SMEs offline: why?

A multiple-case study of Swedish micro SMEs

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Abstract

The Internet is becoming a more and more influencing factor in our everyday life. It affects many of our daily tasks and it is a determining factor we built our decisions on. Especially in Sweden, retrieving information about products or services online prior to the purchase is a matter of course and emphasizes therefore its importance. A website offers a cost-efficient potential for smaller firms with limited resources to be visible for consumers and to compete on the larger market. However, the website adoption has been neglected amongst 41% of Swedish micro Small- and Medium sized Enterprises (SME), which raises the question why this phenomenon exists. Existing literature does not provide a solid explanation of this occurrence and this is where our study steps in. In order to answer our research question and to fill this gap, the study is designed as a qualitative multiple-case study with twelve semi-structured interviews conducted amongst the owner-managers of micro SMEs in different parts of Sweden. The study aims to fill the theoretical gap by identifying and explaining the reasons why micro SMEs in Sweden do not adopt a website. The empirical contribution is the development of managerial recommendations about how micro SMEs can overcome the barriers to adopt a website.

This research was guided by a conceptual framework, including strategic, consumer and customer, communication and interaction perspectives, as well as the perspective of the perception of websites. In order to carry out a profound analysis, we decided to apply two steps. The first step of the analysis was to connect the themes itself to theory in order to explore what the collected data represents so that reasons explaining why micro SMEs do not adopt a website could be found. The second step of the analysis included the exploration of the identified reasons in order to understand why these exist. The results from this study are expressed as six reasons why the owner-managers of micro SMEs in Sweden have not adopted a website. These reasons are: a wrong perception of a website, the lack of resources and competences, precaution, being a contractor to an umbrella company, being unaware of a website’s impact on the business and having successful network and offline-communication methods. The findings leave practitioners and researchers with an idea about what reasons are leading owners of micro SMEs to neglect a website and why these reasons exist.
Acknowledgements

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Thank you my parents for you love, for everything you done for me, for being day after day with me in happy and sad life moments. A warm thank to my husband, my family members, friends, teachers for loving and supporting me on my educational path that is a vital part of my life. I highly appreciate your help and valuable advice. I would like to thank my thesis partner Ludger for laying the beginning of this thesis.

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1. Introduction

This chapter provides the problem background of the thesis. The identification of a research gap is followed by the purpose and the research question of the study. Then, the focus areas and the theoretical and empirical research contributions of the study are presented. The chapter ends with the main definitions and the outline of the study.

1.1 Problem background

Small and medium-sized companies (SMEs) are the backbone of national economies and they are the drivers of the global economic growth (Gilmore, 2011, p. 137; Jutla et al., 2002, p. 139), adding value of 71% to the economy of the European Union in 2013/2014 (European Commission, 2014e). The importance of SMEs in wealth and workplace creation was realized in the western world in the early 1970s (Simmons et al., 2008, p. 351). SMEs are considered to bring innovation in the business world, enhance employment, and to promote social integration (European Commission, 2014c). Furthermore, they coped with the global financial crisis in 2009 even more successfully than the large companies, diminishing even the negative impact on the employment (European Commission, 2014a, p. 6). In 2014, SMEs accounted for 99% of all businesses in the EU (European Commission, 2014c). In Sweden, the importance of SMEs is even greater since their presence among all businesses comprises 99.9%. In 2014, they occupied 65.8% of the employees and added 59% of total value. (European Commission, 2014b, p. 2)

SMEs, which are firms with 10-250 employees, are considered to be more sensitive to the external influences than larger companies (European Commission, 2014d; O’Regan et al., 2005, p. 382). Furthermore, micro SMEs, which are firms with one to nine employees and with a maximum turnover of two million euros, are even more limited in resources than SMEs due to fewer employees and lower turnover. Thus, it is expected that vulnerability to the changes in the external environment in micro SMEs is even stronger compared to SMEs. (Eggers et al., 2013, p. 536) Moreover, micro SMEs are influenced by and highly depend on one person, namely the owner. The owner is likely to be the most influential person in the firm and often solely responsible for future success and performance of the micro firm’s business. (Brigham et al., 2007, p. 30; Jaouen & Lasch, 2015, p. 402) The importance of micro SMEs for the Swedish national economy is apparent since 96.6% of all registered companies in the year 2013 fell into this category. They occupied 24% of employees and added 24.6% of total value (SCB, 2015). Based on these factors we decided to choose micro SMEs as the object of our study.

The era of the Internet and computer technologies developed a new market where businesses adapting to the information technology (IT) have an opportunity to gain a competitive advantage towards those who neglect to follow the trend (Lambkin & Montgomery, 1998, p. 127). The Internet made it possible for small businesses to compete on the local, national and more distant markets (Premkumar, 2003, p. 282; Varadarajan & Yadav, 2002, pp. 301-302). IT simplified business transactions (Premkumar, 2003, p. 282), and specialized business applications became available not only for large companies, but also for SMEs due to reduced computerization costs (Dholakia & Kshetri, 2004, p. 312;
Foong, 1999, p. 81). It is even being argued that the future success of any SME is not only defined by using some of the technology available but also their ability to adopt unknown or new information and communication technologies (ICT). Only the ability to constantly adopt will ensure competitiveness and long-term survival on the market. (Chinedu Eze et al., 2014, p. 63)

Internet has become a powerful tool for companies due to rising number of worldwide internet users. Since 2010, this number increased by almost one billion to 2.92 billion in 2014 (Statista, 2015). In Sweden, 92% of the people aged between 16 and 85 have access to internet (SCB, 2014b, p. 9). In the first quarter of 2014, 81% of this age group used the internet to find information about products and services online (SCB, 2014b, p. 77). These findings indicate that people are very active online and especially (potential) customers seem to seek actively information for products or services on the Internet. Further statistics reveal that also 90% of all small SMEs, also known as micro SMEs, have access to internet but surprisingly only 59% decided to publish a website and only 28% are represented in the social media (SCB, 2014a, p. 28). Further, Breitenbach and Van Doren (1998, p. 558) argue that a company’s website has the primary purpose of raising the (potential) customer’s awareness of the firm and its services. Already in 1998, the authors stated that companies not having a website are not living up to the standards and can be considered as living in the past (Breitenbach & Van Doren, 1998, p. 558). Other authors argue that using Internet as a channel is advantageous since it is dynamic in its nature. Changes can be done immediately at almost no costs and it also simplifies the distribution of information since it is easily accessible for people (Ainscough, 1996, p. 37; Bauer et al., 2002, p. 157).

