


Factors Affecting the Adoption of E-Marketing by Decision Makers in SMEs: Evidence From Jordan

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ABSTRACT

This study examines the factors that influence decision-makers to adopt e-marketing in small- and medium-sized enterprises (SMEs) in Jordan. There is currently no comprehensive conceptual framework that explains e-marketing adoption in SMEs. Therefore, this study develops a conceptual framework based on the diffusion of innovation (DOI) and technology-organization-environment (TOE) theories. The conceptual framework is composed of four contexts: technological, organizational, managerial, and environmental, and hypothesizes eleven factors significantly influencing e-marketing adoption in SMEs. A self-administrated questionnaire survey was conducted with 362 SMEs in Jordan. Logistic regression was used to test the relevant hypotheses. The obtained results show that relative advantages, complexity, IT expertise, top management support, manager's IT knowledge and external pressure have a significant impact on e-marketing adoption. However, compatibility, cost, firm size, manager innovativeness, and government support do not show any association with e-marketing adoption.

KEYWORDS

Diffusion of Innovation, E-Marketing Adoption, Jordan, SMEs, Technology-Organization-Environment (TOE)

INTRODUCTION

Small and medium-sized enterprises (SMEs) play an important role in economic growth, creating new job opportunities and reducing poverty, particularly in developing countries (Zafar and Mustafa, 2017). Information communication technology (ICT) has become an indispensable tool for SMEs, enabling them to reduce operating costs; facilitating communication with their customers and suppliers; promoting their goods and services globally; increasing market share; and enhancing their competitive position (Ghobakhloo et al., 2011; Pomffyová and Bartková, 2016). In this regard, the emergence of

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e-marketing is essential for SMEs to survive and thrive in both domestic and international markets. It can be viewed as a new business model and marketing strategy for achieving marketing objectives via computer networks or other electronic means (Dlodlo & Dhurup, 2013; Foroudi et al., 2017).

The positive impact of technologies on the marketing performance of SMEs cannot be denied, however, compared to larger organizations, SMEs are relatively slower to adopt e-marketing (Sharma & Goyal, 2019; Aziz & Omar 2013). Also, previous studies report that factors affecting SMEs in the adoption of e-marketing are different from large organizations (Erum et al., 2017; Taiminen and Karjaluoto, 2015). Moreover, previous studies in the literature on technology adoption have used the terms ‘e-business’, ‘e-commerce’, ‘electronic’ or ‘online marketing’, interchangeably, which is incorrect since these terms have different meanings (El-Gohary, 2010; Erum et al., 2017). Consequently, this literature cannot fully determine whether the factors associated with e-marketing adoption in SMEs are similar to e-business and e-commerce adoption as e-marketing has different characteristics.

Many prior studies have been conducted to examine the factors associated with e-marketing adoption by SMEs in both developed and developing countries. However, previous literature on technology adoption reveals that e-marketing adoption in SMEs represents an emerging area of study, particularly in Arab countries (Qashou & Saleh, 2018; El-Gohary, 2012). Consequently, it is important to investigate the key factors associated with e-marketing adoption that may help SMEs and government to decide suitable action regarding to the adoption of e-marketing. In that regard, this study attempts to bridge the gap in the literature by developing a comprehensive model to identify the key factors that may potentially be associated with the adoption of e-marketing in SMEs. By looking at e-marketing in Jordan, this study fills the gap in the existing literature by providing insights that may be applicable to other Arab countries. In Jordan, while many studies have been conducted to investigate the adoption of e-commerce (Al-Adwan, 2019; Al-Adwan et al., 2019; Al-Adwan and Kokash, 2019; Al-Adwan, 2018), limited research has been carried out to examine e-marketing adoption. Hence, this study aims to achieve the following objectives:

- To develop a comprehensive conceptual framework to provide a better understanding of e-marketing adoption by Jordanian SMEs;
- To identify the key factors associated with the adoption of e-marketing by Jordanian SMEs.

To achieve these objectives, this study is organized as follows: First, a literature review of technology adoption and studies related to e-marketing adoption in SMEs is presented. Second, the development of a conceptual framework and proposed hypotheses is presented. Third, methodology, data collection, and data analyses are presented. Fourth, highlights and key findings are discussed. Finally, the conclusion, implications, and limitations are presented.

LITERATURE REVIEW

The Definition of E-Marketing and its Activities in SMEs

Information and communication technologies (ICTs) have become an essential part of daily routines for both individuals and organizations. ICTs enable SMEs to connect to the world and give them a platform to develop new business and products. From a marketing perspective, ICTs provide three main opportunities for SMEs: first, they allow SMEs to utilize various digital channels for marketing purposes; second, the accessibility of the digital environment allows marketers to measure the marketing performance by collecting, reporting, and processing marketing activities more effectively. Third, it enables SMEs to improve their performance and increase its competitiveness in global markets (Sharma & Goyal, 2019; Järvinen et al., 2012).

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