The influence of business environment on the adoption of electronic commerce by small and medium enterprises in Thika

SUBMITTED BY

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DECLARATION

This Dissertation is a product of my own work and is not the result of anything done in collaboration. It has not been previously presented to any other institution. I agree that this dissertation may be available for reference and photocopying, at the discretion of the University.

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ABSTRACT

The study focused on the influence of business environment on the adoption of electronic commerce by Small and Medium Enterprises (SMEs) in Thika town. The study sought to analyze the relationship that exist between the variables of the study ,independent variables (competition, suppliers, customers and government) and the dependent variable which is adoption of electronic commerce. Theoretical orientation focused on the technological acceptance model and internet adoption model. A forty percent sample was selected from the two hundred and seventeen (217) small and medium enterprises firms that are licensed in Thika town. The study used self administered likert questionnaire. Data analysis was done through the use of both quantitative and qualitative methods. Regression analysis was used to analyze data because the study had multiple variables. The findings were summarized tables, graphs and charts. The aim of the study was to investigate the influence of business environment in adoption of electronic commerce in Thika town. To achieve this objective all the study's variables were regressed and the output of regression equation showed an R^2 of 0.843. The hypothesis testing at the desired level of significance at α=0.001, calculated F-value as per the analysis is 79.73, the null hypothesis was rejected hence statistically the study concluded that business environment influence electronic commerce adoption. The study concludes that there is a positive relationship between government policy and the level of accepting and use electronic commerce. The findings illustrate the view that electronic commerce adoption has the ability of reducing the hindrances that SME business face by reducing the cost of doing business and ensuring that they have a wider market. The study recommends that future studies on the subject can as well cover large organizations.

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