

ECOMMERCE FOR ENTREPRENEURS: BOON OR BANE

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Abstract: *Entrepreneurs are the cornerstone of most economies. This is not only borne out by the number of entrepreneurial businesses across the world, but also by their significant role in supporting the economy at times when the economy is at its slow²⁰. Entrepreneurs are considered to be the only realistic employment opportunity creator in developing countries²⁰. However, it is inherent that there are many issues and constraints that impede the growth of Entrepreneurs, particularly those in developing countries, and especially the difficulty to have easy access to financial assistance and information of the available market²⁰. On the other hand the Electronic commerce has radically changed the dynamics of the business environment and the way in which people and organizations are conducting business with one another²⁰. For Entrepreneurs E-Commerce has the potential to become a source of competitive advantage²⁰. E-commerce is a cost effective way of accessing customers globally and competing on par with large businesses²⁰. Entrepreneurs in Oman are playing an important role for the economic development of the country²⁰. Due to the potential benefits of E-Commerce, entrepreneurs of Oman have the opportunity to expand their business target market in the world.^{16, 17, 20} Therefore; this study aims to study critical factors that affect E-Commerce Adoption by the Entrepreneurs. From this study, the results highlight that potential benefits, competition intensity and Information Technology Usage are significant factors that shape and affect the E-Commerce adoption.*

Keywords: *Entrepreneur, E-Commerce, Business Performance, Potential Benefits*

INTRODUCTION

Entrepreneurs are the cornerstone of most economies. This is not only borne out by the number of entrepreneurial businesses across the world, but also by their significant role in supporting the economy at times when the economy is at its slow. Entrepreneurs are considered to be the only realistic employment opportunity creator in developing countries²⁰. However, it is inherent that there are many issues and constraints that impede the growth of Entrepreneurs, particularly those in

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developing countries, and especially the difficulty to have easy access to financial assistance and information of the available market²⁰. On the other hand the Electronic commerce has radically changed the dynamics of the business environment and the way in which people and organizations are conducting business with one another²⁰. For Entrepreneurs E-Commerce has the potential to become a source of competitive advantage²⁰. E-Commerce is a cost effective way of accessing customers globally and competing on par with large businesses²⁰. Entrepreneurs in Oman are playing an important role for the economic development of the country. Due to the potential benefits of E-Commerce, entrepreneurs of Oman have the opportunity to expand their business target market in the world.^{16,17}

The emergence of digital technology and its multiple uses across all walks of life, led to increase in the demand technology swiftly with a view towards its acquisition and utilization. The great advances in the field of Internet have led to an increase in the speed of digitization, globalization and more economic liberalization¹. Thus, the adoption of this technology in business is a growing topic². Technology adoption will help firms in reaching out to potential customers across the globe³. This study focuses on entrepreneurs, as they are one of the most important pillars of economic development. Therefore, it can be said, that any greater development will increase the need for a more sophisticated online business system and a wider range of services. Especially in Oman, more efforts are needed to improve adoption of E-Commerce since Omani Entrepreneurs are under pressure; hence, but they need to understand that the new opportunities will reduce costs and improve their business performance.

Consequently, it is essential to identify the critical factors that affect E-Commerce adoption among entrepreneurs of Oman. To the best of our knowledge, very limited empirical research has been performed to identify the critical factors that affect E-Commerce adoption among Omani Entrepreneurs using organizational compatibilities, perceived benefits, competition intensity and Information Technology Usage constructs. The main objective of this study is to identify the extent to which the adopted factors affect E-Commerce adoption by Omani entrepreneurs, and to subsequently fill this gap.^{16,17,18,19}

The focus on information technology led many studies to investigate the adoption of E-Commerce in different sectors. However, the increase in the level of awareness and technology accumulation may help to increase entrepreneurial capabilities to adopt E-Commerce. So E-Commerce can create significant impact on the performance of business, its capital while enhancing long-term growth. Despite the positive effect of E-Commerce on different entrepreneurs worldwide, the benefits do not always show improved business profits and sales. Thereby,

even though there are a lot of advantages of E-Commerce for business, the risk associated with it is also immense. It can also be stated that the entrepreneurs using E-Commerce could expand their business scope, but they still have to face obstacles with regard to Information Technology Usage, especially in web activities and in training of personnel to work on the internet. But anyways, trust had a direct effect on entrepreneurial businesses who adopt E-Commerce. The entrepreneurial openness and readiness to adopt E-Commerce is an essential tool for success of entrepreneurial businesses.^{16, 17, 18, 19}

