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Obstacles to B2B e-Commerce Adoption

A Study on Small Manufacturing and Wholesale Companies in Sweden

Master's thesis in Management and Economics of Innovation

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Abstract

By adopting e-commerce, companies can widen their markets, reach new customers and become more efficient. However, companies operating in a B2B context face certain obstacles in the transition to e-commerce, and SMEs are slower to adopt e-commerce compared to bigger companies. To examine the obstacles SMEs in a B2B context face, a threefold aim was formulated. Firstly, to map how far small companies have come in the transition and to compare manufacturing and wholesale companies. Secondly, to examine obstacles they face in the transition. Thirdly, understand how these obstacles are being overcome.

The study is based on interviews with 20 small companies in Sweden, within both manufacturing and wholesale. The results indicate that wholesale companies have come further in the transition to e-commerce compared to manufacturing companies. The companies face more internal obstacles compared to external, for example the difficulty of selling customized products online and lack of technical competence. Additionally, the companies face obstacles specific to the B2B context, for example the importance of close relationships and conservative industries. Internal obstacles seem easier to overcome compared to external, where external obstacles usually are related to the B2B context. By outsourcing the development of a webshop, or by recruiting a new employee, companies have been able to overcome the lack of technical competence. Since the study did not identify solutions to all obstacles, further research is needed to explore how to overcome these obstacles.

Keywords: B2B e-commerce, e-commerce adoption, transition to e-commerce, obstacles to e-commerce adoption, barriers to e-commerce adoption, SMEs in Sweden, drivers for e-commerce adoption

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1

Introduction

In the following sections, the background of the research area and the aim of the study is presented. The three research questions are stated and followed up with the limitations of the study. Finalizing the chapter, the structure of the thesis is outlined.

1.1 Background

Traditional commerce has earlier relied on close relationships between the seller and the customer through personal exchange (Walker, 2018). Due to the digital development in society, companies have been forced to adopt a more digital approach to organizing and sales (Goyal, Sergi, & Esposito, 2019). This digital approach, where business transactions occur on digital platforms, is called electronic commerce (e-commerce). For the purpose of this research, a fully developed e-commerce is considered to be equal to a webshop. E-commerce provides new channels of wider possible markets both in terms of new customers, but also information about competitors and their products (Gunasekaran, Marri, McGaughey, & Nebhwani, 2002). According to Walker (2018), the business to consumer (B2C) segment has been quicker in this adoption compared to the business to business (B2B) segment. According to some literature, this is due to the challenges the B2B segment face in terms of complex technology, organizational structures, security concerns and operational processes (Walker, 2018). The drivers of e-commerce adoption are not the same for B2B as for B2C, since the buyers and sellers in the B2B segment are business partners (Gorla, Chiravuri, & Chinta, 2015). Additionally, according to a study made in Germany, small and medium-sized enterprises (SMEs) seem to be slower at adopting e-commerce (Schwartz, 2017). The same pattern can be found in Swedish B2B e-commerce, and furthermore, SMEs are not as digital as bigger competitors (Litium, 2019). Thus, this research is motivated to investigate the obstacles to B2B e-commerce adoption in SMEs.

A company that is using information and communication technology (ICT) can, thanks to the Internet, improve relations in a more efficient and quicker way within the company or with their supply chain partners (Li, Tan, Anumba, & Chia, 2017). However, it is not enough to have a web page to reach competitiveness. A company's expertise needs to be converted into something digital and companies must acquire knowledge of how their expertise is best communicated without personal relationship (Monroe & Barrett, 2019). Additionally, obstacles that might appear for SMEs can be lack of the required technical knowledge, for example insufficient IT competence (Kartiwi & MacGregor, 2007; Schwartz, 2017).

In order to gain access to SMEs operating within the B2B market, the students turned to Sendify, a startup founded in 2015 in Gothenburg, Sweden (Sendify, 2020). It provides a web-based platform where companies can book shipments through external carriers, for example DHL and UPS. This service, provided by Sendify, aims to make shipping easy and affordable. Thus, Sendify is not involved in the product sale, only the shipping of products. Sendify's customer segment is SMEs within both manufacturing and wholesale. The customers operate within both the B2C and the B2B markets. As described by Schwartz (2017), SMEs e-commerce adoption is slower compared to bigger companies. This is also recognized by Sendify (Product Manager M. Schagerström, personal communication, January 21, 2020).

1.2 Aim

The aim of this research is to explore if small companies within B2B consider a webshop to be a suitable part of their transition to e-commerce, and to what extent e-commerce is used among small companies. Additionally, this research aims to identify what aspects seem to drive companies to adopt e-commerce and which obstacles they face in the transition. This research will also compare small companies across two Swedish sectors: (1) manufacturing and industry (hereinafter referred to as manufacturing) and (2) wholesale. These sectors were chosen since they are diverse in terms of product and market characteristics, and both are big sectors in the Swedish market. By exploring the above aspects, we aim to understand and outline how these obstacles can be overcome.

1.3 Research Questions

To be able to fulfill the aim of this study, the following research questions have been formulated:

- Q1** How far have small companies come in the transition to e-commerce and are there differences across manufacturing and wholesale?
- Q2** What are the obstacles small manufacturing and wholesale companies facing in transitioning to e-commerce?
- Q3** How are these obstacles being overcome?

1.4 Limitations

Due to the research topic, this study is limited to investigating how far small companies within manufacturing and wholesale have come in their transition to e-commerce. The study will focus only on companies within the B2B segment. The theory that has been used to create an understanding for the study has been focused on SMEs, which can have up to 250 employees. However, due to time constraints, the interviews was conducted with companies with 1-20 employees in order to narrow the scope. The companies were all located in Sweden and the geographical aspect is therefore another limitation. Further, this research is not going to compare B2B with B2C.

1.5 Outline

Chapter 2 gives an overview of literature within relevant areas of research, for instance e-commerce, and characteristics for B2B and SMEs in Sweden. Chapter 3 describes the methodology of this study, including the research strategy and design, the research process, the data collection and analysis, and research quality. Chapter 4 presents the empirical findings of this study, the results from the conducted interviews, including drivers and obstacles for adopting e-commerce, and solutions to these obstacles. In Chapter 5, a discussion of the empirical findings is presented and contrasted with the theoretical background. Finally, Chapter 6 presents the conclusions.

2

Theoretical Background

In the following chapter, an overview of the literature that has been built around key concepts in this research will be presented. Concepts that will be addressed are the B2B market, SMEs in Sweden, limited to manufacturing and wholesale companies, B2B e-commerce adoption and finalizing the chapter, obstacles to adoption of e-commerce.

2.1 The B2B Market

Traditionally, there are two types of markets, consumer market and business market. The business market includes the industry and is defined as a company's interaction with other companies. The interaction refers to the relation with the suppliers, distributors and customers (Vargo & Lusch, 2011). The B2B market is dependent on profitable relations with the stakeholders and creation of additional value. This is accomplished by having a structure that promotes networking (Kotler & Armstrong, 2010).

The main characteristics of the business market can be divided into three categories: business structure and demand, the buying process and the decision process. Perhaps the most clear difference between the B2B market and the B2C is that B2B includes buying products or services to refine in a value-adding process, where B2C more often is a intermediary between production and end consumers (Kotler & Armstrong, 2010). This difference leads to different business strategies in the sales process. The B2B market tends to have bigger but fewer buyers and the variation of the possibilities of the products or services are more inelastic. This is due to the demand that is derived from other business units, which need the products to fit their production and value-adding process (Kotler & Armstrong, 2010). Regarding the decision making process, the B2B market includes more input from different departments like technical, operational and financial, and the process often involves large amounts of money. In the consumer market, the demand originate from single customers and therefore decisions are also made by single customers. This makes the decision process for B2B more complex and lengthy (Hermann, 2017).

In the B2B market, the customer usually returns to the same company and therefore the market is characterized by close relationships with a long-term purpose

(Fauska, 2012). This affects the pricing process of the products or services, in the B2B market the price is customer-specific and not fixed, and the latter is more common in the B2C market (Hermann, 2017). The communication within the business market is built on expertise and is therefore more straight forward. The business customers are familiar with the industry language and know what product or service they need for their own business. This leads to less misunderstandings and reverse supply management (Fauska, 2012). The main characteristics of the B2B market is summarized in Table 2.1.