Newer research suggests, supported by the statistics mentioned before, that the presentation of information about one’s own business online is important since customers who gather and compare information on the internet before purchasing a product or service are spending a higher amount when making the purchases offline. Hence, the internet presence of a firm impacts the customers’ purchase behavior. (Sands et al., 2010, pp. 406-407; Lee & Kozar, 2012, p. 458) A corporate website can be a powerful tool for establishing relationships with customers, providing relevant information as well as visualizing and advertising the corporate identity (Bauer et al., 2002, p. 157; Eighmey & McCord, 1998, p. 193; Flavián et al., 2006, p. 8; Topalian, 2003, p. 1121).

As outlined in the previous paragraphs, micro SMEs are the most apparent type of firms registered in Sweden. They are more sensitive to changes in the environment, limited in resources and mostly dependent on the decisions taken by only one person. At the same time, many micro firms, unlike SMEs, neglect the adoption of a website despite the outlined positive effects it can have. These factors make it interesting to study micro SMEs in relation to websites.

However, companies may establish relationships with the customer through social media instead, which has received high popularity in the modern computerized world. Many companies have fan pages and/or groups on Facebook, Twitter or Instagram for example, which can be very useful in order to communicate and connect with the customer. (Baird & Parasins, 2011, p. 36) Firms use the social media mainly on a business-to-customer level with the intention to create relationships and trust between the company and its customers.
Yet, the business-to-business (B2B) marketing activities are very limited on these channels since the B2B-sector is more advanced and gathering information happens on a more personal level. (Baird & Parasins, 2011, p. 36; Jussila et al., 2014, pp. 607-608) Furthermore, Jussila et al. (2014, p. 608) state that, due to information security, social media sites are being rather avoided when it comes to B2B-marketing. Hence, corporate websites appear more beneficial than social networking sites due to several reasons. A website is an intermediate between a company and its stakeholders, such as customers, suppliers, current and potential employees, investors, financial analysts or different public representatives, with an unlimited information flow (Sharp, 2002, pp. 44-45, 50). Interested stakeholders have the opportunity to get more information from a website and at the same time, they have a greater control over the information selection than in traditional mass media sources. As for the company, information addressed to its audience is solely controlled by the company itself and it is not being changed, as it happens in mass media. In addition to that, the website facilitates a dialogue between the company and the audience. (White & Raman, 1999, p. 406)

Extensive research has been conducted amongst SMEs and their relation towards the Web 2.0, such as social media (e.g. Bell & Loane, 2010; Lehmkühl & Jung, 2013; Kim et al., 2013; Durkin et al., 2013; Jussila et al., 2014), IT and e-business (e.g. Dholakia & Kshetri, 2004; Taylor & Murphy, 2004; Peltier et al., 2012; Spinelli et al., 2013), as well as electronic customer relationship management (e.g. Harrigan et al., 2011; Nguyen & Waring, 2013). Also, literature about the importance of websites itself can be found (e.g. Lohrke et al., 2006; Vorvoreanu, 2008; Belanche et al., 2011; Lee & Kozar, 2012). Simmons et al. (2008) contributed, based on the review of prior fragmented literature, to the development of a concept summarizing the determinants that could influence SMEs’ website adoption. The identified factors that could influence the website adoption process are the perceived value, the knowledge of IT, competitive forces and industry culture (Simmons et al., 2008, pp. 372-376). However, there has been done little research about clearly identifying and understanding factors that actually lead owners of the addressed micro SMEs to neglect the adoption of websites.

Given this background, our study aims to investigate why so many of the micro SMEs in Sweden do not have a website in order to provide information online even though research emphasizes its importance and even though the broad mass of people is looking for such actively in a large extent.

1.2 Research purpose and research question

The main purpose of this study is to identify, understand and address the reasons which explain why micro SMEs, firms with less than ten (10) employees and a turnover or balance sheet total of 2 million euro, do not have a website. Our objective is to develop a theory regarding the reasons why Swedish micro SMEs are not adopting a website. These reasons are also being explained. To do so, we use the conceptual framework established, the empirical data gathered during the interviews with the owner-managers of micro SMEs, and the theory available. Hence, the research question for this paper is:

*RQ: Why do micro SMEs in Sweden not adopt a website?*
The research question imposes two levels of analysis, namely what and why. We aim to identify what reasons amongst micro SMEs harm a website adoption. We then want to explore these reasons and understand why they exist.

1.3 Focus areas and contributions

We decided to limit our research on the Swedish market and middle-sized cities, ensuring accessibility and comparability due to uniform market conditions. SMEs in Sweden are mainly concentrated in service, wholesale and retail trade industries as well as in the construction industry. Greater SMEs establishment activity is observed in the trade and service of motor vehicles sector (15%), in construction and professional activities sector (10%). (European Commission, 2014b, p. 2) However, we will not limit ourselves to a specific industry but rather contact micro SMEs without a website after a random pattern since our research questions applies to micro SMEs in all sectors. Further, we will target micro SMEs, which are companies with one to nine employees and turnover or the balance sheet total of 2 million euro, because the level of a corporate website adoption is the lowest amongst them (SCB, 2014a, p. 28). We consider our study to be mainly based on managerial and marketing perspectives. However, some sociological aspects are also included. The choice of the research areas is affected by our educational background in Management.

