E-Business Triggers: An Exploratory Study of Ghanaian Nontraditional Exporters (NTEs)

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ABSTRACT

This study sought to ascertain what key international and local triggers accelerated or militated against their e-business adoption process in Ghanaian non-traditional export (NTE) firms. The macro international trigger explored was competition from exporters in other countries as well as an ascertainment of the significance of export direction. The macro level trigger explored hinged on the level of infrastructural support available for e-business adoption and deployment. Study focused on active non-traditional exporters in Accra. 60 firms responded to questionnaires on e-business and exporting. Analysis of the data was mainly by means of descriptive statistics. Competition acts as a trigger for e-business adoption even though its relationship to the level of internationalization could not be clearly established. E-business is important for Ghanaian exporters irrespective of where they are exporting to and they seem prepared to go electronic irrespective of the level of infrastructural sophistication within and without their export firms.

Keywords: e-business; exporters; Ghana; internationalization; triggers internationalization

INTRODUCTION

ICT for Developing Countries

The emergence of the information age has brought to the fore the important role that information, knowledge, and technology can play in facilitating socio-economic development. The effective use of knowledge is becoming one of the most critical determinants of international competitiveness and for creating wealth and improving social welfare. There is no doubt that information, knowledge, and technology are increasingly becoming key drivers for socio-economic development worldwide. It is now abundantly clear that a nation’s capability and ability to accelerate its socio-economic development process, gain competitive advantage; and improve the well-being of its people...
depends very much on the extent to which it can develop and use information, knowledge, and technology in one form or the other.

It could be argued that the emerging information age characterized by information and communication technologies (ICTs) and the extraordinary increase in the spread of knowledge has given birth to a new era; that of knowledge and information. These technologies are offering even less developed agricultural countries like Ghana the opportunity to transform their economies and societies. Because of the portable nature of the underlying technologies driving the development of the information society and economy, developing countries like Ghana are equally placed to take advantage of them to facilitate their socio-economic development process. It has now been recognized that in the new emerging economic order, the fundamental basis for poverty reduction, wealth creation, and national prosperity is information and knowledge. Ghana cannot afford to be without either of these.

Poon and Swatman’s (1997, 1999) seminal papers on small business Internet commerce posited inter alia, that small business e-commerce issues are increasingly topical and demand attention from applied ICT scholars. Over half a decade later, Rao, Metts, and Monge (2003) are still carrying out research on e-commerce/e-business in small firms and are contending that this type of e-commerce research is important because small firms are the bedrock of several economies. Hinson and Sorensen (2006) have carried the e-business for small firm debate into nontraditional exporting firms in Ghana, and this present study is an extension of a multi-faceted research endeavor on e-business focusing on nontraditional export firms in Ghana.

The Global Digital Divide
The wide disparities in the diffusion of ICTs globally between mostly developed and developing countries are referred to as the global digital divide. Internet and ICT scholars have opined that increased levels of ICT and Internet diffusion increases knowledge diffusion through improving communication efficiency and allows developing countries (like Ghana) to leapfrog traditional methods of increasing productivity (Steinmuller, 2003). Other scholars like Fillis, Johannson, and Wagner (2004) have also noted that for internationalizing small and medium-sized enterprises (SMEs), the adoption of e-business and Internet technologies makes it irrelevant for them to internationalize in a stepwise manner since e-business necessarily facilitates leapfrogging. While this thesis might not be wholly sound, e-business still offers firm level benefits for small and medium size firms. The International Telecommunications Union (http://www.itu.int/wsis/tunis/newsroom/stats/), with particular respect to Africa for the year 2004 notes that:

- Africa has by far the world’s lowest penetration of fixed lines, with a continental average of around three main lines per 100 people.
- Africa has its own digital divide. For example, Egypt has 17 times the fixed-line penetration of Nigeria. While sub-Saharan Africa (excluding South Africa) has an average teledensity of 1%, North Africa (Algeria, Egypt, Mauritania, Morocco, and Tunisia) has a comparable average of 10%. Almost three quarters of all Africa’s fixed lines are found in just six of the continent’s 55 countries.
- Africa had some 22 million Internet users in 2004, for an Internet penetration of just 3%. Europe’s Internet penetration is 11 times higher.

In spite of the obvious setback that countries that sit on the disadvantaged end of the global digital divide might seem to be facing in terms of acquiring greater levels of international business; applications of ICT, the Internet, and e-business still hold promise for transforming the largely agrarian nature of these countries. The development, deployment, and the exploitation of ICTs to support the process of transforming the predominately agricultural economy of Ghana and move it toward an information
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