DETERMINANTS OF ELECTRONIC COMMERCE ADOPTION: CASE STUDY AMONG SMALL AND MEDIUM ENTERPRISE (SME) IN KLANG VALLEY

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JULY 2017
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- This work has not previously been accepted in substance for any degree, locally or oversea and is not being concurrently submitted for this degree or any other degrees.

- This project is the result of my independent work and investigation, except where otherwise stated.

- All verbatim extracts have been distinguish by quotation marks and sources of my information have been specifically acknowledged.

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ABSTRACT

The purpose of this study is to determine the factors affecting the adoption of e-commerce by Small and Medium Enterprise (SME) in Klang Valley. A conceptual framework comprises five factors (relative advantage, compatibility, complexity, top management support, and knowledge and resources constraint). A multivariate Likert-scale questionnaire (scale from 1-5) has been developed. A sample of 103 respondents has been used from SME in Klang Valley to collect data using SPSS 20. Multiple regression analysis generated to test hypothesis and establish the causal effect of relative advantage, compatibility, complexity, top management support, and knowledge and resources constraint on adoption of e-commerce. Regression analysis was conducted to establish the relative advantage, compatibility, complexity, top management support, and knowledge and resources constraint on adoption of e-commerce. The result of the research shows that relative advantage, compatibility, and top management support and knowledge have a significant positive impact on adoption of e-commerce. Therefore, this study concluded that relative advantage, compatibility, and top management support and knowledge would increase adoption of e-commerce among SME in Klang Valley. Therefore, the government should take initiatives and pay more attention to promote e-commerce among SME because SME is the economic backbone for the country.