The theoretical contribution is two folded. Firstly, we address the gap identified in previous research. Secondly, we develop theory by confirming previously identified reasons and by providing new reasons, based on our empirical data, explaining why micro SMEs do not adopt a website. The reasons are identified with a help of the conceptual framework modified according to the empirical data gathered. The practical contribution is built on managerial implications and concrete solutions for owner-managers of micro SMEs about how to overcome the barriers of a corporate website adoption. The study may also be useful for policy makers or organizations that support and provide advice for micro SMEs in terms of better understanding the struggles that micro SMEs encounter when facing the adoption of a website. This work may stimulate companies to adopt a corporate website, thus meeting the needs of consumers, their customers, business partners, suppliers and interested parties alike.
1.4 Definitions of the main terms

<table>
<thead>
<tr>
<th>SME</th>
<th>Small and medium-sized Enterprise with employees number equal or less than 250, turnover maximum of 50 million EUR or balance sheet total maximum of 43 million EUR (European Commission, 2014d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro SME</td>
<td>Small and medium-sized Enterprise with 1 to 9 employees, and turnover or balance sheet total maximum of 2 million EUR (European Commission, 2014d)</td>
</tr>
<tr>
<td>ICT</td>
<td>“Information and communication technologies most generally refers to the devices, applications, media, and associated hardware and software that receive and distribute, process and store, and retrieve and analyze digital information between people and machines (as information) or among people (as communication). In the organizational context, ICT refers to a broad range of computer-based digital systems from transaction and information processing to wired and wireless communication media, connected through internal intranet or external Internet and wireless networks.” (Rice &amp; Leonardi, 2014, p. 426)</td>
</tr>
<tr>
<td>Website</td>
<td>A site, which contains information about the company and its services or products, and which has a web address publicly accessible on the Internet</td>
</tr>
</tbody>
</table>

1.5 Outline of the study

The structure of the thesis consists of seven chapters, which are represented in the following figure:

- **Chapter 1** • Introduction
- **Chapter 2** • Theoretical frame of reference
- **Chapter 3** • Scientific and practical method
- **Chapter 4** • Empirical results
- **Chapter 5** • Empirical analysis and discussion
- **Chapter 6** • Conclusions
- **Chapter 7** • Recommendations for further research

*Figure 1: Outline of the study.*

*Chapter 1* introduces a reader to the topic being studied in this thesis, presenting the problem background and the research gap identified in the previous research, and stating the research purpose and questions that have to be answered. Thereafter, the study’s delimitations and focus areas and the authors’ contributions are disposed. In the end of the
chapter the reader is familiarized with the definitions of the key terms used in the thesis. *Chapter 2* provides the theoretical foundation, which later assists the researchers in the analysis of the empirical findings. The main theories, theoretical concepts and tools, the previous research findings are presented and discussed in relation to the topic. The chapter results in the conceptual framework being presented. *Chapter 3* represents and discusses the theoretical and practical standpoints of the authors related to gathering and analysis of data. The authors address the issues of the research quality and ethics, and critically reflect upon the literature sources being used.

In *Chapter 4* we will present the empirical results from the interviews, which are sorted in four main categories. The results will be presented with a storyline and a variety of quotes. The analysis and discussion of empirical results is carried out in *Chapter 5*. The interpretations of the results provided by the authors are compared with the theoretical base. The research question is being answered continuously by providing the reasons and explanations of why they exist, deriving from the revised conceptual framework. *Chapter 6* summarizes the findings, managerial implications, contributions and limitations of the research. Finally, *Chapter 7* provides the recommendations of the authors for future research. A reference list and appendices can be found on the last pages of the thesis.
2. Theoretical frame of reference

The theoretical chapter portrays and analyses the previous research conducted within strategic, owner-manager, consumer and customer, communication and interaction perspectives in relation to micro SMEs, SMEs, ICT and websites. The chapter starts with a definition of micro SMEs. The theoretical background of the study supports the research in developing tools for further analysis of the practical data collected, and answering the research problems and the research questions. The chapter ends with a theoretical framework according to the literature review. The literature that we have found deals mainly with SMEs and ICT which explains why the terms “micro SME” and “website” are used less frequently. However, according to the definitions presented in the section 1.4., micro SMEs are a part of SMEs, and a website is attributable to ICT. In addition to that, we discuss if concrete theory and theoretical concepts are applicable to micro SMEs. We build the theory around the usefulness of a website for SMEs and micro SMEs due to the lack of research in this field.

2.1 Micro SMEs definition

In the modern world, there is no universal definition for SMEs and micro SMEs, neither in the literature nor elsewhere, despite their importance for national economies. The “classic” or the most often used criteria for defining SMEs is by size, including the number of employees, annual turnover and balance sheet total. However, other criteria such as ownership independence, assets, capital, profit, total value of imports and exports can be applied. (Buculescu (Costică), 2013, pp. 104-106) This means that the characteristics differ depending on the respective national context. In some countries, such as in the United States, Russia or China, the definition of a micro SME is even completely missing. Interestingly in Brazil, micro SME is defined according to the industrial or commercial sector. (Edinburgh Group, 2012, p. 9) An overview of the definition of SMEs by size in several countries is given in Figure 2 below.

<table>
<thead>
<tr>
<th>VARIOUS COUNTRIES</th>
<th>BRICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>USA</td>
</tr>
<tr>
<td>Number of employees</td>
<td></td>
</tr>
<tr>
<td>Micro</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Small</td>
<td>&lt;50</td>
</tr>
<tr>
<td>Medium</td>
<td>&lt;250</td>
</tr>
<tr>
<td>Annual turnover</td>
<td></td>
</tr>
<tr>
<td>Micro</td>
<td>&lt;52</td>
</tr>
<tr>
<td>Small</td>
<td>&lt;110</td>
</tr>
<tr>
<td>Medium</td>
<td>&lt;950</td>
</tr>
</tbody>
</table>


Figure 2: SMEs definitions by size in different countries (Edinburgh Group, 2012, p. 9).
Since we focus on micro companies in Sweden, we choose the definition which is apparent in the European Union, and which is set by the European Commission. Hence, a micro SME is a firm with less than ten employees and with a turnover or balance sheet total of exactly or less than two million Euros (European Commission, 2014d). In addition to that, since micro SMEs are SMEs but more limited in resources, we argue that the same theories can be applied to them. Whenever we have doubts that the literature is not fully applicable to micro SMEs, we will mention and discuss this.

2.2 Strategic perspective
The strategic perspective reveals the importance of strategic planning and management in achieving competitive advantage. Particularly the distinctive features of these processes in SMEs, including micro SMEs, are being discussed. The strategic decision of ICT and a website adoption shows how it can be affected by the competitive environment, which combines physical and electronic markets.

