



## **Chapter V**

# **B2B E-Commerce Diffusion: The Efficacy of Institutional Discourse**

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## **ABSTRACT**

*The chapter explores the role of institutional discourse on B2B e-commerce diffusion. Using the case of EDI in the Danish business environment, the analysis demonstrates a lack of active industry involvement and severe implications of the absence of large users in the policy forum for the national EDI-strategy. Government branches and business associations formulated by and large the visions and strategies without direct involvement of the successful EDI-players or companies that were the intended adopters. As a possible consequence, the EDI diffusion has evolved by the same companies exchanging still more messages and type of documents whereas the number of new companies adopting EDI has been fairly limited. The policy implications of the Danish EDI-case could be to have a more focused involvement of intended adopters of similar and future technologies that has high policy saliency.*

## INTRODUCTION

During the last decades, governments and business associations throughout the world have recognized the significance of information and communication technologies (ICTs) for businesses and public administration. The result has been institutional initiatives aiming to support diffusion of ICT among businesses and public agencies (e.g., Teo, Tan, & Wei, 1997; Klein, 1995; Damsgaard & Lyytinen, 2001). The Singapore NII initiatives (Neo, King et al., 1995; Wong, 1996), the Malaysian Information Rich Society plan (Raman & Yap, 1996), the Japanese Super Information Highway, the Al Gore Information Highway, and the European Information Society policy documents (Commission, 2001; Brousseau, 2002) are some recent examples of governmental interest in ICTs. B2B e-commerce has been an important part of the policy plans and has been given a high degree of policy saliency with various institutional initiatives to fuel development and uptake.

The objective of this chapter is to focus on institutional initiatives used to promote diffusion of EDI in the Danish business community. EDI is the ICT application presented in this chapter. We view EDI as a technology construct rather than as a business imperative (Markus & Robey, 1988; Sampler, 1996). A particular action plan that focused on diffusion of EDI in the Danish business community and the public sector (Ministry of Research and Information Technology, 1996a) is assessed by comparing actual uptake of EDI to the underlying discourse, which originally drove the action plan. It is our claim that an analysis of the content of the EDI agenda and its underlying discourse will be of value to governments, especially due to the continuous use of action plans for regulating diffusion of a given technology. In the context researched in this chapter, there are three reasons for paying particular interest to the analysis of the discourse embedded in the EDI agenda.

First, the Danish context is significant because *relations between market and government are unique* compared to other nations where market forces play a much more critical role. The Danish practice of ICT adoption and exploitation is stimulated by early coordination and commitment from both government and business associations to help fuel adoption and exploitation of ICT as a competitive instrument (Andersen, Bjørn-Andersen, & Dedrick, 2003a) in line with the Porter (2001) terminology. The case presented in this chapter also reveals the reverse side of a close interplay between government and industry. Following this approach, we are not only facing the challenge of getting the important domestic players on board; the global industry players and their (proprietary) standardization work are equally challenging.

Second, the Danish case is of interest since the *role of ICT in governmental units' own operations has been just as important as using ICT to gain competitive advantage*. The urgency of government to ensure accessibility, transparency, efficiency, and accountability in its operations has pushed the use of ICTs. Although we find similar motives in other countries, the Danish governmental sector is unique due to its employment of one-third of the total labor force and its reallocation of 70% of the GDP. To reduce the burden of administrative costs in the public sector, the motivation to use ICT in its communication with the private sector has been very strong.

Third, an *early acknowledgment of digital divide issues* (Dybckjær & Christensen, 1994; Bjørn-Andersen, Earl, Holst, & Mumford, 1982) and policy commitments to address

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