SMEs AND THE INTERNET:
DRIVERS OF AND BARRIERS TO e-ENGAGEMENT

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ABSTRACT

For many years, the internet and its associated technologies have been heralded as the new frontier for SMEs and, inherently, "a good thing". Despite this having been a common theme for at least the last fifteen years, still many SMEs are not "e-engaged." Despite significant amounts of public money being invested in promoting the Internet to SMEs, estimates for the UK range from 20 to 40 percent non- e-engagement, and substantially more in other jurisdictions. This thesis examines the barriers and drivers to e-engagement by SMEs and challenges the conventional wisdom that the Internet is a positive force for all. In particular, the research looks at the micro end of the SME spectrum, (the μSME), and identifies a number of hitherto un-examined areas of their operation and business models.

Following a comprehensive review of the relevant canon of literature, a conceptual framework is derived, developed and presented. This provides the skeleton upon which the research strategy sits. The empirical data set consists of seventeen in depth case studies from a range of SMEs involved in the b2b, b2c and professional services fields. A cross case analysis was then undertaken, leading to the finalised framework.

One of the key contributions of this research is the development of the conceptual model and associated framework. This allows for the identification and analysis of barriers, drivers and key determinants of the decision by SMEs and specifically of μSMEs with regard to their engagement, or not, with the Internet. Some commentators have noted that the literature on SME Internet engagement is fragmented and incoherent and that there is a need for framework development and research at the conceptual level to provide more focused research. This thesis accepts that challenge. It takes a comparative approach to both engaged and non-engaged companies, where possible in the same industry, to allow for key determinants and principle impact factors to be identified. The research provides detailed examples of the business models operated by the case companies and the factors affecting their implementation and operation. The variables affecting each SME are codified and mapped against the determinants and principle drivers. This enables the analysis to identify the barriers that filter, and in some cases entirely block, engagement with the Internet.

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CHAPTER ONE: INTRODUCTION TO THE RESEARCH

1.1 Introduction

This Chapter establishes the background to the research for this thesis, identifying the main theoretical areas that will be examined and offering justifications in business, academic and personal terms for the choice of topic. The structure of the thesis is also described.

1.2 Main academic themes of the research

The primary themes explored in this thesis are the drivers that encourage and the barriers that prevent small and medium sized enterprises (SMEs) from engaging with the Internet (e-engagement). At the same time, the question of value to the SME and whether this can be effectively measured and quantified is also explored. The research asks the question; "why, despite the continuing reported exponential increase in Internet based applications do vast numbers of SMEs continue to shun the apparent opportunities offered by them. In the course of the thesis much conventional wisdom is challenged, both with regard to the benefits of e-engagement to the SME and also the degree to which businesses and individuals have embraced computer based technology as a whole. The relevance of the Net as a business platform for the generic SME is also explored and the role and validity of regional, national and supra-national/trans-national bodies, e.g. the European Commission, in promulgating the widespread adoption of the Net as a disintermediated business platform is researched from both the SME and the customer perspective. The relationship between industry profile and specific business model adopted is explored and the drivers of those SME businesses that are e-engaged are mapped against these.

The field of study surrounding SMEs is dynamic and constantly changing. This is particularly true in the area of e-engagement. This thesis highlights the major shifts in emphasis and paradigms since the introduction of the Internet as a platform for SMEs. It also identifies a number of key areas where significant elements have remained doggedly constant or in some cases come full circle in terms of perception.

The key foci of study in this thesis are traditional small and medium sized enterprises (SMEs) specifically those in the "bricks and mortar" and "bricks and clicks" categories, i.e. those who would aim to maintain a physical presence in the marketplace regardless of their degree of engagement with e-enablement and with no intention of becoming "virtual businesses". For the sake of completeness, it is worth noting that there are by definition, no "e-companies" included, i.e. those whose existence is predicated on Net activity and where not to have a web presence would be inappropriate.

There is no single definition of an SME. UK Government statistics as of January 2010 define SMEs as businesses with less than 250 employees. (Department for Business, Enterprise and Regulatory Reform, 2007) Other jurisdictions however adopt alternative profile definitions. The definition of an SME in itself can cause large scale problems when planning and conducting research. Indeed one of the reasons for the paucity of robust, empirical data is inherent in the nature of defining the segment. This issue is fully developed in chapter 2.

1.3 Justification of the choice of the academic areas of study

Small and medium sized enterprises (SMEs) are the most prolific and arguably most important element for the survival and stability in any economy and possibly it's most important engine for growth. In the UK, 2008 figures, (the most recent available in January 2010), confirm that SMEs account for more than 99% of the 3.7 million registered businesses and in excess of 50% of "UK Plc's'" total turnover of £1.15 trillion. This is compared with less than 1% from "mid–market" companies and 49% of the turnover coming from the largest 7,000 businesses (Department for Business, Innovation and Skills. 2009).

In the US the figures are similarly impressive, with 99.7% of businesses falling into the category, accounting for 48% of GDP, 54.7% of total employment and 96% of the firms actively involved in export activity (Dholakia & Kshetri 2004). The impact of the SME is not culturally dependant, and similar figures are apparent for other jurisdictions as discussed briefly below in Chapter 2.2.2(Kshetri &Dholakia 2005).

Despite this huge contribution to the wealth of the nation that comes from the SME sector, there appears to be a significant gap in the literature with regard to explaining the barriers to and lack of e-engagement by SMEs. A number of authors have sought to map various stages in adoption and development of electronic commerce generally and Internet based systems specifically, (e.g. Rayport & Jaworski 2005, Rayport &Jaworski, 2004, Rao *et al.* 2003), however an holistic, empirical treatment of the area has not been undertaken.

As the UK's DTI noted "academic work on e-commerce is ongoing, but due to the nature of the peer review and publication process, much of this work is not yet in the public domain" (Department of Business, Innovation and Skills, 2009). From the author's perspective, having carried out an exhaustive literature review, this continues to be the case, particularly from an SME perspective. This situation and some of the reasons for it are discussed in section 1.3 below.

The importance of the sector is certainly recognised by regional, national and transnational governmental bodies and Non Governmental Organisations (NGOs). It is impossible to quantify the amount of money spent yearly on researching and encouraging SME e-engagement. Requests made by the author to the BERR (The Department for Business, Enterprise & Regulatory Reform, formerly the DTI) in the UK and the European Commission (EC) in Brussels, received responses confirming this. However the Brussels response indicated a "ball park" figure in the "tens of millions of Euros across the Union"

Reference to some of the calls for bids and reports generated by government in its many guises give some flavour for the levels of spending, e.g. the 28th September 2007 announcement by the Welsh European Funding Office of a £1million pot of cash for the development of a Business Cluster Marketing Systems (BCMS). The project concerns the establishment of a "digital business ecosystem" and social network for businesses and other organisations across Wales. It aims to ensure that no businesses in Wales need be "digitally excluded" regardless of size, and notes that SMEs and micro-businesses represent over 95% of Wales business stock. (Welsh European funding Office, 2010) Other authors, (Elia et al. 2007) cite equally ambitious and expensive programmes and initiatives.

A specific costed example would be the Football Information Technology initiative (discussed in more detail), with a total cost: €93,600 of which €46,800 was a European Regional Development Fund contribution; the balance coming from the County Council. (Bust, M. 2006)

A significant proportion of this money is allocated to the validation of programme spending and associated research to identify successes and failures, best practice and areas for future research most of the activity. Despite much declamation and attempts to the contrary, most of the funding is focused on the "high end" of the SME sector. The result is a heavily skewed canon of literature in favour of companies of a significant size, with many and diverse employees and a degree of sophistication and competency, not to mention levels of profitability. The reasons behind this glaring omission are many and varied and are discussed in more detail below. It is certainly a contributory, if not driving factor, in the justification of this are as being worthy of vigorous study.

Notwithstanding any theoretical cost/benefit or value for money data, the sheer volume of turnover as a percentage of the UK's total income and the level of absolute employment focused on the sector alone would suggest a reasonable justification for research in the sector. There is a formidable gap in robust, empirical data from the "small end" of the segment. Significantly, this is the area where in absolute terms the majority of UK Plc's turnover is generated and jobs are created (Department for Business, Innovation & Skills. 2009) and are an area which the researcher feels passionately should be the subject of focused and rigorous research.

A number of authors, (e.g. Burke 2009, Mohammad & Ismail 2009, Burke 2005) note a need for research that concentrates more on both the size of the SME and the specific industrial sectors they are involved in rather than taking a more generalist approach to SME Internet adoption. With this in mind, this research isolates where possible industry and business model specific traits relating to both positive adoptive and negative avoidance behaviour. This will be followed through from the review of the literature into the empirical research and subsequent analysis.

1.4 The lack of research on SME engagement at the "small end" sub segment

As noted above, one of the key elements in the genesis of this research was the apparent paucity of research on SME e-engagement generally and at the smaller end of the SME grouping in particular.

There are attempts to remedy this; initiatives such as "Wired Wessex" (2008), Enterprise Ireland, (2009) and even the World Bank's "SME Capacity Building Facility" (International Financial Corporation 2010) do attempt to redress the balance, but analysis of the survey instruments and results show once again a skewing towards the "bigger fish" in the SME pond.

Internal inconsistency in the sample, key sections not being completed by significant groups within the sector and a focus on the reasons for engagement and success stories, rather than the "failures"; those businesses that have not adopted Web based technologies and the barriers that these businesses perceive.

Given the nature of the funding for many of these reports and studies and, perhaps as a result of political pressures or expediency, emphasis is often placed on reporting against objectives that support specific politically motivated ends., e.g. European integration, social integration/outreach. While some of these foci will be laudable (others less so), nevertheless the body of knowledge is diminished, results interpolated and conclusions drawn based on dubious foundations, from the point of view of the establishment of an empirical data set.

It is easy to belittle the extant literature, especially given the issues highlighted above. It is, however, important to remember that, apart from the normal hurdles facing the researcher, eliciting information from small SMEs is often an inherently difficult process. Potential respondents are, from the author's experience, extremely "cautious" and exhibit suspicion and cynicism in varying degrees from healthy to paranoid! As small businesses, with all of the pressures attending that state of enterprise, managers/owners are often reluctant to divulge information, especially where this is related to financial information, e.g. capital investment, turnover/profit.

Many are concerned, especially when researchers are perceived as "official" or representative of a government or regulatory body. Small company exemption from filling full, detailed financial statements makes this doubly difficult. At another level, many SME managers simply do not feel they have to time to participate in research or perceive it as yet more "red tape"

Some success has been achieved in encouraging e-engagement, often by using novel approaches. For example, the "Football Information Technology (FIT): Introducing ICT to SMEs through enthusiasm for football" initiative in the east Midlands, September 2004 - June 2005. The initiative sought to encourage SMEs in the East Midlands to take up training in ICT. To attract potential users the project used the popularity and branding of Nottingham Forest Football Club to attract Participants. 16 owner managers completed 40 hours of ICT training and integrated the ICT dimension into their businesses. FIT was delivered by Nottinghamshire Enterprises and supported by local partners, including Nottingham Forest Study Support Centre. (Bust, 2006)

The objective of the project was to bypass the type of recalcitrance identified above and to "engage SMEs in ICT training using a novel location to attract participants. Participants were introduced to eight office applications to demonstrate how ICT could be integrated into and enhance their businesses. The objective was to ensure that the businesses adopted and integrated technology and consequently improved their contribution to economic regeneration in the region.

1.5 The perceived importance of the Internet as a business platform for SMEs

As far back as 2002, the Internet was being heralded as the new frontier of SME operations (Netimperative, 2002) with claims that as many as 62% of UK SMEs were now "online". As with most SME studies, these figures were somewhat suspect, with little by way of research integrity to support them. Nevertheless, they were, like many other reports of the time, seized on as received wisdom and passed into accepted use to "prove" the importance of the Net as a business platform and a hobby horse for many political and even academic commentators as discussed above.

In more recent years, marketing research organisations such as A.C Nielsen (2009) and NUA (2009) have provided statistics with more rigour, but which none the less are not necessarily directly comparable externally, or internally over previous years.

Simmons et al (2008) support this assertion and state that "literature on SME Internet adoption is fragmented and incoherent" and that despite the fact that, *"...there is a need for conceptual framework development and testing to provide more focused research in this important area",* opportunities presented to them by the Internet are generally accepted as being legion.

Whilst it is fair to say that the vast majority of published material continues to evangelise on the importance of the Internet to SMEs (although some of this may well be as a result of the self interest of commentators with consulting capability or larger scale service providers), there is some dissent in the academic literature which has started to emerge over the last five or six years (Levey et al 2005, Cooke 2002, Vescovi 2002).

There is no doubt that the Net does indeed offer opportunities for innovative approaches to business and that these are in no small measure available to the SME community. These voices of caution are by no means gainsayers: rather they call for a greater understanding of the potential benefits on a sectoral basis or founded on some other effective form of segmentation. They also echo the call for more focus at the small end sub segment in recognition that the one size fits all mentality is inapplicable in the SME arena.

1.6 The aim and objectives of the research

From the previous discussion, it is possible to distil the aim of this research and articulate it as follows:

"What are the drivers and barriers faced by SMEs in relation to e-engagement?"

In support of this aim, the following objectives will be addressed:

1. To investigate the role of the business model in determining e-engagement
2. To identify the main drivers and barriers facing an SME in reaching the decision to follow the process of e-engagement
3. To analyse the key factors in promoting or limiting an SMEs development and maintenance of its engagement

1.7 Structure of the Thesis

The thesis is presented under eight chapter headings as follows:

Chapter 1- Introduction

This Chapter sets the scene for the research by identifying the theoretical areas of study: SME e-engagement and the perceived importance of the Internet as a business platform for SMEs. The chapter also discusses the limited academic canon of research relating to the topic area as a whole and to the smaller sized businesses in the sector which, the author argues, represent a significant and constant sub-segment of the population. Justifications for the areas of study are also included.

Chapter 2- Literature review

This Chapter is a wide ranging consideration of the published material on the research area; academic and practitioner. It refines and highlights the key drivers, determinants and principal impact factors relating to the practice and avoidance of SME e-engagement.

This is done by reviewing the most eminent authors in the field as well as a range of other material gleaned from practitioners, regional, national and trans-national governmental and NGOs. These views are evaluated, compared, contrasted and synthesised to elicit the key themes that inform the research questions associated with the aim of the thesis.

Drawing on a range of disciplines, this chapter highlights the lack of depth in the analysis of SME e-engagement and seeks to provide discussion and critical analysis of the process and components of e-engagement at this level of business operation. Additionally, the larger and smaller ends of the SME spectrum are compared and contrasted, showing that the processes involved in e-engagement are by no means identical,.

Chapter 3- Development of the conceptual framework.

This chapter identifies and explains the key components sued in the establishment of the conceptual framework. These are derived from the literature review and form a platform from which the empirical research can be conducted and contextualised

Chapter 4- Methodology

This Chapter discusses the two main research philosophies of positivism and phenomenology and explains that this research will take an essentially phenomenological stance and associated inductive approach. The assumptions underpinning the research are presented and evaluated. Triangulation through the multi-disciplinary literature review is discussed, as are the concepts of validity, credibility and issues surrounding generalisability.

Chapter 5- Research Strategy

In this chapter, issues surrounding the choice of sample both for the pilot and main study are discussed. The multi case study approach adopted is explained and justified, the implications of the pilot study defined and the research process mapped; through development of the initial pilot studies and benchmarking, the construction of the semi-structured interviews, data collection and analysis.

Chapter 6- Intra Case Data Analysis

This Chapter describes the development, creation and refinement of the analytical frameworks used to interpret the raw data gathered. Issues of credibility internal consistency, reliability and validity are raised and dealt with in the context of the research focus. The data relating to both the engaged and non-engaged companies is analysed and the findings from an individual perspective on each case are presented.

Chapter 7- Cross Case Analysis:

This chapter takes the analysis of the individual data sets and identifies themes and trends within the responses across the individual companies, sectors and groups. It then validates the conceptual framework by referencing and mapping the data back to the concepts and constructs and establishes their inter-relatedness.

Chapter 8- Conclusions

The research findings are taken and conclusions drawn from the academic/theoretical perspective. These highlight a number of potential managerial issues including the practical application and implications of the findings from the point of view of the main stakeholders involved in the e-engagement debate. As a result, the contribution to the body of knowledge represented by the research is considered, as are opportunities for further study arising.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The explosion over the last ten years of both content in and usage of the Internet has in no small way been fuelled by the business community. Some work has been done on identifying the reasons for this "rush to the technological horizon", especially for larger enterprises within the SME designation; yet little is understood about why large numbers of SMEs still do not engage in Net based/enabled business activity. The primary themes explored in this thesis are the drivers promoting and barriers that prevent small and medium sized enterprises from e-engagement.

The purpose of the literature review is to explore, analyse, synthesise and critically evaluate the body of published knowledge on the topic under research, in order to uncover and elucidate particular trends, disagreements, advances and gaps. With this in mind, the review is organised and explored under six main headings:

- SMEs,
- Internet,
- Engagement strategies,
- Customer perspectives,
- Establishing and measuring value, and
- Barriers to engagement.

Having completed the review, the key themes are summarised in order to facilitate the development of a conceptual framework within and around which the methodology adopted for the research is shaped and informed.

The chapter begins with definition and discussion of the operational designation of the SME. Issues concerning the lack of consistency, in definition on both an inter and intra jurisdictional basis, of the designation and the impact that this has on the extant body of research are highlighted.

The role and importance of the SME segment in economic, business and socio-political terms is examined and functional classification and sub- classifications are proposed for the purposes of the research at hand.

The second section considers the entity that is the Internet. A clear statement of the definition of the Internet for the purposes of this research is offered and the implications of the Internet as a business platform/channel and market are considered from the SME perspective. This leads on to a discussion of the real and perceived relevance of the Internet to SMEs and the logic and drivers of developing and maintaining an Internet presence for them. Market drivers, including externally enforced changes to business models and established modus operandi, both at home and for export focused companies are further explored, as is the integration of the Internet into SME operations. The notion that many commentators feel underpins the whole debate, i.e. the use of e-engagement as a cost/efficiency improvement measure, is considered in some depth.

This leads to a consideration of that small but increasingly vocal proportion of commentators, in what is already a limited pool of knowledge, that buck conventional wisdom and challenges the generally accepted perception that e-engagement by definition offers economic benefit to the SME. New and novel developments in engagement modes are identified and discussed, and their use by and attractiveness to SMEs considered.

The third section of the review deals with e-engagement strategies. Initially the concept of and need for strategy in an SME is questioned. The impact of imposed strategies; i.e. those formulated and executed by regional, national and transnational bodies, NGOs and regulators are explored and their implications for SMEs at the operational level assessed. The dual questions consequential impact of industry type and business model on engagement strategy are the next focus and lead to a discussion of the role of e-engagement in facilitating networking and collaborative operations between SMEs.

The next section begins with a consideration of customer perspective, purchasing behaviour on the Internet and moves on to a discussion of socio-psychological issues: empathy, relationship and customer loyalty and how they are affected by a disintermediated purchasing experience.

This also begs various questions be considered regarding the impact on the overall value proposition of the SME which may be fundamentally altered from its traditional niche. The degree to which the customer requires e-engagement, and thus serves as an effective driver to change is also introduced to the discussion. For completeness of argument, he proposition is reversed and a view of the SME as customer is examined, posing questions concerning the value, drivers and barriers they feel are perceived by their suppliers. Consumer behavioural issues are also dealt with in this section.

Section five considers the value of e-engagement. The first stage in the process is the definition of value from both the SME and exogenous organisation perspectives. This leads logically to a discussion of the measurement of value at the macro, micro and customer levels and introduces the reader to the concept of the *value silo*, which the author has developed via a synthesis of the extant literature.

The final section of the literature review is devoted to the discussion of barriers to engagement. The conceptual barriers as reported in the literature are identified and contrasted with the drivers identified in pervious sections. The internal capabilities of the SME and external capabilities of the market are also considered as barriers in and of themselves. The vexed and much vaunted question of trust is next considered and the degree to which serious research findings are available rather than anecdotal or statistically insignificant/biased comment is explored.

Throughout each section, reference will be made to areas where the author has found gaps and inconsistencies in the literature and how they will be addressed in the research.

2.2 The definition of SMEs

2.2.1 The variety of definitions of SMEs

The key focus of study in this thesis is the small and medium sized enterprise (SME). As noted above, in this thesis the SMEs under consideration are "traditional" in nature; specifically those in the "bricks and mortar" and "bricks and clicks" categories, defined as those who would aim to maintain a physical presence in the marketplace regardless of their degree of e-engagement or e-enablement and with no intention of becoming "virtual businesses".

There is no single definition of an SME. UK Government statistics define SMEs as businesses with less than 250 employees (Department of Business, Enterprise and Regulatory Reform, "BERR", 2009). Other commonly used definitions also take turnover and balance sheet information into account, as discussed below. The wide diversity of definitions of SMEs has to some degree lead to difficulties in comparison between and within countries and in the production of meaningful, replicable and generalisable primary data. In this, the UK is no different to many others.

	Turnover	Balance Sheet	Employees
	< £M	NBV <£M	<
Small Company	5.6	2.8	50
Small Group	5.6 (6.72 Gross)	2.8(3.36 Gross)	50
Medium Company	22.8	11.4	
Medium Group	22.8(27.36 Gross)	11.4(13.68 Gross)	250

Table 1: Qualifying status for UK small or medium designation: must fulfil at least two. *Source: Companies Act 2006, Section 382 and 465*

The European Commission, (EC) amended its definition of SMEs in 2003 and on 1st January 2005 when it published a fifty page document updating, explaining and defining the term SME for use across the member states (European Commission, 2005, P.16). This gives much greater granularity in terms of the definition and recognises the concept of the micro enterprise. The BERR (2009) statistics break down the data into a variety of categories, including at and below the micro level. The two definitions are not, however fully congruent and this can, and has, lead to inconsistencies in research as discussed later in this chapter.

This inconsistency is recognised as a problem by the EC. In the 2005 document it states that, "*In a single market with no internal frontiers, it is essential that measures in favour of SMEs are based on a common definition to improve their consistency and effectiveness, and to limit distortions of competition. (EC, 2005)* This is largely in line with the UK definition, but with threshold rates quoted in Euros. It re-validated this on the Europa website on 12th December 2009 (Europa, 2009).

Enterprise category	Headcount	Turnover	Or	Balance sheet total
medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Table 2: Revised European Commission SME Definition. *Source: Europa, 2009*

Other commentators take a more cynical view and note that the new definition aims to reflect economic developments since 1996 and a growing awareness of the many hurdles confronting SMEs and attempts to:

- promote micro enterprises
- improve access to capital
- prevent abuses of SME status
- promote innovation
- Improve access to research and development.

Essentially, the headcount levels are unchanged, but the financial thresholds were overhauled. The logic for this was focused on the third point above, specifically targeting enterprises that are part of a larger corporate grouping abusing notional SME status and benefiting from SME support schemes. These, as noted in section 1.3 above, often have significant budgets. Not withstanding this, there are suggestions that the UK is close to receiving EC approval to the extension of the SME definition, although this is specifically in relation to research and development relief (Finance Director On-line, 2008) If successful, EC approval would see a doubling of the criteria for qualification to 500 employees and a turnover not exceeding €100m or an annual balance sheet total not exceeding €86m. The UK government recognises three broad "flavours" of SMEs according to their relationships with other firms: those that are sub-contractors, members of "clusters" and those that are "fairly independent" (BERR, 2008). In this instance, clusters are defined loosely as co-operative groupings of SMEs and specifically those operating through community portals, discussed below.

The British Bankers Association (BBA) embeds its own definition within the introduction of its voluntary code, The Business Banking Code (BBA, March 2008). Here small business customers are defined as sole traders, partnerships, limited liability partnerships and limited companies with an annual turnover of under £1 million, as well as associations, charities and clubs with an annual income of under £1 million. If the concern applying for a business account is a group of businesses, the turnover threshold applies to the combined turnover of a group of limited companies and not individual companies within the group.

Other jurisdictions define the conceptual SME in different terms This is unfortunate as it makes realistic comparison of findings between responses at best less meaningful and, in many cases, impossible as it appears that large tranches of respondent groups, e.g. what the EC would define as micro-businesses (see table 2 above) are not represented, or a significant number of what were defined as small businesses for the purposes of one questions are included in the statistics for medium businesses for another. As a result any attempt at causal linkage or meaningful cross tabulation and correlation are meaningless. Similar problems are identified in other research papers, e.g. those by Mohamad & Ismail (2009) and Taylor & Murphy (2004).

Though unfortunate, the reasons for this less than ideal research infrastructure is understandable. The funding for much of the research on SME engagement finds its genesis in a melange of public sector bodies. Many of these have different foci, metrics and expedients/targets which they need to demonstrate are being addressed.

This situation is symptomatic of the problems facing SME research in general and in the UK specifically, especially at the smaller end of the segment. It is reasonable to argue that this is a major contributor to the lack of authoritative data on SMEs. This is often further exacerbated by the default viewpoint that the Net is inherently a good thing for all businesses adopted by local, regional, national and supra-national governmental funding bodies (ibid).

Within this research, the situation with regard to Micro SMEs or µSMEs, as defined in table 2, is continually considered and compared with the finding in the literature with regard to SMEs in general.

2.2.2 The role and importance of SMEs.

The role and importance of the SME segment can be viewed on a number of different levels; financial, social and political.

Small and medium sized enterprises are the most prolific and, arguably, the most important element for the survival and stability in any economy and possibly it's most important engine for growth. The International Monetary Fund (2008) reported that 99.7% of all enterprises in the world are SMEs; by comparison only 0.30% are classified as large. Growing recognition of the economic contribution of SMEs has given rise to a large number of activities in many international organisations, both governmental and non-governmental. In June 2000, the framework of the preparation of the 1st OECD Ministerial Conference on SMEs was held in Bologna. This collected and classified information on the activities of international bodies and institutions, as well as NGOs, targeted at SMEs. (OECD 2000) By 2004, there had been a considerable increase in the amount of information available at the international level, reflecting new topics, new challenges, new actors and new policies relating to SMEs, although the situation was recognised to be likely continue to further evolve.

The creation of the OECD Centre for Entrepreneurship, SMEs & Local Development (CFE) in July 2004 offered a prime opportunity and a new momentum to improve the information environment. (OECD 2004) In 2008, they stated that there was a global recognition the importance of SMEs and *their "contribution to economic growth, social cohesion, employment and local development"* (OECD, 2008).

As noted above, statistical certainty when dealing with SMEs is difficult, however, a review of the literature suggests that, globally, SMEs account for over 95% of enterprises and 60%-70% of employment and generate a disproportionately large share of new jobs (ibid). Notionally, globalisation and technological change could potentially reduce the importance of economies of scale in many activities. If this were the case, the potential contribution of smaller firms would be even further enhanced. The OECD has specifically highlighted the difficulties for SMEs in exploiting technology, along with other "traditional" problems, e.g. lack of financing, constrained managerial capabilities, low productivity and regulatory burdens. They further note that the increasingly globalised environment "exacerbates the situation."

As all economies have the potential to gain from a more dynamic small business sector and because SMEs have specific strengths and weaknesses, the policy frameworks and the role of government, they argue, must evolve for SMEs to adapt to new pressures and reap the benefits of globalisation. This sentiment reflects some of the concerns raised in sections 2.2.1 and 2.2.2 above. Most importantly for research, the OECD is so concerned about the role of the SME sector they have established a working party which, among other areas of concern, gives special consideration to issues related to electronic commerce engagement (ibid)

As noted above, despite the perceived and reported importance of SMEs, accurate data is notoriously difficult to obtain. In the UK, for example, due to "resource limitations", statistics for SMEs are now only produced every other year. The 2008 figures confirm that SMEs account for more than 99.93% of the registered businesses in the UK and in excess of 56.9% of "UK Plc's'" total turnover of £1.6 trillion (Department of Business, Innovation and Skills 2009), compared to 49% of the turnover coming from the largest 7,000 businesses. For the purposes of this research, the BERR/BIS figures are taken as datum and clearly establish the pivotally important role SMEs play in the economic health of the country.

	Number of Enterprises	Employment (/1,000)	Employees (/1,000)	Turnover [1] (/£ million)
Whole economy				
All enterprises	4,871,290	30,154	26,081	3,219,313
0 or 1 employee [*]	3,767,145	4,347	736	264,913
2-4	641,175	1,935	1,680	214,784
5-9	238,625	1,651	1,554	182,798
10-19	125,400	1,730	1,679	196,148
20-49	60,370	1,872	1,839	258,584
50-99	18,975	1,322	1,314	177,425
100-199	9,385	1,312	1,307	173,310
200-249	1,950	436	435	75,665
250-499	3,795	1,317	1,314	278,689
500 or more	4,470	14,232	14,223	1,396,998

Table 3: Summary: number of enterprises, employment and turnover in the whole economy by number of employees, UK, start 2008. *Source: BIS*

The importance of the sector to the UK is not static but has shown consistent growth over the period 1994 – 2008 for which detailed figures are easily accessible online (BERR 2009).

The wider European context demonstrates equally significant numbers, again mostly based on old data, in this case 2005 figures, although not actually published until March 2008; internal consistency and statistical error will once again be an issue. There were almost 20 million enterprises active within the EU's 27 member states in 2005 in the non-financial business economy. The overwhelming majority of these, 99.8%, were SMEs, defined in this instance as having less than 250 employees.

Their relative importance was however lower in terms of their contribution to providing jobs and wealth, as 67.1 % of the non-financial business economy workforce in the EU was employed in an SME, while 57.6 % of the non-financial business economy's value added was generated by SMEs (Schmiemann 2008)

	Total	SME	Micro	Small	Medium	Large
No. Enterprises (Millions)	19.65	19.6	18.04	1.35	.021	0.04
Share in Total (%)	100	99.8	91.8	6.9	1.1	0.2
Persons employed (Millions)	126.7	85	37.5	26.1	21.3	41.7
Share in total (%)	100	67.1	29.6	20.6	16.8	32.9
Value Added (Billion €)	5360	3090	1120	1011	954	2270
Share in total (%)	100	57.6	20.9	18.9	17.8	42.4
Productivity (€ 1,000/ employee)	42.3	36.4	29.9	38.7	44.8	54.4
Relative to total (%)	100	86.1	70.7	91.5	105.9	128.6

Table 4: Key indicators for enterprises in the non-financial business economy

Source: Schmiemann 2008

In 2008, the government's Foresight group stated that the establishment of SMEs roughly offsets the closure of existing enterprises each year. They note that the "majority of SMEs that exist today will not exist in the year 2010" (Foresight 2008). This does not tie up with the trends in the figures quoted by the Department of Business, Innovation and Skills (2009), and is another example of the internal inconsistency bedevilling research into the sector as discussed previously.

2.2.3 Functional classification and sub-classification of SMEs for the research

Despite the demonstrable importance of the SME sector, there are a large number of issues that affect their study and understanding. There are notable problems relating to the lack of empirical evidence, internal inconsistency and skewing of data towards the larger medium sized organisations and an effective absence of granulation. For this reason, the author has eschewed the UK Companies Act 2006, Section 382 and 465 definition as detailed in table 1 and instead has adopted the EU "Europa" definition as given in table 2, which includes a specific category of *μSME* to allow for any issues arising from the micro nature of the case companies to be put into a clearer context.

2.2.3.1 Working definition of B2B/B2C

The terms business to business (b2b) and business to consumer (b2c) are common parlance and are used extensively throughout this research. For the sake of completeness, these terms are defines as follows:

➢ B2b companies engaging typically in commercial transaction with other business entities rather than with non-business related customers and consumers, such transactions representing at least 90% of total turnover.

➢ b2c: companies engaging typically in commercial transactions non-business related with customers and consumers rather than with other business entities, such transactions representing at least 90% of total turnover

2.2.4 Section summary

This section has addressed a number of key issues affecting the focus of the research. The degree of confusion associated with the terms SME/MSME was discussed and the variety of definitions and associated criteria applied both within and between jurisdictions was highlighted as being of major concern when attempting to undertake meaningful empirical research, especially at the micro and small end of the spectrum.

This confusion is compounded by the apparent lack of internal consistency in many studies. Definitions appear to be loosely applied across studies in many cases or completely changed between agencies that often then rely on each others figures. The situation is to some degree understandable given the lack of co-ordination, with many and varied organisations appearing to have or wishing to claim the remit of stewardship for the segment, given its size and importance.

The drivers of much of the research often appear to be fuelled by political/NGO agendas, starting from the premise that "e-engagement is a good thing" rather than an independent standpoint. The importance of the SME segment was next addressed.

SMEs constitute more than 95% of extant enterprises operating within the economies; the vast majority of this represented by micro and small enterprises having less than 10 (4.65 million) and less than 50 employees (4.83 million) respectively.

Finally, an effective definition and classification/sub-classification was identified and justified, based on the EU "Europa" definition, established in 2006. This allows for the research to be focused onto the largest category within the MSME population, which is also the segment on which the least data has been gathered and analysed and which, anecdotally, most enabling/funding organisation, and many commentators, claim has the most to gain from e-engagement.

Key words and phrases
SME/μSME
bricks and mortar Vs. bricks and clicks
*"..it is essential that measures in favour of SMEs are based on a common definition to ensure consistency and effectiveness" (*EU, 2005)
Promotion of micro enterprise
B2B/B2C

Table 5: Summary of key words and phrases from section 2.2

2.3 The Internet

2.3.1 Working definition of the Internet

A basic premise of the concept of e-engagement is the availability and utilisation by an enterprise of "information and communication technology" or ICT. In most cases and certainly as a focus for this research this is based on and primarily involves the use of Internet (Net) based applications. As with SME no single accepted definition of the term "Internet" exists.

The Internet may be described as a number of different beasts. It is undoubtedly a worldwide, publicly accessible series of interconnected computer networks, or "network of networks", carrying various information and services including electronic mail, file transfer, interlinked Web pages and other resources of the World Wide Web, itself defined as a system of interlinked hypertext documents accessed via the Net and created in 1989 by Sir Tim Berners-Lee, originally as an academic forum and "released" to the wider world in 1992.

The Federal Networking Council (FNC) gives a technical definition of the term stating that "Internet" refers to the global information system that:

> - Is logically linked together by a globally unique address space based on the Internet Protocol (IP) or its subsequent extensions/follow-ons;
> - Is able to support communications using the Transmission Control Protocol/Internet Protocol (TCP/IP) suite or its subsequent extensions/ follow-ons, and/or other IP-compatible protocols; and
> - Provides, uses or makes accessible, either publicly or privately, high level services layered on the communications and related infrastructure described herein. (Schulzrinne, 2009)

For the purposes of this research, the Internet is defined as: *" the generally globally accessible electronic platform, normally accessed via subscription to an Internet service provider (ISP), supporting not only interlinked Web pages and electronic mail, but also specifically developed architecture facilitating electronic business, commerce and general trading activities"*, as defined in section 2.3.2 below.

2.3.2 E-engagement and the e-commerce/e-business debate

2.3.2.1   e- Engagement

The notion of engagement is an interesting one to consider and as with so many of the issues related to the operation of SMEs means different things to different interest groups. Traditional definitions of engagement range from *"a hostile meeting of opposing forces"* through employment to contact by fitting together and the act of sharing in the activity of a group, or even a promise of marriage!

From the literature, all of these, with the exception of the latter, seem to be appropriate at some time in the context of SMEs. Indeed, Mason (2007) terms engagement *"the dreaded e-word!"* not least because of its nebulous nature. As with much in this area of research; a solid, meaningful, generally accepted definition is difficult to find. Despite an extensive literature search, where the term e-engagement is common parlance, crucially, lamentably few authors or commentators actually define the term, even though they are writing about it.

From the more academic perspective, Rosen et al (2005) defines e-engagement as *"a state of computer mediated communication connecting human actors with a collaborative technology and positively shaping the outcome of that CMC"*. She cites cross cultural issues as being key in the levels of e-engagement apparent in business and draws on the well known works of, among others, Kotabe (2003) (Cited in Rosen et al) in support of her thesis. Practitioner generated notions of e-engagement are no easier to track down. For example, G squared group (2008), define the concept as *"a bi-lateral communication with prospective and existing customers through the Web, email, blogs and other electronic media"*

They also note that it is *"one of the most cost-effective ways to both acquire customers and improve the customer experience. It's also one of most sustainable methods."* This claim may or may not be true; it seems that based on the levels of uptake alone, many SMEs, certainly at the micro end of the sector do not perceive this to be the case. The Australian National University (ANU) concurs with this finding stating that, *"this emerging area of practice and study has generated a range of competing terms because the technology and its impact is so new. It may be many years, if ever, before scholarship and practice moves towards agreement on terminology. In addition, its complex and often ill defined nature, combined with the highly dynamic nature of information technology, work against the establishment of a clear, unambiguous definition for e-Engagement."* (ANU, 2007).They note that this is true also for the public sector, although despite this the most fertile ground from the point of view of seeking any definition is the public/government sector. Some organisations in the sector seem to have adopted a standard definition across geographical boundaries stating that "e-Engagement is a term used to describe a process through which ICT is utilised to enable citizens to participate in decision-making." (NCESS, 2008).

The feeling seems to be that, whilst their focus is undoubtedly socio-political, Coleman and Gotze's (2002) statement that, *"The Internet has fundamentally altered the way we carry out our daily business, the way we do our banking, buy products and communicate with our friends and families"* is valid for the public sector perspective too. Chen (2007) defines e-engagement as "the use of information and communications technologies (ICTs) by the public sector to improve enhance and expand the engagement of the public in policy-making processes." He too highlights the lack of meaningful, agreed definition across both the public and private sectors. He also offers some insights into levels of adoption of the "e-project" by public sector bodies and echoes some of Rosen et al's (2005) ideas, as well as introducing some interesting *"environmentally deterministic"* arguments.

The Scottish Government have overtly sought to be at the forefront of e-engagement in recent years and base their working definition of e-engagement on work done by Macintosh (2003) on behalf of the OECD. They state that: *"by e-engagement we mean the use of ICT to support three main aspects, namely online information provision (e-enabling), e-consultation, and e-participation".* They also concur with earlier work undertaken by OECD which states that, "effective information provision is a prerequisite for both e-consultation and e-participation" (OECD, 2001).
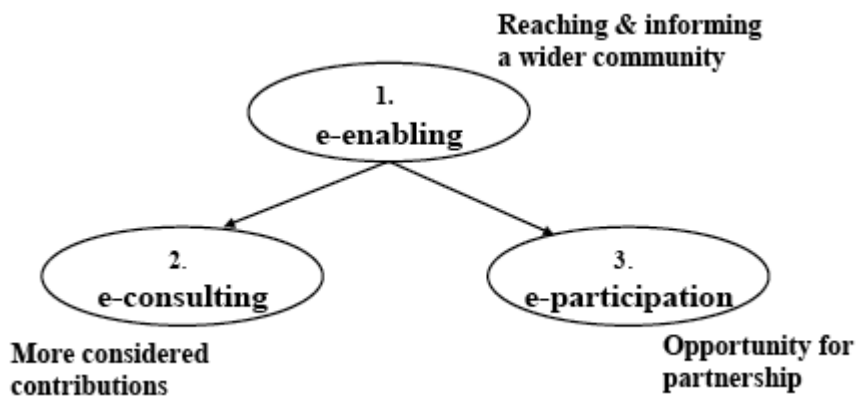
Figure 1: The three elements of e-engagement for government *Source: Macintosh 2003*

The National Centre for e-Social Science (NCESS) highlights the need to differentiate between engagement and outreach activities, to give greater voice to current 'non-users', and seek both currently engaged users and those not currently engaged to become involved at the planning stage of research rather than at end stage (questions like: "What do you do in your research and what would you like to do?" Instead of "Do you use this new product, and what would make you use it or not?"). They also stress the need to think of engagement as a process, rather than as an event, and as something cyclical (NCESS, 2008).

Macintosh (2003) states that there are 4 key objectives to e-engagement:

1. to reach a wider audience to enable broader contributions

2. to support engagement through a range of technologies to cater for the diverse technical and communicative skills of citizens

3. to provide relevant information in a format that is both more accessible and understandable to the target audience to enable more informed contributions/decisions

4. to engage with a wider audience to enable deeper contributions and support deliberative debate.

At first glance the first three of these appear to be transferable from public to private sector activity as logical reasons for the SME to seek e-engagement. On closer scrutiny, if one accepts the premise of authors on marketing communications since the time of Schram (1955) to the present day e.g. Fill (2009), participation of the target market segment in meaningful debate, i.e. feedback, is a crucial element of effective communications as a whole and promotional activity in particularly. In seeking an effective understanding of e-engagement, a comment by The Scottish Government (2005) is informative, *"To better consider the organisational aspects of the e-engagement process it should help to define the range of actors it may involve."* In the true spirit of e-engagement, this document is only available online!

Bianchi et all (2006) attempted a comprehensive definition under the term "e-inclusion" and quote Kaplan (2005) as defining the term as *"the effective participation of individuals and communities in all dimensions of the knowledge based society and economy through their access to ICT, made possible by the removal of access and accessibility barriers, and effectively enabled by the willingness and ability to reap social benefits from such success"*

Before seeking to offer a fully functioning definition of e-engagement however, it is necessary to consider the twin concepts of e-business and e-commerce, as these are inexorably linked with the e-engagement process.

2.3.2.2.   e-business vs. e-commerce

As with so many terms in common parlance, the definitions of these two elements have become blurred in common usage, with many notable commentators, academic and practitioner, incorrectly treating the two as synonymous. An e-business site may be very comprehensive and offer more than just selling its products and services. For example, it may feature a general search facility or the ability to track shipments or have threaded discussions.

 In such cases, e-commerce is only the order processing component of the site". Locket and Brown (2005) noted that e-commerce as a concept had matured and can be defined as *"the use of electronic communication networks to transact, process and collaborate in business markets"* and that this definition now *"incorporated e-commerce"*

2.3.2.3   Definition of e-engagement

Drawing on the range of e-engagement literature, in the context of this thesis e-commerce is defined as, *"The transaction of business over an electronic medium especially the Internet"*. E-business is defined as, *"The use of electronic information technologies on the Internet to allow direct selling and automatic processing of purchases between parties"*.

E-engagement is therefore defined as, *"The level to which an SME participates or is involved in either e-commerce or e-business"*

2.3.3   The relevance of the Internet to SMEs

2.3.3.1   Why the Internet?

There is a wide discussion in the extant literature regarding the importance of the Internet in marketing and running businesses, both small and large, although much appears to be based on generalisation and received wisdom, rather than on empirical observation. The Internet has introduced a range of innovative behaviours, both from the business and the customer perspective, with the degree and ease of analysis relating to these ranging from the in-depth to the superficial. (Fill 2009, Berthon et al 1996; Morgan 1996)

This analysis has been eagerly undertaken and developed by research agencies, although with little consistency as reported in 2.2.2 above. These agencies have established detailed demographic and propensity weighting models to support this perceived importance however, as Cooke (2002) notes, these seem not to be particularly on the mark with regard to SMEs. Others too have extolled the virtues of the Net as a marketing tool for SMEs, although a significant degree of self interest is apparent in much of the literature, with organisations as diverse as Microsoft, Dell Computers and The UK government, trumpeting the value of the Net to all.

Many academic commentators too in the late 1990s and early years of the new millennium promulgated the promise of unprecedented benefits for businesses as a whole and SMEs in particular with an almost apostolic zeal, but without a great deal of empirical back up. To some degree, the mantle of "e-evangelist" has now been taken over by the public sector, although Taylor & Murphy (2004) notes that, *"Government preoccupation with the take-up of the technology of e-commerce needs to be tempered with a more realistic view of how small firms operate."*

In some cases, the propensity of certain segments of the general public to use the Internet as a business conduit, especially in the B2C market has been highlighted as a major plank in the relevance debate for SMEs, however, work by Brown as long ago as 2001 found that "consumers' fundamental shopping orientations have no significant impact of their proclivity to purchase goods on line." (Brown et al 2003)

A similar line of thought is followed by Harland et al (2007), who note that despite the fact that the literature extols the potential benefits of e-engagement, especially with regard to supply chain integration, adoption by MSMEs has not reflected this. That is not to say that the benefits do not exist for some, indeed they go on to note that the larger businesses are forging ahead, reaping the benefits in what they term "e-isolation" and creating for themselves "e-Lands" from which the smaller organisations are effectively excluded.

The size of the business is often cited as a major factor in e-engagement, the smaller ones being perceived as being less likely to engage. This has little empirical validity when viewed in terms of the vastly disproportionate number of micro and small businesses. In absolute terms huge numbers of smaller enterprises are not e-engaged.

2.3.3.2   The logic for e-engagement

Some twelve years ago, Palumbo and Herbig (1998), were suggesting the need for businesses to adapt their marketing focus in the light of the impact of the Internet, citing global branding, channel conflict, organisational structure, increased competition and payment methods as just some of the key issues.

One of the clearest statements as to the logic for e-engagement is offered by Porter (2001). He notes, *"The key question is not whether to deploy Internet technology – companies have no choice if they want to stay competitive – but how to deploy it."* The answer to this will surely have an impact on the level, type and cost of engagement decided upon. The literature is rich in anecdotal evidence, received wisdom and business models, but light on research based findings. It is easy to recite a litany of pros and cons for a Web presence ranging from the financial, e.g. potentially reduced communications costs per thousand, to the purely marketing; increased accuracy in measuring and evaluating customer interaction.

There are two main areas of impact by the Internet on business processes, namely communication and distribution (Warrington et al 2000, Fill 2009). These appear sensible from an intellectual standpoint although much anecdotal evidence appears to indicate that the "logic" applied by SMEs is very much of the "Me Too" school of thought (Vescovi, 2000).

Schiemmer & Webb, (2009) note a similar situation to that described ten years ago by Hart et al (2000), namely that the majority of SMEs in general, and in UK retail business in particular, where they are e-engaged limit engagement to corporate or product communications. Iqbal & Zaghim (2007) in a survey of Swedish SMEs found that 61% of SMEs interviewed cited providing product information, and 58% corporate information, as the logic for e-engagement.

Less than 25% had the capability to take orders over the Web and only 22% felt that improving their existing site was a priority; although they do not define what "improving" means. The new horizons offered by the Internet undoubtedly presented businesses and customers with a range of new challenges (Gunn 2000; Rowley 2000). In some cases customers are adapting more quickly to these than the companies they purchase from (Warrington et al. 2000; Porter 2001; Sinden 2001; Roberts 2001).

A generic B2C would suggest that the perceived drivers seem to be gaining in importance, especially at the local level. Research undertaken by A.C. Nielsen's "Netsearch" arm found that, in the USA, 24.4% of those undertaking searches on the Web conducted searches that were entirely local in scope (Nielsen, 2009). A marginally lower, but nevertheless substantial figure is reported more recently by another independent research company in the USA. Kelsey Group cited by Wilson, (2005) note that 74% of respondents to a US wide survey confirmed using the Net for local searches and further suggest that a figure of 20% of all searches are local in focus. Levenberg et al (2005) suggest an inverse relationship between enterprise size and Net usage for marketing purposes. They state that the smaller firms in their sample of 395 American SMEs attached greater importance to the Net as a business research resource rather than a communication tool. They further note that the case is reversed for those businesses at the upper end of the SME range.

Chitura et al (2008) using a literature based approach, suggested that the most significant factors cited for SME e-engagement are the perception of benefit and barriers to operationalisation within the company. This notion was promulgated by a number of earlier authors, e.g. McCole & Ramsey (2005) who identify six factors in attempting to develop a predictive tool for determining likelihood to e-engage in professional service firms:

- Response to technological environment/perceived opportunities afforded by new technology,

- Negative attitudes/perceived barriers,

- In-house capability,

- Innovativeness,

- Customer orientation and sensitivity to competitive/customer environments.

Some commentators, e.g. Furlong and Marsh (2005), suggest that the logic for e-engagement differs between B2B and B2C focused businesses. He states that B2B engagement is legitimised by *"hyper-competition and important bottom line imperatives",* B2C having more to do with *"the vagaries of consumer tastes and the perception of convenience offered by new technologies".*

Gordon (2006) supports this view as do the authors of the EU and UK government backed "Usher Project". This latter initiative was developed with the specific aim of transforming "business advisors into e-business advisors" (EU, 2005).

There appears to be little rigour in the assemblage of the findings and the conclusions appear at best to be simplistic and at worst contradictory across the piece. This is as noted above, symptomatic of much of the published literature in the sector. The general consensus seems to be that regardless of the business model, successful engagement with Internet based customer-facing applications relies on the level of interaction offered to both the one-to-many and one-to-one audience as well as the competence to research, target and reach and appropriate audience. The emergence of social networking as a phenomenon is cited by some as a "leveller" between the two models. Raymond and Bergeron (2008) state that the "ideal" e-engagement profiles vary in the relation to the firms' strategic orientation, specifically whether they would categorise it as "of the defender, analyzer or prospector type". They further note that e-business alignment has positive performance outcomes for some SMEs in terms of growth, productivity and financial performance.

2.3.4 The Internet as a business platform for SMEs

The notion of e-engagement as a conduit to engagement with the Internet as a novel business platform is one that has been promulgated since the establishment of the Web. As noted above, this thesis focuses on "bricks and mortar" businesses, i.e. physical businesses with no intention of becoming a solely virtual or Web based business. Even within this category however, a number of themes may be identified under the heading of "business platform."

The various issues and overlaps between e-commerce and e-business have already been discussed in section 2.3.2.2 above. The levels of e-engagement may have some link to the perception of the Web as a valid platform at a number of given levels by the SME and consequently may have an impact on, or by corollary be impacted upon by, the strategy of the business.

Several commentators over the last decade have given the justification of the Web as a "business platform" within the engagement debate, e.g. Hughes (2009), Sadowski et al (2002), Mauri & Michaels (1998), The comments to some degree reflect the prevalent zeitgeist; EDI, EDT, EPOS, on-line ordering, on-line order tracking, etc. Attention has also turned to issues associated with search engines and their impact on the platform itself, e.g. Quinton & Ali Khan (2009), Murphy & Kielghast (2008) focus on the use of search engines by MSMEs and their interaction with them, especially in the hotel sector to make their services and products more visible and easier to find for existing and potential customers.

2.3.5 The drivers of e-engagement for an SME

Having considered in general the relevance of and logic for engagement with the Internet as a business platform, it is now possible to look at the particular with regard to specific drivers for SMEs at both the sector-specific and business-specific levels. Despite the paucity of quality data, SME-specific research has traditionally been undertaken with greater emphasis in the B2B arena, especially where this research has been publicly funded. Bodies such as OECD, the Queensland Government, EC and The Scottish Executive have invested heavily in researching the practice of B2B e-commerce.

Some interesting findings have come from these research activities. Data from the "e-commerce and ICT usage by European enterprises" survey (EU 2002) in particular has yielded some useful data. For example, one of the main benefits identified in support of the Net is as a channel for SMEs is transcendence of borders (Fill 2009, Smith 2001). In the EU however, more than 75% of e-commerce, i.e. Web-enabled sales, are within the country of origin of the suppliers. Such statistics however need to be viewed with care and the underlying assumptions and methodologies harmonised; the EC like most governmental bodies is guilty of a degree of analysis paralysis. For example, the Use of Information and Communication Technologies in Enterprises in 2008 survey (Eurostat 2008b) notes that almost 75% of all enterprises in the EU 27 have a web site.

In the same year, the Internet access and use in the EU27 survey (Eurostat 2008c) note that only 60% of households have access to the internet and only 30% use internet banking, with these skewed heavily to the more developed original member states. Publication of the proceedings of the 2009 European Consumer Summit showcased research stating that only one third of individuals in the EU27 shopped on the internet in 2008 (Eurostat 2009a) with Travel and clothes being the most popular purchases. The Internet access and use in 2009 survey finds that one person in two in the EU27 uses the internet daily, for "young people" this proportion is three quarters. (Eurostat 2009b). Despite these figures, the Information and Communication Technologies survey 2009 finds that e-commerce accounted for only 12% of enterprises' turnover in the EU27 in 2008. (Eurostat 2010)

As discussed briefly above, the Net can be viewed as both a channel and a marketplace in its own right. This market place can take a number of forms; the two most common being the B2B e-marketplace and the "community portal". The latter of these may take the form of either a B2B or B2C arena (Parker, 2002). The concept of B2B e-marketplaces has changed dramatically, although the main attractions remain the same: access to better deals and large-scale disintermediation. In large-scale commerce, and to some degree at the very top end of the medium sized group, there is anecdotal evidence, especially in the developing jurisdictions of S.E. Asia and the Indian sub-continent that these are becoming of greater import. In 2002 however, the EU noted that take up is slow, except in some specialised industries such as chemicals. It concludes that SMEs are essentially reluctant to become involved in this marketplace.

It suggests many barriers exist to prevent SMEs taking advantage of the Net in this way and, crucially, defines these in general under the banner heading of the "trust issue"(EC, 2002). It also offers some statistics in support of its assertion, noting that rates are low and that wide geographical variations exist in uptake. Examples of this are, as a percentage of on-line purchases by SMEs; <1% in Italy to 16% in Sweden and for on-line sales by SMEs <1% in Italy and Spain to 7% in Germany. This trend was again identified by the EC via Eurostat in 2004, 2007 and 2009. (Eurostat 2004, 2007, 2009a)

Ten years ago, Blackmon (2000) noted that the use of the Net may be more prevalent in certain types of industry, and the benefits and disbenefits associated with it may well also be sectorally determined. The degree of functionality that the company desires and requires is also a key element in understanding the context. Two years later, Blackwell (2002) agreed, stating that, using basic marketing fundamentals, *"anyone could have predicted which products would sell well on the Net"*. He further pointed out that the Internet represents an evolutionary force in marketing rather than a revolutionary one; "*similar in many ways to the introduction of the telephone 100 years ago"*. His major premise was that, for most products and companies, a Net presence represents, at best, a brochure opportunity: This has become an area of great interest again more recently, especially with the work of Taylor & Murphy (2004) and Murphy & Kielgast 2008)

A counter argument to that was however offered by Kitchen (2007) when he posed the question "who goes on line to research where to buy frozen peas?" Clearly the implication here is that the degree of involvement, i.e. the emotional and practical level of time investment an individual is prepared to make in researching, filtering and making choices associated with a purchasing decision, has an impact on the degree to which the Internet will be utilised. This would intuitively seem to hold for both industrial and personal purchases. The business model adopted, at least with regard to potential expansion, would appear to have some impact here also (Levy et al 2005). Often levels of involvement in product search and purchase are equated with price, often also used as a surrogate of value (Smith 2004). The logic here can be skewed as perhaps other emotional drivers, e.g. issues such as free trade or ethical sourcing may be on the purchaser's agenda thus raising the level of involvement beyond what may normally be assumed logical for the product involved.

More recently, Simmons et al (2008) noted that evidence continued to mount on not only the importance of SMEs to national and international economies but also the *"opportunities presented to them by the Internet"*, and they emphasise the need to understand the key determinants of adoption and engagement. They are firmly of the opinion that the generalist approach to understanding engagement is flawed and that sector-specific research is the way forward; choosing to focus onto the SME agri-food industry sector. The paper is interesting especially as it treats the adoption and utilisation issues separately. As discussed in 2.3.3.2 above, many SMEs "adopt" the Internet on a "Me Too" basis, but do not engage as much in seeking to utilise the Net as a tool. Simmons et al (ibid) argue that SMEs must *"develop an awareness of the efficacy of the Internet for their business"* and that *"a subsequent dynamic strategic approach in adoption and utilisation"* needs to be effected.

