



Chapter III

Profile of SMEs in Sweden, Australia, and the USA: Associations Between Various Business Characteristics

Despite their size, SMEs are increasingly turning to global markets. This development has been enabled by the advent of electronic commerce technology, which provides SMEs with a platform to engage in international marketing, sales, and distribution through electronic channels. The benefits of e-commerce to the SME sector have been highlighted previously, however, it is important to reiterate the opportunities afforded by implementing e-commerce, which allows SMEs to enter foreign markets.

There have been numerous studies examining various facets of e-commerce adoption by SMEs. Many of these studies will be detailed in subsequent chapters; however, a criticism of some of these studies is their apparent “homogeneous approach” to the SME sector. Martin and Matlay (2001, p. 400) suggest that these studies do not “... *encompass the impact of key factors such as business size, sector, ethnicity, gender, human and financial resources, customer base, or levels of internationalisation.*”

The implications of this homogenous approach are serious in light of the drives to promote e-commerce adoption by SMEs. Culkin and Smith (2000, p. 145) support this view and argue that many previous studies are based on a “[...] *naïve, over-simplistic understanding of the motivations of those in the small business sector, [which] means that [the] interventions are*

inevitably blunt instruments destined to fail given the limited understanding shown of the complexity of the small business market.” Neglecting to take into account the differences between SMEs in relation to organisational and industry factors will result in ineffective programs and strategies and limited success in increasing the rate of e-commerce adoption. As the results in this book will show, these differences have a substantial impact on the use of e-commerce by SMEs.

By way of answering some of these early criticisms and as a preface to the more detailed results in subsequent chapters, this chapter will present some general findings from our study to set the context for the research. To begin with, a profile of the survey respondents will be provided. The chapter will then examine whether any of the business characteristics such as business age (length of time in operation), business size (defined in terms of the number of employees), business sector, gender of the CEO, educational level of the CEO, level of IT skill within the business, the existence or non-existence of an enterprise-wide business system, product planning, market focus, strategic alliance membership, use of business-to-business (B2B), or business-to-customer (B2C) e-commerce are associated with the adoption of e-commerce by SMEs in our sample consisting of organisations from Sweden, Australia, and the U.S. In doing this, we will also consider the levels of e-commerce adoption in each of the three locations.

The purpose of this chapter is to provide an overview of the scope of our study and background information about the respondents. However, in addition to a simple summary, which indicates the number and percentage of respondents in different categories, we aim to delve deeper and analyse the effects of belonging to a particular category of respondents on e-commerce adoption. The results of this analysis will demonstrate any associations between different business characteristics and e-commerce use in a particular category of SMEs.

Survey Instrument

As indicated in the previous chapter, a survey instrument was developed and administered in the three locations. This chapter will present the results from the first set of survey questions concerning the business characteristics described in the previous chapter and summarised in Table 1 for convenience. Table 1 lists the business characteristics examined and the range of responses associated with each characteristic.

In addition to the previous characteristics, respondents were also asked whether they had adopted and were using e-commerce in their day-to-day business activities.

As indicated in the previous chapter, three regional locations were chosen: Varmland (Sweden), Illawarra (Australia), and Salt Lake City (Utah, USA). All three locations met the specified guidelines and each location had personnel who could assist with the distribution and collection of the survey instrument. A total of 1170 surveys were distributed by mail in four towns in Varmland (Sweden): Karlstad, Filipstad, Saffle, and Arvika. A total of 250 surveys were administered by telephone in Wollongong and its suburbs (in the Illawarra region) and a total of 150 surveys were administered by telephone in the Utah region. The results of the data collection are presented next.

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