

3.7 Adopting e-commerce based technologies in SMEs of developing countries

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ABSTRACT

Adopting e-commerce technologies would promise several benefits to small and medium scale enterprises (SMEs) such as, access to wider range of markets, greater potential for partnerships and low cost etc. Also the competition in the global market and advances in Information Technology have made SMEs, not adopting e-commerce based technologies vulnerable to e-enabled firms.

The benefits of using e-commerce may differ from country to country due to cultural differences and other factors such as per-capita income, computer literacy etc. Ease of use, relative advantage gained by e-enabled firms over the others, compatibility, and demonstrability of the results are viewed in different perspectives by developed and developing countries. Level of socio economic development would decide on the extent to which the firms are influenced by and usage of e-commerce.

The objective of this article is to present the factors that influence the decisions of adopting e-commerce for SMEs, and develop a model for developing countries. A literature review was conducted using 40 research papers and model was developed by identifying widely cited factors. This model suggests 3 main influencing factors, namely: characteristics of the e-commerce solution, characteristics of the organization and characteristics of the external environment.

As this is part of an on going research at department of Industrial Management, University of Kelaniya, it is expected to modify and validate the model identified in the Sri Lankan context.

Keywords: e-commerce, adoption decisions, SME