Chapter 4.23
Influencing Factors and the Acceptance of Internet and E-Business Technologies in Maritime Canada's SMEs: An Analysis

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ABSTRACT

This chapter examines the influence of some relevant factors on the acceptance of internet and E-Business technologies in Maritime Canada's SMEs (small- and medium-sized enterprises). To examine the influence of the factors, a research framework was developed and nine hypotheses formulated to test the various relationships. A survey was conducted and a total of 162 valid responses were obtained from mainly business owners and managers. The data supported five out of the nine hypotheses formulated. The key findings are as follows: The sampled SME's organizational readiness is positively related to their intent to use Internet/business technologies (dependant variable); the two constructs of the technology acceptance model (TAM) were found to be important mediators in the relationship between the management support construct and the dependant variable. Further, no evidence was found to suggest that management support positively influences the intent to use Internet/

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business technologies among Maritime Canada's SMEs. The implications of the study's findings for policy making and research were discussed.

8.1. INTRODUCTION

More and more businesses around the world are realizing the critical importance of using information and communication technologies (ICT) in their operations (Net Impact Study Canada, 2002; 2004; Sadowski *et al.,* 2002). Such technologies are being used to reduce operational costs, improve management capabilities, access the global market, among others (Sadowski *et al.,* 2002; Mehrtens *et al.,* 2001; Martin and Milway, 2007). Accordingly, management in both large and small enterprises have realized the beneficial impacts of adopting, accepting, and investing in ICT applications including internet and e-business technologies (Wade *et al.,* 2004; Davis and Vladica, 2006; Martin and Milway, 2007). Further, data and reports continue to highlight the importance of such technologies in global e-commerce and e-business engagements, and for national economic developments (Net Impact Study Canada, 2002; 2004; Davis and Vladica, 2006; Martin and Milway, 2007). Specifically, business organizations in Canada (a developed country) are beginning to reap the benefits of employing such technologies in their commercial activities (Net Impact Study Canada 2004; Noce and Peters, 2006; The Daily, 2006). For example, Noce and Peters (2006) note that the value of e-commerce engagements alone in Canada for the year 2004 was $28 billion, an amount which Statistics Canada (2006) expects to grow in the next decade.

Despite the positive trend being reported for Canada, it has to be mentioned that it has not been clear sailing for the country's businesses – large and small – to adopt and use ICT products, including internet and e-business technologies. In fact, the widely publicized Net Impact Study Canada (2002; 2004) reports showed that small and medium enterprises (SME) lag behind larger businesses on the adoption of internet business solutions (IBS), a term that we accept as being a connotation of internet and e-business technologies. The phrase "internet and e-business technologies" was borrowed from a study conducted by Davis and Vladica (2006) in the same region as this study's, wherein such technologies as email, the Internet, and Website were given as examples. These are related, useful technologies for e-commerce and e-business engagements, and in fact Sadowski *et al.* (2002, p.76) note that "in establishing a new connection to the Internet [business environment], new users are required to adopt a series of related new technologies."

The focus of this chapter will be on the acceptance of such technologies in Canadian SMEs. It is appropriate to pay attention to SMEs, given the universal knowledge of the relevance of such businesses. In a nutshell, SMEs serve as engines for employment generation and national economic growth. According to the Net Impact Study Canada (2002, p.2), "Canadian SMEs deliver 60% of Canada's economic output, generate 80% of national employment and 85% of new jobs." Suffice it to say that a broader understanding of the adoption of internet and e-business technologies in Canadian SMEs will benefit both policy makers and researchers. Importantly, the Net Impact Study reports sought to alert Canadian policy makers to two debilitating issues: a) the reluctance of some SMEs in the country to adopt IBS, b) SMEs lag behind larger businesses on the adoption of internet business solutions. It comes as no surprise, therefore, when the Net Impact Study Canada (2004, p.1.) sounded a note of caution to policy makers and industry leaders in the country by stating that:

"A lukewarm SME response to IBS adoption may weaken any national strategy to bolster Canada's international competitiveness. The challenge for industry leaders and policy makers is to bring lagging SMEs online and deepen the capabili-

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