Developing a Web 2.0 Business Portal to Benefit SMEs, Industry, Local Government, and Consumers

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ABSTRACT

This article presents a research study into the development of a Web 2.0 B2B and B2C horizontal portal from the perspective of Actor-Network Theory, and the benefits for its participants particularly Small and Medium Enterprises. Whilst International service providers such as eBay, LinkedIn and Google have revolutionised transactions for both businesses and consumers, this paper focuses on Australian Internet users and the online experience of Consumers and Small and Medium Enterprises, and includes an overview of user levels of computerisation, technology in Australian households and businesses, and e-commerce of Small and Medium Businesses. The research presented here highlights a major factor in proposing the referenced business model combining Web 2.0 tools with traditional online search with the critical factors underpinning its need and success – a subsequent working example is presented. To support this, the article briefly examines user expectations and experiences when engaging in e-commerce and the rise of Web 2.0 and social commerce, in creating a virtual workforce where SMEs are able to compete more effectively against their larger counterparts.

Keywords: Actor-Network Theory, E-Commerce, Portals, SMEs, Social Commerce, Web 2.0

1. INTRODUCTION: AUSTRALIA’S ECONOMIC LANDSCAPE AND THE INTERNET

In order to develop a better understanding of the 96% of Small to Medium Enterprises (SME) Internet users in Australia, it is necessary to appreciate how progressive the nation has been in terms of technology uptake (Singh, 2008). Australian investment in ICT as a percentage of Gross Domestic Product (GDP) is the third highest among OECD countries, and in 2008 the Reserve Bank of Australia noted a direct link between expenditure on ICT and Australia’s strong productivity growth. It was then projected that the growing use of e-commerce would add 2.7% to Australian GDP growth over the next ten years (Australian Communications and Media Authority, 2010), in fact in 2011 the

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Australian Computer Society (ACS) reported the figure to be 6.9%.

Historically, research indicated that SMEs were reluctant to embrace such technology (Telstra, 2001), but recent surveys indicate that SMEs on average are spending less on computer software and hardware ($5,200) as technology is becoming cheaper. SMEs are becoming more IT savvy and are choosing to become more mobile with increased mobile phone, tablet and notebook ownership accounting for 43% with wireless connectivity (Singh, 2008).

With respect to concerns about e-commerce, 55% of SMEs have no concerns being able to measure their return on investment (Singh, 2008). This is important to note when forming a business case for e-commerce investment and an almost saturation of Internet connections amongst SMEs suggests that their belief that the Internet is pivotal in connecting with the business world.

2. BACKGROUND: WEB 2.0, PORTALS AND SMALL BUSINESS

Web 2.0 is centred on user-generated content and collaboration through the Internet and a range of new technologies is being developed based around the Internet platform. These include social networking sites, wikis and blogs to keep people connected in virtual communities. Web 2.0 has changed the way business is conducted and created a more sustainable surge in online activity (Forth, 2007). Now, when people go online they expect it to be participatory. Many people want to rate things, add reviews, contribute content and share it with their friends. It will increasingly affect how customers choose whom they do business with (Fadaghi, 2008). The Internet is increasingly being viewed as a place to deliver information, provide an automated interaction, or provide a channel of communication, where technology is the enabler. It does this on one-to-one, one-to-many, many-to-one, and many-to-many basis (UK Commission for Employment and Skills, 2010).

Shirky (2008) believes that the various ways people can communicate not only drives social and political change, but is also changing the way in which people use the web and discover information. Peer recommendations are a trusted resource individuals are leveraging in determining a buying decision. According to Long (2010) it has been observed that internet resources such as portals are increasingly challenging search engines as a resource for consumer insight, as they provide a way for trust to be established and reputation to be displayed by both buyers and sellers.

The concept behind a portal is that it acts predominantly as a window or a gateway to other information sources. It typically has an associated search or directory service as part of the service offering. Davison et al. (2008) describe a portal as a single access point on the web used to find or facilitate entry into other sites. A portal offers a path of least risk towards an eventual goal. Almost all consumers, SMEs, industry and local government have at some point used a portal to gain access to information, people or business and the idea of a portal is not new. What is new is the ability to involve all parties concerned to better communicate, share and deploy a simpler way of getting things done.

Research has been conducted into the failures of other portals in the past and this suggests that technological readiness of SMEs was perhaps the most compelling inhibitor to their success along with lack of funding (Fisher & Craig, 2005).

Gengatharen (2005) stated that the following factors affect the successful implementation of the Web 2.0 Business Model:

- Adequate funding to develop and maintain the portal;
- Wider community involvement in the ownership, development and management of the portal;
- Strong offline community relationships;
- Presence of e-business champions within the community;
- That all community members benefit (win-win).
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