Electronic Commerce Adoption in Libya: An Empirical Study Of small And Medium Business

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ABSTRACT

This survey conducted in Libya, 2010 to test the determinants of E-commerce adoption in Small and Medium Enterprise (SMEs). It consists of one hundred SMEs. The study based on primary data (questionnaire) in different positions in SMEs namely general employees, general managers and executive managers.

The research surveys four independent factors that influence the adoption process of E-commerce in SMEs. These variables are: organizational readiness, external pressure, perceived ease of use and perceived usefulness.

The results show there is high correlation between the independent variables and dependent variable (adoption) and these results are consistent with many previous studies. Consequently, the relationship between the variables is significant.

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CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction and Background of the Study

There are many different definitions of Electronic commerce found in the literature. In its broadest term, electronic commerce or simply e-commerce can be referred to as "a general concept covering any form of business transaction or information exchange executed using information and communication technologies" (Whitely 1998, p.1). E-commerce is not only limited to buying and selling over the Internet, but it is also concerned with transferring or exchanging products/services and/or information via computer networks, including the Internet, Extranet and Intranet (Turban et al. 2006). It includes activities such as servicing customer online, collaborating with business partners and exchanging business documents within an organization over the Internet or other private networks. Because of its broad coverage, e-commerce is often referred to as e-business (Barness and Hunt 2001).

Although e-commerce is still a relatively new term within the society, it actually has been around for several decades. The first e-commerce application, Electronic Funds Transfer (EFT), was developed in the early 1970s to allow funds to be routed electronically between financial institutions. As an extension to EFT, Automatic Teller Machine (ATM) was introduced in the early 1980s, to enable financial transactions to be carried out over a computer network (Barnes and Hunt 2001). Then Electronic Data Interchange (EDI) was developed later in 1980s to enable a wider application of e-commerce across industries. It allows structured

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