

Factors Driving Electronic Commerce Initiative in Malaysian' Organization

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KEY WORDS E-marketing; online competitiveness; e-strategy; CRM; B2B and B2C

ABSTRACT This study is trying to investigate major factors driving e-commerce adoption, and assess the organizational readiness for Malaysian companies operating in FIZ (Free Industrial Zone) in the state of Penang and Kedah. This study used structured questionnaires and a purposive judgmental sampling method in getting responses from IT managers or decision-makers on e-commerce initiative. Dependent variable is the organization readiness level in adopting e-commerce strategy and independent variables are online competitiveness, customer relationship management and value chain management. This study shows that Malaysian companies are lagging in e-commerce initiative compared to American companies, but Malaysian companies are on par with European and East Asian companies. It reflects the general views that e-commerce is "American Originated" technology and American companies have an edge in adopting this new and enabling technology to enhance their global competitiveness. The Malaysian companies have been proactively evaluating and embarking on IT projects to enhance their international competitiveness and they are on par with European and East Asian companies in e-commerce initiative. This study shows Online Competitiveness, Customer Relationship Management and Value Chain Management are affecting decision on e-commerce initiative. The results of this research will also serve as an initial feedback to Malaysian authorities to step up their efforts in promoting IT awareness, and adopting new and enabling technologies in Malaysian companies. It is also hoped that this study can provide a guideline for Malaysian companies in evaluating and formulating effective strategies and policies into e-commerce in this information age.