ABSTRACT

The influencing factors for adopting Internet-based electronic commerce (EC) has been assessed in many studies. However, none of these studies is focusing on Indonesian small and medium enterprises (SMEs). Hence, this study attempts to conduct a preliminary survey and analysis on factors that influencing the willingness of Indonesian SMEs to the adoption of EC.

Based on literatures reviewed, an EC adoption model is developed as the framework of analysis. In this model, the influencing factors are grouped into three categories which compromise of Beneficial, Internal, and External factors. A multiple regression analysis is carried out to determine which EC adoption factors are significantly influence SMEs’ willingness to adopt EC.

Of the three factors addressed in this study, only the Internal factors emerged as the most important factors affecting SMEs’ willingness. The Internal factors can be treated either as drivers or as barriers in EC adoption. Remaining two factors, Beneficial and External factors did not appear to be significant to influence the willingness of Indonesian SMEs in adopting EC.

Keywords: Electronic Commerce, Indonesia, Internet, Small & Medium Enterprise (SME).