They note that, in the agri-food sector as an example, "the lack of marketing ability and negative industry norms prevalent within a developed economy" will impact negatively on engagement. They suggest that public or central funding may be of use in addressing this, although that does tend to lead to a circular argument given their opposition to generalist approaches and the problems associated with publicly funded schemes. This is not supported by Burke (2009), also working in the agri-food sector and is also at odds with the earlier views of Taylor and Murphy (2004) who note that, *"Government preoccupation with the take up of technology needs to be tempered with a more realistic view of how small firms operate."*

One of the few statistical empirical studies on engagement, undertaken by Kaynak et al (2005), cited in Krishnamurthy and Singh (2005) reports that, while they agree with that perceived benefit is a major driver of adoption, industry specific factors did not appear to have any specific impact on adoption /engagement; a cause championed Simmons et al (2008).

2.3.6 The economic arguments for e-engagement

Simmons et al (ibid) argue that SMEs must, "develop an awareness of the efficacy of the Internet for their business" .As noted above, cost reduction and economic efficiency are much vaunted aspects of the Web.

It is also viewed as a channel and potentially a market in its own right; a dichotomous and not necessarily entirely symbiotic relationship which consistently surfaces as a theme in the literature. Strauss (2001), for example suggested savings of ten to thirty percent in operating costs as a direct result of e-engagement. In common with much of the literature, these predictions tend to focus on the operations of large-scale enterprises. Kennedy and Deeter-Schmeltz (2001) point out such estimates tend to rely on evidence that is, at best, speculative. Some nine years on, still little empirical/accounting evidence exists to support this in the SME space; although Raymond and Bergeron (2008) do offer perhaps the only empirical data in relation financial benefit to SMEs currently e-engaged in the manufacturing sector in Canada.

One way in which a Net presence may aid the cost reductions sought by all businesses in the constant drive for efficiency could be in the impact on the sales force. Maclean (2007) suggests that the sales team represent the most significant element of sales and distribution expenses but is, nonetheless, crucial to the enterprise. Sheth &Sisodia (1999) rejected this logic and posit that the Internet may well supplant the use of salespeople. Rocks (2000) on the other hand cites the case of one manufacturing company which uses the Net extensively in interfacing with its customers at a variety of levels, but feels that the sales team assist "in moving the customer beyond the price concern to the benefits of the offering". Maclean (2007) supports this view explaining that the Web site does not effectively differentiate the product and that the sales force can add significant value in more complex situations.

Berthon et al (2003) also propose the notion that the impacts on transaction costs are profound. This notion relates to the removal of imperfect information in the market, termed "policing and enforcement costs", allowing the purchaser to compare prices in brochure format between providers on the Web and thus policing the market.

Enforcement relates to the level of communication that the Net allows individual purchasers, e.g. chat rooms allowing purchasers to alert others to issues or problems associated with particular suppliers. This is seen as assisting the achievement of commitment, as conduits via these areas to feed back to suppliers what they should be doing to improve their offerings. Legal and compliance requirements are also an issue here, and the cost reduction opportunities are not missed by the authors; e.g. via on-line billing/confirmation/purchase ordering and audit trails.

Most similar studies relate to the "upper end" of the SME bracket, i.e. the larger exponents of the title, and are normally associated with internationalisation, (Gummesson & Polese, 2009, Levy et al 2005, Eid and Truman 2002).

2.3.6.1   Questioning the economic benefit

Since the earliest days of e-commerce, the debate over the validity of the opportunities, especially those related to cost reduction or other economic benefits, offered by the Internet to SMEs has waxed and waned (Burke 2009, Schiemmer and Webb 2009, Kula and Tatoglu 2003, Vescovi and Iseppon 2002, Vescovi 2000, Day 1996, Quelch and Kline, 1996).   Many cite the high failure rates recorded when bricks and mortar operators attempt the transition to life in the virtual arena and the better rates of return on investment offered by more traditional communications media. Schiemmer and Webb (2009) also highlight the dangers of over investment in web engagement Others, (Van Der Veen & Wakkee, 2009, Kohler 2000, Strader & Shaw 1999) note substantive benefits from developing a Web presence. They highlight the apparent economic incentives, although increases in transaction risk exposure may be experienced; and comment that in the new millennium, speed is of the essence and that e-business can help to increase revenue, reduce risks and manage costs, critical to maintaining competitiveness.

Others still (Al-Qirim, 2007a, Al-Qirim, 2007b, Aguila-Obra & Padilla-Meléndez, 2006, McCole (a). 2002, Seybold et al. 2001,) note that the SME needs to be proactive in order to take full advantage of the Net, not only establishing a Web presence, but also merging an online trading capability with a wider communication network and suggests that strategic intent is the major element affecting the SME decision to invest or not in e-business applications.

Whilst seemingly "old news" in terms of the date of publication of some of these studies, little empirical recent data exists to support the notion of effective cost reduction for SMEs in e-engagement. Anecdotal reports abound, many of them issued by governmental/QUANGO sources e.g. the Usher Report (EU, 2005, Wired Wessex 2008).

There is undoubtedly a degree of self interest in the promulgation of such beliefs, but once again the difficulties associated with measurement, definition and access make meaningful statements difficult to make. Opportunities undoubtedly exist for cost reduction across a range of activities, as they do for more efficient sales and communications processes, but it is clear even to the casual observer that these are not necessarily universal and may be impacted by business model, size of business and, most crucially customer base.

2.3.7 Internet Portals

One of the ways that many governments and agencies have sought to encourage e-engagement is through the establishment and funding of Internet based "community" portals. Traditionally, portals were designed to be "gateways" to the Internet. They may have a link to a search engine, a subject directory, and may provide other associated services such as news, weather, entertainment information, or stock market information in order to encourage users to visit, or even to set the portal as their home page. Many portal sites provide an option to customize the site according to the user's personal interest.

Rao et al (2001) looked at the development of portals in India. Since then, others have also focused on them: (e.g. Parker, Downie & Manville, 2010, Lynch et al, 2007, Parker 2002a). Three basic categories can be identified:

1. Horizontal: A portal that offers a broad range of content and services. Sites like Excite, Net-centre and Yahoo!, with a broad interest base, are considered "horizontal portals." (Lynch et al, 2007)
2. Vertical: A portal that offers content and services aimed at a specific group; the Net can be viewed as both a channel and a marketplace in its own right. This market place can take a number of forms, the two most common being the B2B e-marketplace and the community portal. The latter of these may take the form of either a B2B or B2C arena. (Parker 2002a)
3. An internal Web site on a corporate network that offers content and services aimed at the company's employees

There appears to have been some shift in the nomenclature over the last eight years; for example, Johnston and Ollivier (2007) note that corporate portals or Vortals are a threat to the giant consumer portals.

They serve not only as a resource for news and research, but also support business-to-business services by uniting buyers and sellers and enabling transactions. Despite the constraints of infrastructure, Internet access and low awareness, they note that the *"portal rush resembles a gold rush with the phenomenon of "get-online, get-rich."* He concludes that the future is for *"niche portals that cater for sophisticated users, provide knowledge for competitiveness, and adopt new technologies, connective issues and local content."* This need to be locally aware is particularly interesting as it crops up again in a recent study by Gengatharen (2008).

A trailblazer in this type of approach to encouraging e-engagement has been Australia, driven perhaps by both its physical and psychological environments. Parker (2002a and 2002b) has written extensively on the development of these portals for SMEs and has also considered their impact on the take up of other ICT applications with this author (Parker and Downie, 2004). Rowley (2005) took the portal argument to the next level and used the estate agency sector as a case study in which the Internet business model has evolved from *"experimental dot.com towards the integrated use of the Internet to enhance service delivery."* She concludes that portals add value by providing content additional to the specific search term. They may also offer enhanced facilities, e.g. single estate agencies, agency chains, customisable search facilities and opportunities for registration, which support personalisation of communication with customers and are a positive benefit. Individual estate agencies/chains, she argues, generally have less developed, but adequate Web sites. She casts the sector as having evolved through the three stages of experimentation, promotion and customer service. She also identifies a fourth and final stage, optimal integration of the Internet into business functions, which she claims is the target of the sector for the future. This has clear links to the idea of staged models of adoption. Zahir et al (2002) sought to examine the impact of culture on the success of portals, although they tended to look at large, nationally focused setups, within which SMEs played only a very limited role.

Gengatharen (2008) offers a review of the success of the portal approach, and is interesting in that she too considers the impact of cultural factors on success or failure, studying three Western Australian government-funded, regional Internet community portals. These were designed with the specific aim of encouraging SME adoption of e-commerce. Two portals were rural/country-based and the third was in a metropolitan area. In terms of Hofstede's cultural dimensions theory, Australia with cultural traits of high individualism, masculinity, low power distance and moderately low uncertainty avoidance, would on the face of it be an ideal environment for the adoption of technological innovation. In such a culture, the individual's perceived usefulness and personal gain would logically be the main drivers in technology acceptance (Hofstede 2009).

This research highlights a need for caution in using national culture to examine e-engagement. Interestingly, the collectivist culture of the rural communities was seemingly instrumental in initially sustaining their portals, as participants placed the community's perceived usefulness and gain from the portal above that of the individual. The individualistic nature of the owners and the communities catered for by the metropolitan portal resulted in its failure. This suggests that a one size fits all approach to explaining engagement, or the lack of it, may not be the most useful approach. For example, while culture in this case was shown to be an important construct in the success of community-based portal, it must be considered at the local level.

Portals are an immensely interesting area which merit significant research in their own right. As an entity, they are able in some cases to facilitate e-engagement by SMEs of all sizes, especially given their externally funded nature. Their effectiveness and long term viability appears to be moot. Conflicting evidence and outcomes that may be impacted by a variety of influences including culture, business environment, business model and general movement of the industry sector within which the individual SME operate undoubtedly impacts.

2.3.8 Recent developments in engagement modes

There have been a number of innovations over the last two decades that have sought to encourage e-engagement.

The two most high profile innovations in terms of engagement for SMEs, especially those at the micro end of the market, are the development of social networking sites and applications such as Telnic.

2.3.8.1   Social Networking

Boyde and Ellison (2007) define social network sites as "web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site".

Social networking may perhaps be better termed a phenomenon than a development. MySpace is the most visited Website in the US with a reported 111m users, accounting for 5 per cent of all Internet visits. The UK based site Bebo had 25 million members worldwide, was the sixth busiest site in the UK before being bought by AOL for $850 million in March 2008 (Sweeny, 2010). By April 2009, traffic had surged by 50 % and the business had grown by 148 % over the year. (Social media statistics 2009). It is interesting to note however that Companies House figures for the year ended 2009 show that turnover fell 29% year on year, from £8.8m to £6.2m, for the period, while operating profits were down 32% from £798,560 to £541,268. Post tax losses are even greater leaving a consolidated loss of £1.1million. AOL is now reported to be considering selling or shutting down the business (Sweeny, ibid).

Anecdotally, many feel that social networking is a "young persons' game". This however appears not to be the case. In the UK, Ofcom's 2006 and 2008 communications market reports showed that, in terms of demographic, it is not only the young that use social networking sites. It revealed that 41 per cent of all UK

Internet users aged 25 and over has a social Website homepage. This is in addition to the 70 per cent of all 16-24 year olds signed-up to social networking sites.

The most popular internet activity among older people is 'communication' (using email, instant messaging and chat rooms for example); 63% of over-65s say they communicate online, compared to 76% of all adults.

Older people generally engage in a narrower range of internet activities than younger people, with the exception of using the internet for transactions (42%), news (22%) and contributing comments to someone else's weblog (21%), where they are just as likely to engage as the population as a whole. (Ofcom 2006, 2008).Harrris and Rae (2009) note that, since anyone can be a member, including businesses, social networking sites offer SMEs an excellent opportunity to adapt campaigns and messaging for community members.

Rank	Site	Monthly Visits
1	Facebook.com	1,191,373,339
2	Myspace.com	810,153,536
3	Twitter.com	54,218.731
4	Fixster.com	42,744,438
5	Linkedin.com	39,630,927

Table 6: Top five Social Networks by monthly visits (January 2010) *Source: Compete.com*

McLaughlin (2006) notes that "the age of the active surfer is in full swing and the exponential growth of networking sites is heralding a new dawn for tech savvy SMEs" She goes on to note the opportunity to augment normal above-the-line marketing techniques via social networking sites that she feels directly influence customer buying decisions. She makes an interesting point that the potential to exploit this medium relies on understanding the environment. "In the realms of user generated content, money isn't as important as the currency of style and approach - brands are measured by the same criteria as any other member of the community" She further posits that social networking sites offer SMEs an excellent opportunity to tailor campaigns and messaging aimed at "community members."

By tapping into a culture of advice, relating good and bad experiences and relaying the latest news, brands can take advantage of the huge numbers of people using these sites. This promotes their product, and keeps readers informed of developments, launches and special promotions.

There is a parallel in the community nature between the social network and the notion of the portal discussed above. The main difference is that the community is diverse in nature, formed of consumer as suppliers rather than being established by the business community, or those with access to funding and an agenda to promote e-engagement. The interactive and dynamic nature of the social network should, logically offer SMEs an opportunity to catch the "zeitgeist". Some have been very successful in doing so, especially through viral marketing campaigns. Tools such as blogging too may offer an effective way to communicate directly with the target segment

McLaughlin (2006) emphasises that users of social network sites won't shy away from letting people know about their positive, and negative buying experiences, and with the sheer number of people in the community, 'word of mouse' promotion has never had such reach. Frost et al (2010) also notes that, as long as businesses are aware of potential drawbacks, overall the benefits outweigh the negatives. He cites as an example the potential for a disgruntled customer to report to the community. He suggests that this would in itself engender better attention to customer service and concludes that SMEs are best positioned to take advantage of the social networking revolution. As noted above, the possibility of a campaign becoming 'viral', i.e. with forum users and Web page owners pushing content that catches their eye to other members of the community, is a prize most businesses and especially SMEs would relish.

Weiner (2008) (cited by Reding, 2009) reports that small firms are increasingly keen to market themselves via social networking sites. She cites research by BT "Tradesplace" showing that 15% of small firms are now promoted on social networking sites compared to just 7% at the beginning of the year and that start-up companies log on the most with one in five (22%) using social networking sites, compared to just one in ten home-based (13%) and growing businesses (11%). More recently, the information society and media commissioner of the European Commission also supports the use of social networks by SMEs.

Reding, (2009) further states that: *"the internet and social networking are good ways for small to medium-sized enterprises to enhance their connectivity and drive business"* She identified *"three key drivers in the future use of the internet: social networking, the 'internet of things' and mobile internet"*

2.3.8.2   Telnic

Telnic uses a new form of Top Level Domain Name or TLD (e.g. .com,.Net) in the guise of the .tel suffix. The innovation associated with the new TLD is that .tel domains can store all types of contact information including telephone numbers, Web addresses and social network usernames as well as multi-lingual keywords in a single place. (Taylor, 2008) Conversely, the data stored in the .tel domain is accessible from any Internet connected device simply by pointing a browser at the .tel name and the contact details become 'hot' links so, if using a smart phone for example, clicking on a telephone number will launch a call.

The new TLD enables the storage, editing and publishing of contact information, Web links and keywords under a unique .tel domain name directly on the Internet without the need to create a Website. The concept is being marketed as a 'live' global Yellow Pages directory or communications hub that crucially leaves control of the contact and other information in the hands of the domain owner. Telnic offers a utility that that is significant to everyone that carries a cell phone, PDA, uses social sites or surfs the Web. He states that, "It's not even a domain name, in the traditional sense. For many people, their ".tel" will be the first domain they own, whether they are companies or individuals, whether they're 16 or 86" (ibid)

Huges (2008) writing in the IT practitioners publication, The Inquirer, suggests that the ".tel" TLD is a new communications hub, and is different in the way that a user can effectively avoid Website use when publishing live information to the Internet, it also enables secure sharing and "true personalisation" of online services. Telnic in late 2008 also released beta versions of applications that can be used on Blackberry devices, i-phones and Windows PCs which are free to download. The .tel domain was formally launched on 24th March 2009. As it nears its first anniversary, there is little detailed information of uptake or operation.

There is some "chatter in the blogosphere" and a few posts on dedicated community fora and notice boards, but little hard data as of the end of January 2010.

2.3.9 Section summary

This section of the literature review is inevitably wide ranging as it deals with the concept and constantly changing reality that is the Net. It considers literature focusing on fields as disparate as drivers to engagement, engagement modes, perceived benefit, cultural impacts and considerations and relevance to SMEs/µSMEs. Once again a re-cap of the key words and phrases identified in the section will assist in developing the analytical framework to be followed later in the research.

The internet (Net).
Integrated communications technology (ICT).
e-engagement, e-inclusion.
e-business/e-commerce.
"The key question is not whether to deploy Internet technology – companies have no choice if they want to stay competitive – but how to deploy it". (Porter, 2001)
Relevance of the Net to SMEs/ µSMEs.
"Government preoccupation with the take up of technology needs to be tempered with a more realistic view of how small firms operate." Taylor and Murphy (2004)
Social Networking, Telnic, new e-engagement modes.
Defender/analyser/protector (Raymond and Bergeron, 2008)
E-business platforms, portals.
The impact of culture/age/gender/education.
"who goes on line to search for frozen peas?" (Kitchen 2007)
"Me Too".
Perceived benefits/ industry specific factors.

Table 7: Summary of key words and phrases from section 2.3

2.4 The need for strategy

2.4.1 Introduction

Despite the apparent disagreement in the literature of the benefits of e-business for SMEs, there appears to be a consensus with regard to the need for a strategy to be established before e-engagement. As long ago as 2001, Porter notes; *"The Internet can be a critical factor in enhancing a firm's market reach and operational efficiency"*. However, as he points out later in the article, operational efficiency is not strategy. Porter (2001) Not withstanding this, there appears to be an international recalcitrance on the part of the SMEs to actually develop a strategy. For example, a recent Canadian paper (Canadian Electronics quoted in Raymond & Bergeron, 2008) found that 77% of SMEs expected the Internet to have a positive impact on their business over the next two years, yet only 32% had developed a strategy relating to their Internet presence.

2.4.2 The impact of regional, national and trans-national bodies

The majority of governments seem to have been very proactive in encouraging SMEs to participate in innovative schemes. The Australian Government has been heavily involved in the promotion of community portals (NUA Survey 2002; Parker 2000b, Parker 2002). SME-focused research in Australia suggests that 43% initially went on-line to promote the company, with 60% of respondents stating that a Web presence made their business more effective. This is in stark contrast to the Canadian case 29 % of small companies and 47% of medium sized companies receive orders via the Web.

This is perhaps not that surprising given the hype and novel nature of the Web. Indeed, as Porter (2001) notes, many companies, both dot-com and established, have *"violated every precept of good strategy"*. These he defines as*: "the right goal, focus on delivery of value proposition, development of a distinctive value chain, realistic trade offs elemental fit and continuity of direction."* These companies, he argues, are trading short term on a false perception of first mover advantage and are, in fact destroying value and undermining the structure of their industries.

The latter is perhaps of more concern to the SME. Similarly, in the US, The federal "BuyUSA.com" in 2010 continues to encourage SMEs to engage with the internet across the NAFTA trade area to ensure *"The most effective marketing opportunities"*

This is a view echoed by Scheimmer and Webb, (2009), who suggest that, for the most part, e-business is not about new business models, but rather about the adaptation of existing ones and establishing compliemntarity of strategic assets. It should be a key business issue and should be at the forefront of business strategy. This does not appear to be the approach that most research was taking and, as Sinden (2001), noted "most companies try to fight in this new arena wearing a blindfold and with one hand tied behind their back".

Kartiwi & MacGregor, (2007) suggest that SME businesses do not need complex strategies. Rather, they suggest, following a few hard and fast rules that define direction without restricting it, is key. Mohamad & Ismail, (2009), agree with this, stating also that factors such as the level of economic development of the country of origin will be a major determining factor in both adoption and overall strategy.

In the UK work carried out by another QUANGO, South-west RDA, reported by Demianyk (2006), seeks to develop and "IT strategy for the region" and notes that local firms are failing to make the best use of almost universal broadband coverage. He finds that 89 % of companies in the region have no strategic overview of how to use and develop in-house information and communications technology (ICT) despite more than half being "hooked up to broadband". He notes also that local and regional business leaders claim that, while ICT is a vital tool in overcoming the perceived remoteness of large tracts of the region, knowledge of the technology is limited. Unfortunately, much of the research is descriptive in nature, but it does offer some interesting high level observations. The same data set shows that the majority of businesses (89%) do not have a documented ICT Strategy, 5% indicated they do have a 'stand alone document, but only 4% indicated that it formed part of an 'overall business strategy'. These trends were reflected across both county area and industry sector. This echoes the academic situation regarding research into SME adoption. As Simmons et al (2008) note, *"…literature on SME adoption (of the Internet) is fragmented and incoherent"*.

The "ConnectingSW programme" was established across the region by the RDA. The stated aim of the project was "encouraging small and medium-sized businesses to realise the benefits of using broadband and ICT, in particular by promoting business growth through better use of ICT, skills and e-learning, flexible working and e-government" One again, whilst laudable in the wider sense, the effectiveness of these type of programmes must be questioned. That they assume the one-size-fits-all mentality is obvious throughout the research. Cynicism also creeps in when apparently self-serving measures and metrics are cited, e.g. in the quote that "The report offers encouragement, indicating a wide awareness and use of the ConnectingSW partnerships." From a strategic point of view the one-size-fits-all premise is unsupportable.

Taylor & Murphy (2004) are clear on this and states that governments and bodies need to understand how SMEs work, especially at the smaller end of the segment. More recently, work by Upadhyaya, & Mohanan (2009), and Burke (2009) have highlighted the need to consider the issues of demonstrable value to the business and size and the fact that it is perhaps strategically different for micro businesses.

Levy et al (2005), in their work on the drivers of SME engagement in the West Midlands of the UK, identify two distinct elements of strategic intent which they state are crucial in driving Internet usage in SMEs: the intention to move out of their existing geographical markets and a general desire to innovate through market extension rather than seek opportunities for market penetration. This fits well with the work carried out by Tseng (2007) on a parallel course of research relating to internationalisation of UK SMEs, where he identified the impact of e-business in reducing costs and adding value for those seeking to expand overseas. Upadhyaya & Mohanan (2009) take this notion further and identify the impact of business hubs in achieving the same results.

Some seemingly peripheral government-funded initiatives have also highlighted the need for SMEs to have an effective e-business strategy. For example, research undertaken for the Irish Development Agency (2007) into the skills gap and training needs for SMEs in Eire, noted the need for Irish SMEs to identify a sound e-business strategy and ensure that they "tooled up" for the 21st Century.

Once again however there is a tendency towards a one-size-fits-all blanket approach and assumption that all SMEs should be engaged with e-business/e-commerce, whilst not being able to empirically support this statement, nor indeed justify the significant amounts of public funds spent on promulgating the message.

2.4.3. Strategy and tactics at the SME operational level

The ability of SMEs to gain a competitive advantage is, according to much of the literature related variously across the last decade or so to: marketing, market research, marketing strategy, new product development, the technologies and processes, and the manufacturing and operations strategy adopted (Tzokas et al. 2004).

There is also the suggestion that there is, in the SME community, "a lack of strategic awareness by owners/managers" and that engagement "appears to be strongly influenced by the personal competence and attitudes of owners/managers and the number of network ties within the business." (Freel & De Jong. 2009)

Most research starts from the premise that e-engagement for SMEs is in and of itself a good thing. The common theme is that, in order to exploit the opportunities offered to the business by e-engagement, SME's need a "global strategy", and need to adopt an entirely different approach to strategic planning and management which can enable it to deploy an extensive infrastructure network based on shared resources with other firms (Chau, Lai & Li, (2008), Caldeira, & Ward, (2003), Caldeira & Ward, (2002)). This theme was taken by Tseng (2007), who considers the importance of networks for SMEs in the UK generally and with regard to strategic and tactical use of an e-presence generally. Whilst this is a useful treatment, it focuses again on those SMEs with an extant capability in e-engagement playing in a wider arena than perhaps the majority of small businesses.

Pavic et al (2007) sought an understanding of e-business, competitive advantage and their roles in the UK SMEs, and to identify the key elements of difference and required change in moving from an "old" traditional business strategy to a new "e" business strategy. They take as their starting point the position that; "For many companies, after the expansion of e-mail and Web sites, the next big step has been the development of e-commerce."

Defining this as "focuses primarily on transactions with a firm's customers, e-business expanding the connectivity of the organisation to include its suppliers, employees and business partners" although as in section 2.3.2.2 above, they accept that there are no universally accepted definitions.

From this start point, they propose a prototype of an e-business model named "Competitive Advantage Through E-business" or "CATE-b, which possible e-business application areas and proposes a plan for e-business integration. Using the CATE-b framework, they conclude that it may be possible for some SMEs to integrate Internet technology into an overall strategy and this new technology could lead to a competitive advantage. However, owners' attitudes towards new technology, and the knowledge and skills of management and the workforce are recognised as potential problematic issues.

Van Hooft & Stegwee (2001) suggested that SMEs should seek to establish a local presence with a global reach on a very limited budget, starting by using the Internet for global advertising and market research; low-cost e-mail to communicate with customers; and mobile technologies such as mobile/smart phone and Personal Digital Assistants (PDAs) for order-taking and field sales. This could in return make SMEs more viable in the area of marketing, market research and new product development, which would eventually make room for the implementation of the more sophisticated applications that are required in e-business strategies once their technological infrastructure is in place.

2.4.4 Section summary.

The consideration of strategy; whether it is necessary and to what extent SMEs develop and apply it has generated research from a number of authors. As with previous sections, a short summary of keywords, phrases and quotations is provided to aid in establishing the flow of logic in developing the analysis later in the research.

The nature of the market the SME is operating within.
Strategy and the business model.
First mover advantage.
"[What is needed are]…a few hard and fast rules that define direction without restricting it" (Mohammad & Ismail 2009).
"[There is a need to] ….to consider the issues of demonstrable value to the business and size and the fact that it is perhaps strategically different for micro businesses". Upadhyaya & Mohanan (2009) and Burke (2009).
Strategic awareness by owners/managers.
Influenced by the personal competence and attitudes of owners/managers.

Table 8: Summary of key words and phrases section 2.4

2.5 Extant models of Internet adoption and development for SMEs

2.5.1 Introduction

Research conducted as far back as 1978 suggested that SMEs would be less likely to successfully use computer technology than their larger counterparts (Ein-Dor & Segev 1978). The proliferation of, and increased ease of access to, Internet technology and applications as discussed earlier, have lead to the promotion of numerous models of e-engagement, all of which support and encourage SMEs to implement and use the Internet as the basis of their businesses. This has been driven in no small part by government involvement, especially in the UK, partly because of the stated belief that "the Internet is a "good" thing for all and especially for SMEs (Matlay & Addiss 2003,)." A welter of models have been proposed regarding engagement and adoption (Chen. & McQueen (2008), Levy & Powell (2003), Afuah & Tucci (2003), Benbunan-Fich. R. 2000.) Pavic et al (2007) note that the proliferation of models highlights the need for further empirical research in this sector. The SME sector has the fastest rate of innovation and adoption of Internet based marketing. Dholakia and Kshetri (2004) suggest that two factors are responsible for this: cost reduction and the development and ease of access to specialised applications.

This view is generally supported by a number of authors and commentators. For example, the IMF (2008) noted the empirical evidence of Moore's law, reporting that the computing power available per dollar invested in the two decades between 1979 and 1999 increased by a factor of 10,000. Some eleven years ago, Foong (1999) suggested that the availability of user friendly business applications had "rocketed", to the extent that the SME almost has no excuse not to become computerised if not e-engaged. Despite the even more recent proliferation in the availability of freeware applications, this is a view not borne out in empirical studies (Brand & Huizingh (2008), Al-Qirim (2007a), Al-Qirim (2007b), Al-Qirim (2007c), Aguila-Obra & Padilla-Meléndez (2006). Al-Qirim (2005), Aragon-Correa & Cordon-Pozo (2005). These authors seek to explain also the essentially patchy adoption patterns observed and describe the criteria for successful adoption.

There is, however, little agreement between them on a generalised set of criteria. A large number of the studies undertaken into the adoption of e-business over the recent past across most of the business world have sought the "Holy Grail": a meaningful conceptual framework and effective means of modelling the process of engagement.

2.5.2 Staged models of development

A popular approach is to promote a staged model, implying an incremental approach running along a continuum from e-mail and marketing communications to business process re-engineering and integration (Chau, 2003). Some studies (e.g. Marasini, et al. (2008), Lee, (2004), Daniel et al. 2002), have sought to describe these different phases with respect to the sophistication of the company's involvement with ECIT. In this vane, in the last few years, national and supra-national political bodies, (European Commission, (2005), Eurostat (2008a), (2004), the UK DTI, (2003), Industry Canada (2007& 1999) have taken these models as givens and attempted to use them as policy tools in order to encourage the development of SME e-engagement. Generally, the models tend to identify a number of stages or phases that the enterprise goes through in its journey to full adoption and implementation. Some authors, e.g. Wilson (2005) have returned to the sequential model, albeit with deterministic overtones.

They identify four stages in adoption based on a range of factors: "top management support, management understanding of business benefits, presence of IT skills, availability of consultancy, and prioritisation of e-commerce"

The author summarises these phased model elements as follows:

1. Initiation: identification of the potential validity of the Net for business purposes

2. Investment: the decision to spend money on implementation

3. Manipulation: adaptation and experimentation with the applications purchased

4. Embedding: utilising the application across the business

5. Institutionalisation: acceptance and normalisation of the practice or application

6. Innovation: the active search for new applications/developments to the system

These stages may be triggered, facilitated or, potentially, halted or hindered by either internal or external impactors as shown below in figure 2.
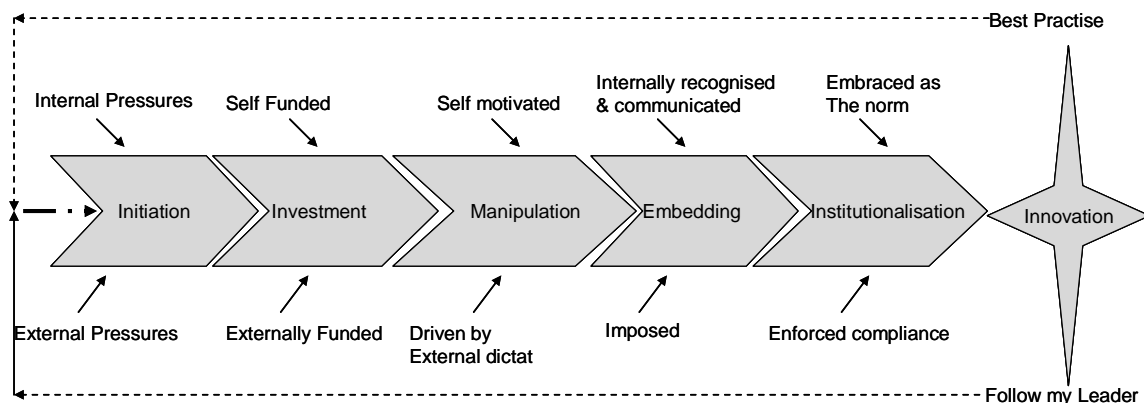
Figure 2: The "generalised" view of the staged model of adoption of e-engagement.

2.5.2.1 Critiques of adoption models

The validity of these "one–size-fits-all" models has been criticised by a number of authors (Simmons et al 2008, Roberts & Toleman (2007), Alonso Mendo & Fitzgerald 2005a, Brown & Lockett 2004), with some laying the blame for the lack of adoption at the feet of public sector lead adoption programmes (Stockdale & Standing, 2006).

It is safe to say that the "staged model" has to some degree fallen out of favour in the literature as an adequate descriptor of the adoption and development process amongst SMEs (Levy and Powell, 2003), although Grandon and Pearson (2004) partially adopt its premises in developing their findings for e-commerce adoption in US SMEs.

Alonso-Mendo & Fitzgerald (2005b) identify six key weaknesses with the staged approach:

1. oversimplification of the initial conditions and drivers associated with adoption

2. assumption of a sequential progression from basic to advanced usage

3. lack of consideration of more "evolutionary models"

4. considering industry change rather than an individual SME focus

5. lack of empirical evidence and

6. Generalisation that does not take into account variation in the size of SMEs.

2.5.3 Deterministic Models

Authors such as Vescovi & Issepon (2002), Vescovi (2000) and Raymond (2001) suggested a deterministic model for adoption and development based essentially on the characteristics of the environment within which the organisation trades. This leads to a degree of homogeneity, with competitive and customer pressures motivating companies to copy one another's endeavours without considering their efficacy. Fillies & Wagner (2005). developed this idea, suggesting that adoption and change are therefore part of a dynamic, not governed by the desire to reach a given end-point, (as in the staged model, continuum based explanation).

Rather this is as a reaction to a range of endogenous and exogenous variables extant within the individual firm's operational environment (Pai & Yeh 2008)

2.5.4 Contingent Models

A number of authors have followed the line of logic of contingent role models in explaining adoption and development and, ultimately, engagement (Khazanchi, (2005) Boisvert & Begin (2002), Tagliavani et al. (2001)).

The issue of generalisation highlighted above is one that Alonso-Mendo and Fitzgerald (2005b) explore differences within the US defined SME range. This is an interesting and informative approach, taking as its starting point a situation of current adoption, and looks at the roles of change, process, content and business drivers, rather than addressing the question: *"why should or does an SME take the decision to invest in a Web presence in the first instance?"*

This approach, whilst still environmentally focused, is less deterministic in nature. The company is presumed to purposefully determine the most effective business processes which may be carried out in its own context via the Web, and from there to choose a combination of profiles best suited to its own strategic position.

Interestingly this is echoed by Drew (2003) in his study of strategic uses of e-commerce by SMEs in the east of England and by Wade (2004) in exploring impacts of adoption on performance of SMEs.

Both however, as so often in this area of research, are written from a post-adoption perspective, with the obvious problem of a lack of rounded focus; effectively an in-built false positive bias. The profiles or roles identified have been variously described. Tagliavani (op cit.) identifies five: public relations, company promotion, sales support, and order processing and payment management. Boisvert & Begin (2002), in a similar vein but from a slightly different perspective, also proffer five categories: promoters, developers, vendors, integrators and PR officer. Despite the ordering, it is important here to emphasise that these are not stage models, and thus no continuum is implied. This resonates well with the view of Fill (2009), who cites marketing communication as a key element and offers a simple format for understanding the role of the web-presence in his "DRIP" model: differentiation, reminding and reassuring, informing and persuading.

Building on these contingent models, Levy and Powell (2003) suggested four roles for Internet technology in SMEs which they define as: brochure ware (promotion), support, opportunity and development.

Once again, although the model seems to suggest transition or "transportation" as they term it between one focus and another, they are at pains to emphasise that the focus will depend on the drivers apparent for the firm and that no implicit notion of growth is included in the model. While not explicit on the point, they do not indicate whether the there can be more than one focus, indicating what may be determined as a one-dimensional approach to the issues. In order to address this, it is necessary to consider the drivers of engagement with the Internet. This will be specifically addressed in the development of the conceptual model for this research in chapter 3.

2.5.5 Performance Models

A study by Raymond & Bergeron, (2008) aims at a deeper understanding of the performance outcomes of the alignment between the e-business capabilities of SMEs in the manufacturing sector and their business strategy in terms of Miles & Snow's classic 1997 strategic typology based on their notion of prospectors, analyzers, and defenders. Their findings suggest that "ideal e-business profiles" vary in their relation to the firms' strategic orientation, regardless of type.

They further note that e-business alignment has "positive performance outcomes for manufacturing SMEs in terms of growth, productivity and financial performance." They note limitations in their approach inasmuch as the nature of their sample limits the generalisablility of the findings. The results also emphasise the nature rather than the investment value of the SMEs' e-engagement, given that certain forms of e-business would be more appropriate for certain firms depending upon their strategic orientation.

They also crucially ignore two key issues:

1. The size of the SME involved; a criticism already levelled at staged models and

2. The tendency towards false positive outcomes, prevalent in all the approaches, given that their study is focused onto successful SMEs who have chosen to adopt and does not include those who have failed or who have chosen not to adopt.
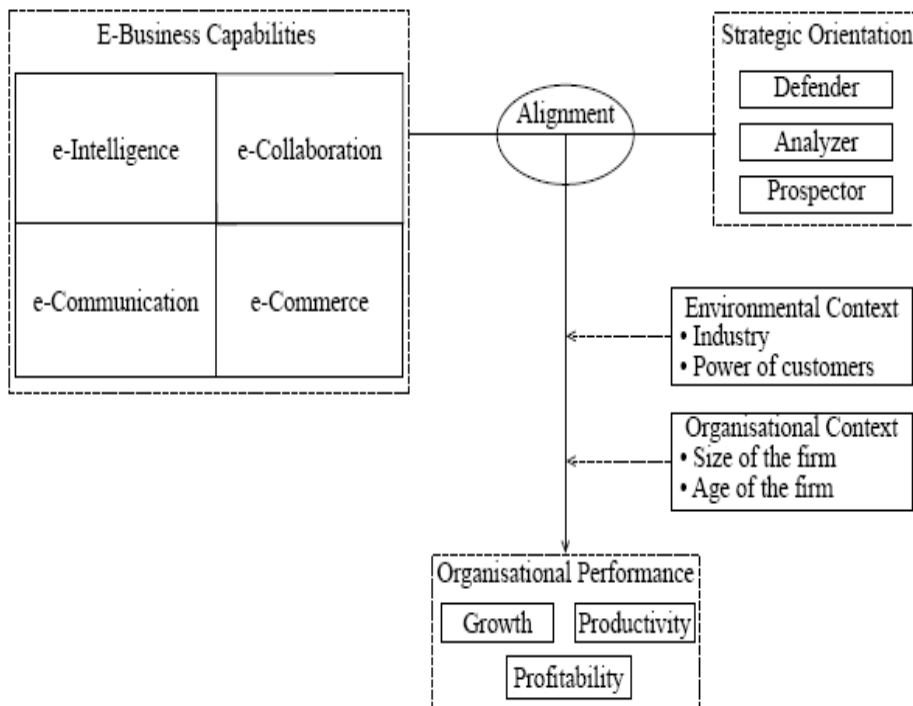
Figure 3: Research model of e-alignment in SMEs. Source: Raymond & Bergeron (2008)

2.5.6 Section summary

There appears to be little agreement in the literature regarding the process by which companies in general do (and should) adopt e-business/e-commerce. As noted previously, the three perennial problems with exploring the engagement of SMEs are:

a) The majority of the empirical evidence/research relates to large corporations.

b) Where SMEs are the focus, much of the research starts from the premise that adoption and engagement is a "good thing" or "best practice" for SMEs and is predicated on findings from the large corporation research noted above. The validity of this stance is questionable, as while much of this research is generalisable, it is generalisable in the large corporation arena but not necessarily in the SME world, and certainly not beyond the largest of those companies at the top of the SME "food chain".

c) There is an inherent bias and tendency towards false positives in the findings as there is no focus onto the performance of those companies that choose not to engage or indeed those who have and have failed.

Once again, a table of key words and phrases is of use in summarising the key messages identified within the literature.

Models of e-adoption: staged, contingent, deterministic, performance based
Is the Net a "good thing" for all SMEs and particularly for µSMEs?
Is cost reduction a key issue in adoption?
Adoption patterns are "patchy"
DRIP (Fill, 2009)
Does the size of the SME matter in terms of the likelihood/effectiveness of adoption?
Tendency towards false positive outcomes in extant body of research

Table 9: Summary of key words and phrases Section 2.5

2.6 The customer perspective

2.6.1 Introduction

As noted above, most of the literature on e-engagement seems to start from the position that such activity is inherently good for the organisation, good for the economy as a whole and good for the customer. Many however do not define their notion of "good" beyond revenue generation, market access, and some fairly ethereal notions of customer satisfaction. It therefore seems useful to consider the notion of e-engagement from the standpoint of the customer.

2.6.2 Purchasing behaviour on the Internet

Classic models of buyer behaviour indicate that the buying process commences with problem recognition, however defined, and is followed by information search and evaluation stages, depending on the level of purchase involvement (Li, . 2010, Fill 2009).

Literature relating to SME Internet marketing supports this view, but recognises that it is often at the search stage where the "cyber shopper" stops rather than going onto evaluation and, eventually, purchases.

As Fill (2009) points out, such a mediated environment fundamentally impacts on the generally accepted model of communication, such as that proposed by Schramm (1955, Cited in Fill, ibid). On the other hand, evidence suggests that, where e-enablement exists, prices tend to be lower for the customer in virtual rather than traditional markets, and that prices paid are positively correlated with sales channel search costs (Strader & Shaw 1999) Reportedly, e-engagement can aid the SME in gaining market share, improving customer retention and reducing/negating national and international boundaries, thus improving sales turnover and reducing costs (Wilson 2005, Fill, 2009). The logic seems to be that, once the customer has found an on-line outlet, they will be more likely to re-purchase from the same cyber-space rather than follow the standard re-qualification route suggested by traditional models of buyer behaviour. Once again, however, a lack of empirical or rigorous research necessitates reliance on anecdote rather than hard fact.

As discussed above, cost control for the SME is often seen as translating into cost saving for the customer allowing the SME to "expedite purchasing transactions through reduced cycle times and lowered labour costs" (Kennedy and Deeter- Schmelz 2005). Once again, a great deal of anecdotal evidence exists to support this, both in the academic and professional press, but little empirical support exists, either from the consumer or B2B professional/industrial buyers point of view. Some SME based work has been done in the area, although most of this looks primarily at community portals as discussed above, and the impact they can have for SMEs in specific development areas, or at specific, large SMEs involved in the internationalisation process. Recent work by Frost et al. (2010), suggests that online shoppers are more individualistic than those who have not shopped online, while individualism and collectivism do not influence online loyalty. Chen et al (2008) supports the use of sequential pattern mining to discover customers' on line purchasing patterns over time.

2.6.2.1 Industrial Customers

Brand & Huizingh (2008) find that the highest usage by buyers on the Web is for contact with suppliers via e-mail, closely followed by basic information gathering. This supports earlier work by Bharadwaj et al (2007) and Kennedy and Deeter-Schmelz (2005) who themselves followed a general theme identified by Hunt and Bashaw (1999).

This work attempted to establish a greater understanding of how industrial buyers perceive and use online options. Generally, studies into this area address four specific questions:

- ➢ How are purchasing professionals using the Internet?
- ➢ What benefits do they seek from online buying related activities?
- ➢ To what extent do the buyer's demographic and the organisation's structure drive the buyer's decisions to use or not to use the Net for purchasing?
- ➢ What individual, organizational or market variables influence propensity to use the Net.

These are not mutually exclusive: thus a buyer may be included in any or all of the categories. The logic for industrial buyers to use the Net appears to fall into four categories; ease of use, ease of comparison of prices and products, ease if information exchange and access and reduction of paper and time(Brand & Huizingh, 2008).

Regardless of the user, one key element of the interrelationship between the purchaser and supplier is trust. This is even more apparent in on-line scenarios. (Xiong & Perros, (2008) Urban et al (2005), Eid & Trueman (2004), Gummesson (2004), Hoffeman et al (1999)). This is one area where the impact as a driver, inhibitor or barrier has been and continues to be absolutely crucial. A further discussion of the literature relating to this aspect is explored below.

2.6.3 Empathy, trust and the disintermediation of the purchasing process

One of the key themes to emerge from the literature in terms of perceived barriers is the lack of "connection" perceived by customers.

This is often cited as a function of disintermediation: the shortening or removal of intermediaries in a supply chain: removing traditional distribution channels and the element of human interaction associated with them and dealing directly with the customer or at least their computer.

Sheth and Parvatiyar (1999) note the importance of understanding the drivers of consumers' decision making to affect a purchase, in order to establish what motivates them to reduce their available market choices and engage in relational behaviour.

They suggest that, "Consumers reduce their available choice because they want to simplify their buying and consuming tasks, simplify information processing, reduce perceived risks, and maintain cognitive consistency and a state of psychological comfort." They also conclude that, *"Social norms, peer group pressures, government mandates, religious tenets, employer influences and market policies"* have a profound effect. There is however no empirical base to their proposal. A review of the literature seems to suggest that there are two areas of concern in terms of purchasing on the Internet: empathy and trust.

2.6.3.1.   Empathy

Empathy is defined as the ability to understand somebody else's desires and goals. (Yau et al. 2000). In essence, the ability to see and understand the needs of the customer beyond a single variable, e.g. price.

Kolesar and Galbraith (2000), define empathy as: *"The level of commitment to satisfying customers, which is achieved when the customers perceive that the service provider is prepared to be flexible and go beyond customer needs."* Within a marketing context, the concept of empathy is generally treated as an aspect of the sales process and is generally suggested to be a crucial factor for successful interaction between buyer and seller . Empathy has also been identified as a critical skill in selling and a vital part of the process of identifying and satisfying customer needs. The lack of intermediation, i.e. a salesperson, may potentially have a negative effect on the actual purchase of goods or services over the Internet. In the same way that, as noted above, the inability of the customer to be able to "test and try, touch, feel and sniff" a product on the Internet can have a negative impact, as can the lack of "real time" vocal, face to face interaction with sales staff. This leads into a consideration of the second element of concern generally associated with purchasing on the Internet: trust.

2.6.3.2   Trust

Most of the literature above sees the engagement of SMEs with the Internet as moving from an outcome-oriented to a process-focused approach to doing business, with an emphasis on value creation for buyer and seller rather than a distribution of value between them.

This notion fits well with the development of sound relationships with "partners" and consequently the development of trust. The definition of trust is not as straight forward as one may intuitively imagine. Mooreman et al (1993) cited in Cheema and Papatla (2010) define trust as *"the willingness to rely on an exchange partner in whom one has confidence"* and further explore the notion from two very definite component standpoints: belief and behavioural attributes. Clearly both of these have obvious resonance with the case in hand. Belief, they suggest, relies on confidence in the exchange partner's expertise, reliability or intentions. Behavioural components on the other hand are associated with reliance in spite of vulnerability of the person who trusts. The latter view emphasises, according to the authors, the importance of vulnerability and uncertainty on the part of the person who trusts. Similarly, they argue that, "both belief and behavioural components must be present for trust to exist. Accordingly, a person who believes that a partner is trustworthy and yet is unwilling to rely on that partner has only limited trust.

Furthermore, reliance on a partner without concomitant belief about that partner's trustworthiness may indicate power and control more than it does trust."

This presents an interesting proposition when considered in conjunction with both the extant literature (as discussed above) and anecdotal evidence that many SMEs "engage" from a passive/reactionary platform, driven by the "me too" stimuli of the market, customers or other agencies, rather than a process of what this author would describe as "e-volution"

2.6.3.3   Trust, business relationships, marketing and the Internet.

The development of business relationships and consequent forays into the realms of relationship marketing are often cited as key drivers for e-engagement. Gronroos (1993) states that the concept has emerged within the fields of both services and industrial marketing, and that to a considerable extent both these approaches are based on building and maintaining relationships between buyers and sellers and other parties. He defines relationship marketing as seeking to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises. Clearly, trust is a key element of the relationship.

He notes that central to relationship building is the notion of keeping promises by both parties in the relationship. He goes on to suggest that what marketing is experiencing is a return to the natural systems-oriented way of managing customer relationships that existed before the marketing mix approach, and that marketing deserves new approaches or paradigms, which are more market and customer oriented. Interestingly, despite reference to other parties in his definition much of Groonros's references in his writings are about relationships with customers.

This seems counter-intuitive to the disintermediated nature of e-business as discussed above, where relationships appear more nebulous, although he does ground the logic of his arguments linking into the previously discussed trend towards process-oriented value creation for both the buyer and seller concluding that *"long-term relationships are not a sufficient prerequisite for customer relationship profitability, we have to understand two other dimensions of the relationship: relationship revenue and relationship cost."*

Taking the argument further Gronoos, writing two years later notes that :*"the relationship philosophy relies on co-operation and a trusting relationship with customers (and other stakeholders and network partners) instead of an adversarial approach to customers, on collaboration within the company instead of specialisation of functions and division of labour, and on the notion of marketing as more of a market-oriented approach with part-time marketers spread throughout the organisation than as a separate function for specialists only"* (Gronoos 1996).

Gummesson (1997) builds on Gronoos's ideas citing the move to relationship marketing as a "paradigm shift", in much the same way that some authors cited above have seen the development of e-business. In 1998, Gummesson stated, "it (relationship marketing) puts emphasis not only on relationships and interaction between suppliers and customers, but also on relationships between suppliers and other parties. The modern corporation turns into a network of relationships in which all members of the network influence quality and productivity. This view is endorsed by new organisation theory, particularly the notion of imaginary and virtual organisations. This fits well with the recent work by Tseng (2007), who recognises not only the importance but also the opportunities and barriers facing SMEs in using the Internet.

Sheth & Paravatiar (1999) are critical of the "paradigm shift approach" adopted by both Gronoos and Gummesson, noting that relationship marketing is rooted in the pre-industrial era. They note that the advent of mass production, the emergence of middlemen, and the separation of the producer from the consumer in the industrial era led to a transactional focus in marketing". In other words until recently, the focus had been on "doing the deal" rather than building the relationship, focusing value on one side of the interaction rather than seeking to create value for both. They note further, "now, due to technological advances, direct marketing is staging a comeback, leading to a relationship orientation. With the evolution of Relationship Marketing, the hitherto prominent exchange paradigm of marketing will be insufficient to explain the growing marketing phenomena of collaborative involvement of customers in the production process. An alternative paradigm of marketing needs to be developed that is more process rather than outcome oriented, and emphasises value creation rather than value distribution" (Sheth & Parvatiyar, 1999).

This further links with some of the previously reported barriers to e-engagement of SMEs, requiring individuals to become "jacks of all trades" including marketing and the non traditional channels now being explored. This could be an issue not only from the "technophobe" perspective but also from the standpoint of individuals who have not been traditionally customer facing. In this case, rather than disintermediated, the need to communicate with customers directly, e.g. via e-mail or through chat rooms etc., may be in itself a disincentive, either as a result of lack of time or personality.

The aspects relating to usage of the Internet and trust are well documented, albeit again not from an SME perspective. McCole (2002a) notes that the role of this crucial element of the marketing exchange is lamentably under-researched. McCole follows, amongst others, Zineldin's (2000) premise that in using the Net effectively, trust on a one to one basis must be established. His review of the trust-based literature identifies ten dimensions from twelve sources: availability, competence, consistency, discreteness, fairness, integrity, loyalty, openness, promise and receptivity. He cites Butler (1999) as identifying the role of the individual in developing trust in disintermediated transaction situations.

To some degree this is counter-intuitive, as the very notion of disintermediation through the Net would suggest a lack of one-to-one communication. It does however fit neatly with the previously discussed literature, both on the cost saving aspects of Web-based commerce and differentiation.

Parker (2000a) offers a simpler five-point code, arguing that Internet success is the same as for traditional bricks and mortar businesses; location, offering, value, operations and marketing. For him, trust is imbued in and demonstrated through all of the above. A distillation of the arguments renders a "benefit proposition" that faces the buyer or seller in the B2B marketplace. Tseng (2007) notes that the environment of trust has a great influence on a buyer's decision over the method of communication, usage or even a successful transaction, adding the initial relationship development could determine a firm's attitude to the choices of Internet technology, communication strategy and level of Internet engagement.

2.6.4 E-engagement measurement issues

The degree to which the customer is actually-engaged/uses the internet as a real buying platform rather than a research tool has traditionally been difficult for businesses to measure and thus to base strategic engagement decisions upon. For many years "hit counters "were the favoured mechanism, although as web usage increased it soon became apparent that visits to a site did not necessarily translate into planned interaction, far less an intention to engage in a transaction.

Capturing the interest of the potential customer is generally obviously crucial in ensuring a meaningful engagement. As experience, and the number of web consultants, has grown so the ability of businesses to manage search engines has increased. Engaged SMEs are now less likely to wait for a search engine to stumble across their page. The use of techniques beyond the submission of URLs to the search engine itself has been enhanced by the ability to design in Meta tags, page text support, alt tags and gateway pages have increase the cost effectiveness of a web presence.

Most recently, the use of Pay Per Click (PPC) offerings from search engines has been highlighted as the major focus for businesses seeking to improve the likelihood of their being found on the Net (Fjell, 2010).

2.6.4.1   PPC Models

PPC is an advertising model where businesses pay the search engine only when their site specific advertisement is clicked. Businesses bid on keywords and phrases relevant to their target market. In contrast to the generalised portal, which seeks to drive a high volume of traffic to one site, PPC uses an affiliate model that provides purchase opportunities wherever people may be surfing. It is a pay-for-performance model: If an affiliate does not generate sales, it represents no cost to the merchant. Variations include banner exchange, pay-per-click, and revenue sharing programs (Fain & Pedersen 2006).

Websites that utilise PPC will display an advertisement when a keyword query matches an advertiser's keyword list. Such advertisements are called *sponsored links* or *sponsored ads*, and appear adjacent to or above organic results on search engine results pages, or anywhere a web developer chooses on a content site (Szetela. 2009). Among PPC providers, Google AdWords, Yahoo! Search Marketing, and Microsoft adCenter are the three largest network operators, and all three operate under a bid-based model. Cost per click (CPC) depending on the search engine and the level of competition for a particular keyword. (Axon, 2010). The issues associated with measurement from the company perspective are further discussed below.

2.6.5   Section summary

This section of the literature review has focused on the view as and perceptions of customers, whether business/industrial or consumer as defined in chapter 1. It has considered issues of value added by engagement, trust, empathy, relationship and communication. A summary of keywords and phrases is given in table 10

Customer perspective: business/industrial vs. consumer
Perceived added value and relevance of web presence/engagement
On-line shoppers are more individualistic (Frost 2010)
Industrial buyer's foci: ease of use, comparison of price and product, ease of information exchange, reduction of time, paper and cost (Brand & Huizingh, 2008).
Customer engagement, measurement issues, PPC
Empathy & trust: buyer seller relationships/networks/word of mouth

Table 10: Summary of key words and phrases Section 2.6

2.7 Establishing and measuring the value of engagement from the SME perspective

2.7.1 Introduction

The question of value and return on investment is one that dogs all intangible activity in business, especially with regard to marketing. It is intimately related to the requirement for effective metrics; easily understood, easily measured and easily compared. With this in mind, a comment by LoFrumento (2007) is apposite: *"to be a customer centric business, it's vital that you understand the profitability of every customer"*. Engagement with the Internet is an investment, regardless of whether it is funded via a grant awarding body or the capital of the business or its owners.

Indeed, as noted throughout the literature, the investment is not and, for successful engagement, cannot be solely financial. It requires time and effort in planning, execution and analysis and implementation of feedback in order to ensure its effectiveness.

2.7.2 Establishing value

The degree to which SMEs generally seek to be truly customer centric may be a moot point. However they are all undeniably striving for profitability. The proposition noted above that information gathered via a company's Web site offers customer information which allows for differentiation, by corollary suggests that this very differentiation may be in itself a trigger, relating directly to the worth or value which accrues to SMEs as a result.

