Investigating the Barriers Small Independent Retailers Must Overcome to Enter E-commerce in Sweden

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By

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Abstract

In today’s society, it is increasingly important for retailers to have an online presence, yet the adoption rate of e-commerce by small retailers is still lagging behind that of larger retailers. This is due to the difficulty small retailers have in overcoming the barriers to develop their web-shops, such as cost and time.

This thesis will examine the barriers of single-store independent retail businesses to sell and market their goods online. It will use the Technology Acceptance Model framework developed by Davis (1986) to help understand how the barriers affect the retailers’ attitude towards the process of developing their web-shops. Specifically, it will ask the retailers, through interviews, what barriers exist, what their perception of difficulty to overcome these barriers is, and what their perception of importance to overcome these barriers is.

The major findings show that the barriers for retailers have not changed in the past decade, nor has the difficulty level of overcoming these barriers. The majority of small retailers who have not yet developed their web-shops don’t feel that the effort to do so is worth the potential gains, yet the small retailers who have already developed their web-shops did feel it was worth the effort. The retailers all felt that the process was more difficult than it should be, and insisted they would make the leap if the cost and effort required was reduced.

Key Words: e-commerce, independent retailers, barriers, Technology Acceptance Model, web-shop
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Glossary
E-commerce – the system of commercial transactions conducted on the internet

Independent Retailer – A retailer who exists on their own, not part of a chain or partner with another business

IT – Information Technology

Non-perishable Goods – Goods that do not have an expiry date. This excludes all food items.

SME – Small to Medium Enterprise

SMS – Short Message Service

TAM – Technology Acceptance Model
(the following are part of TAM)
BI – Behavioral Intention to use
EOU – Perceived Ease of Use
SN – Subjective Norm
U – Perceived Usefulness

TPB – Theory of Planned Behavior

TRA – Theory of Reasoned Action

Web-shop – a website that allows consumers to purchase products and services directly through said website.
1 Introduction

This research investigates to what degree independent retailers are prepared to sell and compete online. Firstly, the background will provide context to the situation and the importance of this research, after which the scope and research questions will be explained. An exploration into existing research on the topic will be conducted, followed by an explanation of the theoretical framework that will be used to frame the results of this research. The report will then go on to explain the research methodology and arguments for the decisions made. Finally, the report will conclude with a discussion of the results, followed by suggestions for further research based on these results.

1.1 Background

The introduction of the internet gave way to new means of shopping to consumers. Traditional retail advertising was based on locality, but the internet now meant an increased reach. This, however, also meant an increase in the number of competitors vying for customers. Retailers traditionally fighting for customers in just their town or neighborhood were now forced to also compete online against retailers in an entire region, or risk losing customers to retailers who decided to go online.

In the UK, a study by the Centre for Retail Research predicted the decrease in retail stores between 2012 and 2018 to be around 22% (Bamfield, 2013). That same study predicts that the percentage of retail that is conducted online will increase to 21.5%, which is a significant increase as compared to 6.6% in 2006. However, the latest statistics from the UK National Archive show that online retail is only 15.6% of all retail in the UK, though it is likely these two studies used different metrics (Retail sales in Great Britain: Apr 2017, 2017). The report from the UK National Archive shows that more than half of all online retail spending is done at non-store retailers i.e. retailers that have no physical shops and only sell through online channels. Furthermore, the report shows that the year-on-year growth of online retail is currently at 19%, whilst the retail industry as a whole is at 7.1%, suggesting online retail is continuing to gain retail market share.

One may ask why this is important. Isn’t growth a positive thing? Certainly, but it is important to understand the consequences of a faster growth in certain areas and a weaker growth in others. The current trend suggests that while retail as whole will grow, the number of retailers will decline, which would mean job losses and more wealth concentrated in fewer businesses. While online retail would seem to be an important factor of the future marketplace, it also has the potential to upset entire economies. A study in Canada suggested that a fully local business recirculates up to 33% of its revenue back into the local economy, whilst “an online retailer with no local warehouse, distribution or sales staff might provide only 1% recirculation” (The Impact Of Online Shopping On Local Business, 2015). Furthermore, the study showed that 2 out of every 3 Canadian Dollars spent online went to US retailers, resulting in economic leakage. This money does not manifest itself back into the local or even national economy. In the long run, this may result in a negative spiral where local communities suffer store closures, leading to decreased jobs, which in turn leads to decreased spending power in the area, which leads to more stores failing. Though this would seem to only affect retailers and the employees, in the UK alone, “the transformation will have unintended consequences for the many hundreds of £billions tied up in retail property by pension funds, investment companies, shopping centre owners and retailers themselves” (Bamfield, 2013,
It is therefore imperative that small, local retailers stay in business, as the economic consequences of a diminishing small enterprise retail base could be disastrous.

