activities which could reshape the social cognition of how existing resources should be used (Campbell 2004; Mair and Marti 2009). The second stage of institutional bricolage is a process of normalizing institutional deviance so that re-purposed re[1]source combination and deployment practices would set up new institutions (Desa 2012; Baker et al. 2013). The relationship between input (and market) bricolage and efficiency performance is moderated by institutional bricolage.

Both input bricolage and market bricolage have the potential to improve efficiency by lowering the cost of operational and marketing activities. With institutional bricolage, internet retailers actively seek for new ways to make use of available resources. When faced with new problems and obstacles, institutional bricolage expands the flexibility for online retailers to use possibly unique combinations of resources already available (rather than seeking costly new resources). In conclusion, larger degrees of institutional bricolage may magnify the effects of input and market bricolage on efficiency performance due to lower resource-seeking costs coming from the social building of acceptable forms of inventive use of available resources

III. METHODOLOGY

The study utilized the quantitative research approach with the causal research design. Data was collected through the survey approach. The survey was conducted in Jordan. Because of the difficulty in obtaining the population of new SMEs in the study area, convenience and the snowball sampling methods were used to identify survey participants. The study focused on new SMEs that have been operational for forty-two months or less. All the respondents in this study were in the retail business and were owners of the firms with total numbers of participants are 134. The control group are as far as possible similar to the experimental group in terms of age, experience, skills level and business owners.

Demographic variables are variables collected by researchers to describe the nature and distribution of the sample used with inferential statistics. These are variables such as gender, age, education, marital status, annual income and ethnicity in statistics and applied research. Demographic variables are often reported using descriptive statistics. Table 1 most of the published research articles contain demographic information regarding the study sample. Demographic variables can also be included in multivariate models for confusing and controlling effects. From our demographic profile research, we found out that most of the respondents for this research are 72.4% are male and 27.6% female. Most of them are between 18 to 25 years old and majority of them are undergraduates while the rest are high school and postgraduates. 96.3% of our respondents for this research are still single and the rest, they are married. Most of our respondents have a monthly income of less than JOD 500. Some of them have full -time and part -time jobs but there are also those who have not worked and are still looking for work. More than 50% have experience in selling products or services through the Internet in less than 1 year, the rest have no experience and have experience of more than a year. More than half of our respondents often do online shopping.

Table 1. Demographic Variables

DEMOGRAPHICS INFORMATION		
1	Gender	Male
		Female
2	Age	18 years – 25 years
		26 years – 35 years
		36 years and above
2	Education Level	High School
		Undergraduates
		Postgraduates

3	Marital Status	Single
		Married
4	Annual Income	Below JOD 500
		JOD 501 – JOD 1000
		JOD 1001 – JOD 2000
		JOD 2001 – JOD 3500
		Above JOD 3500
5	Employment Status	Employed Full-Time
		Employed Part-Time
		Not employed, looking for work
6	Experience in selling products or services through the Internet	Never
		Less than 1 year
		1 year – 3 years
		4 years – 7 years
		More than 7 years
7	How often do you shopping by online?	Never
		Very often
		Seldom
		Not often

This paper aims to create a framework for the testing and validation of autonomous CPS with an initial focus on aerial vehicles. The autonomous vehicles are composed of complex components, which go through numerous scenarios in real-life.

Factor loadings are a component of the result of factor analysis, which is a data reduction technique for explaining correlations between observable variables with a lower number of factors. Because factor analysis is such a common method in social and behavioural research, a closer look at factor loadings and the accompanying factor-loading matrix will aid in a better understanding and use of the technique.

The direct effect of a variable assumed to be a cause on another variable assumed to be an effect is shown by a path coefficient. Because path coefficients are calculated from correlations, they are standardized (a path regression coefficient is unstandardized). Two subscripts are used to write path coefficients. R-squared (R^2) is a statistical measure that quantifies the amount of variation explained by an independent variable or variables in a regression model for a dependent variable.

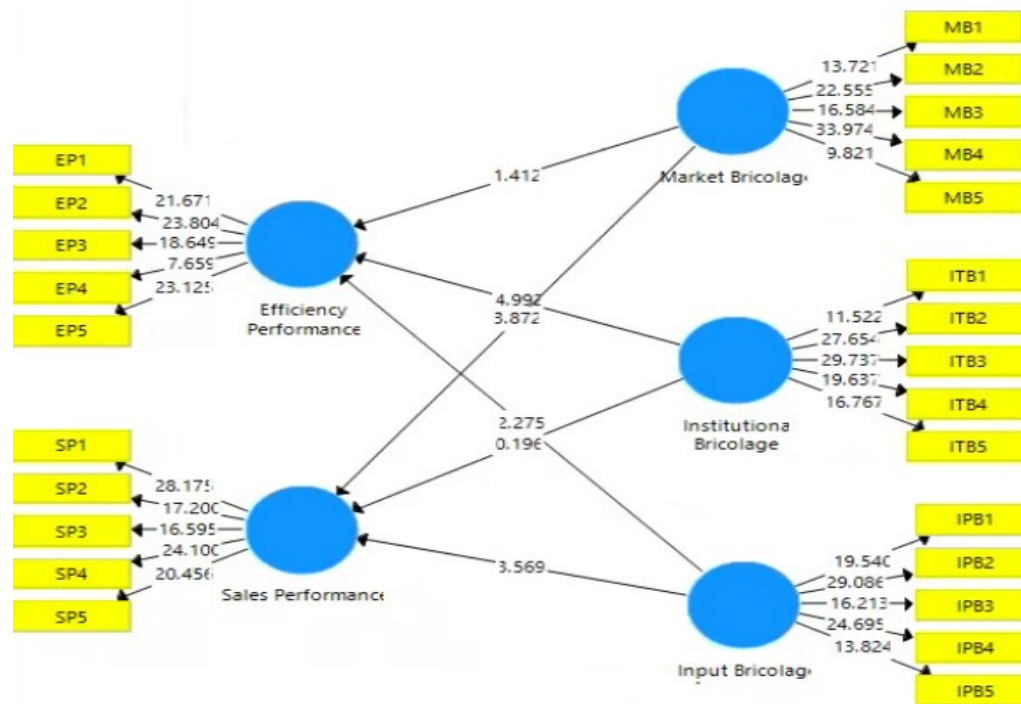


Figure 1. Hypothesized Model

A generative model takes into account the data's distribution and informs you how likely a given occurrence is. Because they can assign a probability to a succession of words, models that predict the next word in a sequence are often generative models (far simpler than GANs).

