

An Investigation and Electronic Commerce Obstacles of Sme in Turkey

Cihat Kartal

ABSTRACT: Trade barriers in front of the SMEs in Turkey; It is possible to deal with main topics such as linking, personal solutions, cultural infrastructure, commercial infrastructure, computer and telecommunication infrastructure, state and legal infrastructure. While more than 2.5 million SMEs are known for their impact on Gross Domestic Product and Employment, only 45 thousand SMEs are evaluated by the electronic medium that can be called a new market. In this case, the inactive capacity of the state for tax revenues, employment and gross domestic product creates problems. This article made a literature of SMEs operating in Turkey in order to determine the obstacles to making electronic commerce results were evaluated.

KEY WORDS: SME's, E-Commerce, E-Trade, Virtual Trading

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I- INTRODUCTION

According to empirical findings; electronic commerce strategy, information technologies, adaptation to the electronic commerce process, system infrastructure and electronic commerce competence are important in the success of SMEs. In this context, it can be assumed that the adoption and dissemination of electronic commerce in SMEs depends on different factors and these factors differ from industry to industry and region (Soleyman S., Sohaili K.2012: 249-263).SMEs in Turkey is one of the most important elements of the national economy. SMEs account for 99.8% of the total number of enterprises and 74.2% of total employment. SMEs, which have a significant contribution on the Gross Domestic Product, have become a necessity to adopt a new generation of trade approach in order to keep up with the era. Turkey Statistical Institute, according to data in our country there are over 2.5 million SMEs. Of these, only 45,000 are known to make electronic commerce. One reason for SMEs to adopt and use electronic commerce is the desire of firms to be competitive and innovative to survive (Morteza G., Daniel A., 2011: 1247-1248). The adoption of e-commerce by SMEs is directly proportional to the fact that it can be used by SMEs. Therefore, the factors that accept the technology should be examined.

II- NEW ECONOMY AND INTERNET ENTREPRENEURSHIP

It is seen that the size of the economy also changes due to factors such as intensive competition environment, globalization and developments in information technologies. The new concept of economy, which is frequently emphasized in recent years, differs especially in the provision of goods and services to the customer. It can be said that the developments that constitute the new economy concept are electronic commerce (e-commerce) and electronic business (e-business). Electronic commerce is one of the most important developments in the business world in recent years. E-commerce can be defined as online (electronic) sales of goods and services by covering the dimensions of the business to the customer, to the enterprise, and from the consumer to the consumer. In this context, electronic commerce; Although the communication, commercial business process, service, learning and collaborations are defined differently according to their approaches, electronic commerce in general can be defined as the purchase, sale and transfer of goods, services and information through the computer networks in which the Internet is located (Serhateri and Coşkun, 2006: 112). In the globalized world of entrepreneurs and enterprises have a competitive advantage in the economic conditions of our society and creator Turkey, it makes it necessary to be enterprising and entrepreneurial. When modern requirements are added, it is necessary to create a focus on technological and economic development that will open up new horizons. Nowadays, in order to create a new culture of entrepreneurship and adopt this culture, m education özellikle and entrepreneurs' attitudes towards in delegation of authority cilik play a vital role. In addition to these, four basic variables that affect the development of e-commerce and internet retailing should not be ignored (Yalçın and Ene, 206: 120).

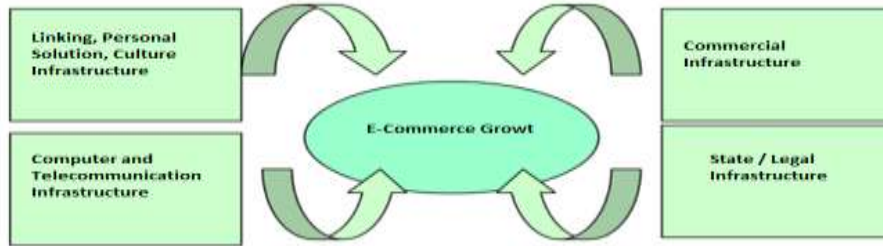


Figure-1 Factors Affecting the Development of E-Commerce

Source: Yalçın F.A. ve Ene S., (2006), “**İnternetin girişimciliğe sunduğu fırsatlar ve internette başarılı bireysel girişimcilik için marka yaratma yollarının incelenmesi ile ilgili örnek olay**”, Kırgızistan-Türkiye Manas Üniversitesi, Uluslararası İşletmecilik Kongresi, 25-27 Mayıs 2006, s.120.

