

**INVESTIGATING E-COMMERCE ADOPTION IN SMALL AND
MEDIUM-SIZED TOURISM ENTERPRISES: A CASE OF
TRAVEL AGENTS
IN EGYPT**

by

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Abstract

SMEs are often described as slow adopters of technology. However, adopting e-commerce is one of many strategies taken by travel agents to re-intermediate themselves in the global travel market against the threat of disintermediation. Exploratory studies have revealed that Egyptian travel agents are laggards when it comes to technology adoption, although they perceive e-commerce as a beneficial tool that can increase their chances of survival. As many as 59.2% of Egyptian travel agents were found not to have websites (Egyptian Travel Agents Association, 2008), this study investigates the factors affecting e-commerce adoption by travel agents.

Past literature has shown that there are three main factors affecting the adoption of e-commerce by SMEs. Environmental pressures push SMEs to adopt in order to bolster their survival chances. The benefits of adoption are critical factors considered by managers when making the adoption decision. Finally, there are barriers to e-commerce adoption. By modifying the technology acceptance model, this research conceptualizes the causal relationships amongst these three types of factors. The benefits and barriers to e-commerce adoption are found to mediate the relationship between environmental pressures and e-commerce adoption.

This study employs mixed methods starting with a quantitative survey and following it up with qualitative interviews. A questionnaire was used to collect data from 411 adopter and non-adopter e-commerce travel agents. Later, 22 interviews were conducted with the managers of travel agents. Structural equation modelling produced findings reveal that environmental pressures significantly affect the perceived benefits of and barriers to adoption, in addition to having an indirect effect on adoption behaviour.

This study contributes to theory as it responds to the claim that the factors affecting e-commerce adoption have not been well documented in the travel sector (Hung et al., 2011, Thomas et al., 2011), especially in the context of developing countries (Thulani et al., 2010). The findings reveal that the modified technology acceptance model successfully interprets e-commerce adoption. The study compares other adoption models with the research model and provides statistical criteria for this comparison.

Its contribution to practice is twofold, affecting the managers of travel agencies and policy makers. Recognizing the factors affecting adoption would enable managers to devise strategies and prepare better agendas for expanding their businesses, while at the same time identifying any defects and training needs that present barriers. Meanwhile, recognizing the barriers to adoption could encourage government bodies and policy makers to

implement appropriate measures, such as introducing protective and financial legislation to encourage SMEs to adopt technology, or to formulate national policies and initiatives aimed specifically at supporting the adoption of e-commerce by SMEs.