In order for small retailers to survive, it is important that they use modern communication channels to reach their customers. They must go to where the customers are, which in today’s society is increasingly online. Unfortunately, developing an online store effectively requires resources and technical knowledge, and when adding digital marketing it can become very complex, so much so that most independent retailers find the process of moving and maintaining an online presence daunting (The Impact Of Online Shopping On Local Business, 2015). If developments are to be made that will help these independent retailers, it is important to understand exactly which hurdles they have trouble with when it comes to being effective online.

1.2 Aim, Research Question, and Scope
The purpose of this qualitative case study is to examine the barriers of single-store independent retail businesses to sell and market their goods online. The study will focus on retailers of non-perishable goods based in the Stockholm, Sweden area in 2017.

The aim of this study is to provide an initial analysis of the barriers independent retailers face when it comes to online retailing, and give potential directions for further research in both qualitative and quantitative approaches. As such, the results of this study are not to be taken conclusively but rather as an initial investigation to better understand the particular field of online retail for independent retailers.

The main research question this study aims to answer is:

How do small independent retailers feel about the process of moving into E-commerce?

To answer this more specifically, three sub-questions were asked:
- What are the specific barriers for independent retailers to move into e-commerce?
- What is the perception of difficulty level to overcome these barriers?
- What are the perceived importance levels of overcoming these barriers?
2 Literature Review

2.1 E-commerce in the Sweden

A recent study focused on statistical information regarding the online adoption rate of businesses as a whole revealed that Sweden has one of the highest penetrations of web for business in Europe, with 57% of businesses engaging in some form of e-commerce and 30.2% of sales within these businesses being through their e-commerce channels (Falk and Hagsten, 2015). A different study, specifically on small businesses (10-50 employees) and their e-commerce experience, showed that 66% of businesses use the internet to find new customers (primarily through advertising), but only 46% allow customers to order products online (Torsten Eriksson, Hultman and Naldi, 2008). That study also showed that 65% of these businesses sourced their web development externally from professionals, whilst 15% used amateurs and 20% were developed in-house (by either skilled or semi-skilled employees). The problem with both these studies with regard to being representative of the Swedish market is that they focus on businesses with 10 or more employees, whilst 94% of small businesses in Sweden employ less than 10 people (MacGregor and Vrazalic, 2005). Further research shows that common barriers for businesses to move into e-commerce include “the difficulty of obtaining funds to implement e-commerce, the lack of technical knowledge and the difficulty of finding time to implement e-commerce” (MacGregor and Vrazalic, 2005, p. 523). However, it is important to note that this study was conducted on businesses specifically located in regional areas and not major cities or rural areas, and that it was conducted in 2005 and much has changed in the e-commerce landscape and the understanding of the internet. It is therefore interesting to see if the perceptions of small retailers on e-commerce has changed in that time.

2.2 Adoption in Other Countries

Studies into developing countries and the factors that affect e-commerce adoption rates in those places have also been conducted in the past. A study into Indonesian SMEs (Small to Medium Enterprises) found that adoption rates were influenced by the perceived benefits, the technology readiness of their current systems, and the technological ability and experience of the owners (Rahayu and Day, 2016). Similarly, a study into e-commerce adoption in Thailand indicated that the perception of cost-benefit of developing an online presence was the key differentiator between the early adopters and the laggards of e-commerce (Lertwongsatien and Wongsinlumwatana, 2003). In Nigeria, however, the major challenges revolved electricity, capital, security, and ineffective legal and regulatory systems (Faloye, 2014). The lack of a reliable electric infrastructure has kept most e-commerce methods to SMS and E-mail through cellphones. Combined with the lack of buyer protection enforcement, this has resulted that “online sales among Nigeria retail SSEs were virtually zero”(Faloye, 2014, p. 62).

It is interesting to note that even in more developed countries, the adoption rate appears to be lower than in Sweden. In 2005, only 15% of Australian small businesses had adopted some form of e-commerce, as opposed to 55% in Sweden (MacGregor and Vrazalic, 2005). This suggests that when it comes to technological adoption and understanding, Sweden is amongst the highest in the world.
2.3 Theories in Existing Literature

An analysis into existing literature covering e-commerce and small businesses reveals a number of theories used to guide their research. The most notable are the Diffusion of Innovation theory, the Theory of Reasoned Action (TRA), the Technology Acceptance Model (TAM), and the Theory of Planned Behavior (TPB).

