



# Using competing models to evaluate the role of environmental pressures in ecommerce adoption by small and medium sized travel agents in a developing country



Mohamed A. Abou-Shouk<sup>a</sup>, Wai Mun Lim<sup>b,\*</sup>, Phil Megicks<sup>c</sup>

<sup>a</sup> Faculty of Tourism and Hotels, Fayoum University, Tourism Studies Dep, PO Box 63514, Egypt

<sup>b</sup> School of Tourism and Hospitality, Plymouth University, Room 324, Cookworthy Building, Drakes Circus, Plymouth, PL4 8AA, UK

<sup>c</sup> Plymouth Graduate School of Management, Plymouth University, Room 208, Mast House, 24 Sutton Road, Plymouth, PL4 0HJ, UK

## HIGHLIGHTS

- Findings enrich TAM constructs by comparing competing models with the proposed extended TAM.
- The paper addresses the gaps in literature of technology adoption in developing countries.
- The measurement model developed could improve future research into SMEs' technology adoption.
- External pressures were found to positively affect the perceived benefits of adoption.
- Environmental pressures significantly influence managers' decision to adopt technology.

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## ABSTRACT

This study investigates the factors that influence e-commerce adoption in SME travel agents in a developing country. The research is based upon a questionnaire survey of travel agents in Egypt and employs advanced statistical techniques to test a conceptual framework that extends the technology acceptance model. Using competing models the study examines the relationship between e-commerce adoption, perceived benefits, perceived barriers and environmental pressures. The results indicate that environmental pressures significantly affect the perceived benefits and barriers of e-commerce adoption, in addition to having an indirect effect on adoption behaviour. Insights are provided into the nature of relationships between the key factors that determine e-commerce adoption and the extent to which they can be used to develop effective strategies for SME travel agent re-intermediation in the global travel market. Implications are identified for practice and government policy in relation to the use of e-commerce in SME travel businesses in developing countries.

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## 1. Introduction

Small and medium size enterprises (SMEs) are regarded as major drivers of economies and a source of employment in developing countries. As a cornerstone of entrepreneurial activity and a force for innovation, SMEs are perceived as an important facilitator of new ways of business operations development (Ongori, 2009). In order to achieve this and remain competitive in the contemporary

global environment, the adoption of e-commerce is regarded as being a crucial part of their development (Ip, Leung, & Law, 2011; Tan, Chong, Lin, & Eze, 2009). There is no doubt that e-commerce adoption in businesses plays an important role for competitiveness and economic sustainability. E-commerce is often perceived as an empowerment tool for SMEs in terms of knowledge management, with further benefits for the creation and delivery of services in global markets (Ongori, 2009). While generally recognising the importance of e-commerce for business competitiveness, SMEs are faced with a variety of challenges when considering e-commerce implementation in their operational activities (Abdullah, Shamsuddin, Wahab, & Hamd, 2012).

\* Corresponding author.

E-mail addresses: [maa15@fayoum.edu.eg](mailto:maa15@fayoum.edu.eg) (M.A. Abou-Shouk), [wmlim@plymouth.ac.uk](mailto:wmlim@plymouth.ac.uk) (W.M. Lim), [Phil.megicks@plymouth.ac.uk](mailto:Phil.megicks@plymouth.ac.uk) (P. Megicks).