Table 2.1: The main characteristics of the B2B market

Business structure and demand
Business market tend to have bigger but fewer buyers
Business demand is created by other business
Business demand is often inelastic
The buying process
Buying process involve expertise and industry knowledge
Less reverse supply management
Pricing of products is often customer-specific
The decision process
Business market face complex and long buying decisions
The process often involves large amounts of money
The process is dependent on close, long-term relationships

2.2 SMEs in Sweden

The classification SMEs stands for small and medium-sized enterprises and is established by the European Commission. The different categories are divided in micro, small and medium-sized companies and to be called a SME the company is not allowed to have more than 249 employees, an annual turnover over 50 million euros and/or an annual balance sheet total over 43 million euros (European Commission, 2020). The different categories are presented in Table 2.2.

Table 2.2: Size classifications for EU companies (European Commission, 2020)

Company category	Employees	Turnover	or Balance sheet total
Medium-sized	< 250	≤ €50m	≤ €43m
Small	< 50	≤ €10m	≤ €10m
Micro	< 10	≤ €2m	≤ €2m

SMEs have an important role in the society, both in terms of Swedish economy but also in regards to employments and social integration. In Sweden, SMEs represent

99,9 percent of all companies and stand for 33 percent of all employment (Holmström, 2019). Further, the estimated amount SMEs contribute to the Swedish GDP is around 125 billion euros, equal to about 59.2 percent of total GDP and therefore a important factor in the Swedish economy. As Schwartz (2017) pointed out in a study made in Germany, and what is shown in the report regarding Swedish B2B companies, SMEs are slower in adoption of e-commerce compared to bigger competitors (Litium, 2019).

Characteristics that differentiate SMEs from larger companies are their ability to be more flexible internally and their optimized communication. This is helpful in decision making or if customer demand change. SMEs are often structured more flat and are therefore less bureaucratic compared to larger companies, which can be an advantage in a changing market (Parida, Westerberg, & Frishammar, 2012). These characteristics often enable SMEs to be more innovative. Logically this should be an indicator that SMEs would be quicker to adopt e-commerce compared to larger enterprises. Conversely, SMEs do not have the same ability to spread risks over a wide product or service portfolio. Additionally, there are differences in the ability to allocate funds for R&D and SMEs might not have the same financial opportunities as their bigger competitors (Malecki, 2018). Comparing the structure of SMEs and large enterprises, in contrast to large enterprises, SMEs usually lack a management team and is organized without separate divisions for different business functions. This structure can lead to a more difficult decision making process if the company needs to make a decision regarding a big change (Munro, 2013). SMEs in Sweden are represented and dominates most industries and sectors today, e.g. in manufacturing and wholesale (Allabolag, 2019).

2.2.1 Manufacturing Companies

The manufacturing industry is one of the bigger sectors of registered companies in Sweden (Allabolag, 2019). The sector contributes and have a essential role for the export, employment, GDP and the welfare in Sweden, but the same pattern is seen in Europe (Soto-Acosta, Popa, & Palacios-Marqués, 2016). Of all manufacturing production in Sweden, the export stands for approximately 64 percent per year (SCB, 2020). In an era of technological developing, manufacturing companies are moving towards e-business technologies. This to be able to respond quickly to the demand from their customers, lower their operating costs but not at least to be able to compete globally (Soto-Acosta et al., 2016). The industries that are dominating within manufacturing and industry in Sweden are, metal, clothes and textiles, timber and wood products, and machines (Allabolag, 2019).

2.2.2 Wholesale Companies

Wholesales in Sweden is the eighth largest sector, and larger than manufacturing. The sector is represented within many industries, where the two largest are motor vehicles, spare parts and accessories, and clothes and shoes (Allabolag, 2019). The wholesale sector stands for 12 percent of all employment in Sweden and is therefore an important sector regarding employment of young professionals. In the group of

people between age 16 and 24, more than a fifth has an employment within wholesale (Svensk handel, 2019). The wholesale sector is an intermediary between manufacturing companies and end consumer. Subsequently, the manufacturing industry and the wholesale are dependent of each other, due to their supply of products and demands to each other (Svensk handel, 2019). According to Beck, Koenig, and Wigand (2003), the wholesale sector stands in front of big changes in their business processes due to digitalization and the development of e-commerce. The e-commerce reduces the physical contact in the exchange of the products and thus requires the company's expertise to be accessible online.

2.3 B2B e-Commerce Adoption

E-commerce provides a way for SMEs to compete globally with limited resources, and by being established online, SMEs can gain competitive advantage (Kartiwi & MacGregor, 2007). Additionally, e-commerce enables companies to efficiently reach end users (Fauska, Kryvinska, & Strauss, 2013), and also to improve organizational performance (Gamache, Abdul-Nour, & Baril, 2019).

The adoption of e-commerce can be described as a process with different stages and is illustrated in Figure 2.1. A common start for SMEs is to have a simple website, usually referred to as brochureware (Elbeltagi, Hamad, Moizer, & Abou-Shouk, 2016). By doing this, the company can establish an online presence and enables customers to find information about the company. The next step might be to organize a communication channel in order for customers to interact and request products or services. Elbeltagi et al. (2016) then suggest that more developed SMEs have incorporated electronic transactions, using online order systems where customers can finalize their order. During the last stage, SMEs have integrated their business operations with suppliers and supply chain partners (Elbeltagi et al., 2016).

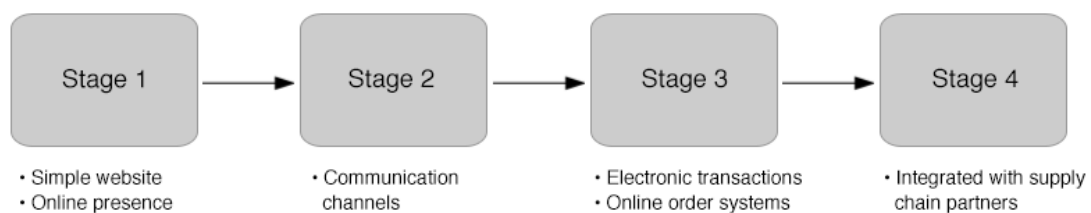


Figure 2.1: The four stages of e-commerce adoption

The incentives for implementing new digital technologies may vary, but one important goal is to reduce costs (Monroe & Barrett, 2019). One way to describe incentives for adopting a new technology is to discuss drivers (Oliveira & Martins, 2010). Drivers can be benefits that come with the adoption or pressure from competitors or partners. Grandon and Pearson (2004) construct a predictive model regarding

how the perceived strategic value of e-commerce influences willingness to adopt e-commerce, as illustrated in Figure 2.2. The perceived strategic value is affected by three variables. Organizational support defines how e-commerce can improve customer service, reduce costs and increase competitiveness. Managerial productivity defines how e-commerce can improve managers' productivity, provide better access to information and improve intraorganizational communication. Strategic decision aids defines how e-commerce can help managers with their strategic decisions by providing the necessary information. Grandon and Pearson (2004) also define five variables that influence adoption of e-commerce. Organizational readiness includes the technological and financial resources held by the company in addition to the company's values and culture. External pressure includes the state of the industry and how competitors behave along with social factors. Compatibility refers to that e-commerce should work with current business systems and processes. Perceived ease of use and perceived usefulness includes that the application should be uncomplicated to use and be beneficial to the user (Davis, 1989). The study found that all factors, except for organizational readiness, significantly influenced the decision to adopt e-commerce.