1.1. Information Technology Usage

This refers to the sophisticated level of Information Technology Usage by entrepreneurs of Oman. Entrepreneurs with sufficient level of information technology resources have increased their chances to successfully adopt E-Commerce. Within the Entrepreneurs, there is a necessity to train the ways of conducting transactions and provide services. Additionally, emphasis is to be laid on how to process and coordinate information with customers across Oman and outside Oman. Therefore, this study is draw attention to context of many such previous studies. This study has used Information Technology Usage among Omani entrepreneurs to measure the actual usage of internet by their businesses. This refers to the combination of mainly website functionality and technology in use, which helped in reflecting the degree to which their technology is ready to adopt E-Commerce for improving their business performances.^{16, 17, 18, 19}

1.2. Business Performance

The Business performance refers to the degree to which E-Commerce is dependable with existing work practices and existing beliefs. Use of information technology will definitely improve connectivity and data exchange among stakeholders. In this study, we believe that Omani entrepreneurs look forward for adopting E-Commerce for improving their business performance and creating business networks across the country. They believe that it is beneficial for their businesses to adopt E-Commerce.^{16, 17, 18, 19}

1.3. Potential Benefits

The adoption of E-Commerce has many potential benefits to entrepreneurs, such as cost effectiveness and flexibility. The higher level of perceived benefits helps in the adoption of the E-Commerce by entrepreneurs. Hence entrepreneurs who expect high benefits from E-Commerce are more likely to adopt E-Commerce.^{16, 17, 18, 19}

1.4. Competition Intensity

In adoption literature, competition intensity was considered a vital factor where some studies found that companies may be able to change competition principles when they adopt technology. High level of competition intensity is linked to high levels of information technology usage. Implementation and operations of E-Commerce may be more successful in an environment with high level of competition. With regard to the Entrepreneurs, competition intensity means the degree to which their businesses will be affected by competitors within and outside Oman; hence, entrepreneurs that face high competition intensity are more likely to adopt E-Commerce^{16, 17, 18, 19}.

1. LITERATURE REVIEW

According to Molla and Licker¹; the literatures on EC adoption by businesses suggest that most researches are based on the following frameworks:

- 1) The Diffusion of Innovation (DOI)^{2,3}
- 2) Technology Acceptance Model (TAM)⁴
- 3) The Technology-Organization-Environment Model (TOE)^{2,5,6}
- 4) Institutional Theory^{7,8}
- 5) Resource-based Theory^{2,9}

These models have differences in term of their focus and are designed to examine different aspects of business EC adoption. Some models examine only the external environment of firms^{10, 11, 13}, while some are focused on technological aspects¹³.

Diffusion of Innovation² and Technology Acceptance Model⁴ has been widely used in the previous studies. But these models are tending to ignore the entrepreneurs characteristics. SME do not adopt EC due to the negative attitude of entrepreneurs on ICT. By assessing entrepreneur's characteristics, we provide empirical evidence how entrepreneur's traits have significant effect on EC adoption in their business.

In studies of technology adoption in SMEs, researchers have emphasized on the owners/managers of SMEs especially their characteristics, behaviours and attitudes^{14, 15}. This is because such individuals usually directly and/or indirectly involved in all decision making in their organization. Lakhanpal¹⁵ reveals that individual characteristics i.e., innovators, leaders and other individual attributes in key positions have significant impacts on explaining differences in the degree of innovation adoption. Therefore, these factors are worthy to be used to explain the adoption patterns of EC by SMEs in Malaysia.

3. METHODOLOGY

3.1. This study leads to the formulation of the following hypothesis:

1. There is a positive effect of Information Technology Usage for the adoption of E-Commerce by Omani entrepreneurs.^{18,19}
2. There is a positive effect of business performance on the adoption of E-Commerce.^{18,19}
3. There is a positive effect of potential benefits for the adoption of E-Commerce.^{18,19}
4. There is positive effect of Competition intensity on adoption of E-Commerce.^{18,19}

3.2. Data Collection & Sample

A structured questionnaire was used to collect the primary data from the sample entrepreneurs. The sample was identified from across Oman with the help of Oman Chamber of Commerce, to explore the entrepreneurial approach towards adoption of E-Commerce for their businesses. The objective of collecting primary data through questionnaire was to judge the level of awareness among Omani entrepreneurs, about the use and potential benefits of adopting E-Commerce for their businesses.^{16,17,18,19}

3.3. Statistical Tools

The data was analyzed and results were collected by using the multiple linear regression technique.

