

ELECTRONIC COMMERCE APPLICATION: FINANCIAL IMPLICATIONS AND PERCEPTIONS OF SMALL AND MEDIUM ENTERPRISES IN SIBU AND KUALA LUMPUR

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ABSTRACT

This research is conducted for purposes to study the prospect of electronic commerce along Small and Medium Enterprises (SME) and to explore level of acceptance and adoption of e-commerce applications among them. Furthermore, to evaluate potential benefits and financial implications of adopting e-commerce application, and examine the factors that motivate and prevents SMEs from adopting e-commerce are the objectives for the research.

A descriptive study is undertaken to have a clear picture of the electronic commerce in Sibul and Kuala Lumpur. In this research, survey is used by distribute questionnaires and conduct personal interviews among SMEs to secure the desired information.

From the research, the electronic commerce adoption level among SMEs in Sibul and Kuala Lumpur is considered low. However, most of the respondents believe electronic commerce has potential growth in future. The adoption level of electronic commerce is influenced by the factors motivate company to adopt electronic commerce such as capitalizing business opportunity and competitive advantages over the competitors. Moreover, factors discouraging company to adopt electronic commerce also influenced the adoption level of electronic commerce. Benefits received do not influence the commerce adoption level.

As a conclusion, government can give some incentives to Small and Medium Enterprises in encouraging them to adopt electronic commerce as information technology is growing very fast.