Strategy plays a significant role in decision-making processes and when setting a long-term direction of any organization (Johnson et al., 2011, p. 3; Henry, 2008, p. 4). The strategic planning process assists companies in shaping their strengths and adjusting actions to follow a particular direction towards higher competitiveness and performance, keeping a pulse on metamorphoses in the surrounding environment (O’Regan & Ghobadian, 2002, p. 664). In order to be competitive, an organization should to some extent address the customers’ needs better than competitors do, that is to have a competitive advantage (Henry, 2008, p. 4). Whether an organization has a competitive advantage or disadvantage depends on its strengths and weaknesses regarding strategic capabilities - its resources and competences. Resources are represented by the assets of an organization but their effective usage or application refers to competences. According to the resource-based view of strategy, the distinctiveness and effective use of physical, financial and human strategic capabilities explain the competitive advantage and high performance of the company. (Johnson et al., 2011, pp. 16, 83-85) In this way, an organization should focus on development of its strategic capabilities, which can be used effectively in business, as well as work towards maximizing strengths and minimizing weaknesses, in order to ensure a long-term survival and superior performance.

2.2.1 Strategic planning and management in SMEs
The topic of strategic planning in SMEs is poorly covered in literature despite an importance of SMEs to economy; researchers rather focus on large organizations (Aragón-Correa et al., 2008, p. 89; Bellamy et al., 2013 p. 328). In comparison to larger organizations, SMEs and especially micro SMEs are more limited in resources in terms of time, people, finance, and economies of scale, and thus they are affected by external shocks to a greater extent. Since SMEs tend to take less risky decisions, which also apply to micro SMEs since they are more limited in resources, they are pushed to work towards more competitive positions because constant changes in the economy, concerning internationalization and competition, innovations and the use of information technologies, occur. (Aragón-Sánchez & Sánchez-Marín, 2005, p. 287; Ates & Bititci, 2011, p. 5604; O'Regan et al., 2005, pp. 382-383) However, their strengths lie in flexibility, fast decision-
making processes and the ability to respond fast and adapt to these changes due to a simple flat internal structure (Aragón-Sánchez & Sánchez-Marín, 2005, p. 288; Ghobadian & Gallear, 1997, pp. 132-133).

Most of the SMEs do not follow formal planning. Instead their strategic planning is occurring on an irregular and reactive basis and can be characterized as simple, unstructured and short-term (Ates & Bititci, 2011, p. 5603; Ghobadian & Gallear, 1997, p. 130; Robinson & Pearce, 1984, pp. 128-129, 135). According to the results of the longitudinal study conducted by Bellamy (2009, p. 544), SMEs rather follow an emergent strategy and competitive advantage has an accidental nature and short-term focus (Beaver & Jennings, 2000, p. 399). That means that value should be delivered to customers according to the current circumstances. Employees in SMEs should know the market quite good and they are likely to take on responsibility, when working closely with products, services and customers (Ghobadian & Gallear, 1997, p. 132). Since one to nine employees are working in micro SMEs, they are in closer contact with their customers as well as their services or products than other SMEs.

Ates et al. (2013, p. 46) argue that SMEs are not sufficient concerned with the long-term orientation regarding communication, competition or strategic positioning in the market, for example. Instead, the focus lies heavily on internal and short-term planning which can harm the firm’s performance. Beaver & Jennings (2000, p. 398) consider that small companies are in need of careful planning and management, in order to dispose of their disadvantages such as small scale, lack of resources and positional disadvantage, and to make competitive advantage sustainable. However, Bellamy (2009, pp. 545-546) considers that SMEs should not follow large companies’ normative style of strategy formulation, but instead they should pay greater attention to strategic awareness and enhancement of decision-making skills through intensive learning. The authors, however, state that improvement of the planning processes is attributable to small companies, which want to be successful in terms of growth and business development, and which do not intend to stay the same. Adoption of information technology can be a way to direct SMEs, including micro SMEs, towards a long-term orientation (Ates et al., 2013, p. 47).

2.2.2 ICT imposed changes in the competitive environment

The macro-environment is the most distant business layer surrounding the company, but the changes in the highest-level layer are transmitted to the industry, competitors and markets, and to micro-level layer of an organization. The managers are responsible for the analysis of the changes in the macro-environment, in order to make healthy decisions on behalf of the company, and respond to these changes. (Johnson et al., 2011, pp. 49-51) Since micro SMEs are most vulnerable to the external changes (Eggers et al., 2013, p. 536), they should be aware of the changes and should know how to respond to them, in order to stay alive in the competitive business environment. One of the macro-environment influencing factors is the Internet, which has significantly changed an industry’s structure, prepared a base for electronic marketplace and became an additional way of competing (Porter, 2001, p. 66; Varadarajan & Yadav, 2002, p. 296). The Porter’s five competitive forces framework helps to capture the influences of the Internet on the industry’s structure and on establishment of electronic marketplace.
The electronic marketplace made it possible to get greater access to transactional and other information available both for buyers and sellers (Varadarajan & Yadav, 2002, pp. 296). Companies can access equally variety of suppliers, which means that the bargaining power of suppliers is diminished (Porter, 2001, p. 66). The contact between companies and customers becomes more direct and facilitated, information asymmetry, searching and coordination costs are reduced (Premkumar, 2003, p. 282; Varadarajan & Yadav, 2002, p. 296). However, if customers can easily access any information and sales and other channels at low costs, their bargaining power becomes stronger. Importance of established channels is mitigated and this stimulates the growth of the threat of new competitors because barriers to entry are lowered. An online environment opens a space for new substitutes because the needs and performing functions are met by new generated approaches. (Porter, 2001, p. 66). The products or services lose their distinguishing attributes and become more comparable and transparent, which leads to greater difficulty for a seller to offer something unique (Premkumar, 2003, p. 282). In the result, competitive rivalry and price competition is intensified. The paradox of the Internet is concluded in its ability to advantageously connect buyers and sellers at the expense of profitability. (Porter, 2001, p. 66)

Long-lasting relationships with current customers in physical marketplace are beneficial for business in terms of stability; however, they make business less flexible in exploring new markets, growth and profit level. Participation in e-marketplace may increase this flexibility, but at the same business may face several problems mentioned earlier. (Premkumar, 2003, pp. 285-286) An ability of a firm to use IT resources helps to understand better the needs of individual customers and form favorable relationships with them in the future (Varadarajan & Yadav, 2002, p. 304). Porter (2001, p. 66) states that the Internet is almost any strategy’s key element, and its integration in the business and marketing strategy is important in order to stay competitive in the market where physical and electronic borders continue to disappear (Varadarajan & Yadav, 2002, p. 301). It is the same marketing tool as traditional media tools such as, for example, advertising (Geiger & Martin, 1999, p. 35). However, competitive advantage can be achieved in combination of both the Internet and traditional ways of competing (Porter, 2001, p. 64).