The Diffusion of Innovation theory was developed by Rogers (1995) to explain what factors, such as complexity and advantages, influence the rate of diffusion of an innovation. TRA was developed by Fishbein and Ajzen (1975) to explain what influences a person’s behavior to undertake an action. It suggests that behavior is influenced by the person’s attitude towards the behavior and the subjective norm, otherwise explained as “the person’s perception that most people who are important to him think he should or should not perform the behavior in question” (Fishbein and Ajzen, 1975, p. 302). Ajzen (1991) later criticized that in order for the model to be accurate, the person must have volitional control to undertake the action. To address this issue, Ajzen proposed a revised model, TPB, which adds a third parameter, perceived behavioral control, that influences the behavior alongside the previously mentioned attitude and subjective norm. These theories, TRA and TPB, were developed before the significant rise in IT adoption and as such were not made with the complexities of IT in mind.

2.4 Theoretical Framework for this Study

The lens through which this particular study has been done is that of the Technology Acceptance Model (TAM), developed by Davis (1986). TAM is a theory that attempts to explain what influences a person’s behavior to use a system, particularly information systems (considered digital systems by modern standards). Figure 1 shows the model and its different components.

![Technology Acceptance Model (TAM)](source: Davis, Bagozzi and Warshaw, 1989)

TAM focuses on the relationship between Perceived Usefulness (U) and Perceived Ease of Use (EOU), how they affect a user’s Attitude Toward Using (A), and subsequently their Behavioral Intention to Use (BI) the system. U is “the prospective user’s subjective probability that using a specific application system will increase his or her job performance” (Davis, Bagozzi and Warshaw, 1989, p. 985). EOU is “the degree to which the prospective user expects the target system to be free of effort” (Davis, Bagozzi and Warshaw, 1989, p. 985). According to the model, each factor carries certain weights and subsequently affect a user’s attitude A, which in turn leads to BI, the user’s underlying drive to use the particular system. Davis argues the following equations in the model:
As the model shows, EOU is influenced by the external variables of the system. For example, in digital systems, the effectiveness of the user interface helps determine the EOU (Benbasat, Dexter and Todd, 1986). The external variables also influence U along with the aforementioned EOU, as equation 2 shows, though these are mostly different factors than those that influence EOU. In the case of U, the external factors are those that have an effect on the end result, such as the quality of data that the system is meant to give the user (Davis, Bagozzi and Warshaw, 1989). Furthermore, “the objective design characteristics of a system can have a direct effect on U in addition to indirect effects via EOU” (Davis, Bagozzi and Warshaw, 1989, p. 987). For example, if a user interface is badly designed the EOU becomes difficult, and the U of the system goes down, as the U partly encompasses the EOU factors.

The second half of the model shows how EOU and U affect a user’s A, with each factor contributing a certain calculated weight. This A subsequently leads to influence BI, though the model “posits that U has direct effect on BI over and above A” (Davis, Bagozzi and Warshaw, 1989, p. 987). For example, if the task the system is to accomplish is necessary for the user’s goals, then the user will use the system regardless of difficulty on the EOU.

The original TAM has received critique over the years for being too simple and limited to be a reliable framework, though that has not stopped further research to both support and adapt the model. Bagozzi stated that “it is unreasonable to expect that one model, and one so simple, would explain decisions and behavior fully across a wide range of technologies, adoption situations, and differences in decision making and decision makers” (Bagozzi, 2007). TAM is also critiqued on the deterministic nature of the model, that “the causes at the foot of each arrow in the model are presumed to inevitably lead to the effect at the head of the arrow. That is, when an independent variable increases (decreases), the dependent variable is expected to increase (decrease) by some amount to be estimated empirically” (Bagozzi, 2007, p. 249). TAM was developed as a quantitative model, with the intent of being able to measure each external variable, and using mathematical equations to ascertain numerical values for U, EOU, A, and BI. This study, however, aims to use the model in a qualitative capacity, using the framework to understand how the different components affect each other, not necessarily to which degree.

Over the years, TAM has been revised and increased in detail and complexity. The latest model, TAM3, was developed in 2008 to attempt to answer some of the criticisms. It has separate external factor lists for EOU and U, as factors tend to affect either one or the other, not both. It also adds a Subjective Norm (SN), which is “the degree to which an individual perceives that most people who are important to him think he should or should not use the system” (Fishbein and Ajzen, 1975; Venkatesh and Davis, 2000; Venkatesh and Bala, 2008, p. 277). It also adds an Experience parameter in different areas of the model, and introduces Voluntariness, which affects the BI in combination with the SN. Figure 2 shows how these new parameters fit in the model.
Though TAM3 is very well developed for the complexities of modern information systems and the factors that influence the usability of such systems, for the purposes of this study, TAM1 was used. The reasoning is that due to the limited time for depth and focus on qualitative instead of quantitative data, as well as the broad line of questioning done in the interviews, it was deemed more responsible to pick the simpler model and allow for a deeper and clearer analysis of how the different parameters (U, EOU, A, BI) relate to the specific research questions being asked, and how these parameters affect one another.
The intent of this study is to loosely use the TAM framework to answer the previously mentioned research questions. Specifically, the three research questions aim to fill in specific parts of the model as follows:

