Chapter IV
Evaluation of the Effectiveness of Small and Medium Sized Businesses Web Sites in a Business to Business Context

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ABSTRACT

Many small and medium sized businesses (SMEs) have set up their own Web sites, as part of their business strategies, to improve their competitiveness and responsiveness. Careful evaluation and adoption of Web sites by SMEs can assist them in improving the effectiveness of their venture into e-commerce. This chapter discusses and analyses the effectiveness of SME business to business Web sites from a user perspective. An effective method of evaluating a Web site can contribute to the development of more quality Web sites and greater realization of benefits. Therefore, an established evaluation instrument (eQual) is used to assess 80 Web sites in terms of usability, information quality, and interaction and service. The analysis shows that although a significant number of sites reflect little understanding of the attributes of good design or potential benefits to be gained from Web sites, there are examples of competent and effective Web site use.
INTRODUCTION

The importance of e-commerce to small and medium sized businesses (SMEs) is growing as globalization and rapid technological changes have brought new opportunities as well as risks, via e-commerce, to the business environment. For example, SMEs play a crucial role in national economies and are estimated to account for 80% of global economic growth (Jutla, Bodorik, & Dhaliqal, 2002). One aspect of SME e-commerce activity that is acknowledged but rarely examined is their use of Web sites. Web sites are a “critical component of the rapidly growing phenomenon of e-commerce” (Loiacono, Watson, & Goodhue, 2002, p. 4) and their successful design and use can alter the effectiveness of an SME’s venture into e-commerce. However, SMEs are still lagging behind larger organizations in the adoption and evaluation of their e-commerce activities despite the benefits it offers (Lin, Cripps, & Bode, 2005).

Understanding the factors used by customers to evaluate Web site quality can serve as a basis for creating and improving Web sites (Webb & Webb, 2004). Numerous studies have been conducted to examine the effectiveness of the Web sites in general (Hong & Kim, 2004; Shiels, McElvor, & O’Reilly, 2003; Tsai & Chai, 2005). There have been calls for more extensive work into the analysis and evaluation of Web sites in the business to business context in particular (Chakraborty, Lala, & Warren, 2002; Ellinger, Lynch, Andzulis, & Smith, 2003; Loiacono et al., 2002). However, relatively few studies have been conducted in SMEs. Therefore, the objectives of the chapter are to: (1) present and discuss the current Web site evaluation literature on SMEs in general; and (2) assess the quality of Web sites within the small business sector of one regional area within Australia, using an established quality evaluation instrument, eQual (Barnes & Vigden, 2002). This chapter contributes to a better understanding of how SMEs are addressing the constructs of Web site development identified in the literature. These constructs have been incorporated into eQual and tested in other environments (Barnes & Vigden, 2001, 2002, 2003). A deeper understanding of SME Web sites and where areas for improvement lie will enable development of support frameworks to improve SMEs’ recognition and realization of benefits from their Web sites; a prerequisite for encouraging e-commerce adoption (Poon & Swatman, 1999).

BACKGROUND

Web Sites for SMEs

Several initiatives have been launched to improve electronic adoption rates and e-competencies (Jones Donald Strategic Partners, 2000; NOIE, 2002), but many SMEs are failing to achieve the levels of e-commerce abilities required to benefit from Internet based business (Lin, Cripps et al., 2005; Walker, Bode, Burn, & Webster, 2003). Smaller businesses are often caught between the need to understand the dynamic and frequently intimidating electronic environment and the need to respond to the many calls to conduct more business online (Goode, 2002; Walker et al., 2003). Their subsequent attempts to trade online results in e-commerce activity that is unproductive such as launching ineffective Web sites, ignoring customer e-mails, and failing to efficiently fulfill online orders. Where smaller businesses turn to consultants to overcome their own lack of expertise, results often fall short of expectations as SMEs do not have sufficient knowledge to judge the effectiveness of a consultant’s work prior to implementation (Bode & Burn, 2001).

One highly visible aspect of e-commerce activity that is often seen as the first step toward online trading is the launch of a Web site. Statistics show that 36% of small and 82% of medium-sized businesses in Australia have established a Web site (ABS, 2003). Two thirds of SMEs believe that their
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