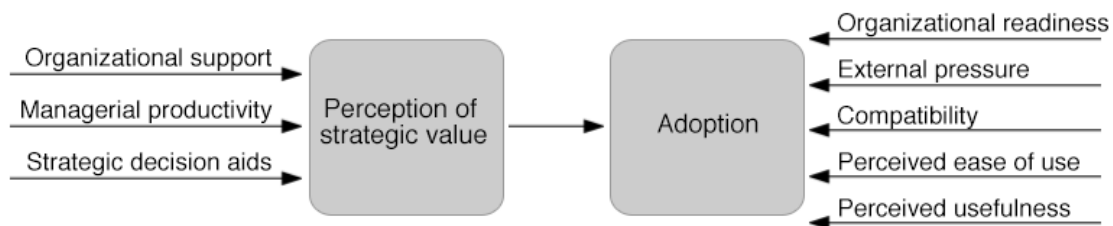


Figure 2.2: An adapted version of the values and factors influencing e-commerce adoption as visualized by Grandon and Pearson (2004)

2.4 Obstacles to e-Commerce Adoption

Companies can face several kinds of obstacles to e-commerce adoption, and these obstacles can be classified as external or internal, see Table 2.3 (Hadjimanolis, 1999). External barriers can then be divided into supply barriers, demand barriers and environmental barriers. Supply barriers refer to difficulties in gaining financial resources and technical information, demand barriers refer to customer needs and market limitations, and lastly, environmental barriers refer to security concerns. Similarly, internal barriers can be divided into resource barriers, culture and systems barriers, and human nature related barriers. Resource barriers refer to lack of funds or lack of technical knowledge. Culture and system barriers refer to e-commerce not suitable with the current way of doing business. Lastly, human nature related barriers refer to the attitudes of managers and employees.

According to Kartiwi and MacGregor (2007), SMEs in a developed country, such as Sweden, view technical issues as a larger obstacle compared to organizational barriers. One example of a technical issue is that the company do not have the

Table 2.3: Classification of barriers

External barriers	Internal barriers
Supply barriers	Resource barriers
Demand barriers	Culture and system barriers
Environmental barriers	Human related barriers

required technical knowledge in-house. This would be classified as a resource barrier, and thus an internal barrier. Previous studies have found several obstacles to e-commerce adoption for SMEs, and a summary of such obstacles can be found in Table 2.4. The classification between external and internal is made by the students since this was not always made by the original authors.

Table 2.4: Obstacles found by previous scholars

External obstacles	Reported by
Security-control barriers	Xiaoxiangyu and Bakht (2018)
Internal obstacles	Reported by
Low prioritization of e-commerce	Barnes, Hinton, and Mieczkowska (2003), Quayle (2002), Wilson, Daniel, and Davies (2008)
Unwillingness to change traditional business processes	Barnes, Hinton, and Mieczkowska (2003), Xiaoxiangyu and Bakht (2018)
Cultural issues	Barnes, Hinton, and Mieczkowska (2003)
Difficult to fit e-commerce with com- pany's current systems	Barnes, Hinton, and Mieczkowska (2003)
Requires expensive investments in IT	Barnes, Hinton, and Mieczkowska (2003)
Not convinced about benefits from e- commerce	Barnes, Hinton, and Mieczkowska (2003)
Lack of IT skills	Gamache, Abdul-Nour, and Baril (2019), Kartiwi and MacGregor (2007), Wilson, Daniel, and Davies (2008)
Absence of top management insight	Wilson, Daniel, and Davies (2008)
Lack of human resources	Xiaoxiangyu and Bakht (2018)
Financial barriers	Xiaoxiangyu and Bakht (2018)

Another factor hindering small companies from digitizing their business processes may be lack of digital expertise and resources (Gamache et al., 2019). SMEs often do not have the same financial and human resources as bigger companies have, which affects their ability to expand (Xiaoxiangyu & Bakht, 2018). Additionally, Wilson, Daniel, and Davies (2008) found that understanding how to make e-commerce useful for the business seems to be a greater barrier than the actual implementation of the technology. This could be explained by the availability of consultancy services, making the need of having IT competencies in-house unnecessary. Another obstacle for e-commerce adoption might be its low prioritization by SMEs (Wilson et al., 2008). However, it is important to make prioritizations based on the current customer and supplier demand in order to stay in tune with the market.

3

Methodology

In this section, the methodology used for this research will be explained. Firstly, the research strategy and design will be presented. Secondly, the research process, how the data was collected and further on analyzed. Lastly, the research quality will be discussed.

3.1 Research Strategy and Design

The aim of this research was to understand how far small manufacturing and wholesale companies had come in their transition and adoption of e-commerce, and what were the main obstacles they faced. Additionally, the aim was to identify which solutions they found to said obstacles. This aim was fulfilled using an inductive research approach. This research approach was chosen due to the purpose to explore, identify and evaluate relevant data (Blaikie, 2009). The students did not state any hypothesis in the beginning, instead the collected data were explored, patterns were identified and this was evaluated and then outlined in the result. This approach was relevant and had the right conditions to be able to answer the research questions of the study. The research questions were formulated with a purpose to explore, identify and building theory which is the basis for an inductive research approach (Blaikie, 2009). By learning, thinking and developing theory from collected data, the students followed a constructivist perspective and through this approach came to knowledge. The constructivist perspective was a relevant approach due to that the area of research were novel for the students.

To be able to answer the three research questions, the chosen methodology was a qualitative approach. The data collection was accomplished through a literature review and by conducting interviews. The purpose of the literature review was to create an understanding and a background for the underlying reasons of the research topic, what obstacles there are for small companies within manufacturing and industry and wholesale to adopt e-commerce. The collection of the literature were both from primary and secondary sources, such as reports, empirical studies and peer reviewed articles.

The results were compared across two sectors, companies within manufacturing and companies within wholesale to provide a more heterogeneous observation. The

collaboration with Sendify provided the students with 11 of the 20 interviewees whereas the remaining 9 were contacted by the students themselves and found at allabolag.se. Sendify reached out to approximately 120 companies in their customer base, and 11 of them agreed to participate in an interview. The students reached out to 78 companies in total, and 9 of them agreed to participate. This resulted in an overall response rate of 10 percent. The companies were chosen randomly and only companies with a website were contacted by the students.

3.2 Research Process

The research process chosen for this study is pictured orderly in Figure 3.1. The figure exhibits the process with the beginning of the pre-study which was the first step in this research and provided the students with the idea of the research questions for this study. Further, the students studied relevant literature in the subject to build an understanding of the theoretical background together with the data collection from interviews. These steps generated the results and further the discussion and conclusion of the research.

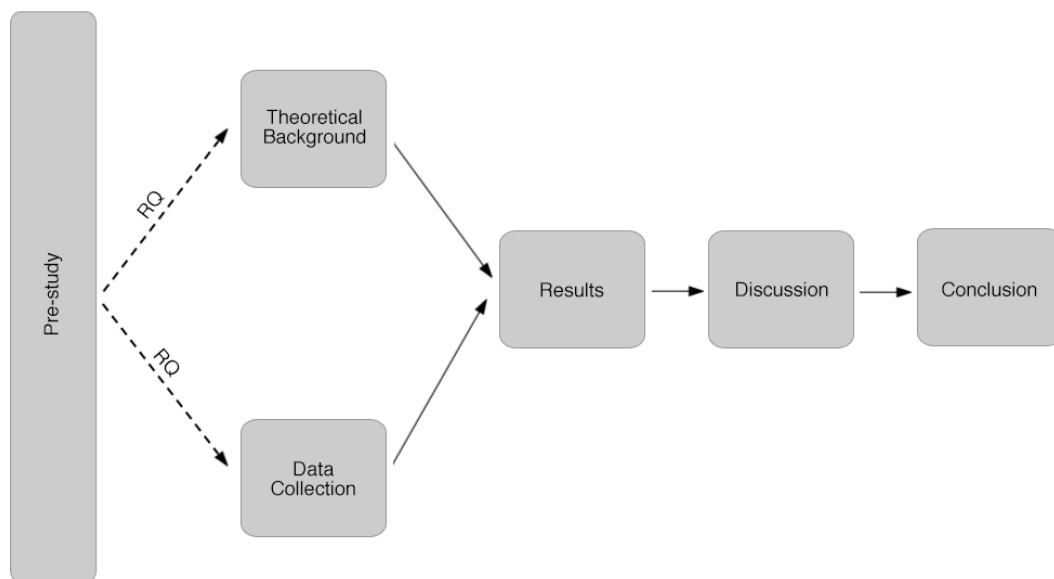


Figure 3.1: The research process, step by step

This research started with the students interest of the interplay between technology and human as well as with digitalization. The interest generated in the pre-study were the students decided to focus on e-commerce adoption where the B2B companies seemed to have a slower adoption rate compared to B2C. To be able to further investigate this and to have access to SMEs operating within the B2B market, the students turned to Sendify. Sendify had also recognized this situation and offered supervision and access to companies in terms of customers to interview.