- The relevant external factors aim to be clarified by “what are the specific barriers for independent retailers to move into e-commerce?”. Rather than having the results be composed of factors that positively influence the system, the research will aim to provide the factors that make it difficult.
- EOU aims to be answered by “what is the perception of difficulty level to overcome these barriers?”.
- U aims to be answered by “What are the perceived importance levels of overcoming these barriers?”.

3 Methodology

3.1 Classification of Research

The aim of this applied research paper is to conduct a phenomenological study to describe the perception of struggles of independent retailers to move into e-commerce by using qualitative research methods and inductive reasoning to draw conclusions. The reasoning behind the decision to classify the research as such are covered in the following subheadings.

3.1.1 Classification by Purpose

The purpose of the research requires a selection of whether it should be exploratory, descriptive, analytical, or predictive research. It could be said that each of these different types of research are more in-depth than the previous, where Collis and Hussey (2009, p. 5) explain that exploratory research is done to get a broad perspective on the topic at hand, using a wide set of information. They go on to explain that the descriptive research method aims to clarify a particular issue and its influencing components. Analytical research takes another step deeper, as it “aims to understand phenomena by discovering and measuring causal relations among them” (Collis and Hussey, 2009, p. 5). The next and final type is predictive, which takes the results of previous research to predict the chances of something similar happening in a similar but different situation.

After thorough analysis of these methods in relation to the goals in mind, it was decided that this study should use a descriptive method. A descriptive research method “is used to identify and obtain information on the characteristics of a particular problem or issue” (Collis and Hussey, 2009, p. 5). Although the research takes a slight direction into being analytical in the sense that it aims to look at the relationships between the components of the problem by using the TAM framework, the lack of actual measurements and statistical data prevents it from being fully classified as such. It can be argued that this study falls somewhere between descriptive and analytical, with its roots tied more to the former.

3.1.2 Classification by Process

To decide on the research design according to purpose, an investigation into the different design approaches was conducted. Quantitative research focuses on measurable variables to test objective theories (Creswell, 2013), often using statistical methods to analyze such data (Collis and Hussey, 2009). Qualitative research, on the other hand, aims to understand “the meaning individuals or
groups ascribe to a social or human problem” (Creswell, 2013). The distinction between quantitative and qualitative is often simplified as being research analyzing either words, the qualitative, or numbers, the quantitative (Creswell, 2013). According to Creswell (2013), there is also mixed methods research, which falls in-between the qualitative and quantitative and combines parts of both.

For the topic that this paper investigates it was deemed that a qualitative approach would be most appropriate, even though the TAM framework was originally created with quantitative applications in mind. As stated before, for the purposes of this study only the major themes from the TAM framework will be used, not the quantitative aspects regarding measurements of each component. Another reason for this choice is that to achieve a meaningful analysis on a quantitative study, the sample size would be too difficult to find within the timeframe.

3.1.3 Classification by Design of Inquiry
Two forms of inquiry designs were considered for this study; case studies and phenomenological research. Case studies are used to “develop an in-depth analysis of a case, often a program, event, activity, process, or one or more individuals” (Creswell, 2013, p. 43). Phenomenological research is when “the researcher describes the lived experiences of individuals about a phenomenon as described by participants” (Creswell, 2013, p. 43). Although this study looks into the activity of independent retailers getting online, the focus lies more with the retailer’s perception of the experience of getting online, specifically the struggles they face. Therefore, this research should be classified as phenomenological as it focuses on the retailers rather than the systems for getting online.

3.1.4 Classification by Intended Outcome
Applied research is meant to provide answers to a specific problem, whilst basic research is meant to provide a better understanding of a particular area without a focus on practical use (Collis and Hussey, 2009). This particular study intends to provide insight into the problems of small independent retail businesses to sell and market their goods online, and therefore falls under the applied research category. However, it should be noted that the results are not intended for immediate practical use and are only meant to suggest further research in particular areas, which in turn may lead to usable results that could help solve the problems of these retailers.

3.1.5 Classification by Logic
Deductive research generally moves from a broader theory to proving the theory in a particular situation through testing, whilst inductive research uses specific data to draw conclusions on patterns or develop new theories (Collis and Hussey, 2009). The aim of this research requires that inductive research methods are used, as the intent is to move from specific data collection through interviews to draw general conclusions with regard to the research questions.