According to Maddox & Mehra (1997, pp. 56-57), the use of a website positively affects the image of an advertiser and his business’ longer-term existence because he is viewed as more customer-oriented and up-to-date, as well as the web-address is noted both by users and non-users of the Internet. It is possible to provide all information about the company, its products or services on the website which is easy to access, and to build a dialogue and relationships with impressive number of current and new customers, and it is the main strategic element in the marketing plan (Geiger & Martin, 1999, p. 27). A website can be a great opportunity for micro SMEs to be visible for the broader mass and to explore new markets with their limited resources.

A website is associated with innovations, and being innovative, which may be any change within the firm, is a necessity for organizations since it helps to stay competitive and survive on the market (Mumford et al., 2002, p. 711; Krause, 2011, p. 212; Ward, 2004, p. 175). The attitude towards change can influence the adoption for innovation and it is very common that firms which are characterized as SMEs are most innovative (Peltier et. al,
2012, p. 422; Marcati et al., 2008, p. 1580). In terms of innovation within IT, it is mostly the owner-manager’s competence to align the new technology with the company’s strategy which determines future performance (Chao & Chandra, 2012, p. 115). Hence, being innovative is tied to knowledge which can end up in two ways. On the one hand, limited knowledge can harm innovative processes and on the other hand, extensive knowledge can foster innovation. (Ward, 2004, p. 175; Chao & Chandra, 2012, pp. 127-128)

2.3 Owner-manager perspective

The owner-manager perspective accentuates multiple roles of the owner in a micro SME in relation to decision-making process and management. The strategic perspective explored planning and management processes in micro SMEs and SMEs in general, and an effect of the external competitive environment on the decision of a website adoption in a small company. In contrast to the strategic perspective, this perspective aims to understand more deeply how an inner aspect – the owner's personality – affects the decision-making process, and what affects the intention to adopt a website according to the Theory of Planned Behavior.

The management process in SMEs is strongly affected by the personality, needs, experience and disposition of the owner, who is usually not only an entrepreneur, but is also a manager at the same time (Ates et al., 2013, p. 38; Beaver & Jennings, 2000, p. 399). Ates & Bititci (2011, p. 5604) characterize the owner-manager management style in SMEs as being command and control. The owner-manager is responsible for many business activities and decisions taken in the company. On the one hand, processes are more visible for the owner-manager and decision-making process is faster, when there is a limited number of people who make decisions in a company. (Ghobadian & Gallear, 1997, pp. 130, 132) On the other hand, high occupation of the owner-manager results in a lack of time to form the strategy. The owner-manager may also lack expertise or knowledge of the planning process, or may hesitate to get help or advice from the outside regarding strategic planning and other issues. (Ghobadian & Gallear, 1997, p. 133; Robinson & Pearce, 1984, p. 129) In this way, the owner-manager is an individual who is a key or only decision-maker in SMEs. This is especially the case in micro SMEs since even more limited workforce is apparent and the decision of a website adoption should therefore be in the owner’s competence. The theory of planned behavior can explain and predict the individual’s intention to behave in a certain way (Ajzen, 1991, p. 181). Since this theory has been successfully applied in different areas, and for example, it in the study aiming to explain and to predict decisions of strategic adoption of IT by senior executives in SMEs (Harrison et al., 1997, p. 172), we think it is relevant to discuss in the context of owner-manager’s decision of a website adoption in micro SMEs.

The Theory of Planned Behavior (TPB) focuses on beliefs and behavior of an individual (Doll & Ajzen, 1992, p. 755). A combination of certain motivational factors builds an individual’s intentions to exercise particular behavior, and execution of this behavior depends on the strength of the individual’s willingness and planned effort to put into practice this behavior. In other words, a degree to which the individual intends to perform the behavior will determine the real performance of the behavior. However, the individual always has a choice and control over performance of the behavior and this choice is being affected by factors that motivate and do not motivate to exercise the behavior. These non-
motivational factors are attributable to availability of necessary resources and competences that are needed for performing the behavior. (Ajzen, 1991, pp. 181-182)

Ajzen (1991, p. 188) distinguishes attitude towards the behavior, subjective norm, and perceived behavioral control as being important factors affecting intention. These determinants are also known as behavioral, normative and control beliefs (Doll & Ajzen, 1992, p. 755). If an individual believes that the performance of the behavior will lead to a positive result, then attitude towards this behavior will be positive. If the outcome is expected to be negative, then attitude is also negative (Harrison et al., 1997, p. 177). Another determinant - subjective norm, is defined as the perception of the pressure, coming from society - individuals or groups, about whether the behavior should be exercised or not. Lastly, perceived behavioral control is connected to what extent an individual perceives the behavior to be easy or complicatedly to execute. That perception will depend on experience and barriers that have to be overcome. Summarizing the three determinants, the individual will exercise the behavior, when attitude is positive, subjective norm is favorable to behavior, and when there is strong perceived control over the behavior. However, that is not always true and importance of the factors will depend on the concrete situation and concrete behavior. (Ajzen, 1991, p. 188)

Transferring the theory of planned behavior to the settings of a website adoption decision by the owner-manager in micro SMEs, the intention (decision) to adopt a website will depend on: 1) the attitude of the owner-manager towards the outcomes a website can bring, such as a competitive advantage; 2) the perception whether a website is valuable or not for the customers, for example; and 3) the perception whether it is feasible to adopt a website with the current resources and competences, for example, money, employees, skills and others. These determinants may affect the decision of a website adoption, but the owners-managers, their perceptions and beliefs, their business and environments differ, so the importance of the determinants may differ as well.

### 2.4 Customer & consumer perspective

This perspective reveals attitudes and behaviours of customers and consumers. More specifically, several factors which can influence buying behaviour of potential consumers and existing customers are being outlined.