All client relationships have a life cycle (Sobel 2003) and the rise of key account management techniques as a refinement of general customer relationship management (CRM) to address these is well documented. So too is the rise in interest in the concept of customer lifetime value. Gummesson (2004) attempts to answer the question of whether relationship marketing pays and does so under the concept of return on relationships. He states that one-to-one marketing and CRM are basically the same and also offers a definition of CRM as follows:

"CRM is the values and strategies of relationship marketing-with particular emphasis on customer partnerships-turned into practical application." The proposition is that in a relationship marketing situation, more comprehensive indicators of return on relationships should raise accounting from historical, financial measurements to broader forms of future-oriented knowledge generation. It is conceivable that firms may not wish to have a relationship with all customers and vice versa; and that firms should attempt to identify those customers who will be profitable in the long run. The idea of calculating customer value has been hotly debated for many years across the cannon of literature and across academic disciplines, not least Marketing and Accounting. There appears as yet no clear or generally accepted formula. Most firms' accounting systems are not geared to adequately calculating a customer's life time value; yet the idea of customer life value as an integral part of relationship marketing continues to be promoted.

Middleton-Hughes (2003) takes the now famous maxim of Lord Kelvin, popularised by Drucker, *"what gets measured gets managed",* to the next level, suggesting that what the organisation uses as metrics to measure success often defines vision and strategy. Many of the assertions in his article are intuitively appealing.

Once again most of the extant empirical research has focused on large organisations, in this case banks. In an earlier paper, Middleton-Hughes (2000), highlights a number of standard, and perhaps now slightly jaded, ways of gathering customer data to facilitate its management; caller ID's, cookies etc.

Most importantly however, he acts as a precursor to the lifetime management approach suggesting the establishment of an Extranet for key clients and, most tellingly, a "test to prove to management that the money spent on recognition programs is paying off" Herein lies the rub, unfortunately, as again the research is based in large organisations with cash and manpower budgets available to take up these ideas.

2.7.3 Measuring value

Even when some notional value can be perceived in a course of action, often in modern practitioner/consultant parlance, "strategic" (i.e. immeasurable) benefit, the desire to quantify the "bang for the buck", is standard business practice.

Ruf (1997) suggested some time ago that developing a Web presence should be predicated on an analysis of customer lifetime value and Wilson (2005) goes further by offering a methodology for developing customer lifetime value for the company's overall Internet marketing strategy. Rosset et al (2002) build on this type of logic, and propound an essentially actuarial methodology for customer lifetime value modelling and its use for customer retention across a number of scenarios, including some from a Web based perspective. Interestingly, a tangential but recurrent theme in the lifetime Value (LTV) literature appears to be the use of LTV as a segmentation tool, thus turning a passive management information tool into an active marketing tool at one and the same time. It is fair to say that in reviewing the literature no author has to date appears to have proposed a workable, generalisable or implementable model for value analysis of engagement in SMEs; especially not from a financial perspective, the one which most small businesses will focus upon. Indeed, Upadhyaya & Mohanan. (2009) note the difficulty of this. With this in mind, it is perhaps most useful to widen the debate and seek some robust data in non-financial measures and metrics. The value adding, and destroying, aspects of engagement and maintaining a presence are widely discussed in the literature; but once again the information appears to be anecdotal and largely what any interested observer would identify in conversation.

One particularly interesting area however is the premise that engagement can assist in reducing both pre and post purchase dissonance. This can be achieved in a number of ways including; improved product and corporate information availability, more effective tracking and CRM and opportunities for cross marketing and networking (Geuresen 1998; Siebel, 2001; Parker, 2000a; Parker 2000b; Parker 2002). Ignorance of key issues and the misuse of potentially valuable tools and techniques can negate these benefits. Information overload, SPAM, inappropriate design, poor focus/segmentation, poor measurement and inappropriate links, banners and interstitials have all been shown to have a deleterious effect (Gralpois 2001; Keller and Staelin, 1987; Rowley 2000; Middleton Hughes 2000; Mitchell 2000)

Equally dangerous is a lack of back up, abandonment of the site once established in terms of regular updating/maintenance and training and awareness of staff regarding the Web presence and offering (Rash 2001).As Roberts (2001) notes, in an era where most companies' strategy is to reduce poor customer experience, the Internet often delivers just this on a daily basis. This theme is taken up by Keaveney & Parthasarathy (2001) who cite "customer churn" as a growing problem for all businesses, whether they are Web enabled or not, and note this is perhaps most prevalent in the service sector. This may be as result of greater access to information, the benefit and curse of the brochure site, but maybe equally due to the effective disintermediation of suppliers, allowing potential customers to go straight to source rather than relying on brokers or other middle men.

A recurring theme throughout the literature, and one which has already been touched upon, is the need for SMEs to differentiate. Many authors have plainly seen the Net as one more differentiation opportunity (Sobel 2003, McCole (b) 2002, Urban, Sultan and Quails 2000).Appreciating the opportunities presented by, and using a Web presence for, increased customer contact and dialogue have already been highlighted as potentially useful measures. Some commentators (LoFrumento 2003, Middleton-Hughes 2003) take the argument a stage further and advocate the implementation of formal CRM strategies as an integral part of the SMEs Web strategy. This view is supported by Sobel (2003) who states that this type of approach is justified as *"A key to releasing value using CRM lies in differentiating your services and offerings in a way commensurate with the value of each client"*.

None of the authors cited however address the issues of cost or cost benefit on an empirical basis; perhaps the key issues for any SME. With this in mind this researcher has mapped the main areas identified in the literature against reported benefit to the buyer and to the seller. This not only allows for a summary of the positions but also informs the development of the conceptual framework in chapter 3.

Buyer
Added Value

Lower
Prices

Operational
Cost Savings

Easier to
Compare
Prices

Access to
Information

Market
Extension

Ease of
Communication

Customer
Feedback

Market
Penetration

Seller Added Value
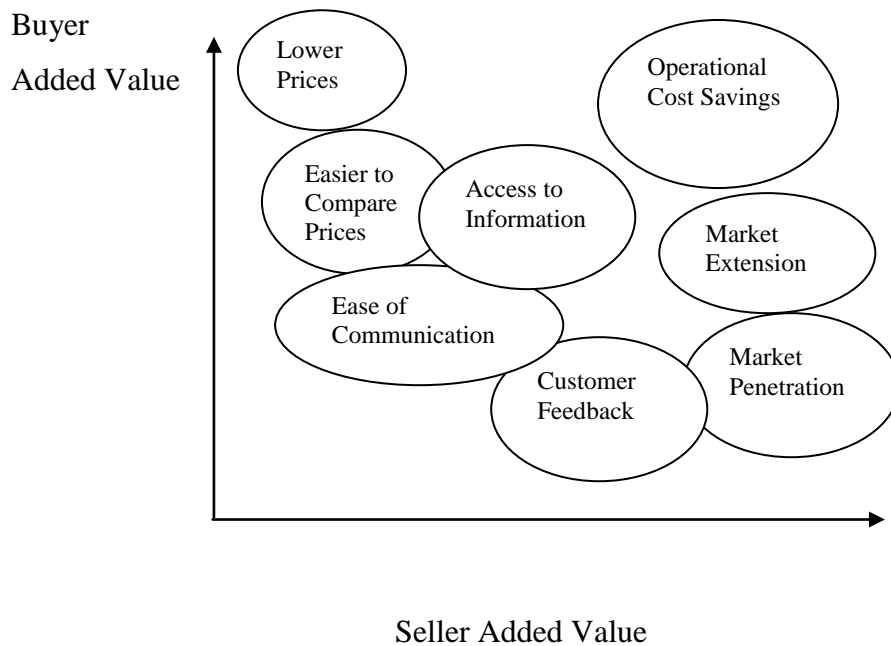
Figure 4: Value Silos affecting e-engagement. *(Source: author)*

2.7.4 Section summary

This section has focused on whether it is possible to established and measure the value of e-engagement and a web presence by an SME. A variety of views exist and many of these link to other areas of concern for SMEs e.g. customer relationship management and customer lifetime value. The days of counting hits on a website to assess value have passed, however there seems to be little consensus about how value can actually be established and valued in a consistent, cost effective way. A summary of the key words and phrases from the literature is given in table 11.

Is it possible to establish and measure the value of e–engagement?
CRM/CLV
"What gets measured gets managed"
There appears to be no consensus as to a cost effective method for SMEs to measure the value of e-engagement
Is the Net a differentiator for SMEs/µSMEs
Value silos

Table 11: Summary of key words and phrases Section 2.7

2.8 Barriers to engagement

The most compelling fact which has emerged from an extensive review of the literature is that, although there is a lot of material promoting e-engagement, there is paucity of data on identifying what stops the reported one fifth of all registered SMEs engaging in some way, shape or form with the Internet. The overwhelming message from most of the pre 2006 literature is that SMEs have, *"increasingly enjoyed the benefits of e-commerce",* citing low-cost marketing and reaching out to a global audience as their key exemplars, but once again failed to address those who have not engaged and who find that their business model, effective hinterland (however dictated) or business drivers do not appear to fit with the grand plan of received wisdom. Most start from a familiar standpoint, i.e. that "For SMEs to remain competitive in a rapidly changing world, they need to take up the adoption of new technologies"

Notwithstanding this, she also notes that engagement does bring threats to the SME too, especially from the "diffusion of the Information Society and the globalisation of markets". As discussed above, it is not always clear that engagement does bring additional cost savings or wider benefit (Archer, et al 2008, Hussin et al 2008, Kalakota & Robinson 2001) were firmly of the belief that e-engagement is a function of the ability of an SME to manage change. The premise is that a lack of engagement was all the fault of poor management capability and that people resistant to new technologies believe that they do not have the skills to use and gain benefits from them.

They suggest that this demonstrates a lack of awareness of the internet and poor understanding of how it changes the way in which business is done and processes are executed. This emphasis on management ability, capability and awareness is seen as key to this research and is addressed specifically in the development of the conceptual framework.

In 2004, USHER, a major project funded by the EU, reported that, *"for any Small to Medium Sized Enterprise, SME, regardless of size or industry sector, there are traditional business processes that could be automated or simplified by some piece of technology, hardware or software."* It continues in a similar vein, espousing the unfettered value of the Internet for SMEs stating that;

 "For every specific solution the technology vendor can hold up a number of clients as references to 'prove' that the technological solution has been of benefit to the company" It does not address the issues of cost; pecuniary or opportunity, the time taken to get to grips with the technology or ways of measuring or quantifying perceived value added. The report goes on to bemoan the SMEs who, quite inexplicably from the point of view of the "e-Europe" agenda, *"remain unconvinced, for whatever reason, that their business would benefit from having these e-Business technologies, despite more and more articles in the press about the wonderful success stories where companies have embraced e-Business and been transformed, creating new markets, streamlining cost structures, etc."*

In facing up to this situation they attempt to answer some key questions e.g. *"where does this resistance come from?", "What are the barriers, obvious or hidden that prevent SMEs from engaging and prevent them from making the fullest use of these technologies and techniques?"*

 They also attempt to group these barriers together into a number of categories for clarity and seek, perhaps for the first time, to create a reasonably complete listing of the common barriers that the SME may face. Many of the standard criticisms remain. Inconsistent EC practice across countries is one example (Mohamad & Ismail (2009).

So too is an ignorance of the fact that "size matters" demonstrated by (Burke, 2009), who notes that "Website ownership and other ICT usage, is less widespread in micro businesses".

Further recent work has identified a large number of major barriers, e.g. Kartiwi & MacGregor, (2007), MacGregor & Vrazalic (2005). Perhaps most clearly stated and useful is the work produced by Frost et al (2010) and Chitura et al (2008). This latter states that: *"though the issues inhibiting SMEs in their uptake of e-commerce are seemingly endless, the reality is that these issues have largely remained the same since the advent of e-commerce in the early 1990"* and that, as a consequence, *"researchers should stop reinventing the list of e-commerce adoption barriers, but instead focus their efforts on how SMEs can overcome these barriers so as to reap the full benefits of the technology".* This is a pragmatic and appealing stance, albeit that it inherently assumes, yet again, that the internet is "a good thing" for all SMEs.

Clearly, many questions on the subject of barriers remain unanswered. All of these areas of potential barriers are considered in the development of the conceptual framework for the research developed in chapter 3.

2.8.1. Section summary

One of the stated aims of this research is to identify the barriers to e-engagement. Literature on the subject is at best patchy, although some authors e.g. Burke (2009), Archer (2008) and Hussin (2008) are now addressing the issues more directly, especially from the μSME perspective. Once again, a summary of keywords and phrases from the literature is given in the following table (table 12).

What are the barriers to e-engagement for SMEs generally and μSMEs in particular?
What stops more than 20% of SMEs in the UK becoming e-engaged?
"e-engagement is a function of the ability to manage change"
It is not always clear that engagement does bring additional cost savings or wider benefit. (Archer, et al (2008), Hussinet et al, (2008).)
"though the issues inhibiting SMEs in their uptake of e-commerce are seemingly endless, the reality is that these issues have largely remained the same since the advent of e-commerce in the early 1990"
Burke, 2009), who notes that *"Website ownership and other ICT usage, is less widespread in micro businesses"*

Table 12: Summary of key words and phrases from the literature, section 2.8

2.9 Other socio-psychological issues affecting e-engagement

In undertaking the research and refining the research question and focus, the author has identified a number of socio-psychological issues that pertain to e-engagement. Empathy and trust are obviously key in this and have been considered at some length within the literature review, others however have also emerged from a consideration of the wider research context.

Socio-psychological issues are apparent from both the customer and SME perspectives. Sushil et al (2004) found that, as with the general discussion of e-engagement for SMEs in the literature review, theories that are applicable to large businesses, explaining the tremendous success associated with e-engagement; may not necessarily fit with SMEs in the same way. They highlight socio-psychological issues as a major driver of the situation. Although, the study is limited to Asia, and is therefore limited in size and scope, the results they suggest contribute to better understanding of the hindering factors in e-commerce adoption as they relate specifically to the business environment of SMEs.

From the customer's perspective, an exploratory study of consumers' e-transaction behaviour was undertaken by Putit in 2008. She followed this with a more in depth, empirical analysis of the socio-psychological drivers of Internet transaction behaviour. She offers many interesting insights, e.g. that consumers have different levels of attraction to/ acceptance of internet based transactions. She cites the fact that consumers are generally well disposed to travel related transactions intermediated via the Web; they feel comfortable and have a suitable level of control. Equally interestingly, she also found that social influences however, do not affect consumers' acceptance of Internet transaction behaviour.

Putit (ibid) also highlights trust as a key issue. Many authors cite social exchange theory as being the major manifestation of socio-psychological dependency in e-engagement. (Tseng 2007, Wincent 2006). They build on the trust/empathy continuum, as discussed in section 2.6 above, and link this clearly with networking and collective approaches to business via interaction between businesses with a similar/compatible socio-physiological profile. Kracher and Corritore (2004) cite argue that ethics in the cyber world and the bricks and mortar environment are largely the same. Spinello and Tavani (2009) however cite ethical issues specific to the internet as a major issue in engagement, which once again links with the discussion of trust and empathy.

Sinkovics & Yamin (2007) identify the "paradoxical nature of the internet" from a social perspective, noting that while removing some barriers to growth and international scope of small businesses may remove or reduce opportunities for learning about market environments through a lack of direct, disintermediated interface.

Rouibah (2009) identifies factors affecting information communication technologies usage and satisfaction in the Arab world, and concludes that social, psychological, cultural and socio-demographic impactors affect engagement from both business and individual perspectives. This echoes some of the findings of Tufeki (2008), who specifically links engagement to age and social class in consumers. Putit and Arnott (2007a, 2007b) identify both national and micro culture as being major socio-psychological factors in engagement.

Kapurubandara, and Lawson (2009) note that research indicates e-commerce offers a promising way for organizations to meet challenges of an ever-changing environment. However, available studies, especially those related to SMEs in developing countries reveal that they lag behind and are skeptical about adopting the technologies irrespective of their effectiveness. They further note that the literature reveals many significant reasons contributing towards this reluctance; socio-demographic, empathy/trust based and cultural.

Martínez-López et al (2010) propose a theoretical framework to understand consumer's adoption and use of a certain web site recommendation system as well as the main psychological outcomes involved. They cite all of the areas indicated above as possible contributory factors, although the paper itself is focused on a methodology/model and has not been empirically tested as yet. They also highlight individual cultural norms and attitudes as being of interest.

This cultural aspect is one which resonates with the author, but which has had surprisingly little treatment in the academic journals. As with much of the research, it has initially been driven by governments and quangos. Industry Canada (2004) cited culture as a barrier to further SME engagement in the e-economy. OECD (2008) notes the role of culture in both fostering entrepreneurial activity in SMEs and in apparent attitudes towards the internet, both from customers and businesses. Gupta & Kim (2010) also consider cultural issues amongst the socio-psychological mix and promulgate the notion of value-driven internet shopping as being a key element of the psychology of marketing for the e-generation.

The literature tends to concur on the importance of trust, empathy, and concern over lack of social interaction, ethics, culture and demography. All of these aspects are dealt with separately and in depth within the literature review. These are areas that merit attention in the empirical element of the research and the author will consider this along with the other socio-psychological and demographic aspects of the respondents during the data gathering and analysis phase.

2.10 Summary of conclusions from the literature review

There is no doubt that the development of the Internet and its associated applications is increasingly important across business. The Web has been hailed as an efficient tool for commercial development, a segue way to more efficient and cost effective business operations and a promoter of increased competition, yielding great benefits for businesses and consumers alike. The decision to e-engage for a traditional business presents major strategic, tactical and/or operational risk and could potentially cause the company to close if mishandled. If handled well, it could transform the company into an industry leader.

There is a lack of consistency in literature regarding the definition of SMEs as entities and in recognising the inherent differences between those at the high end of the medium category and those at the micro scale.

There is an almost universal adoption of the premises that e-engagement is a good thing for all business and that a standard one- size-fits-all approach, regarding SMEs as homogenous both within the sector and across the "size divide", is a sound modus operandi.

Companies will face a number of choices in relation to an engagement decision, predicated on their circumstances. These will come in the form of variables associated with adding value to the business or customer base and also various challenges and obstacles relating to a wider range of issues. These include; the level of economic development of the host country, knowledge and availability of ICT and customer preferences.

At the business level, drivers to engagement have been, for the purposes of this research, identified in the literature and summarised in figure 4 as a range of "value silos". These form the sub-structure for the engagement drivers elements of the conceptual framework of the research discussed in chapter 3.

Using the section summaries the key themes that will form the skeleton and substructure of the conceptual framework (discussed in Chapter 3) have been identified:

Four key, high level themes or concepts have been chosen:

1. The nature of SMEs as entities

2. The nature of the markets within which the SME operates

3. The concept of Engagement

4. The Internet itself

At a sub-structural level, the following foci will be considered:

➢ Management knowledge and capability
➢ Strategy
➢ Cost/Benefit
➢ Relevance
➢ Size of the business
➢ The business model adopted by the SME
➢ Customer preferences
➢ Trust and empathy

CHAPTER 3 THE DEVELOPMENT OF A CONCEPTUAL FRAMEWORK

3.1 Development Approach

In the preceding chapters, the author has reviewed the current thinking regarding the factors which should drive e-engagement among SMEs, as well as the notional barriers identified in broad terms in the literature. Chapter two concluded that it is essential to establish both the potential drivers and barriers under clearly defined headings which can then be investigated empirically rather than accepting anecdotal evidence.

The conceptual framework presented in this short chapter provides a context within which to understand how different variables and determinants shape the enterprises approach to e-engagement. As discussed in the literature review, in order to contextualise the focus of the research, "What are the drivers and barriers faced by SMEs in relation to e-engagement?" Four key themes within the existing body of published literature have been identified. These, the author classifies as "first order constructs" derived from the section summaries in chapter two and are defined as:

1. The SME as an entity,

2. The Internet itself,

3. The concept of engagement, and

4. The nature of the markets within which the SME operates.

These issues are all intimately interlinked and exhibit a reciprocal conceptual relationship between and across each theme, as shown in figure 5 below.

```
                    C1. SMEs




C3. The                                C4. Engagement
Internet




                 C2. The Market
```
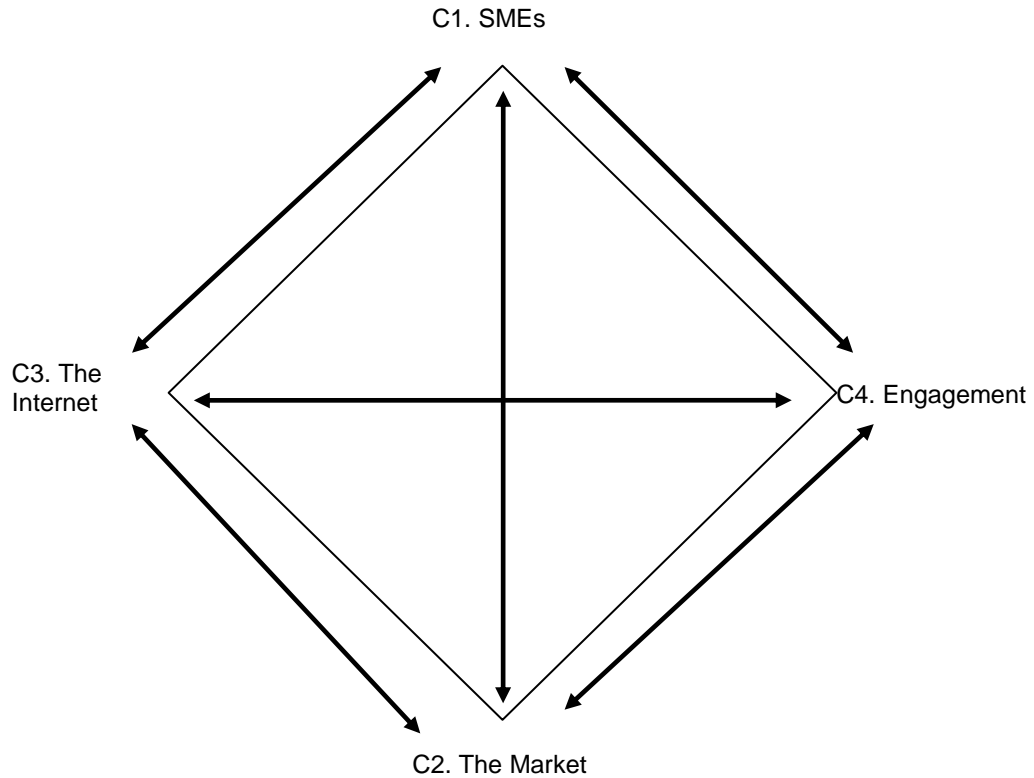
Figure 5: Reciprocal relationship between the first order constructs

A number of questions for investigation fall logically from the review of the literature:

1. Is the concept of the SME as defined in the literature valid for the purposes of meaningful empirical research into engagement?

2. What is the role and efficacy of the Internet as perceived by SMEs

3. What does engagement actually mean: does the SME view match the published definitions?

4. Does there need to be a new nomenclature to effectively define levels of engagement other than those currently recognised in the literature

5. What factors encourage SMEs to engage; the key determinants, variables and consequent drivers for e-engagement

6. What are the empirical barriers to engagement facing SMEs?

7. How are the barriers associated not only with the identified drivers, but across the wider aspects of the business model

In order to understand how the answers to these questions impact on each other and how these impacts relate to the wider themes, the author envisaged a second stage of the conceptual framework.

Within this, he identified the grouping of the determinants of engagement as cited by the various authors discussed in the literature review. These were then considered in relation to the specific variables facing SMEs in general and μSMEs in particular. This then gives a group of notional principal drivers to engagement, again as discussed in the literature review. , These drivers are then subject to a raft of barriers, some permeable some not.

The degree of permeability will determine the degree of engagement exhibited by the SME, itself a function of the reciprocal nature of the relationship between the determinants, variables and drivers identified via the questions generated from the literature review, and detailed above. At the same time, this will define the strategic space within the marketplace relevant to the SME/μSMEs currently occupied by Internet and non Internet engaged companies, as shown in figure 6 below
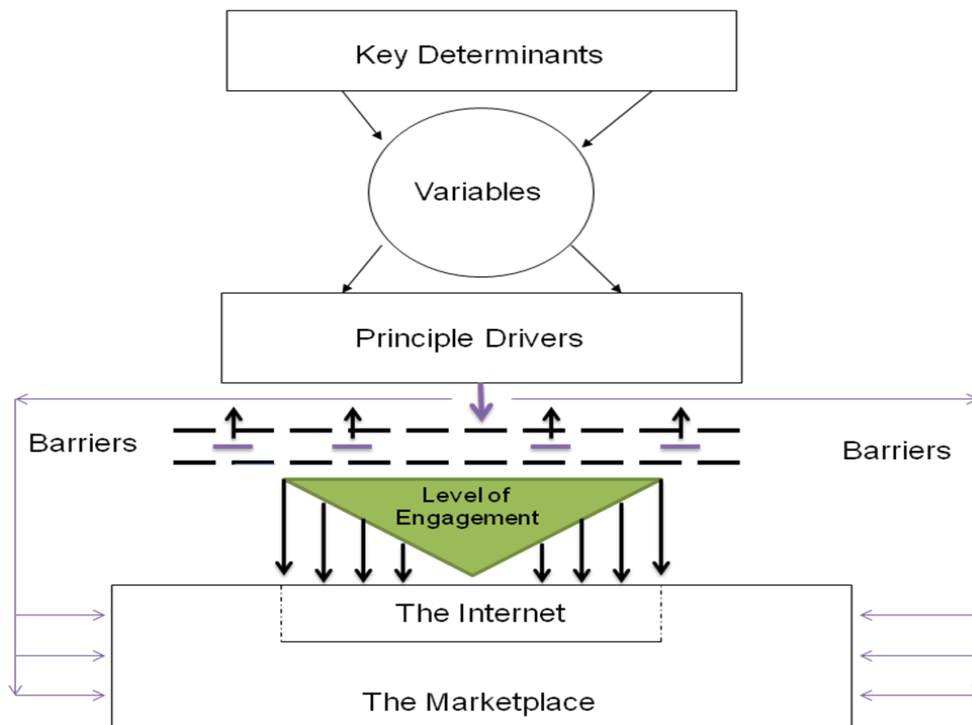
Figure 6: Second stage conceptualisation reciprocal nature of the key themes

These questions lead logically to a number of conceptual linkages between the identified themes on multiple levels. To fully understand how the drivers and barriers operate, it is necessary to establish the relationship between them in the context of the SME/ µSMEs space.

Some of these may be environmentally determined (internally and/or externally). In seeking to understand these relationships and the processes involved in their development, questions are generated from the literature review on: management and strategy, cost and financing, skills and training, the supply chain, size and market position, the business model adopted by the SME, customer preferences and security, trust & reliability. These fit neatly into a substructure of four component parts, classified for the purposes of this research as "second order variables":

➢ Business model: e.g. aim and objectives of the business, profit maximising or satisfising behaviour, interaction with clients and suppliers, B2B, B2C or both, manufacturing vs. service, segmentation strategy.

➢ Barriers: e.g. Trust, security, empathy, knowledge, gender, age, education, access to technology, access to training, transparency.

➢ Principal drivers: e.g. Customer satisfaction, ease, flexibility, price, competitiveness, government/NGO pressure, received wisdom, market discipline.

➢ Levels of engagement: regular Vs. irregular formal use of the Net as a business tool, regular Vs. irregular informal use, occasional use via non business platforms (i.e. at home for occasional business purposes), complete lack of engagement.

This grouping, building on the logic developed in figure 6 leads to a further development in the conceptualisation of the model and yields a second level diagram of the framework as shown in figure 7 below.
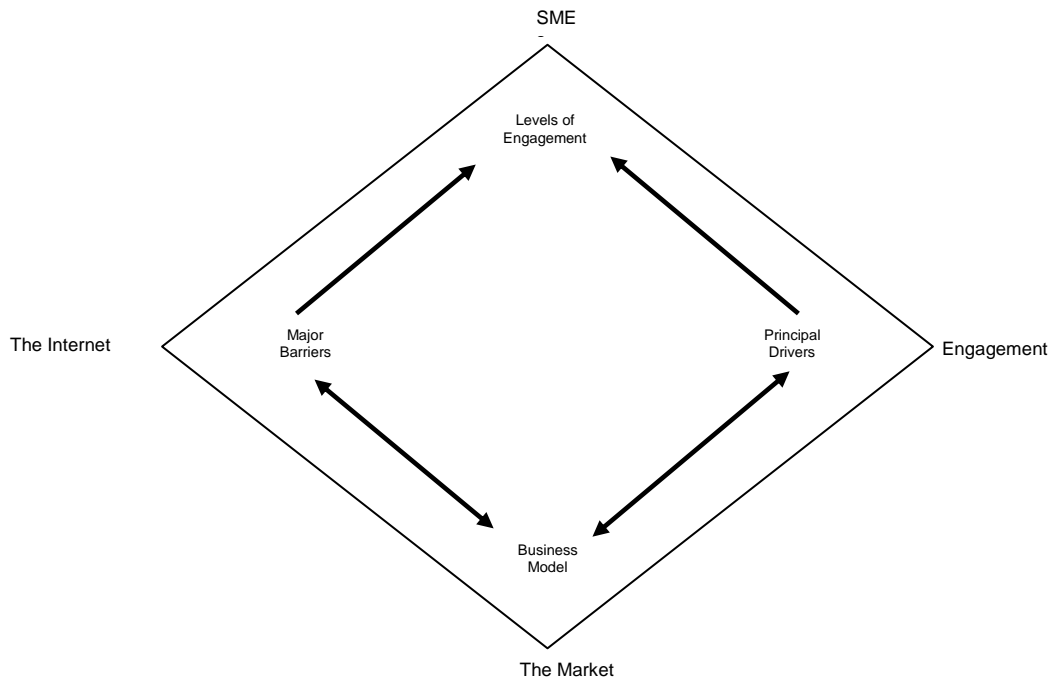
Figure 7: Integration of and interrelationships between first order constructs and second order variables

As can be seen in Figure 7, the relationships are no longer symmetrical. As discussed in the literature review, bi-lateral relationships appear to operate between the market focused business model and the SME's conceptualisation of the barriers and drivers to Internet usage.

Conceptually the level of engagement, however, is unilaterally impacted by the perception of drivers and barriers; the weight associated with each of the areas influencing, and ultimately deciding, the level of engagement.

It is also necessary to realise that the model is dynamic thus the relative weightings of barriers and drivers are subject to the interaction of the first order considerations impacting on the business mode This, through the bi-lateral feedback with the second order barriers and drivers will potentially affect the level of engagement, either positively or negatively. The final phase of the development of the model almost transcends the conceptual and enters the perceptual. It addresses the SME decision maker's understanding of the cost-benefit/value proposition represented by engagement or lack of it with the Internet. As discussed in Chapter 2, the literature is often at a loss to explain the reported lack of engagement in a vast area of the SME space.

That which addresses the issue from a neutral standpoint, i.e. without the pre-supposition that the Internet is a "good thing" regardless identifies that some SMEs and especially μSMEs simply do not recognise a benefit from engagement given the costs associated with it. These may be defined as real, perceived, notional, opportunity, pecuniary or apparent. These costs and benefits are defined by the author as "third order determinants". They are directly informed by the second order variables, but are themselves the determinants of the SME core value proposition and thus generate drivers and barriers in and of themselves. This is described in figure 8.
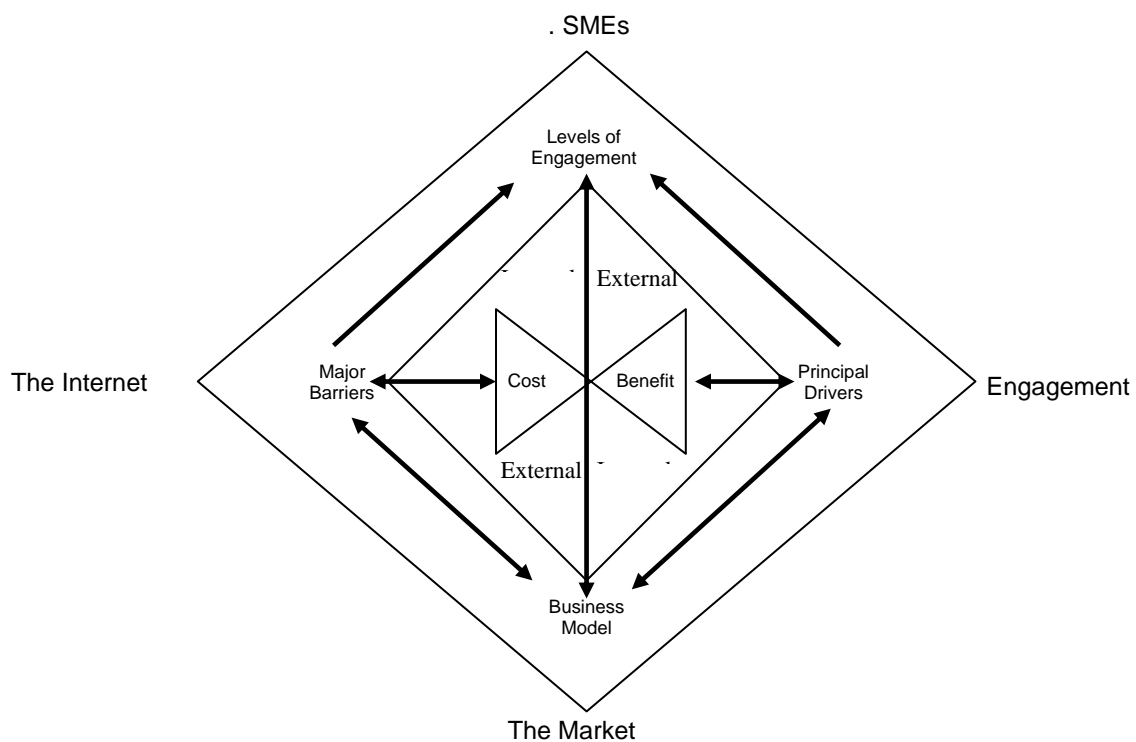
Figure 8: The conceptual framework

This final iteration of the model allows for an initial profiling of respondents and codifying process of the parameters of the research model to be defined, e.g.

C1. SMEs

> C1.a. Fully engaged (Web presence, regular formal e-mail contact with clients/customers/suppliers, e-procurement/sales – if appropriate to business model)
>
> C1.b. Partially formally engaged. (No Web presence. Dedicated Internet access at place of business. Regular use of Internet for business purposes, formal e-mail contact with clients/customers/suppliers)
>
> C1.c. Partially informally engaged. (No Web presence. No dedicated Internet access at place of business. No regular use of the Internet for business purposes, informal/*ad hoc* e-mail contact with clients/customers/suppliers)
>
> C1.d. Disengaged. (No Web presence, no dedicated or informal access to Internet for business purposes, no e-mail contact with clients/customers/suppliers)

Full profiles of Concepts C2 – C4 and the expanded sub-structure of the associated constructs are included in Appendix 1.

3.2 Conclusion

The framework contextualises the main areas of focus for the research, highlighting the relationships between external and internal environmental issues, pressure and assistance, internal capability, real and perceived barriers and strategic choice relating to the engagement decision. It considers the objectives of the research within the previously identified boundaries of the philosophical standpoint of the author and in this way it informs the design of the primary research, shapes the research questions and provides a frame of reference for the respondent's views to be considered within.

CHAPTER 4: RESEARCH METHODOLOGY

4.0 Research Methodology

4.1 Introduction

This chapter explores the nature of research and the general premises and principles on which the research is predicated and seeks to address the research question identified in the introduction. The assumptions underpinning the research are presented and evaluated. Triangulation through the multi-disciplinary literature review is discussed, as are the concepts of validity and generalisability and issues surrounding credibility. Berg (2008) defines the purpose of research as "not to amass data, but to discover answers through application of systematic procedures". Ghauri and Gronhuag (2005) define research as a process of planning, executing and investigating in order to find reliable answers to specific questions, and emphasise the need for a systematic approach so that *"it is easier for others to understand and believe in our report"*.

Clough & Nutbrown (2007) state that, *"research puts common experience into brackets, makes 'objects' of experience so that they can be examined and understood. One of the things which research requires people to do is to question assumptions and perceptions which are taken for granted in the normal run of everyday life."* Ghauri & Gronhaug, (2002) go further, stating that, *"the purposes of research are multiple, such as to describe, explain, understand, foresee, criticise/or analyse already existing knowledge or phenomena in social sciences."*

The basic nomenclature of research was categorised by Silverman (2002) as follows:

Concept	Meaning	Relevance
Theory	A set of explanatory concepts	Usefulness
Hypothesis	A testable proposition	Validity
Methodology	A general approach to studying	Usefulness
Method	A specific research technique	Good fit
		With theory
		And hypotheses

Table 13: Basic concepts in research. Source: Silverman, 2002

A consideration of the "twin pillars" of methodology (Clough & Nutbrown, 2007), i.e. the epistemological and ontological issues encountered by the author, are given. They also discuss the two "main" or at least "mainstream", research philosophies of positivism and phenomenology. They explain the choice of a more interpretivist, phenomenological approach that this research will follow. The choice of the main survey instrument, analytical approaches and operational issues regarding the research are discussed later in this chapter. This researcher's background is one of applied research/practitioner focused activity and the consideration of academic methodology does not always come easily to those from a more practitioner based background, a fact highlighted by Ellis and Kiely (2007), citing Schone (1995), *"In the varied topography of professional practice, there is a high hard ground overlooking a swamp. On the high ground, manageable problems lend themselves to solution through the use of research-based theory and technique. In the swampy lowlands, problems are messy and confusing and incapable of technical solution."*

This, the author feels is a particularly useful perspective in the case of the subject matter of this thesis given the concerns raised in Chapter Two over the tendency towards internal inconsistency of much of the commissioned research into the problem of SME e-engagement (whether approached from a positivist or phenomenological viewpoint). Much of the published research has been conducted from Schone's (ibid) "high ground", when what perhaps is needed to achieve realistic answers to the question, or even a suitable context to consider the question in, is to get "down and dirty" in the swamp.

Prior to engaging in any research activity, it is essential that the researcher should have a clear idea of his or her philosophical standpoint and it is to this area that the chapter now turns.

4.2 Philosophical considerations.

There are a plethora of philosophical standpoints that may be potentially adopted in any research activity; e.g. Epicureanism, Marxism or even Nihililism at the extreme! Two views however dominate the literature on the research process: phenomenology and positivism (Saunders et al. 2009, Silverman 2002, Hussey & Hussey, 1997). In practise, when one *"descends into the swamp"* (Schone, cited in Ellis and Kiely 2007) the distinctions are sometimes "muddied" however, at a purely philosophical level; the basic tenets of the two schools of thought are clearly demarcated. A discussion of these tenets and traits is explored below.

The term methodology denotes a *"general approach to studying a research topic that establishes how to go about studying any phenomenon and how the research should be designed"* (Silverman 2002). From this perspective, methodologies may be viewed through a positivistic or phenomenological lens. Each has its own set of rules, its own credo and its own modus operandi. Thus the approach or philosophy underpinning the research provides and establishes the rules and procedures of the research. It also provides the foundation for the *"conceptual insights"* that Ghauri and Gronhaug, (2002) stated were *"essential for high quality research"* and that, in some of the cases highlighted in chapter two of this thesis, appear to be missing in many of the published studies.

Given the author's professional background there was a clear affinity with the positivist camp. The identification of clear business issues, e.g. the reason why SMEs do not fully e-engage and the search for clear, immutable reasons and solutions, replicable across the piece is an attractive prospect for someone of the author's professional training. This however, has been the focus of much of the published research. Sadly, as discussed in the literature review, this focus has not produced answers. The question of whether that philosophical standpoint was "fit for purpose" then was begged and meant that this had to be considered very carefully. This was a tough initial test and a situation that displays clear empathy with Mason (2007), who suggests that this choice *"probably involves a great deal more intellectual effort than simply identifying a research topic."*

Before settling on a research philosophy it was necessary to consider the previously mentioned twin pillars of methodology, epistemology and ontology to fully understand the fitness for purpose of any approach adopted. This was echoed by Marsh and Furlong and Marsh (2005) who note that ontology and epistemology *"are like a skin not a sweater, a researcher needs to be able to understand his/her ontological and epistemological position and be able to defend these against critiques from other positions."*

4.3 Ontology

Ontology is the branch of metaphysics concerned with the nature of being. In other words, it is the researcher's view of the nature of reality. Logic demands that ontological perspectives precede epistemological considerations as they deal with the very nature of being – whether there is a 'real' world 'out there' that is independent of our knowledge of it, or whether it is merely a construct defined and driven by social phenomena (Mason, 2007; Marsh & Stoker; 2002, Silverman, 2002). It is therefore necessary for the researcher to reflect on the nature of social entities and their interaction with perceived reality in finding a tenable ontological position (Bryman, 2001). Mason (2007) advises that *"The best way to grasp that you have an ontological position, and to work out what it is and what are its implications for your research, is therefore to recognise what the alternatives are."*

Mason (ibid) further makes the point that Ontology can seem like a difficult concept precisely because *"the nature and essence of social things seem so fundamental and obvious that it can be hard to see what to conceptualize."*

Ontological perspectives may be defined as the space between two extreme ontological assumptions regarding the nature of reality; one essentially "scientific" in nature (the positivistic approach), the other based on a focus on the drivers of social phenomenon (espousing the interpretivist or phenomenological paradigm). These may be conceptionalised as shown in figure 9 below.
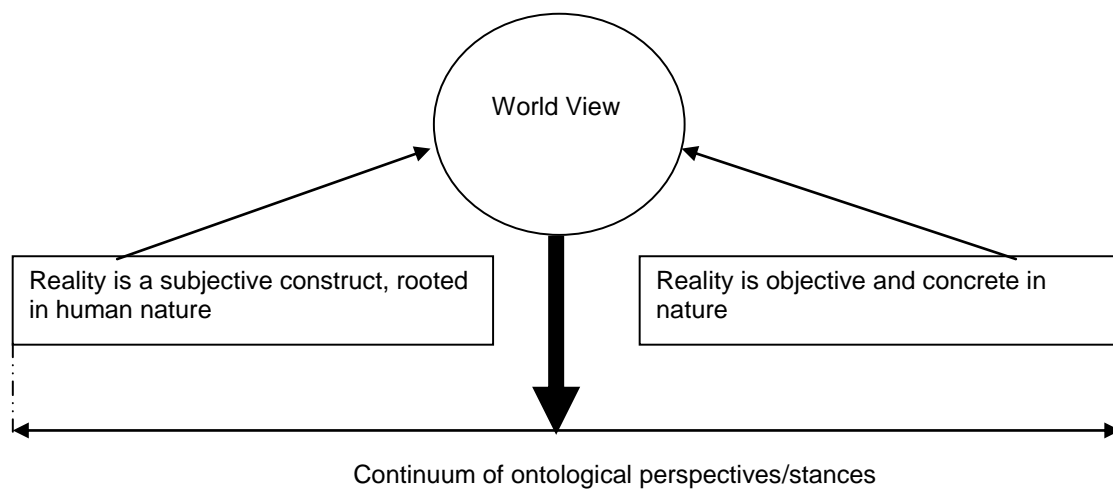
Figure 9: **Conceptualisation of the ontological continuum.** (Source. Author)

In simple terms the extreme or "limiting cases" can be explained as follows. On the one hand reality is based on the assumption that propounds a view of the world as a concrete structure and that there exists a 'real' world around us that is independent of our knowledge of it. The alternative view, equally extreme, is that a 'real' world cannot and does not exist independent of the meaning which social entities attach to their actions (Mason, 2007; Silverman 2002). Taking the extremes, it can be seen how these ontological perspectives impact on the epistemological assumptions that the researcher is called on to make. One case posits the argument that there is no 'real' world, which exists independently beyond a socially constructed world, to discover. This means that no observer can be 'objective' because they live in the social world and are affected by the social constructions of 'reality'.

On the other hand, those who subscribe to the concrete, scientific method camp argue that it is because of the concrete nature of reality that objective, generalisable research is not only possible, but the only valid and meaningful approach.

4.4 Epistemology

Epistemology relates to the nature and scope of knowledge; the relationship between the researcher and that which is known, i.e. the phenomenon being studied. It essentially deals with the assumptions made by the researcher as to what it is possible "to know"; the veracity of that knowledge and how that knowledge can be obtained. Epistemology refers to the branch of philosophy that deals with knowledge, especially with regard to its methods, validity, and scope. A key area of epistemological debate for example in qualitative research is the extent to which any method can provide access to the personal world of the research participant (King, 2006).

The relationship between the researcher and that which is being researched will also have an impact on the "epistemological assumption" (Collis and Hussey 2003). This is the first of the major differences between the positivistic and interpretivist standpoints. As a positivist, the researcher has a view of the world that is objective and singular in nature. In short, the researcher should be independent from the processes, objects or phenomena which he studies. The interpretivist, whilst seeking an unbiased approach, takes the stance that the individual's world view is just that, individual, and no less valid as a result. In other words, the world that the researcher perceives may not be entirely based on or informed by extant knowledge. The "causality" affected by human interaction may, unbeknown to us, shape our perceptions of reality. The researcher must therefore make some decisions as to what is "valid knowledge" and what is not.

Much epistemological debate is therefore focused on analysing the nature of knowledge and is concerned with justification. In effect, the key epistemological issues to be addressed in any piece of research are: "Do I really know what I think I know?" and, if so, "How do I know what I know?" or, put another way, as an observer can one identify 'real' or 'objective' relations between social phenomena and, If so, how? This investigation into the possibility of establishing 'real' relationships between social phenomena begs a further question: can this be done by direct observation, or are there some relationships which exist but cannot be directly observed?

It is the researcher's answers to these questions that defines his or her epistemological position and, as in the case of ontology, a number of different ways of classifying these positions have emerged and probably the most common classification distinguishes between the positivist/scientific and phenomenological/ interpretivist positions.

4.5 Philosophical paradigms

The two "main" or at least "mainstream" research philosophies were identified above as positivism and phenomenology. These represent the major schools of thought, although there exist a number of "hotly debated" alternatives e.g. relativism, subjectivism, hermeneutics, deconstructivism, constructivism, feminism, etc. (Saunders et al 2009, Silverman 2002). Some authors, e.g. Gummerson (2003) feel that there is little merit in defining a philosophical stance when conducting research stating "Let's stop fooling ourselves: all research is interpretive!" He further notes that, "No ready-to-consume research results pop out like a soda can from a vending machine once we have inserted sufficient money and pushed the right button. There is interpretation all along, from the very start of a research project until the very end."

Not withstanding this viewpoint, it is appropriate to give a brief consideration to the two main philosophies and their associated paradigms and to explain the how the ontological and epistemological considerations discussed above informed the choice of approach and research design.

4.5.1 Positivism

Many theses have been written on the nature and application of the positivist philosophy and the so called "scientific method". The role of this short section is not to replicate these but to give an insight into the premises of the paradigm. In its broadest sense, positivism is a rejection of metaphysics. It has its genesis in the golden age of the natural sciences and derives from the development of the "scientific method" by such luminaries as Kuhn and Weber. It is a position that holds that the goal of knowledge is to describe the phenomena that we experience and to seek for immutable laws that predict and explain these phenomena. According to the positivist credo, the purpose of research is simply to focus on to that which we can observe and measure.

The ontological view of the positivist is that knowledge of anything beyond this observable/measurable state of being is impossible, and largely irrelevant.

Auguste Comte is credited with the coining of the term positivism (Pickering, 1993). His thesis was that mankind had progressed through three great stages in the search for meaning namely: the theological; the search for the divine and spiritual fulfilment, the metaphysical; the search for philosophical truth, and finally the positive or scientific phase: the search for and cataloguing of facts. This third phase involved scientific exploration and the objective collection and judgements of facts in order that mankind might arrive at 'positive' truth, as distinct from theological or metaphysical truths. The ontological stance of Comte is clearly that of an objective realist, and the associated epistemological relationships are, as a result easy to document.

The preferred approach of the positivist is deductive. Deduction seeks to establish truth by following the chain of logic. Conclusions are drawn from the gathering and ordering of facts. These facts are then used to confirm or reject hypothesised relationships between variables; these having been deduced from initial research question. In order to facilitate this approach, the gathering of data relies on large samples, with the collected data presented in quantitative format. This allows for manipulation and testing of the data using statistical tools and, for the positivist, has the added advantage of being "abstracted", i.e. removing the influence of the researcher from the process and allowing the data to uncover the underlying laws and causalities which will explain phenomena and ultimately allow their occurrence to be predicted. Generalisation and replicability across large data sets are the hall-marks of the deductive process and of positivist philosophy in general. The philosophy is essentially nomothetic, a word meaning literally "proposition of the law". In other words, having accepted the ineffable existence of immutable laws, the positivist project is to track these down, understand them, measure them, achieve generalisable statements about them and continually test their applicability. This focus on replication allows for the continual refinement of the stages. Theory is constantly tested and results in the hypothesis and consequent methodology to yield the presentation of a generally applicable method. This, when applied to an observed phenomenon will always yield the same results. In this way, positivists seek through the uncovering of "natural laws", predictability.

To say that all natural science is conducted in this philosophically polarised extreme is wrong, although many researchers in the social sciences seem to believe this to be the case. In fact since the emergence of the Vienna circle of physicists in the 1920s (including Einstein, Plank et al.), the impact of the interaction of physical phenomena with their environment and the unpredictable activity of sentient or non-sentient agents has been recognised. The two best examples of these the author would suggest being Heisenberg's uncertainty principle and the famous case of Schrödinger's cat (Gribbin.1994). These were the fathers of "logical positivism", and again the link between their philosophical standpoint and their position not on the extremes but rather on the ontological continuum, can be clearly appreciated.

Ultimately, positivism is grounded in empiricism; the idea that observation and measurement is the core of the scientific endeavour. The key approach of the scientific method is the experiment, the attempt to discern natural laws through direct manipulation and observation. Intellectually, there exist a number of logical and compelling justifications for a positivist stance in socially based research. One could argue that the role of social science should be to identify social facts. Taking the appropriate ontological stance would suggest that these facts are actually extant and thus must be observable, measurable and capable of categorisation. If this is to be done, then the researcher should approach the task in an unbiased fashion, free of the constraints of his or her own belief system.

As can be seen from the cases highlighted in the literature review, many of the problems in terms of internal inconsistency that research conducted into SME e-engagement suffer from are methodological rather than interpretive or theoretical in nature. This would logically lend itself to a positivistic approach to sort out. Many authors however disagree and lay a number of criticisms at the door of the positivists in terms of social research (Saunders et al. 2009, Silverman 2002). The main criticism is that, unlike the world view of the natural sciences, social phenomena do not lend themselves to theorising or the promulgation of ineffable laws. Business and business management it is argued, is part of a complex social world, insights into which are lost if complexities are reduced into law-like generalisations.

Indeed, two strands of contention have been particularly emphasised by critics in this regard. First, there are the pragmatist positions of Quine (1961) and Kuhn (1970), cited in Marsh and Furlong and Marsh (2005), who develop two crucial critiques of positivism:

1. That any knowledge we derive from the five senses is mediated by the concepts we use to analyse it, so there is no way of classifying, or even describing, experience without interpreting it.

2. This it turn may affect the objectivity of the exercise and as such the conclusions drawn from the 'facts' may be inaccurate.

The second strand of criticism notes the differences between social and physical phenomena that make social 'science' difficult if not impossible. Morgan & Smircich (1980) encapsulate the argument thus: "If it is recognised that the social world constitutes some form of open-ended process, then any method that encloses the subject within the confines of a laboratory, or merely contents itself with the production of narrow empirical snapshots of isolated phenomena at fixed points in time, does not do complete justice to the nature of the subject."

4.5.2 Phenomenology

Phenomenology as a philosophical standpoint owes its genesis to the work of such nineteenth and twentieth century philosophical luminaries as Kierkegaard, Nietzsche, and Heidegger who themselves influenced the school of thought that became known as existentialism; espoused by amongst others Sartre, de Beauvoir and Camus in the twentieth centaury. Existentialism takes as its starting point the human as subject. Thus it considers not just the sentient individual but the totality of the subject's experience; the acting, feeling, living human individual and his or her terms of reference vis-a-vis their existence as a starting point for philosophical debate. In other words, existentialism seeks to understand the world within the frame of reference that is the human condition. In its extreme form, existentialism takes an extreme ontological view as described previously and regards traditional systematic method as abstract and remote from human experience and thus reality.

Phenomenology grew out of this philosophical dissatisfaction with systematisation and the disregard of human interaction and non-rational choice. The phrase comes from two ancient Greek terms and means literally "to study that which appears" and was developed as a research philosophy and method by Husserl. True to its existentialist roots, it is primarily concerned with focusing on a systematic analysis and reflection upon the findings of that analysis on phenomena that appear and are affected by the conscious or unconscious impact of social constructs. It rejects the hypothetico-deductive mantle of positivism, focusing instead on the inductive; i.e. seeking to gain an understanding of what the individual gleans from his or her reading of events and starting from a realisation that the views of the researcher are actually part of the research. Induction is essentially an extreme form of empiricism. When coupled with the phenomenological philosophy, it rejects immutable laws. It seeks to understand not through logical deduction but through establishing what is true based on evidence.

 The data set for this research is primarily qualitative in nature and, again in contrast to the positivist approach, utilises small sample sizes which value and validate the view of the individual. As will be discussed later in this chapter, critics often note that it is not possible to be 100 per cent sure about inductive conclusions as they are based on empirical observations. However, as Ghauri and Gronhaug, (2002) point out: *"Sometimes, conclusions based on hundreds of observations can be wrong too".* Reflection takes place not from the abstracted, quantitative base of the positivist approach, but rather from what some authors characterise as a "first person perspective". This means studying phenomena not as they appear to "my" consciousness, but to any consciousness whatsoever. Despite this apparent dichotomy in approach from the standard scientific method, Husserl believed that phenomenology could provide a firm basis for all human knowledge, including scientific knowledge, and could establish philosophy as a "rigorous science". Proponents of phenomenology argue that business situations are complex and in many cases unique, meaning that a positivist stance is in effect not fit for purpose. As Saunders et al. (2009) note, these situations arise out of a particular set of circumstances and individuals and therefore raise the question of generalisability when taking a phenomenological stance and trying to capturing the complexity of social situations.

As a result of this, from an epistemological perspective, the phenomenologist does not focus on generalisability. Indeed, given the ever-changing world of business and the uniqueness of each organisation this would be irrelevant. The phenomenologist project is rather focused on "*discovering the details and the realities working behind a situation*" (Remenyi et al. 1998).This clearly has major implications for any interpretivist approach, as it does not have the benefit of the large sample, statistical validity afforded by the positivist paradigm.

The interpretivist relies on the validity of the individual's perspective and the notion that "the individual is the expert" on his or her particular situation. At the unitary level, this is a comfortable and easily assimilated notion, however when wider scale analysis and interpretation is called for, the epistemological questions require to be addressed. A robust methodology can assist in this.

Positivism	Phenomenology	This thesis
Quantitative data	Qualitative data	Seek to understand the reasons preventing individual businesses in multiple contexts E-engagement.
Large samples	Small samples	Constraints on available subjects and time
Hypothetico-deductive	Theory generation	Creation of base case theory/propositions
Specific data set	Rich and subjective dat	Rich, in depth data from individuals
Artificial location	Natural location	Participants naturally located by definition
Generalisation: sample to population	Generalisation: case to case	Trends between respondents

Table 14: Summary of the main aspects of the two paradigms and the requirements of this research. (Adapted from Collis and Hussey 2003)

4.6 Philosophical standpoint of the research

As shown above, Phenomenology and Positivism are, in extremis, two limiting cases of the ontological assumption. As with most things in life, the most appropriate route is normally somewhere between the extremes, a fact supported by Saunders et al. (2009) who state that *"The practical reality is that research rarely falls neatly into the positivist and phenomenological camps"*. This implies that the adopted ontological position should attempt to incorporate insights from across the continuum. Any attempt to state an ontological position will be influenced by the relative emphasis given to adjacent positions. It is not the objective of this thesis to explore the relative merits and de-merits of the range of available ontology. Nevertheless, it is as explained crucially important to establish a philosophical standpoint that is fit for purpose.

