Chapter 5.28
Personas of E–Commerce Adoption in Small Businesses in New Zealand

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EXECUTIVE SUMMARY

Focus group methodology is introduced in this article as one appropriate methodology to study the impact of technological innovation factors on e-commerce (EC) adoption in small businesses (SMEs) in New Zealand. The research results suggested two emerging issues pertaining to EC adoption in SMEs in this research. First, SMEs would not invest their scant resources on perceived risky advanced EC initiatives. In adopting simple EC technologies such as Web pages and e-mail, factors like cost and compatibility were found not hindering the adoption decision. On the other hand, the proposed drivers to adopt these simple technologies were not highly significant as such. Second, the SMEs retained a particular view about advancing their simple EC initiatives. They envisaged that advancing their EC initiatives, such as adopting full-blown and interactive Web sites, will give more weight to the impact of the different factors in this research on their adoption decisions of EC. The gulf between the current adoption and usage levels and the envisaged advanced EC initiatives seemed to be increasing further, suggesting the weakness of the EC phenomenon in SMEs in this research. The research portrays a path where such gaps could be addressed, and hence, this path should guide the SMEs in advancing their EC initiatives. Implications arising from this research with respect to theory and to practice are discussed in this research.

IMPLICATIONS IN E-COMMERCE RESEARCH IN SMALL BUSINESSES

Historically, in review of IS research in small to medium-sized enterprises (SMEs) (Blili & Raymond, 1993; Cragg & King, 1992, 1993; Jansen, 1998; Levy, Powell & Yetton, 1998; Reimenschneider & Mykytyn, 2000; Soh, Yap & Raman,

1992; Thong, 1999; Thong, Yap & Raman, 1994), it was observed that these studies kept referring to three recurring themes concerning technology adoption and use in SMEs. First, SMEs face different technological, managerial, organizational, and environmental challenges which always would challenge their existence in the marketplace. Second, the central organizational structure and decision making in SMEs usually reflects the personality of the business manager, who is usually the owner, as well. In comparison with large enterprises, the third theme pointed to the laggardness of the SME sector in adopting or using IS strategically in business.

Globalization effect and rapid technological and environmental changes which surround the SMEs always have exerted tremendous pressure on their scant resources and have challenged their existence in the long term. The previous literature suggested the same and pointed to the fact that SMEs run their businesses on a day-by-day basis and, hence, opted not to adopt long-term plans or strategies as such. Therefore, it was not surprising when the previous researchers suggested the incompleteness of most of the IS initiatives in SMEs.

It was expected that the recent emergence of electronic commerce (EC) in the early 1990s

Table 1. Determinants of EC adoption in SMEs

	Factors	Found significant	Found insignificant	Found most significant
	Technological			
1	Relative advantage	1, 2, 3, 4, 5, 7, 8, 9, 12, 14, 15, 16, 18		
2	Compatibility	2, 4, 15, 16, 17, 18		
3	Complexity	3	5	
	Organizational			
1	Top management support	4		
2	Organizational readiness (size) (cost/ financial and technical resources)	1, 4, 5, 7, 8, 9, 10, 12, 17	4	1, 5,9
3	Information intensity and product characteristics	12, 14, 15	4, 18	
4	Managerial time		4	
	Environmental			
1	Industry pressure (competition)	1, 5, 6, 7, 8, 9, 10, 12, 16(-)	4, 13, 18	1, 9
2	Government pressure	1, 5, 6		1
3	Consumer readiness	10, 12, 16(-)		
4	Support from technology vendors	12, 19		

(1): Kuan and Chau (2001), (2) Beatty et al. (2001), (3) Riemenschneider et al. (2003), (4) Mirchandani and Motwani (2001), (5) Grandon and Pearson (2004), (6) Chang and Cheung (2001), (7) Mehrtens, Cragg & Mills (2001), (8) Iacovou et al. (1995), (9) Chwelos et al. (2001), (10) Zhu, Kraemer & Xu (2003); (11) Santarelli, E. & D'Altri, S. (2003), (12) Doolin et al. (2003), (13) Kula and Tatoglu (2003); (14) Poon and Swatman (1997); (15) Poon and Swatman (1998); (16) Poon and Swatman (1999a,b); (17) Macgregor and Vrazlaic (2004); (18) Teo et al. (1998); (19) Abell and Lim (1996)

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