This study corroborate our overarching hypothesis that entrepreneurial bricolage is an important strategy for online retailers in resource-constrained situations to increase efficiency and sales performance. By dividing entrepreneurial bricolage into input bricolage, market bricolage, and institutional bricolage, we have provided insight into the effects that entrepreneurial bricolage may have on online store performance. The bulk of our hypotheses were confirmed, while others were just partially confirmed. We find evidence for two direct effects: (1) input bricolage had a considerable positive effect on efficiency, and (2) market bricolage had a significant positive effect on sales. Three of the four moderating hypotheses are also supported by the outcomes of our data analysis. We discovered that institutional bricolage has a large positive impact.

IV. CONCLUSSION & RECOMMENDATION

Bricolage is important as it is a valuable tool for increasing the efficiency and sales of online enterprises. It was also primarily concerned with explaining how entrepreneurship occurs in economically distressed or resource-poor locations. When there are substantial institutional voids, entrepreneurial bricolage has a greater impact on new venture growth. Plus, the relationship between bricolage activities and business growth will be shaped by the patterns that an entrepreneur adopts in terms of enacting, testing, and restrain restrictions. The research found the positive effects on the online stores performances, and it is divided into three categories: input bricolage, market bricolage, and institutional bricolage. In addition, bricolage can improve the workforce or an organization as it is a behavioral strategy that allows firms to use creativity to create answers even in the face of adversity. As entrepreneurs face a changing environment and are obliged to employ their prior knowledge and available resources to make quick decisions and act quickly to capitalize on possibilities, bricolage can be an invaluable strategy. Nowadays, social media is a powerful platform, and online stores have become a phenomenon for entrepreneurs to promote and sell their products. So, we agreed that the use of bricolage as a conceptual framework for studying entrepreneurship is suitable, and opportunity development is a vital link between opportunity formation and exploitation. We also believe that bricolage is a helpful tool for entrepreneurs who want to move rapidly and successfully from opportunity development to exploitation.

For the recommendations, online stores performances or entrepreneur can apply some innovations for their business. The operations, scale, objectives, and needs of a company's consumers must all be reflected in its innovation plan. Opportunities should be watched and evaluated on a regular basis to decide which improvements will have the most impact. According to Global Data's E-Commerce Analytics, e-commerce market is predicted to reach JOD 2.5 billion by 2024. So, since our journal

is about online stores performances, we would like to suggest for the entrepreneur to optimize their mobile e-commerce by integrate more with digital wallets and messaging services to improve the mobile user experience, reduce the route to purchase, and improve content readability by using less text and more graphics, such as product videos.

REFERENCES

- Buli, B. M. (2017). Entrepreneurial Orientation, Market Orientation and Performance of SMEs in the Manufacturing Industry: Evidence from Ethiopian Enterprises. *Management Research Review*, 40(3), 292-309.
- Butler, A., & Cornaggia, J. (2009). Does Access to External Finance Improve Productivity? Evidence from a Natural Experiment. *Journal of Financial Economics*, 99(1), 184-203.
- Claessens, S. (2006). Access to Financial Services: a Review of the Issues and Public Policy Objectives. *The World Bank Research Observer*, 21(2), 207-240.
- Covin, J. G., & Lumpkin, G. T. (2011). Entrepreneurial Orientation Theory and Research: Reflections on a Needed Construct. *Entry Theory and Practice*, 35(5), 855-872.
- Covin, J. G., & Wales, W. J. (2012). The Measurement of Entrepreneurial Orientation. *Entrepreneurship Theory and Practice*, 36(4), 677-702.
- IMF. (2019). Financial Inclusion of Small and Medium-Sized Enterprises in the Middle East and Central Asia. IMF working paper No. 19/02.
- Sherif, M., Galloway, L., & Zarrouk, H. (2019). Performance and Entrepreneurial Orientation in SMEs: the Case of Abu Dhabi. *Int. J. Accounting, Auditing and Performance Evaluation*, 15(3), 241-261.
- Vu, H. M. (2020). A Review of Dynamic Capabilities, Innovation Capabilities, Entrepreneurial Capabilities and Their Consequences. *Journal of Asian Finance, Economics and Business* 7(8), 485-494. <https://doi.org/10.13106/jafeb.2020>.
- Zarrouk, H., El Ghak, T., & Abu Al Haija, E. (2017). Financial development, Islamic finance and economic growth: evidence of the UAE. *Journal of Islamic Accounting and Business Research*, 8(1), 2-22.
- Zarrouk, H., Galloway, L., Sherif, M., Elkaroui, E., & Al Mulla, A. (2020). Entrepreneurial Orientation in Small Firms: A Qualitative Exploration in the Context of an Emerging Economy. In: S. Paresha, J. Gibb, M. Akoorie & J. M. Scott (Ed.), *Research Handbook on Entrepreneurship in Emerging Economies: A Contextualized Approach*. Edward Elgar Publishing.