The students created a theoretical background and acquired knowledge on how to

do qualitative interviews to make sure that the collected data was useful for the research. Further the students formulated an interview template (see Appendix A) which was discussed with Sendify and the supervisor. Then the primary data collecting started with semi-structured interviews, and all interviews followed the same template. When all the interviews were done, the recorded data were transcribed and the analysis of data started by using different codes and categories. The findings from the interviews were further compared with the theoretical framework and outcomes in terms of similarities and changes were exposed. These findings resulted in a conclusion and with thoughts for future research.

3.3 Data Collection

The primary data collection for this research was accomplished, as mentioned earlier, by conducting interviews. The interviews were semi-structured with open-ended questions. This structure was chosen to be able to explore and identify the underlying reasons for which obstacles existed in the B2B e-commerce. The interviews were conducted with 20 different small companies, 11 of these were customers to Sendify and nine were not customers. This sample was chosen in order to obtain a diversified pool and to avoid possible bias. To obtain a heterogeneous sample, companies across two sectors were compared: manufacturing and wholesale. The allocation between industry and customers/not customers to Sendify is presented in Table 3.1. The sample for the interviews were equivalent in terms of amount of employees, namely 1-20. The respondents were persons with good knowledge and insight of the company and its processes, most often this person was the CEO and/or owner of the company.

Table 3.1: Interviewed companies and allocation between industries

	Sendify customers	Non Sendify customers	Total
Manufacturing	7	5	12
Wholesale	4	4	8

The companies in the sample operate within a wide range of industries. For example, one company within the manufacturing sector is a manufacturer of equipment for use in ambulance while another company manufacture a small plastic clip. Further, there were a wide range in regards to the product portfolio of the companies. Some companies had only one key product, were others offered different products for different type of industries. Additionally, some of the companies were family own over several generations. Moreover, some of the companies operate only within Scandinavia, whereas others had their customers in Europe and world wide. The revenue of the sample had a range between 1 to 75 millions per year.

The first contact with the companies were made by email where they received background information about the purpose of the research and the identity of the researchers were presented. Additionally, confidentiality were discussed. The interviews were conducted either in person or by phone. Either way the interviews were

audio recorded, if approved by the interview participants. The average length of the interviews were 20 minutes and the total length of all the interviews were 6,5 hours. The interviews were held in Swedish and therefore the referring quotes in this report have been translated by the students.

3.4 Data Analysis

After the interviews were completed, the recorded data were thoroughly transcribed, which resulted in 85 pages of text. Further on, the students applied an iterative coding process inspired by content analysis which is suitable in a inductive research (Bell, Bryman, & Harley, 2018). The process is visualized in Figure 3.2. This process enables coding into categories which can relate to the research questions. Initiating the analysis, and creating an understanding for the collected data, the transcriptions were thoroughly read through. Thereafter, the students noted down codes from the transcribed material which could relate to the research questions. This is, according to Easterby-Smith, Thorpe, and Jackson (2015) also the first step to process the collected data in Open Coding. Further, statements and relevant phrases were placed in the different categories and the students applied comparative analysis and tried to see connections, patterns and differences between the different industries as well as companies. After this step, dividing the data into codes and categories, the students did a focused re-coding by doing a rework from the codes to the uncoded data, this to finalize the categories and the collected data can once again be fitted in. This process reduces the risk of personal biases (Easterby-Smith et al., 2015).

When the coding and analysis of the interviews were done the findings were compared with the literature findings and both patterns and differences could be determined. This was especially relevant to be able to answer the research question regarding obstacles. To easier create an understanding for the root causes and which factors that induce the obstacles, the empirical obstacles were classified according to Hadjimanolis (1999). This process is visualized in Figure 3.3.

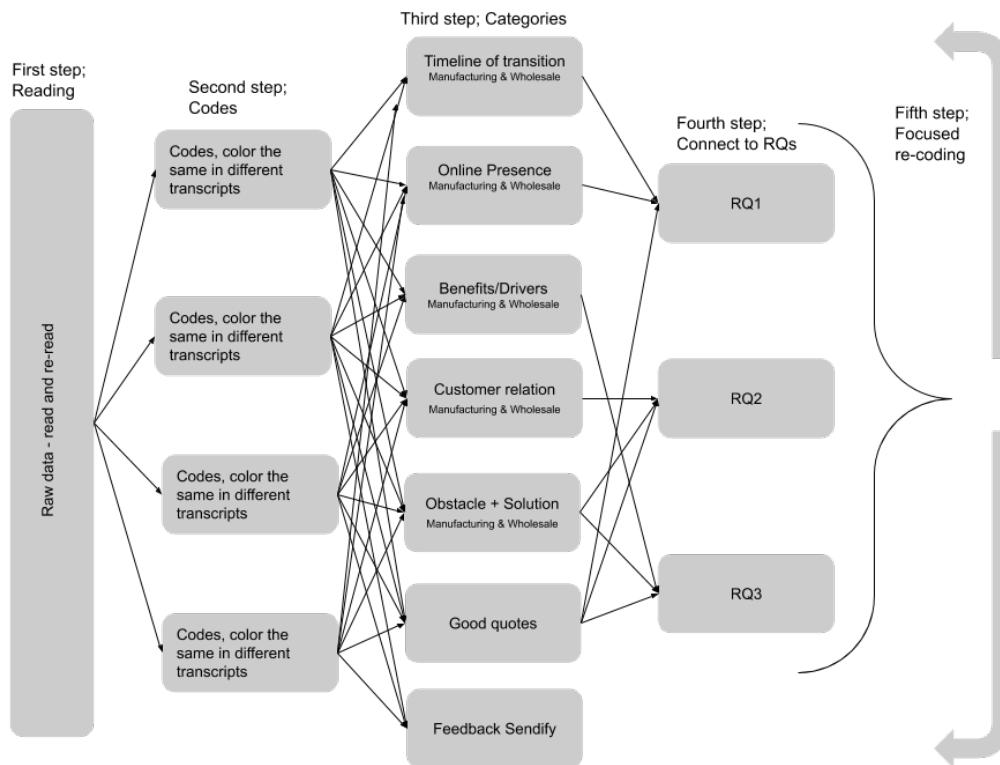


Figure 3.2: The analysis process, step by step

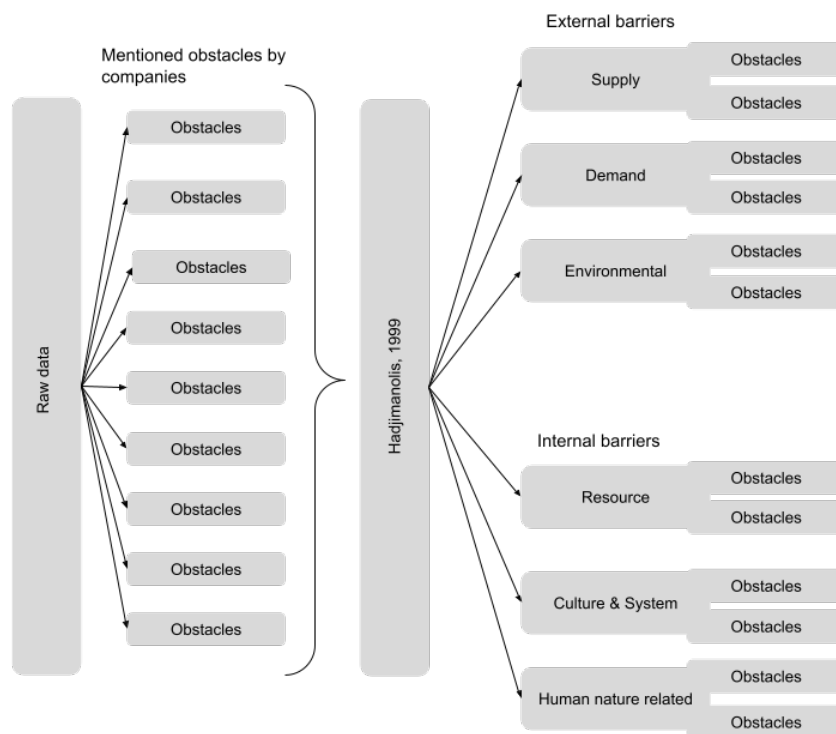


Figure 3.3: Analysis of obstacles according to Hadjimanolis (1999)

