A Local Community Web Portal and Small Businesses

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INTRODUCTION

The purpose of this article is to demonstrate the role played by the establishment, in a UK village, of a local community Web portal on the Internet adoption decisions of small businesses in the village. The article reports on some of the findings of an ongoing study of this local community Web portal, focusing specifically on those small businesses that had, prior to the launch of the Web portal, made a decision not to adopt the Internet into their business operations. The barriers these nonadopting small businesses perceived to Internet adoption are identified, and the impacts their portal presence had on their subsequent choice of Internet adoption pathway are discussed. Before presenting the research design and pertinent findings of this local community Web portal project, some background details about the study and the local community Web portal are provided.

BACKGROUND

Discussions in the diffusion of innovations literature suggest that the advent of any given innovation is likely to be met by a variety of responses: some individuals and/or organisations will readily embrace and adopt the innovation, while others will probably prove less enthusiastic, and thus be slower to adopt it; and still others will decide not to adopt that innovation at all (for a comprehensive discussion of innovation adoption behaviour, see Rogers, 1995). The Internet adoption behaviour of enterprises in the small business sector is no exception to this: within it, there is a mix of rapid and enthusiastic Internet adopters, more cautious or slower Internet adopters, and those who decline to adopt the Internet altogether.

The factors that might influence small businesses’ Internet adoption or nonadoption decisions are many and varied. Fillis, Johansson, and Wagner (2004), in their proposed conceptual framework for Internet adoption, identify factors focussed largely on the characteristics of the CEO. These include the CEO’s attitudes to e-business, his/her approach to change (or resistance to it), his/her attitude to technology, and his/her attitude towards acquiring new skills. They further suggest that financial and resource constraints within a small firm may pose barriers to Internet adoption. Elsewhere, it has been noted that Internet adoption is likely to be industry-sector dependent (see, e.g., Martin & Matlay, 2001; Poon & Swatman, 1997). Teo and Ranganathan (2004) discuss attitudes to risk and how these influence Internet adoption decisions.

Adoption of the Internet is arguably more complex than the adoption of many other innovations. The essence of this complexity lies in the fact that the Internet comprises not simply one single application or technology, but rather a collection of applications (e.g., e-mail, static Web site, transactional Web site, and so on). A small business’ decision to adopt the Internet might entail simply deciding to use e-mail for communication purposes; on the other hand, it might involve transforming the firm into a fully integrated e-business. Research to date suggests that many small firms approach Internet adoption in a series of steps, moving from the adoption of noncomplex applications (such as e-mail), through to more complex applications (such as transactional and integrated Web sites) as their confidence in, and familiarity with, Internet technology grows (see, e.g., Daniel, Wilson, & Myers, 2002). It is increasingly acknowledged that such progression may include “leapfrogging” of individual applications, rather than being a strict linear progression taking in each application in turn (see, e.g., Rao, Metts, & Monge, 2003).

Typical Internet adoption progressions discussed in the literature tend to begin with either e-mail adoption or adoption of a basic informational Web site. Some authors have, however, suggested that the first adoption level might entail having a “basic Web presence,” by which they mean the company “places an entry in a Web site listing company names” (Chaffey, 2002), but does not have its own Web site. The rationale for such an entry, as Chaffey goes on to explain, is essentially to “make people aware of the existence of a company or its products.”

This “basic Web presence” stage of adoption has, to date, received little attention in empirical studies of Internet adoption by small firms. The present study was set up in order to help address that gap in the research literature by determining the role played by a local community Web portal in the Internet adoption decisions and progressions of a number of small firms in a UK village. It is anticipated that the findings of the study will make a timely and relevant contribution to existing understanding of small business Internet adoption decisions and processes.
A Local Community Web Portal and Small Businesses

Table 1. Small businesses participating in the study

<table>
<thead>
<tr>
<th>Case</th>
<th>Type</th>
<th>Enterprise size (employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case A</td>
<td>Plumber</td>
<td>4</td>
</tr>
<tr>
<td>Case B</td>
<td>Electrician</td>
<td>3</td>
</tr>
<tr>
<td>Case C</td>
<td>Manufacturer and distributor of electrical components</td>
<td>7</td>
</tr>
<tr>
<td>Case D</td>
<td>Manufacturer and distributor of ceramic tiles</td>
<td>8</td>
</tr>
<tr>
<td>Case E</td>
<td>Food importer and retailer</td>
<td>5</td>
</tr>
<tr>
<td>Case F</td>
<td>Outdoor/expedition equipment suppliers</td>
<td>8</td>
</tr>
</tbody>
</table>

LOCAL COMMUNITY WEB PORTAL: OVERVIEW

The local community Web portal under investigation in this study was launched towards the end of the 1990s as part of a wider community initiative in a UK village. This Web portal was designed to provide a forum for community groups and charitable organisations located in the village to communicate details of their activities and/or services to the local population. In addition, through the provision of an online business directory, the portal gave businesses based in the village the opportunity to promote their products and/or services. It is this online business directory component of the local community portal that forms the focus of the study discussed in this article.

The online business directory is organised thematically, including, for example, sections for retail organisations, building and property maintenance enterprises, and private health and welfare providers. Each entry in the directory includes the name of the business, its postal address, other contact details (e.g., e-mail address, where available), a link to the business’ own Web site (if it has one), and a brief summary of what the enterprise offers by way of products and/or services. No charge is levied for local businesses to have an entry placed in the online business directory. However, local businesses, together with the local council, are encouraged to participate in providing sponsorship to cover the costs of maintaining the local community portal. Costs are kept to a minimum as the portal is managed, maintained, and updated by a small team of local unpaid volunteers, with Web content being supplied, as appropriate, by local individuals, community organisations, and businesses.

Research Method

The investigation of the small businesses participating in the online business directory component of the local community Web portal was undertaken by means of semistructured interviews with the owner managers. Each of the 77 small businesses listed in the online business directory was contacted by telephone and invited to participate. In this article, the findings of the interviews conducted with six of these small businesses are presented. These six have been selected for discussion because the local community Web portal acted as the catalyst for each of them to become Internet adopters. A summary of the participating enterprises is given in Table 1.

Interviews were conducted during 2004-2005. In order to provide a framework for the interviews, an interview guide was prepared. The core topics covered in this guide were as follows:

- background data about the small business and the owner/manager;
- rationale for not adopting the Internet (prior to involvement with the portal);
- motivations for portal participation;
- benefits derived from portal participation;
- problems encountered with portal participation;
- impacts of portal participation on further Internet adoption; and
- future plans regarding Internet adoption.

SUMMARY OF FINDINGS

The enterprises participating in the study can be categorised as microbusinesses, that is to say, they each have under 10 employees (Curran & Blackburn, 2001; Storey, 1994). In this section, the core findings of the study are presented, beginning with those findings relating to the CEOs’ decision not to adopt the Internet.

The Nonadoption Decision

During the interviews with the CEOs of the participating enterprises, a number of reasons were identified regarding