The scientific tradition has its foundation embedded in the epistemological 'high ground' of knowledge, bounded by conditions of irrefutable testability, repeatability and objectivity. As Hollis & Smith (1990) note, the role of scientific research is *"to detect irregularities in nature, propose a generalisation, deduce what it implies for the next case and observe whether the prediction succeeds. If it does, no consequent action is needed; if it does not, then either discard the generalisation or amend it and [test the] fresh [predictions]."* This however assumes that phenomena in the business world and, in this case, specifically e-engagement of SMEs, lend themselves to objective measurement, and are subject to extant, if not yet fully understood, immutable laws. Furthermore, as noted above, the objectivity demanded by the positivist paradigm requires that these phenomena be abstracted from the very context which gives them meaning. This context may be characterised by a range of influences: social, political or financial, to name but a few. By way of contrast, in Schön's (1995, cited in Eliss, (2007)) *"swampy lowlands",* abstraction of data from their context is not possible or appropriate and the often turbulent conditions are not accessible to measurement or interpretation by freezing data and objectively analysing it with approaches that assume lawful relations between elements.

Morgan & Smircich (1980) observed: *"If one relaxes the ontological perspective that the world is a concrete structure and admits that human beings, far from merely responding to the social world may actively contribute to its creation, then the positivism becomes increasingly inappropriate."*

The phenomenological paradigm recognises the need for social inquiry and sees a world that cannot exist independently of human knowledge of it. Not surprisingly, this view also has its critics, mostly avowed positivists! The major criticism appears to be that the phenomenological approach can only hope to offer opinions or subjective judgements about the world. As such, there is no basis on which to judge the validity of claims; potentially a major problem in business research. The phenomenologist's greatest stated strength may also be their greatest perceived weakness, i.e. "one person's view of the world is as good as another's". Some critics have also claimed that the phenomenological approach is essentially "anti-methodological" or, as Alvesson & Sköldberg (2000,) describe the charge, "anything goes". Wetherill et al (2001) succinctly encapsulate the criticisms stating, *"Researchers in this tradition (phenomenology) do not usually aim or claim to capture the truth or reality but to offer an interpretation or version which is inevitably partial"*.

There are many commentators however who spring to the defence of the paradigm. (e.g. Silverman 2002, Alvesson & Sköldberg, 2000). They feel that the apparent deficiencies are irrelevant given that the essence of research fundamentally requires there to be uncertainties. This feature, they state, rather than robbing the approach of validity, actually validates it. Silverman, (2002) goes further, suggesting the concept of validity needs reconstruction in relation to research. The predominant distinction between quantitative and qualitative methods, derived from different ontological and epistemological traditions, serves primarily to conceal and confuse theoretical positions. This distinction focuses our attention on the techniques through which social life is represented in the course of research, as opposed to the process of representing reality.

Mason (2007) promotes full consideration of all the ontological perspectives to provide an informed approach to establishing an epistemological stance that is fit for purpose vis-a-vis the research questions under consideration. Ghauri & Gronhaug, (2002) further counsel that, *"There is no best method for business research; the choice depends upon the research problem, the research design and the purpose of research; on what you really want to know"*.

4.7 Conclusion

The author's review of the literature described in chapter 2 has established that the problem with much of the published research in the area is that it tries to achieve a full causal explanation of the research outcomes, to use them as a predictor of outcomes or, in some cases, as a hammer to pound a square peg into a round hole. This thesis rather accepts the complexity and dynamic nature of the social world. Having accepted this, it follows that the researcher can seldom make confident predictions about it, or reveals incontestable findings. It attempts to understand the outcomes in relation to their associated social entities, rather than to try to establish a "causal roadmap". That is beyond the scope of the research.

It is a truism that rarely is a single truth possible in social research, largely because of the interaction in the research of a range people who have their own viewpoints and, in the case of this research, institutions that have their own agendas. The range of philosophical and research methods literature demonstrates that research into social phenomena will inevitably reflect the researcher's partial understanding and particular interests. Ontological and epistemological claims that knowledge thus obtained is partial, situationally specific and thus non-generalisable, and related exclusively to the researcher's world view and value system, in no way invalidate the method adopted. Indeed, rather than negating validity, the interpretivist philosophy in this particular research offers the opportunity to "give voice" to the beliefs of the individuals affected by the issues under consideration and, as Remenyi (1998), put it, "to understand the reality behind the reality". The stated purpose of this research is to identify and understand the barriers to e-engagement of SMEs and, despite the author's predilection and familiarity with largely positivistic/quantitative approaches and data, that the adoption of an ontology and epistemology more akin to the phenomenological paradigm will yield a methodology and method more fit for purpose.

CHAPTER 5: RESEARCH STRATEGY

5.1 Introduction

Having established the epistemological and ontological standpoint from which this thesis is presented, the discussion now turns towards the strategy employed in executing its primary goals. Saunders et al. (2009) define the research strategy as the development and statement of clear objectives, derived from the research questions, and specifically identifying the sources of data and the constraints which will inevitably prevail. Given the philosophical (phenomenological) perspective of the research as concluded in chapter 4, the nature of the data on which this thesis relies is qualitative rather than quantitative.

Methodology represents the general approach taken to carrying out a piece of research. In order to answer the research questions identified in the chapter 2, and in order to conform to Saunders' (ibid) statement that *"research strategy must start with clear objectives",* a two-stage strategy was employed. The first task was to establish the key determinants of e-engagement; those things that drive the initial decision making process. The second was to identify the principal barriers associated with the decision; the outcomes of an SME recognising and reacting to the key determinants as defined above, positive and negative.

5.2 Research approach.

Many authors on research methods (Saunders 2009, Collis & Hussey 2003, Silverman 2002) note that the philosophical standpoint of the researcher and the methodology resulting from that position will have an impact on the selection of the research approach undertaken. *"The nature of the data that the researcher chooses to gather and the approach to analysis, synthesis and conclusion will all be interdependent."* The choice of approach is further driven by the research objectives. In this case, the author is not only seeking to answer what and why questions associated with e-engagement but also to develop a conceptual framework which will add to the body of knowledge in the field. To achieve this, it is necessary to understand the nature, uses and limitations of the two primary categories of data: quantitative and qualitative and their relationship with the associated approaches of deduction and induction.

5.2.1 The hypothetico-deductive and inductive approaches.

The deductive approach is driven by the generation of hypothesis which can be tested in an empirical arena (Collis and Hussey 2003). It is generally linked with the "scientific method" and the positivist philosophical standpoint and relies on large amounts of numerical or quantitative data (Saunders et al 2009). The underpinning paradigm is of moving from the general to the specific in order to prove or disprove a generalisable and replicable set of empirical laws, as described in chapter 3. The inductive approach, by contrast, is theory building (Collis and Hussey 2003) and seeks to understand reality from the perspective of the individual; from the specific to the general. As a result, the inductive approach has an intrinsically more flexible nature (Easterby-Smith et al 2002) in terms of both data collection and interpretation. This can reduce concerns related to generalisation particularly with regard to the researcher's understanding of phenomena and the research context (ibid).

Hypothetico-deductive	Inductive
Scientific principles	Gaining an understanding of the meanings humans attach to events
Moving from theory to data	A close understanding of the research
The need to explain causal relationships context between variables	The collection of qualitative data
The collection of quantitative data	A more flexible structure to permit changes of research
The application of controls to ensure validity	A realisation that the researcher is part of the research
The operationalisation of concepts to ensure progresses clarity of definition	Less concern with the need to generalise
A highly structured approach	
Researcher independent of what is being researched	
The necessity to select samples of sufficient size in order to generalise conclusions	

Table 15: Deductive vs. inductive approaches (Saunders et al. 2009)

Qualitative methods	Quantitative methods
Emphasis on understanding	Emphasis on testing and verification
Focus on understanding from respondent's/ Informant's point of view	Focus on facts and/or reason for social events
Interpretation and rational approach	Logical and critical approaches
Observations and measurements in Natural settings	Controlled measurement in abstract settings
Subjective 'insider view' and closeness To data	Objective 'outsider view' distant from data
Explorative orientation	Hypothetical deductive; focus on hypothesis testing
Process oriented	Result oriented
Holistic perspective	Particularistic and analytical
Generalisation by comparison of properties and contexts of individual organism	Generalisation by population Membership

Table 16: The nature of quantitative and qualitative data. (Ghauri & Gronhaug, 2002)

5.3 Data Collection Issues

Collis and Hussy (2003) note that the chosen method of data collection is often a reflection of the chosen research paradigm. Silverman (2002) identifies two main data gathering techniques for the phenomenologist/interpretivist, namely observation and interviews/case studies. The International Development Research Centre further sub-divide the available foci, identifying seven and list the cogent advantages and disadvantages /constraints of each. The interview/case study approach was chosen for this research based on both the philosophical stance of the researcher but also the degree to which the technique was fit for purpose. It will elucidate and give voice to the key elements required to address the research questions.

The approach may be defined as *"an extensive examination of a single instance of a phenomenon of interest"* (Hussey & Hussey 1997). This is eminently suitable for the investigation of the real life social phenomenon which either drive or retard/block engagement by SMEs with the Internet. This is particularly well articulated by Yin (2003), noting that the essence of a case study, *"...is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented and with what result"*.

Notwithstanding this, the theoretical perspective from which the case study is undertaken can be a moot point. Yin (ibid) discusses at some length the juxtaposition and tension between what is actually going on within the case in point and the boundaries of the case within which theory must be articulated and integrated. The use of the case study within the interpretivist paradigm has a number of beneficial features. Given the philosophical approach, the issue of generalisability is not paramount. Validity, on the other hand is not only key, but internally verified, the individual case presenting itself as an expert within its own context as a result of the acceptance of the importance of the character of the respondent or of the event/response under consideration. (Yin 2003, Hussey & Hussey 1997, Saunders et al 2009).

Technique	Advantages	Possible constraints
Using available information	Is inexpensive, because data is already there. Permits examination of trends over the past.	Data is not always easily accessible. Ethical issues concerning confidentiality may arise. Information may be imprecise or incomplete.
Observing	Gives more detailed and context-related information. Permits collection of information on facts not mentioned in an interview. Permits tests of reliability of responses to questionnaires.	Ethical issues concerning confidentiality or privacy may arise. Observer bias may occur. (Observer may only notice what interests him or her.) The presence of the data collector can influence the situation observed. Thorough training of research assistants is required.
Interviewing	Is suitable for use with both literates and illiterates. Permits clarification of questions. Has higher response rate than written questionnaires.	The presence of the interviewer can influence responses. Reports of events may be less complete than information gained through observations.
Small scale flexible interview	Permits collection of in-depth information and exploration of spontaneous remarks by respondents.	The interviewer may inadvertently influence the respondents. Analysis of open-ended data is more difficult and time-consuming.
Larger scale fixed interview	Is easy to analyse.	Important information may be missed because spontaneous remarks by respondents are usually not recorded or explored.
Administering written questionnaires	Is less expensive. Permits anonymity and may result in more honest responses. Does not require research assistants. Eliminates bias due to phrasing questions differently with different respondents.	Cannot be used with illiterate respondents. There is often a low rate of response. Questions may be misunderstood.
Participatory and projective methods	Provide rich data and may have positive spin offs for knowledge and skills by researchers and informants.	Require some extra training of researchers.

Table 17:   Types, advantages and disadvantages of various data collection techniques. Source: International Development Research Centre 2009

This research is focused on answering the question; **"What are the drivers and barriers faced by SMEs in relation to e-engagement?"**, If, as noted above, every case study is by definition valid, the use of a multi-response model rather than a single in-depth case offers some distinct advantages. The robust structure and volume of evidence allowing for the identification of trends and convergence (evolutionary or enforced) being two of the primary examples. This undertaking of "multiple experiments" (Yin, 2003) on a given social phenomenon within a discrete business environment allows for a more logical development of concepts and frameworks which add more directly to the body of knowledge and lend themselves to further investigation, from both the interpretivist and positivist viewpoint. As Silverman, (2002) points out, qualitative research is often the bedrock of validity upon which generalisable theory and laws are built.

5.4 Choice of the sample populations

The design of a sampling strategy for a qualitative study is as important as that for quantitative inquiry. A well-defined sampling strategy that utilises an unbiased and robust frame can provide unbiased and robust results. Marshall (1996) notes that the probability sampling techniques used for quantitative studies are rarely appropriate when conducting qualitative research. He notes that although the process of selecting a random sample is well defined and rigorous it is inappropriate for most qualitative research specifically because the aim of a random sample is to provide the best opportunity to generalise the results to the population. This is not the most effective way of developing an understanding of complex issues relating to human behaviour. He cites both theoretical and practical reasons for this:

1. Samples for qualitative investigations tend to be small; as discussed in the methodology section of this thesis. Even if a representative sample was desirable, the sampling error of such a small sample is likely to be so large that biases are inevitable.
2. For a true random sample to be selected the characteristics under study of the whole population would need to be known; this is rarely possible in a complex qualitative study, and certainly not in this research.

3. Random sampling of a population is likely to produce a representative sample only if the research characteristics are normally distributed within the population. The values, beliefs and attitudes that form the core of qualitative investigation do not necessarily conform, making the probability approach inappropriate.

4. Individuals are not equally good at observing, understanding and interpreting their own and other people's behaviour. Qualitative researchers recognise that some informants are 'richer' than others and that these people are more likely to provide insight and understanding for the researcher.

There are three broad approaches to selecting a sample for a qualitative study. (Saunders et al. 2009, Silverman 2002):

1. Convenience sampling

The least rigorous technique, this involves the selection of the most accessible subjects. It has many attractions being the least costly to the researcher, in terms of time, effort and money. However there may be issues over the quality of data and intellectual credibility.

2. Judgemental sampling

Also known as purposive sampling, this is the most common sampling technique. The researcher actively selects the most productive sample to answer the research question. Often this is based on the development of a framework of variables that might influence an individual's contribution. The researcher's practical knowledge of the research area, the available literature and evidence from the study itself is then used to inform and select the sample. This offers a more sophisticated /rigorous strategy than simple stratification, although age, gender and social class might be important variables It may be advantageous to study a broad range of respondents; outliers, those who have specific experiences or those with special expertise. Respondents may be able to recommend useful potential candidates for study or snowball sampling, as used by Tseng (2007). During interpretation of the data it will be important to consider both cases that support emerging explanations and those who disagree with these.

3. Theoretical sampling

The iterative process of qualitative study design means that samples are usually theory driven to a greater or lesser extent. Theoretical sampling necessitates building interpretative theories from the emerging data and selecting a new sample to examine and elaborate on this theory.

It is the principal strategy for the grounded theoretical approach but will be used in some form in most qualitative investigations necessitating interpretation.

Having considered the sampling options available, the author chose to adopt a judgemental sampling approach. This seemed logical as the nature of both the subject matter and the analytical approach adopted as discussed below, clearly indicated the appropriateness of the method.

In order to address the twin aims of identifying and explaining both the drivers of and barriers to e-engagement , it was necessary to seek insights not only from those who were not engaged with the Internet, but also from those who had embraced it and were utilising it as a business platform at some level. The notion of engagement is obviously open to interpretation and so, for the purposes of the research, "engaged businesses" were defined as those who fit three criteria:

1. Maintenance of an active Web presence (i.e. a Web site)
2. Maintenance of a "bricks and clicks" profile (i.e. had both physical premises/disintermediated interaction with clients as well as Web based)
3. Active integration of Web based applications into their business model (e.g. on-line brochure/message boards/fora/ordering/tracking)

By corollary, for the purposes of sample selection, those businesses defined as "disengaged" were defined as not having a Web presence and no active attempt at integration or use of Web based business applications into their business model.

As noted in chapter 2, some researchers posit that the use of the Net may be more prevalent in certain types of business. The research strategy therefore needs to address the research questions across a range of SME business types.

These, the author categorised as: B2C retail and service offerings, B2B enterprises and professional services. The justification for these groupings is that, in the B2B and B2C categories it allows for the examination of the majority of business interactions faced by SME/ μSMEs. The professional services group was chosen as it provides an insight into the effectiveness of the Web for SME marketing where a single enterprise is active in both the B2C and B2B arenas.

C2B and other "novel" business models have been excluded from the scope of this research. This is consistent with the sampling method described above. As with all research, sample size is always an issue, as well as a constraint in some cases. Given the qualitative and inductive nature of this research, the author took comfort from both Marshall (1996) cited above and the assertion of Malahotra and Birks (cited in Lindridge and Shah 2004) that large samples are not necessarily helpful in these cases. The key is to look for convergence of themes and findings in order to develop meaningful, applicable conceptual frameworks conclusions. These are *"the swampy lowlands"* which Ellis and Keily (2007) and Schone (1995) refer to and where the researcher seeks to find the *"reality behind the reality"* identified by Remenyi (1998) and discussed in chapter 4.

The original strategy was to choose a sample size of 9 SMEs in the "engaged" category (3 from each sub category) and 9 from across the disengaged category. Where possible, and where they existed, more than one decision maker was to be interviewed, giving access to a range of responses to the questions and a richer seam of data. In the final analysis, a total of seventeen case companies were analysed given the level of convergence achieved. The justification for the sample size is based on the notions of convergence and coverage as discussed by a number of authors including; Malhotra & Birks (1998), Crabtree & Miller (1992) and Patton (1990).

In order to identify case companies the author, following the premises of judgemental sampling as described above, used his practical knowledge of the research area, the available as well as business contacts and evidence from the ongoing study to inform and select the case companies.

In some instances, snowballing was used, notably where a respondent identified another company that agreed / disagreed with specific themes and traits. The self selective nature of such respondents was helpful although only four of the total of seventeen companies were identified in this way.

In order to cover any concerns over regional bias, case companies from around the UK were chosen and, where possible, companies of a similar profile across both the groupings and the three sub groupings were interviewed.

5.5 Data Analysis Issues

The analysis of data is about making sense of the information collected so that findings and specific conclusions can be presented in order to answer the research questions. Yin (2003) states that every case study should start with a general analytical strategy. These strategies with regards to case studies provide the researcher with a system by which priorities can be set for what exactly requires to analysis and why. Yin (2003), states that *"The evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust"*. Multiple sources of evidence, i.e. "triangulation", are what add to a study's validity (ibid.). He adds that before data can actually be analysed, a researcher using multiple case studies must choose from two general analytical strategies:

➢ Relying on theoretical propositions; the most common strategy. The result of this is the collection of data based on research questions taken from previous studies

➢ Developing a case description

Yin (ibid.) then explains that only then can specific techniques be used to actually analyse the data. In writing about qualitative data analysis, Miles and Huberman (1994) note that the focus is on data in the form of words emanating from the interviews conducted. These words require processing, in and of itself a form of analysis. They define data analysis, *"as consisting of three concurrent flows of activity: (1) Data reduction, (2) Data display, and (3) Conclusion drawing/verification"*. Upon first obtaining data during a "data collection period," They explain these three stages of qualitative data analysis as follows:

1.   *Data reduction* should not be considered to be separate from analysis, but as a part of it. This reduction of the data is analysis that helps to sharpen, sort, focus, discard, and organise data in a way that allows for "final" conclusions to be drawn and verified. They add that data can be reduced and transformed through such means as selection, summary, paraphrasing, or through being subsumed in a larger pattern.

2.   *Data display* is the second level of activity and means taking the reduced data and displaying it in an organised, compressed way so that conclusions can be more easily drawn. They explain that, "humans are not powerful processors of large amounts of information," and that "extended text can overload humans' information-processing capabilities" They further note that good displays are, "a major avenue to valid qualitative analysis".

In conclusion, they state that, as with data reduction, the creation and use of displays is not separate from analysis, but is a part of it.

3.   *Conclusion drawing and verification* is the final analytical activity for the qualitative researcher. It is here that the researcher begins to decide what things mean.

They do this by noting regularities, patterns (differences/similarities), explanations, possible configurations, causal flows, and propositions. However, they warn that the competent researcher should hold such conclusions lightly, while maintaining both openness and a degree of scepticism. This research is based on responses from individual companies within a multiple case study framework. As noted above, internal validity is not an issue given the phenomenological philosophy underpinning the research, however to add credibility, robustness and construct validity the data will be analysed on two levels:

1. Intra case analysis: comparison of data against theory explored in chapter 2. Here the author explores the relationships, or lack thereof between the individual companies and the Internet.   The level of perceived capability with the firm, awareness of externally perceived benefit of and assistance in engaging with the Net were also explored.

2. Cross-case analysis: data in one case compared to data in the other cases. A number of different categorisations were considered for the cross case analysis based on turnover, employee numbers etc. However, these were rejected on the bases of the extant body of knowledge in the form of the wide-ranging debate amongst published sources.

This suggests that the size of the SME in these terms does not act as an indicator for e-engagement. It was therefore decided to use the categorisations discussed in section 4.4 above: B2C retail offerings, B2B enterprises and professional services; the latter chosen as it provides an insight into single enterprises in both the B2C and B2B arenas. This aids the identification of any patterns specific to either focus but common only between two where one is the hybrid. In other words, this allows analysis of different companies with a single market focus. It specifically excludes product type as a parameter on the basis that existing research shows this not to be a decisive factor in Web engagement as discussed in chapter 2.

Market focus	Market Sector
B 2 B	
2 respondents	Manufacturers of vegetarian frozen food
2 respondents	Precision turning and component manufacturing
2 respondents	Sales and telemarketing trading and consultancy
B2C	
1 respondent	laundry and Ironing
1 respondent	Plumbing and heating installation
2 respondents	Four star B&B accommodation
Professional Services	
1 respondent	Accountants
2 respondents	Management training & development, personal and life coaching
2 respondents	Estate agents

Table 18:   E-engaged case companies

Market focus	Market Sector
B 2 B	
1 respondent	Builders
1 respondent	Industrial blinds and window screens
B2C	
3 respondents	Men's retail fashion
1 respondent	Domestic Appliance Repairs
1 respondent	Personal Ironing & Pressing service
Professional Services	
1 respondent	Accountants
3 respondents	Domestic and light industrial cleaning
2 respondents	Estate Agents

Table 19:   Non e-engaged case companies

5.6 Data Collection Application

The interpretivist paradigm, inductive method and qualitative data gathering are all focused on giving voice to the reality perceived by individuals to given social phenomena and specific contexts or, as Collis & Hussey (2003) term it *"collecting meaning".* In order to achieve this, the researcher must employ a number of interpretive techniques; first describing and then decoding the messages received from the participants in the study. As noted, the author has chosen to utilise a multiple case study approach which can yield information to the researcher from a number of different sources, e.g. company documents, direct observation by the researcher and interviews (Yin 2003). Silverman (2002) notes the importance of secondary data collection; not only literature but also company documentation and archive sources, and further codifies primary research activity into four categories, as summarised in Table 20 below.

Method	Qualitative research
Observation	Preliminary work, e.g. prior to questionnaire. Fundamental to framing and understanding context
Textual analysis	Content analysis, i.e. counting in researchers' categories. Understanding terms of participants' categories
Interviews	'Open-ended' questions to small samples
Transcripts	Used to understand how participants organise their thoughts and responses

Table 20: The four primary data collection methods for qualitative research (adapted from Silverman, 2002)

Yin (2003), when considering primary data sources, has a slightly different coda, identifying interview, direct observation, participant observation and physical artefacts as the key foci.

Across the literature, the use of interview techniques, whether structured, semi-structured or unstructured in nature, is recognised as probably the most important (Saunders et al 2009, Yin 2003, Collis & Hussey 2003, Silverman 2002). For this research, the author chose a semi-structured approach, allowing for an in-depth exploration of answers (Collis & Hussey 2003) and a general richness of data while at the same time retaining a clear focus on the research questions. This approach affords the researcher the opportunity to collect rich, in-depth information. It allows the researcher to develop an understanding of the interviewees' world through the interaction during the interviews (Easterby-Smith et al., 2002). This allows researcher not only to reveal and *understand the "what" and the "how" but also to put more emphasis on exploring "why""* (Saunders et al., 2009). It also allows additional information to be gleaned in ways which are not possible with the quantitative, hypothetico-deductive approach (Hussey & Hussey, 1997). Adjuncts to the original questions may be raised and elucidation achieved through requests for exemplification or clarification, thus adding richness and depth to the responses (Patton, 2002).

There is also the opportunity for variation in the order and logic of the questions from one interview to another (Easterby-Smith et al., 2002). Thus the questions posed/issues discussed may differ from one interview to another (Hussey and Hussey, 1997), guided by issues identified by the respondents themselves.

5.6.1 Identification of key themes, interview design and execution.

The key themes associated with this research were identified initially through the development of the conceptual framework discussed in chapter 3 above. Given the nature of the twin approach to the problem: firstly validating the generally accepted drivers to engagement and secondly, pitching these against the empirically experienced barriers, two overlapping but specific sets of questions were developed. A total of 28 semi-structured interviews with owners and managers within both "e-engaged and non e-engaged" businesses were conducted, lasting typically between one and one and a half hours.

The total period of time taken to complete this research was from October 2007 until April 2009. Interviewees were those with specific responsibility for decision making/management of engagement decisions and investment. Access was facilitated by direct contact, mostly via cold call and occasionally via business network introductions as discussed under sample selection in section 5.3.

Confidentiality was an issue in some of the non-engaged firms and while some companies were happy to be quoted directly, some preferred that their responses to be anonymised. This is understandable given the range of answers recorded. All companies and respondents have been anonymised in the final presentation of the thesis.

5.7 Data Analysis Application

Data is, by definition, raw intelligence that requires analysis and subsequent interpretation to become useful information. Analysis of the data aims to provide sense reduce volume, identify trends and themes and construct a framework for communicating the essence of what the data reveals (Patton, 1990). There are several generally accepted methods of analysing qualitative data, e.g.

➢ Discourse analysis: interpreting the language used by individuals' within a specific social context

➢ Narrative analysis: showcasing the stories and metaphors that people tell and employ to understand their lives and the social context of the world around them

➢ Content analysis: the classification of textual units into specific categories for identification of inferences around a specific social phenomenon

➢ Template analysis: Interpretation through the design of a template consisting of codes subject to continual review and change as the researcher gathers and analyses data in order to highlight themes and patterns in the dataset

As this research sought to explore how the Internet and barriers to engagement with it are perceived by SMEs a template approach was adopted for analytical purposes. This allows for the pre-determination of initial themes derived from the literature and conceptual framework and subsequent revision based on the ongoing analysis. Consequently, an understanding of the reality of engagement barriers across SMEs will be garnered. King (2006) cites a number of advantages over other qualitative research analysis methods inherent in the template approach, not least that the discipline of producing the template forces the researcher to take a well-structured approach to handling the data. There is however a paucity of substantive literature on the technique in comparison with other techniques such as grounded theory. It is therefore essential to ensure that templates are not too simple to allow in-depth interpretation of data or are too complex or over-descriptive and risk of losing the individuals' voices in analysing the total amount of data (ibid).

5.8 Template development:

Development of the template is not a separate stage from its usage in the analysis of the data (King, 2006). The analysis follows three stages: template creation, revision and final construction.

Pre-defined codes were established vis a vis the research in order to guide the analysis of the data. The avoidance of a plethora of pre-identified codes is essential to avoid over complication. Nevertheless, a sufficient number, breadth and depth must be achieved to ensure a successful initial analysis and sifting of data. The development of the template ensures that the researcher establishes the link between the research questions and the overarching conceptual issues pertinent to the focus of the research (Miles & Huberman, 1994). As such, the base template derives its codes from the themes and questions identified by the conceptual framework, discussed in Chapter three above.

The base template consists of four "meta codes". These are effectively the concepts around which the research revolves. These are the "C" elements of the conceptual framework discussed in chapter 3, namely: The Net, The SME, The Market and Engagement. These break down into a sub-structure of lower-order codes, which the author has labelled as constructs and indicators, with the aim of elucidating the breadth and depth of the data analysis. The constructs represent the fundamental elements associated with the concepts. The indicators, as the name suggests, indicate whether there is enough information to form a conclusion, but also the way the firm's are affected by the constructs and relate to the concepts.

This process is similar to that suggested by Wengraf (2001), who propounded the use of "empirical indicators" as signifiers of dimensions or as a datum point. This allows the researcher to anchor the "evidence" in support of a given conceptual standpoint. He goes on to note the difficulty in measuring the concepts associated with qualitative research. Effective indicators are necessary to establish whether the respondent has given a sufficient depth of data to actually answer the question. An example of the research indicators are given in the table below.

External Drivers

- ➢ The Market
  - o Business Model e.g. development and conversion of marketing leads
    - ▪ Specific application of web based CRM

- ➢ The Market
  - o Business model, e.g. evolution of operational systems/activities to fit client and regulatory requirements
    - ▪ Managerial awareness of external environmental changes

    - ▪ Level of pressure imposed from outside the company

- ➢ Engagement

  - o Principal Drivers: Aims and objectives of the company

    - ▪ Establishment of the profit /satisfysing nature of the company
    - ▪ Implementation of the company's long term goals

KEY:

- ➢ Concept

- o Construct

- ▪ Indicator

Table 21: Sample of Meta and lower order coding

5.9 Pilot case study

In both the engaged and non-engaged arenas, a pilot study was undertaken. This is recommended by many authors (e.g. Saunders et al. 2009, Yin 2003, Silverman 2002), primarily in order that the researcher can test and refine questions, follow-ups and protocols.

The engaged studies were undertaken first, and the pilot allowed the author to explore the context of the SME environment as well as test the validity of the research questions and indicators discussed above. The second phase, the pilot and subsequent studies involving the non-engaged businesses, drew on the contextual analysis of the first tranche and allowed the author to present questions to respondents in a meaningful and pre-validated conceptual framework. As noted above, the focus of the piloting process is to define, refine and validate the conceptual framework. In order to do this, a number of high level topic areas were identified:

1. The firm's history, mission, vision
2. The firm's general business model/*modus operandi* in its chosen markets
3. Level of knowledge and experience of the Internet
4. Attitudes towards technological innovation in business
5. Levels of formal academic qualification of decision makers
6. Age and gender of decision makers in the firm
7. Awareness of reported opportunities offered by e-engagement
8. Awareness of incentives /assistance to adopt e-business practices
9. Perceived barriers to e-engagement
10. Additional areas of interest emergent during the interview process.

5.9.1 Topic selection rational

The topic areas covered in the interviews were generated from the conceptual framework. Topic area one establishes not only a broad overview of the company's activities but also offers an insight into the company's ethos. Area two provides an understanding of the favoured business model and insights into the behavioural stance of the company in relation to area one: profit maximising/satisfising, growth orientated/steady state etc. It also validates the company's inclusion in the study population.

Topics three and four probe the businesses' awareness and knowledge of and attitudes towards the Internet. This allows the researcher to deliberate whether any lack of engagement is due to ignorance of the options available or a conscious decision. It also establishes levels of engagement and addresses directly the question concerning the need for nomenclature alterations discussed above.

Similarly it clarifies whether engagement in the first phase interviews is a result of a positive decision or a drift into a commonly pursued practice.

Topics five and six address specifically issues raised in much of the literature, where it is suggested that a lack of engagement may be due to a lack of formal qualification/higher education, age or gender specific factors. This is of interest from both the engaged and non-engaged perspective.

Topic areas seven and eight established awareness of both engaged and un-engaged businesses and attitude towards such opportunities and initiatives. As discussed in the literature review, and as highlighted as a major reason for the choice of topic, there are a large number of incentives and programmes associated with encouraging e-engagement. These are mostly predicated on the proposition that the Internet is a "good thing" for small business.

Topic nine addresses specifically the perception of barriers to engagement, both for the un-engaged and for those businesses classified as engaged but who could become more so.

The final catch-all topic area ten is designed to take advantage of the flexibility of the inductive approach and the phenomenological paradigm. Additional information exposed during the interview process can be followed up and validated as germane or irrelevant to the research. Thus the researcher is able to uncover the "reality behind the truth".

Topic Area	Focus	Rational
1&2	History, mission & vision	Validation of appropriateness of company and definition of business model
3&4	Knowledge of and attitude towards the Internet	Filter to establish decision making rational for level of (non)/ engagement
5&6	Education, age and gender	Investigate patterns & linkages between engagement and personal attributes of decision makers
7&8	Incentivisation of e-engagement	Establish awareness and attitude towards initiatives and existence of industry online bodies, specifically IMRG
9	Barriers to engagement	Identify perceived barriers to e-engagement at various levels for both non engaged and engaged
10	Additional information	Identification and investigation of emergent themes uncovered during the interview process

Table 22: Indicator definitions and purpose

5.9.2 Pilot case study and benchmark validation studies.

The purpose of this research is to investigate the drivers and barriers to e-engagement. As the work for this thesis developed, it became clear that this could only be achieved by conducting surveys across both e-engaged and non-engaged firms.

The author undertook a total of fifteen interviews with nine "engaged companies" as defined in Chapter 4 above. These essentially provide a benchmark against which to compare the non-engaged companies and also to offer confirmation of some of the conclusions drawn from the literature review. It also further informed the questions to be posed to non-engaged companies, especially with regard to areas 3, 4 and 9. For the engaged companies' pilot survey, the author was fortunate to gain access to a small regional accounting practice, owned and operated by four partners with twelve managers and a total of thirty full time equivalent staff. (FTEs) One partner was interviewed.

For the non-engaged pilot survey, two partners in a small estate agency were interviewed. They have two FTE staff who also cover the running of another business, (cheque cashing) based in the same premises.

Before each of the pilot interviews, details of the format and general questions were provided. The interviews were approximately one hour in duration and were recorded with the interviewee's prior consent. Notes were also taken at the time by the author to both aid future analysis and follow up areas of interest. Non-disclosure agreements were also offered to all participants.

5.9.3 Outcome of the pilot studies

Both the "e-engaged" study and the pilot non-engaged study went well in that the respondents recognised the relevance of the questions and were open and communicative in their responses.

The engaged study was the first to be undertaken. It proved to be both confirmatory of the findings of the literature review in terms of the generally accepted positive drivers to engagement and of the value silos identified by the author in the literature review. Some were not generally accepted however, especially the notions that significant savings could be made across the business or that customer satisfaction is enhanced by a web presence.

The engaged study also identified a number of additional areas including regulatory drivers which appeared to be both particular to specific professions and others which were identified as coming into force in the longer term, and affecting all businesses. Some barriers were also identified which the author had not previously encountered in the literature.

The pilot interviews informed the questions posed and helped shape the research indicators used for analysis. The indicators proved to be robust and fit for purpose in analysing the data gleaned from the pilot study and thus appropriate to use within the formal interview framework.

5.9.4 The formal case studies

Nine engaged cases in total were included in the study, consisting of a total of fifteen separate interviews and eight non engaged, consisting of total of thirteen separate interviews were conducted including the pilot studies. The use of a pre-communicated framework utilised the available time to its best advantage and fitted well with the delivery mechanism of the semi-structured interview. It had the additional advantages of:

a) Allowing the interviewee to pre-process the context of the question areas thus allowing for more reflective, structured answers which were an aid to analysis and

b) Re-enforcing the applicability of data between and across the study companies and thus, the robustness of the research findings.

As discussed previously, the sampling procedure for the cases defined above and the population was further stratified into three specific group types: B2B, B2C and professional services; the latter having been identified as being involved potentially with both of the other sectors. Ruzzier et al (2006) note that SMEs can have a somewhat "passive attitude" towards individual researchers, and thus be difficult to engage in the research agenda.

The author found that approaches to individual firms met with differing levels of enthusiasm. B2B focused companies tended to be the most difficult to gain agreement from for involvement.

The author considered utilising a network or snowball sampling technique for these, relying on referral to ensure a positive response. This however was rejected on the grounds that there may be some possible inherent bias where companies who were "like minded" would inevitably be networked. He decided therefore to persevere with a completely random approach, with potential contacts identified via local data sources e.g. the Yellow Pages and Thompson's local directories and the author's personal business contacts via banks and the accounting profession. All in all, nineteen B2B firms were contacted to yield a total of three engaged and two non- engaged responding companies. B2C companies were a little easier to engage with. Three subjects from each of the engaged and non-engaged group were identified from seven approaches. The B2C "tag" defined in Chapter 1 as a company that "predominantly" provides goods or services to the consumer market. In this case, predominantly means equating to s more than 90% of turnover, rather than exclusively.

This is a practical approach based on the fact that a number of firms will provide services to business on an *ad hoc* basis if approached, but do not actively canvass this sort of business.

The most open and indeed welcoming companies were the professional service providers who, without exception, agreed to meet on the first approach. This may be a function of a number of factors: professional qualification, level of education, recognition of the importance of networking and word of mouth etc. Regardless, six firms (again, three from each group) agreed to take part in the research from six initial approaches. Originally, the author had thought to target companies based on the south coast of the UK. This was a pragmatic suggestion; however, on the face of it may be able to attract the charge that the data was geographically biased. Much of the extant literature is based on either a small scale or regional basis, and is claimed to be representative, and so this could be interpreted as being as valid as much of the research. Given the findings of some of the more recent research however, the researcher decided that a range of responses from a wider spread of geographical areas or regions would develop a greater understanding of the relevant phenomena. As a result, responses from companies in different parts of the UK have been sought.

5.10 Analysis of the formal interviews

A general discussion of the logic of data analysis has already been approached in section 5.5 above. The in-depth analysis of the data from the formal case studies is impacted upon by the issues raised in that section and specifically by the three key issues affecting qualitative data analysis as identified by Collis & Hussey (2003); data reduction, structure and de-textualisation. The first two of these concerns are addressed by the development of the conceptual framework and the template. This allows for a systematic treatment of a large amount of qualitative data which is flexible enough to include additional analytical structures should the needs of the data demand it.

The third concern can be addressed by the use of tabulation and, once again, templating techniques. This allows the researcher to interpret the complexity of the data set in an intelligible format and at the same time identify key relationships and linkages which may give insights into the relative strengths and interplay between forces driving and barring e-engagement. The interpretation of textual data presents a number of challenges. In order to fully understand the responses to such areas of concern as why particular strategic decisions are made, or what causes an enterprise not to take up a particular incentive to engage, it was essential to establish a coding system based on the themes emerging from the interviews. Fereday & Muir-Cochran (2006) note that such codes and constructs need to be firmly rooted in the subjective meaning of human action. As such they highlight three essential postulates:

1. Logical consistency: clarity of conceptual framework and method

2. Subjective interpretation; what any action or decision means for the "actor"

3. Adequacy: clarity of focus between the researcher and the respondent

This use of thematic coding presents itself as superior to other formats in this context (e.g. theoretical coding or global analysis) as a thematic approach establishes causal relationships across the research area. The analysis uses a thematic approach in conjunction with the template, Template analysis is described by King (2006) as "*a varied but related group of techniques for thematically organising of and analysing textual data*". The template therefore aids the systematic presentation of data and allows it to be analysed on both a thematic and systematic basis.

In producing the "first cut" of the template, a small range of pre-defined codes generated from the themes highlighted by the conceptual framework were selected. This approach is endorsed by King (ibid). Codes were developed on a dynamic basis, thus as new constructs were uncovered, so additional codes were identified and generated. This required a dynamic revision of the template across each transcript to ensure consistency and to give further clarity adhering to Fereday & Muir-Cochran's essential postulates (2006) discussed previously. An example of the coding structure is given in appendix 3.

CHAPTER SIX CASE STUDY ANALYSIS

6.1 Introduction

This chapter presents an analysis of the data set gathered from the range of engaged and non-engaged companies interviewed. Nine engaged and eight non-engaged cases are presented, comprising a total of fifteen and thirteen separate interviews respectively. The analysis has been undertaken systematically as defined in chapter five above, utilising the previously explained range of research concepts, constructs and indicators, and coding these as appropriate in order to identify key themes, trends and findings. Further interpretation has then been undertaken where appropriate as discussed in chapter 4. The process of analysis for each case begins with the four key concepts, into which the author has then drilled down to uncover the constructs and indicators. This in turn leads to a summary of the key findings of each vis á vis the overall conceptual framework.
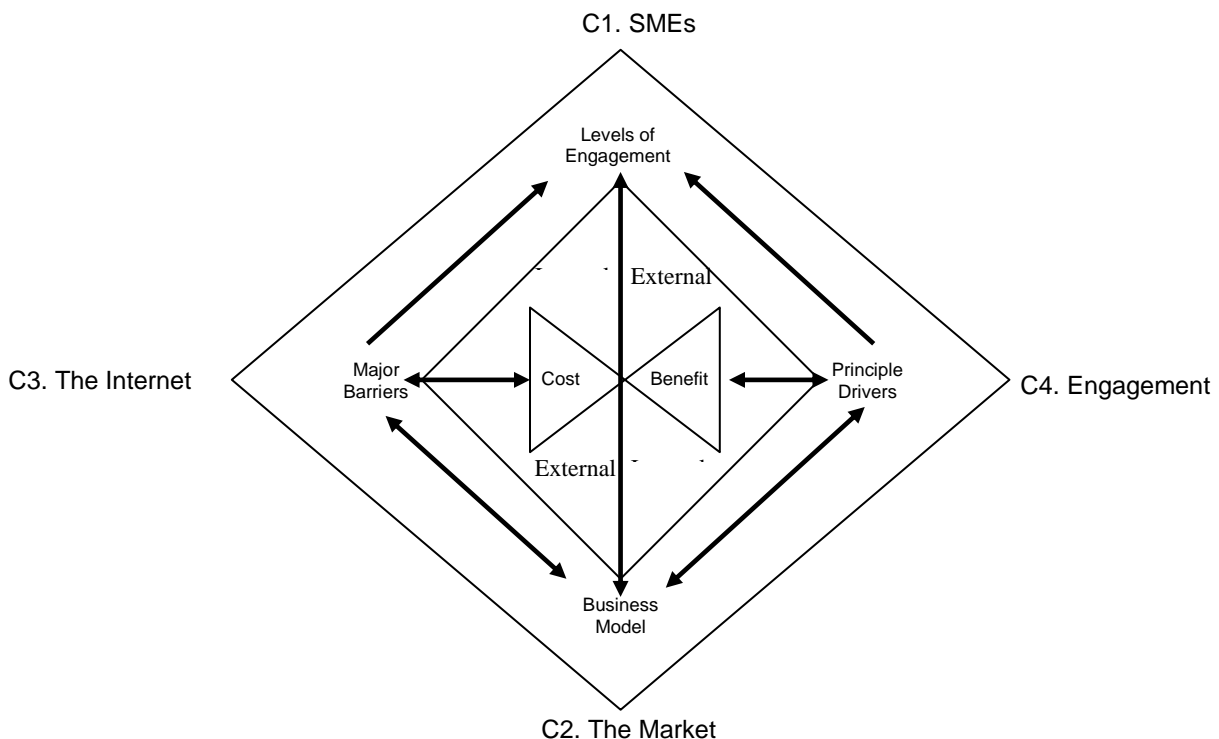
Figure 10: The conceptual framework.

The process follows the logic of the conceptual framework as shown in figure 10. The concepts and their associated constructs and themes identified in the conceptual model, reinforced by the indicators are explored in order to give shape and meaning to the analysis indicators identified and coded as follows:

1 The firm's history, mission, vision
2 The firm's general business model/*modus operandi* in its chosen markets
3 Level of knowledge and experience of the Internet
4 Attitudes to wards technological innovation in business
5 Levels of formal academic qualification of decision makers
6 Age and gender of decision makers in the firm
7 Awareness of reported opportunities offered by e-engagement
8 Awareness of incentives /assistance to adopt e-business practices
9 Perceived barriers to e-engagement
10 Additional areas of interest emergent during the interview process.

Using the data gathered at all levels, a fuller picture of the drivers of and barriers to e-engagement will be uncovered. Further analysis of findings across cases both within the engaged/non-engaged groupings and comparison across groupings is presented in chapter seven, along with relevant linkages back to the literature review presented in chapter two.

6.2. Intra case analysis

6.2.1 Case one - e-engaged. (Pilot Case Study) Accounting Practice, Southampton

Company profile

The company is a small accounting practice based in Southampton and has been established for over ten years. During this time it has established a solid reputation for itself as a significant player in both the local and regional market, largely due to the expertise of its partners.

The firm is a legally constituted partnership, as provided for by the Partnership Act 1890, and has four partners, twelve managers and thirty other FTE posts. These comprise part-qualified/trainee professionals, book-keepers, admin staff and business advisors. As a partnership, turnover/profit figures were not available and a request by the author regarding information on these was politely declined.

The firm is unusual, given its size, as it operates across a range of arenas, notably: financial accounting, corporate finance, taxation (corporate and personal), insolvency and business advice. The most profitable segments are the corporate finance and insolvency practices.

Professional excellence and customer service are key driving factors identified by the partnership. The partner interviewed noted that "Financial issues, whether corporate or personal, are highly emotive and thus attention to detail, professionalism and relationship management are all critical success factors to our business". The firm is obviously successful in its quest, as it regularly receives top ratings for performance in a number of local and regional polls.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Partially formally engaged. Interactive multi-page Website. Specific information on key staff; partners and managers. Difficult to assign a value to the Web presence. No definitive analysis of custom gained/revenue generated.	Design based on basic information, reassurance of professional competence "local feel". Seeks to encourage contact through statement of range of skills, offerings and recent successful cases/clients. "We tried to do some analysis on value added, but the parameters were too wide and responses too woolly. Ultimately it's a strategic marketing decision to have the site and we view it as a sunk cost and ongoing overhead. We feel it adds value"	Much of the material on the site is generic; available as an editable download from the ICAEW. (Similar material is available from all of the accredited professional accounting bodies) Professional accounting firm finds it difficult/uneconomic to quantify value. Accept the value added/me too/necessity of presence. Obvious informal monitoring, see discussion on discontinuation of Blog in C4 below.
Market C2.	Partially leveraged (willing). Nature of the business demands heavy focus on personal interaction and relationship building. Much business gained by word of mouth referral. Web activity is seen both as a "me too", but also as a means of attracting new business. "The site has generated new business for us, especially in the basic audit and accounting and insolvency areas".	Clear information on services and level of qualification as well as recent/current clients and successes (the latter with regard to corporate finance and insolvency/recovery practice). No discussion or indication of costs "Each case is unique, and thus it would be misleading to quote figures. Similarly, there is no point in frightening people with hourly rates: everything ultimately is negotiable and based on a number of factors. We are not so worried about competitors knowing our charge out rates, they are all fairly standard"	Some limited on line provision of business services: basic advice for existing clients; initial employment expression of interest/ application procedure. Essentially an e-mail based application

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
Engagement C4.	Although accepted as an industry norm by the firm, they have actively embraced the establishment of a Web presence, going beyond a basic Web site. Generic content is, as noted in C1 above, augmented with both client/case specific data and a solid "local/regional" feel to the site. "We feel it's important, at least for a large number of clients, to feel that they are dealing with a firm that understands the local and regional market" The firm sees itself as "as engaged as is economically viable" "We do not in any way rule out further investment in Web based business applications, if they offer a viable return and enhanced benefits for clients"	Reassurance is a very powerful motive for our Web presence" No incentivisation utilised beyond accessing ICAEW generic materials for Web site. "We may be interested in accepting funding to run pilot type initiatives with professional partner institutions (e.g. ICAEW, EU, etc), but only if not disruptive.	Benefits derived from engagement based on differentiating offering on a local basis, communication with and reassurance of clients. Interest in developing engagement further, with or without incentivisation provided this added value both to the firm and the client. Published a regular blog for six months, but then discontinued as little feedback from clients/surfers and was felt to be a waste of time invested in the writing. "We do put up a statement/page: I suppose you'd call it a blog, relating to significant events e.g. the budget. Most of the information is largely generic and, as you know, is available for the Institute, although we do add our own considered views as appropriate.

Table 23: Intra case analysis: Case Company 1

Indicator	Key findings
History, mission, vision	The firm has been established for over ten years with a clear focus on profit maximisation and a stated aim of customer satisfaction.
General business model/*modus operandi*	Strategic positioning in the "focus differentiation" area with standard price positioning.
Knowledge and experience of Internet	Sound basic operational/functional knowledge, some in house technical expertise, most contracted in. Extensive experience of use as a functional (Web based accounting and finance applications) research and communication tool for the business and personally
Attitudes towards technological innovation in business	Open and enthusiastic attitude to the Net and technological innovation generally. "If it's cost effective, offers a competitive advantage and additional customer benefits, we would be interested"
Levels of formal academic qualification of decision makers	Partners: Undergraduate degree (all), Masters/MBA (two) professionally qualified (all). Doctorate (one in progress). Extensive CPD (all) Managers: Undergraduate degree (all), Masters/MBA (one) professionally qualified (all), extensive CPD(all)
Age, gender and nationality of decision makers in the firm	"Collegiate decision making" ultimately, partnership decision Managing partner: male: 54, UK Senior partner: female, 46, UK Other partners: female, UK 39, male, 47
Awareness of reported opportunities offered by e-engagement	Highly aware, regular users of Websites, blogs, pod casts and wikis for business support and information/communication. Use extensively for filing of tax returns and other official court/insolvency documentation. "It's so much easier and cost efficient, also if things get screwed up, it's their fault, not ours!" Investigated and open to further levels of engagement if appropriate. Have tried and withdrawn from blogosphere.
Awareness of incentives /assistance to adopt e-business practices	Aware of and have used "content based incentives", with additional editing and enhancements. Not aware of any specific financial incentives. Not aware of existence of IMRG
Perceived barriers to e-engagement	Barriers perceived as threefold: 1. Appropriateness of further engagement in light of current business model 2. Cost effectiveness of further engagement 3. Client demand/value added
Additional areas of interest emergent during the interview process.	This is a firm that conforms to the professional norm, utilising generic content but that has embraced and continues to search for appropriate enhancements to its Web engagement. There was no "stepped" model approach in adoption, rather the firm engaged fully with the Internet at the earliest opportunity as a communications tool The firm adopts appropriate Web based applications as they become available (e.g. VOIP, Video conferencing via the Net) and is an enthusiastic adopter of "statutory" Web based solution opportunities e.g. on line tax return filing/annual report and accounts filling.

Table 24: Key indicators and associated key findings from interviews case 1.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors, authorities, professional bodies.	Basic information regarding company history, key staff, qualifications and experience and general contact information. It does not indicate any form of pricing structure
On line filling of official documents	HMR&C, Companies House, The office of the Official Receiver, ICAEW, other accounting firms, private equity backers, client's creditors.	Most UK government agencies and professional membership bodies now offer the options (and in many cases forcefully encourage) online filling of official documents. This is generally carried out by registration on a secure Website and subsequent on line form delivery.
E-mail	Universal	E mail is used extensively by the firm both in terms of basic communication and also in sending accounting and financial data to clients i.e. "a product".
		Those visiting the Website are encouraged to contact the firm either by phone or by e-mail. The interviewees stated that there was no preferred method of contact.
VOIP and video conferencing	Existing customers	The firm already makes use of VOIP technology and has started to use Skype conferencing in association with a Web cam, normally with potential backers/other accounting firms.
E-banking	Firm's bank, Client's banks, Investor's banks	Extensive use of e-banking for receipt and payment of cash, handling client accounts and in effecting transactions on behalf of clients and the providers of capital to them.

Table 25: Internet activities of Case Company 1, their functions and participants.

6.2.1.1 Summary of intra case analysis: Case Company 1.

The findings of the pilot case study (engaged firms), shows a highly focused, strategically aware company that has considered and engaged with the Internet. There is indeed a primary acceptance that there is an element of "me too" in terms of establishing an initial Web presence. This is supported by the utilisation of standard text available from the ICAEW or inclusion by members on Websites, although the firm has amended and enhance this to give it a more bespoke feel. The "me too" aspect is clearly seen by the respondent as an industry norm, and thus a driver, but the opportunities afforded to the firm by Web engagement have also been carefully evaluated and embraced. This evaluation is from a threefold perspective:

1. Financial: does the activity make money?
2. Strategic: does the activity fit with the current business model and offer enhanced business opportunities for the future?
3. Customer satisfaction: does the activity enhance the client relationship?

There is no evidence of a phased model of adoption. Instead, the firm has made a strategic decision, based on its business model and appraised on the three criteria defined above. It has embraced e-engagement and is, from its point of view fully engaged, although according to the criteria normally associated with the literature it would only achieve partial engagement status. As such, many initiatives would seek, perhaps blindly, to exhort the firm to further engagement. This supports the view emerging from the review of the literature that both the nomenclature and methodologies associated with the definition and encouragement of e-engagement/enablement are fundamentally flawed. The firm is open to new technologies and applications, but strictly within the parameters of its business model.

All decision makers are highly educated and there is an even gender split. All technical and investment decisions are made by the partnership with "collegiate input" from managers and the wider staff if appropriate.

With regard to the measurement of value; the value silo model proposed by the author, would suggest benefit on both the buyer and sellers axis. Access to information and ease of communication undoubtedly add value to the buyer (commercial or personal); cost, market penetration/ extension and feedback being afforded to the firm. Additional value is added in this case as a result of efficiencies and improved relationships with official bodies/offices such as HMR&C and Companies House.

The logic for engagement may be considered also in light of Fill's proposed "D.R.I.P" model in marketing communications (Differentiate, Remind/Reassure, Inform and Persuade) discussed previously in the literature review (Fill. 2009). The results clearly show that the firm is using its Web engagement across three of the four parameters:

1. Differentiating its offering on a local/regional basis clearly on the site
2. Remind/reassure via not only professional credentials but also past/recent case histories
3. Informing not only via its Web site but also through the use of Web based applications to communicate with clients and file statutory documents and also via e-mail exchange and the use of VOIP based services. On the negative side, the Blog, which would cover all of the three aspects, was discontinued as deemed ineffective.

The nature of the firm's business model is that it is a supra-local/regional player in the market. It is content with this strategic goal and has no interest in increasing its geographical scope. E-engagement does allow then to more efficiently service a regional clientele, and has perhaps "saved the firm the cost and necessity of maintaining satellite offices around the region. The drivers and barriers form the firm may be summarised as shown in table 26.

Drivers	Barriers
Industry Norm (me too)	Business model/appropriateness
Nature of profession: development of Web based applications; e.g. e-banking, options valuations, business news (Bloomberg etc)	Potential empathy issues: need to make sure client knows they're dealing with a person, not just a machine generated response.
Speed and ease of communication	Trust/intellectual property concerns
Cost savings in certain areas (Internal and client facing communiqués, Newsletters, VOIP, transmission of management accounts etc to clients)	Cost effectiveness: does the engagement add value? Discontinued Blog as a result of feedback from client base
Official/governmental facilitation via options for e.g. on line filling of tax returns.	
Potential for market extension/penetration	
Ease of access to information: both from the Web and business based, e.g. via e-banking	

Table 26: Summary of drivers of and barriers to e-engagement in Case Company 1

6.2.2 Case 2 (e-engaged) Management Training Company

Company profile

The company provides "organisational, management & personal development services, designed for professional people - partners, directors & managers in professional service firms & major companies". They pride themselves on designing bespoke training and development interventions that make a "measurable improvement to client's business" A key stated focus for the firm is lasting value with real performance enhancement. As noted above, they offer only tailored solutions, no off the shelf courses or content. This puts them, predictably, at the higher end of the price point scale. The organisational and management development element of the firm's offering is presented in the format of change management and personal growth, some through alternative approaches such as team building and outward bound type activities. The crux of the business is, however, training and coaching based.

