UNIVERSITI TEKNOLOGI MARA

BARRIERS TO THE E-COMMERCE ADOPTION BY SMES IN TERENGGANU

By

MOHD FARID AWANG

NORHAIZUM SAHRIL

KARTINI ABDUL MANAF

Faculty of Business Management

Universiti Teknologi MARA

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ABSTRACT

The purpose of this study is to examine the barrier factors that might hinder the adoption of e-commerce by SMEs in Terengganu. The methodology used in this study was questionnaire survey whereby it was sent to 74 SMEs in Terengganu who were listed under a special government assistance programme known as Bumiputera Enterprise Enhancement Programme (BEEP). The data gathered was analyzed using SPSS. Analysis of the data obtained found that factors that become barriers to the e-commerce adoption by the SMEs in Terengganu which were initially identified through previous literatures as Complexity, Cost, Security and Suitability to the business. Correlation analysis showed that there is a strong negative significant relationship between e-commerce adoption and suitability to the business. This implied that most SMEs have overcome other barriers particularly those that are technological and financial in nature. Therefore, it can be concluded that both SMEs and policy makers need to deal only with suitability barrier to increase level of e-commerce adoption.

Keywords: E-commerce, barriers, hinder and suitability

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