3.5 Research Quality

To be able to ensure a high quality in this research, the students have followed what Bell et al. (2018) suggest is the most important component, trustworthiness. The concept is built of four factors: credibility, transferability, dependability and confirmability. To provide credibility all the conducted interviews were transcribed and then sent back to the respondent to ensure that the respondent had understood the questions in the interview and to confirm the content. This approach creates respondent validation. 19 of the 20 interviewees approved the transcription directly, whereas one interviewee wanted to delete certain parts before giving approval. Further, the students used multiple sources to collect the data, which also is a way to ensure credibility through triangulation (Bell et al., 2018). The data collection for this research include a literature review with scientific articles that are up to date, interviews have been conducted with customers to Sendify and compared with companies with the same selection criteria. Also a comparison between two different types of industries causes the results of this research to get a higher transferability due to the context of the research can be applied to similar companies that are in their transition to e-commerce. To be able to ensure dependability, both for the respondents and for this report, all collected data, for example interview notes, recordings, transcripts were kept and registered only for the students use. The interview template were confirmed by Sendify and the supervisor to ensure credibility. This area of research was new for the students and none of them had any personal values in the topic, and therefore they could have a objective view on the research, which ensures confirmability.

Before the interviews, all respondents were informed that the interview was voluntary, anonymous and the respondents could refuse to answer any questions. Consent regarding recording were assured and before the interviews started the research area and aim were explained so the interviewees could refuse to participate if desired. This approach follow the suggestions by Bell et al. (2018) for ethical research.

4

Empirical Findings

In this chapter, the collected data from the interviews will be presented. The data is visualized in figures and tables and is divided into four categories. First, the transition to e-commerce is shown through two timelines. Further, the companies customer relationship and online presence is described. During the interviews, several drivers of e-commerce adoption were mentioned and these are presented in two tables. Further, the data about obstacles and solutions to transition to e-commerce is visualized in tables. All the figures and tables are divided for each industry, manufacturing and wholesale, to be able to do a comparison in the next chapter.

4.1 Transition to e-Commerce

During the interviews, the companies received questions regarding their transition to adopt e-commerce. The answers were divided into six different phases, which is shown in the list below. The answers were ranging between that the companies had considered to adopt e-commerce but decided that it were not suitable for the products or customers, and to that they had already launched a webshop.

1. Have not considered e-commerce for our business
2. Have considered, but it is not suitable for our products and/or customers
3. Want to use e-commerce in the future but have not started any transition
4. Have started to develop a webshop
5. Just about to launch a webshop
6. Have already launched a webshop

The division between the different phases that the manufacturing companies mentioned in the interviews is shown in Figure 4.1. The amount of companies that had decided that e-commerce is not suitable for their business were equal to the amount of companies that had already launched a webshop.

The result of the wholesale companies is shown in Figure 4.2. The data shows that

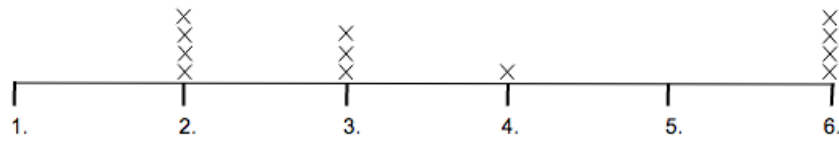


Figure 4.1: The transition to e-commerce for manufacturing companies

the most common answer was the phase where companies already had launched a webshop. Notable is that both sectors had considered the option to adopt e-commerce, not a single company said that they had never thought of the possibility.



Figure 4.2: The transition to e-commerce for wholesale companies

4.1.1 Customer Relationship

During the interviews, the interviewees received questions about the relationship with their customers. The questions were aimed to investigate which communication channels the companies used and which purpose the relationship with their customers had. The answers to the questions were similar from both sectors. The companies mentioned several ways of communication channels, for example e-mail, visits, social media (YouTube and Facebook), but the most common way to communicate was by phone. One interviewee explained that this way of communication generated quick answers for the customers and it creates a trust for both the product and that the order is received correctly. Additionally, the companies were asked questions about their level of customer contact, and there is no connection between the level of customer contact and the adoption of e-commerce.

The most common answer for the question of which purpose the relationship had for the business, was that the relationship is mostly a service for their customers. Additionally, by providing an informative support, the customers could feel secure about buying the right product. If the business were built on non-standardized products, the company could not expect the customer to be able to make the purchase without support. On the other hand, some companies said that a close relationship could be time-consuming. One company explained that on the one hand, the close relationships you gained with your customers by phone or visits are good for the business, but on the other hand, it usually results in many calls back and forth which takes time and is inefficient. One interviewee said:

“In a small town like this, where you know most of the people, a lot of people call us and just talk nonsense. Like about the hockey yesterday or that they will ride a motorcycle this afternoon, so a lot of time is lost there.”

4.1.2 Online Presence

All of the interviewed companies have a website, and during the interviews they were all asked about how the website is used and what the purpose of the website is. The answers received from manufacturing companies are presented in Table 4.1. An informative website contains information about the company, the products and services it delivers, and contact information. Digital tools are for example Google Ads and search engine optimization, but also that the company makes use of social media, for example YouTube and Facebook. Established communication channels means that customers can place an order through a form, or chat directly with an employee. Online order systems is equal to a webshop. The majority of the manufacturing companies use their website to provide information to customers. Some companies said that the website was mediocre, and one interviewee said: *“Yes, a very poor website. This is how it is, I am an old man, and I have worked in this industry for many years, and the business is based almost exclusively on personal communication.”*

Table 4.1: Manufacturing companies use of websites

Website function	Number of companies
Informative and simple	6
Informative but uses digital tools	1
Established communication channels	1
Online order system	4

The wholesale companies received the same questions about their websites and their answers are presented in Table 4.2. The majority of the wholesale companies had a webshop up and running, and when they were asked about what proportion of sales that went through the webshop, the answers ranged between 10 and 40 percent. One answer that was mentioned in many of the interviews, both by manufacturing and wholesale companies, was that the website was used for marketing.

Table 4.2: Wholesale companies use of websites

Website function	Number of companies
Informative and simple	2
Informative but uses digital tools	1
Established communication channels	1
Online order system	4

4.2 Drivers of e-Commerce Adoption

During the interviews, several drivers were mentioned by the companies when talking about the transition to e-commerce. The drivers mentioned by manufacturing companies are presented in Table 4.3. The only driver that was mentioned more

than once is higher margins. According to the companies that mentioned higher margins, this was caused by being able to cut out distributors and other middlemen. Almost all of the mentioned drivers can be considered to be benefits, except for having a webshop as a service for customers. One interviewee said that if they have a website where they present their products, they might as well have an order function in order to ease the buying process for the customers. One interviewee emphasized that after they launched the webshop, they received requests from new customers outside their current customer base.

Table 4.3: Drivers mentioned by manufacturing companies

Drivers
Higher margins
Less administrative work
Can reach new customer segments
Provides a possibility to grow
Closer relationship with customers, can cut out distributors
Webshop as a service for customers

The drivers that wholesale companies mentioned during the interviews are presented in Table 4.4. Wholesale companies mentioned drivers to a greater extent compared to manufacturing companies, and three drivers were mentioned more than once. These were webshop as a service for customers, a well-built webshop attracts customers by itself, and can gain customers, regardless of geography. The motivation for webshop as a service was similar to the motivation by manufacturing companies, and a wholesale company mentioned that their customers had explicitly asked for a webshop. Two wholesale companies emphasized that a well-built webshop generate sales by itself, creating capital flow with minimal effort. This is similar to the drivers can gain customers and can reach new customer segments, since a webshop makes it easier to reach outside the current customer base.