The firm is a legally constituted partnership, as provided for by the Partnership Act 1890, and has two partners. They do not have any employees; rather they operate on an associate basis buying in "subject matter experts" to work with them on specific assignments as necessity dictates. This allows for close cost control and maximisation of both revenue and profit attributable to the partners. As a partnership, turnover/profit figures were not available and a request by the author regarding information on these was politely declined.

The firm is based in Lapworth, Warwickshire and operates in/has a client base stretching across 18 countries, primarily in the professional services sector and predominantly in the Legal and consulting professions. It was founded in 1989. Clients are typically large and are won often on the basis of personal relationships developed over the years by the two partners or by word of mouth within the target professions. Some outlying industries are also featured on the client list, again largely as a result of referrals.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1	Partially formally engaged. Interactive multi-page Website. Little specific information. No formal ongoing monitoring/measurement of Value added.	Design based on "reassurance and hook" to encourage contact through statement of range of skills, offerings and contacts. Seen as a "me too" and reassurance issue. Sunk cost/unavoidable overhead.	Attempted to get a feel for usage by counting hits at commencement of site; discontinued as meaningless. Verbal survey of clients confirmed that 100% had seen the Website, none said it had been their primary identifier of the business or driver to contact.
Market C2	Partially leveraged (willing). Business model heavily focused on personal interaction and relationships. Much business gained by word of mouth referral. Web activity is seen as a "me too", but potentially useful nevertheless. "Has generated some ad hoc business enquiries but few converted leads on its own"	Limited information provided as clients "value exclusivity and anonymity as a business advantage" No discussion or indication of costs or specific detail beyond the largely generic. "We don't want to get into a price war with unknown or even phantom competitors; nor do we wish to give away ideas."	No provision of/interest in on-line service or product delivery. "Would not be cost efficient given size, philosophy and focus of the business"
The Internet C3	No major barriers identified beyond scope of business model. Lack of personal expertise/knowledge of the Internet seen as irrelevant. "If I want something changed/added I pay someone to do it , but it has to make commercial sense"	Commissioning clients/decision makers within DMUs often not Web savvy. Where they are, the delivery mechanism and nature of service preclude demand for further engagement Empathy: clients want a sound, personal relationship	Company blocks further involvement in order to support its business model and margins. "We have been asked by some clients in the past about providing on line training. "We dissuade clients on the basis that our training is bespoke and by nature people based/face to face. The cost of developing a specific product on line just for them is a powerful argument in our favour. It is not something in which we have expertise, nor a market we wish to operate within."

| Engagement C4 | Largely a "me too" decision by the firm, although have embraced advanced usage as functionality has developed. Do not see themselves as any more engaged as a result, merely "evolving with the platform." Classified as willing tourists. Site updated every eighteen months. "Want to remain fresh without scaring clients that it's too newfangled and not delivering same high quality service. No incentivisation utilised. | Professional services/large corporation client base (senior executive) want to be able to Google the site and see how it stacks up against competition, although are not interested in further on line interaction for the most part.

One partner aware of a local business link grant to assist, but was not impressed by either the representative or the choice of Web designers. Preferred to pay and have control. | Benefits derived from engagement based on communication with and reassurance of clients, many of whom are overseas based.

No interest in developing engagement further, even with incentivisation as would "damage the value proposition"

Would only consider if set up as separate business in tandem with a business partner as a "totally different business model in a segment already saturated by big players who have been there for a long time. Not really our thing" |

Table 27: Intra case analysis: Case Company 2

Indicator	Key findings
History, mission, vision	The firm has been established for over ten years with a clear focus on profit maximisation.
general business model/*modus operandi*	Clear strategy of "focus differentiation" and premium price positioning.
knowledge and experience of Internet	Sound basic operational/functional knowledge, non technical. Extensive experience of use as a research and communication tool for the business and personally
Attitudes towards technological innovation in business	Managing partner a self confessed "gadget junkie" who likes "grown up toys" Keen to harness opportunities offered by the Net, but strictly within the clearly defined parameters of the business model. Can identify both opportunities and "elephant traps". Knows many businesses who have made "costly and ultimately unsuccessful forays into the cyber world".
Levels of formal academic qualification of decision makers	Managing partner: secondary school (A level equivalent), professionally qualified (CIPD). Also extensive CPD Senior partner: Undergraduate degree (LLB), professionally qualified lawyer, extensive CPD
Age, gender and nationality of decision makers in the firm	Managing partner: male: 54, UK Senior partner: female, 49, UK
Awareness of reported opportunities offered by e-engagement	Highly aware, regular users of Websites, blogs, pod casts and wikis for business support and information/communication. Investigated and rejected further levels of engagement on basis of research and business model. Not aware of existence of IMRG
Awareness of incentives /assistance to adopt e-business practices	Investigated in the past, found to be unsuitable. Would consider partnerships with university/college/professional body if felt helped business or was suitably philanthropic and achievable given business demands.
Perceived barriers to e-engagement	Barriers perceived as threefold: 1. Appropriateness of further engagement in light of current business model 2. Cost effectiveness of further engagement 3. Ability/credibility of those offering incentives and the associated agenda
Additional areas of interest emergent during the interview process.	Clearly a company driven by a strategic position and a clear business plan. There was no "stepped" model approach in adoption, rather the firm took a "wait and see approach" Initial acceptance of the need for a Web presence on a "me too"/"pre-requisite of the market" basis prior to establishment of the firm lead to careful research and decisions being made and melded with the business model, with essentially the extant package being implemented from day one. The firm "keep a weather eye on developments" and has "increased usage and exploitation" of the technology as it has developed (e.g. VOIP, Video conferencing via the Net, downloading video casts/ pod casts and other material for use as it becomes available)

Table 28: Key indicators and associated key findings from interviews case 2.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors, authorities	Basic information regarding company history, key staff, qualifications and experience and general contact information. It does not indicate any form of pricing structure
E-mail	Universal	E mail is used extensively by the firm both in terms of basic communication and also in sending large amounts of data to client sites overseas in preparation for delivery of training programmes. This take the form of both approval copies for clients and back up, password protected/encrypted files for the use of trainers whilst on client premises. Those visiting the Website are encouraged to contact the firm by e-mail. The interviewees stated that this, in some ways, was the preferred method of contact as it was quick, could be replied to "out of hours" and missed phone calls and the vagaries of the Royal Mail could lead potentially to missed opportunities.
VOIP and video conferencing	Existing customers	The firm already makes use of VOIP technology and has started to use Skype conferencing in association with a Web cam. Although they have some reservations about the quality of the experience, they have found it useful in dealing with overseas clients who are constantly on the move and have, they feel saved "a not insignificant amount of money" using it rather than flying to meetings on a couple of occasions, thus reducing cost of sale. Given the relationship based nature of the business however, they do not see it as being something that they would invest heavily in.
Other	Potentially universal	Limited use of e-banking: prefer to conduct business in person but "useful for checking who's paid their bills!" The firm may be interested in Blogging/podcasting at some point in time in the future, but would "have to be convinced of the cost effectiveness of the endeavour."

Table 29: Internet activities of Case Company 2, their functions and participants.

6.2.2.1 Summary of intra Case analysis: Case Company 2

The findings of the case further highlight a number of issues raised in the literature review previously and discussed specifically below.

This is an SME that has made a conscious, strategic decision regarding the level of engagement it is willing to partake in with the Internet, based on both its own business model and market intelligence. There is no evidence of a stepped model of adoption in this case. Nor is there any particular impact on decision making resulting from incentivisation or external drivers. The only major external consideration appears to be received wisdom that a Web presence of some description is a prerequisite; a "me too" decision. This decision however is clearly rooted in the strategy of the company and constrained by internal barriers: notably cost effectiveness and confidentiality; both for clients and for the firm to avoid entering into "cyber price wars". Similarly, they are concerned over intellectual property rights and the "illicit acquisition" of their ideas and innovations by either potential client, (who may seek to develop the ideas in house at lower cost) or competitors. Level of education (certainly in the case of the managing partner) does not seem to be an issue in terms of engagement. Similarly, gender is not an issue. Neither decision maker is of the "computer generation".

Barriers to further engagement are generated internally by the firm's (highly successful) business model. They have a clearly identified and delimited strategic space within which they operate and seek to defend. Their decision not to venture into those areas of their industry which others have colonised through enhanced application of Web based technologies is a clearly strategic one. They have evaluated the situation, run a cost benefit analysis and followed the conclusion through to implementation.

The firm is open to new opportunities afforded by the Net, but strictly on a cost efficiency basis. As the managing partner stated during the interview; "One of the core elements of our value proposition as described on our Web page is adding real, demonstrable value to our clients. It would be foolish if we did not follow that principle in our own business decision making"

Looking at the measurement of value from the point of view of the value silo model proposed by the author, the emphasis is heavily on the seller's axis. The logic for engagement may be considered also in light of Fill's proposed "D.R.I.P" model in marketing communications (Differentiate, Remind/Reassure, Inform, Persuade) discussed previously in the literature review (Fill, 2009),. The results clearly show that the firm is using its Web engagement mostly in the "remind/reassure" arena. Given the nature of the business model, this makes sense. Some elements of differentiation are apparent, e.g. positioning and emphasis on bespoke service, but this is minimal in the overall scheme of things. The Web interaction does not seek to inform; the Web site exhibits a paucity of real information. Information exchange does take place however over e-mail exchange and the use of VOIP based services.

The partial nature of the firm's engagement has not affected, nor indeed impacted on, its ability to internationalise; operating as they do across eighteen jurisdictions internationally. The drivers and barriers form the firm may be summarised as shown in table 30.

Drivers	Barriers
Industry Norm (me too)	Business model/appropriateness
Ease of communication	Customer requirements/demands
Cost savings in certain areas (VOIP, transmission of material to be produced by client etc)	Time
Opportunities to follow up further leads generated during interventions with participants who are decision makers.	Trust/intellectual property concerns
Ease of access to information: both from the Web and business based, e.g. via e-banking	

Table 30: Summary of drivers of and barriers to e-engagement in Case Company 2.

6.2.3 Case 3 (e-engaged) Estate Agent

Company profile

Case Company 3 is an Independent Estate Agents, established in 1992, in Dorset. In October 1996 the first stage of the Company's expansion took place with the opening of a second office, and the current branch network was completed in February 2000 a further office opened in Poole.

The Company is family owned and run and is completely independent, with no investment from financial services companies or building societies. The aim of the firm is to provide a courteous, professional and personal service at all times. The firm's foundations have been built on recommendations from satisfied clients and repeat business, as well as being entrusted with executor sales by local firms of solicitors. The firm is run by a founding director, and an associate director. They employ 10 FTE equivalent staff across the three locations.

Although independent, the firm is a member of "The Home Sale Network" a confederation of independent estate agents. This offers them "nationwide coverage with over 720 linked independent estate agency offices, passing each other buyers and sellers on a daily basis through a computer linked system".

The firm prides itself on offering experienced advice and personal service and is a member of both the National Association of Estate Agents and the Ombudsman for Estate Agents Scheme.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Fully formally engaged. Interactive multi-page Website; updated at least daily. Specific information on key staff, (director/associate director). Stock of buildings and land with full descriptions can be viewed on line. Registration, via Web site, allows for downloading of details and on line enquiries to be logged, either during or out of working hours. Clients can request contact either by phone or e-mail. Membership of The Home Sale Network of independent estate agents adds additional aspects to value proposition. No formal calculation of value undertaken. Inquire of all contacts if they have seen the Website/direct them to it.	All encompassing Web presence and utilisation. Site seeks to offer reassurance of professional competence "local feel with national coverage through our extensive network". Seeks to hook interest through interactive site basic information and details and allowing virtual viewing of the property once potential client has registered. This is logged in database and, should sale/purchase not continue, follow up contact is initiated by firm after set period, depending on state of the market. Encourage contact through request form on site (e-mail based back end), from which one of the staff contact the client by their preferred method to investigate fully client requirements. Doesn't have a figure for value added but given the nature of the business model feels is exceptionally high. "Given the levels of contact/initial viewings of property we get via the site, it's our major shop window and communications medium. It is the primary value adding vehicle for the business"	The Website follows what has become effectively become an industry standard template for those engaged companies. The business model is effectively built around this (see C2 below). Membership of the network is seen as an essential part of the offering. This allows those from out of the are wishing to move in and those within wishing to move out to effectively operate via a single interface See discussion of and associated figures for contact/viewing etc in C3 below.

Market C2.	Fully leveraged. Nature of the industry and proliferation of estate agencies during property booms, as well as those seeking to sell independently, means that "on line availability of details, photographs and if possible virtual viewing has gone from a few pioneers to being almost industry standard.	Despite heavy integration of e-engagement into the business model, still heavy focus on personal interaction and relationship building. Much business gained by word of mouth/referral. Clear information on services, no real data on key staff beyond names and positions. No discussion or indication of costs/fees. Not particularly worried about competitors as rates are fairly standard, however, "everything is open to negotiation and we don't want to give people a price to work down from or use a bargaining chip with competitors"	
The Internet C3.	Major barriers were time, place on Web search, empathy and trust. Cost and time are associated largely in terms of constantly updating the site, maintaining and communicating the status of properties and ensuring that mistakes are avoided.	Cost effectiveness is not at issue, >90% make their initial identification of properties of interest via the Internet and 70% make their initial contact through the site "This normally involves someone staying after hours in a buoyant market, less of a problem at the moment!" "Not getting relegated to anything past the first page" on a Google search is a constant problem and cost.	The majority of the business can be carried out on-line, with the exception of statutory requirements associated with confirming identity and signing of legal documents.

Engagement C4.	Although now perceived by the firm as a norm, they were part of the enthusiastic, early adopter group in the early '90s. The level of engagement is at the top level of where it can be given the nature of the business. E-banking, RSS new feeds, on line mortgage rates and repayment calculators are all in evidence within the branches. No incentivisation utilised beyond accessing network logos for Web site.	Keen to have as high a profile as possible. Recognise that more and more of the buying public, and those looking for commercial property and land will use the Net as a search resource, even if only initially. The network activity of the firm ensures a high level of maintenance of the site and peripheral applications. Computerisation of the UK land registry and electronic banking for the receipt of deposits and general transfer of funds has also driven development.	Benefits derived from engagement based on market extension and penetration, cost reduction (advertising) although some costs/time demands have risen as a result. Helps to identify those customers who are genuinely interested and will register and contact rather than those just having a quick look.

Table 31: Intra case analysis: Case Company 3

Indicator	Key findings
History, mission, vision	The firm has been established for eighteen years with a clear focus on profit maximisation and a stated aim of customer satisfaction, leading to repeat business and referral.
General business model/*modus operandi*	Strategic positioning in the "differentiated" area with standard price positioning.
Knowledge and experience of Internet	Sound basic operational/functional knowledge, some in house technical expertise in terms of updating site. Anything heavily technical is contracted out. Extensive experience of use as a functional tool and underpinning for the business model.
Attitudes towards technological innovation in business	Open and enthusiastic attitude to the Net and technological innovation generally.
Levels of formal academic qualification of decision makers	Director: A levels, CPD Associate: Male, A levels, CPD
Age, gender and nationality of decision makers in the firm	Director: Male, UK Associate: Male, 39, UK
Awareness of reported opportunities offered by e-engagement	Highly aware, regular users of Websites, and Web based applications. Actively investigate and embrace new opportunities to develop presence and profile.
Awareness of incentives /assistance to adopt e-business practices	Not aware of any particular external incentives/ funding Not aware of existence of IMRG
Perceived barriers to e-engagement	Barriers perceived as : 1. cost/time 2. place on Web search, 3. empathy and trust
Additional areas of interest emergent during the interview process.	This is a firm that engaged fully with the Internet at the earliest opportunity and has built its business model around the platform. It is a classic example of a bricks and clicks business, leveraging the advantages of the on-line information space whilst maintaining and expanding its physical presence in order tom service clients not engaged with the Web and to develop disintermediated relationships with those who are.

Table 32: Key indicators and associated key findings from interviews Case Company 3.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors	High level of functionality, offers basic information and well as interactive options to virtually view and book physical viewings of property. Registration allows for tracking of potential clients.
Web based network	Existing and potential customers, competitors	Allows for geographical extension of market with no additional resource required. Automatic re-direction of interested (registered) clients to associated Website with property in desired area
E-mail	Universal	E mail is used extensively by the firm. Those visiting the Website are encouraged to register and will be contacted by the firm either by phone or by e-mail.
VOIP	Existing customers	The firm already makes use of VOIP technology
E-banking	Firm's bank, Client's banks, Solicitors	Extensive use of e-banking for receipt and payment of cash, handling accounts and in effecting transactions on behalf of clients.

Table 33: Internet activities of Case Company 3

6.2.3.1 Summary of intra case analysis: Case Company 3

The findings of this case study demonstrate a fully integrated strategy of e-engagement and a business model specifically designed to leverage the "bricks and clicks" philosophy

There is no suggestion of a stepped model of adoption, rather the firm consciously decided to adopt a Web enabled approach from the outset, recognising opportunities afforded by the platform and potential future developments which they have embraced to the fullest extent. At the same time, the nature of the business and the level of involvement associated with property purchase and investment means that the firm's strategy has been very clearly crafted to ensure that personal trust and empathy can be safeguarded.

Neither of the decision makers, nor the wider family owner/investors is formally educated beyond A level.

Barriers to engagement are limited for the firm's point of view, but are nonetheless potentially significant:

- Cost/time: a perennial problem and one exacerbated by the need to update the Web pages and database on daily (minimum) basis
- Place on Web search: the constant battle to appear early in the listings of any search engine based Web search. This echoes the findings noted in the literature review, whose research showed that >80% of individuals searching on Google do not consider results shown beyond the first two pages
- Empathy and trust: the nature of the transaction/business demands that a sound relationship be developed between client and firm. Intermediated communication and activity associated with the deal can lead to a lack of empathy and thus a less trusting and effective relationship.

Looking at the measurement of value from the point of view of the value silo model the emphasis is fairly evenly spread across both the buyers and sellers axis. The only key element missing is availability of cost data for comparative purposes by the buyer.

The logic for engagement using Fill's (2009) "D.R.I.P" model show that the firm is using its Web engagement mostly in the "remind/reassure", inform and persuade areas. Given the nature of the business model, this makes sense. Some elements of differentiation are apparent, e.g. access to a wider network, however this is becoming common for other agents via other networks e.g. "TEAM", offering a similar setup and used by some of the firm's local competitors.

The drivers and barriers form the firm may be summarised as shown in table 34.

Drivers	Barriers
Perceived early mover advantage	Time/cost associated with updating on daily basis
Saturated nature of market	Maintaining place on search engines
Ease of communication	Trust/ empathy issues resulting from intermediation of high involvement decisions
Cost savings in certain areas, although not a major issue given business model design	
Opportunities to confirm leads via registration and to follow where sale/purchase has not occurred.	
Other Web based business applications, e.g. e-banking	

Table 34: Summary of drivers of and barriers to e-engagement in Case Company 3

6.2.4 Case 4 (e-engaged. B2C) Ironing Service

Company profile

Case Company 4 is a small professional family business offering a personal and complete service from washing and ironing to a duvet service and dry cleaning in the Yeovil area. The staff of four FTEs consists entirely of family members so, the company prides itself that "unlike our competitors every one has the customer's interest at heart". The formal status of the company is sole trader.

The company operates from a unit in the Yeovil and offers a door to door delivery/collection service daily. Laundry is returned to customers, wrapped within 24 hrs of collection. Alternatively, customers may also bring their laundry to the workshop. The proprietor is proud that the company has a solid core of customers dating from its foundation in August 2000.

The firm is registered on, and provides an on site link to the "Free Index" pages, http://www.freeindex.co.uk/   an online directory, and the UK small business directory, http://www.uk-local-search.co.uk .

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Partially formally engaged. Simple one page identifier with basic contact details (telephone) and address information. No specific information on key staff or company details. No functionality exists to contact via e-mail. Links to associated on-line directories on site. Value of site is not known. No attempt or particular interest in quantifying	Ultra simple, single Website focusing on key information: contact telephone numbers/address, quality of service, turnaround time and local feel. No indication of costs/prices for comparison. Functionality of site and business model mean actual value added likely to be low.	The site exists merely to catch browsers "looking for a local ironing service". Very much an afterthought/me too. "We have the site, it's cheap, and it's worth having. The listings on the directories are probably worth more to us."
Market C2.	Unleveraged. "Me Too" logic.	The business model is not at all integrated with the Net. "The majority of our business is repeat/word of mouth, the Web page is just there as a cheap way of flagging that we're here to anyone who is looking"	Given the nature of the clientele for ironing services (i.e. available disposable income for domestic assistance) a Web page is logical, but no interest in investment (money or time) in developing presence beyond current.

The Internet C3.	Only perceived barriers appear to be appropriateness to business model and any additional time/cost that would be incurred in developing further.	"We have not been asked to provide anything additional on the Website. Someone asked us if we would e-mail him when his stuff was ready, but as we operate a 24 hour turnaround, we told him it would be next day and to phone us when he was at home for delivery"	Company sees no benefit in additional engagement
Engagement C4.	Engagement is at the most basic brochure level. "we only have a Web page because my son put it together one evening on our home PC"	Presence seen as an opportunity for profile on an ad hoc basis only.	Benefits sporadic and negligible. Registration with free on line directories perceived as adding more value, although no statistics as to where information found has been gathered.

Table 35: Intra case analysis: Case Company 4

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Indicator	Key findings
History, mission, vision	The firm has been established for ten years with a clear focus on profit maximisation and a stated aim of customer satisfaction, leading to repeat business and referral.
General business model/*modus operandi*	Simple local proposition, swift turnaround, high quality service. Personal contact.
Knowledge and experience of Internet/computer technology	Basic. Aware for home use (e-mail, social use, PC used for book-keeping/basic office functions)
Attitudes towards technological innovation in business	No particular interest, viewed as irrelevant to business model
Levels of formal academic qualification of decision makers	Director: A levels
Age, gender and nationality of decision makers in the firm	Director: Female. 40's, UK
Awareness of reported opportunities offered by e-engagement	Aware of "hype" but unconvinced beyond current level of engagement for business model
Awareness of incentives /assistance to adopt e-business practices	Not aware of any particular external incentives/ funding Not aware of existence of IMRG
Perceived barriers to e-engagement	Barriers perceived as : 1. Relevance 2. cost/time
Additional areas of interest emergent during the interview process.	Feels that listing on on-line directories more useful than Web-site

Table 36: Key indicators and associated key findings from interviews; Case Company 4.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors,	Ultra basic. Brochure site only. No details of opening times, costs etc. Contact details only (phone/personal). No e-mail contact
Web based network	Existing and potential customers, competitors	None
E-mail	None	E mail is not used by the business for customer facing activities. Home e-mail is used for ordering supplies.
VOIP	Existing customers	The firm does not makes use of VOIP technology
E-banking	None	Company does not use e-banking

Table 37: Internet activities of Case Company 4, their functions and participants.

6.2.4.1 Summary of intra case analysis: Case Company 4.

The findings from this case clearly characterise a company that is, at best, partially engaged at the lowest possible level. Having said that, there is also clear evidence that this is a positive decision, based on a clear business model/strategy, that seeks to maximise profit and at the same time customer satisfaction.

The company has a clear local focus, based on fast, predictable turnarounds and personal, face to face/person to person interaction. There is no evidence of stepped/ phased adoption. Rather, a decision to establish a Web presence was based on the pragmatic propositions that:

a) It allows for a catch all approach to a likely segment of the target market
b) Having accepted the value of on-line directories for similar reasons to a) above, it made sense to have a simple brochure Web page
c) There was effectively nil cost in designing and publishing the page.

The main decision maker is formally educated to A level. Barriers to further engagement are limited for the firm's point of view and may be basically summarised as a lack of potential benefit. Further functionality is perceived as being irrelevant to the business and the associated costs are seen as a waste of time and money for both the company and its customers.

Looking at the measurement of value from the point of view of the value silo model value is purely seen as via basic contact information and is shared by company and client

The logic for engagement using Fill's (2009) "D.R.I.P" model show that the firm is using its Web engagement mostly to inform of existence. Given the nature of the business model, this makes sense. Some basic elements of differentiation are apparent, e.g. family business/ local/24 hour turnaround. The drivers and barriers for the firm are summarised as shown in the table below.

Drivers	Barriers
Me too, links with on line directories	Time/cost
May be of use for target segment given nature of lifestyle	Relevance
Cheap to do	Trust/ empathy issues resulting from intermediation; business model is focused on person to person interaction.

Table 38: Summary of drivers of and barriers to e-engagement in Case Company 4

6.2.5 Case 5 (e-engaged, B2C) Heating Plumbing & Electrical Contractor

Company profile

Case Company 5 offers a service to domestic homes and landlords.

The proprietor is a fully qualified plumber, registered with the IPHE and approved by the Water Industry approvals board and is a CORGI registered gas fitter.

He has been in business for twenty years and operates on a self employed/sole trader model. He has no employees; on occasions where he requires assistance/additional trades' expertise, he has a network of associates, "all registered and highly competent tradesmen with a wealth of experience" on whom he can call. The owner prides himself on the quality of his work and that of anyone associated with him, and is a member of the Chartered Institute of Plumbing and Heating Engineers. He is also a member of the federation of small businesses.

The business operates from the owner's home in Parkstone and the Website offers a choice of contact options: landline/fax, mobile telephone or via e-mail.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Partially formally engaged. Simple one page identifier with basic contact details (telephone/fax and e-mail via an enquiries @ Web address) and physical address information. Specific information on key staff qualifications and memberships and a listing of work areas undertaken. No links to other sites/trade directories etc. No formal monitoring of value of site.	Simple, single Website focusing on key information: contact telephone numbers/address, quality of service, local and highly professional business. Emphasis on trade body memberships and quality standards/approval by recognised industry bodies No indication of costs/prices for comparison. "I used to ask people religiously how they got my name but now I don't as most people don't know. A common answer was becoming probably off the Net, although that was often followed by or yellow pages"	The site exists merely to catch browsers looking for a local plumber. "So many people turn first to the Web nowadays it's daft not to have a site, even if they've been given a recommendation" Has invested in site, simple, inexpensive, net cost effective to do an analysis of value added.
Market C2.	Partially leveraged. Me too, willing participant logic.	The business model is not particularly integrated with the Net. "It's a cheap way of advertising, lets me show people I'm well qualified and, if they want, they can e-mail me rather than phone. That can be good if I'm busy on a job and can't take calls: folks expect answers to calls immediately, but you can answer an e-mail at night and they're quite happy".	Seen as a support to listings on the CIPHE directory and "gotoplumbing" Web directories as well as word of moth/referrals. "Many landlords seem to have seen the site, they quite often e-mail for quotes, although I have to go and see them before I can quote, obviously"

The Internet C3.	Only perceived barriers appear to be appropriateness to business model and any additional time/cost that would be incurred in developing further.	"I've pretty much got everything I want on the Website. I'm not putting prices up as that's a mugs game. At the end of the day, you can't do on line plumbing!"	Company sees no benefit in additional engagement
Engagement C4.	Engagement is at a basic brochure and initial contact level. "I think it cost me £20 to have it done"	Presence seen as an opportunity for profile on an ad hoc basis and reinforces findings from trade directories/institute sites.	Benefits sporadic but generally worthwhile and, to a large extent now an "industry requirement"

Table 39: Intra case analysis: Case Company 5

Indicator	Key findings
History, mission, vision	The firm has been established for twenty years with a clear focus on profit maximisation and a stated aim of customer satisfaction, leading to repeat business and referral.
General business model/*modus operandi*	Simple local proposition, high quality service, personal contact, highly professional approach.
Knowledge and experience of Internet/computer technology	Basic. Aware also for home use (e-mail, social use, PC used for book-keeping/basic office functions)
Attitudes towards technological innovation in business	No particular interest, current engagement levels seen as adequate for business model
Levels of formal academic qualification of decision makers	Proprietor: Secondary school, apprenticeship, post qualification CPD
Age, gender and nationality of decision makers in the firm	Proprietor. 55, UK
Awareness of reported opportunities offered by e-engagement	Aware of a lot of businesses using the Net in new ways but states "you can't do on line plumbing"
Awareness of incentives /assistance to adopt e-business practices	Not aware of any particular external incentives/ funding Not aware of existence of IMRG
Perceived barriers to e-engagement	Barriers perceived as : Relevance of further engagement to business
Additional areas of interest emergent during the interview process.	Website now a basic requirement of business, many clients like e-mail (especially landlords), listing on industry body Web based directories a positive business help.

Table 40: Key indicators and associated key findings from interviews Case Company 5.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, professional bodies competitors,	Basic brochure site; details of contact options, e-mail, basic listing of service offerings and professional memberships/accreditations.
Web based network	Existing and potential customers, competitors	None
E-mail	Universal	E mail is used by the business for customer facing activities and for ordering of supplies.
VOIP	Existing customers	The firm does not makes use of VOIP technology
E-banking	None	Company does not use e-banking

Table 41: Internet activities of Case Company 5; their functions and participants.

6.2.5.1   Summary of intra case analysis: Case Company 5

The findings from this case define a company that is comfortably partially engaged at a level which supports and sustains its business model. Clear evidence that the level of engagement is a positive strategic decision, based on a clear logic and knowledge of the industry shows from a number of comments made by the interviewee, notably that " a Website now a basic requirement of business, many clients like e-mail (especially landlords)"

The company has a clear local focus, based on reliable, well qualified, personal, guaranteed service at the highest standard.

There is no evidence of stepped/ phased adoption. The decision to establish a Web presence was based on the pragmatic propositions that:

a) "It's a cheap way to advertise"
b) It allows for a catch all approach to a range of segments of the target market (individuals and landlords)
c) It is an effective way to reinforce the quality and experience message, via the professional bodies' logos displayed on the site.

The main decision maker is formally educated to secondary school level, followed by an apprenticeship and extensive CPD.

Barriers to further engagement are limited from the firm's point of view and may be basically summarised as a lack of further potential benefit. Further functionality is perceived as adding no additional value.

From the point of view of the value silo model, engagement adds value through the provision of information to the client and ease of access and to the business through the hook of recognised and respected qualifications and registrations and ease of contact.

Fill's (2009) "D.R.I.P" model shows the firm utilising engagement across the gamut of attributes: differentiation, reassurance/reminding, informing and persuasion largely through qualification and registration.

The drivers and barriers for the firm may be summarised as shown in the following table.

Drivers	Barriers
Me too, largely an industry requirement	Relevance
May be of use for s range of segments within the target market	
Cheap to do	

Table 42: Summary of drivers of and barriers to e-engagement in Case Company 5

6.2.6 Case 6 (e-engaged, B2C) Guest House

Company profile

Case Company 6 is a four star guest house offering bed and breakfast accommodation in Inverness, Scotland. The business is based on a Victorian terraced house offering well appointed, four star quality bed and breakfast accommodation across 6 guest bedrooms. Situated in a quiet residential area of central Inverness, it is just a few minutes walk from the castle, museum, railway, shops and river.

The proprietors have been in the hospitality business for several years, and have a stated priority of outstanding customer care and hospitality and aim to assure, "a warm friendly welcome to all our guests".

All rooms have central heating, remote-control colour TV, a radio-alarm clock, a hairdryer and a hospitality tray with tea, coffee and biscuits. Free wireless Internet access is also available.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Fully formally engaged. Extensive multi-page Website. Specific information on accommodation, local area, tariffs and "things to do locally". Separate online "album" showing further details of accommodation, local attractions, scenery, local dolphins at play in the Moray Firth etc. Extensive links to other providers/sites including local guides, boat trip providers, a local car hire firm and the Scottish Tourist Board. Contact can be made via e-mail (g-mail account) and a secure form has been set up to allow credit card payment to be taken to guarantee bookings. Have not undertaken a formal calculation of value, but have a clear record of contacts/bookings via e-mail.	All encompassing Web presence and utilisation. Site seeks to offer reassurance of extensive experience and competence, and affordable luxury. Tries to convey "A small guest house feel with the backing of the National Tourist Board". Seeks to hook interest through extensive information and details and allowing virtual viewing of the property and the surrounding area and its many attractions. Encourage contact through request or booking form on site. "It's not so much a case of what's the value, it's invaluable!"	The Website follows a familiar format for properties of this type in Scotland, the development having been supported by the Scottish Tourist Board.(STB) Once again, a low cost option Website seen as crucial in developing and maintaining the business.
Market C2.	Fully leveraged. Nature of the industry and proliferation of accommodation together with a concerted push by STB for accommodation to be searchable on line and associated support has lead to integration with business model	Front end integration into the business model gives way to heavy focus on personal interaction and relationship building once contact established. Much of the success of the business is through repeat business. Clear information on services, no real data on key staff beyond names.	Indicative rates/tariffs are given; not concerned about competition "information is in public domain via STB anyway"

The Internet C3.	No major barriers identified. STB supported the development of the site via funding.

Site design was undertaken by independent designer and tourist directory site operator Joan Mackenzie-Winters, who also hosts and maintains the Internet Guide to Scotland (not affiliated to STB) as an additional service to clients for whom she designs. | "The vast majority of new customers now browse the Net when seeking accommodation. Some do this via the STB Website, but we find it slow and cumbersome. We have a good position on Google searches on the first page so we're happy with that. Everyone has a credit/debit card nowadays and is used to guaranteeing bookings with a card over the Net" | "The funding was a help and Joan was brilliant on the design front. We just update the gallery and ask her to tweak the details on the site if anything changes"

Time not an issue in dealing with Internet enquiries as "that's just part of the job" |
| **Engagement C4.** | Now regarded by the couple as the norm, they were enthusiastic early adopters, and re-vamped their Web site using available incentives.

The level of engagement is towards the top level of where it can be given the nature of the business. Active external links help ensure reciprocal referrals and networking. | Keen to have as high a profile as possible. Recognise importance of Web presence. Also associated with Trip Advisor on line appraisal by guests; receives excellent ratings

Electronic banking for the receipt of deposits and general transfer of funds is in use

Financial and non financial incentives utilised for Web site development. | Benefits derived from engagement based on market extension and penetration, cost reduction (advertising).

Interest via the Internet 70% make their initial contact through the site |

Table 43: Intra case analysis: Case Company 6

Indicator	Key findings
History, mission, vision	"Having been in the B&B business for several years, our priority has always been 'customer care' "The couple have dual foci: a solid profitable business and quality of life.
General business model/*modus operandi*	Positioning in the "focused differentiated" strategic space with standard price positioning.
Knowledge and experience of Internet	Basic operational/functional knowledge in terms of operating/updating site. Anything technical is contracted out to the Web designer, who now only works with existing clients. Updating of site both entices new clients and cements relationship with existing customers.
Attitudes towards technological innovation in business	Open and enthusiastic attitude to the Net and technological innovation generally.
Levels of formal academic qualification of decision makers	Both owners are educated to college standard and have extensive professional experience gained in the industry
Age, gender and nationality of decision makers in the firm	Owners: Couple in early fifty's, Scottish
Awareness of reported opportunities offered by e-engagement	Highly aware, regular users of Websites, and Web based applications. Actively investigate and embrace new opportunities to develop presence and profile.
Awareness of incentives /assistance to adopt e-business practices	Fully aware of and utilised incentives and funding support. Unaware of existence of IMRG
Perceived barriers to e-engagement	No effective barriers were identified
Additional areas of interest emergent during the interview process.	This is a business that engaged fully with the Internet at the earliest opportunity and has integrated the functionality into it business model and taken advantage of incentives where available. It has not however been held back when these were not available and have "broken out" of a controlled environment to utilise their own Web designer. It has further leveraged its Web presence to in order to offer access to additional service providers and, at the same time, build its own network for referral and business development.

Table 44: Key indicators and associated key findings from interviews Case Company 6

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors, non-competing partner companies	High level of functionality, offers wide range of information as well as interactive options to virtually view the property and surrounding attractions. Reserving and paying for rooms and enquiries are catered for on site.
Web based network	Existing and potential customers, STB	Allows for breaching of geographical boundaries. "Our market is truly global and we are able through the Net to reach its extremities.
E-mail	Universal	E mail is used extensively by the company across all aspects of the business
E-banking	Firm's bank, Client's, Client's banks bank's,	Extensive use of e-banking for receipt and payment of cash, handling accounts and in effecting transactions on behalf of clients.

Table 45: Internet activities of Case Company 6, their functions and participants.

6.2.6.1 Summary of intra case analysis: Case Company 6

Analysis finds that this firm is a fully engaged, actively Web positive company. The business model has been adapted in the face of technological development and has embraced the available opportunities, and incentives, to fully leverage the opportunities that the Web affords this particular industry. The level of engagement is obviously a positive strategic decision, based on a clear logic and knowledge of the industry and access to market. The owners have sought to build their own business in direct terms and also to establish networks with other associated local companies and service providers. Accepting Web based payments has added to the solidity of the model and improved cash flow and income security.

The business is predicated on excellent customer service with a high percentage of repeat business. The Web site and associated gallery allows the business to maintain a relationship with clients and, via e-mail, a dialogue in certain circumstances.

There is no evidence of stepped/ phased adoption. The decision to establish a Web presence was based on the pragmatic propositions that:

a) It's a requirement of the market nowadays
b) It allows for access to an extensive range of potential customers across a wide socio-demographic and geographic spread
c) It gives clients access to targeted information about the business and networked associated businesses
d) It ties bookings in more quickly and cements cash flow via Web based payments.

Both decision makers are formally educated to college level, followed by extensive experience and CPD.

No barriers to past/ further engagement are recognised by the business.

From the point of view of the value silo model, engagement adds value across the full range of provision: information to the client (including price data) and ease of access and to the business through confirmation, communication and swift payment.

Fill's (2009) "D.R.I.P" model shows the firm utilising engagement across the full range of foci: differentiation, reassurance/reminding, informing and persuasion largely through the wealth of information and ease of access to associated services.

The drivers and barriers for the firm may be summarised as shown in the following table.

Drivers	Barriers
Largely an industry requirement to access market. Me too, although active pursuit	No barriers identified.
Pressure from main industry body (STB)	
Availability of incentives	
Access to diverse socio-demographic segments and geographical territories	
Positive effect on confirmation of bookings, efficiency and cash flow.	
Low cost/potentially high return	

Table 46: Summary of drivers of and barriers to e-engagement in Case Company 6

6.2.7 Case 7 (e-engaged, B2B) b2b Sales Solutions Company

Company profile

Case Company 7 describes itself as a "professional sales development" company. It was founded in September 2008 and has two directors, both male, aged 33 and 34.

They focus on three specific areas of sales team weakness which they state are "the main reasons for failure in professional sales teams": poor prospecting skills, poor conversion rates/long sales cycles, poor morale and high turnover rates

Their focus is on engineering/technical sector sales teams and they identify four segments: I.T./software development, telecommunications, manufacturing and engineering. These industries, the company states, tend to be "product knowledge lead" in sales terms. "The sales people often come from a technical background and so, are great on product specs, but sub standard on sales skills".

The firm's pitch is very much focused on business owners and directors of sales within organisations and generally targeted at companies with a sales force of five or more. The logic for this is twofold:

a) "It's more cost effective for the client, and us, to train five or more people and works better with our method"
b) There is grant funding available up to £7,000 in the North West region via government incentives for training, for which the firm facilitates application by its clients.

Interestingly, the business operates a specific sales training methodology, namely the Sandler® system, licensed by a large US based, global network of sales training organisation and individual consultants. It is not however a franchise operation. One of the directors is accredited in the methodology and he directs any training using the general methodology and uses Sandler downloaded material and resources.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Partially formally engaged. Basic three page Website. General information on service, target client groups and value proposition. Contact can be made via a contact page which gives telephone details, address and screen shot of Google map and directions, as well as a pre formed e-mail enquiry form. No formal analysis of value added. Third page of site dedicated to seeking "associates" to join them. Essentially a "job shop" approach: front end limited company with no employees: only self employed/limited company associates.	Basic Web site designed to "whet the appetite of clients surfing for information". No specific detail of individual staff, client credentials, specific experience, qualification or knowledge. Any contact details are logged in an access database and followed up within 36 hours. "We always ask where people have found us, but the mix of answers means they're probably not accurate. It's always easy just to say, on the Net isn't it. It's definitely useful and a shop window; would we go bust if we didn't have it, I doubt it"	The site makes use of a well known "YouTube" clip on the travails of the salesman, injecting some humour into the site. It is also possible to download a company research paper" entitled "why salespeople fail". This in fact is a Sandler publication and is a way of gaining a contact to prospect, see C2 below. Undertake sales tracking via contacts and enquiries but have not analysed value added.
Market C2.	Partially leveraged. Web presence/interaction not central to business model. Seen as a useful but essentially me too tool. "Clients nowadays expect you to have a Website; it's a credibility thing".	Seen as an external requirement. Availability of download "white paper" is a good prospecting tool as, to get the download; individuals must first register contact details including phone and e-mail. "It's a good hook: everyone loves something for nothing and we have the license to use it from Sandler, so why not"	No indication of costs/charges. "That's not a good business model to follow; the competition either undercut you or rubbishes you as cheap and nasty. Either way, it gives the client an up front advantage in any negotiations".

The Internet C3.	No major barriers identified, beyond relevance and the need to ensure the benefit outweighs any cost of investment.	As noted in C2; "Clients nowadays expect you to have a Website; it's a credibility thing". "We have the basic required to support the business. We had the site designed to a simple spec. The U-Tube clip gets good responses" Made use of free Web design service offered via the local business link and a government initiative for the North West development region	Interesting that the company, despite its, "me too" attitude to the Net, does take soundings as to client feedback: perhaps not surprising given they are a sales solutions company. Opportunistic in uptake of free services. Some evidence of similar behaviour highlighted in other cases
Engagement C4.	Regarded as an industry requirement, but very much of the basic brochure variety. Not convinced of any additional benefit to be derived.	Keen to have as high a profile as possible, but not interested in further engagement if requires investment. "We have what we need"	Benefits derived from engagement based on reassurance

Table 47: Intra case analysis: Case Company 7

Indicator	Key findings
History, mission, vision	Company started two years ago by "two young but experienced salesmen"
General business model/*modus operandi*	Positioning in the "hybrid" strategic space with standard price positioning. Model based on personal interaction and access to government funding to support companies using their services in the area.
Knowledge and experience of Internet	Basic operational/functional knowledge. Site was designed/developed using free consultancy from local area Government initiative funding.
Attitudes towards technological innovation in business	Cannot see any additional benefit from further e-engagement. Requirement is largely me too, some differentiation has been attempted via U-Tube stream and download of "white paper"
Levels of formal academic qualification of decision makers	Both directors have undergraduate degrees and sales training experience,. The sales director, Mark Pickles, is licensed to use the Sandler® methodology and has undergone the appropriate training. He is also listed on the Sandler Website individually as a Sandler consultant.
Age, gender and nationality of decision makers in the firm	Managing Director: Stephen Witkiewicz, male, 34 UK Sales Director; Mark Pickles, male,,33, UK
Awareness of reported opportunities offered by e-engagement	Aware to the extent that they have developed their engagement to the current level and made the decision to halt there
Awareness of incentives /assistance to adopt e-business practices	Fully aware of and utilised incentives and funding support. Unaware of existence of IMRG
Perceived barriers to e-engagement	No effective barriers were identified beyond cost/benefit
Additional areas of interest emergent during the interview process.	The firm has identified and utilised the finding and expertise available to assist their e-engagement. They have a clear view of the value and level of functionality they want and do not wish to go beyond that. "Why muddy the water with things we don't need?"

Table 48: Key indicators and associated key findings from interviews Case Company 7.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors,	Basic functionality, offers simple service information as well as options to download an "informative paper" once contact details registered. Basic contact via e-mail is available for clients/prospective clients and, interestingly, for potential associate service providers which allow them to build their delivery network and also, potentially, broaden their value proposition both on a subject basis and geographically.
E-mail	Universal	E mail is used extensively by the company across all aspects of the business
E-banking	Firm's bank, Client's, Client's banks,	Extensive use of e-banking for receipt and payment of cash, handling accounts and in effecting transactions on behalf of clients.

Table 49: Internet activities of Case Company 7, their functions and participants.

6.2.7.1 Summary of intra case analysis: Case Company 7.

This is a partially engaged firm and the analysis shows a business model that accommodates the perceived "me too" requirement of the industry without adapting specifically to encourage additional e-engagement. The directors individually stated that, whilst they were happy to engage with the Net and use it as appropriate, it served its function for the business at the current level of engagement.

The level of engagement is a proactive strategic decision, in the face of the accepted wisdom that there is an industry requirement for a Web presence. Some enhancement to the basic model; the YouTube feed and the downloadable PDF (on registration) add to the experience and, crucially in the case of the download, generate a positive sales lead which can then be followed up.

The business is young and growing. It operates mainly in the North West of England, as area of Government intervention. The company has been active both in using incentives on its own behalf in developing its Web presence, and in facilitating clients "tapping in" to the pot of cash available to support them and as a result, bolster B2B's business.

This was not a company that followed a phased adoption of engagement. The decision to establish a Web presence was up-front based on the following criteria:

a) "Clients nowadays expect you to have a Website; it's a credibility thing".
b) It allows for access to leads/potential customers browsing the Web for sales support via the registration requirement for the PDF download, especially those in the immediate area where funding is available to help
c) It demonstrates the focus of the business
d) It allows the firm to build it's network of potential associate trainers on a wide base, thus allowing for potential geographical market extension.

Both decision makers are formally educated to undergraduate degree level, followed by experience and CPD. No barriers to past/ further engagement are recognised by the business beyond relevance and cost/benefit.

From the point of view of the value silo model, engagement adds value across a limited range of provision for the client: the PDF and details of the targeted nature of the offering being the main areas. For the business, benefit comes through registration of "hot leads", communication and access to potential new associates.

Fill's (2009) "D.R.I.P" model shows the firm utilising engagement across the differentiation, and informing fields.

NB: On an interesting point, as of 10th February 2010, the web site was hacked by "TeamHacker Egypt". The site has been taken over and is currently displaying a message that the site has been hacked. It also displays a wide range of anti Semitic images and statements. Interestingly, a similar fate befell the regional BBC website in the South West on 20th April 2010, hacked by "TeamHacker Iran".

The drivers and barriers for the firm may be summarised as shown in the table below.

Drivers	Barriers
Largely an industry requirement to access market. Me too, although active pursuit	No barriers to initial engagement identified
Availability of incentives	Relevance of further development
Access to qualified leas via download	Cost/benefit of further engagement
Ease of communication: both with clients and potential new associates	
Low cost/potentially high return	

Table 50: Summary of drivers of and barriers to e-engagement for Case Company 7.

6.2.8 Case 8 (e-engaged, B2B) Micro Engineering Company

Company profile

Case Company 8 is based in Dorset and produces precision engineered components for a range of applications and industries including; micro-electronics, aerospace, medical and formula one.

Orders for precision engineered/turned parts with tolerances of +/- five microns are undertaken on a sub-contract basis, using the most-up-to date technology including "multi-axis CNC sliding head machines with sub-spindle and milling capability, with "lights out" production to reduce costs." A wide range of materials can be machined to order, including microscopic parts of less than 1mm diameter and can be delivered in batch sizes from small prototype to high volume production runs.

The company's original incarnation started in 1984 in Essex under different direction but still specialising in the manufacture of smaller turned and milled parts used mainly in the Electronics Industry. It has grown and expanded in scope since then, whilst retaining its focus on exceptional quality and value for money in the small and micro engineering component field. The company now also produces for the watch making, computer, fiber-optic and model-making industries as well as those noted above. The current director and company secretary took over in 2002 and the company moved to Dorset.

The company's aim is "to efficiently produce highly accurate and complex components using the latest technology, resulting in a cost effective end solution within the required specifications".

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Partially formally engaged. Basic seven page Website. General information on service, target client groups, technical capabilities, machine types available and value proposition. Contact can be made via a contact page which gives telephone details, address and an e-mail enquiries page. No formal analysis of value added.	Basic Web site designed to cover "all the basic questions a prospective customer might have" No specific detail of individual staff, education etc. Copy of ISO 9001 certificate shown on separate page. One client credential on separate. Emphasis on engineering capability, ability of produce small batches at economically viable costs for clients. Any contact details via the site are and followed up within 24 hours. "It's definitely worth having, but how much in cash terms it's worth, I couldn't say. It's difficult to know where people hear of you first: word of mouth, adverts, the Net, who knows?"	The site appears "patchy" at first sight.. Discussion with the directors indicates however that it contains "all the focused information of interest to our target customer groups". Inaccuracy of responses to questioning of customers means quantification of value not possible.
Market C2.	Partially leveraged. Web presence/interaction not central to business model. "It is a good way of answering likely up front questions and allows us to emphasise key issues such as value for money, variety of run sizes available and quality"	"Most of our customers will not actually order via the Web site. Typically they have a look or have found us on the Net and will either e-mail or more likely call or fax us an enquiry which we then follow up. Personal contact is important as these are precision parts and customers often want the reassurance of talking to an engineer to confirm we understand the requirements.	No indication of costs/charges. "Each job is largely unique, so we need to discuss, spec and generally negotiate a cost." It's pointless putting up costs on the site, they would be meaningless"

		To some extent this is a "lifestyle business", profitable, small and deliberately so, allowing for the owners to follow their chosen profession but also to follow their chosen lifestyle/work life balance in a pleasant part of the world.	
The Internet C3.	No major barriers identified, beyond relevance and the need to ensure the benefit outweighs any cost of investment.	Website was re-vamped in 2008 to reflect new machinery. Design, development and hosting facilitated by local company, blackcap computing Ltd. A local company based in Dorset.	"Our Web site is really a little Internet flyer. It doesn't give masses of unnecessary information but hopefully does give enough to direct enquiries to us." Most of the company's business comes from referral/word of mouth/specialist press advertisements/editorial.
Engagement C4.	Seen as a positive, basic business requirement in today's market, but very much of the basic brochure variety. Not convinced of any additional benefit to be derived.	Keen to have as high a profile as possible, but not particularly interested in further engagement. "If it would open up a whole new area of the market to us/increase the number of customers significantly, then fair enough. At the moment our level of involvement serves its purpose".	Planned investment in further e-engagement limited at the moment to updating Web site as and when required.

Table 51: Intra case analysis: Case Company 8

Indicator	Key findings
History, mission, vision	Company dates from 1984. Under current direction since 2002. Stated aim "to efficiently produce highly accurate and complex components using the latest technology, resulting in a cost effective end solution within the required specifications
General business model/*modus operandi*	Positioning in the "focused differentiation" strategic space with "low premium" price positioning. Model based skill and reliability backed by personal expertise and appropriate certification
Knowledge and experience of Internet	Good operational/functional knowledge. Site designed/developed/hosted by local computer consulting small business. Consultant also offers additional IT support if required.
Attitudes towards IT/Net based innovation in business	This is a technology based business and the directors are highly technologically "savvy". Cannot see any additional benefit from further e-engagement at present. Requirement is largely me too, information, reassurance and persuasion provided by detail on site.
Levels of formal academic qualification of decision makers	Both director and company secretary are educated to undergraduate degree level. The director has extensive engineering experience and post qualification training.
Age, gender and nationality of decision makers in the firm	Managing Director: male, 46, UK Company Secretary; female," early forties", UK
Awareness of reported opportunities offered by e-engagement	Aware to the extent that they have developed their engagement to the current level and made the decision to halt there. Open to further development if proven cost effective, committed to updating and maintaining Web site as required.
Awareness of incentives /assistance to adopt e-business practices	Not aware of any incentives/funding available to assist e-engagement Unaware of existence of IMRG
Perceived barriers to e-engagement	No effective barriers were identified beyond cost/benefit and relevance.
Additional areas of interest emergent during the interview process.	The firm has identified the key information it wishes to make available to its prospective and existing clients.

Table 52: Key indicators and associated key findings from interviews Case Company 8.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors,	Basic functionality, offers clear concise information of interest to customers, including highly technical specifications relating to specific milling machinery and capability. Emphasis on the company's aim of quality at affordable prices and availability of short production runs/prototyping. Partially a me too proposition in terms of the initial driver, however now seen as a way of addressing basic FAQs and "getting through the first stage filtering for supply" No ordering or tracking functionality.
E-mail	Universal	E mail is used extensively by the company across all aspects of the business
E-banking	Firm's bank, Client's, Client's banks,	The firm does not use e-banking or related products and services

Table 53: Internet activities of Case Company 8, their functions and participants.

6.2.8.1   Summary of intra case analysis: Case Company 8.

The analysis of the data from the interviews carried out with Case Company 8 defines a company that is entirely comfortable with technology in general and the Internet/Web based applications specifically. It is however an intentionally partially- engaged firm who's business model accommodates the perceived "me too" requirement of the market and leverages value from the Net without adapting specifically to seek or encourage additional e-engagement. The current level of engagement with Net and use is currently perceived as "fit for purpose".

This level of engagement is a clear strategic decision, accepting the perceived market requirement for a Web presence and using this to effectively answer frequently asked questions (FAQs) in a user friendly way, rather than the traditionally seen FAQ page or section. This is seen to add value as it acts as a passage through any initial filtering by prospective customers. The business is profitable and, although experiencing a downturn in 2009 due to the recession, is "resilient" and reasonably cash rich.

There was no phased adoption of engagement, a Web presence and basic contact details/statement of expertise and marketing message to the target markets have been in place since the 1990s, prior to the current directors being in charge. Changes to the site have been largely cosmetic or "updating" in nature. Both decision makers are formally educated to undergraduate degree level, followed by experience and CPD. No barriers to past/ further engagement are recognised by the business beyond relevance and cost/benefit.

From the point of view of the value silo model, engagement adds value across a limited range of provision for the client. Details of areas of expertise, ISO certification and answers to possible technical questions are given. From the business point of view, benefit comes through pre qualification filtering via the technical detail on the site communication and access to geographically dispersed clients. The marketing communications "D.R.I.P" model (Fill. 2009) shows the firm utilising engagement across the differentiation, reassurance and informing fields.

The drivers and barriers for the firm may be summarised as shown in the table below.

Drivers	Barriers
Largely an industry requirement to access market. "Me Too", although active pursuit	No barriers to initial engagement identified
Opportunity to avoid pre qualification questions on technical aspects such as machinery and ISO status	Relevance of further development
Access to geographically diverse marketplace	Cost/benefit of further engagement
Ease of communication with clients, although this is either in early stages or post sale as business model and nature of product/trust/empathetic considerations requires face to face/disintermediated discussion	
Low cost/potentially high return	

Table 54: Summary of drivers of and barriers to e-engagement for Case Company 8.

6.2.9 Case 9 (e-engaged, B2B) Frozen Food Manufacturing Company

Company profile

Case Company 9 is a manufacturer of wholesale frozen vegetarian and vegan foods. The business was originally established as a home enterprise in 1985 and moved to a small professionally designed, purpose built unit in Cambridgeshire some ten years later. The business was incorporated with limited company status in 2005 and actively develops its markets for its range of vegetarian food products.

The company emphasise that it is not a mass production operation. All dishes are prepared and finished by hand from, where possible locally sourced ingredients, and recipes can be altered to specific customer requirements, aspects that the management like to liken to their products therefore to being "virtually home-made."

