

Factors Influencing the adoption of e-commerce by Small and Medium-Sized Enterprises (SMEs) in Algeria: a qualitative study

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Abstract— Small and Medium sized Enterprises (SMEs) are regarded as the engine of the growth of the world economy. They had recently experienced rapid growth and improved their business activities in terms of customers' number and revenue expansion when they began to embrace e-commerce and started using it in their business. However, although there is a growing interest in e-commerce, its use is still insufficient in Algeria. Therefore, this study aimed to identify the factors that influence the adoption of e-commerce by SMEs in Algeria. This study adopts a qualitative methodology which involves in-depth, structured interviews to identify the factors that affect SMEs for the adoption of e-commerce in Algeria. The result of research found the main factors hindering the adoption of e-commerce by SMEs in Algeria are the e-payment methods, non-readiness of banks, lack of legal protection and lack in awareness of the benefits of e-commerce, as well as fear of risks. However, some other elements are less significant to influence the adoption of e-commerce. These research findings will give an addition in terms of bringing and giving a chance to the SMEs' leaders and the Algerian economic officials and a clear view of e-commerce practices. This can help them to design a strategy to remove barriers tactfully to its advantage.

Keywords— e-commerce, Small and Medium sized Enterprises, adoption factor, Algeria.

I. INTRODUCCION

The Internet explosion coincided with the new millennium. Since then, its uses have gone out from simple applications such as browsing and searching to more developed ones in all life sectors and facilities such as commercial transactions, financial transfers and so on. In a short period of time, it was able to integrate societies and change many of their life aspects and values. With the help of the Internet, time and space have been compressed. It has allowed organizations to expand beyond regional borders [1]. The last few years have seen a rise in the volume of electronic commerce around the world as a result of the spreading use of information and communication technologies (ICT) [2]. Compared to traditional business, the Internet and e-commerce have provided consumers with more benefits and different choices of both products and services [1]. In spite of their size, traditional companies must change their mind about selling products and services through the Internet since it has become a need rather than a luxury. Entrepreneur managers, who are not ready to use e-commerce, put themselves at risk of competition and maintenance of their position in the marketplace [3]. In the contemporary world, access to the Internet is a must for

companies of all sizes because that is where customers are at present [4].

The Algerian society has opened up to the world of new information and communication technologies. In addition, access to the Internet has become easier than ever [5]. However, most of those using the Internet for advertising and presenting their goods and services are utilizing email communication to get in touch with their suppliers and customers; but only a few of them offer products and services through the network. Therefore, e-commerce has not started yet in Algeria. Thus, Algerian SMEs remain far from the global development in this area [6]. So far Algeria has not been able to keep pace with its neighbours Morocco and Tunisia in e-commerce [7]. Therefore, the actual e-commerce has not started yet in Algeria and remains just a dream is waited to be achieved [8]. Therefore, this paper attempts to bridge this gap. In other words, the attention of this research is to study the factors that influence the adoption of electronic commerce by SMEs in Algeria.

II. SMEs IN ALGERIA

Many image de-noising techniques were developed to SMEs do not have a standardised definition. They have been identified differently by different individuals and