Consumers are actors on the marketplace, persons who identify a need and make a purchase (Solomon, 2009, p. 33). Consumers can also appear in the form of groups or organizations, meaning that one or several persons handle the decision- and purchasing process for products or services which a large number of people will use in the end. A consumer group may be a purchasing agent for office supplies for example. (Solomon, 2009, p. 35) For a firm, a consumer becomes a customer as soon as the consumer buys the product or service. Hence, a customer, may it be a person or an organization, is the end-user for a firm. (Blank & Dorf, 2012, p. 90) For consumers and customers alike, companies play an important and crucial role in the everyday life, having the power to influence their behavior. For example, organizations can focus on socially responsible initiatives since it is positively linked to customers’ development of trust, satisfaction and loyalty towards a company. (Martínez & del Bosque, 2013, p. 97)
Companies usually differentiate between these mentioned customers and strategic customers. For organizations, strategic customers are those customers who have the highest influence on the organization. Usually, these strategic customers purchase high volumes or occupy most of the organization’s time with orders which is why a firm places a special focus on those. (Johnson et al., 2011, p. 72) It does not matter what type of customer the company has, it is essential to keep a good relationship with them so that future profit is ensured. Especially the combination of globalization and technological changes weakened the traditional competitive strategies and highlighted the importance of focusing on customers’ needs and behaviour. Existing customers have gotten even more important to the company than acquiring new ones, resulting in the fact that the relationships with profitable current clients have to last long time. (Bauer et al., 2002, pp. 155) However, the smaller the firm the less financial resources it is likely to have at hand which makes the focus on its customers’ needs even more essential in order to retrieve future income and growth (Eggers et al., 2013, p. 536). Particularly, the Internet and website creation can help to achieve and establish trust, as described in the following chapter, between the different parties (Bauer et al., 2002, pp. 156).

2.4.1 The role of trust and loyalty
According to Morrison and Firmstone (2000), trust can be divided into two groups: personal and abstract trust. Personal trust is concerned with trust in individuals, whereas abstract trust is trust in organisations. Since micro SMEs are highly characterized by the personality of the owner-manager (Brigham et al., 2007, p. 30; Jaouen & Lasch, 2015, p. 402), personal and abstract trust are expected to be tightly connected to each other. With the help of trusting organisations or individuals, uncertainty can be reduced and risks are being made manageable. It is an essential part of our world and necessary in every transaction. (Morrison & Firmstone, 2000, p. 601) More recently, La and Choi (2012, p. 107) argue that the term of trust can be used to express various relationships such as the relationship between business partners and companies, customer trust towards a firm or the perceived trustworthiness of a firm. Trust is considered to be one of the most important factors affecting long-term relationships between buyers and sellers (Sirdeshmukh et al., 2002, p. 33; Chang & Wong, 2010, p. 262; Lancastre & Lages, 2006, p. 777; Ndubisi, 2007, p. 104).

Especially in companies offering services, trust plays an important role since they sell intangible products or, expressed easier, promises. Customers buying services have to believe that the company lives up to the promise and delivers the service as agreed. (Setó-Pamies, 2012, p. 1259) However, a firm failing to deliver the customer desired service is an inescapable occurrence, leaving them with the pitfall of neglecting appropriate service recovery actions. Unsuccessful service recovery leads customers to undesirable reactions since they may spread negative word-to-mouth information about a company, leaving the organization with shattered trust and decreasing reputation. (La & Choi, 2012, p. 105)

It is not only trust that is being built when there is effective communication between the firm and the customer but also customers’ loyalty will enhance (Ndubisi, 2007, p. 100). This customer loyalty is a success factor for companies since a loyal customer base is
essential for vital turnover and competitive advantage whereas most loyal customers are satisfied customers. Loyal behavior can be characterized by repeat purchases for example. (Setó-Pamies, 2012, pp. 1257-1262)

It is getting clear that a company has to use trust and customer loyalty to its advantage. Liu et al. (2011) and Setó-Pamies (2012) found in their quantitative studies that the quality of a service has a strong impact on customer satisfaction whereas customer satisfaction has an important impact on loyalty. Moreover, Yieh et al. (2007) and Séto-Pamies (2012) found that trust has a positive impact on loyalty. Hence, the higher the quality of the service, the higher the customer satisfaction which again increases the chances that a customer will be loyal to the organization (Yieh et al., 2007, p. 282; Prause et al., 2013, pp. 537-538). This said, an organization which focuses on relationship maintenance, high quality services and customer satisfaction is likely to gain their customers’ trust and loyalty. (Yieh et al., 2007, pp. 281-282; Setó-Pamies, 2012, pp. 1266-1267; Prause et al., 2013, pp. 537-538).

2.4.2 The influence of online and offline channels

Every business stands and falls with customers. Being successful includes that the company has the ability to acquire and retain customers and to do so, it is helpful to understand the factors which encourage consumers to buy products and services. (Sakkthivel, 2012, p. 36) Nowadays the online and offline market are dominating, leaving organizations with two major channels to interact with consumers. Verhoef et al. (2007) argue that consumers are using more than one channel during the purchasing process. Prior to the purchase, collecting information online is very common before the consumer decides to purchase an item or a service. (Verhoef et al., 2007, p. 144; Sakkthivel, 2011, p. 184)

On the one hand, Verhoef et al. (2007, p. 144) argue that the lacking lock-in effect of the Internet drives people to do their purchase offline. On the other hand, Sakkthivel (2011, p. 173) argues that consumers on the internet likely prefer to purchase products or services online if they are intangible, and to purchase products and services offline when they are tangible. In any case, the importance of both, the online and offline channel, appears to be argued for.

In the offline market, the customer is running through three stages when buying an item, namely information search, evaluation of alternatives and finally the actual purchase (Sakkthivel, 2011, p. 173). Koo and Lee (2011) argue, amongst others, that in the offline environment, the social factor is one determining factor whether a potential customer becomes a customer. Having kind employees and reacting immediately on customer wishes and complaints can positively influence (potential) customers in their purchasing decision (Koo & Lee, 2011, p. 1749). However, besides the traditional offline market, using Internet as an additional business medium is essential in order to reach many customers, to increase sales and profit and therefore growth (Beheshti & Salehi-Sangari 2007, p. 243; Sakkthivel, 2011, p. 171). Furthermore, being visible online and offline increases customer trust and loyalty (McGoldrick & Collins, 2007, p. 155) which is, as described in the prior chapter, a vital part for the future success of an organization.
Internet does not only play an important role for companies but it is advantageous for consumers as well. On the one hand, organizations try to use the internet as a channel to communicate with customers and present information about their services and products for example. On the other hand, consumers use this technology, amongst others, for mailing and retrieving information. (Sakkthivel, 2011, p. 172) More specifically, as mentioned earlier, consumers are collecting and evaluating information about products or services online which makes it important for companies which are aiming to reach out for customers to provide appropriate and clear information on the Internet (Sakkthivel, 2011, p. 184; Verhoef et al., 2007, p. 144).