Table 4.4: Drivers mentioned by wholesale companies

Drivers
Webshop as a service for customers
Low competition online if you are an early adopter
Easier to upsell
Higher margins
Can gain customers, regardless of geography
A well-built webshop attracts customers by itself
Customers can order around the clock
Easier to collect data about customers behaviors
Shorter lead times
Can reach new customer segments
Reduced workload for staff

The interviewee that mentioned shorter lead times motivated this by saying that they would save time if the orders came through the webshop compared to by phone or e-mail. One interviewee believed it was easier to upsell in a webshop using digital tools, compared to doing it in person. Further, one wholesale company discussed the possible benefits with e-commerce, and said that a webshop could be a great starting point of a new relationship:

“I believe that one positive aspect would be that we could reach more customers. It would create more work for us because if the customer can find us, are able to buy a product and we do a good work with the product, then we can help them with so much more. And if the product is the right product for the right price, it will usually be a good deal for both parties.”

4.3 Obstacles to e-Commerce Adoption

Further in the interviews, several obstacles for transition were mentioned. In Table 4.5, all the obstacles that the manufacturing companies mentioned during the interviews are presented without particular order. The obstacles were varying in character but many companies mentioned that the use of a webshop were not suitable for their business, e.g. the products are too complex, expensive or non-standardized. The companies explained that their customers need more assistance than just information on a website to feel secure to be able to complete a purchase. One manufacturing company explained why their products are not suitable for a webshop like this:

“It is a partly a price issue. It is one thing to buy a pair of shoes online which costs a few hundred SEK, but to buy a machine for a million or two, you just do not do it online. You want to be absolutely sure that the customer orders exactly the right machine and not just pick something like that. So yes, one would think that the very smallest standard machines could go online but honestly, I see a very small need for it. It is such a small volume, we deliver 40 machines a year with a price range of between 150,000 maybe for the cheapest one to, this year the most expensive was 18 million, so it is not a pair of shoes or a blouse or anything like that. So no, I do not see that it is suitable for this and it is not because I am resisting new technology, it is just that I do not think it fits. It has to be right and if it gets wrong, like if you do some kind of e-commerce for these machines and the customer order it and then the machine comes and it turns out it is not exactly what they had been thinking, who is at fault then? Is the fault on us, or on them, or on the website?”

The most common obstacle that the manufacturing companies mentioned were that if they would launch a webshop it would compete with their own resellers and distributors. One interviewee said: *“We have a distributor that sells worldwide and he has been a customer since day one, i.e. for more than 20 years. That means if we push the button and do so [start a webshop], we throw out our 20 year old customer who also is our third largest. It is like a mental barrier that one must overcome, so it is both logical and even a little bit emotional. It is like okay, we launch this now*

and run over everything old.”.

Table 4.5: Obstacles to adoption mentioned by manufacturing companies

Obstacles
Time constraints
Lack of time, not prioritized when business is good
Not suitable, too niche product
Not suitable, too complex product
Not suitable, too expensive product
Too customized, non-standardized product
Customers need assistance when buying
Costs for developing
Do not want to compete with their own reseller
Do not have the competence for developing
Not suitable for the customers
The interface between supplier and customer is not suitable
Behavior of buying process due to conservative industry
Hard to communicate and develop the webshop when using foreign IT support
Technical issue, like payment solutions
Technical issue, not the same products/prices for all customers
The annual sale is not big enough
Difficult to show what distinguish from competitors' products on a website
Difficulties with responsibility, with whom lies the responsibility if a customer incorrectly orders a very expensive product
The business model requires another sale process due to public procurement
No ambition for expanding the business, therefore no ambition to change the business model
The possibility (risk) to expand internationally requires another structure of the organization
B2B is dependent of close relationship and therefore not suitable for e-commerce
The perception of the importance of developing a webshop is a generational issue

Further, one additional obstacle that was mentioned was that the perception of the usefulness of a webshop may be a generational issue, and that this affects the way you work. One interviewee explained that when he wants to place an order, he usually calls or sends an e-mail, while his 25 years younger colleague rather orders it from a webshop.

Many of the obstacles that were mentioned by the wholesale companies during the interviews were of the same character as the one that were mentioned by the manufacturing companies, and are presented in Table 4.6 without particular order. One interviewee explained that private customers do not have their own systems and therefore he thought that e-commerce is more attractive for private customers. Additionally, another interviewee shared his thoughts on why e-commerce adoption was

further developed in the B2C market compared with the B2B market, and said:

“So with corporate customers we send digital invoices through the system, but during the transaction itself, they usually still need to talk to us and get advice. So it is difficult to release completely in a webshop. Because then the risk is quite high that they buy the wrong things, and then we have to spend a lot of time on sending the things back and forth when they need to return them. So we are not really home yet, but the systems are there. So there is no limit regarding the systems any longer, it is more the buying behavior and the delivery precision that can be a little uncertain then.”

Table 4.6: Obstacles to adoption mentioned by wholesale companies

Obstacles
Too customized, non-standardized products
Time constraints
Costs for developing
Too expensive products
The interface between supplier and customer is not suitable
Difficult to show what distinguish products on a website without personnel expertise
Margins for products fall due to the ability to compare with other companies
A webshop does not have limitations in terms of number of orders, which can generate a lot of work that the company is not ready for in organizational terms
Less contact with customers
Worries from customers that an online order will not be delivered as quickly as if the order was placed in person
Do not have the competence for developing
Not suitable for the customers
Technical issue, can not have the same price online as in store due to competition
Behavior of buying process due to conservative industry
Risk for incorrect orders from customers, increased work with reverse supply management
B2B is dependent of close relationship and therefore not suitable for e-commerce
The perception of the importance of developing a webshop is a generational issue
Do not want to change the current behavior of the recurrent customer
The possibility (risk) to expand internationally requires another organizational structure

4.4 Solutions to Overcoming Obstacles

During the interviews, several solutions to overcoming some of the obstacles to a webshop were mentioned. However, the companies have not been able to find solutions to all obstacles. The solutions mentioned by manufacturing companies are presented in Table 4.7. For example, companies mentioned that they had solved

the obstacle of too customized products by using a webshop as a complementary business, where only standardized products were offered. Another solution was to create a very informative webshop with videos and designs of all products, in order to provide the expertise of the staff online. In the cases where the companies did not want to use a webshop because of the risk to compete with their own resellers, some of them had developed the business further and added complementary products which could be sold online. Regarding the difficulty to show what distinguishes products from competitors' products in a webshop, one company had solved it by using an offer where the customers could try the product before payment. The interviewee said:

“E-commerce is definitely an alternative for the industry as such, because there are more and more people using it, the maturity is increasing fast now and it is widely spread. The difficulties, or the challenges, lie in explaining how the products work and the advantages you have in our products compared with the competitors’, and this is difficult to communicate on a website. It has to be experienced, you need to have a product so people can try it.”

Table 4.7: Solutions to overcoming obstacles mentioned by manufacturing companies

Obstacles	Solutions
Too customized, non-standardized products	Sell standardized as a complementary business Use a platform where customer can get design and information about spare parts Show product information and technical data
Do not want to compete with their own reseller	Sell other products online, not the ones that compete
Do not have the competence for developing	Outsource the development Recruit a new employee with the right competence
Hard to communicate and develop the webshop when using foreign IT support	Develop competence internally
Difficult to show what distinguishes from competitors' products on a website	Use offers of trying the products before payment

The solutions the wholesale companies mentioned during the interviews are pre-

sented in Table 4.8. One company had solved the problem of transferring their expertise to online in a similar way that some of the manufacturing companies had done. The company explained:

“Right from the beginning we have worked quite hard with instructional videos. We have also tested having a chat, because then we can pretty much do the same job that we do in the store, when we get one thing on the counter and we can decide for ourselves what it is. We can not do that digitally, so we need to translate our role behind the counter into something digital. Our idea is that the chat and a lot of movies can help the customers to order the right thing before we send it. I think we have 60 to 70 movies on our YouTube channel, and that we use on our website.”

