Executive Summary

With the growth of the Internet, electronic commerce is becoming more and more popular in the business world. Electronic commerce offers a new way of doing business and new business opportunities to the companies. With the adoption and implementation of electronic commerce, companies are able to gain not only financial benefits but also strategic benefits. As China has entered the World Trade Organization, the government stresses the importance of electronic commerce and plans to promote electronic commerce to all the companies. In China, most of the companies are small and medium size. As a result, in order to be successful in the promotion and encourage more companies to adopt electronic commerce, it is very important to know the factors affecting the adoption decisions for small-and-medium size enterprises.

This study aims to find barriers to the adoption of business-to-business electronic commerce for small-and-medium size enterprises in China. A model is developed to measure the factors affecting the value of business-to-business electronic commerce to small-and-medium size enterprises based on previous research. Six factors are included in the model, namely Financial Resources and Top Management Support, In-House IT Expertise, E-commerce Infrastructure, Guanxi (business relationship), Trust on Trading Partners and Government Practice. Another factor called B2B E-Commerce Adopters is added to test the impact of the experience of those who have adopted B2B e-commerce

on the dependent and independent variables.

A questionnaire is developed based on the model and a survey is carried out in the Pearl River Delta region. Small-and-medium size companies in the region are randomly selected to participate in the research. The data collected is analyzed using SPSS and the results are evaluated. The findings suggested that on the whole, Financial Resources and Top Management Support, E-commerce Infrastructure and Government Practice have significant influence on the dependent variables. A discussion on the findings and limitations in this study is also presented. Finally, some implications on research and practice are given based on the research findings.