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Evaluation of Strategic Use in Case Studies of Indian Small Businesses Using E-Commerce

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Abstract

The importance of studying how small and medium-sized businesses (SMEs) use e-commerce has increased. For small- to medium-sized firms (SMEs), there are already a number of benefits of e-commerce that have been exhaustively documented in both theoretical and applied literature. Despite the focus placed on encouraging SMEs to use e-commerce by academics and governments, little research has been done on the specific adoption strategies for SMEs in developing nations, particularly India. This article's goal is to provide a greater understanding of the elements and combinations of elements that SMEs must consider before integrating e-commerce into their operations by examining the actual experiences of SMEs in India.

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Introduction

Over the past several decades, the importance of Small and Medium-sized Enterprises (SMEs) in the global economy has grown. The critical roles that SMEs have played in the development of both national and global economic growth have been acknowledged in theoretical and applied economic and business development literature. This fact is demonstrated by the sheer quantity of SMEs—which make up over 90% of all businesses globally—as well as by their considerable contribution to the provision of employment opportunities (Hall 2002). Information, communication, and technology (ICT) on the other hand, is shown to be important for any business (KaiUwe Brock 2000).

The use of ICT has had a huge impact on large, medium-sized, and even small businesses (Doukidis et al. 1996). ICT is used in a variety of settings, including word processing on mainframes and laptops as well as more complex systems and apps. According to optimistic research from recent studies (MacGregor et al. 2002), SMEs may employ electronic commerce (e-commerce), an ICT, to help their firm expand.

A wide range of e-commerce adoption strategies and application kinds have been offered in the literature, including both academic and commercial magazines, and are currently

being used by many organizations. However, industrialized countries with a widespread economic system have been the focus of the majority of this study. Few studies have made an effort to offer some insight into the methods used by SMEs in developing countries, particularly India, to adopt e-commerce.

Background of the Literature

ICT Characteristics in SMEs

The adverse consequences of the globalization of the economy and the recession in Southeast Asian nations, particularly in India, underscore the necessity for SMEs, the cornerstone of the national economy, to become more competitive and resilient. Thorp (1998) asserts that successful ICT implementation can give both large and small enterprises a sizable competitive advantage.

Despite this, SMEs are not "small" replicas of large firms (Culkin and Smith 2000; Dandridge 1979). It is essential to pay special attention to and have a firm understanding of SMEs' characteristics before identifying additional problems of technology adoption and initiatives.

SMEs, which are common in most countries, are well known for lacking internal ICT skills and financial resources.

Studies on SMEs and online Shopping

E-commerce is any economic or commercial activity that takes place online and allows for the exchange of products and services between individuals and organizations as well as the facilitation of business transactions (Schneider, 2002). A broader definition of e-commerce, however, goes beyond merely online product purchases and sales. Along with its clients, an online business will find there its suppliers, accountants, payment processors, regulators, and competitors. To meet the needs of their online partners, their entire business model—from production to consumption—must change (Alter 2002; Bidgoli 2002). Ecommerce is a new way of doing business, to put it bluntly (Seyal and Rahman, 2003; Schneider, 2002; Rahman and Raisinghani, 2000).

Numerous exploratory and qualitative studies on the use of e-commerce in SMEs have recently been conducted (Drew 2002). Even though dot-coms and the "new economy" are rapidly growing, SMEs in poor countries have taken longer than their counterparts in wealthy countries to adopt e-commerce (Intrapairot and Srivihok 2003).

The business press and trade journals have also highlighted many of the difficulties faced by SMEs when converting to e-commerce (Matlay and Addis 2003; Phillips 1998; Schlenker and Crocker 2003).

A framework that assists SMEs in evaluating the strategic use of e-commerce as well as providing adoption process guidance are two topics that, to this point, have received very little research attention. Another is the assessment of e-commerce application and post adoption experiences in various sectors of Indian SMEs.

- The importance of the e-commerce infrastructure in assisting efforts to persuade SMEs in developing nations to use e-commerce (Jennex et al. 2004, Stylianou et al. 2003).
- The usage of e-commerce by Italian SMEs in the industrial sector (Santarelli and D'Altri, 2003).
- Aspects of adoption that may affect how Brunei SMEs adopt e-commerce (Seyal and Rahman, 2003)
- The considerations Thai SMEs (small and medium-sized enterprises) make while considering whether to engage in e-commerce (Lertwongsatien and Wongpinunwatana 2003).

Bridging the Digital Divide

In India, closing the digital divide has been made possible in large part by ICT. Access to information and communication has expanded to include even the most remote areas of the nation thanks to significant internet connectivity programs and reasonably priced mobile devices. This increased access to the digital economy has given people and communities more chances for employment, skill development, and educational prospects.

Education Revolution

The environment of education in India has changed as a result of ICT. Access to high-quality education has been made more widely available than ever before because to e-learning platforms, virtual classrooms, and online courses. Massive Open Online Courses (MOOCs) and distance learning programs have made it possible for millions of Indian students to access educational materials and study at world-class universities. The engagement and individualized learning experiences for students have also been improved by educational applications and interactive learning tools.

E-Governance and Digital Services

ICT has significantly changed India's government and public service delivery. Numerous services have been digitized as a result of the government's Digital India project, lowering administrative burdens and increasing transparency. Government services are now more accessible and effective thanks to online tax filing portals, e-governance platforms for citizen services, and digital payment methods. In addition, ICT-enabled initiatives like Aadhaar (biometric identity) and Direct Benefit Transfer (DBT) have expedited the provision of subsidies and social welfare programs, allowing them to directly reach the intended beneficiaries.