All the food produced is made from first class ingredients and are free from artificial preservatives or colourings. In non vegan products, any eggs used are free range. The customer base extends to the food service industry in England, Scotland, Wales and Ireland and range from independents through to national suppliers supplying, amongst others, branches of Budgens, Total Foodservices Group and via an intermediary, Waitrose.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	Partially formally engaged. Extensive multi page site. General information on company, owners, production facilities, ingredients, product offerings, target customers, philosophy and value proposition. Contact can be made via a contact page which gives telephone/fax details, address map and an e-mail pre established form. Some attempt at value analysis, but informal rather than methodologically driven.	Extensive Web site designed to "introduce existing and prospective customers to us and our products". No specific detail of staff/owners beyond the name of the MD and the general manager (father and son). Emphasis on quality, integrity, environmental awareness (food miles) and range of foods, as well as willingness to alter recipes to suit customer requirements. Keen to emphasise family nature, commitment and the fact that "not a mass production outfit" "We know the majority of our customers use the site regularly and contact us through it. It's our shop window. As to how much new business it generates, that's a difficult one to answer. We know some customers see us on the Web first, but again, difficult to put a number on it. I know we couldn't do without it, it's essential to our business."	The site is extensive, customer friendly/focused and shows clear examples of products and weights/sizes. Separate tabs for each product grouping. Site does contain one client credential but not overt, "hidden" in useful links section Clear belief in the value of the presence, although not quantified. Actively considering increasing functionality to extend market into B2C arena.
Market C2.	Partially leveraged. Extensive, well designed site, but no on line ordering/tracking etc.	"Most of our customers probably won't order over the Net. They like to be able to talk to us/visit in some cases and see what's new/taste our latest offerings. Trust and relationships are important.	Minimum order quantities vary, but are not large by normal wholesale standards, in keeping with the stated business model.

		Smaller independents may be interested in ordering over the Web, that would possibly make sense from a cost perspective. We are thinking of setting up an on line small orders facility to expand the business into the corner shop and even individual purchaser market"	No indication of costs. "We don't want to give competitors an advantage! Cost will depend on the size of the order as well as other considerations, e.g. are they a big player with future potential for volume expansion?"
The Internet C3.	No major barriers identified, beyond relevance and the need to ensure the benefit outweighs any cost of investment.	"We are small business in a competitive market. We need to make sure that anything we spend money on gives value for money. Also it needs to have staying power: if we set up Web ordering and then found it wasn't economic/successful, some of our customers may get upset if we then withdrew it"	Website is updated and refreshed regularly, initial design and build was carried out by specialist, ongoing minor maintenance done "in house". "Anything major, we will have done professionally, after all, this is our shop window!"
Engagement C4.	Seen as a positive, ongoing business requirement in today's market, extensive brochure functionality. Open to additional developments as they become relevant to the business as it develops.	Further engagement seen as supportive to the business strategy, not a driver of it. E-engagement is a tool not a business model in itself. Limited links are presented on the site: one to an online business directory, the other to a client credential.	Planned investment in further e-engagement currently under consideration vis a vis small orders site. "we would need to show prices for small order quantities, so that is something we need to think about and how it would affect the business"

Table 55: Intra case analysis: Case Company 9

Indicator	Key findings
History, mission, vision	Company dates from 1985. Aim: to offer a wide range of frozen vegetarian food including ready meals, sandwich fillings, dips pâtés, pastry products and buffet/finger foods for the foodservice sector in the UK.
General business model/*modus operandi*	Positioning in the "Hybrid" strategic space with "standard" price positioning. "Model based on quality, locally sourced ingredients and a virtually home cooked feel as a result of willingness to offer bespoke products"
Knowledge and experience of Internet	Good operational/functional knowledge. Site designed/developed professionally. In house competence for day to ay maintenance, external resources used for more technically advanced operations.
Attitudes towards IT/Net based innovation in business	Actively considering further development of e-engagement to include ordering for new segment development. This does not constitute a phased adoption, rather a development in tandem with new lines of business as they emerge.
Levels of formal academic qualification of decision makers	Both director and general manager are educated to undergraduate degree level.
Age, gender and nationality of decision makers in the firm	Managing Director: male,, 55, UK General Manager: male, 34, UK
Awareness of reported opportunities offered by e-engagement	Fully aware and actively considering opportunities
Awareness of incentives /assistance to adopt e-business practices	Aware of government impetus for e-engagement but not of specific incentives Unaware of existence of IMRG
Perceived barriers to e-engagement	No effective barriers were identified beyond cost/benefit and relevance.
Additional areas of interest emergent during the interview process.	Firm has clearly married up needs of target groups with level of engagement/functionality; e.g. feel that small orders/individual orders would benefit from on-line ordering, as would the company via certainty of confirmation and instant cash flow from online card acquiring.

Table 56: Key indicators and associated key findings from interviews Case Company 9.

Internet activities	Participants	Detail of functionality.
Website	Existing and potential customers, competitors, Suppliers	Wide ranging brochure style site, with extensive product information and options for weight/quantities of order. No ordering or tracking functionality at present although this is currently under consideration with regard to business focus expansion into small retail market suppliers/direct sales.
E-mail	Universal	E mail is used extensively by the company across all aspects of the business, supply and sales
Links to external sources	Universal	Online directory membership and customer recommendation (one only)
E-banking	Firm's bank, Client's, Client's banks	The firm does uses e-banking and some related products and services

Table 57: Internet activities of Case Company 9; their functions and participants.

6.2.9.1   Summary of intra case analysis: Case Company 9

Analysis of the case data characterises a dynamic and growing company that is not only aware of the opportunities afforded to it by e-engagement but that is also seeking new ways to exploit it. Having said that, the company is very clear that the Internet and Web based functionality is a tool of business and should not therefore be a driver of the business model or strategy. The company is entirely comfortable with technology and leverages value from the Net without having adapted to seek or encourage additional e-engagement.

The current level of engagement with Net and its use is currently perceived as adequate, although if new areas of business are pursued, there is a similarly perceived opportunity for on line ordering. This does not represent phased adoption of engagement: activity appropriate to the operation of the business has been in place since the 1990s. The plan is for the development of the business, similarly this is not phased, but rather a proactive approach to the changing market conditions facing the business. Any additional adoption is as a result of a change in the nature of the business offering, not as a consequence of a decision to deepen/broaden engagement. This is a subtle, but very important distinction, and one which has been missed by commentators in the passed when promulgating the existence of phased model adoption.

Both decision makers are formally educated to undergraduate degree level, followed by business experience. No barriers to past/ further engagement are recognised by the business beyond relevance and cost/benefit.

From the point of view of the value silo model, engagement adds value across a wide gamete of provision for the client. Details of product type, provenance, ingredients minimum order quantities and visual representations are available. If the maxim that one "eats with one's eyes" is accepted, then this is undoubtedly a major issue for a food manufacturer. From the business point of view, benefit comes through direct communication with the client of the philosophy of the business and nature of the products and business ethos espoused by the firm.

Application of Fill's (2009) "D.R.I.P" model shows the firm utilising engagement clearly across the differentiation, reassurance and informing fields. It also allows for clear positioning of the operation.

The drivers and barriers for the firm may be summarised as shown in the table below.

Drivers	Barriers
Business requirement to access market. Beyond me too, in terms of design and information available.	No barriers to initial engagement identified
Brochure site, and happily embraced as such by the firm as a positive "shop window" for prospective customers	Relevance of further development
Access to geographically diverse marketplace	Cost/benefit of further engagement
Possible new segments (small order/individual retail customers) will probably require on line ordering facilities.	
Ease of initial communication with clients.	
Low cost/potentially high return	

Table 58: Summary of drivers of and barriers to e-engagement for Case Company 9

6.2.10 Case 10: pilot case (non e-engaged, professional services) Independent Estate Agents

Company profile

Case Company 10 is a small, single office estate agency established in Dorset in 1997. The company is run as a legally registered partnership, established and run by two partners, both of whom have extensive experience in the property sales and development market.

The firm is predominantly focused on the lower end of the housing spectrum, dealing largely with previously publicly owned housing stock which have been purchased and "taken private" under the "right to buy" scheme. This gives tenants of council housing and housing associations the right to buy the home they are living in. Between 1980 and 1998 approximately 2 million homes in the UK were sold in this manner.

The firm was established to take advantage of the large take up and subsequent secondary market that developed in areas where council/housing association operated estates were sited. The right to buy rules were changed in 2005. Five years' tenancy is now required for new tenants to qualify, and properties purchased after October 2004 can no longer immediately be placed on the open market should the owner decide to sell.

The company also operates a cheque cashing and "short term collateralised loan" service (pawn broker) from the same premises, although this is registered as a separate company. Similarly, it has no Web presence and does not make use of the Internet in any way for business purposes.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Seen as being unnecessary and, potentially, a "turn off" to clients. Aware of technology, have access to Internet and e-mail (personal) via mobile phones (Blackberry) and have personal e-mail addresses for home use	Web presence/general engagement seen as adding no value to the customer and representing a cost to the business. "Typically the clients we service have not been Internet surfers. They are looking to get a foot on the property ladder or maybe make their first move after initial purchase. A Web site is mostly meaningless to them. They would rather come in, have a chat, look through the files and go and see the houses on offer."	Interestingly, both respondents noted that, "the younger generation" occasionally ask if they have Website but that, "99% of our business comes by footfall past the window, flyers and adverts in the daily Echo/The Advertiser" "You've seen the sort of houses we sell and the areas we sell in. Our clients are not in high powered jobs. They are not interested in fancy Websites, they want to get a start in their first or second home"
Market C2.	No engagement means a direct disintermediated connection with the market. "Our clients want simple facts like, how much will it cost me a month, is it cheap to maintain and how many other flats in the block are sold"	The market socio-demographic profile is low (C_2, D, E). The nature of the communities served by the firm and the impact of changes in the right to buy rules, as well as the economic conditions, mean that personal contact and empathy are important as is the right company setup. "One client told me, they came to us to view a specific property that was listed with another agent as well because 'they'll be more expensive with their fancy Websites and posh cars' "	Tufeki et al (2008) note that although young people of lower socio economic groups spend longer on the Internet, the time is focused onto game playing and social networking/instant messaging.

| The Internet C3. | The major barriers to engagement are appropriateness and cost benefit.

"It's easy and cheap to set up a Website, but why go to the bother and have an unnecessary cost when it's not relevant and may actually loose us business?" (See C2, above) | The customer base is perceived by the firm as disinterested in a Web based approach; and in some cases at least suspicious if not openly hostile. (See C2 above).

"Those younger clients who do have Internet access are more likely to be messaging their mates, downloading music or playing some weird game. If they are thinking of buying a house, they'll want to come and talk to someone and get straight answers and explanations" | The firm cannot see any benefit in engagement given its market focus and attitudes of its clientele.

"We did think about a Website at first and had lots of cold calls from independent guys offering to design one for us, but when we looked at it we thought, what's the point?" |
| --- | --- | --- | --- |
| Engagement C4. | The firm feels no pressure, and can not identify any drivers to engage. | Partners are not "luddites", both have Blackberries, MP3 players and have Internet access at home. One has a family Facebook page. Both seem aware of business opportunities and arguments generally but return to the position that, "there's no point in our market"

There are two computers in the office, book-keeping and accounts are kept on these. Both have Internet access via Internet Explorer V6, which both partners say they use for personal use when not busy. | No perceived benefits associated with Web engagement. The Net is not used for business purposes.

Old version of web browser |

Table 59: Intra case analysis: Case Company 10

Indicator	Key findings
History, mission, vision	The firm has been established for thirteen years with a clear focus on profit maximisation. It seeks to offer a friendly and cost effective service to clients looking to make their first or second move onto the housing ladder, specifically in former local authority/public housing stock.
General business model/*modus operandi*	Strategic positioning in the no frills" area with standard price positioning.
Knowledge and experience of Internet	Partners are aware and active private users of the Net. They are PC users and have access via mobile phones if desired, but claim never to use it for business purposes.
Attitudes towards technological innovation in business	Can see no reason for any engagement with the Net at the present time
Levels of formal academic qualification of decision makers, age and nationality	Partner, A levels, CPD. Male, 52, UK Partner;, O levels, CPD. Male, 55, UK
Computer/ICT technology on site	Two computers, two Blackberry mobile phones, Internet enabled.
Awareness of reported opportunities offered by e-engagement	Aware of generally held views and the "me too" mentality but feel that there are no benefit in real terms of engagement.
Awareness of incentives /assistance to adopt e-business practices	Not aware of any particular external incentives/ funding Not aware of IMRG

Perceived barriers to e-engagement	Barriers perceived as :
	   1. Appropriateness to business model/client base
	   2. cost/time

Additional areas of interest emergent during the interview process.	These are individuals who have made a clear and informed choice based on their client base and the nature of their business model not to engage

Table 60: Key indicators and associated key findings from interviews Case Company 10

6.2.10.1 Summary of intra case analysis: Case Company 10

The findings from the analysis of the interview from the Company make for very interesting reading. They fly in the face of much of the research identified in the literature review for those companies who are not engaged. For example, these are individuals who are aware and personal users of the Internet; they have computer and digital telephone technology available in the business, but see no benefit in Net based engagement.

They have made a clear, strategic decision as to their stance. This is based soundly on the clientele that they serve and their business model. In the latter case, they are clear that personal service, empathy and a human being to deal with are important given that their buyers are "not sophisticated property investors".

It is interesting to note the quote from Simon previously cited, indicating that a Web site could actually harm them in some instances, portraying them as being an expensive option.

While neither partner is educated formally above high school level, they are highly experienced and successful in their market and have survived "a couple of lean periods in the property sector"

There are no perceived benefits on the part of the firm and, on presentation of the ideas around the value silo model, they stated they could understand the logic, but "it just doesn't apply in our business".

6.2.11 Case 11 (non e-engaged, professional services) Accountant

Company profile

Case Company 11 is a small accounting practice, based in Winton, Dorset. The firm is a legally registered partnership with two partners, one of them designated as a sleeping partner.

The firm was established fourteen years ago by the operating partner, a fully qualified Chartered Management Accountant and fellow of the Institute. He had previously held positions as financial controller and Finance Director of two large plc's based in Birmingham and London, before opting for a lifestyle change and moving to Bournemouth. His partner (and wife) bought a small hotel in the Alum Chine area and Roger established his own practice "mostly to keep my hand in and keep myself current". Following the sale of the hotel ten years ago, he focused "full time" on the firm, which he defines as "normally two or three days a week."

The firm's clientele is composed mostly of small businesses/micro businesses, many self employed. He also focuses on small hotels and guest houses. Over the years he has moved away from "Tesco bag jobs"…where a sole trader arrives with a Tesco bag full of receipts at the end of the year and presents them to an accountant for him/her to make up a set of accounts from them. Increasingly he focuses on making up accounts from books which the clients have kept using a simple double entry system which he sets up for them, either paper based on a spreadsheet. From these he extracts a trial balance and makes up a set of accounts to the statutorily required level. The format/level of detail is dependant on the size and legal status of the company. The final area of focus is tax returns which he compiles on behalf of his clients.

Asked where he gets his clients from he replied, "I put a small ad in the Echo fourteen years ago, it cost me £3.60; best investment return I've ever had. I've never had to advertise since. Most of my business is word of mouth."

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Seen as being unnecessary. Most business comes from word of mouth/ through social connections. Aware of technology, have access to Internet and e-mail (personal) via mobile phone (Blackberry) and have personal e-mail addresses for home use.	Web presence/general engagement seen as adding no value to business. "Most of my clients wouldn't know a Website if it bit them, and wouldn't want to." "I don't really want my clients to contact me using the Net or start asking for Web based 'solutions' that's not the sort of business I want" "I don't give them my e-mail address as I don't want them contacting me at random/when I'm on holiday or when I want to go fishing! They can call, we set an appointment and we can sort everything that needs to be sorted that way. Being instantly accessible can lead to the tail wagging the dog!"	The lack of engagement displayed by this firm is largely down to a lifestyle choice. The respondent is highly intelligent, competent and an active user of the Web. However, he has established the business with clear lines of operation and a lifestyle choice in mind. Has four computers at home (office is based at home also), all wirelessly networked. (See C4 below)
Market C2.	Business model is based on personal contact, understanding the client's business and being available "at the end of the phone" to sort out any major problems. "Some typical clients can be described as; a one man band self employed builder, and father and son mobile mechanics business, a lady who makes wedding dresses at home and sells them on the Internet or a small B7B in Poole.	The market socio-demographic profile ranges from B to C2. The nature of the clientele is such that personal contact is important. "People like to talk to their accountant. Some are nervous of putting things in writing, especially nowadays with all the conspiracy theories about Big Brother scanning your e-mail. There is an element of trust and yes, I suppose empathy, if a client doesn't feel you "click", they'll potentially take the business elsewhere"	Occasionally gets asked if clients can contact by e-mail; response is that it's better done in person or, if likely to be a legal/tax issue, in writing. "Only once has a potential client ever asked me if I had a Web site. In fact, you're the only other person that's ever mentioned it to me!"

The Internet C3.	Intellectually/operationally and financially there are no perceived barriers to engagement. Feels there is no added value to either the firm or the client. "I got e-mail from the Institute a few years ago advising me of generic content available to download, along with Institute logos etc; but if it's generic, why bother?"	The customer base is perceived by the firm as disinterested in a presence (See C2 above). "What my business does is not 'high finance'. I'm a small independent accountant dealing with small independent businesses and giving them a good service and, I think, excellent value for money. I don't want to be on call 24/7: I've been there and done that. I run my business around my life. I'll see clients out of office hours to suit them and at week-ends if needs be, but I'm not 'on call'"	The key barriers to engagement here appear to be 1. Lack of perceived added value from either perspective, and 2. Life style. The satisfysing nature of the business model means that an effective activity break needs to be available, both in terns of access of existing clients and the taking on of new clients
Engagement C4.	The firm feels no pressure from clients, and cannot identify any positive drivers to engage. "Most people have a Web site now a days, but quite a few of us don't" "The only pressure, and I have succumbed to it, is from the Revenue They are making it really difficult to file multiple tax returns for accounting firms like mine now unless you do it on-line. They started trying to encourage, now they're just 'bloody minded'. If they lose a return, your client gets fined, that causes me hassle. It used to be I could phone up, they'd have a look, and we could sort it out over the phone."	The lack of effective drivers beyond HMR&C's desire for on line filing mirrors to some degree the previously discussed paradigm of most governments that "The Internet is a good thing" Interesting to note that the respondent had "set up a company e-mail address on Yahoo, but I never used it and I think the account will have lapsed: I can't even remember the password!"	The behaviour of HM Revenue and Customs with regard to the "unofficial requirement" for on-line filing is perceived as a major driver to at least partial engagement. This is an interesting area and one which resonates with the findings cited in the literature review by Kellman as far back as 1961 regarding source characteristics in communications.

| C4, (Cont'd) | Now the first question is, 'did you file online'. If the answer is no, the standard response is, 'you'll need to send copies.' That can take up to 4 months to get dealt with. In the interim, my client is receiving further fines which have to be paid until the issue is sorted, then he has to wait for a refund." | From the point of view of the value silo model, an extension to three dimensions can be envisioned:

 1. Benefit to the client in terms of access to filed data efficiently.
 2. Benefit to the firm in terms of efficiency of filing, saving money, instant confirmation of receipt and availability to query discrepancies immediately
 3. Benefit to the agency via efficiency savings, i.e. reduced costs | Credibility and attractiveness are often used as drivers of a message initially but, where the source has power, it will, as in the case of government or government agencies ultimately resort to this to achieve their aim. |

Table 61: Intra case analysis: Case Company 11

Indicator	Key findings
History, mission, vision	The firm has been established for fourteen years with a clear focus on profit satisfysing, i.e. a primary driver of the business model is lifestyle based. It seeks to offer a personal and cost effective service to SME clients.
General business model/*modus operandi*	Strategic positioning in the "Hybrid" area with standard price positioning.
Knowledge and experience of Internet	Fully aware of Internet. Active user on personal level (browsing, E-bay, I-tunes etc)
Attitudes towards technological innovation in business	Grudging acceptance that on-line filing is becoming an increasing necessity and predicts will be enforced within the next five years
Levels of formal academic qualification of decision makers, age and nationality	Partner, A levels, Professionally qualified. FCIMA, CPD. Male, UK, 55 Sleeping partner, A levels, SRN. Female, UK 55
Computer/ICT technology on site	Four computers, two Blackberry mobile phones, Internet enabled.
Awareness of reported opportunities offered by e-engagement	Aware of generally held views and the "me too" mentality but feel that there are no benefits in real terms of full engagement. Partial probably inevitable (see above).
Awareness of incentives /assistance to adopt e-business practices	Not aware of any particular external incentives/ funding Aware of free available generic content for Web site from Institute. Not aware of IMRG
Perceived barriers to e-engagement	Barriers perceived as : 1. Appropriateness to business model/client base 2. Lifestyle
Additional areas of interest emergent during the interview process.	As noted above, lifestyle appears to be the key driver of the business; business model designed to fit around this.

Table 62: Key indicators and associated key findings from interviews Case Company 11

6.2.11.1 Summary of intra case analysis: Case Company 11

This is a fascinating case and uncovers two key issues issue that, whilst dealt with in the literature review, have not really been fully researched before; namely,

a) The impact of lifestyle on business models and thus engagement.
b) The role of "coercion" as a driver to engagement.

As noted in the literature review much extant research has as one of its precepts the notion that all commercial businesses are profit maximising. While this will intuitively be true in the majority of cases, there is undoubtedly a segment, especially within the SME universe that seeks an appropriate level of profit balance with a particular lifestyle/work life balance. This is clearly one such business. Once again, strategic decision as to their stance has been formulated and enacted. This is based on the dual premises of client requirements/needs and lifestyle. The notion that "I don't want them to be able to contact me on a whim" is interesting, although it could be argued that having a phone number offers the same function. Rather the issue seems to be the "instant nature" of e-mail and that, once sent, most people expect an instant or "short order" response. How accurate this is moot. However, it is clearly the view of the respondent

With regard to the coercive nature of engagement, it is inevitable that some businesses will feel they have no choice but to use the Net. This is dealt with at one level with the "me too" issue, however, this is the first instance the author has encountered where the pressure has come directly from a government agency. Once again, it is a moot point as to what extent there is actually an active decision on the part of HMR&C in this case to force firms like this into using Web based applications. It is clear from the analysis however that the firm clearly feels this is the case. Anecdotal evidence would support this from other businesses and clients with whom the author has dealt, not just in the professional services arena. It appears that some businesses and third sector organisations are encountering similar situations.

The active partner is professionally qualified and highly experienced. He has demonstrable success in both his previous career and in his current endeavours, although the definition of success is markedly different between the two, the latter very much tempered by lifestyle considerations as discussed above.

There are no currently perceived benefits on the part of the firm to engagement, although there is an acceptance that on line filling of returns may offer some benefits. As noted previously from the perspective of the author's value silo model potential added value can be identified on three dimensions, rather than the originally posited two:

a) Benefit to the client in terms of access to filed data efficiently.
b) Benefit to the firm in terms of efficiency of filing, saving money, instant confirmation of receipt and availability to query discrepancies immediately
c) Benefit to the agency via efficiency savings, i.e. reduced costs

The nature of the work/life balance argument obviously impacts on perceived value added. The firm has only ever had to advertise once and gains any additional clients, if and when additional clients are wanted, now through word of mouth. The much vaunted benefits of the Web in terms of advertising and boundary- less communication are largely irrelevant in this case as a result. This is a potential area of further research.

6.2.12 Case 12 (non e-engaged, professional services) Cleaning Company

Company profile

Case Company 12 is a small company established five years ago by three Portuguese ladies, originally from Madeira now living in Dorset. The company specialises in "industrial and domestic cleaning solutions". In essence, there are three strands to the business:

a) Out of hours office cleaning

b) Regular and one off cleaning services to domestic households

c) " Project cleaning"; one off assignments to clean up premises after a fire, burglary, accident or student accommodation after the occupants have moved out.

The business is developed through a number of avenues. Clients for office cleaning covered in a) above are generally won via one of three methods: advertisements in the local paper, direct sales approach to facilities manager; either by letter /flyer or telephone or by introduction via caretaking/maintenance staff, a number of whom are Portuguese in the Bournemouth area. Similarly, domestic cleaning clients tend to come either via word of mouth recommendation or small ads in local papers.

The final category, defined by the author as "project cleaning" has come largely as a result of an out-of-hour's office cleaning client. This client is a well known local insurance company and approached the firm originally on a one-off basis to deal with the aftermath of a claim relating to a fire in the holiday home of a business insurance client. Pleased with the result, an ongoing stream of work has developed, normally related to claims. Word of mouth via these engagements lead to another stream of work developing from a managing agent for rented housing in the area. Pre letting/termination cleaning assignments are commissioned and range from student lets to large scale mansions. The firm is a "loose association" of three principles, each self employed. They have no staff, rather they call on "self employed operatives", mostly Portuguese and often the late teenage/early twenties/student children of locally resident families or wives of couples who for family reasons (often child care related) do not wish to undertake full time employment.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Seen as being completely unnecessary. Most business comes from word of mouth/ through social connections or via small ads in local paper. All three managers in the business have mobile phones, and there are computers at home, but not used for the business.	A Web presence/engagement is seen as totally irrelevant. "We know our clients, they trust us. If they want something they phone us. They know if they need something, even at short notice, we'll deliver" "You can't clean on the Internet!" "It's a toy. It's good for shopping and recipes and booking holidays" "I'm sure it is good for big businesses or for certain types of business if your selling products, but all our customers want is a clean house or office"	The lack of engagement displayed by this firm is largely down to the way in which they attract customers, the basic nature of the service demanded by clients and the nature of the business model (See C2) Computers are available to the managers at home, but they are mostly used by their children One respondent (Elhina), says that she uses it for personal use and has Skype to talk to family in Madeira, but not for business.
Market C2.	Business model is based on personal contact trust and an available network of low cost labour. It is an unsophisticated, but immensely effective approach, tuned exactly to the needs of the client base.	Empathy and trust are absolutely key to this model. So too is simplicity. Effectively, the firm offers a turnkey solution, with single points of contact via mobile phone. Operatives (i.e. self employed workers) are contacted either by telephone, SMS or, in extremis, by calling round to the person's home.	This is, in many ways, a peculiarly informal business model. The fluidity and lack of formalisation as well as the nature of the industry making the idea of engagement redundant in the eyes of the managers.

The Internet C3.	The Net and engagement generally seen as an irrelevance. "Why pay money for a fancy Web-site when no ones going to look at it and we can get all the clients we want without it?" Trust in the Net is an issue; "I don't want everybody knowing my business or the tax or the government looking at my e-mails" "No point in buying products on the Internet. You have to buy a lot and we'd have to store them. Better to go to the cash and carry and buy what we need for two weeks or a month when we need it".	Barriers to engagement can be identified on a number of levels. The managers are not active expert users of the Web in general and have no technical skills. Their perception of the Web is as a social and entertainment tool, not one for "a little business like ours". The apparent ease with which clients can be found also renders the Web of less use a channel. The managers state that "we have all the jobs we can handle at the moment" "I don't like writing to people. I'd rather talk to them. I never sound as good in writing and people will think I'm not a clever person". "I tried buying my shopping on the Internet once, my son helped me. I spent more money than normal and didn't get all the things I needed and would normally pick up as I walked round".	While the managers are very much focused on profit maximisation, lifestyle issues are apparent in this case. All three managers are married two with children at home, one whose children are both working and living away from the family home or at university. "I don't want people being able to get hold of me by e-mail. They can call or SMS, if my phone is off it's off" English is not the first language of any of the managers. While they speak very fluently, in one case with little discernable accent, their written English, as with many people who learn a second language as an ex-pat, is not grammatically fluent.
Engagement C4.	The firm feels no pressure from clients, and can not identify any positive drivers to engage. "We go and see customers and talk to them on the phone". I'm an honest person, no one else should be able to see my private business"	There is an undercurrent of suspicion of the Web in discussions with the managers. "My bank manager asked me for my e-mail address, I told him if he wants to talk to me he can call me. I don't want the tax people looking at what he says to me or at my bank accounts."	The lack of trust and concern that "Big Brother is watching" has come across in a number of the interviews, not just of the un-engaged. This may be more of a concern among self employed/informal business models where traditionally there has been a more "lax interpretation" of some rules and regulations

Table 63: Intra case analysis: Case Company 12

Indicator	Key findings
History, mission, vision	The firm has been established for five years with a clear focus on profit maximisation, but within the bounds of a family life. The firm prides itself on first class work and relies largely on word of mouth recommendations and repeat business
General business model/*modus operandi*	Strategic positioning in the "Hybrid" area with standard price positioning. Personal relationships/trust/ empathy key to model. Fast, cost efficient service by real people. Much business done via personal face to face relationship.
Knowledge and experience of Internet	Very little knowledge. All have access at home, but mostly used by children and viewed exclusively as a social and leisure tool.
Attitudes towards technological innovation in business	No interest in engaging or innovating. Seen as totally irrelevant to the business.
Levels of formal academic qualification of decision makers	Manager (Elhina), 46, Portuguese no formal qualifications Manager (Claudia) 44, Portuguese no formal qualifications Manager (Dulce) "mid forties", Portuguese no formal qualifications
Computer/ICT technology on site	None. Mobile phones, basic use and SMS. One has i-phone, sees it as a fashion accessory and for keeping pictures of children and music.
Awareness of reported opportunities offered by e-engagement	Can see no opportunities for their business
Awareness of incentives /assistance to adopt e-business practices	Not aware of any external incentives/ funding (and not interested) Not aware of IMRG
Perceived barriers to e-engagement	Barriers perceived as : Appropriateness to business model/client base
Additional areas of interest emergent during the interview process.	Lifestyle appears to have some impact but main issue is relevance

Table 64: Key indicators and associated key findings from interviews Case Company 12

6.2.12.1   Summary of intra case analysis: Case Company 12

The analysis of this case has thrown up issues which, again have not featured strongly in the published canon of literature. As with case 11, there are some issues of lifestyle emerging from the comments and themes explored. The respondents feel they have more control over communication via telephone and SMS, rather than e-mail. This control relates both to extant client contact and also to the flow of new business.

A second issue which has emerged is that of culture. The nature of the Mediterranean/Latin culture may have an impact in terms of the general attitude towards intermediation of communication. Large networks of similar background ex-patriot Portuguese have developed and in this case form the basis for business development and for staffing.

On a related point, there has been no research on e-engagement by ex-pat communities generally. Limitations on linguistic ability (C3, above), and even jingoistic attitudes, will potentially impact negatively on business via engagement in certain situations.

A point which surfaces regularly across the cases and in this one particularly is that of Trust: not in terms of clients with a Web based interface, but rather by the managers with the Net as a whole. The "big brother is watching" mentality is apparent and, while it is easy to dismiss this as paranoia or conspiracy theory, the fact remains that the attitude exists. Small businesses, especially those constituted as sole traders/self employed or loose associations such as in this case are traditionally cast as "pulling every trick in the book", e.g. not recording income, casual labour employment etc. While the author has no reason to suspect that anything underhand is going on in this business, it is a common trait that many small business people in this category feel, rightly or wrongly, victimised or worried about invasive or costly scrutiny by the authorities.

Above all, however, the key message from this case is the total lack of relevance, as far as the respondents are concerned, of the Internet to their business

2.6.13 Case thirteen (non e-engaged, B2C) Ironing Service

Company profile

Case Company 13 is a small domestic ironing and pressing business based in Hampshire. The business is operated from the home of the Manager, Maria, and caters mostly to busy professionals, mothers and housewives.

Originally from Spain, Maria immigrated to the UK eighteen years ago. She has a background in the hospitality industry, mostly in the housekeeping area. After being made redundant seven years ago, she decided to establish her company. Most of her clients are repeat business or via word of mouth recommendations. She also places a small ad in the local paper once every two months, just to "keep the business fresh" and "make up for anyone on holiday or saving money".

The company is constituted as a sole trade and the business model operated by the manager is a simple three level offering:

1. Express service: deliver before 8am, ready for collection by 7pm same day
2. Standard service: deliver before 10am, ready for collection by 7pm two working days later
3. Saver service: deliver anytime 8am – 5pm, ready for collection by 7pm five working days later.

The business operates a strict Monday to Friday week, 8am to 7pm. "I spent years working long hours, shifts and weekends, now it's my business and I'm not doing it anymore. I decide what I work when I work. I want a good salary (discussed but details not included for confidentiality) and I work hard, but I want time for my family and myself too." The business prides itself on speed and quality of work. I need to be careful not to take on too much work. At busy times, Christmas, holiday times and that sort of thing, I don't like to turn down regular customers, so I ask my sister and daughter to help me and I pay them. That's OK, but they have jobs too, so it's not fair to do that all the time"

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Seen as being completely unnecessary to business. Most business comes from word of mouth/ repeat business or via bi-monthly small ad in local paper. Contact is via mobile phone only.	A Web presence/engagement is seen as totally irrelevant. "I like the Internet, I use it a lot, but it's not something I think would help me in my business". "I don't have the time to keep checking e-mails to see if someone wants me to do their ironing. I can pick up a call while I'm working, but to keep having to stop and type would be a bad use of time".	The lack of engagement displayed by this firm is largely down to the way in which it attracts customers, the basic nature of the service demanded by clients and the nature of the business model (See C2) The respondent has a computer, is "Web literate" and is comfortable using it for social and shopping purposes.
Market C2.	The market is largely busy professionals or middle class mothers/housewives. Some of these will be engaged, some less so with the Net themselves. Respondent states that all are more than happy to call. Quality requirements are high as are time pressures. Despite requests, Maria will not operate at the week-ends or bank holidays	Trust and empathy are absolutely essential to this model. So too is simplicity, given the service offerings and turnaround times. "People will not give you their underwear, or their favourite blouse to iron if they don't like and trust you!" "I get a lot of business because I'm good at what I do and take pride in it. People want their things back quickly and nicely (sic), if I have a lot of express orders, I need help, so I ask my sister and daughter to do some and pay them".	Control and lifestyle considerations are apparent I the answers from this case. There is clear evidence of a well thought through approach and attitude towards the Net. "Some customers ask me to e-mail when their stuff is ready, I say I don't know how, I'll text then instead!" If I had a Website, I'd have customers from all over the place and too many probably, I have a nice business as it is.

		"I decide the amount of work I accept every week. I've got a big wall chart and work out what I can do. If there's a rush and it's good customers I'll accept more and ask the girls for help, but I don't like to do that too often, it's not fair. I try to finish every night by seven; my husband gets back normally about seven thirty. I work hard Monday to Friday; it's my company and my life."	
The Internet C3.	The Net and engagement generally seen as not fitting in with the established business model(see C2 above) Once again, control of the business and work/life balance are seen as key issues. It's easier and quicker to communicate with people on the phone.	"A Web site would mean I'd have less control of my business; too many people calling, people from out of the area asking me to do things, people who live in places I don't know. I don't want that". "Half the time if you e-mail someone, they call you anyway, I find this with friends or when I'm buying things or asking questions on the Internet myself. And, it takes time to type an e-mail and make sure it's nice"	Again this case exhibits a degree of satisfysing behaviour. While there is a drive to make " a good salary" there is clear evidence of a notional cut off on a weekly basis. Additional resource can be called on, but only as and when deemed appropriate Again, English is not the first language of the manager, although she is fluent in three languages including English. She does feel that it takes longer to compose an e-mail and "make it nice" than to make a call or send a text message.

| Engagement C4. | The firm feels no pressure from clients, and can not identify any positive drivers to engage.

"Hardly anyone has ever mentioned the Internet to me"

Some local initiatives to set up a Web presence, but seen as irrelevant | "When I set up my business I went to some meetings that were organised in town, I think by the council. There was advice on setting up, how to contact the tat office and that sort of thing. One speaker was talking about how a Website could help your business and how there might be some help towards the cost. I can see how it might be good for some types of business, but not for mine" | The manager seems clearly aware of drivers in the market, from an incentive point of view and of the potential value, but has made a strategic choice based on her own business model and aspirations. |

Table 65: Intra case analysis: Case Company 13

Indicator	Key findings
History, mission, vision	The firm prides itself on first class, speedy work and relies largely on word of mouth recommendations and repeat business. The firm has been established for seven years with a clear focus on achieving an acceptable level of income while balancing work/life commitments.
General business model/*modus operandi*	Strategic positioning in the "differentiated" area with standard price positioning.
Knowledge and experience of Internet	Sound basic knowledge of the Internet. Has access at home, but mostly used for social, shopping and leisure purposes. Has a Webcam and VOIP to contact friends and family in Spain and abroad.
Attitudes towards technological innovation in business	No interest in engaging or innovating. Seen as totally irrelevant to the business model and potentially damaging to the work/life balance of eh enterprise as well as its efficiency.
Levels of formal academic qualification of decision makers, age and nationality	Manager (Maria), 45, school leaving certificate, no formal qualifications, Spanish
Computer/ICT technology on site	PC with windows Internet explorer 8. Mobile phone, basic use and SMS, pictures of family and music. Bluetooth earpiece for use during the day to take calls whilst ironing.
Awareness of reported opportunities offered by e-engagement	Can see no appropriate opportunities for the business. No interest in growing the size of the business. Significant satisfysing behaviour.
Awareness of incentives /assistance to adopt e-business practices	Aware of external assistance/incentives/ funding , but not interested for reasons stated above Not aware of IMRG
Perceived barriers to e-engagement	Barriers perceived as : 　　Appropriateness to business model
Additional areas of interest emergent during the interview process.	Lifestyle appears to have significant impact but main issue is relevance

Table 66: Key indicators and associated key findings from interviews Case Company 13

6.2.13.1   Summary of intra case analysis: Case Company 13

As with cases 11 and 12, the analysis of this case highlights issues of work/life balance as having an effect on the decision to engage. It is clear that whilst a solid income is sought, so too is the ability to call a halt to the growth of the business and exhibit clear satisfysing behaviour.

A clear theme is that of control; namely that somehow it is easier to control the flow of work via a telephone/SMS based relationship rather than a Web based/intermediated one.   This perceived inability to control; either in terms of attracting or limiting customer numbers is not one which figures largely in the published literature. It links directly to the issues of empathy and trust discussed below. The notion that direct vocal interaction with someone will engender a sympathetic/empathetic bond more so than an exchange of e-mails may at first sight seem logical, however, this seems to be seen as true also for SMS text messages.

As with case 12, there is a potential issue of culture. Whilst Portugal and Spain are separate countries with different languages, obviously the general cultural norms are reasonably closely associated. Foci of family and quality time have appeared in both cases. This is related to the point raised in case twelve regarding language. Maria is completely fluent in English, and indeed in two other languages, her own and French. There is still the issue around making sure that an e-mail has an acceptable tone and that it's "nice" as she terms it. Certainly the use of idiom and parsing may have an impact on the written word more than in a dialogue; where inflection, context and immediate correction and clarification lead to more fluid communication. There is also the consequent matter of efficiency, i.e. speed or time taken to respond. As Maria noted:

"Half the time if you e-mail someone, they call you anyway, I find this with friends or when I'm buying things or asking questions on the Internet myself, and, it takes time to type an e-mail and make sure it's nice"

A point which surfaces regularly across the cases and in this one particularly is that of Trust. In this case the issue is not with the spectre of authority looming in the background and seeking to investigate, but rather with regard to the attitude of customers and the building of relationships. As Maria so succinctly put it: "People will not give you their underwear, or their favourite blouse, to iron if they don't like and trust you!"

The lack of formal qualifications does not appear to have a particular bearing on the lack of engagement. Maria's facility with languages has already been noted and she is au fait with the Web and technology. She took great delight in showing the author an array of digital pictures of her extended family stored on an external hard drive as well as her favourite Web site showing an array of Scottish castles and her husband's favourite whisky distilleries.

As with all the cases analysed so far, this is not a decision on a whim, but rather a considered strategic position, even if the respondent would not describe it in such fashion. Maria does not feel pressurised into engagement, even from the "me too" perspective which many engaged companies identified. Rather she sees herself as "mistress of her own fate" and runs her business her way. She was aware of incentives and help available, but decided not to avail herself of the services having concluded they would not add value. This is therefore clearly a strategic decision.

6.2.14 Case 14 (non e-engaged, B2C) Appliance Repairs

Company profile

Case Company 14 is a Nottingham based company, constituted as a sole trader operating from the home of its proprietor, in the West Bridgford district.

The business was established ten years ago when Mike, the owner, left the RAF, where he was a senior flight technician. His wife, a nurse, works shifts and as such Mike wanted the flexibility of self employment so as to cover child care and home commitments. He had also had "enough of chains of command" and wanted to be his own boss. A qualified electrician, he decided not to opt for the construction market, preferring to work with appliances and not "hang around building sites waiting for the rain to go off".

Mike prides himself on providing a top quality, reliable service, "I turn up when I say I will and I stick to the estimate".

He operates from his workshop, a large brick built triple garage, and from his van. He visits clients, repairing/servicing appliances at their home, unless they require extensive work in which case he transports them back to his home base to work on them there.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Seen as being completely unnecessary to business. Most business comes from word of mouth/ repeat business. Has a large amount of work from the two universities in the City. Always leaves half a dozen cards with customers and asks them to recommend to their friends and at work. Contact is via mobile phone only.	A Web presence/engagement is seen as totally irrelevant. "There are hundreds of people offering appliance repairs on the Net and, like everything else if you type in appliance repairs, half of what you get is in other parts of the country and the other half is surgical appliances!" "People who need my service want to call me, tell me what's wrong, ask me when I'm coming and how much it's going to cost. Simple as that".	The owner feels he has no apparent need for a Web presence. "I get my customers locally by word of mouth, which is always the best way". The operational business model would make Web contact inefficient (See C2 below).
Market C2.	The market is largely homeowners and some landlords. Majority of work tends to washing machines/tumble dryers, vacuums, lawnmowers etc. Because much of his work is by recommendation, many clients feel that, even if they've never met him, if a friend or family member has used him, they are comfortable talking to him. The nature of the business is such that he is not at home/near a computer much of the time, so e-mail contact would be inefficient.	Trust and empathy are very important for the business. People want to be able to trust you, especially with electrics and especially with expensive things like washing machines. "There's nothing like chatting to someone to put them at their ease. If someone calls me, even if I'm on a job, I can hear what they're after, give them some idea of when I'll be there and arrange everything there and then". "I don't take on more than I can handle. I try not to work at week-ends, 'cause I like to take the boy to the football, but I'll do an emergency call out if someone's desperate. Same goes for Sunday, that's my day at home with the papers".	"There's no point in having a Web site. My customers come from recommendations; they'd never find me among all the rubbish on there anyway. I get contacted by phone: anything else wouldn't work 'cause I'm on the road most of the time.

The Internet C3.	The Net and engagement generally seen as not fitting in with the established business model(see C2 above) Ease of communication, trust/empathy impeded by Web presence. Lost in the morass of information. Respondent believes enquiries purely from people looking to confirm prices are reasonable or from competitors trying to work out what to charge	"Someone with a broken washing machine spewing water all over the kitchen floor and a screaming toddler doesn't want to sit down and send an e-mail". "There's an awful lot of rubbish to sift through on the Net when you search for something and, if you're not in the first few pages, what's the point. I know you can pay for position or something, but again, what's the point? I've got plenty of customers". "If you're going to let someone into your house to mess about with something electrical, most people would rather it was someone who'd been recommended, especially nowadays. You don't know if you can trust someone because it says you can on their Website or the e-mail they send you".	Trust is a recurring theme in the responses. Negativity comes from three main areas: 1. too much irrelevant information on the Net,/ difficulty in securing a place on the first few search pages thus making selection unlikely 2. Enough business to satisfy requirements 3. As a communications platform, the Web is not a suitable medium for the business model.
Engagement C4.	The firm feels no pressure from clients, and cannot identify any positive drivers to engage.	"In ten years, no one has asked me if I've got a Web site and the only people that want my e-mail address are my family and my mates".	The owner has clearly considered the option of a Web site and e-engagement generally and rejected it.

Table 67: Intra case analysis: Case Company 14

Indicator	Key findings
History, mission, vision	The firm prides itself on first class, reliable work and gains customers almost exclusively from word of mouth recommendations and repeat business. The firm has been established for ten years. The business is designed to fit around home commitments.
General business model/*modus operandi*	Strategic positioning in the "differentiated" area with standard price positioning.
Knowledge and experience of Internet	Sound basic knowledge of the Internet. Has access at home, but mostly used for social and leisure purposes. Extensive user of i-tunes and streams TV to laptop to watch some football matches and other sporting events. Has a Webcam and VOIP to contact friends and family in UK and former colleagues and friends serving abroad in RAF.
Attitudes towards technological innovation in business	No interest in engaging or innovating. Seen as totally irrelevant to the business model and potentially damaging to trust/relationships with customers.
Levels of formal academic qualification of decision makers, age and nationality	Owner/Manager (Mike), 41, A levels, Forces apprenticeship, qualified electrician, UK
Computer/ICT technology on site	PC and two laptops with windows Internet explorer 8. Mobile phone, basic use and SMS, pictures of family and music. Bluetooth hands free earpiece for use during the day to take calls whilst working or driving
Awareness of reported opportunities offered by e-engagement	Can see no appropriate opportunities for the business. No interest in growing the size of the business. Significant satisfysing behaviour.
Awareness of incentives /assistance to adopt e-business practices	Not aware of external assistance/incentives/ funding. Would not be interested for reasons stated above Not aware of IMRG
Perceived barriers to e-engagement	Barriers perceived as : Appropriateness to business model
Additional areas of interest emergent during the interview process.	Lifestyle, trust/empathy appear to have significant impact but main issue is relevance

Table 68: Key indicators and associated key findings from Case Company 14

6.2.14.1 Summary of intra case analysis: Case Company 14

The main theme emerging from the analysis of this case is lack of relevance to the owner of the business and to the business model.

The company has a sufficient pool of clients/new business via recommendations to satisfy the earnings requirements of the owner, allowing him to enjoy his week-ends, mostly undisturbed. His reputation is solid and his simple method of encouraging and "seeding" future business through leaving business cards to be distributed by happy customers seems to be effective.

Interestingly, as with a few cases in the engaged group, Mike identifies the difficulty of achieving a suitable place on a Web search as a major barrier. He goes further, stating that he'd get lost amongst the rubbish on the Net. He is aware of the notion of pay per click and add words (although not in those terms), but can't see a positive cost/benefit. Were he trying to develop the business/grow it into a larger concern, then potentially a Web presence would be of interest. "I'm a one man band, and I like it like that. No staff, no unhappy customers. I rely on myself and I can manage that. I don't want to be Alan Sugar or the guy who runs Microsoft. If I was I'd use everything there was, but I'm happy as I am" Thus, as an advertising medium, the Web is seen as irrelevant, unnecessary and inefficient for his purposes.

As a lone operator/sole trader, time and efficiency are important. As a communications medium therefore, the Web can offer options. Mike is very clear however that, given his business model, Web based communication is not fit for purpose. "People who need my service want to call me, tell me what's wrong, ask me when I'm coming and how much it's going to cost. "Simple as that".

As noted in the analysis, trust and empathy too are clearly important and are linked to the method of communications from Mike's point of view: "There's nothing like chatting to someone to put them at their ease. If someone calls me, even if I'm on a job, I can hear what they're after, give them some idea of when I'll be there and arrange everything there and then". Once again, the Net scores badly for him in this category.

This has similarities to the theme of control of work flow, highlighted in a number of earlier cases. Operating via a telephone/SMS based relationship rather than a Web based/intermediated one seems to convey, in the opinion of some of the respondents, including Mike, an inherent ability to manage workflow more efficiently and also, perhaps to prioritise jobs as a result.

Mike is well qualified in a technical discipline and is an active user of the Internet and associated services such as TV via his laptop. The lack of e-engagement therefore is unrelated in this case.

The most recurrent theme across the cases has been the clear evidence of strategic thought in terms of the decision to engage or to reject engagement. Here again it is clear that the pros and cons have been weighed up, a cost/ benefit analysis undertaken (albeit not necessarily in formal terms) and a decision based on the data considered in the light of the business model applied by the firm arrived at.

6.2.15 Case 15 (non e-engaged, B2C) Men's Fashion Retailer

Company profile

Case Company 15 is a men's clothing and apparel company operating two shops, in different towns in Dorset. The stores specialises in casual and everyday wear for the eighteen to forty male age bracket. They stock a wide range of styles and designers, from the well known; Gallagher, Armani, and Paul Smith, to the less well known, such as Brindley and Staerk. They also carry a selection of men's shoes from Schott, Oxbow, and New Balance.

The company has been trading since 1995, when it was started by one of the current directors, with one shop and expanding and adding the second store location five years later. Keith has a background in the retail clothing and fashion industry as do his fellow directors Susanna and Catherine. The company employs seven FTE staff across the two stores.

Although they have no Web presence, reference to Google shows a number of local directories/ ratings sites which have "picked them up" and give contact details, and ratings/comments offered by customers.

The company prides itself on offering top end contemporary fashion and reasonable prices in a relaxed and friendly atmosphere, with well trained, knowledgeable staff.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence whatsoever. Aware of potential but feel that not appropriate to the business model Business is generated through passing trade, repeat business and word of mouth. There is a feeling that connecting with the customer and letting them browse, offering information and advice and allowing them to have the full "experience" is a much more rewarding engagement from both perspectives" "You can't try on a pair of shoes, or trousers on a Web site. I can see it works for "mass market types of clothing or wellies, but if you're in the market to spend £250 on a jacket, you want to see it and try it on".	The directors can see the logic in a Web presence/wider engagement, but state that it not compatible with their business model. "We operate in two small, but relatively wealthy towns. Men who are interested in fashion will know about us, either by reputation, as a customer or as a result of passing by the shop. We are in good locations and have a sound reputation, a Web site would add little to the offering" (Keith) "We like to emphasise our unique value and there are so many shops on the Internet, we'd just be diluted " (Catherine) "I've always felt shopping is a very personal experience, especially for good quality clothing. You want to see how it looks, feel the material and how find out if the clothes are comfortable. People like to come to the store and have a rummage too. You can't get that on the Web" (Susanna)	The directors feel that the customer's decision to purchase is more than just a sale: it is an experience, enhanced by the range on offer and the staff. It is also clear that there is a greater chance they feel of "sell on" if the client is "captive". "If a customer comes in and sees a really nice jacket for example, it's quite common for them to decide to pick out a shirt or a pair of trousers to go with it; especially if they are with a partner. Many of our customers do not come in specifically to buy, they come to see what we have and, if they like it, they have it." (Susanna) The company does, it transpires use e-mail in a limited way on the supply side, but this is "only occasionally" and from personal e-mail accounts"

| **Market C2.** | The market is largely young/early middle aged males, with medium to high disposable income, Demographically situated A, B C_1.

Interaction with the staff is crucial, as is the feeling that there is a regular turnover of styles and stock offerings.

The business model clearly seeks to segment the market and position the business at the high end, with knowledgably and friendly staff who act as "trusted advisors" rather than just store assistants.

The business is clearly profit maximising in nature, but does not want to dilute its message or damage a proven format. | Trust and empathy are very important for the business.

"We want our customers to have a personal relationship with us." (Catherine).

"If we had a Web site, I don't think it would generate increased sales revenue. We'd get people browsing, checking prices, sending us e-mails asking what we had in stock and then searching on line to see if they can get it cheaper elsewhere. I've done it myself, I'm sure you have too!"(Keith)

"I'm sure some people do come in and try items, then go away and search for a better deal on the Web, but not many. That's not the sort of customer we attract, or that we want" (Susanna) | The business model is clearly focused on a well segmented target market and associated value proposition.

There is a clear feeling that a Web presence would, potentially, damage the efficacy of the model.

There is a clear emergence of the concern over remote price comparisons that were mentioned in the literature review (Chapter 2). See also C3 below. |
|---|---|---|---|

| **The Internet C3.** | The Director's do not see barriers specifically to engagement beyond the acceptability of a presence with the business model.

Cost of provision is not an issue, value for money/accrued benefit on the other hand is.

Lack of focus and "cut through" is a recurring theme in this case, (and across others previously presented), the loss of awareness through inclusion in the vast array of data held on the Web.

Wider engagement, use of e-mail/e-logistics/supply chain management is not seen as appropriate for the business.

As noted in C2, personal relationships and dialogue are seen as essential parts of the offering and an intermediated model is perceived as a barrier to that relationship building" | As a business, especially dealing with the segment we target, we have no problem investing in supporting the business. I'll only do that however if there is a good business case. I sell fashion; I'm not a slavish follower of it. I wont have a Web site just because it's the in thing" (Keith)

"Our customers don't want to look for their cloths on the Net. If they did, they'd go somewhere cheaper with less support and a mismatched, generic range."(Susanna)

"There is so much information on the Net, and so much of it irrelevant, you may be lucky and get picked up, you may not. It's a lottery" (Keith)

We use e-mail very occasionally to confirm an order or to chase something, or maybe as an enquiry but, like the front end of the business, much of what we do is based on having good relationships and talking to people. Anyway, a lot of suppliers would not accept an e-mail as legally binding" (Catherine)

"Dealing with people over the Net is 'cold'. There's no intimacy. If a customer comes in, you can chat about the big party, or the wedding or the job interview they are going for. | Relationship building, and thus by extension trust and empathy are obviously of great import to the business. Clearly, the whole concept of intermediated interaction runs contrary to the directors' perception of relationship building

It is interesting to note that, a Google search of Men's Clothing, Bournemouth pulls up 12 responses on the first page., four of which (free listings/directories, including Google maps) identify the shop.

Interestingly, the directors' do not seem concerned about negative feedback on the Net on some of the ratings sites. This can be related to the literature review, where one of the areas identified as adding value to the marketplace/consumers was the availability of non-sponsored, and thus potentially more credible, customer reviews. |

	Directors' were asked about ratings on line. They seemed fairly sanguine about them stating that good reviews were always nice and bad ones, whilst not welcome, did not they felt adversely affect the business to any significant level, given the clientele as discussed in C2 above.	"You can help make sure that they have the right clothes and look and feel great. You can't do that on a Website where you're just told to 'tick the following boxes as required' " (Catherine)	Do not feel that many people take notice and would not have an effect on existing customers other than to cause them to rally to their support.
Engagement C4.	The firm feels no pressure from clients and while recognising the intellectual argument for engagement have considered the option and can see no real drivers beyond the "me too" argument (discussed in C2 above) for their own business.	"We get asked occasionally about a Web site by customers, but our stock answer is that the range turns over so regularly and we believe that you can't really buy good quality well fitting clothes and understand how you feel in them over the Net, so it's better to come in and see and try" (Susanna)	Consistent attitude to Web engagement across the business.

Table 69: Intra case analysis: Case Company 15

Indicator	Key findings
History, mission, vision	The firm has been in existence for fifteen years. It focuses on high quality fashion at reasonable prices supported by knowledgeable friendly staff. Equally important is building relationships with customers to ensure repeat business and recommendations.
General business model/*modus operandi*	Strategic positioning in the "focused differentiated" area with premium price positioning. The business is clearly profit maximising.
Knowledge and experience of Internet	Sound basic knowledge of the Internet. All directors have access at home, but mostly used for social and leisure purposes.
Attitudes towards technological innovation in business	Cannot identify value in engaging or innovating. Seen as largely irrelevant to the business model and potentially damaging to growth, although equally state that the target segment will not use/buy via an intermediated channel for this level of clothing.
Levels of formal academic qualification of decision makers, age and nationality	Director: (Keith) 52, male. UK College diploma Director: (Susanna) 34, female, UK Graduate Director (Catherine) "40's", UK female, A levels.
Computer/ICT technology on site/usage	PC windows Internet explorer 7. Mobile phone, basic use and SMS, pictures of family and music. Stock records and integrated cash and accounting system.
Awareness of reported opportunities offered by e-engagement	Can see no appropriate opportunities for the business. No interest in growing the size of the business. Significant satisfysing behaviour.
Awareness of incentives /assistance to adopt e-business practices	Not aware of external assistance/incentives/ funding. Would not be interested for reasons stated above Not aware of IMRG
Perceived barriers to e-engagement	Barriers perceived as : 1. Appropriateness to business model 2. Relevance to clients
Additional areas of interest emergent during the interview process.	Remote price comparisons were raised as a negative issue, however, there was no particular concern over negative feedback on ratings Websites.

