

A STUDY ON THE PERCEPTION OF
E-BUSINESS ADOPTION
AMONG RETAILING FIRMS IN PERLIS

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ABSTRACT

The purpose of this study is to characterize the attitudes of owners and managers of retailing firms toward e-business. More precisely, the present study attempted to assess the perceptions of retailers particularly owners and managers of retailing firms concerning the adoption of e-business. The research examined the perception of retailing firms on adopting e-business especially their perception on driving factors for adoption, the area of adoption, and the problems accompanying adoption. The sample for this study comprised retailing firms in Kangar town (Perlis State Capital).

The finding shows that the normative pressure and customer orientation in particular were perceived to be important in adopting e-business. In terms of the areas of adoption, it appears that the surveyed firms' perceived e-business was to be used for communication purposes especially in the case of outbound communications. On the whole the findings from this study seemed to concur with the findings from earlier studies though the setting and respondents were different.

INTRODUCTION

1.0 Introduction

E-business (electronic business)," is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners". Today, major corporations are rethinking their businesses in terms of the Internet and its new culture and capabilities. Companies are using the Web to buy parts and supplies from other companies, to collaborate on sales promotions, and to do joint research.

Electronic business (e-business) is indeed beneficial to companies and it is growing daily throughout the world. More importantly, e-business provides opportunities for both large and small companies to expand their revenues lower their costs and in turn realize greater profits. While e-business has afforded companies, no matter how big or small, the opportunity for unprecedented growth, its complexities, high cost of software acquisition, shortage of information technology staff, and its challenges appear to inhibit its adoption among retailers may they be small or medium sized in the Malaysian context.

As far as Malaysia is concerned, retailers seem to be lagging in the area of e-business, though it seems that e-business can offer them better opportunities for long term growth and profitability. Furthermore with the effect of globalization, the prospects of stiffer competition from the Internet, maturing markets, and limited local market opportunities, the potential consequences of e-business for retailers are obvious.

The retail environment in Malaysia has undergone a continuous and marked change over the decades. New facilities ranging from supermarkets and superstores to retail warehouses and convenience stores have been added to the retail landscape, much at the expense of the traditional shop houses. However, all is not lost for the small retailer. It may be losing out in the urban center but at suburban areas the small retailer is still very much in the picture.

Retail as defined by Wikipedia consists of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or

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