Thanks to the rapidly growing internet and e-commerce usage, new market places were created on the internet. Five different market places are as follows (e-initiative, 2018):

- Marketing activities carried out from businesses to consumers; B2C (Business to Consumer),
- Marketing activities carried out from businesses to enterprises are the industrial market; B2B (Business to Business),
- Marketing activities for customers from customers; C2C (Consumer to Consumer),
- Marketing activities for businesses from governments; B2G (Business to Government),
- Marketing activities from governments to enterprises; G2B (Government to Business).

III-ELECTRONIC TRADE BARRIERS OF SMES

The technological context represents the pool of technologies a company can adopt. These may be both commercially available technologies and existing equipment. The decision to adopt a technology depends not only on what is available in the market, but also on how these technologies fit into the technologies of a firm (Scupola A., 2009: 4-5). In order to keep up with e-commerce, SMEs need to be willing to do so. However, at the same time, the qualification status has a significant impact on the adoption and adaptation of technology. Small businesses operate under many resource constraints. Limited financial resources force SMEs to be cautious in using these resources. The use of information technologies may require serious costs (Mortezza G., Daniel A., 2011: 1245). On the other hand, the internet, which causes significant changes in the markets, provides some cost opportunities for the enterprises;

- Relatively low costs for entry to the market
- Customer potential and global customer diversity
- Personalized products and services (Jobs D., 2008.287)

Internet usage and the adaptation to the internet system are the primary requirements for Internet-based e-commerce applications. This situation affects company decisions. (Altıntaş H., Altıntaş C., 2006: 1) Therefore, the tendency and ability of the personnel to adapt the internet infrastructure to the relevant business and to use the system for internet based e-commerce applications constitute a problem for SMEs. As shown in Figure-2, in the light of the researches conducted, it was stated that SMEs face social and cultural barriers, economic barriers, political and organizational barriers, legal and legal obstacles while doing e-commerce. These obstacles may be partly due to internal dynamics that they can control, as well as uncontrollable external barriers. This situation may vary according to the countries.

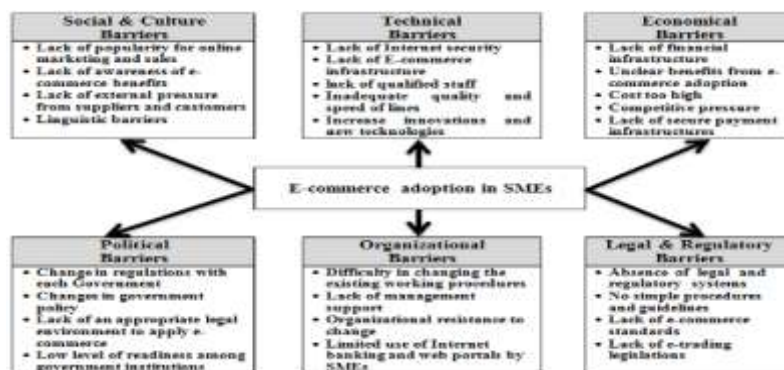


Figure-1: Conceptual Framework for E-Commerce Adoption Obstacles in SMEs

Source : Zaied, Abdel Nasser H., 2012: 9-18)

