



Factors influencing SMEs website continuance intention in Malaysia



T. Ramayah*, Niu Swee Ling, Seyedeh Khadijeh Taghizadeh, Syed Abidur Rahman

School of Management, Universiti Sains Malaysia, Minden, 11800 Penang, Malaysia

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ABSTRACT

The purpose of this study is to find critical determinants of Malaysian Small Medium Enterprises (SMEs) intention to continue website as a business innovation. CEO, organizational, technological, and environmental characteristics are considered as cohesive significant predictors. Further, it is aimed to examine the influence of existing level of web adoption as a moderator in small to medium firm website continuance intention. A total number of 108 SMEs participated in this research. The website continuance intention was found to be depended on CEO's innovativeness, CEO's IT attitude, relative advantage, and cost in Malaysian SMEs. Surprisingly, CEO IT knowledge, firm's size, employee IS knowledge, compatibility, security, external pressure and support do not play any role on the continuance of website adoption. In addition, the moderator effect of web adoption level is revealed to have an insignificant role in this study. Understanding the influential factors of websites continuance intention would help the government to devise appropriate policies and support programmes on promoting information technology (IT) acceptance and extension among the SMEs. Likewise website owner or solution provider can gain considerable value from a better insight into key determinants of businesses website retention intention.

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1. Introduction

Small medium enterprises (SMEs) are recognized as the backbone to economic, development and employment growth. However, SMEs are still hesitant to embrace and adopt new technology (Dahnil et al., 2014). One reason for this reluctance may be that SMEs suffer from resource poverty compared to large companies (Thong, 2001). It is perhaps fair to assume that resource allocation and frameworks for adopting IT among large firms cannot be generalized to SMEs. Other than resource poverty of SMEs, organization structure, number of employees, and company culture may effect or cause low technology adoption levels common among SMEs. They nonetheless should initially focus on establishing web homepages in order to enable global access to company information. Scholars have illustrated 'websites' as communication tools that facilitate an organization ability to promote and easily modify company messages in order to overcome apprehensions and promote interests of a wide range of people (Hinson et al., 2014). Furthermore, having an online presence is a necessity for a business to boost their revenues tremendously via online activities that include the use of websites. As mentioned by scholars, SMEs can change their business through the use of the Internet and online activities (in other words, are able to see the value of the Internet to their growth strategy) (Levy and Powell, 2003).

* Corresponding author.

E-mail addresses: ramayah@usm.my (T. Ramayah), sweeling.niu@gmail.com (N.S. Ling), taghizadeh.nastaran@gmail.com (S.K. Taghizadeh), syedabid728@gmail.com (S.A. Rahman).

The SME sector in Malaysia plays a vital role in the country's industrialization program and represents the mainstay of industrial development in the country (Saleh and Ndubisi, 2006; Yeoh, 2014). In 2011, SMEs in Malaysia comprised 99.2% of all business establishments and contributed about 32% of gross domestic product (GDP) and 59% of total employment in the country (SMIDEC, 2011). In view of the important role played by SMEs, the Malaysian government continues to stand committed towards the development of a robust and competitive SME sector and considers its wellbeing a key national development strategy.

Surprisingly, despite significant effort and investment from the Malaysian government, website activities among SMEs remains at an inception stage and is positioned on the other side of digital divide (Le and Koh, 2002). The sustained use of existing website related activities is critical in this day to establish a firm's foundation. Future exponential growth is predicated on web-based activities and a means of achieving Malaysia's 'developed nation vision.' Ultimately, effectiveness of website deployment is determined by companies' continuance intention to retain a web presence. Hence, promoting continuance usage of websites for SMEs in Malaysia is crucial for future growth in order for them to remain relevant in a dynamic and changing environment.

In this regards, there is a need to identify and critically examine significant determinants that contribute to the sustainability of SMEs' business based websites in Malaysia that allow its continuous growth despite the challenging competitive landscape. For SMEs specifically, the role of the Internet as a SME businesses strategy needs to be researched, particularly for strategic business development and the discovery of new business opportunities. It has been asserted that Internet technologies have entirely eased the way towards an electronic economy that enables innovative business tactics (Lecic-Cvetkovic et al., 2015). Therefore, the orientation of the modern business toward the global market implies the integration of information and communication technologies (ICTs) with Internet technologies, thus providing data flow without spatial constraints. However, earlier research has also acknowledged that ICT tools plays significant role in the development of business operations of SMEs (Mbatha, 2013).

Therefore, this paper aims to examine the state of use of websites and factors that may influence website continuance in Malaysian SMEs. In view of this, the main objectives of this research are to study the critical factors that explain variance in small and medium-sized companies' behavior in continuing their web services. Specifically the research objectives are to delineate the key determinants of Malaysian SMEs website continuance intention and to reveal the potential internal factors of SME website continuance intention from the CEO's and organization's perspectives. The objective of this research also includes studying the effects of external organizational variables. These include innovation and environmental characteristics of SME website sustainability as well as the influence of existing levels of web adoption as a moderator in small to medium firm website continuance intention.

2. Influential factors on website continuance intention

Scholars defined information systems (IS) continuance behavior as continued usage of IS by adopters, where a continuance decision follows an initial acceptance decision (Kim et al., 2007). On the other hand, Gemino et al. (2006) defined website adoption as the establishment of a company website to share business information, maintain business relationships, and conduct business transactions through telecommunications networks. Usage of websites has been also considered a tool to leverage competitive advantages in a diverse range of activities (Mohammadi and Abrizah, 2013). Thereby, website continuance intention can be defined as the intention of continuance usage of a company website to share business information, maintains business relationships, and conduct business transactions through telecommunications networks.

Prior empirical work on IT innovations identified four groups of technology adoption determinants whether external or internal (Lefebvre et al., 1991; Raymond, 2001; Thong, 1999). Internal factors include the characteristics of the organization's decision makers, and characteristics of the organization itself, on the other hand external factors include characteristics of technological innovation, and characteristics of the environment in which the organization operates.

Regarding to internal factors, much organizational level technology adoption research has demonstrated the profound influence of the CEO on the firm's innovativeness and decisions to adopt technology (Thong, 1999). CEO innovativeness, IT knowledge and attitude towards IT adoption were the top predictors for technology adoption and extension by organization. In addition to that, Thong (1999) highlighted the significance of organizational predictors as the key determinants for IS adoption extension. Organizational characteristics include internal factors of the organization which are available to constrain or facilitate website adoption. In a study conducted by Jeyaraj et al. (2006), top management support, organization size, and professionalism of the IS unit stands as the best predictors of an organization's IT adoption. Other significant independent variables include employee IS knowledge (Bharati and Chaudhury, 2006; Brand and Huizingh, 2008; Mehrtens et al., 2001; Thong, 1999, 2001), prior technology use (Dholakia and Kshetri, 2004; Kowtha and Choon, 2001), communication (Chong and Pervan, 2007; Raymond, 2001), and nature of the business (Raymond, 2001; Sulaiman, 2000). Among all these organizational factors, firm size and employees IS knowledge are the concern of the current study as they are posited to have a significant direct impact on the firm's commitment to innovation.

External factors such as technological characteristics and environmental characteristics can play a significant role in determining its continuance adoption level. In terms of technological characteristics, the most popular predictors listed in the professional literature are perceived usefulness, relative advantage, cost, security, compatibility, complexity, and observability. Nevertheless, review of past studies revealed that two technological and innovation characteristics that are more

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