2.5 Communication & interaction perspective

This perspective focuses on the possibilities of how micro SMEs can inform and get in contact with their customers and consumers. Hence, the communication and interaction perspective focuses on small firms whereas the previous perspective focuses on the customers and consumers themselves.

A qualitative study by Asproth and Nyström (2008) revealed that the SMEs communicate primarily via personal meetings, discussion groups and used websites for information exchange (Asproth & Nyström, 2008, p. 184). Gilmore et al. (2001, p. 7) emphasize that in order to do business, owner-managers have to go outside and thus they communicate through all their actions they take. This is the normal interaction with people as well as participating in social activities for example. Hence, their marketing activities are often informal, interactive and integrated in their daily appearance. The word of mouth communication and active engagement with the customer is typical for all SMEs (Resnick et al., 2011, p. 44). Indeed, further studies emphasize that this kind of communication is fundamental in building relationships (Vorvoreanu, 2008, p. 225; Chang & Wong, 2010, p. 262). In addition to that, Lohrke et al. (2006, pp. 164-165) as well as Chang & Wong (2010, p. 263) argue that the use of Internet provides SMEs with a low-cost possibility to get in contact with customers and to establish some kind of customer support since an online presence allows companies to communicate directly with its customers. The higher the amount of information that has to be transmitted to and from the customer, the more extensively a SME is using the Internet (Lohrke et al., 2006, p. 171). However, Grant et al. (2007) state that consumers are individuals who have different preferences about how to receive information. The internet enables firms to offer a range of communication formats such as text, audio, graphics or interpersonal contact via chat-options which may increase customer value since people have the choice of selecting their preferred information format (Grant et al., 2007, p. 522). Practitioners should have in mind that too much information may generate confusion and has a negative effect on customers’ choices (Lee & Lee, 2004, pp. 176-177). Interestingly, consumers remember information they read on a paper better than on a screen. Hence, business owners and managers who are having the Internet as the only marketing channel should be aware of this issue since customers tend to forget their firm when making purchase decisions. (Jones et al., 2005, p. 642)

Furthermore, Hill and White (2000) conducted a study already 15 years ago in order to understand especially what practitioners think about websites as communication tools. Participants perceived websites beneficial because it enables to reach new audiences (Hill
Moreover they saw the website as a positive symbol since it is seen being able to compete in the market (Hill & White, 2000, p. 46). The authors state that a website is an important tool for public relations, providing easily information to the public in a way that alternative communication channels, such as e-mails, cannot offer (Hill & White, 2000, p. 47). However, the people being interviewed placed a strong focus on face-to-face communication and did not think that the Internet can replace this personal communication channel (Hill & White, 2000, pp. 47-48).

### 2.5.1 Network theories

The actor-network theory (ANT) is a theory that is being seen useful when studying the ICT adoption methods in SMEs (Chinedu Eze et al., 2014, p. 64). A socio-technical nature of ANT presents a view of society as being a network, constructed by actors - humans and non-humans, where non-human actors are different elements of an information system: personal computers, software, data and operating systems etc. (Tatnall & Burgess, 2002, pp. 180, 183). The predecessor of this theory is the Social-Network Theory (SNT), which studies exclusively networks of human actors, who are individuals, groups, corporations and other social units (Wasserman & Faust, 1994, p. 7). Despite a sociological nature of SNT (Granovetter, 1973, p. 1360), it can be applied within different business disciplines when analysing systems at different levels (Pitt et al., 2006, pp. 600-601). We consider that both theories are valuable to discuss since we aim to study an issue of a website adoption in micro SMEs, so that the actor-network theory includes non-human actors - such as a website, while the social-network theory focuses only on human actors. The discussion starts with human actors in the network and later on, non-human actors are being introduced.

A key word in the definition of these theories is “network”. A word which describes relations and ties between a number of actors (Pitt et al., 2006, p. 601). Actors are considered to be interlinked or dependent on each other whereas the ties between the actors themselves are considered to be channels for material and nonmaterial resource transfer. (Wasserman & Faust, 1994, p. 4). Ties between actors can be directional or nondirectional as well as strong or weak (Parker & Castleman, 2009, p. 175; Pitt et al., 2006, p. 601). A directional tie is, for example, when person A (origin) considers person B (destination) as a close friend. However person B may not think about person A in terms of a close friend (Pitt et al., 2006, p. 601). On the one hand, this tie may be strong since interactions between the two persons are frequent. On the other hand, a weak tie exists when interactions are accidental, that is not frequent. (Parker & Castleman, 2009, p. 175) When persons do not interact personally but may know about each other’s existence, there is a nondirectional tie between them (Pitt et al., 2006, p. 601). Interactions and ties among network actors may influence the individual actor’s decision making-process (Wasserman & Faust, 1994, p. 7).

However, there can appear a structural hole in the network due to weak ties between individuals or groups and the actors’ limitation of interactions within a particular group. Weak ties and interactions within one group may result in a limited and slower information flow in comparison to a network of actors with strong ties. These structural holes may be beneficial for important players in the well-connected network in terms of greater control of information flows between poorly connected groups. This in turn may bring profit
opportunities if an important player-entrepreneur which has found a structural hole and controls it. (Pitt et al., 2006, pp. 601-602)

The social networks, consisting only of human actors, thus may enhance an establishment of alliances which is critical especially for a competitive position of SMEs that have limited resources and market share (BarNir & Smith, 2002, p. 220). However, a network, which is not limited to human actors, meaning it includes non-human actors, is more advantageous and allows the resource transfer to be passive with the help of different attachments or web mediators. This creates a superposition of various channels. (Latour, 2005, pp. 216-217, 220) Conclusively, the more actors a network includes, the stronger it is (Spinuzzi, 2008, p. 87). That is important to remember since the interests of the actors change and may not meet the main actor’s decision, who is the most powerful within the network, so the actors leave the network and make it unstable (Chinedu Eze et al., 2014, p. 65; Spinuzzi, 2008, p. 87).