Table 70: Key indicators and associated key findings from Case Company 15

6.2.15.1   Summary of intra case analysis: Case Company 15

A number of interesting themes emerge from the analysis of this case. This is a company which has once again considered and rejected any meaningful level of e-engagement. They do however state that they are aware of and appreciate the intellectual argument that a Web presence can be beneficial to retail operations such as there own. The justification for the decision against engagement is based solely on the segmentation associated with their business model. Identification and demarcation of this segment has lead to a "mapping" of its requirements and a moulding of the business model to the customer base's profile. Within this profile, two key elements are identified which are seen as being hampered by an intermediated approach or indeed e-engagement:

1. The desire to be able to "test and try before you buy"; in essence the physical environment and interaction associated with the traditional bricks and mortar shopping experience.
2. The development of a relationship with a regular clientele, with on going rapport and dialogue.

All respondents were very clear about this first issue, Susanna putting it very succinctly, "I've always felt shopping is a very personal experience, especially for good quality clothing" and that, "….People like to come to the store and have a rummage too. You can't get that on the Web".

The second issue is typified by Catherine's statement: "We want our customers to have a personal relationship with us." She further elucidates the point thus: "Dealing with people over the Net is 'cold'. There's no intimacy. If a customer comes in, you can chat about the big party, or the wedding or the job interview they are going for, and help make sure that they have the right clothes and look and feel great. You can't do that on a Website".

The author proposed the idea across all the interviews that engagement was not an either/or issue. Keith responded to this point particularly clearly with regard to the operational model for the business.

He felt, as did his co-directors, that engagement with the Net is a "distraction", adding little if any value and coming down negatively on the cost/ benefit equation. *"If we had a Web site, I don't think it would generate increased sales revenue. We'd get people browsing, checking prices, sending us e-mails asking what we had in stock and then searching on line to see if they can get it cheaper elsewhere. I've done it myself, I'm sure you have too!"* The assertion is that existing and potential customers would not interact with the business via this medium; *"it would only be time wasters and bargain hunters"*. (Susanna).

There is also a feeling that the firm wishes to protect its differentiated, strategic space and emphasise that it is different. As Catherine pointed out; "We like to emphasise our unique value and there are so many shops on the Internet, we'd just be diluted". Susanna echoes this and explained the logic offered to customers enquiring about a Website: "We get asked occasionally about a Web site by customers, but our stock answer is that the range turns over so regularly and we believe that you can't really buy good quality well fitting clothes and understand how you feel in them over the Net, so it's better to come in and see and try".

This segues into a related theme and one which has been recurrent across many of the cases, engaged and non-engaged, that of viability. As Keith noted, "There is so much information on the Net, and so much of it irrelevant, you may be lucky and get picked up, you may not. It's a lottery" When questioned about their knowledge of pay per click/add words etc all were aware to some degree, but again felt there would be no demonstrable benefit. "It just wouldn't attract the sort of customer we cater to" (Catherine). "The cost per customer would be laughable". (Keith).

The company are picked up by a number of the free listing directories on line and have been reviews by customers. Something surprising, if not downright contradictory for a company so focused onto relationships and repeat business, is the fact that the directors do not seem particularly worried about negative reviews. "Our client base know who we are and what we do and how wee do business. A few disgruntled comments on some free sites won't affect us" (Keith). Susanna discoursed further on this point. "Our normal customers either don't use these sort of sites or, if they do, will probably write something nice about us. It's just not an area where our target market typically is"

6.2.16 Case 16 (non e-engaged, B2B). Industrial Window Coverings

Company profile

Case Company 16 was founded 11 years ago by the owner, Peter, following early retirement from a "leading blind and awning manufacturer". Its focus is on high quality work at a reasonable price and with personal service.

The company is constituted as a soul trader and operates from a large brick built outhouse/workshop at the proprietor's home in Dorset. It manufactures, supplies and fits window films, blinds and awnings and contract curtaining to businesses for their own use and to construction companies/builders and developers for use in show homes and "fully equipped units".

Peter is not interested in the B2C market, preferring to focus on B2B where he has established contacts, there is a clear spec and price to work to, and he feels he can predict his workload more accurately.

The business has no employees; the manufacturing element of the business is very limited. Assistance on an ad hoc basis is provided by his wife, but he is essentially a sole operator.

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Previously maintained a Website, now defunct Business is generated through established contacts in the building and construction industries, local authorities, repeat business and advertising in trade magazines. Focus is on small/medium enterprises.	Previous engagement seen as "appropriate at the time" but no longer fit for purpose. "I spent a bit of money on a Website and spoke to a chap from the business link, although I didn't think much of him to be honest. It was alright for what it was. It lead to a lot of phone calls, mostly from private houses looking for quotes, which is not what I do. People don't seem to read the information, they see blinds and just call you or e-mail you" "I don't want a huge business; I'm sixty three and intend to retire in a few years, maybe sooner if the recession bites hard and business dries up. Any more advertising, on the Internet or anywhere else would cost money and not bring me much more business."	The owner has previously been engaged and pulled out, citing lack of focus on the Net and inappropriate enquiries as the driver to do so. Relevance is not high from his perspective, see C2 below re: business model Issues around work/life balance and impending retirement.
Market C2.	Target market is business only. Enjoys being self employed and making decisions for himself Prefers to build relationships and deal with known customers. Trust and an understanding of the needs of each parties business (empathy) are essential to a good working rapport.	"I only supply to businesses. With a business you know where you stand. You both want the same thing, good quality and to make a profit. You work to a specification, you deliver on time, and you get paid." "I had years of dealing with the public, that was enough! Once you're in with a company, it's an easy re-sell"	The owner has made a clear decision, based it seems largely on simplicity and preferences of working style to focus onto the B2B market. Trust, based on personal relationships and quality and reliability are key

Likes to work with local SMEs or medium public sector organisations (nursery schools, retirement homes etc). Has found that Web presence is largely irrelevant to his business model. Having had a Web site, he can see the logic but has decided it is not needed for his purposes.	"Supplying to people's homes leaves you open to lots of irritations. They change their mind about what they want, you have to rely on other things, like decorators or joiners or brickies finishing on time when they said they would. Then there's the complaints, like they don't look the way we thought or it's not quite in the right place, can you come and move it (at no extra cost, mind)" "The people I work for know me, or I've been recommended. They know I'll need to go to their premises or the place they want the blinds/films installed. People like to see and touch what's going up on the windows. They want to hold it up and look, and then they want to talk turkey and agree prices and dates. You can't do that on a Website." "Websites might work for dealing with ordinary customers, although you'll get a lot of timewasters and people looking to compare quotes." "There are too many people selling on the Internet. When I set up my site, I used to come up on the fifth or sixth page of a search. You can get it moved up but, you spend so much time and money doing it you have to ask, is it worth it?" (See C4 below also.)	Amount of data on the Web and lack of a high place in a search cited as an issue generally.

The Internet C3.	The most interesting fact in this case is retreat from engagement. The owner felt there were no real barriers to engagement initially, merely that it did not merit continuing as it gave no value and added to cost and time associated with running the business. "Like I said before, I don't want a huge business; as long as I can tick along I'm happy and I'll be giving it all up soon enough".	"It was easy and quite cheap to set up, no problem really". "One of the things I was told at the course I went to at the business link was that you need to keep it interesting and up to date. For a while I changed the pictures of fabric swatches and swapped round the pictures of blinds and films in buildings, but I got so little useful enquiries from it I gave up. When it came to paying the yearly fee, I just decided a couple of years ago to let it go".	Barriers perceived by the owner seem to fall into the following categories: 1. Cost/ benefit 2. Control of enquiries 3. Efficiency of the Net as a medium for effective business communication 4. Satisfysing rather than maximising approach
Engagement C4.	The firm feels no pressure from clients to engage Has had a Website in past and recognises logic for engagement in some instances.	Sometimes I get asked for a Website address; I just tell people I'd rather come and talk to them, that way I can understand what they actually want and let them see what I can offer and we can get things sorted quickly without lots of e-mails flying back and forward." "If you're one of the big boys or are in an unusual line of business, it makes sense. You'd have had trouble finding me on the Web when I was there." (See C2 above)	Peter does have access to personal e-mail account and says he uses it on occasion to contact people, normally suppliers, but very rarely. Does look on the Web for business purposes occasionally but not as a matter of course.

Table 71: Intra case analysis: Case Company 16

Indicator	Key findings
History, mission, vision	The firm has been in existence for eleven years. It focuses on high quality work at a reasonable price and with personal service.
General business model/*modus operandi*	Strategic positioning in the "focused differentiated" area with premium price positioning. Largely satisfysing in approach to business model and operation.
Knowledge and experience of Internet	Sound basic knowledge of the Internet. Previously engaged and retreated, owner has access at home, but mostly used for social and leisure purposes. Does very occasionally use for business purposes.
Attitudes towards technological innovation in business	Cannot identify value in engaging or innovating. Seen as largely irrelevant to the business model ; previously a cost both in terms of cash and time, especially in dealing with spurious enquiries
Levels of formal academic qualification of decision makers, age, and nationality	Owner (Peter) 63, , UK, male, leaving certificate, apprenticeship
Computer/ICT technology on site/usage	PC windows Internet explorer 7. Mobile phone, basic use and SMS, pictures of family and music. Basic book-keeping system (excel based).
Awareness of reported opportunities offered by e-engagement	Can see no appropriate opportunities for the business. No interest in growing the size of the business. Significant satisfysing behaviour. Previous experience of Website serves as confirmation
Awareness of incentives /assistance to adopt e-business practices	Aware of and utilised external assistance/incentives/ funding. Would not be interested for reasons stated above Not aware of IMRG
Perceived barriers to e-engagement	1. Cost/ benefit 2. Control of enquiries 3. Efficiency of the Net as a medium for effective business communication 4. Satisfysing rather than maximising approach
Additional areas of interest emergent during the interview process.	Previously engaged, now retreated. Remote price comparisons were raised as a negative issue, although no longer affecting him as was amount of "rubbish" search engines throw up.

Table 72: Key indicators and associated key findings from Case Company 16

6.2.16.1   Summary of intra case analysis: Case Company 16

This is particularly interesting as, not least because the owner of the firm was "previously engaged" with the Internet and has decided consciously to retreat from that engagement. As with previous cases, common themes are emergent from the analysis. The amount of information available on the Net is cited as a potential problem. The lack of effective sieving on search engines, the lack of a reasonable place far enough up the pecking order (i.e. on the first two pages), and the apparent unwillingness of surfers to read the page, and thus filter out themselves inappropriate Web sites, are all cited as irritants at best and as value destroying at worst. The relevance of the Web to the particular business model adopted also came across strongly as a negative, as did the wish to manage the flow of business. This is clearly a "lifestyle" business, as identified in three previous cases, and merits categorisation and consideration along with these. This will be considered in the next chapter.

Trust and empathy are again cited; common themes across all of the cases, engaged and non-engaged, as too is the question of the suitability of the Internet as a communications medium in business. Clearly, in the engaged cases, this is seen as an axiom, however it is equally clear that in the non-engaged segment, the Web is seen as a hindrance to communication, from both an individual and a marketing perspective.

As seen in all of the non-engaged cases, the respondent does have access to the Net and, as in two others, he does, on occasion use it for business purposes, albeit from a personal e-mail account and very infrequently.

The physical nature of some businesses seems to have profound effect on the respondents' view of the Web. In this case, as in others, the need to be able to let customers "see and feel" the product and its application is very important. On a final point, once again it is plain that the decisions made vis–a-vis engagement are not made on a whim, Clear strategic thought has been employed. This is particularly clear in this case where, having originally followed conventional wisdom, taken advantage of incentives and engagement with the Web, the respondent came to the conclusion that it was "more trouble than it was worth" and retreated from it.

6.2.17 Case seventeen (non e-engaged, B2B). Building Services Contractor

Company profile

Case Company 17 offers a service to "Established businesses, developers and landlords" in the Cambuslang area of Glasgow.

The proprietor, Dennis, is a time served bricklayer of more than forty years experience, registered with the federation of master builders. His experience is extensive, having worked on major industrial projects, specialising in the highly intricate and notoriously difficult areas of foundry lining, public works projects, housing developments and individual refurbishments. He has held positions as a Senior Foreman, Clerk of Works and Project Manager. Sixteen years ago, he took a voluntary redundancy package from the City Council, his employers at the time, and set up in business on his own. He operates on a self employed/sole trader model. He has no employees. Where he requires assistance/additional trades' expertise, he has a network of trusted and "good, solid tradesmen" on whom he calls.

The business operates from the owner's home in Cambuslang. He does not have a Web site, a computer or any other ICT. He is contactable by landline or mobile phone. When asked about his company ethos he responded; "I'm proud of my trade and my work, and I won't leave anything I wouldn't happily live with myself. I'm efficient, fair and won't leave a job until the client tells me they're happy with it. I do the work I want, I don't take on what I can't handle and my customers are happy"

Concept	Business Focus (Constructs)	Customer/client perspective	Other relevant findings
SME C1.	No Web presence what so ever. Business is generated through long established contacts in the building and construction industries, local authorities and repeat business. Focus is on established businesses, developers and landlords.	The owner's customer base is a network of long established clients and contacts. Originally, these were limited to the local authority (sub contracting work/project management) and local construction companies looking for a "gang of subbies" Over the last decade, he has developed a portfolio of landlords around the Glasgow City area covering a range of property types from student accommodation to high value, executive lets. This has been done to stave off too much exposure to general construction when times are hard. "The folk who use me don't want to waste time searching, either on the Internet or the Yellow Pages. They want someone 100% reliable who'll not mess them about on price or time to completion". "You can have as many Web addresses, fancy accreditations and letters after their name as you like and post them all over the Internet, most folks in the building game don't trust them. There's nothing to beat meeting someone, talking to them and having them recommended by someone you know." "I don't do domestic work, except for friends and that. It's not really worth it, they want it at week-ends or "tomorrow", they haggle over prices, even when it is cheap (I don't overcharge, it's not my way) and the volume's not there. You never know where you are or what you're doing."	The owner has no effective engagement with the Internet. He does not own a computer and does not know how to use one. "I've had a shot on my son's and my son in laws; all very fancy. If I want anything I call them and they sort it; flights, tickets to sports or concerts and the like. As far as buying materials, I'd rather go to the builder's merchants and deal direct. I use the same sawmill I've used for 30 years, the same general builders merchant for the last ten years and they always come up trumps, never let me down. It's all about trust in this sort of game; trust in your suppliers and your customers trusting you."

Market C2.	Target market is business only. Strictly limits the amount of work undertaken to leave time for leisure, travelling to see children (grown up and living in Glasgow and France) and for new granddaughter. Prefers to build relationships and deal with known customers and suppliers. Trust and an understanding of the needs of each party's business (empathy) are essential to a good working rapport. Believes relationships should be long term and built on personal interaction (See C1 above) Will only work for clients he trusts and can " get along with".	"I'm 67 years old, I'm fit and I've worked hard since I left school at 15. I'm at the stage now where I can pick and choose what I want to do. I don't want people I've never heard of in places I don't want to work in contacting me looking for quotes and never getting back to me. I could retire, but I'd get bored and it's nice having the wee bit extra money to go places and do things and spoil the granddaughter". "I've got a couple of mates, goods tradesmen, a joiner and a plumber. They only do commercial as well. They've got e-mail and Web sites and they've got it on their cards. They're always getting asked for quotes for domestic jobs, even though it says commercial only. They spend half their time saying no and the other half chasing folk who've asked them for a quote and then never come back. Much better to do it face to face or on the phone".	The owner has made a clear decision not to engage, based it seems largely on simplicity, control and preferences of working style to focus onto the B2B market. Trust, based on personal relationships and quality and reliability are absolutely crucial. Experience of others influenced the decision (See C3 below)

The Internet C3.	The respondent admits happily to being "old fashioned" and a "dinosaur" when It comes to technology. He does however go on to say that if he thought it was worth wile he would "learn it double quick time".
	
	Relevance to the extant business model seems to be the major issue; breaking down to the five components describes in the other relevant findings section of this construct.
	
	Aware of general Government enthusiasm for the Web
		"I really can't see the point of it for me, but that's not to say it's not right for others. Everybody runs their business differently, some guys want hundreds of customers and load of staff; me I want an easy life".
		
		"I'm very old fashioned I suppose. I can't see the point in 'tweetyface reunited' (sic) or whatever; why not pick up a phone and talk to them or go out for a cup of tea or a pint? My daughter in law says I'm a dinosaur, but that's OK. They ruled the earth for millions of years and took a long time to die off".
		
		"I know the Government's very keen on us all getting signed up. I wonder about that. You hear all sorts of stories. I wouldn't want anyone being able to "investigate me" behind my back.
			Barriers perceived by the owner seem to under the banner of Trust/empathy and break down as
			    a) Relevance
			    b) Cost/ benefit
			    c) Control of enquiries
			    d) Efficiency of the Net as a medium for effective business communication
			    e) Satisfysing rather than maximising approach
			
			Some concern over the "Big brother" issue.

| Engagement C4. | The firm feels no pressure from clients to engage

Sees it as a non-issue for his business model | Once in a while I get asked for an e-mail address. I just say no, phone me. One smart Alec said I never answer the phone when he calls so I told him, if that's right, what makes you think I'll take the time to write back to you? Leave a message!"

"It can be useful, no two ways, but not most of the time for me. Someone once had to get me a set of drawings fast and he wasn't in Glasgow. He e-mailed my son and he printed them off and drove them over to me. So it is useful.
It's like all these things; new businesses have grown up with them, they include them as they grow. I've got a way of working and I'm happy with it, and so are my customers. I don't see the point in changing just for the sake of it." | Recognises the inherent value of engagement in some instances.

Interesting insight vis a vis integration of technology in a growing business versus adaptation and modification in an existing model, where value would need to be proven. |

Table 73: Intra case analysis: Case Company 17

Indicator	Key findings
History, mission, vision	The firm has been in existence for sixteen years. It focuses on high quality work at a reasonable price and with personal service and the development of long term business relationships
General business model/*modus operandi*	Strategic positioning in the "focused differentiated" area with standard price positioning. Largely satisfysing in approach to business model and operation.
Knowledge and experience of Internet	Self confessed zero knowledge. Only experience via asking children to use it on his behalf to book flights etc.
Attitudes towards technological innovation in business	Cannot identify value in engaging or innovating. Seen as largely irrelevant to the business model ; likely waste of cash and time, especially in dealing with spurious enquiries.

Concerned over ability of Government agencies to "snoop" |
Levels of formal academic qualification of decision makers, age and nationality	Owner (Dennis) 67, male, Scottish leaving certificate, apprenticeship & City & Guilds
Computer/ICT technology on site/usage	Mobile phone, ultra basic use, calls only.
Awareness of reported opportunities offered by e-engagement	Can see no appropriate opportunities for the business. No interest in growing the size of the business. Significant satisfysing behaviour. Aware of negative experiences of associates
Awareness of incentives /assistance to adopt e-business practices	Not aware of external assistance/incentives/ funding. Aware of government "wanting everyone to get on it!" Would not be interested for reasons stated above Not aware of IMRG
Perceived barriers to e-engagement	Trust/empathy and broken down as 1. Relevance 2. Cost/ benefit 3. Control of enquiries 4. Efficiency of the Net as a medium for effective business communication 5. Satisfysing rather than maximising approach
Additional areas of interest emergent during the interview process.	Recognises the inherent value of engagement in some instances.

Interesting insight vis a vis integration of technology in a growing business versus adaptation and modification in an existing model, where value would need to be proven. |

Table 74: Key indicators and associated key findings from interviews Case Company 17

6.2.17.1   Summary of intra case analysis: Case Company 17

It is interesting to note that the themes emerging from the cases seem to be common regardless of geography, location and in many cases are independent or gender, age or level of formal qualification. This case is no exception. The key themes identified in Glasgow echo and resonate with those from other areas of the UK.

The respondent in this case has no personal engagement whatsoever, the only one to have fallen into this category. Even though this is the case, he has had recourse to its use via the actions of his family and has used it for business purposes: once! He is a happy dinosaur by his own definition. Notwithstanding this he can see the relevance, for some business models but not for his, he offers an interesting insight which will de discussed below.

There is from the owner's perspective no relevance in having a Web presence, or even using e-mail. He cites associates' experiences and has clearly thought the situation through.

As with all the cases, trust and empathy are again cited; as of paramount importance. In this case they are clearly identified as the bedrock of the business model from supply chain right through to delivery of service. The respondent clearly states that such trust cannot be engendered except through face to face interaction and relationship building.

The nature of the service provided, and the client base, means that a Web site is seen as irrelevant but so too is e-mail. On only one occasion has the respondent had any experience of it. He noted "It can be useful, no two ways, but not most of the time for me. Someone once had to get me a set of drawings fast and he wasn't in Glasgow. He e-mailed my son and he printed them off and drove them over to me. So it is useful." He also stated however; "In saying that, he could have faxed it, although I don't have a fax, or stuck it in the post or on a bike. I didn't get it until I got home at 7.30 and I didn't need it 'til 10.30 the next day"

The most interesting insight gained from this interview was the view that the respondent had with regard to the integration of the Internet and Web based technologies into business across the board. As he quite appositely noted: "It's like all these things; new businesses have grown up with them, (the Internet, new technologies etc.) they include them as they grow. I've got a way of working and I'm happy with it, and so are my customers. I don't see the point in changing just for the sake of it.

He clearly feels no pressure from the "me too" mentality so often highlighted as a driver across the cases. Perhaps the most interesting element of this statement though is the notion that new/recent/growing businesses will, as a matter of course include new technologies within their business model. It is thus, in effect a self fulfilling prophecy that they will be engaged, in much the same way that every business now has a telephone (and the vast majority use mobile telephony too). Extant businesses, especially those with established business models and customer bases who themselves are either not engaged or are used to working on both an intermediated and disintermediated basis (a foot in both camps as it were), would have to consciously adapt and will therefore have to take a much more strategic approach and effectively undertake a cost benefit analysis. The outcome of this analysis will, as the case analysis has demonstrated, not always be positive.

6.3 Conclusions on the intra case analysis phase.

This chapter has presented and summarised the main data as it relates to the conceptual model. This data showed some very clear views on the part of both engaged and e-engaged firms with regard to barriers and drivers to e-engagement. As alluded to within this chapter, a number of nascent themes began to manifest themselves across the analysis and it is to these that the thesis now turns in order to establish any relationships across cases both for individually for the engaged and e-engaged groups and similarly for sub group within the designations, B2B, B2C etc.

In order to fully appreciate these, the research now turns to an inter-case analysis allowing for groupings, similarities and themes to be identified and summarised between the cases. These are undertaken on the basis of examining the case companies responses from the perspective of each of the concepts and constructs identified in the conceptual framework, which were themselves derived from the literature review.

CHAPTER SEVEN: CROSS CASE STUDY ANALYSIS

7.1 Introduction

In this chapter, the author moves the analysis on from the vertical perspective taken in chapter six, to a horizontal, cross case perspective, still within the frame of reference of the conceptual framework, as discussed in chapters three and five.

As identified in chapter six, a number of traits began to emerge in the vertical the analysis and it is to these that this chapter looks. This will allow the author to establish any relationships across cases; both for individually for the engaged and non-engaged groups and similarly for sub groups within the designations, B2B, B2C etc. It will also allow for identification on communalities and disparities between the e-engaged and non-engaged groups to be identified and where possible explained. The findings of this analysis lead to the completion and validation of the finalised conceptual framework.

7.2 E-engaged companies

The case companies were divided into two main groups, engaged and non- engaged as defined in chapter five, and then into a further three sub groups based on their business/market focus; B2B, B2C and Professional Services (potentially having general exposure to both of the previous). The cross case analysis summarises the findings for each of these sub groupings and identifies traits at each level for each concept and associated construct.

### 7.2.1. C_1: SME levels of engagement: e-engaged firms
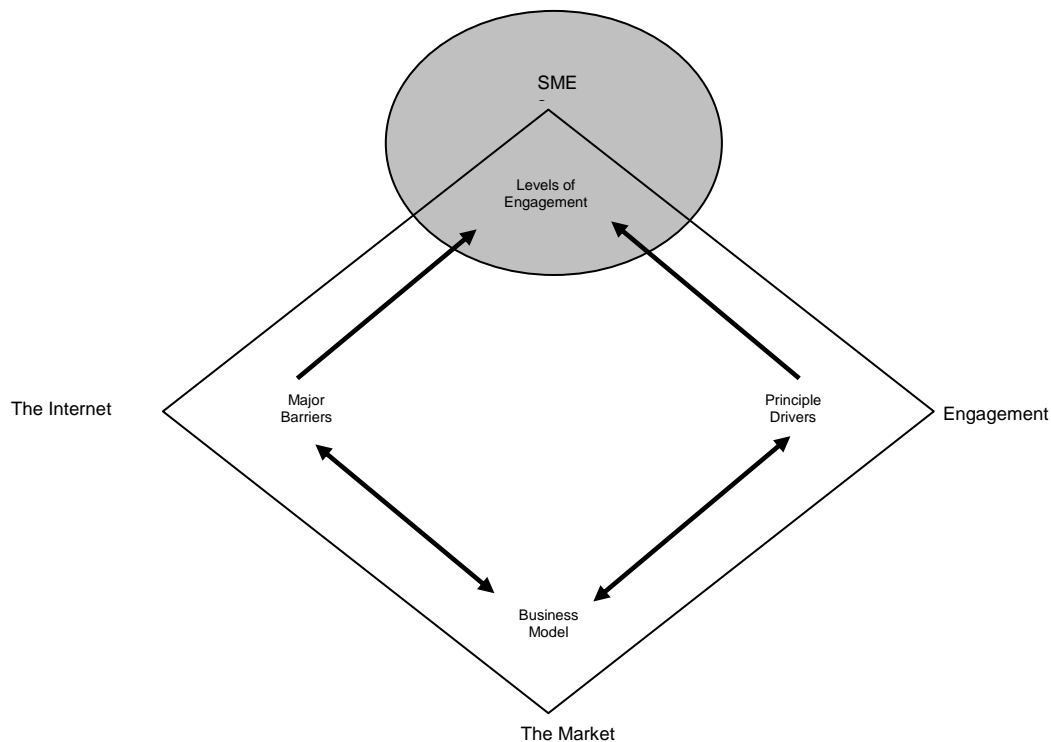
Figure 11: C_1: SME levels of engagement: e-engaged firms

The following is an analysis of the common traits/themes identified across the e-engaged respondent companies relating to concept C1. A summary of the findings can be found at the end of this section.

From the analysis of Concept C1, the SME and the associated construct of engagement, the most common level was C1.b. partially formally engaged. (Web site, dedicated Internet access at place of business, regular use of Internet for business purposes, formal e-mail contact with clients/customers/suppliers). Two fell into the fully formal engaged C1a category, exhibiting all of the above and e-procurement/sales transactions enablement

The same split as above was seen in multi-page Vs single page Websites, although not the same players. All emphasised expertise, qualifications/ experience and in most cases (again all bar two) the local or regional nature of the business. This disparity may be explained with reference to the DRIP model below and generally by the business models analysis, as discussed in the next section.

Contact details were available in all cases however; only one site did not offer a hyperlink e-mail connection or indeed an e-mail address. This can be explained in terms of the business model, dealt with in the next section.

The majority of the Websites had a high level of bespoke material, even where this was basic in nature and related to a single page site. Of the two sites that did feature high levels of generic material, one was a professional services firm making use of material made available at nil cost from professional bodies it also had a significant amount of bespoke information. Questioning on this by the author revealed that in the case of the professional service firm, generic content was perceived as useful in three main areas:

a) It looks good /professional from the clients perspective, especially if linked with a professional body's crest or logo
b) In some cases, from a legal perspective, generic material is a safe, cost effective and appropriate way of conveying information
c) It covers a large number of frequently asked questions

The second site with significant generic/non bespoke material was the sales-training company which made use of its "associate company's reading material" on line as a sales hook stating "Everyone likes something for nothing and they have to register to get it" and the YouTube clip to inject relevant humour onto an otherwise very basic site. Despite the high level of bespoke design, very little genuinely informative content was apparent. Only three of the sites gave extensive product /service details: the guest house, the engineering firm and the vegetarian food manufacturer: two B2B and one B2C. Details on specific qualifications were given on three of the sites, two professional services and one B2B, although this was cursory and part of the generic offering. This anomaly was probed by the author during the interviews and the reasons for extensive information delivery fell into two main categories:

a) The specialised nature of the product/service on offer
b) The nature of the strategic space the company had chosen to occupy, defined in the analysis in terms of Bowman's strategy clock

This is supported by reference to the marketing communications use to which engagement was put, defined by reference to Fill's "DRIP model". The majority of respondents sought to use their presence primarily to remind and reassure (six cases) rather than differentiate, inform or persuade. Those identifying a wish to utilise these other components of the model exhibited a greater level of information exchange.

The availability and uptake of other Web based applications such as e-banking are apparent in the majority of the cases analysed, this however is considered by the author to be more appropriately dealt with as a driver to further engagement, along with facilities such as filling of statutory documents.

A major area of interest and debate identified in the literature review was the level of strategic thinking associated with engagement. This has obvious linkages with area C2 and the associated construct of the business model a although this is to some degree linked with the argument around the existence of stepped or phased models of adoption and engagement as discussed in Chapter 2. In chapter 3, the interconnectedness of the concepts was discussed and described, meaning that there will be some inevitable overlap. As such it is worth exploring the strategy of current engagement at this stage in the analysis too. All of the respondents with one exception sated that they had a clear strategy of engagement at the beginning of the business/when the technology became available. The one dissenter from this, Rose's Ironing, stated that the engagement has been "very much an afterthought" and was enacted as a result of her son building the site for her at his suggestion. She would however have been categorised as a C1c business prior to this as despite the lack of formal Web presence, she had actively sought to be listed on Web based local directories, thus in effect giving her a "Web presence".

The author has identified an almost universal occurrence of what he describes as "unsolicited engagement". By this he means the seemingly automatic inclusion of registered businesses on free Web based directories.

Some of these are operated by local authorities/chambers of commerce and some as commercial entities which charge for placement seniority on the search, additional information inclusion beyond basic contact and category information or additional advertising.

All of the respondents were aware of these and their inclusion on them when questioned, but none claimed to have sought inclusion with one exception, Rose's ironing, who felt they were "probably more useful than the Web site itself".

One clear issue that presents itself from the inter-case analysis is the degree to which many of the traits and themes associated with the decision to initially engage are intimately linked to concepts and associated constructs in C2. While, for obvious reasons it is possible to separate these for engaged companies, this may not be so apparent in the non-engaged cases.

Traits/ themes	Concept/profiles	Description of anomalies	Reason for anomalies
Engagement level	C1a =2 C1b =7	Engagement typically falls short of e-procurement/sales	Business model/nature of business makes "full engagement" untenable
Multi/ single page	Multi = 7 Single = 2	Single sites have basic bespoke material.	Both businesses are sole traders with single lines of business.
Contact enabled	Enabled = 8 Not enabled = 1	Contact by mail, in person telephone or fax only	Business model see C2 below
Bespoke/generic	Bespoke = 7 (+1) Generic = 2	Bespoke material most common. Heavily utilised by one of the anomalous firms in conjunction with generic content	a) Professional appearance especially if linked with a professional body's crest or logo b) Generic material is legally safe & cost effective. c) It covers a large number of frequently asked questions
Informative content, beyond basic details.			a) The specialised nature of the product/service on offer Strategic space occupied.
MarComms	Primary function	expertise, qualifications/ experience and in	Greater level of information exchange

utilisation (D.R.I.P)	remind/reassure = 6 Wider focus = 3	most cases (again all bar two) the local or regional nature of the business	apparent for firms seeking to utilise a wider range of MarComms functionality. See also business model discussion in C2. below
Strategic Planning of engagement	Planned = 8 Unplanned = 1	No specific decision to engage/set up Web presence at commencement of business or as technology became available	Nature of business. Engagement facilitated by son undertaking a Web design project
Unsolicited engagement	8	Included in on-line directories without requesting to be so	Only one respondent had actively sought inclusion and thus a de facto Web presence (the one that had no strategic intent to create an independent presence)

Table 75: Summary of cross case analysis for concept C1 and associated construct, engagement. Key themes, anomalies and explanations

### 7.2.2. C2: The Market and associated business model: e- engaged firms
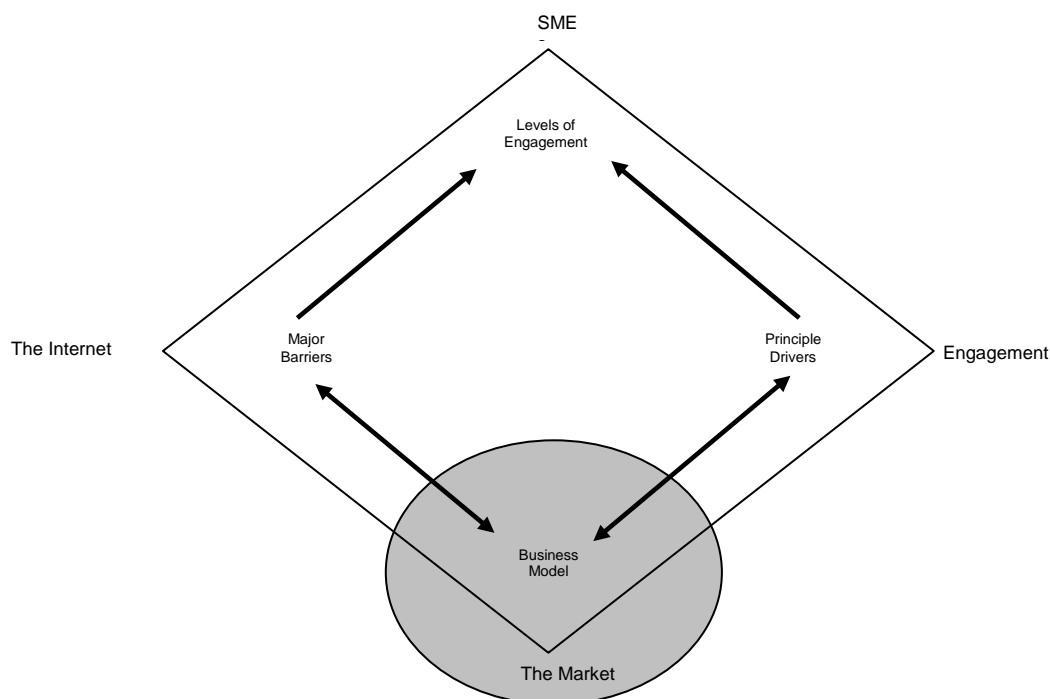
Figure 12: The Market and associated business model: e- engaged firms

The following is an analysis of the common traits/themes identified across the e-engaged respondent companies relating to concept C2. A summary of the findings can be found at the end of the section.

From the analysis of Concept C2, the market and the associated construct of the business model, the most common level in non-engaged companies was C2.b. partially formally leveraged (Full contact details, e-mail link, planned interaction in support of business model). Two fell into the fully formal engaged C2a category, operating a business model that effectively relied on their Web engagement.

Perhaps not surprisingly a large number of themes and traits were demonstrated in this concept/construct pairing. Four of these, the inclusion of external links, provision of specific advice/guidance, detail on key staff/owners, and the view that the company was pioneering or "ahead of the curve", were evenly balance in terms of responses. For example four companies included external links on their site, five did not.

There was no pooling of positive/negative responses associated with any specific group (professional services/B2B, B2C), with one exception as discussed below. Seven themes therefore established themselves as clearly convergent within the response analysis.

Only one of the businesses did not allow direct contact via the site or indeed by e-mail at all. This was the ironing business which, although by no means the smallest, was adamant that this was not an appropriate use of the site with regard to the business model. This was the only C2c Company and one which, as obvious across the other key themes, was not enamoured of the Internet beyond basic advertising. The reason given for this lack of e-mail contact was that it was time consuming to answer, that it broke down the essential relationship with customers and that it was much simpler and clearer to speak to someone and arrange delivery/pick up directly. All sites provided general contact details; phone, fax, address, on the site.

Interestingly, only two sites provide any information with regard to cost/fees. Of these, only one was fully explicit, the food manufacturer (B2B), who give specific cost per unit. When asked about concerns over competition knowing their prices, the response was that, *"there's pretty much a market norm that everyone knows. We don't sell on price; we sell on quality and our ability to offer "bespoke" amendments to recipes at no extra cost".* The other business offering price information was the guest house (B2C), although there is a caveat on the Website which states that these are "indicative prices". Once again, both respondents from this business stated that there was a "market price band" and that then information was there for clarity and reassurance. *"It also stops backpackers looking for a cheap floor to sleep on from wasting their time and ours"* All other respondents said that they were not interested in advertising prices on their sites. The common reasons were: not wanting to get into price wars, and giving competitors a benchmark. Interestingly three respondents stated they were not bothered so much about competitors as they were customers stating that it would, *"give customers a price to work down from or to use as a bargaining chip with competitors"* and that it could potentially *"frighten the customers"* before they had a chance to introduce their sales pitch. Six respondents also stated that, ultimately, everything was negotiable. Once again, there appears to be no linkage between type of business or sector.

All of the respondents identified the importance of word of mouth and referrals in their business model. Only seven however identify personal service as a major element and highlight it somewhere on their site.

Only three cases offered information on their site regarding either technical details or client references. The six who did not cited client confidentiality, no apparent interest from clients/never been asked and business sensitivity as they key restrictions.

Two companies, both professional services Cases (1 and 3), identified using the Internet to fulfil specific official or statutory requirements e.g. the filing of statutory documents. This is peculiar to the nature of the business/business model of the provision of professional services. As will be see in the analysis of drivers for engaged and unengaged businesses generally, there is a feeling that statutory document delivery, e.g. tax returns, are the "thin end of the wedge" in forcing engagement.

Six of the companies stated that they were open to further development of their e-engagement to enhance their business model and in some cases were actively considering doing so. In some cases, the business model adopted did not lend itself to large scale additional engagement. For example, in case three, (Professional Services), both respondents were very clear that the provision of "on-line training, "would not be cost efficient given the size, philosophy and focus of the business". The nature of the business too limits the level of engagement from some perspectives, in case one, for example there are clear aspects of delivering for example an audit, which require personal disintermediated involvement. Interestingly, whilst being staunchly in the camp of the "open to future engagement" respondents, Case Company 1 are the only e-engaged firm to have disengaged to any degree, having trialled and rejected a blog.

Those not interested in further engagement, typically cite a combination of; cost effectiveness/no apparent benefit/appropriateness to nature of the business as the reason. Perhaps the clearest example of this comes from case five where the respondent notes, *"I've pretty much got everything I want from the Website ....at the end of the day, you can't do on-line plumbing!"* Associated with this theme are those who view their engagement as essentially, merely an advertising exercise. Two respondents identified this as the case spread across the B2B and B2C pools.

Interestingly all nine firms felt that a Web presence was very much a "me too" entity. Only one felt no pressure whatsoever to have a presence or engage in any way, having acquired their Web site "by accident" via a son's school project and using e-mail and other on line applications on a very limited basis for the business.

Despite this, four of the respondents felt they were "pioneering" in terms of their use of their site within the context of their own industry/segment.

Inevitably, much of the analysis and discussion in this section has focused, although not exclusively, onto the use and nature of the firms' Web sites. Discussions of other areas of engagement, e.g. VOIP, Internet banking, electronic filing of documents, will be discussed under Concepts C3 and C4 below.

Concept/Traits/ themes	Construct/profiles	Description of anomalies	Reason for anomalies
Business model	C2a = 2 C2b = 6 C2c = 1	Spread of profiles across segments.	Outliers show no specific themes. Single C2c case has a largely unplanned engagement(see C1 above) and has not integrated engagement into business model in any way
Contact via Web site	Yes = 8 No = 1	No hypertext link or e-mail address given	Deemed inappropriate to the business model on the basis of : Time necessary to continually check and answer 2. Business relies on disintermediated contact

Price/Fee details	Yes = 2
	
	No = 7
		Majority had no detail or mention of price/fees on site	Four main reasons cited:
			
			  1. Give competitors a benchmark
			
			  2. Give clients a bargaining chip
			
			  3. Don't want to erect a barrier/frighten prospective clients prior to initial discussion
			
			  4. "Everything is negotiable"

Used for "Official purposes"	Yes = 2 No = 7	Professional services firms use Web based applications to file statutory documents	Appears at the moment to be restricted to professional services: requirements of the business. May have future applications (see C4 non engaged)

Open to further development/integration into business model	Yes = 6 No = 3 **NB:** All would need to be convinced of cost effectiveness	Three firms specifically state no interest in further development of engagement	Three main reasons for no further engagement: 1. Does not fit with the philosophy of the business 2. Already as engaged as can be given nature of the business 3. Adds no discernable value to business or clients
Engagement purely an advertising exercise	Yes = 2 No = 7	Two firms note that the business model uses their engagement essentially as an advertising platform often to "catch or hook" ad hoc browsers	The nature of the businesses business model precludes delivery via the Net. Further engagement seen as costly/irrelevant or, sin one case, detrimental.
"Me too"	All	one felt no pressure to engage (See C3 below)	All felt e-engagement was now a part of business life, one was unplanned and was not integrated in any way into the business model

Table 76: Summary of cross case analysis for concept C2 and associated construct, engagement. Key themes, anomalies and explanations

### 7.2.3. C3: The Market and associated business model: e- engaged firms
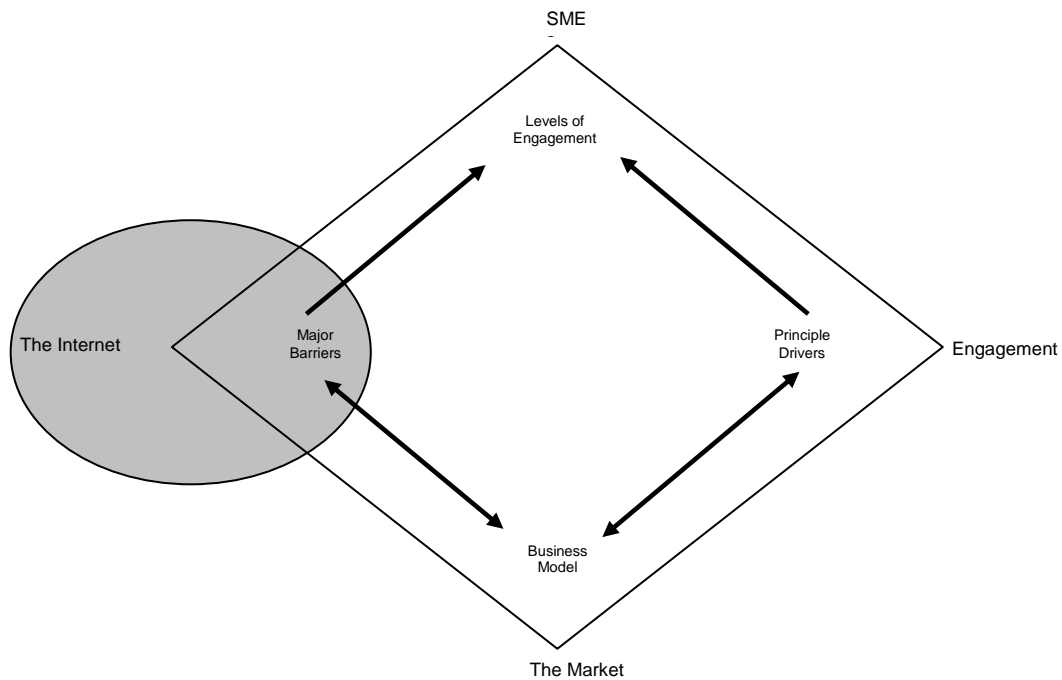
Figure 13: C3: The Market and associated business model: e- engaged firms

The following is an analysis of the common traits/themes identified across the e-engaged respondent companies relating to concept C3. A summary of the findings can be found at the end of this section.

From the analysis of Concept C3, the Internet and the associated construct of major barriers to engagement, the most common response was that in terms of initial engagement, there were few major barriers that the businesses perceived and in the majority none whatsoever. These would be designated as profiles C3b and C3a respectively. From the point of view of future engagement, as previously discussed, six of the nine companies confirmed they were to a greater or lesser degree open to further engagement. Only three noted that they were not. The responses vis–a-vis barriers from all respondents are included in this analysis.

By far the major barrier identified was with regard to the appropriateness of further engagement. Seven of the firms felt that they were, effectively as fully engaged as they could be given the nature of the business and/or the business model they had adopted. Of these, four were open to further engagement if a sound business case could be made for so doing. This requirement for a business case for further investment in engagement is underpinned by the second barrier, namely cost effectiveness. Five firms explicitly identified this as a barrier to further engagement, although analysis of the responses from content perspective reveals an underlying current in the remaining four, implicitly identified in the business model appropriateness argument. This is interesting as the analysis previously carried out and discussed in the individual case analysis shows that none have established an effective measure/metric to identify the cost/benefit.

The third construct barrier associated with C3 is that of empathy. For the purposes of the analysis this has been split into two areas: relationship development and dealing directly with a human being in a disintermediated environment. Six respondents across four firms identified empathetic issues as a potential barrier to further engagement. This is interesting as, based on the analysis of C2 responses from individual cases, seven of the nine firms clearly identified personal service as being a key element of their business model. One would therefore have expected this to have been a more explicitly identified barrier.

So too the issue of trust, i.e. for the business itself in engaging with the Net, would have been assumed to have scored more highly than the three identifying responses it received. The majority of respondents identifying trust/empathy as issues were in the professional services segment. The exception was case four, B2C, where trust was a significant factor in both the business model and as a potential barrier to future engagement,(although relevance was the primary issue). When quizzed about their lack of concern over trust, the majority of respondents were sanguine. Responses focused around *the "security is so much better now it's not an issue"* and *"everyone is so used to using the Net nowadays, it's not really a major issue in deciding about increased use; you need security anyway regardless what your doing, even if it's only from viruses and spam"*.

The final two, low scoring barriers identified to future engagement were; added value to the client and the ability of the firm to secure a reasonable place, i.e. on the first two pages, of a Web search at a reasonable cost.

In terms of value added to the client, this is interesting as it directly relates to the literature and to the value silo model developed by the author, where it is explicitly identified as a key benefit of engagement. Given the lack of transparency in terms of, for example price information, demonstrated in the analysis of C2; it is surprising that more respondents did not identify this as a barrier. With regard to Web searches: one B2C and one professional services firm identified this as a major barrier, although there were a number of implicit inferences such as "there's an awful lot of rubbish on the Net". Interestingly, a number of the engaged companies (and as will be shown non-engaged companies) are cited in online directories, some intentionally some not, which tend to be higher up in the search pecking order.

Other than the empathy/trust connection identified above, there does not appear to be a trend associating any particular barrier to further engagement with any particular type of business model or segment. The findings in this section are particularly interesting when compared with the non-engaged companies and their attitudes towards future engagement which are analysed below.

Barrier	Count	Comments
Appropriateness	7	Four not interested in further engagement
Empathy 1	3	relationship building issue
Empathy 2	3	Human contact issue
Trust/security	3	
Cost effectiveness	5	No measures/metrics proposed
Added value to the client	2	
Time	2	
Web search issue	2	

Table 77: Summary of barriers to further engagement identified by e-engaged respondents

7.2.4 C4: Engagement and the associated construct of principal drivers: e-engaged firms
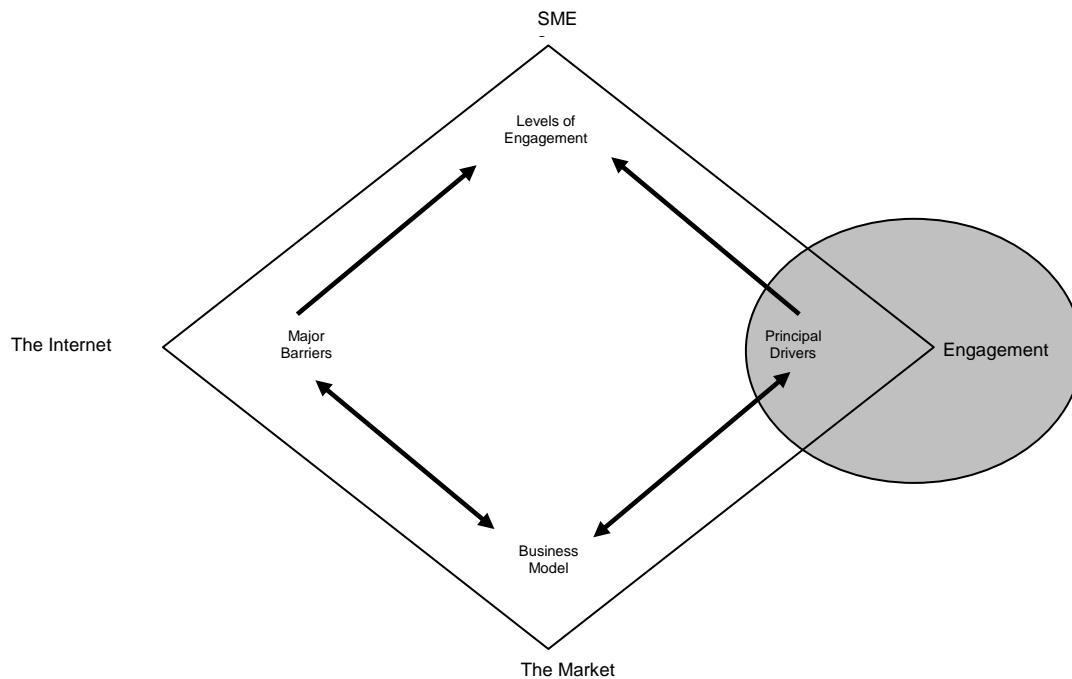

Figure 14: Engagement and the associated construct of principal drivers: e-engaged firms

The following is an analysis of the common traits/themes identified across the e-engaged respondent companies relating to concept C4. A summary of the findings can be found at the end of this section.

From the analysis of Concept C4, Engagement and the associated construct of principal drivers the most common response was that in terms of initial engagement, drivers were clearly identifiable, in all cases, beyond the simple "me too" argument. In all bar one case, there was clear strategic intent in engagement. This represents 8 of the firms displaying a C4a profile the remaining one designated as C4b. Initial drivers to engage have to some degree been addressed in the cross case analysis of C1. However, it is interesting to note that, in two unlikely cases, both B2C added value to the customer was highlighted as an initial driver. Cases four and five both of which identify no appetite for further engagement, note that the Internet offers a useful conduit for information to specific segments of the market who may be interested in their services.

Having established their simple Web presence however, they see no further benefit for client or business.

By far the major driver for both initial and further engagement came from the nature of the business environment generally: the "me too" argument. All respondents recognised that it is commonplace for businesses to have a Web presence. Two spoke of their Web site as being their "shop window", one respondent noting "it's daft not to have one".

One of the much vaunted propositions in the literature relates to opportunities for market development, extension and penetration associated with e-engagement. Seven of the respondent companies identified this as a major driver to both initial and future engagement. In five of these cases, opportunities for reaching potential clients across geographical boundaries were also cited.

Speed and efficiency of communication was cited by six of the case companies. Given that one had no e-mail address makes this an even greater focus. Undoubtedly the speed, simplicity and increasingly mobile nature of Net based communication as well as the relatively low cost are drivers. Additional/developing communications platforms are also a focus. Five respondents across three case companies identified "other applications" as drivers. As well as VOIP, these include e-banking and in one case the integration of Web based applications with mobile telephony noting, *"It's great, I've got an i-phone, so the office comes with me"*.

On a final point regarding communication one case company identified the Web site particularly as a means of dealing with frequently asked questions prior to contact, thus pre-selecting viable customers. A similar idea was promulgated by one respondent in case six, quoted above regarding the *"dissuasion of backpackers"*.

Case three stands out as identifying unique drivers: notably the saturated nature of its market, the changing nature of its strategic space and benefits associated with early mover advantage as being drivers for initial and ongoing further engagement. All of these are cited in the literature as being major issues, however only one respondent identified with them. This again highlights the skewed nature and internal inconsistency of much of the research as discussed in chapter two.

The perceived low cost of establishing a Web presence and of engaging generally was the next highest cited driver. Initial setup costs were regarded as universally as low, and in some cases free, or at least good value for money. As noted however in the discussion of the C3 barriers, cost benefit must be established before the majority would be willing to engage further and three of the case companies do not envisage any further engagement beyond the current level regardless.

The remainder of responses were spread across the case companies and, in many instances were industry or sector specific. This is supported by the findings of, amongst others, Frost (2010) and Chitura (2008).

Two of the professional service firms identified access to information via Web based applications as significant. These included the use of a range of sites, (including; Bloomberg, LexisNexis, Amadeus) as well as the use of streamed TV, podcasts and RSS feeds. Access to official sites such as those of government departments and agencies were also mentioned *en passant*.

Links to online directories were mentioned by case companies three and four as of great import and, while these do not require the company to have any interaction with the Internet, it does represent to them a driver in the business.

Incentivisation is also something which has been dealt with extensively in the literature and discussed in chapter two. Interestingly, only two case companies were specifically aware of available incentives and had actively used them. Both companies, one B2B one B2C were willing to engage further subject to the caveats discussed in C3 barriers above.

C4: Drivers of engagement	Count
Me Too	9
Potential for market penetration	7
Speed/ease of communication	6
Low cost	6
Other applications	3
Potential cost savings	2
Official facilitation/pressure	2
Ease of access to information	2
Links with on-line directories	2
Incentives	2
Nature of the business	1
Saturated market	1
Early mover advantage	1
Improved profitability	1
Answer FAQs	1

Table 78: Concept C4. Summary of drivers of engagement as identified by case companies.

7.3 Non-engaged companies

As discussed above, the case companies were divided into two main groups, engaged and non- engaged as defined in chapters 3 and 5, and then into a further three sub groups based on their business/market focus; B2B, B2C and Professional Services (potentially having general exposure to both of the previous). The following are the cross case analysis summaries of the findings for each of these sub groupings and identifies traits at each level for each concept and associated construct for the non-engaged groups.