3.2 Research Approach
Primary research for this study was done through interviews with independent retailers in the Stockholm, Sweden area. The definition of an independent retailer for the purpose of this study is: ‘any retailer that exists in only one physical location, employs up to 3 people, and sells primarily non-perishable products’. To find suitable candidates for the interviews, the researcher walked through the city center of Stockholm, Sweden, and approached different retail stores, asking a set of questions to determine if the store fit the research criteria and making sure to be speaking with
the owner. The researcher made clear to the interviewees that the interviews were completely anonymous in order to put them into a state of mind that they felt they could speak freely. The only information that would be used in this paper was the content of the interviews, the number of employees, and the type of products the retailer was selling.

The interviews were semi-structured, with specific sets of questions intended to answer the three main research questions. Semi-structured interviews are the most used method for gathering qualitative primary data and are identified by their open-ended questions and ability for allowing new questions to arise throughout the dialogue based on the interviewee's responses (DiCicco-Bloom and Crabtree, 2006; Creswell, 2013). The interview template was as follows:

<table>
<thead>
<tr>
<th>Table 1: Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How long have you been in business?</strong></td>
</tr>
<tr>
<td><em>(To gain understanding of experience and therefore credibility of answers)</em></td>
</tr>
<tr>
<td><strong>Do you sell your products online?</strong></td>
</tr>
<tr>
<td><em>(Differentiate between business that have already moved online and therefore know what it takes to overcome the barriers, and those that haven’t because they feel the barriers are too large to overcome for them)</em></td>
</tr>
<tr>
<td>If Yes:</td>
</tr>
<tr>
<td>What percentage of sales are online? Does this appear to be extra sales on top of your in-store sales or does part of it seem to replace in-store sales? <em>(To get an indication of growth due to going online)</em></td>
</tr>
<tr>
<td>What were the obstacles you faced when going into online retail? <em>(This will provide a list of barriers to analyze)</em></td>
</tr>
<tr>
<td>If No:</td>
</tr>
<tr>
<td>What are the obstacles you are facing that are preventing you from going into online retail? <em>(This will provide a list of barriers to analyze)</em></td>
</tr>
<tr>
<td><strong>How hard is/was it to overcome each of these obstacles from your perspective? Why?</strong></td>
</tr>
<tr>
<td><em>(This will rank the difficulty level of the obstacles, as well as provide reasons to back up the statements. Provides Perceived Ease-of-Use feedback)</em></td>
</tr>
<tr>
<td><strong>How important is/was it to overcome each of these obstacles from your perspective? Why?</strong></td>
</tr>
<tr>
<td><em>(This will rank the importance level of the obstacles, as well as provide reasons to back up the statements. Provides the Perceived Usefulness feedback)</em></td>
</tr>
</tbody>
</table>

The experiences as described by the interviewees are then analyzed and explained how they contribute to each of the research questions. Subsequently, the findings will be put into the context of TAM and the relationships between External Variables, A, EOU, and U explained.

### 3.3 Ethical Considerations

Care was taken to make sure none of the interviewees felt unsafe, either physically or with regard to their statements and privacy. The researcher made it clear that the interviews were to be recorded but that the recordings would only be used for analysis and would remain completely anonymous, with only their particular retail industry and employee count mentioned in the report. For added security to the participants, the complete transcripts of the interviews have also been omitted from this report, with only relevant quotes mentioned in the findings. The participants gave permission
to directly quote them under the understanding of anonymity. These steps are in line with practices relevant when doing research through interviews (Cooper and Schindler, 2003; Collis and Hussey, 2009).

**Findings & Discussion**

In this chapter, findings from the interviews are presented along with a discussion of how the findings relate to TAM and the existing research in the field.

3.4 Learnings from Interviews

The interviews gave some initial insight that helps answer the main research questions.

3.4.1 Specific Barriers

Though it was expected to gain a long list of different barriers, the interviews only revealed a very specific few. Two of the interviewees mentioned that finding the right person to develop the website for them at an affordable cost was a major factor. Only one, interviewee B, had found the right person that was able to also add an online shopping component. The others only listed their businesses online to showcase what they offered.

“I think it was difficult to find someone who we could trust to make the website and do a good job. And who wasn’t going to cost much. I was lucky the son of a good friend had website experience, so I gave him the chance to earn some money. He was happy to have some work, I was happy to not spend so much.” – Interviewee B, Home Décor Business

Interviewee B felt she was lucky to find someone affordable through her network. Interviewee C, the jeweler, was not so lucky, however.

