



## **Chapter XII**

# **Current Barriers and Future Drivers: Why SMEs Don't Use E-Commerce Today and What Potential Benefits May Lead Them to Use E-Commerce in the Future**

In line with the ever-increasing globalisation of business and business dealings, governments, particularly those in developed countries, are beginning to look at mechanisms to build international competitive advantage. Taylor and Murphy (2004) conclude, however, that much of the governmental effort is preoccupied with information and communications technology, believing that simple adoption of these technologies will assure competitive advantage over rival economies. This has been the case in SMEs.

Maskell, Eskilinen, Hannibalsson, Malmberg, and Vatne (1998) suggest that aside from the obvious political mileage gained through having SMEs “wired to the global market place,” most governments believe that knowledge and learning are still able to be manipulated locally to achieve global advantage. Unfortunately, however, this is often translated into the simplistic “all ICT good, no ICT bad” (Taylor et al., 2004, p. 281), particularly where SMEs are concerned.

Despite the advocacy by governments that it is becoming a critical necessity for SMEs to become involved in e-business, studies in Europe, the U.S. and Australia (Buckley & Montes, 2002; Dixon et al., 2002; Martin & Matlay, 2001) have found that they are less engaged with ICTs than their larger counterparts and, indeed, invest less in these technologies per employee than larger firms. Recent studies (OECD, 2002; Taylor et al., 2004) have found

that while over 20% of SMEs purchase through the Web and more than 30% sell through the Web, the value of these purchases and sales only account for 2% of the total purchases and sales.

As already noted, many policies either fail to note the non-homogeneous nature of the SME sector, or they are based on the simplistic view that technology will weld organisations and markets together, despite the apparent differences in those organisations and markets (Dixon et al., 2002). The results, then, are policies promoting the benefits of ICTs without due recourse to the barriers that have prevented non-adopters from adopting and using these technologies.

Previous research (Riquelme, 2002; Vrazalic et al., 2003; Quayle, 2002; Elliot & Boshoff, 2005; Beck et al., 2005; Webster et al., 2005; Simpson & Docherty, 2004; Xanthidis & Nicholas, 2004) has examined the barriers to e-commerce adoption. However, no study has examined the drivers that may induce future adoption of these same technologies by those same SMEs. It is argued that for government agencies to be able to develop policies and initiatives to assist SMEs with adopting e-commerce in the future, it is essential that current concerns and potential future inducements are factored into those policies and initiatives.

In the previous chapter, we examined the e-commerce adopters and showed a number of associations between the reasons that SMEs adopt e-commerce and the benefits and disadvantages that they subsequently experience. In this chapter, we will examine the non-adopter respondents. Our aim is to determine whether any of the adoption barriers are associated with the reasons that may lead SMEs to use e-commerce—in other words, the potential drivers that would motivate an SME to adopt e-commerce technology.

In each of the three studies, respondents that had not adopted e-commerce were asked to rate the importance of a set of ten barriers (as described in Chapter V). The respondents were also asked to rate the importance of a set of fourteen criteria that may induce them to introduce e-commerce adoption in the future (the same criteria as those listed for e-commerce adopters in Chapter IV were used). A series of linear regressions was then applied to the data to determine the extent and nature of any associations between current barriers and future drivers or criteria. We wanted to determine whether there was any association between the present reasons for not using e-commerce and the possible reasons that may lead to e-commerce adoption in the future.

The findings will be presented from each of the three countries—Sweden, Australia, and U.S. This will be followed by a detailed discussion of the findings and their effect on policy decisions.

## **E-Commerce Barriers and Potential Drivers in Sweden**

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We found a number of statistically significant associations in the Swedish sample between e-commerce barriers and criteria. Twelve of the fourteen criteria tested showed a significant association with one or more e-commerce adoption barriers. These are shown in Tables 1 to 12, which also indicate the relevant p value and will now be discussed.

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