

# Chapter I

## E-Commerce in Developing Economies: A Review of Theoretical Frameworks and Approaches

**Richard Boateng**

*University of Manchester, UK*

**Alemayehu Molla**

*RMIT University, Australia*

**Richard Heeks**

*University of Manchester, UK*

### **ABSTRACT**

*This chapter undertakes a meta-analysis of the published literature on e-commerce in developing economies (DEs). The aim is to take stock of the literature, identify enduring research themes, classify the existing work based on such themes and review the theoretical and conceptual approaches used. The analysis covers 245 articles published between 1993 and 2006 in 76 different journals on electronic commerce, information systems, global information technology, development and developing countries. The findings indicate that the research area is rapidly growing and relatively well-spread across the assessment of e-commerce potential and its adoption and implementation issues in DEs. We make a case for future research to focus on developing a broad development perspective of e-commerce benefits and a strategic understanding of how to achieve and sustain these benefits. The chapter thus serves both as a synthesis of current research, and as a road map providing future directions for both academics and practitioners.*

## INTRODUCTION

Electronic commerce (e-commerce) has been widely discussed in academic and practitioner literature. Extant research on e-commerce has largely focused on developed economies (Pani & Agrahari, 2004; Bajaj & Leonard, 2004). However, there has been a growing academic interest in e-commerce in developing economies (DEs). These studies on e-commerce in DEs are a mix of empirical and non-empirical work. They have employed several theoretical frameworks from various disciplines such as information systems (IS), management, and social sciences. A variety of research methods has also been used. Core research contributions include conceptual and evaluation frameworks that examine both the relative potential of e-commerce in DEs and the means to achieve that potential.

This chapter therefore reviews previous research on e-commerce in DEs to provide a meta-analysis of the published literature and examine the theoretical frameworks and conceptual approaches underlying e-commerce in DEs research. The objective is to identify the current knowledge gaps in relation to the application of these frameworks and use those gaps to define an agenda for future research. The value of such a review for advancing e-business knowledge and practice has been established in a previous study (Ngai & Wat, 2002). However, that earlier study had limitations related to context, coverage, and content that motivated our current work and the contribution we intend to make through this chapter.

First, in terms of context, Ngai and Wat's (2002) study focused on e-commerce research in developed economies and gave no specific attention to e-commerce in DEs. While there are some similarities and communality of issues, e-commerce in DEs has its own idiosyncratic characteristics and challenges worth investigating (Molla & Licker, 2005a). Second, in terms of coverage, this previous study reviewed e-commerce

research between 1993 and 1999. This period covers the early stage of e-commerce development as a phenomenon even in the developed countries (Petrizzini & Kibati, 1999; Rodriguez & Wilson, 2000). Evidence suggests that the diffusion and use of ICTs (information and communication technologies) including the Internet in DEs increased substantially post-2000 (ITU, 2006). Further, e-commerce has gained more academic attention with the introduction of new journals such as: *Journal of Electronic Commerce Research* in 2000, *Electronic Commerce Research* in 2001, *Journal of Electronic Commerce in Organizations* in 2003, and other information systems journals which give priority to DEs. Third, in terms of content, the Ngai and Wat (2002) study focused on a quantitative analysis of issues addressed by e-commerce researchers without a thorough exposition of the theoretical frameworks and conceptual approaches used.

A knowledge gap therefore exists in reviewing literature by researchers and practitioners on e-commerce research in DEs. As more firms and governments in DEs seek to adopt and institutionalize this innovation, the need for such a review grows given that it can provide an evaluatory overview of the problems addressed, the theoretical and practical solutions suggested, and methods used to reach those solutions. Furthermore, the dynamic nature of the phenomena emphasizes the need for researchers and practitioners to regularly review – and if necessary – redefine the focus and approach to research, especially in relation to the context of DEs.

This chapter, in response, undertakes a review of literature on e-commerce in DEs published in 76 journals between 1993 and 2006. The review is divided into four parts. The first part presents our conceptualization of e-commerce, explaining the classification scheme adopted for this study. The second part focuses on the methodology of this study, explaining how the literature review was carried out. The third part presents findings and reviews the theoretical frameworks and concep-

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