“Well, the person we found wasn’t extremely experienced. He was able to get our website up, but he didn’t know anything about making it work with shopping.” – Interviewee C, Jeweler

These statements highlight that finding someone who can deliver quality at an affordable price for independent retailers is a barrier. One could argue that it also comes down to money and small retailers’ reluctance to spend what little they have on something as intangible as a website with no guarantee that it will boost their sales. Another barrier that was mentioned was time, specifically in the daily running of the website on top of the normal in-shop workload. Interviewee A felt running a website would be too much work. In response to the question “what is the single biggest thing that is stopping you from developing a webstore?”, he answered:

“I think it is time. I am already very busy just running the shop, I don’t want to spend my evenings working too.” - Interviewee A, Clothing Store

It is important to note that Interviewee A was the only person working at his clothing store. He did not employ anyone else. In contrast, the other two interviewees employed two extra people each. This may be important as extra time spent on a web-shop was not mentioned by them as being a barrier, and could be due to a more distributed workload. The final barrier of note is the learning curve associated with building and maintaining a web-store. There are certain skills that
must be learned to manage an online presence, and that takes time and effort. When asked how long that learning curve was, interviewee B responded:

“About half a day, but I keep running into things so I have to call him (the website developer) to help sometimes. I keep learning.” – Interviewee B, Home Décor Business

She made the effort to learn but it appears there is no end to the learning. Interviewee A never even made the attempt, saying “it’s all just too complex to learn, it would take too much time”. It appears a perception that building and maintaining a website is difficult exists in some retailers’ minds.

3.4.2 Difficulty Levels
When asked about the difficulty level of overcoming these barriers the responses varied. Interviewee A found the difficulty level of overcoming his specific barriers, time and effort, too high and had therefore not created an online shopping presence yet. He said it was:

“Too much work. I don’t have time to take pictures of all the clothes and build a webstore. I wouldn’t know where to start.” – Interviewee A, Clothing Store

Another high difficulty barrier was the search for the right developer at the right price. Interviewee A directly mentioned he could not afford to hire anyone to build a web-shop, and interviewee B specifically said:

“I think it was difficult to find someone who we could trust to make the website and do a good job. And who wasn’t going to cost much.” – Interviewee B, Home Décor Business

Interviewee C ended up with a developer who did not have the skills to create a web-shop website and only delivered a static website. It appears that when it comes to the lower budget cases of building a website, finding someone who has the skills required is difficult, with only two of the three interviewees overcoming the barrier, and apparently not to the full success that they had hoped for. When asked if he regretted not implementing the shopping feature in his website development, interviewee C said:

“A little, but not enough to build a new website. We have been fine without it.”
– Interviewee C, Jeweler

3.4.3 Importance Levels
When asked about how important it is to overcome the barriers of learning and maintaining a webstore, interviewee A said:

“Well, very. If I can set it up in half an hour and spend only ten minutes a day on managing it, then I would do it. But it’s all just too complex to learn, it would take too much time.” – Interviewee A, Clothing Store

Interviewee B followed the same trend by stating that the major barrier to overcome was learning how to effectively use the web-store, stating:
“I think having to learn how to use the new website was most important. I mean, what’s the point of having a website if you can’t update it with the new products you have?”
– Interviewee B, Home Décor Business

This is in addition to comments each retailer made about using their websites as a starting point for online advertising, as they believed that was something they should do regardless of having a web-shop. They recognized the importance of at least marketing their businesses, and sometimes their products, online through mediums such as Google Ads and Facebook Ads. Interviewee B stated that their revenues increased by 50% in the year following their web-shop launch and felt everyone should develop their web-shops to see similar results.

3.4.4 Indications of Attitude
Though the initial purpose of the interviews was to find answers to the External Factors, EOU, and U parameters of TAM, they also gave insight into another component of TAM, namely Attitude (A). The three interviews provided a range of attitudes towards online shopping, from not seeing the point of going into online retail, like interviewee A, to embracing it as a positive influence on the business, like interviewee B. Interviewee A, the small clothing store, felt that the effort required to go online was not worth the reward, stating:

“Most of my customers come to my store because they want to try on the clothes before they buy. I don’t think many of them would buy blindly online.” – Interviewee A, Clothing Store

Interestingly, interviewee C also mentioned a similar viewpoint, questioning if people would actually blindly buy a 10,000kr ring without seeing it in person and trying it on. Their argument was that their particular products do not translate well into online sales because they themselves wouldn’t buy those kinds of products online. Interviewee B, however, had a different outlook. Asked if other businesses should also go online like they had, they responded:

“I think it helps. Yes, it might cost a little bit to set up and learn, but it’s worth it.”
– Interviewee B, Home Décor Business

Their revenue increased by 50% in the year following their web-shop launch, so for their particular case, their attitude towards going online is a positive one. The other two businesses have not developed their web-shops, and thus they do not know what the effect could be. Many other factors could contribute to these differing attitudes between these retailers, including, but not limited to, their particular product selection, their personal online shopping habits and views, their affinity with web development, or even just their location.

