

# PERCEIVED BENEFITS AND E-COMMERCE ADOPTION BY SME TRAVEL AGENTS IN DEVELOPING COUNTRIES: EVIDENCE FROM EGYPT

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*Small and medium-sized enterprises (SMEs), particularly in developing countries, are regarded as slow adopters of technology, especially e-commerce. Travel agents are a typical category of SMEs, experiencing changes in the travel market structure, caused by the use of e-commerce. E-Commerce adoption is a means of supporting agents' future survival and competitiveness at a time when many are facing the threat of disintermediation from the global travel market. The investigation of e-commerce adoption by SMEs in developing countries represents an emerging area of research, with only a limited number of studies undertaken to date. This research aims to examine the perceived benefits of an advanced level e-commerce adoption by Egyptian travel agents. Structural equation modeling is used to categorize a set of perceived benefit factors for e-commerce adoption, and establish a relationship with the level of adoption. Results indicate that marketing and competition benefits, essential benefits that support strategy and development, and business efficiency benefits all positively contribute to decisions that lead to an advanced level of e-commerce being adopted.*

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**KEYWORDS:** *travel agents; SMEs; e-commerce adoption; developing countries; Egypt*

## INTRODUCTION

At a time when technology adoption, especially e-commerce, has changed the tourism industry's distribution structure (Goldmanis, Hortaçsu, Syverson, & Emre, 2010), the adoption of new information technologies provides SME (small and medium-sized enterprise) travel agents with opportunities for rein-termediation in the retail market (Álvarez, Martín, & Casielles, 2007; Patricia, 2008). Previous research indicates that the survival of SME travel agents can be greatly enhanced by the diffusion of e-commerce (Bennett & Lai, 2005; Gammack, Molinar, Chu, & Chanpayom, 2004; Hamed, 2003; Patricia, 2008; Raymond, 2001), and that the extent and nature of its adoption is uneven across