3.4. Sample

A random sample was identified for data collection with the help of Oman Chamber of Commerce. The number of valid questionnaires collected was 100. And out of the sample 76% of the participants were male in the age group ranging from 35-65. And all the entrepreneurs identified were familiar with E-Commerce^{16,17,18,19}.

4. DISCUSSION

The survey Questionnaire was designed using the 5-point Likert- scale. The reliability of items was tested using cronbach's alpha in Table 1. The table below shows the reliability scores of independent variables used in the survey questionnaire and the scores highlight the extent to which the results obtained are reliable.

Table 1
Reliability Test using Chronbach's Alpha

<i>Variables</i>	<i># Items</i>	<i>Reliability</i>
Information Technology Usage	9	0.833
Business Performance	3	0.711
Potential Benefits	4	0.725
Competition Intensity	4	0.799
E-Commerce Adoption	5	0.783

The data was analyzed using multiple linear regression analysis. The four independent variables: Information Technology Usage, Business Performance, Potential Benefits and Competition Intensity were used, whereas one dependent variable: E-Commerce Adoption was used. The objective this research study was to analyze the degree to which Omani Entrepreneurs are affected by information technology (independent variable) and are eager to adopt E-Commerce (dependent variable).^{18, 19}

The Table 2 shows the results generated by analyzing data using multiple linear regression analysis. The adjusted R² = 0.79, which means that the research study explicated 79% of the variance in respondents adoption of E-Commerce. The entire study was significant based on calculations of F = 99.101 and P = 0.00. Moreover, each variable was tested for significance. Depending on the test, all four hypotheses are tested positive. Table 3 shows the significance of each hypothesis and its tested results. The table highlights the F score and sig. value obtained by multiple linear regression performed between Information Technology Usage, business performance, Potential Benefits, Competition Intensity, E-Commerce.^{18, 19}

This table represents the sig. values, coefficients and acceptance of the research hypotheses indicated by H1, H2, H3 and H4.

Table 2
Multiple Linear Regressions

<i>Adjusted R Square</i>	<i>F</i>	<i>Sig.</i>
0.79	99.101	0.000

Table 3
Hypotheses Test

<i>Hypotheses</i>	<i>Coefficients</i>	<i>T value</i>	<i>Sig.</i>	<i>Tested</i>
H1: Information Technology Usage	.206	2.759	.007	Positive
H2: Business Performance	.136	2.122	.036	Positive
H3: Potential Benefits	.402	4.479	.000	Positive
H4: Competition Intensity	.268	3.470	.001	Positive

5. RESULTS

This study was an attempt towards examining the effect of independent variables (Information Technology Usage, business performance, Potential Benefits and Competition Intensity) on the dependent variable (E-Commerce adoption). The findings of this study indicate that Omani Entrepreneurs are ready to adopt E-Commerce and they are aware of the potential benefits, which can be achieved by adopting E-Commerce. Almost all the respondents were fully convinced that if they adopted E-Commerce, it will give them a competitive edge on their competitors from within and outside Oman. The entrepreneurs should realize that with adoption of E-Commerce their businesses will become more open and flexible to satisfy all the stakeholders. It can be said that the entrepreneurial ventures can maximize the chances of being successful by successfully adopting E-Commerce. It is perceived that the expected benefits will definitely have a positive impact on the adoption of E-Commerce by entrepreneurs. They could convert the opportunities into reality, and ensure fruit-ful results by shifting towards E-Commerce. The business competition and its pressure are common across the globe and lead to adoption of E-Commerce to have a better advantage on the counterparts.^{18,19}

6. CONCLUSION

The entrepreneurs need to come forward and embrace the new style of doing online business by adopting E-Commerce practices for improving the overall performance of their businesses. There can be a few worries with regard to the government support in adopting E-Commerce. Hence the government of Oman should encourage and train such entrepreneurs throughout Oman to adopt E-Commerce. There should be enormous support from government of Oman with regard to upgrading and creating infrastructure for information technology. The study can be a stepping stone for the budding entrepreneurs and policy makers.

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