75% of Subscribers in Turkey is DSL subscribers. On the mobile side, internet usage increased with 4.5G technologies. On the other hand, fiber infrastructure technologies have been developed and installation processes have been accelerated (Kantarçı Ö., Özalp M., 2017: 8). These; knowledgeable employees, technical infrastructure, trust-focused cooperation established with the customer, internal infrastructure of the enterprise and legal framework (Altıntaş H., Altıntaş C., 2006: 1). Technological innovations for E-Commerce; environmental factors related to competition and regulation. The regulatory environment is a unique feature. E-Commerce's open standard nature of internet, business law, security, credit card usage and unrelated parties in the process of online transactions with the unique issues. This sets unique demands for regulatory agencies (Zhu K., Kreamer K.L., 2006: 1561). Financial resources have been an important factor affecting the activities of firms. The adoption of e-commerce requires investment in hardware, software and employee training. Adequate financial resources enable firms to make the necessary investments to perform their superior e-commerce functions (Coşkun V., 2010: 6-7). In Figure-3, there is another study for the adoption of e-commerce by SMEs.

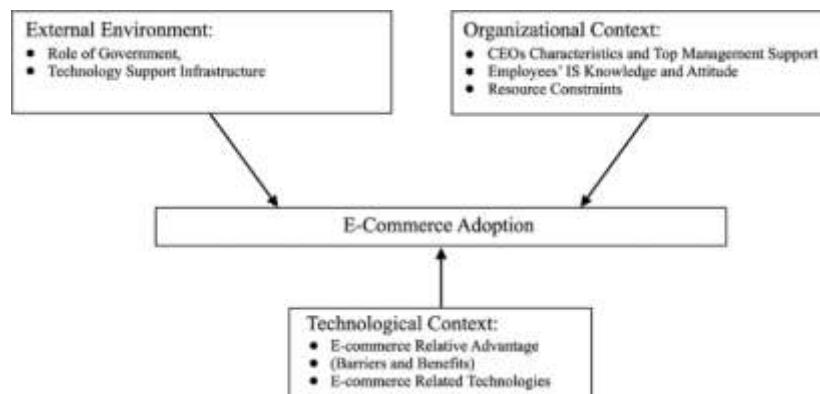


Figure-3: A Model of E-Commerce Acceptance in SMEs

Source: Scupola A., 2009: 6-7

In many countries, there are policies and regulations to adopt information technologies. Thus, it is desired to attract attention of SMEs. For example, in order to help SMEs accept e-commerce in the UK, the UK Trade and Wales Information Society (WIS) has initiated several initiatives (Rayahu R., Day J., 2015.142-150). In spite of these efforts of the governments, it is also a fact that SMEs accept the e-commerce and the big companies are far behind accepting the e-commerce. Many developing countries lack the laws that ensure the legal validity of digital and electronic signatures. Some others consider information technology as luxury items and pay extra taxes. This situation decreases the willingness of SMEs to transition to e-commerce (Kshetri N., 2007: 443-457). Another obstacle in the transition of SMEs to e-commerce is their inadequate benefits. The lack of significant successes of SMEs on e-commerce constitutes an indicator for enterprises. Small businesses do not take the theoretical knowledge into consideration, which focuses on the positive results of the practice in practice. In addition, problems in the secure payment system make it difficult for SMEs to accept e-commerce. Many internet users have doubts about this issue. At the same time, the e-commerce environment can provide a basis for many fraud and fraud attempts. The dissemination of consumer myths, which are deceived, deceived and cheated in electronic environment, into the mouth in various countries, adversely affects the consumer's determination to make purchases in electronic environment. As a result; In order to protect the companies against unfair competition in order to protect the legal infrastructure of electronic commerce, the Law no. 4054 on Competition Law and the Law no.

IV- CONCLUSION

Businesses must follow technological developments. This is especially important for SMEs who are trying to survive on a small scale. For SMEs who have to move with low budgets, electronic commerce provides great opportunities. In this way, SMEs provide advantages in reaching new markets, reducing marketing costs and competing. However, the small number of financial resources of SMEs is the lack of technical infrastructure or problems related to trust in electronic commerce. At the same time, the consumer's attitude towards small businesses is also adversely affected by electronic commerce. Customers do not trust SMEs in the field of electronic commerce and cannot tolerate the lack of technical infrastructure. At the same time, customers do not want to buy the product they do not see. Research shows that SMEs are not knowledgeable about electronic commerce. Therefore, it is necessary to create incentive programs in this field.

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