

A Structural Equation Model of Barriers to E-Commerce Adoption and Innovation in Fiji

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Abstract

The internet has significantly changed the new models of business-to-business and business-to-consumer interactions. As a result, e-commerce has developed rapidly worldwide, but the adoption of this technology in Fiji is very slow. Data for this study was collected by distributing the self-administered questionnaires to small business managers. The findings from this study confirm that barriers to e-commerce adoption have a negative and statistically significant impact on e-commerce expenditure and a mediated effect on the level of innovation. Expenditure on e-commerce has a positive and statistically significant impact on the adoption of e-commerce and the level of innovation. Another interesting finding emerged that expenditure on e-commerce has a statistically significant impact on the perception of the cost involved in setting up an e-commerce website. Studies on the organisational factors influencing the adoption of e-commerce are scarce in small island developing countries. Specifically, the findings from this study extend the Technology Organisation Environment (TOE) by investigating how the organisational-specific factors influence the adoption of e-commerce in Fiji. The findings from this study have implications for policymakers and practitioners.

Keywords: E-commerce adoption; Expenditure; Innovation; Website

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