Table 4.8: Solutions to overcoming obstacles mentioned by wholesale companies

Obstacles	Solutions
Too expensive products	Well known brand make customers willing to buy even expensive products online due to "you know what you get"
Difficult to show what distinguish products on a website without personnel expertise	Use informative pictures and social channels
Margins for products fall due to the possibility to compare with other companies	A visualizing webshop can generate increased sales due to complementary products which the customers can see
Less contact with customers	Calling customers with updated information about the orders Less contact with customers turn to time which is valuable
Worries from customers that an order at e-commerce will not be delivered as quickly as if the order being placed in person	Visualize on webshop "order before xx o'clock and the order will be delivered xx"
Risks for incorrect orders from customers, increased work with reverse supply management	Social channels and informative pictures

During the interviews, one company said that one concern prior to launching the webshop had been that the margins would fall. This was explained by the possibility customers would have to do price comparisons, and then customers could buy the product at the lowest price in another webshop. The interviewee said:

“What we thought before we developed the webshop was that our margins would shrink, because you are very exposed on the web, you can compare very easily. If you are going to buy anything, people might find it on our site and then just google it and see if you can buy it somewhere else. However, we have noticed that our margins increased instead, on average. Our customers have discounts on various selected product areas, but when you have a webshop and they can shop the entire range, it happens that you buy things that are off your discount area. You are on the site looking to buy a drill but then you see, oh, they have detergent here too. And then they may not have the right prerequisites for it, because they have never purchased it from us before and therefore they have not negotiated the price, and our margins increase instead.”

5

Discussion

In the following chapter, the empirical findings will be discussed in relation to information from the theoretical background in order to answer the research questions. In the first section, manufacturing and wholesale companies' transition to e-commerce is compared and discussed. In the second section, the obstacles the companies face during transition is discussed and divided into external and internal barriers, in order to understand the underlying causes. Lastly, companies' solutions to overcoming these obstacles are discussed.

5.1 Small Companies' Transition to e-Commerce

The timelines presented in Section 4.1 show that wholesale companies have come a bit further in their transition to e-commerce, compared to manufacturing companies. The data shows that wholesale companies reject e-commerce to a lower extent, since only 25 percent had decided to not adopt e-commerce, compared to 33 percent for manufacturing companies. As mentioned in Chapter 4, all interviewed companies have considered e-commerce, which indicates that there are some kind of drivers present for all of them. Additionally, it seems like manufacturing companies find it more difficult to start the transition to e-commerce. The reason for this could be that manufacturing companies struggle to make e-commerce useful for the business to a greater extent compared to wholesale companies, which is a large barrier according to Wilson et al. (2008). This is due to the greater focus on customized products held by manufacturing companies.

All of the interviewed companies have a website, which means that all of them have reached the first stage of e-commerce adoption as proposed by Elbeltagi et al. (2016). This indicates that all of the companies have established an online presence, and in many cases, the motivation for this was marketing. The majority of the manufacturing companies, i.e. six of them, were still in the first stage of their transition. As discussed in the empirical findings, at least one company had put very little effort into the website, which further proves that they saw little value in e-commerce. However, four of the manufacturing companies had an online order system, which is consistent with the third stage of e-commerce adoption described by Elbeltagi et al. (2016). The remaining two companies have reached the second stage, meaning they have established communication channels, and also utilize social

media. However, the data does not tell if the companies have progressed further and integrated their operations with suppliers, and therefore this aspect can not be discussed.

The wholesale sector shows a higher proportion of companies that have reached the third stage of e-commerce adoption, compared to manufacturing companies. Only two of the wholesale companies are still in the first stage, and an additional two companies are in the second stage, implying that they have come further in their adoption of e-commerce. Furthermore, wholesale companies mentioned drivers to a greater extent compared to manufacturing companies, which could explain the differences in how far the sectors have come in their transition to e-commerce.

In order to discuss the drivers mentioned by the companies, the drivers are compared to the factors in the e-commerce adoption model proposed by Grandon and Pearson (2004). In order for companies to start the transition to e-commerce, it is argued that managers need to realize the strategic value e-commerce can bring. For instance, for manufacturing companies, higher margins and less administrative work can be seen as factors associated with organizational support and hence contributing to the perceived value. Wholesale companies mentioned similar drivers as manufacturing companies, but also added several drivers. One driver mentioned by wholesale companies is that a well-built webshop attracts customers by itself, implying that their customers do not need the same support during purchases compared to customers to manufacturing companies. Essentially, all drivers mentioned by the companies affect the perceived strategic value and therefore the decision to adopt e-commerce. However, it seems like some companies encounter other barriers hindering the adoption. These barriers are mostly linked to external pressure and compatibility. On the one hand, there are companies that recognize the value of e-commerce but experience compatibility barriers, and on the other hand, there are companies that have all the prerequisites but do not recognize the value. This could explain the differences in how far the companies have come in their transition to e-commerce.

5.2 Obstacles to e-Commerce Adoption

The obstacles that are visualized in Section 4.3 were divided into different sectors. To easier create an understanding for the root causes and which factors that induce the obstacles, the empirical obstacles are classified as external or internal, as described by Hadjimanolis (1999). The obstacles are categorized and visualized in Table 5.1 and Table 5.2. According to the empirical data, the internal obstacles were more prevalent and in line with the obstacles found by previous scholars. This could be because of the interviewed SMEs are all located in Sweden which is a developed country. A developed country is assumed to provide good conditions for companies, and this might be a reason for why internal obstacles are of greater importance compared to external obstacles. However, the empirical data shows differences regarding culture and system barriers compared to what is found in previous literature. Several of the interviewees described the absence of a clickable product within their

product range as an obstacle for launching a webshop. Further, the obstacles were explained in terms of the products are too complex, too niche, or too expensive to be suitable for online sales. This type of obstacle is not present in the literature by previous scholars. However, it is mentioned to a great extent in many of the conducted interviews, indicating that it is of great importance.

Table 5.1: Empirical obstacles classified as external barriers

Supply barriers
Costs for developing
Hard to communicate and develop the webshop when using foreign IT support
Technical issue, like payment solutions
Risk for incorrect orders from customers, increased work with reverse supply management
Demand barriers
Customers need assistance when buying
Too customized, non-standardized product
Not suitable for the customers
Margins for products fall due to the ability to compare with other companies
Worries from customers that an online order will not be delivered as quickly as if the order was placed in person
Behavior of buying process due to conservative industry
Environmental barriers
The business model requires another sale process due to public procurement

As an external barrier, some interviewees mentioned the customers' unwillingness to use a webshop. This could be due to the customer acting in a conservative industry or that the customer was not ready for the e-commerce, either physically or mentally. In those cases, it seems like the issue lies with the customers but the obstacle affects the business of the companies. Due to this kind of demand barrier, is it motivated for the companies to reject e-commerce, should they try to target new customers with other demands? According to Wilson et al. (2008), it is important to prioritize and make decisions that promote the current customer and supplier demand, in order to remain competitive and in tune with the market. Hence, the existence of demand barriers leads to obstacles which are hard to overcome. As a result, e-commerce might not be for all companies due to the difficulty to change the behavior of the customers.

The classification of internal barriers is presented in Table 5.2, and an interesting finding is how few resources barriers that are mentioned by the interviewees, compared to the other categories. This implies that the companies' resources are not an obstacle. The companies have the capacity to develop, recruit or outsource the needed competences, and the obstacles are more related to systems and human barriers. Similarity to the findings of Wilson et al. (2008), the implementation of the technology does not seem to be the actual problem, but rather the understanding

of how to make the webshop useful for the business and the customers. The implementation is mostly connected to finance, which has not been mentioned as a big obstacle in the vast majority of the interviews.

Table 5.2: Empirical obstacles classified as internal barriers

Resource barriers
Time constraints
Do not have the competence for developing
The annual sale is not big enough
Culture and system barriers
Not suitable, too niche product
Not suitable, too complex product
Not suitable, too expensive product
The interface between supplier and customer is not suitable
Technical issue, not the same products/prices for all customers
Technical issue, can not have the same price online as in store due to competition
Difficult to show what distinguish from competitors' products on a website
The possibility (risk) to expand internationally require another organizational structure
A webshop does not have limitations in terms of number of orders, which can generate a lot of work that the company is not ready for in organizational terms
Do not want to change the current behavior of the recurrent customer
Human nature related barriers
Lack of time, not prioritized when business is good
Do not want to compete with their own reseller
Difficulties with responsibility, with whom lies the responsibility if a customer incorrectly orders a very expensive product
No ambition for expanding the business, therefore no ambition to change the business model
The perception of the importance for develop a webshop is a generational issue
B2B is dependent of close relationship and therefore not suitable for e-commerce
Less contact with customers

When discussing the adoption of e-commerce for the manufacturing and wholesale companies interviewed in this study, one important aspect to consider is that these companies operate in the B2B market. The B2B market is built on close relationships between sellers, suppliers, resellers and customers, and these relationships have a long-term purpose since the customers usually return to the seller. Many of the interviewees talked about the close relationships with their customers and said that many working hours were devoted to assisting customers. They confirmed this characteristic and viewed it as an important part of the business. Additionally, the importance of the relationships with resellers were highlighted in several inter-

views, and explained that staying on good terms with their reseller was a win-win situation. Further, the buying decision does not usually lie within one individual but rather, the process is often longer, more complex and requires more input from different stakeholders. This leads to the question, is e-commerce really suitable for the B2B market? At the same time, many of the interviewees mentioned a willingness to become more efficient and shorten lead times as drivers for e-commerce adoption. However, there is a risk that this efficiency will be at the expense of the customer relationship, since many of the interviewees mentioned phone calls as an important part of building relationships. Additionally, the obstacles of customized or too complex products were emphasized more during the interviews compared to the obstacles connected to customer relationship. The concept of customization is dependent on interaction between seller and customer and is not possible without any kind of relationship, implying that companies selling customized products face larger obstacles compared to companies selling standardized products.