### 7.3.1. C_1: SME levels of engagement: non-engaged firms
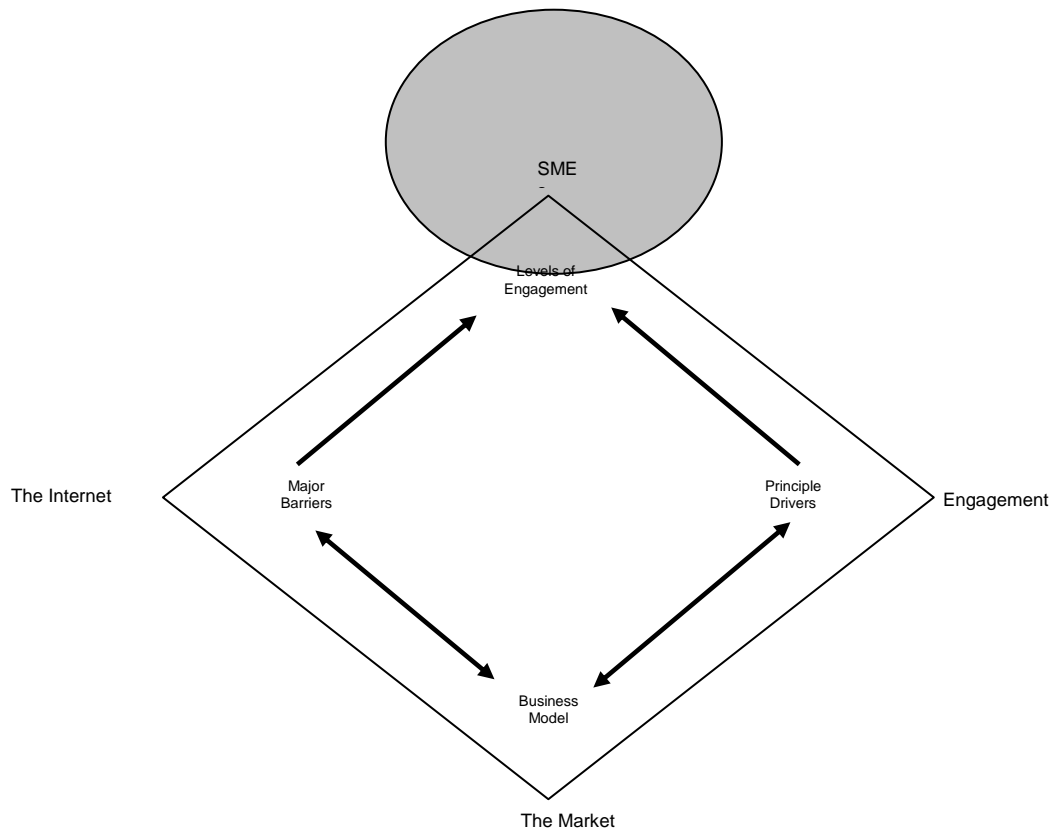
Figure 15: C_1 SME levels of engagement- non-engaged firms

The following is an analysis of the common traits/themes identified across the non-engaged respondent companies relating to concept C1.

From the analysis of Concept C1, the SME and the associated construct of engagement, the most common level was C1.f. totally non-engaged (No presence on the Web or use of the Internet for business purposes).

Two case companies fell into the C1d category, effectively non-engaged. This profile designation recognises that, although much of the extant research takes the attitude that no Web presence/formal business e-mail address/regular usage for business purposes renders a company non-engaged, this is not always the case. In conducting the research the author identified informal, albeit sporadic and very limited, use of the Net for business purposes in these two cases, and a wealth of anecdotal evidence of the same. In the instances of case companies 15 and 16 (one B2C and one B2B), occasional use of e-mail and Web searches were identified. In case 16, very occasional online ordering from suppliers was also undertaken. In both these cases, all activity was undertaken from designated home PCs and using personal e-mail accounts where relevant. Most interestingly, one case company, case 16, had been previously e-engaged and had decided to retreat from the Web. The issues around this are discussed under concepts C2 and C3 below.

One case company, case 11, was designated as C1e, exhibiting what the author describes as "enforced informal engagement". Here, the respondent noted that, despite having made a conscious decision not to have a Web presence or encourage contact from or with clients via a Web based interface, he was, in effect, being forced to use Internet based applications. This was in the guise of the HMR&C making life extremely difficult if he did not file client tax data and returns online. This theme occurred in the e-engaged case analysis (case 1) and will be discussed further under concept C4 below.

Considering the basic questions around engagement as is, or indeed the lack of it, a startling amount of convergence was apparent. It was also immediately apparent from the start of the analysis that all of the issues around the decision not to engage are effectively a function of the market C2 and the associated constructs or business models operated by the firms. This was to some degree apparent in the e-engaged cases, as described above, although obviously, where a company is engaged, there are potentially (as was found), separately identifiable points under the C1 concept. For the purposes of the non-engaged companies, the author will deal with the intra case analysis by addressing the findings of C1 and C2 simultaneously.

**7.3.2. C2: The Market and associated business model: e- engaged firms**
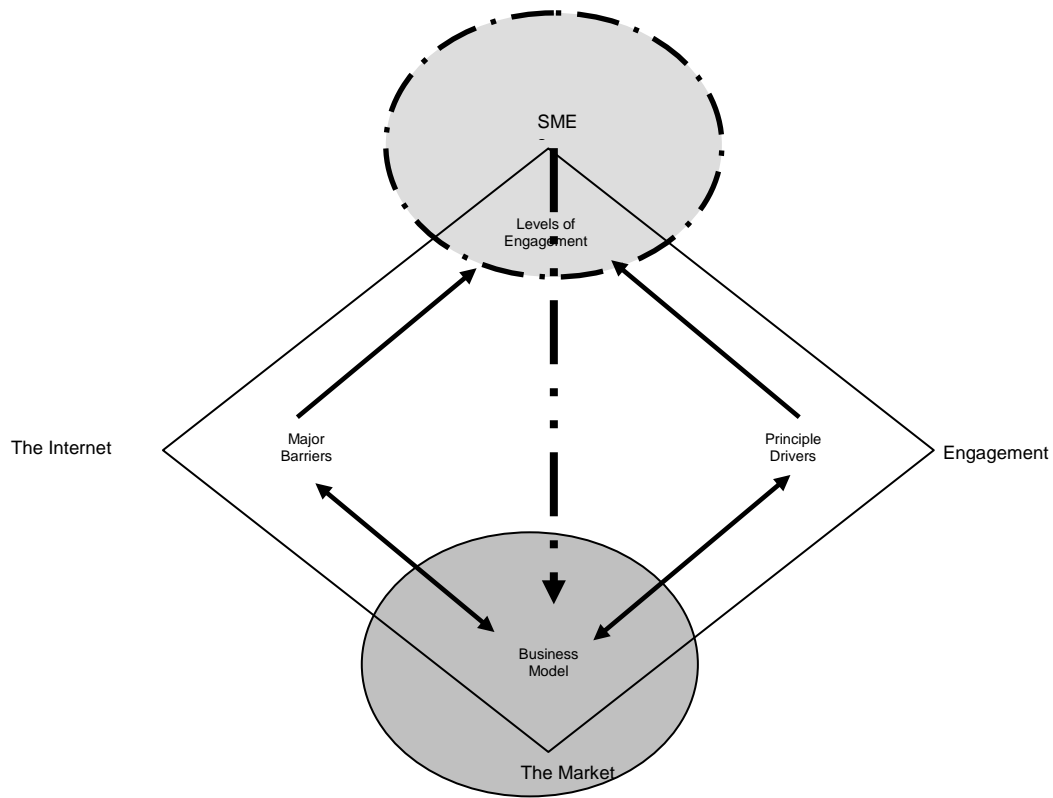
Figure 16: C2: The Market and associated business model: e- engaged firms

The following is an analysis of the common traits/themes identified across the non-engaged respondent companies relating to concept C2 and associated C1 findings as described above. A summary of the findings can be found at the end of the section.

As noted above there was a significant level of convergence from the early stages of the interview process. There were also some particularly interesting "outliers" who merit further investigation and consideration.

Four key traits were identified by all eight case companies; the use of word of mouth (WoM) as their primary source of new business. As one respondent noted, *"I get my customers locally by word of mouth, which is always the best way"* Five case companies also used/had used advertisements in the local news papers. The importance of trust and empathy similarly were identified by all respondents as pivotal to their success.

Once again an associated sub-indicator is the large number of case respondents, eight across five case companies, who identified the importance of networking at a personal, face to face level to their business model. As one respondent noted, *"People like to talk to their accountant."*

Finally, and perhaps most interestingly, client preferences were cited as major elements in the decision not to engage by all case companies. Further investigation of this assertion lead to some equally interesting data. Three case companies identified socio-demographic parameters as being responsible for clients preferring not to use the Internet and thus their exclusion of it from their operating model.

Two of the professional services firms, case companies 10 and 11 identified their client base as C2, D, E and B – C2. (See also individual case summaries in chapter six). Similarly case company fifteen also cited socio-demographic data, but at the other end of the scale, notably A, B, C1. These issues are further explored in section below when considering barriers to engagement.

One issue which clearly impacted on initial engagement and business model design was lifestyle. The author defines this as the behaviours, and drivers of that behaviour with regard to the nature of the business: profit maximising or profit satisfysing. The literature makes great play of the opportunities afforded by the Internet for SMEs, but assumes without exception a profit maximising mindset, or revenue maximising in the case of third sector organisations. The analysis clearly demonstrates that in a majority of cases, six case companies in all, across the various business types, this was not the case. Respondents routinely identified lifestyle choices associated with their business models and the value placed on leisure time and in some cases also, on "non contact-ability" This is explored further in relation to the barriers to engagement facing the businesses. Like to this is the assertion by two case companies that engagement with the Internet could lead to them *"having too many customers"*. Two interviewees in case 12 noted, that *"we have all the jobs we can handle at the moment"*, while one even went as far as to suggest that a Web presence could potentially damage the business noting that, *"One client told me, they came to us to view a specific property that was listed with another agent as well because 'they'll be more expensive with their fancy Websites and posh cars' "*

On a final point in this section, all of the eight case companies felt that a Web presence was irrelevant to their business model/nature of their market. Typical of the responses were, *"Someone with a broken washing machine spewing water all over the kitchen floor and a screaming toddler doesn't want to sit down and send an e-mail",* and, *"You can't clean on the Internet!"*

Three respondents specifically recognised that it could potentially be of use, mostly for other businesses and were not interested in pursuing it. Once again this was supported by a raft of clearly focused responses: *"I'm sure it good for big businesses or for certain types of business if you're selling products, but all our customers want is a clean house or office"* and *"If we had a Web site, I don't think it would generate increased sales revenue."*

Concept/Traits/ themes	Construct/profiles	Description of anomalies	Reason for anomalies/Expansion of findings
SME/Current Engagement	C1d = 2, C1e = 1, C1f = 5	High convergence of profiles	Outliers (C1d) show in current engagement conceptual space, relates to infrequent, largely informal use of e-mail/Web searches from home computer. One outlier designated as C1f, enforced informal engagement
The Market/ Business model **Four major traits:** **WoM, Trust, Empathy,** **Client Preferences** — —▶	C2d = 8 All respondents converged on major traits	Very high convergence of responses, few anomalies, largely nuances rather than differences. One emerging trait: lifestyle/satisfysing business model.	Six of the eight companies identified lifestyle as key to business model. The two who did not were "shop front businesses" (One professional services one B2C) rather than run from home/mobile/remote point of delivery. Socio-demographic profile of client base highlighted as strategic prompt, see C3 & C4
Relevance of the Internet	Five stated that a Web presence/engagement was an irrelevance	Three respondents noted that they could see the logic for some businesses	Irrelevance was highlighted on the basis of socio-demographics/customer preference, nature of business/market, wishing to designate the rules of their own marketplace. (See C3 below)

Table 79: Summary of cross case analysis for concept C2 (non-engaged) and associated construct, engagement. Key themes, anomalies and explanations

7.3.3. C3: The Market and associated business model: non- engaged firms
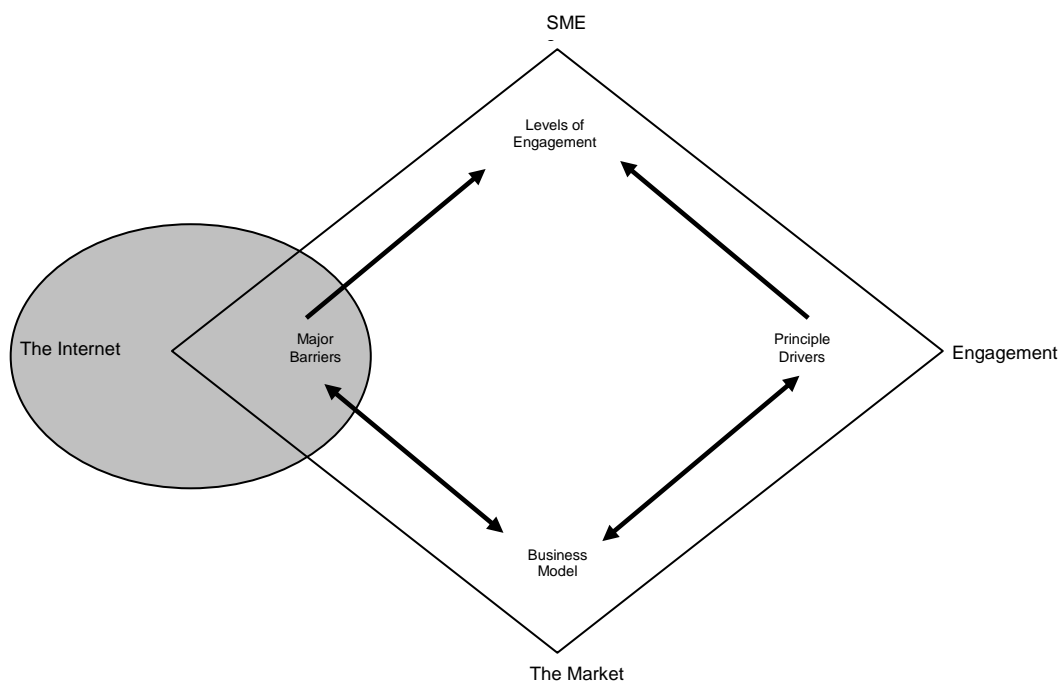

Figure 17: C3: The Market and associated business model: non- engaged firms

The following is an analysis of the common traits/themes identified across the non engaged respondent companies relating to concept C3. A summary of the findings can be found at the end of this section.

The analysis of Concept C3, the Internet and the associated construct of major barriers to engagement, leads on from and is informed by the earlier discussions of C1 and C2. Indeed, most common responses relating to barriers are intimately linked to the response for C1 and C2. All respondents identified trust and empathy as not only crucial to the business model, but also as barriers to engagement. This is linked to the perceived need to develop relationships with customers/clients and to build an effective empathetic state. Couple this with the universal response that business was developed, in all cases primarily via word of mouth or the mining of long established networks of clients (as in cases 14, 16 and 17).. The need to develop a trusting relationship is highlighted by a number of responses, e.g.: *"There is an element of trust and yes, I suppose empathy, if a client doesn't feel you "click", they'll potentially take the business elsewhere" (Case 11.*

"There's nothing like chatting to someone to put them at their ease" (Case 14) and *"We want our customers to have a personal relationship with us"* (Catherine, Case 15).

All feel that an intermediated, Web based form of interaction is a barrier to developing these types of relationship:

"Dealing with people over the Net is 'cold'. There's no intimacy." (Catherine, Case 15), *"I'm very old fashioned I suppose. I can't see the point in 'tweetyface reunited" (sic) or whatever; why not pick up a phone and talk to them or go out for a cup of tea or a pint?"* (Case 17).

"People will not give you their underwear, or their favourite blouse to iron if they don't like and trust you!" (Case 13)

This perhaps best articulated in Case 14*, "If you're going to let someone into your house to mess about with something electrical, most people would rather it was someone who'd been recommended, especially nowadays. You don't know if you can trust someone because it says you can on their Website or the e-mail they send you"*

Client/market pressures were significantly apparent in the analysis of the e-engaged companies as drivers. In the case of the non engaged companies, they are cited as barriers. These client preferences were identified by all respondent companies and run across a range of causal factors, many specific to the market segment served by the company and transcend business groupings (B2B, B2C etc). Typical comments were:

"Our customers don't want to look for their clothes on the Net." (Susanna, Case 15), *"People who need my service want to call me, tell me what's wrong, ask me when I'm coming and how much it's going to cost. Simple as that"* (Mike, Case 14) *"We know our clients, they trust us. If they want something they phone us. They know if they need something, even at short notice, we'll deliver"* (Elhina, Case 12)

Socio-economic groupings at the high level are also transcended, although at a segment level, socio-economic factors are cited by respondents as having a causal link to the barrier.

Tufeki et al (2008) note that young people of lower socio-economic groups spend longer on the Internet, the time is focused onto game playing and social networking/instant messaging.

This is supported by the statement from David, in Case 10: *"Typically the clients we service have not been Internet surfers. Those younger clients who do have Internet access are more likely to be messaging their mates, downloading music or playing some weird game. If they are thinking of buying a house, they'll want to come and talk to someone and get straight answers and explanations. You've seen the sort of houses we sell and the areas we sell in. Our clients are not university graduates in high powered jobs"*

The next barrier to address logically is that of overall relevance. All respondents identified a Web presence as being "irrelevant" to their business model/market with three conceding that they could understand the logic for some businesses but not theirs. It is most interesting to note in reference to this that one case company, Case 16 had previously been e-engaged (and would have been designated as having a C1b. profile) but disengaged on the basis that the presence was *"appropriate at the time"* but no longer fit for purpose. Similarly, in case 11, the respondent had originally set up a dedicated e-mail address, but as it was never used it had lapsed.

The lack of relevance is demonstrated by a number of sub-themes emerging from the analysis. These range from the lack of awareness of the client base, *"Most of my clients wouldn't know a Website if it bit them, and wouldn't want to"* (Case 11) to demand issues, *"Only once has a potential client ever asked me if I had a Web site. In fact, you're the only other person that's ever mentioned it to me!" (Case 11)*

Most interestingly, there was no incidence of ignorance of the Net. All respondents had made rational judgements regarding the use of the web in their business. This directly contradicts the suggestion that a lack of engagement id due to lack of awareness, competence or strategic awareness discussed in the literature review.

There is, of course, the possibility that the answers are post-hoc rationalisation on the part of the respondents. This seems unlikely however as all seem to be happy with their performance and indeed one respondent had actually disengaged.

Efficiency too is an issue for five case companies. A good example of the attitude is given by the following quote: *"I don't have the time to keep checking e-mails to see if someone wants me to do their ironing. I can pick up a call while I'm working, but to keep having to stop and type would be a bad use of time. I like the Internet; I use it a lot, but it's not something I think would help me in my business"* (Case 13)

The way in which the case companies develop their business also leads some to question the value of a Web presence beyond what, for them, is a rejected marketing platform, for example; *"There's no point in having a Web site. My customers come from recommendations"* (Case 14), *"You can't clean on the Internet!"* (Dulce, Case 12)

This is a similar point to one made by an engaged company, the Ironing Services company, in the previous section who noted that "*You can't do ironing on the Net*". *"It's a toy. Its good for shopping and recipes and booking holidays"* (Claudia, Case 12), *"I'm sure it good for big businesses or for certain types of business if your selling products, but all our customers want is a clean house or office"*(Elhina, Case 12)

I'll only do that (establish a Web presence), however, if there is a good business case. I sell fashion; I'm not a slavish follower of it. I won't have a Web site just because it's the in thing" (Keith, Case 15)

As noted in C2 above, one emergent theme not extensively researched or published upon is the motivation of the SME/ µSME business owner. The assumption is that all are following a profit maximising model/or in the case of third sector outfits a revenue maximising model. This research has established that there is clear evidence of lifestyle choices, profit satisfysing behaviours and work/ life balance issues being taken into account and potentially acting as a barrier to engagement. Statements by respondents around the ability to control the number of customers/jobs undertaken/days worked and even accessibility were manifest across seven of the cases. The two outliers, as discussed in the analysis of C2 are "7/7 shop front businesses", and also have the advantage of permanent staff, allowing the owners/directors to make lifestyle decisions in a different way.

Typical comments include:

"I don't give them my e-mail address as I don't want them contacting me at random/when I'm on holiday or when I want to go fishing! They can call, we set an appointment and we can sort everything that needs to be sorted that way. Being instantly accessible can lead to the tail wagging the dog!" (Case 11)

"I have children, a home a husband, "I don't want people being able to get hold of me by e-mail. They can call or SMS, if my phone is off it's off" (Dulce, Case 13)

A quote which succinctly links the issue of lifestyle choice and relationship building comes from Dennis (Case 17) who notes:

"I'm at the stage now where I can pick and choose what I want to do. I don't want people I've never heard of in places I don't want to work in contacting me looking for quotes and never getting back to me".

For the sake of completeness, it is worth addressing an issue which was raised in the literature and the e-engaged analysis and has come to light also to some degree in the non-engaged firms; namely trust in the security of the Web from the point of view of the company itself (i.e. security of data). Only two case companies identified any potential issue with this; cases 12 and 17. The concerns were around the possibility of external parties, including government agencies and even the respondent's bank, accessing e-mails/bank details etc. A similar number in the e-engaged analysis, three in fact, identified this as a barrier to further engagement.

Another issue which vexed the respondents was the *"amount of rubbish on the Net when you search for anything"* (Mike, Case 14). The sheer number of participants and the difficultly of attaining a reasonable place on the search engines are also indentified as barriers. *"There are hundreds of people offering appliance repairs on the Net and, like everything else if you type in appliance repairs, half of what you get is in other parts of the country and the other half is surgical appliances!"*

These echo the sentiments of many of the e-engaged respondents and will be dealt with further in the final comparison of analysis between e-engaged and non engaged companies.

Issues over price comparisons were evident but muted, an example being *"I'd probably only get enquiries from people looking to confirm somebody else's prices are reasonable or from someone trying to work out what to charge "(Mike, Case 14)*

On a final point, the issue of culture was highlighted as a possible barrier to engagement during the analysis. This can be seen in the responses from three participants across two case companies (12 and 13), raising issues about the general feel of effective communications and the way we do things "back home/where I come from". The nature of the Mediterranean/Latin culture may have an impact in terms of the general attitude towards intermediation of communication as discussed in the literature review.

In case company 14 particularly, the large networks of similar background ex-patriot Portuguese that have developed locally case form the basis for business development and for staffing. In case 13, the general approach to business is decidedly "Mediterranean", a fact attested to by the respondent's comment, *"Where I come from we talk to people, we call them, we care"(Maria, case 13)*. A related issue is that English is not the first language of any of the three respondents and, despite oral fluency of an extremely high level, all note the time they would want to spend composing an e-mail as prohibitive. *"It takes time to type an e-mail and make sure it's nice" (Maria, case 13)*.

Barrier/ Theme		Sub themes	Comments
Appropriateness Relevance	8	Basic business model	3 recognised possible relevance for other businesses, 1 had been engaged and retreated.
Trust/Empathy	8	Nature of business development (8) Network nature of business model (5)	All identified as crucial and adversely affected by disintermediation
Client Preferences	8	Socio-demographic issues, Nature of service/product	higher and lower order cited socio-demographic groups cited as causal.
Web search issue	6	Proliferation of sites Place on search engine	Echoes concerns of e-engaged businesses
Cost effectiveness	5		No measures/metrics proposed
Efficiency	5	Time taken to respond to/pick up communications via Web based applications	Interestingly eight respondents across five case companies used blue tooth head sets to facilitate communication whilst working
Culture	2	Written language may also be an issue	3 respondents over two cases
Security (external)	2		Concern that big brother may be watching

Table 80: Summary of barriers to engagement and associated sub themes, identified by non engaged respondents

7.3.4. C4: Engagement and the associated construct of principal drivers: non engaged firms
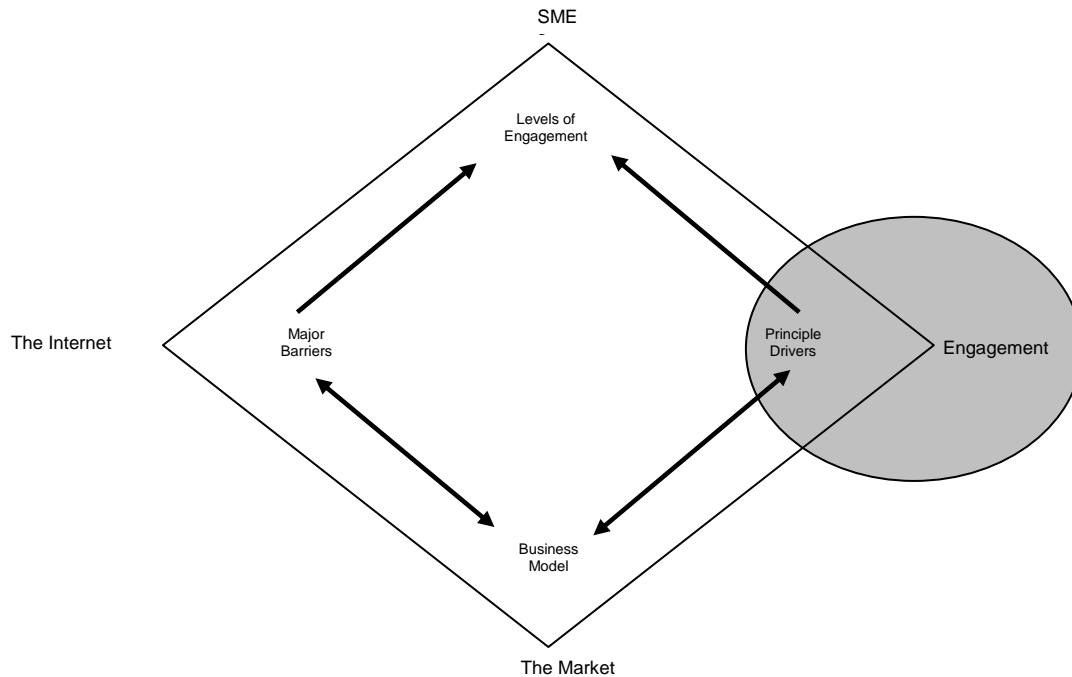

Figure 18: C4: Engagement and the associated construct of principal drivers: non engaged firms

The following is an analysis of the common traits/themes identified across the non engaged respondent companies relating to concept C4.

From the analysis of Concept C4, engagement and the associated construct of principal drivers, the most common response was that, in terms of initial engagement, drivers, whilst identifiable by three case companies, were demonstrably weak in all but one case. In all cases, there was clear strategic intent in deciding not to engage. This represents all 8 firms displaying a C4c profile.

None of the case companies felt under any pressure particularly to engage. They identified a lack of interest on the part of their customers and clients, manifested in the fact that most did not even ask about a Web site/e-mail and when they did, were happy to operate by telephone or face to face.

This was amply demonstrated by the following quote; *"In ten years, no one has asked me if I've got a Web site and the only people that want my e-mail address are my family and my mates"(Mike, Case 14).* Similar comments were recorded in the C3 analysis above.

Respondents were asked about awareness of incentives and of the existence of the IMRG, the self styled "Internet business industry body". Three respondents were aware of incentives/free content or advice. Only one had made use of the incentives and then had subsequently disengaged from the Internet for business purposes. Two of the respondents had attended free workshops organised by Business Link/local authority departments. As with the respondents who had attended similar events from the e-engaged group, they were critical of the quality.

The "Me Too" argument, so strongly voiced in the e-engaged group, cut little ice with the non-engaged group. Some were at pains to demonstrate that they would not *"follow like sheep",* while others as with two of the respondents in Case 15, noted that not being engaged aided their claim to uniqueness, and offered a different model and experience to customers.

One key driver which was identified, and indeed has lead to a form of engagement, was something viewed as tantamount to coercion. One case company, case 11, was designated as C1e, exhibiting what the author describes as "enforced informal engagement". Here, the respondent noted that, despite having made a conscious decision not to have a Web presence or encourage contact from or with clients via a Web based interface, he was, in effect, being forced to use Internet based applications. This was in the guise of the HMR&C making life extremely difficult if he did not file client tax data and returns online. This theme occurred in the e-engaged case analysis (Case 1). Anecdotally, the author has heard a number of reported incidents of similar official intransigence with regard to statutory bodies exhorting, cajoling and eventually requiring organisations to interact via Web based applications and disintermediated interfaces. The reasoning behind this is clear, efficiency targets in the public sector, coupled with a general attitude from official bodies that "the Internet is a good thing for businesses", means that what the author previously identified in chapter two as "e-volution" is being given a helping hand. This issue will be revisited in the conclusions to this thesis in chapter eight.

7.3.5 Summary

This chapter has presented a systematic cross case analysis, investigating, categorising and identifying linkages between the case companies within the boundaries of the conceptual framework with regard to:

a) the level of current engagement (C1: SME, Construct, Engagement)
b) the key determinants of the case companies' e-engagement profile (C2: The Market, Construct, business model)
c) the retardants of both current and future engagement (C3, The Internet, construct, major barriers) and finally
d) the promoters of future continued and additional engagement/enhancement.(C4, Engagement, construct, drivers)

It has established the links between these four key elements of the conceptual model for both engaged and non-engaged companies and the variables associated with the decision making process for engagement or non engagement with the Internet.

Throughout the chapter, the author has enhanced, refined and validated the conceptual framework by identifying the inter-relationships between the variables identified in the analysis and the key determinants, principal drivers and barriers to engagement.

The analysis shows that each company, while unique, exhibits stark convergence with regard to, not only the variables within its own group (engaged or non engaged) but also across the divide between the two groups. The analysis has also challenged a number of propositions identified in the literature which, although apparent at the large end of the SME spectrum, (where the majority of research is carried out) do not hold at the small, µSME level.

In the next chapter, the author draws and discusses his conclusions and identifies how the research contributes to the existing body of knowledge. He also identifies areas for further research

CHAPTER EIGHT: CONCLUSIONS

8.1 Introduction

The purpose of this final chapter is to draw together the analysis and findings and synthesise them into a meaningful response to the questions posed at the outset of this research. It will, as a result, offer conclusions and suggestions as to how the research contributes to the existing body of knowledge and recommendations on future research associated with the findings

In the following sections, the author presents his conclusions from the research and relates these to the literature previously reviewed and the research questions initially posed. Other emergent themes are also discussed under the appropriate section headings.

As defined in section 1.6, the aim of this research was to answer the following research question:

"What are the drivers and barriers faced by SMEs in relation to, and preventing them from e-engagement?"

In support of this aim, the following objectives were identified:

1. To investigate the role of the business model in determining e-engagement
2. To identify the main drivers and barriers facing an SME in reaching the decision to follow the process of e-engagement
3. To analyse the key factors in promoting or limiting an SMEs development and maintenance of its engagement

The author will deal individually with these, identifying the key conclusions under each and the associated key determinants as discussed in the development of the conceptual framework in chapter three.

8.2 General Conclusions

Before addressing the specific conclusions arising from the research, it is possible to identify three general conclusions which have emerged although not specifically identified in the research question and objectives above.

1. **There is a clear need to re-define the concept of the SME.**

From a research point of view, much of the confusion and incongruent findings in the canon of literature are undoubtedly a result of external and internal inconsistency. This is not just at the macro level, e.g. should the designation relate to <500 or < 200, but also at the banding level. It is nonsensical to include a micro business with 2 employees in the same sample frame or even frame of reference as a firm with 200 staff and a turnover of ten million pounds a year. This is supported by the findings of, among others, Burke (2009) and Mohammad & Ismail (2009).

2. **There is a need to accept the twin propositions that, "one size does not fit all" and that, de facto, "the Internet is not necessarily good thing for all SMEs".**

This research has demonstrated that there a number of factor and permutations of those factors that will determine the relevance of the internet for SMES and especially for μSMEs. Empirical research already exists within the canon of literature to support these premises as discussed in the literature review e.g. Burk (2009), Wilson (2005), Taylor & Murphy (2004). This research goes further, identifying a greater number of variables and iterations.

3. **There is a need for clarity in terms of the nomenclature of engagement.**

As above, the inconsistency of the term has lead to incompatible research which effectively defeats its stated purpose. This was discussed in the literature review and has been addressed specifically in this research via the coding of levels of engagement.

8.3 Specific conclusions

8.3.1 C2: The Market

The market, types of industry and sector have been suggested in the literature as determinants of engagement. A number of authors over the last decade have noted that the degree of functionality desired by an SME/µSME may be related to the business model employed and would directly influence engagement (Wilson 2005), Burk, (2009), Upadhyaya, and Mohanan, (2009) Blackmon, (2000), Scheimmer and Webb (2009), Song et al. (2004) and Blackwell (2002).

There is some evidence to support this from the data. The notion that it is intuitively obvious which services/products will sell on the Internet is rehearsed by countless authors. This does not preclude the usefulness of the Internet however. As Blackwell (ibid) notes, "you can't download a doughnut, but you can use the Net to find the nearest doughnut shop" Kitchen's (2009) comment that "who goes on line to research where to buy frozen peas?" is an obvious retort.

Comments recorded by some of the respondents from both groups echo this sentiment, although one from case 12 is perhaps the most succinct: *"You can't clean on the Internet!"*, but may miss the point.

The local focus reported by the overwhelming number of case businesses supports the efficacy of a Web presence where for example researching on line for a late night convenience store could be a real case in point. Add to this the value associated with registration in on line directories, both solicited and unsolicited and Blackwell's argument is undoubtedly stronger.

8.3.2 The role of the business model in determining e-engagement.

From this research, it is clear that the business model adopted has a major impact on a business's decision making regarding engagement with the Internet. This conclusion is supported by the work of Li (2010), Scheimmer & Webb (2009)

The suggestion in the literature by a number of commentators that the question was "not if, but how" SMEs should engage with the Internet if they wish to remain competitive, Wilson (2005), Nielsen (2004) and Porter (2001), is clearly refuted by the evidence. The non engaged case companies reported are successfully and robustly defending their strategic space. Indeed, one of the companies, case company 16, has disengaged. This disagrees in some aspects with the work of Johnston et al (2007) who state that adoption results in tangible financial benefits for SMEs. However, they do recognise that benefits do not accrue evenly across regions, industries, technologies, or size categories. Once again, the complexity inherent in the μSME space is a major factor.

Reference to the cross case analysis clearly demonstrates that Wilson (2005), Sharma et al's (2001) and Hart's (2000) assertion that engagement with the Internet by SMEs is essentially marketing focused is supported, although all bar two case companies reject the notion that their business model utilises their engagement purely for advertising purposes. Levenberg (2005) suggested that smaller companies had a prevalence to use the Internet as a business research tool rather than in any other way. While some case companies identified this as a function, none supported the notion that this was its primary use.

While the business model clearly emerges as pivotal from the analysis, it is interesting to reflect on Kaynak's (2005) assertion that industry specific factors are not significant in terms of encouraging adoption/engagement. Murphy& Kielghast (2008) note the apparently disproportionate level of engagement by the hotel sector. This resonates with the author as he was unable to find a case company in the hospitality industry that was un-engaged. Harland (2007) notes the development of "e-lands", strategically bounded areas from which non engaged companies are precluded. The changing nature of the business environment has thrown up a number of anomalies, the hotel sector appearing to be one, as suggested by Murphy& Kielghast (2008). Others too may exist, for example travel agents and specialist computer retailers.

One of the main themes followed by the research and promulgated by bodies such as governments, the EU and the OECD is the Net as a channel to transcend national borders.

This is true, but more likely to be of interest to larger end SMEs or, once again, where a specific business model is followed. Only Case companies 2, 4 and 9 identify cross border business and have adopted a business model and adapted their Web engagement to accommodate this.

This leads logically to a discussion of strategy and the level of intent and control associated with the business model and initial engagement, given the functional relationship identified in the analysis. The literature, as noted in section 2.4, indicates a general recalcitrance of SMEs to develop a strategy with regard to their Internet presence. This has been found in Canada (Raymond and Bergeron, 2008), Australia (ANU 2007) and in the UK, specifically in the South west of England in 2006 (Demianyk, 2006). The RDA who commissioned the study sate that "89% of companies in the region have no strategic overview of how to use and develop in house information and communications technology.

This is clearly not borne out by the data generated by this research. All of the case companies, engaged and non-engaged had clearly thought through their engagement vis a vis their preferred business model. Only one company had strayed from this. The disparity in findings by the RDA may be explained by the sampling method, the focus on large end businesses rather than differentiating for μSMEs. This may be a "default" issue, if larger SMEs are more likely to respond. However, the fact that they define strategic overview as "a formally documented policy" exacerbates this problem. Clearly, μSMEs are less likely to spend time and resource writing a formal strategy document; if the RDA is to be believed, large-end SMEs are like minded!

It is logical to conclude that smaller companies are in actual fact much more likely to take a strategic view of engagement, or any investment whether time, money or reputation. Simply stated, they have more to lose and less ability to recover.

The search for explanatory and predictive models of Internet adoption by SMEs has been ongoing since the inception of the Internet. Pavic et al (2007) note that there is a proliferation of these, although none have actually been fit for purpose. Indeed Johnston (2007) is still a firm believer in their predictive ability and usefulness in strategic planning for SMEs. The analysis of the data from this research supports Alonso-Mendes and Fitzgerald's (2005a) contention that there are a number of weaknesses in the suggestion that a staged model can be used to describe adoption. This is discussed in detail in section 2.5 above. The deterministic models suggested by Scupola, (2008) and Vescovi (2001) amongst others have more resonance, but still fall short.

The closest fit to the data from this research are the contingent models supported by a long line of commentators (Khazanchi (2005), Alonso-Mendes & Fitzgerald (2005b), Boisvert & Begin (2002), Tagliavani (2001)). With these, the company is presumed to purposefully determine the most effective business processes which may be carried out in its own context via the Web and from there to choose a combination of profiles best suited to its own strategic position. In other words, to predicate its level of engagement on its selected business model.

Despite the attraction of these models, they are not full proof and are normally developed from a post-adoption perspective, thus missing vital areas of the argument. Pavic's (2007) plea for more research into these models from a wider perspective is well made

One of the main findings of this research is that, although there is marked convergence on a number of views and important barriers and drivers, one size definitely does not fit all. This has been written on extensively (e.g. Simmons et al 2008) and was discussed in the literature review, section 2.5. Each business is unique and the business model they adopt and implement will thus be similarly unique. These are a function of the determinants of the market, but also of the individual μSME decision makers. An unexpected conclusion to arise from the analysis was that lifestyle issues have a significant impact on engagement, especially on the decision not to engage. Clear evidence was presented in chapters 6 and 7 to support this. The literature does not address this at all, assuming all SMEs are profit/revenue maximising.

This research clearly shows that in some cases SMEs are either established (Case 11) or managed (cases 7,12 and 13) with a clear work/life balance. Further, e-engagement can be seen to threaten this.

National culture too can also be an issue related to this as discussed and has been recognised by other authors as potentially important over the years e.g. Putit (2009), Putit& Arnott (2007a, 2007b). Coping and management strategies are undoubtedly available to deal with this; however, it is clearly a determinant in some cases.

8.3.3 Summary of the role of the business model in driving or preventing e-engagement.

The above discussion may be summarised as follow:

Major conclusions:

1. The decision to engage/not engage is a function of the business model chosen.
2. There is no clear model yet available to describe or predict engagement. Contingency approaches offer the closest match to the data from this research and present themselves as a potentially interesting area of future research.
3. SMEs typically have a clear strategic view of engagement, even though this may not be formalised or documented.
4. One size definitely does not fit all.

Key determinants:

1. Industry type, sector and segment all have a direct impact on the design of business model, and by corollary the engagement decision. The degree of this impact is open to interpretation and presents itself as an interesting area for further research.
2. The size of the business (micro, small, medium etc) does not directly determine engagement, as shown by the results from the e-engaged company analysis but may have some impact in specific industries.
3. The geographical focus of the company will impact on the business model and thus the engagement decision.

4. Life-style issues, possibly influenced by national culture, have a direct impact on the running of the business and the model implemented.

8.3.4 The main drivers facing an SME in reaching the decision to follow the process of e-engagement

In drawing conclusions concerning the drivers to engagement, the author would emphasise that while there is an iterative relationship between all aspects of the conceptual model these are defined as being significantly independent of the business model as discussed above.

The pressure of "Me Too" is a major driver for engagement.

From the analysis of the data it is clear that the most recognised driver of engagement is the "me too" requirement. As discussed in the literature review, this has been recognised for many years as a powerful driving force (e.g. Vescovi, 2000). Eight of the engaged case companies identified this as a major decision driver with one noting its existence but not decisiveness. Even within the non engaged companies, all recognised its existence as a driver, although in their case they were not pressurised by it. The impact in these cases appears to have been mitigated by the nature of customer preference in terms of a communication medium.

The usefulness of the Net as a tool for market penetration in the local market is a major driver for engagement

This echoes the statements by Simmons et al (2008) and was highlighted by seven of the respondents from the engaged group and recognised as logical but inappropriate for them by the majority of the non engaged group. Kaynak (2005) emphasised the use of the Net as a method of both penetration and extension. Those who did not identify this as a driver in the non-engaged group cited extensive word of mouth, through established channels and networks of customers, as a mitigant. Customer preference was also cited in this case as rendering the Net unfit for purpose by a number of non-engaged respondents.

Speed and ease of communication are a major driver of engagement

This was identified and discussed in chapter 2, section 2.3.5. , and is a favourite topic of many authors. The majority of engaged respondents cited this as a major driver. The simplicity of and extensive access to e-mail, as well as the availability of mobile platforms for access, is seen as invaluable by many. The opposite view was expressed by the majority of the non-engaged group, noting that it was inappropriate to their business sector/service or the way in which they wished to conduct business.

The low cost of a Web presence is a driver for engagement.

The majority of engaged companies felt that once the initial cost of Web engagement had been borne, the presence represented a low cost "hook" that was worth-while maintaining, especially for those who had free or subsidised access in the first place. This fits with the majority of the views expressed in the literature, e.g. Rosen et al. (2005). Those unconvinced by this, in both camps, mostly again cited customer preference for not using the Web, although some noted that there is an ongoing cost in terms of both time and money if the site is to be kept up to date

Official pressure/coercion are drivers for engagement.

Although no research appears in the canon of literature regarding this, yet, it was interesting to hear the information provided by some of the professional services firms regarding the cajoling they have experienced. The author, having gathered a number of anecdotal accounts outside of this research study would posit that, given government's zeal and enthusiasm for all things digital, this will be a driver of increasing potency.

8.3.5 The main barriers facing an SME in reaching the decision to follow the process of e-engagement

For the majority of respondents, the appropriateness to the business and its customers of engagement/further engagement was highlighted as a barrier. This has however been identified and extensively dealt with in section 8.2 above. As with the discussion in 8.3, while there is an iterative relationship between all aspects of the conceptual model barriers are defined as being significantly independent of the business model.

The range of barriers identified were extensive, although some clear convergence was apparent from the analysis. This is in line with recent findings by Chitura et al. (2008).

The development of empathy and trust are major barriers to engagement.

Taking a slightly amended version of Yau et al's (2000) definition of empathy, "the ability to see and understand the needs of the customer beyond a single variable *and convince the customer that you have done so*", the vast majority of respondents across both engaged and non-engaged groups saw the development of an empathetic relationship as a major barrier. They also identified it as very important to them. This echoes Johnston's (2007) and Klemz and Boshoff's (2001) findings that small companies rely more heavily on empathy than large ones, who rely more on power. Trust similarly is seen as essential and difficult to build in an intermediated situation.

Client preferences in communication and accessing information/product/service are a major barrier to engagement

A majority of non-engaged case companies identified client preferences as a major barrier. A number of parameters may impact on this conclusion; age of respondent, education etc. With regard to two specific case companies socio-demographic parameters were identified as a major determinant.

Given the client base of the Case 10 company, young, C1, C2, D, E profile, the assertion was that the customer base was not in itself e-engaged. This is supported by Tufeki et al (2008) who note that while young people of lower socio-economic groups spend longer on the Internet, the time is focused onto game playing and social networking/instant messaging. There is potentially an interesting area for further research associated with this finding. The second issue relates to the nature of the product. In Case 15, the high involvement nature of the purchase and the essential shopping experience were cited as customer preference triggers for a disintermediated relationship.

The proliferation of sites/lack of priority position on search engines via a Web search are major barriers to engagement

This was an issue that the majority of non-engaged and three of the engaged companies identified as a barrier. Most were aware of models such as pay per click and sponsored links (if not specifically by name), however they were perceived as not good value for money or ineffective in the μSME context.

8.3.6 The key factors in promoting or limiting a SMEs development and maintenance of its engagement

The dominant factor in promoting or limiting maintenance and /or further development is the relationship with the business model

The single biggest response across both groups was the appropriateness of development/maintenance of a Web presence. Three engaged companies stated categorically that they were not interested in further development, as they felt that their presence and level of engagement was entirely appropriate for current and future needs. The remaining six stated that they were open to further development, but only if a sound business case could be made for it. All intended to maintain their presence.

Interestingly, one engaged company had stopped running a Blog as it perceived no added value, one had considered Blogging and discussion fora, but had not pursued this for the same reason. Equally interesting was the non-engaged company who had been previously engaged but disengaged as the presence had not been effective in his view.

8.4 The contribution to knowledge

There are a number of specific areas where this research adds significantly to the body of knowledge.

The primary contribution comes in the fact that research supports the view that one size does not and indeed cannot fit all when dealing with SMEs. The range, diversity and importance of SMEs in every sector, segment and market require a new approach to definition, research and application of findings. The nature of the operational space populated by μSMEs in particular is different.

This is supported by the literature, (e.g. Frost 2010, Burke 2009) albeit that to date this aspect of research has been largely lacking. The research casts doubt on traditionally held received wisdom regarding the Internet, establishing that it (the Net) is not always a good thing/the right choice for an SME/μSME to invest time, money and reputation in engaging with. It also contradicts the generally held opinion that SMEs do not have a strategic grasp of the Internet and its opportunities where they are not already engaged.

Indeed the research demonstrates that μSMEs are acutely aware of the strategic issues facing their business and are under immense pressure to "get it right first time" as to fail to do so may well endanger their livelihood. There is also a genuine level of entrepreneurialism/opportunism demonstrated in dealing with the Net, especially where funding is available. This does not equate however to taking whatever is on offer.

The research further identifies clear evidence of implicit strategic planning with the key areas identified in the conceptual model being considered prior to acceptance/engagement. They are also considered on an on-going basis as witnessed by the examples of disengagement and discontinuation of specific activities (e.g. Blogging) discussed in the analysis. This flies in the face of much of the research quoted in support of modular and staged approaches to engagement and supports the intuitive notion that SMEs and μSMEs in particular are far more likely to be strategically aware as they cannot afford to get it wrong.

Research to date has clearly focused onto the larger end of the engaged SME space. The analysis of successful, non-engaged companies undertaken in this research offers an insight that to date has been clearly. Logic and fundamental business imperatives have been identified that have hitherto been passed over. The importance of lifestyle choice and decisions concerning work/life balance has clearly been shown to be considerations for some engaged and non-engaged companies.

A further area of knowledge contribution is in challenging the assertion that value will be added via e-engagement. This has long been held as a central tenet of much research. Although some authors have questioned this stance in the past, the literature has remained silent on this for the last few years. This research concludes that it is not possible to proffer a simple, quantifiable, cost effective model to establish value across the SME space. Reduced operating costs and increased profitability have been accepted by many almost as an axiom.

However, the analysis reveals a major difference in the views of the engaged and non-engaged groups as well as significant differences within the engaged group itself. The conclusion does not preclude the assignation of value for an SME. It does however question cost effectiveness and formality of such modelling given the inherent dynamism of the systems involved, once again especially at the μSME level. Value for money is always a thorny question for any business and especially μSMEs. A specific finding of the research concerns the value of incentive schemes and assistance offered by publicly funded sources. Evidence from the responding case companies was largely disparaging of these, despite the entrepreneurial/opportunistic nature of many of the respondents. Incentives are clearly not effectively targeted and are measured more from the point of view of the sponsoring department of Government than from the perspective of the value, real or perceived which they create.

The research has also added to the long-standing debate regarding the development and applicability of models of adoption is dealt with and the research concludes that a contingency approach offers the best hope for predictive modelling, although much more research is needed on this area. So too the research supports, at a lower level, the sectoral/segmental-based argument for adoption. Within this, some interesting insights have been identified with regard to the sectorally specific potential use of recent Web based marketing platforms, for example social networking and viral messaging.

The development of the conceptual model and associated framework along with the analytical techniques employed have added significantly to the modus operandi of understanding SME engagement. They facilitate the identification and analysis of barriers, drivers and key determinants of the decision by SMEs and specifically of µSMEs with regard to their engagement, or not, with the Internet.

The research recognises the inherent interconnectedness and extant dynamic of the decision making process. It breaks new ground by taking a comparative approach to both engaged and non-engaged companies, where possible in the same industry, to allow for key determinants and principle impact factors to be identified. The research provides detailed examples of the business models operated by the case companies and the factors affecting their implementation and operation. The variables affecting each SME are codified and mapped against the determinants and principle drivers. This enables the analysis to identify the barriers that filter, and in some cases entirely block, engagement with the Web. In recognising that barriers to engagement can in certain circumstances be filters rather than complete blockages, the research also identifies the need for a rethinking of the standard definition of e-engagement.

Similarly, the research highlights the inconsistencies in much previously commissioned research, normally by government/official sources and often with specific agendas.

While the impact of culture on engagement has been the subject of past research, there is no well established literature base for the impact of operating a business in a culture other than ones own and in a foreign language. This has emerged from the research as a potential determinant of a barrier to engagement.

One of the notable issues raised in the literature review is the vast amount of public money expended globally on the encouragement of SMEs to join the e-revolution. This research indicates a disconnect between the incentives offered, the needs of µSMEs and the level of expertise of those offering support.

The impact of trust and empathy have been shown to be pivotal in the decision making process. The research has also highlighted that the external trust issue; i.e. that of customers concern over security, is of less import to SMEs than the development of a trust bond with their client base.

A further addition to the body of knowledge is the impact of lifestyle and work/ life balance has been highlighted as an area where the research has added to the body on knowledge. Socio-psychological issues are not well covered in the existing literature and this research adds real insight into a major barrier to engagement. This is an area of focus which *"embodies the zeitgeist"* and would be particularly worthy of further research as a new departure in the understanding of μSMEs organisation, behaviour and decision making. Liked to this the impact of culture, particularly where SME owners are operating in an alien culture and especially in a second language is another area uncovered by the research which has not previously been explored. This links directly to the socio-psychological issues identified in the literature review in section 2.9.

Using the framework and conceptual model, the research has identified a hitherto unreported influence by official bodies, notably statutory agencies, pressurising SMEs to utilise Web based applications. This fits with the digitisation agenda of the UK government and puts a new perspective on the possible evolution of Web usage, particularly in certain industries/professions.

The data shows that many formerly held opinions regarding the willingness/openness to adopt or engage being predicated on variables such as age, gender, level of education are not major determinants. They may have an impact on the choice of business or the sectoral or segmental focus but, once the business is established, these variables are not in and of themselves drivers in the decision making process. The research clearly shows the importance of the business model adopted by the SME and the relative impact and interconnectedness of both key determinants and the principle impact factors highlighted in the extensive intra and cross case analysis.

8.5 Suggestions for further research

This research has synthesised the findings and opinions of previous academic and to some degree practitioner viewpoints and published data and produced an holistic investigation of the drivers of and barriers to μSME engagement with the Internet. The additions to the body of knowledge described above give rise to a number of interesting areas of further research potential.

The conceptual model developed offers the opportunity to construct future research on a narrower focus, either from a sectoral or segmental perspective or indeed on the basis of individual concept/construct pairings. Already highlighted is the notion that certain specific product and service offerings are particularly relevant to engagement, e.g. the hospitality sector. The importance of the business model and the nature of the market environment an SME operates within would also fit within these foci.

The effect of official influence and the knock-on effects of e-enablement and engagement of governmental and non-governmental organisations/ agencies is also a potentially fruitful area of investigation. The previously untried approach of considering both successful engaged and non-engaged companies in tandem, and applying the same conceptual framework to both, offers a range of new research directions.

The uncovering of the perceived impact of lifestyle/work-life balance noted in the contribution to knowledge section above and the sub trait of potential cultural variants associated with this offers interesting future research potential. As pointed out in section 2.9, there is limited research in this area, despite culture generally being a rich vein of research in marketing literature. Increasing the coverage and number of case studies would add value in terms of generalisablility of the conceptual framework. There is a long and noble tradition of interpretivist research acting as a catalyst in developing hypothesise which may then be tested using a hypothetico-deductive approach. This is certainly a potential future avenue for further work.

Value for money is always a thorny question for any business and especially μSMEs. A specific possibility concerns the value of incentive schemes and assistance offered by publicly funded sources. Basic reactions from the responding case companies was largely disparaging of these. Given the amount of public money expended on these, this would be an interesting and potentially useful area to study further. This logically suggests that further work would also be possible within the framework regarding adoption models. Again these, if integrated with a value for money/value added approach could potentially yield great benefits in terms of prediction and decision management.

Possible linkages with concepts such as game theory would be particularly interesting to investigate in the light of the conclusions relating to contingency models.

8.6 Conclusion

This research has highlighted the complexity of running a successful SME, especially at the low end of the space. The multitude of tasks, the balancing of multiple demands on time and resource and the need for effective, strategic decision making with very little room for error, are sobering to consider. The conceptual model developed and applied in this research, and the data subsequently extracted and analysed, has provided insight into the drivers, barriers, key determinants and principal impact factors associated with the decision making process as it relates to e-engagement.

Engagement with the Internet undoubtedly offers many advantages. It also has pitfalls and is not a panacea; being more appropriate for some business models and temperaments than others. Taking the dual approach of considering engaged and non-engaged companies and applying the same framework has given some fascinating and entirely new insights. It has above all shown areas of convergence in attitude and understanding across certain key issues and across previously identified divides such as business type, businesses focus and even engagement status. It has also refuted certain received wisdom and proven one thing above all. All businesses are in and of themselves unique. They are the manifestation of their owners and managers and their interaction with their wider stakeholder communities. This is particularly true of μSMEs.

To conclude, it is apposite to borrow an insight from the Nobel Prize winning nuclear physicist Neils Bohr, who famously noted that:*" everything works differently at the quantum level".*

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APPENDIX 1: Concept Profiles (C1 – C4)

C1 SMEs

C1.a b2b Fully engaged (Web presence, regular formal e-mail contact with clients/customers/suppliers, e-procurement/sales – if appropriate to business model)

C1.b b2b Partially formally engaged. (No Web presence. Dedicated Internet access at place of business. Regular use of Internet for business purposes, formal e-mail contact with clients/customers/suppliers)

C1.c b2b Partially informally engaged. (No Web presence. No dedicated Internet access at place of business. No regular use of the Internet for business purposes, informal/ad hoc e-mail contact with clients/customers/suppliers)

C1.d b2b Disengaged. (No Web presence, no dedicated or informal access to Internet for business purposes, no e-mail contact with clients/customers/suppliers)

C1.e – C1.h as above for b2c

C2 Market

C2.a b2b Business model fully integrated with the Net in a planned strategy. Open to/actively seeking additional integrative opportunities or Net based partnerships where proven business case exists.

C2.b b2b Business model partially integrated with the Net in a planned strategy. Open to/actively seeking additional Net enabled opportunities where proven business case exists.

C2.c b2b Business model partially integrated with the Net opportunistically/by default. Open to/actively seeking additional Net enabled opportunities where proven business case exists.

C2.d b2b Business model partially integrated with the Net opportunistically/by default. Not seeking additional Net enabled opportunities.

C2.e b2b Business model not integrated with the Net. Not seeking Net enabled opportunities.

C2.f b2b Business model not integrated with the Net, previously engaged but now withdrawn. Not seeking Net enabled opportunities.

C2.g - C2.l as above for b2c

C3 The Internet

C3.a b2b No effective barriers perceived

C3.b b2b Some barriers identified, mitigated by overall business case

C3.c b2b Major barriers identified, dealt with on a case by case basis

C3.d. b2b Insurmountable barriers identified.

C3.e – h as above for b2c

C3 Engagement

C4.a b2b Major positive drivers identified for engagement

C4.b b2b Significant drivers identified for engagement; positive perceived cost/benefit

C4.c b2b Some positive drivers identified for engagement; case by case cost/benefit

C4.d b2b No/very few positive drivers. Perceived cost outweighs/negates any possible benefit

C4.e – h   as above for b2c