



## Chapter XI

# The Relationship of Strategic Intent to the Enablers and Inhibitors of E-Business Adoption in SMEs

Margi Levy, University of Warwick, UK

Philip Powell, University of Bath, UK

Les Worrall, University of Wolverhampton, UK

---

### Abstract

*Small firms' use of e-business is limited and little is known about what drives them to embrace e-business. Using survey data from 354 small and medium-sized enterprises (SMEs) in the UK West Midlands, this chapter investigates e-business use and drivers. It first discusses different growth strategies adopted by SMEs and reviews Internet adoption in SMEs. Drivers and inhibitors of e-business are identified. Three research questions are derived—does strategic intent drive e-business adoption and is it a factor of market position or product innovation? Is this consistent across sectors? And how is strategic intent and industry adoption influenced by the enablers and*

*inhibitors of e-business adoption? This research demonstrates that strategic intent influences decisions to invest in e-business. Those SMEs remaining in their existing markets are the least likely to invest, primarily due to the Internet not being seen as necessary for growth. Product innovation rather than market penetration drives e-business and e-business drivers and inhibitors provide insights into this.*

## Introduction

---

Small and medium sized enterprises (SMEs) (firms with 10-249 employees under the EU definition) are a vital and growing part of most economies. Internet technologies are recognised by governments across the world as critical to the development of this sector. Many governments offer financial incentives through intervention projects to encourage SMEs to adopt the Internet, particularly e-mail and Web sites, and subsequently to develop e-business systems that enable them to trade more effectively with business partners (Evans, 2002; Zhu, Kramer, & Xu 2003). Despite this effort, penetration of e-business in SMEs is slow (Kendall, Tung, Chua, Ng, & Tan, 2001).

The limited research into Internet adoption and e-business in SMEs reveals a perceived benefit as the major driver (Brown & Lockett, 2004; Mehrtens, Cragg, & Mills 2001; Poon & Swatman, 1999). Other factors, however, may influence SMEs' decisions to invest in e-business. For example, SMEs' approach to adoption of information and communication technologies (ICT) to manage and grow depends largely on the firm's strategic intent: either cost or valued-adding (Levy, Powell, & Yetton, 2001). This chapter discusses whether, and in what way, strategic intent affects SMEs attitudes to Internet adoption. Here, strategic intent encompasses two dimensions: markets and products. Most SMEs plan growth through some combination of these (Storey, 1994). The chapter also considers drivers and inhibitors of e-business adoption to determine any relationship between these and strategic intent.

The chapter first discusses different growth strategies and then reviews Internet adoption in SMEs. Drivers and inhibitors of e-business are identified. Three research questions are derived—does strategic intent drive e-business adoption and is it a factor of market position or product innovation? Is this consistent across industry sectors? How is strategic intent and industry adoption influenced by the enablers and inhibitors of e-business adoption? The research approach taken to investigate these issues is through a survey of SMEs in the UK West Midlands. The implications from the survey analysis are discussed leading to recommendations and proposals for further research.

25 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: [www.igi-global.com/chapter/relationship-strategic-intent-enablers-inhibitors/10102](http://www.igi-global.com/chapter/relationship-strategic-intent-enablers-inhibitors/10102)

## Related Content

---

### Semantic Approach to Web-Based Discovery of Unknowns to Enhance Intelligence Gathering

Natalia Danilova and David Stupples (2017). *Ontologies and Big Data Considerations for Effective Intelligence* (pp. 196-213).

[www.irma-international.org/chapter/semantic-approach-to-web-based-discovery-of-unknowns-to-enhance-intelligence-gathering/177394](http://www.irma-international.org/chapter/semantic-approach-to-web-based-discovery-of-unknowns-to-enhance-intelligence-gathering/177394)

### How Experience and Expertise Affect the Use of a Complex Technology

Richard J. Goeke, Robert H. Faley, Alan A. Brandyberry and Kevin E. Dow (2016). *Information Resources Management Journal* (pp. 59-80).

[www.irma-international.org/article/how-experience-and-expertise-affect-the-use-of-a-complex-technology/146562](http://www.irma-international.org/article/how-experience-and-expertise-affect-the-use-of-a-complex-technology/146562)

### An Overview of Semantic-Based Visual Information Retrieval

Yu-Jin Zhang (2009). *Encyclopedia of Information Science and Technology, Second Edition* (pp. 2978-2983).

[www.irma-international.org/chapter/overview-semantic-based-visual-information/14014](http://www.irma-international.org/chapter/overview-semantic-based-visual-information/14014)

### Testing and Extending Theory in Strategic Information Systems Planning Through Literature Analysis

Irwin T.J. Brown (2004). *Information Resources Management Journal* (pp. 20-48).

[www.irma-international.org/article/testing-extending-theory-strategic-information/1260](http://www.irma-international.org/article/testing-extending-theory-strategic-information/1260)

### Exploring the Relationship Between EUC Problems and Success

Tor Guimaraes and Magid Igbaria (1996). *Information Resources Management Journal* (pp. 5-16).

[www.irma-international.org/article/exploring-relationship-between-euc-problems/51021](http://www.irma-international.org/article/exploring-relationship-between-euc-problems/51021)