5.3 Solutions to Overcoming Obstacles

Some companies have decided that a webshop is not an option for them, since they sell expensive and complex products and find these hard to sell online. The risk of customers ordering the wrong product would create an additional workload with returns and might lead to unsatisfied customers. This type of obstacle were mentioned by several companies but some of them had been able to solve these obstacles, at least partially. By using social media, communication channels and informative pictures, some companies had managed to overcome culture and system barriers. However, since digital technologies are constantly developing, it is possible that these companies will need to reconsider their decision in the future in order to not become obsolete.

The internal obstacles that are connected to resource barriers seem to have quite straight forward solutions. During the interviews, several solutions on how to acquire the needed competence were mentioned. The companies explained how they had outsourced the development of a webshop, recruited new employees with relevant experience or how they were able to develop it in-house. The obstacles that are connected to culture and system barriers, for example that products are non-standardized, are solved with a different approach. The root cause is hard to overcome and part of the solution is instead to complement the business with other types of products, for example, product accessories and consumables. These products should have other conditions that are more suitable for a webshop, in order to keep the core business with the current customer base. By adding new products, they can develop the company's business model and be a part of the transition to e-commerce and remain competitive.

The worries of losing contact with the customers as a result of launching a webshop, which would affect the customer relationships negatively, were stated during the interviews. However, some companies discussed that the contact not necessarily needs to be revolving around assistance regarding purchases. Even if the purchase

is placed in a webshop, the traditional contact could be converted into informative communication with updates regarding deliveries. At the same time, some companies described the relationships with their customers as very time consuming and they were not sure to what extent this contact is beneficial to the business. One company explained that the possible income they had lost due to weakened customer relationships could be converted into time, which they could use to develop the business and increase revenue in other ways.

However, the obstacles connected to culture and system barriers remain almost unsolved. Some companies had managed to solve them partially. One interviewee explained that a webshop would probably never be suitable for the business, but the transition to e-commerce were not exclusively about the ordering system:

“I can say like this, I do not think it will happen [launching a webshop], but we will develop our digital presence so that the customer could be as close to a click as possible. But I do not think it will be direct online sales. If we can think in those terms, that we should be able to present and get everyone to understand our product, our message, how it is used, really entirely through digital channels, website, YouTube channel etc. If the customer understand these different elements, I think it will significantly increase our sales and make our marketing and customer communication much more efficient. With that being said, I do not think it will be a clickable product, but we will think in those terms and then we will see how far it goes.”

This quote feels prominent for these kinds of obstacles. A webshop might not be suitable for all companies, but rejecting a webshop does not exclude the possibility to work digitally in other aspects. By doing so, companies can be a part of the transition to e-commerce and stay in tune with the market.

6

Conclusion

The aim of the study was to explore if small companies within the B2B market consider a webshop to be a suitable part of their transition to e-commerce, and to what extent e-commerce is used among small companies. Additionally, to identify what aspects seem to drive companies to adopt e-commerce and which obstacles they face in the transition. This study has accomplished exploring how far companies have come in their transition to e-commerce. Furthermore, obstacles connected to e-commerce adoption were identified together with several solutions for how these obstacles can be overcome. The main findings show that wholesale companies have come a bit further in the transition to e-commerce compared to manufacturing companies, however, all interviewed companies have considered e-commerce. This implies that drivers are present to some extent for all of them, and companies' decision to reject e-commerce seems to depend more on the obstacles they face rather than the drivers. The obstacles companies face in transitioning to e-commerce can be classified as both external and internal, where the internal obstacles existed to a greater extent.

This thesis aspired to generate valuable insights with new practical research for small companies within a B2B context, but also theoretical insight for academia and companies in general. In terms of applicability, small companies can create an understanding of how far similar companies have come in the transition to e-commerce and how obstacles have been overcome, and can thus gain valuable insight for their own businesses. For academia and companies in general, this study indicates that a great internal obstacle for transition to e-commerce is the difficulty of selling customized products online due to a close collaboration between seller and buyer. This seems to be a novel finding within this area of research. This insight could be further examined and leads to the students' suggestions for further research.

6.1 Further Research

The study identified more obstacles than solutions and some obstacles were connected to characteristic features of the B2B market and customized products. Hence, further research could focus on finding additional solutions to obstacles connected to the transition to e-commerce. Additionally, further research could examine how customer relationships could be built without including a sales process, so that in-

6. Conclusion

creased efficiency, which a webshop could bring, would not be at the expense of the customer relationships. Furthermore, it would be interesting to compare expected benefits with outcomes for companies that have transitioned to e-commerce. This would provide insights for companies who want more information about the transition to e-commerce.

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A

Appendix: Interview Template

Hur många anställda är ni?

How many employees are you?

I vilken/vilka stad/städer finns ert företag?

Where is your company located?

Hur mycket omsätter ni per år?

How much is the company's revenue per year?

Vart finns era kunder?

Where are your customers located?

Har ni någon person som jobbar med IT?

Do you have an IT department or any employee that is responsible for IT?

Hur skötte ni logistik innan ni blev kunder till Sendify?

How did you manage your logistics before you became customers to Sendify?

Varför har ni valt Sendify?

Why did your company become customers to Sendify?

Har ni någon hemsida? Om ja, hur används den? Om nej, varför har ni ingen?

Do you have any webpage? If yes, what do you use it for? If no, why not?

Hur håller ni kontakt med era kunder idag?

What is your relation with your current customers, and how do you communicate?

Hur ser försäljningsprocessen ut idag?

What do your sales process look like?

Hur får ni nya kunder idag?

How do you receive new customers?

Brukar kunden på egen hand veta vad det är den vill köpa?

Do the customers usually know what they want to buy?

Hur mycket assistans behöver era kunder när de köper artiklar?

A. Appendix: Interview Template

How much assistance do your customers need when they are buying products?

Funderar ni på att starta e-handel? Varför/varför inte?

Do you think about start using e-commerce? Why/why not?

Om ni funderar på att börja, var i processen är ni idag? (Funderar bara, gjort lite efterforskning, redan utvecklat en platform etc.)

If you are thinking about it, where in the process are you? (Just thinking, did some research, already develop a platform etc.)

Vad skulle ni behöva för att kunna börja med e-handel?

What resources/capabilities do you think is necessary if you want to use e-commerce?

Anser ni att ni har dessa kompetenser?

Do you consider that you already have these needed competencies inhouse?

Ser ni några problem med e-handel?

- Kostnader
- Kompetens (tekniskt)
- Personal
- Kundrelation
- Annat

Do you see any obstacles with e-commerce?

- Costs
- Competence (IT)
- Employees
- Customer relations
- Other

Vilka fördelar tror ni att ni skulle få om ni använde e-handel?

What advantages do you think that you would gain from e-commerce?

Hur beställer ni själva produkter till ert företag? Är ni mogna för att era leverantörer skulle börja med e-handel?

How do you order products to your company? Are you ready for your suppliers to adopt e-commerce?

Hur definierar ni framgång för ert företag?

How do you define success for your company?

Vill ni växa? Om ja, vad gör ni för att växa?

Do you want your company to grow? If yes, what do you do to create growth today?

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