3.5 Transfer of Data to TAM
Moving the acquired findings into TAM results in figure 3 below.
The influences of each section on each other are apparent when studying figure 3. The Perceived Usefulness of going into e-commerce was mediocre, with all at least realizing that the marketing side of e-commerce was important. This, combined with a very low Perceived Ease-Of-Use experience due to difficulty and limited budgets, leads to a weak Attitude that results in two of the three businesses stopping short of creating actual web-shops. Interesting to note is that all of the interviewees appeared to be slightly stressed when answering the questions around the difficulty of overcoming the barriers, with more frustration in the tone of voice for the two businesses who had not been able to create web-shops. When asked about their perception on the importance of creating web-shops, their attitudes became more indifferent, as if they didn’t have any strong feelings either way, whereas the business that had already developed its web-store showed enthusiasm. It is these subtle changes that help identify that the EOU is the main factor that needs to be improved, rather than attempting to improve U through better education on the topic of the benefits of e-commerce, for instance.

3.6 Discussion
Much of the results concerning the barriers to entry are similar to the results of previous research, citing budgets, time, skill, and perceived benefits as the most common barriers for small business (Lewis and Cockrill, 2002; Lertwongsatien and Wongpinunwatana, 2003; Falk and Hagsten, 2015). In fact, the results fall directly in line with the previous study in Sweden that focused on retailers with more than 10 employees and was conducted in 2005. That study said the main barriers were “the difficulty of obtaining funds to implement e-commerce, the lack of technical knowledge and the difficulty of finding time to implement e-commerce” (MacGregor and Vrazalic, 2005, p. 523). This shows that even after more than a decade of e-commerce development, the barriers have still not been tackled to a sufficient degree that allows all retailers to have web-shops. In fact, only 33% of the small retailers with 3 or fewer employees had developed web-shops, whilst according to previous research 46% of small businesses with 10 to
50 employees had done so (Torsten Eriksson, Hultman and Naldi, 2008). It is important to remember, however, that the 33% is based on the tiny sample size of three retailers, and may fluctuate with increased sample size. Also important to note is that small retailers are a sub-set of small businesses, thus these statistics do not perfectly correlate. Nevertheless, it appears that the barriers identified over a decade ago have still not been overcome for a majority of small independent retailers, even in a technologically advanced society such as Sweden.

Furthermore, the research has reaffirmed that the major barriers that need to be fixed are cost, time, and knowledge. It is important for website developers and service providers to innovate in these areas and be able to provide small businesses an easy step into the e-commerce environment. As interviewee A pointed out, if he would be able to get everything set up within 30 minutes and spend less than 10 minutes a day on e-commerce activities, he would do it. This should be the focus of the industry, to make the process of getting online as painless as possible for the 94% of small businesses with less than 10 employees and therefore limited resources (MacGregor and Vrazalic, 2005).

Another interesting finding was that it appeared the preconceived notions of how effective particular products would sell online hampered the willingness to put in the effort to develop web-stores. Interviewee A, the clothing store, stated that he did not believe enough people would buy clothes online, even though statistics show that 28% of online purchases are clothing (Siddiqui et al., 2003). This highlights an interesting problem, which is lack of understanding of the current online retail market. It makes sense that most businesses do not have time to do their own research, as they have stated that time is something they are already short on and is one of the mentioned factors preventing them from pursuing e-commerce. The researcher suggests that the government should make an effort to educate these retailers by creating information pamphlets specific to each of their product selections, showing statistical information of the success of their particular retail sector in the e-commerce environment. This should help negate any potential bias these retailers have regarding the potential effectiveness of web-shops in their particular retail sector.

4 Conclusions

The research questions were answered to a degree through this study. The specific sub questions and answers will be highlighted, which then subsequently help answer the main research question.

4.1 The Sub-Questions

The specific sub questions were answered as follows.

4.1.1 The Barriers

“What are the specific barriers for independent retailers to move into e-commerce?”

As the research has shown, the barriers mentioned by the retailers included time, knowledge, budget, and finding the right developer. Indirect barriers that were observed through their attitudes included the retailer’s preconceived perception of the effectiveness of online retail concerning their products based on personal experience.
4.1.2 The Difficulty
“What is the perception of difficulty level to overcome these barriers?”
Two of the three found the total difficulty level too much to move online. Their main frustrations were lack of time and budget. A low budget meant it was also harder to find developers within their price range. The one retailer who did develop their web-shop felt the same way, stating that the biggest challenge was finding the right person to do the job, even going so far as to hire an amateur instead of a professional agency due to budget constraints.

