

Electronic Commerce

and

Small and Medium Business Enterprises

By

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Certificate of Authorship of Thesis

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for an award of any other degree or diploma of a university or other institute of higher learning, except where due acknowledgement is made in the text.

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Abstract

The aim of this research was to discover the issues influencing the adoption of e-commerce by small and medium business enterprises (SMEs) in the Australian Capital Territory (ACT). The demand aspect of the theory of diffusion of innovation enabled the formulation of a number of research propositions which formed the focus for this research. Seventy-five randomly-selected SMEs within the ACT were interviewed. Of these seventy five, fifty had adopted e-commerce and twenty-five had not.

Findings complemented results from other studies, but also added to them. Factors from the demand aspect of the theory of time, resources (personnel, financial, technological), business organisation, size, return on investment, push by outside agencies or clients, and communication channels were found to be of little importance. Of greater importance were characteristics of the SME operators themselves (such as their innovativeness, their relative youth and educational level), the size of their business, the number of years it had been operating, and marketing issues. A prime consideration was that of attaining and maintaining a competitive edge over their competitors. Security and privacy issues were of little consideration prior to the adoption process, but became of much greater importance once SMEs had adopted e-commerce.

Some things discovered by this research that have not appeared in the reporting of other studies included:

- The importance of tertiary education for the primary decision-makers in the organisation;
- The role banks played in the adoption process;
- The high cost and difficulty of compliance with government regulations, especially regarding the employment of staff; and
- The lack of use of specifically established communication channels, set up by government bodies or associated industry organisations to educate and inform SMEs about the potential and process of e-commerce.

Results of this research have implications for a large number of associated stakeholders – government, educational institutions, and trade, industry and professional associations – and as such deserve to be widely disseminated.

Acknowledgements

To undertake doctoral studies is not something one undertakes lightly. It requires an intense desire and commitment on the part of the student. I have had this desire, but I could not have completed this doctorate without the encouragement of many friends, family members, and colleagues. When I first met with Dr Peter Clayton, who became my primary supervisor, he asked,

‘Why do you want to do it [your doctorate] at your age?’, knowing that as I was already retired I would not use it professionally.

I told him I would prefer to be 80 years old with it than 80 without it. And had it not been for his constant encouragement and understanding, I could have been 80 without it. He has ever been unstinting of his time, ever patient, encouraging, and extremely helpful at all times. Thank you Peter for assisting me on this journey. I could not have done it without your guidance and help.

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List of tables used to prepare figures in Chapters Five, Six and Seven
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Order of Questions used in Analysis of Adopter Responses