

**Barriers to the Development of
E-Commerce in Pakistan**



Master Thesis in Business Administration

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Abstract

E-commerce has flourished in the developed world and is playing a significant role in daily lives of the people and national economies. The developing nations are far behind in this regard even though their governments have made considerable efforts to encourage e-commerce. This thesis studies the environmental issues that act as barriers to the promotion of electronic commerce in Pakistan. It shows the nature and the level of hinderness these environmental factors have caused and there relation to one another. In order to make a national analysis, environmental factors have been stretched to include the government, businesses, consumers, physical infrastructures, social and cultural factors. A qualitative study was conducted via telephonic and written interviews from academic and professional experts, non-users and users of electronic commerce in Pakistan. Analysis of these interviews revealed that not all of the factors considered as e-commerce barriers for developing nations were present in Pakistan. The relations between different e-commerce barriers were studied and further, additional barriers were also identified. Low literacy rate, traditional economic sector, shortage of electrical supply, failure of government to effectively execute e-commerce initiatives and regulations, low demand for online businesses and the consumer purchasing behaviour of Pakistani people were identified as the main e-commerce barriers.

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