4.1.3 The Importance
“What are the perceived importance levels of overcoming these barriers?”
From the interviews, it was apparent that the retailers felt the most important barrier to overcome was the learning curve of building and maintaining a web-shop. Even if they were to get someone external to build the web-shop, the retailers would still need to learn how to manage the web-shop themselves to keep it up to date and deal with the orders placed through it. Without that knowledge, building a webstore would be a waste of time and resources. The next most important barrier to overcome was the process of finding the right web developer for an affordable price. If the retailers are unable to find someone within their budget who can do a professional job, then they will not make the step online. The problem at the moment is that the price for quality appears too high, which results in a sub-par web-shop and subsequently disappointed retailers.

4.2 The Main Research Question
“How do small independent retailers feel about the process of moving into E-commerce?”
Overall, it appears that the majority of small independent retailers who have not developed their web-shops underestimate the potential of doing so, and feel that the effort is not worth the potential gain. The one retailer interviewed who had gone online got more gains from doing so than they expected, and resulted in a positive attitude towards the process. Perhaps the retailers hesitant to make the leap are subconsciously underestimating the potential as a way to stop themselves from making an investment without guarantees of making that money back. The retailer who had already developed their web-shop felt that every retail business should make the leap. The retailers all felt that the process was more difficult than it should be, and insisted they would make the leap if the cost and effort required was reduced.

4.3 Contributed Knowledge
The unique findings of this study include the realization that small retail businesses in Sweden with 3 or fewer employees have a lower web-shop adoption rate than the SME average, highlighting a significant issue that affects a large portion of retailers. Furthermore, the study showed that in the past decade, the barriers to entry into e-commerce have not changed nor have they been addressed sufficiently (MacGregor and Vrazalic, 2005). It also appears that there is a difference in perception of the benefits of developing a web-shop between those that have and have not already done so, highlighting that there appears to be a misunderstanding of the degree of potential. This could be addressed by having those who have developed their web-shops meet with those who haven’t and tell of their experience. Finally, this study has made it clear that the main issue currently preventing these retailers from developing their web-shops is the difficulty level of the Perceived Ease-Of-Use parameter, highlighting that developments should be made to
lower the indicated barriers first before focusing on improving the Perceived Usefulness parameter.

4.4 Research Limitations
There are a number of limitations to this research. The first is that information provided by the interviewees may not be accurate due to the impromptu nature of the interviews. The interviewees are not able to go through their historical records on the spot, so some information given will be their perception of the information, not necessarily the exact data. Furthermore, since only three interviews were conducted, and conducted in only one city, it is difficult to draw clear conclusions about the retail industry as a whole. Another limitation is that the research was conducted by a single researcher, which means the data interpretation process could be influenced by bias, though every attempt to remain objective was made. Nevertheless, it should be noted that the opinions and statements in this paper are that of a single researcher, and as such may be subjective to some degree.

4.5 Research Suggestions
The research has uncovered some interesting directions for future research. The first is that the study can be converted into questionnaire format and distributed to hundreds if not thousands of retailers. The questionnaire can be done in such a way that quantitative data is obtained for each question and can therefore be used to measure weights of each part of TAM, giving a more accurate representation of how much each part influences the others. For a more in-depth guide on how that would work, see the original work surrounding TAM (Davis, Bagozzi and Warshaw, 1989).

Another direction future research can take is investigating how differing retail sectors (jewelry, clothing, household items, electronics, etc.) affect the attitudes of the retailers to develop webshops. As this study already showed, retailers in the clothing and jewelry sector were less convinced of potential web success than the retailer in the home décor sector. It would be interesting to see if there is a significant difference in adoption attitude between these sectors at different sizes of business, such as 1-5 employees, 6-10, 11-25, and 25+.

Furthermore, it could be interesting to look into how the process of developing a web-shop changes the perception of the retailer on the benefits of doing so. As this study showed, there appeared to be a difference in attitudes on the effectiveness of having a web-shop between those retailers who had already moved online and those who had yet to do so. The question is if the perception changes for a retailer before and after they develop their webstore. This could be done by interviewing a retailer without a web-shop, then offering to develop it for them, and then interviewing them again after to see if their view on the benefits has changed.

Finally, further research could be done into investigating the best ways to tackle the current barriers and lowering them to a point that a larger percentage of retailers can develop their webstores. This research could then be used by innovators to develop these solutions.
References


