

Emerging Patterns of E-Market Adoption in Australian SMEs

Sophia Xiaoxia Duan¹

Electronic market (e-Market) has been popular due to its tremendous benefits to organizations, especially to Small-and-Medium-Sized Enterprises (SMEs). With the use of e-Market, the exchange of information, goods and services in SMEs can be facilitated in all transactions regardless of locations of SMEs. In such transaction processes, e-Market creates the economic value for buyers, sellers, and market intermediaries, leading to lower search costs, reduced transaction costs, wider accessibility of a large base of buyers or suppliers, and improved flexibility.

Internet is considered as the underlying technology for fostering the development of the e-Market in recent decades. The adoption of Internet in Australian SMEs is promising, exemplified by the 91.2% of the Internet adoption in the small-sized enterprises and 98.2% in the medium-sized enterprises in 2011. The high penetration of Internet in Australian SMEs greatly reduces the barrier for SMEs for adopting e-Market. With continuous support from the government and non-government parties, E-Market now appears to be an attractive option for Australian SMEs to overcome the disadvantage of distance and size and compete with their competitors both locally and internationally in a cost effective manner.

To fully appreciate the e-Market adoption in Australian SMEs, an investigation of the emerging patterns of e-Market adoption is highly desirable. This paper examines the emerging patterns for the e-Market adoption in Australian SMEs from three perspectives: general e-Market adoption scenarios, e-Market adoption in different sizes of SMEs, and e-Market adoption in different industries. The general e-Market adoption scenarios demonstrate an overview of the e-Market adoption in Australian SMEs in terms of the e-Market adoption rate and the types of e-Market adopted. The adoption of e-Market in surveyed SMEs in different sizes and industries provide a snapshot of the emerging patterns for the e-Market adoption in Australian SMEs.

Through surveying nine hundred and forty eight SMEs in Australia and the consequent analysis of the survey data, the study shows that the level of adoption of e-market in Australian SMEs is still low with the dominant trend of adoption focusing on building their own e-markets. This is problematic for SMEs provided with the limited financial resources and technical expertise in SMEs for creating and maintaining an e-Market. The adoption of a public e-Market, as a result, should be promoted by the Australian government department for making a greater potential of the e-Market in SMEs. The adoption of e-Market in Australian SMEs does not differ much in terms of size but in different industries. Industries with high information dependence and low information tacitness have a higher chance in the adoption of e-Market for conducting electronic business.

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¹ Dr. Sophia Xiaoxia Duan, School of Management and Marketing, Charles Sturt University, Australia.
Email: sduan@csu.edu.au