Thriving Digital Economy

The development of India's digital economy has been accelerated by the proliferation of ICT. The method that business is done has changed as a result of the rise of e-commerce platforms, digital payment systems, and fintech services. Startups utilizing ICT have experienced exponential growth, generating job possibilities and aiding in economic progress. Small and medium-sized businesses (SMEs) now have a platform to reach a wider client base because to the expansion of digital marketplaces, which has encouraged entrepreneurship and innovation.

Challenges and Future Outlook

Despite the notable advancements, obstacles still stand in the way of India fully realizing the benefits of ICT. Attention must be paid to problems including the digital divide, privacy issues, cybersecurity threats, and the requirement for digital literacy and skill development. But through legislation, investments, and awareness-raising campaigns, the Indian government and many stakeholders are aggressively tackling these problems.

ICT in India has a bright future, at least on the horizon. Blockchain, the Internet of Things (IoT), and other cutting-edge technologies have the potential to further transform a variety of industries. A digitally empowered and inclusive India will be possible with ongoing investments in digital infrastructure, research and development, and skill development.

Methodology

Our research aims to understand the components and combinations of components that SMEs in India should consider before incorporating e-commerce into their business operations, as was already said. Due to the dearth of empirical material on the e-commerce management practices in Indian organizations and the exploratory nature of the study, the qualitative case-study method was deemed appropriate for this research. One of the primary shortcomings of case studies is their limited generalizability of the conclusions (Eisenhardt 1989). In order to present a fairly generic set of results and pertinent information, this study is reviewed via interviews with two SMEs owners/managers.

When deciding on the two SMEs, the size of their companies and their unique post-e-commerce adoption experiences were taken into account. Every participant was approached and asked if they would be receptive to participating in the study. It is important to keep in mind that everyone involved in this study gave their consent voluntarily.

Additionally, as our research's objective was to look at "local" businesses operating in typical developing country contexts, no multinational or transnational organizations were included in it. Due to the non-disclosure agreements with these

organizations, the SMEs that are a part of this study will be referred to as business A/B. Open and semi-structured interviews that were all videotaped served as the foundation for the entire discussion (Mahemba and De Brujin 2003).

Information Gathering and Analysis

During the two hours of semi-structured interviews, we utilised each participant's time to learn about their experience. This method has the advantage of producing concise responses to certain inquiries, but it also has the risk of skewing results due to attitudes and the wording of the questions. These issues can be solved by using control and assessment questions. Each interview was taped and then transcriptions were made verbatim for analysis. By doing this, it was ensured that the information in the interview notes fairly summarized what the interviewees had to say. The value of the data acquired was also increased by utilizing a variety of information sources. As part of the data triangulation technique, several data sources were examined throughout the interview process.

Important Business Strategy Benefits

Numerous scholarly publications acknowledge that the absence or lack of a business strategy may limit a SME's ability to succeed (Ballantine et al. 1998, Morison et al. 2003, Shaleh 1986). This claim has been validated by the two aforementioned events.

It is obvious that one of the shared goals of the two businesses in the illustration is to find ways to maximize the return on their investment in e-commerce. However, the aforementioned adoption techniques omit the first stage of deciding their company strategy before deciding to integrate e-commerce.

By thoroughly identifying its business strategy, which can subsequently be used to identify the key business processes, the company is better able to comprehend its business objectives, strengths, resources, and environment.

The fact that e-commerce is not solely a technology endeavor must also be emphasized. It is more accurate to think of e-commerce as a way for companies and organizations to use the Internet and related technology to their advantage and change crucial business processes. E-commerce adoption may also fail if the business owner or management believes that the issues with the current business processes can be solved by merely converting them to electronic format.

Limitations and Directions for Future Research

The research situation limits the conclusions that can be drawn from this study. One of the study's significant weaknesses is the difficulty in implementing the suggested framework to the adoption of B2B types of e-commerce. This is because the research environment, which was limited to a small service organization using a B2C website, made generalization and application of the findings to other study situations problematic.

More research is needed to assess the relevance and impact of the proposed determinants, taking into account how culture, management styles, and other factors may potentially influence adoption processes. To gain a more thorough understanding of the factors impacting successful e-commerce adoption, it should also consider the perspectives of successful adopters.

Conclusions

This article examines the usage of electronic commerce (e-commerce) by two Indian SMEs. It investigates the significance of business strategy alignment in the adoption of e-commerce by SMEs. The research also identifies a number of criteria and outlines a step-by-step approach for adopting e-commerce using a specified framework.

The study's findings are useful for government officials in developing countries like India who are worried about the expansion of SMEs, as well as SMEs' management. The findings, according to the author, will also provide some insights to ICT consultants that deal with SME customers in order to improve customer satisfaction and service.

This paper advances the field of qualitative research in IT by providing a practical example of how case studies can be used to reveal crucial variables that SMEs must examine before embracing e-commerce. Using the case study data, a framework for e-commerce adoption was also created. The techniques we used are thought to be valuable to other scholars interested in doing case studies in developing countries, particularly India.

Despite the fact that the research environment is particularly specialized, the conclusions are thought to be applicable to various markets and countries.

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