Transferring the theories to the context of a small company reveals that if it relies only on the social network of human actors - consumers, customers, suppliers and others, then the resource flow (e.g. information) may be slow or do not reach equally all the actors due to their limited interactions (weak ties). The distance between the actors (structural holes) provide an opportunity for the competitors to entice the company’s consumers and customers because of information flow interferences. A website, as a non-human actor in the actor-network theory, may play a role of the passive mediator, which connects better and to a greater extent the company and its customers and consumers, making the ties and the network stronger. The adoption of a website, in line with other strategic decisions, is in the competence of the owner-manager in SMEs (Ghobadian & Gallear, 1997, p. 130), and he or she as the representative of the company is the key actor in the network. If the interests of consumers and customers do not align with the owner-manager’s decision of a website adoption, they may leave the company’s network and may search for other companies. However, the study of Chinedu Eze et al. (2014, p. 78) confirmed that the managers in SMEs, technology and other human actors can influence each other, so the owner-manager’s decision can be influenced by customers, for example. The same authors reflect that the external actors to the company’s network - IT specialists, consultants, government agencies and others, can help to adopt ICT (a website), which may positively affect the manager’s decisions, since a better picture of the environment around the companies is available. That in turn may improve adaptation to the unexpected changes.

2.6 Websites in the light of strategic, owner-manager, consumer & customer, communication & interaction perspectives

As we have outlined in the introduction, a website is a tool which helps to present information, create and maintain customer relationships and communicate the corporate identity (Bauer et al., 2002, p. 157; Eighmey & McCord, 1998, p. 193; Flavián et al., 2006, p. 8; Topalian, 2003, p. 112). Moreover, a website can also enhance SMEs’ innovativeness whereas the degree of adopting such innovative opportunities partly determines the competitive strength and future success of an SME (Thompson et al., 2013, p. 957; O’Dwyer et al., 2009, pp. 55-56; Mumford et al., 2002, p. 711; Krause, 2011, p. 212; Ward,
Since the owner-manager is the key decision-maker in the company, it is in his or her responsibility to align the new technology with the company’s strategy (Chao & Chandra, 2012, p. 115; Ghobadian & Gallear, 1997, p. 130). However, the owner-manager’s attitude towards a website, its perceived importance for consumers and customers, and a perception of feasibility of its adoption with current strategic capabilities, according to the theory of planned behavior, may influence the decision of a website adoption (Ajzen, 1991, p. 188). A website as a passive non-human mediator may help micro SMEs to create a superposition of various channels, connecting different actors within the company’s network, making it even stronger and wider (Latour, 2005, pp. 216-217, 220; Spinuzzi, 2008, p. 87).

Despite all the positive aspects, a website may not always be beneficial. The lack of IT skills may result in the fact that a website turns out to be more of a distraction than a benefit (Peltier et al., 2012, p. 423; Thompson et al., 2013, p. 957) and it is emphasized that owners have to understand the consequences and required actions that an adoption of new technologies entails (Thompson et al., 2013, p. 957). The risk is that owner-managers assume that by adopting new technologies, they will be automatically more competitive but instead it has to be ensured that the new technologies are fully integrated in the firm’s strategic structure. Likewise, a clear strategic structure results in the fact that the IT infrastructure is seen as providing possibilities to achieve the corporate goals. (Celuch et al., 2007, p. 196; Thompson et al., 2013, p. 957) Moreover, SMEs are having limited resources which can impact their adoption of IT and competitiveness negatively (Bell & Loane, 2010, p. 224; O’Dwyer et al., 2009, p. 55). However, using the relatively inexpensive existing technology, such as websites, blogs or other web-platforms, leads to gaining valuable insights from customers who can directly state what they like, dislike or desire. Using this information could help firms to improve their business. (Bell & Loane, 2010, p. 216)

When adopting a website, managers have to focus on the user-friendliness of such. This user-friendliness, or usability of the homepage, may be characterized by the ease of understanding the structure and site-functions, the simplicity of use in general and how fast visitors can find desired information. (Flavían et al., 2006, p. 2) Belanche et al. (2012) found that the usability of a website is tied to customer satisfaction. The easier a website is to navigate, in terms of structure and presentation of information, the higher the satisfaction of the customer (Belanche et al. 2012, pp. 129-130; Flavían et al., 2006; Tan & Wei, 2007, p. 269). The design and usability of a homepage is of greater importance for rather unknown companies since the lack of knowledge about the firm amongst the (potential) customer raises uncertainty. A website should be, amongst others, designed according the needs and requirements of the visitor and it should contain an adequate amount of information so that the uncertainty can be tackled. (Belanche et al., 2012, p. 130; Lee & Kozar, 2012, p. 458) More generalized, as stated, managers should focus on website-designs which are user-friendly, ergo simple and easy to understand with product or service-related information (Eighmey & McCord, 1998, p. 192; Flavían et al., 2006, p. 8)

It also may be due to these demands that Hill and White (2000) found in their study that the interviewed practitioners perceived a website as additional and unpleasant work. The respondents stated that they had doubts about the value of a website since its value-adding
is difficult to measure. Furthermore, the workload experienced by the respondents lead to the fact that the priority for updating and maintaining the site is very low ranked. (Hill & White, 2000, p. 48) Nevertheless, this displease may be eased when one is familiar with the use of prior technology. The general involvement in the Internet and competitive pressure are positively related with adopting a website. In contrast, the use of marketing media - billboards, catalogues, paper advertisement etc., does not lead SMEs to own a website. (Dholakia & Kshetri, 2004, p. 320)

According to the theoretical and empirical material, we found connections between the decision of a website adoption and strategic, owner-manager, consumer and customer, as well as communication and interaction perspectives. From this we created a preliminary conceptual model which is presented in the following Figure 3.

Figure 3: Conceptual framework.
3. Scientific and practical method

This chapter reveals our theoretical and practical standpoints regarding the method of data collection and analysis. The chapter starts with personal reflections and the choice of the subject. Explanations and justifications of our philosophical viewpoints, the choices of research approach, design and data collection method are provided as well. Then, the practical side of interviewee selection, the sampling design, interview guide and procedure as well as the approach of empirical data analysis is being presented. The chapter ends with the critical reflections about the research quality and ethics criteria as well as the choice of literature.

3.1 Personal reflections and choice of the subject

According to Bryman (2012, pp. 39-40), the researchers have to be self-reflective, in order to make readers aware of possible bias and personal assumptions that can impact the process of the research and its results. We think it is important to familiarize readers of this thesis with our educational background, experience, personal views and what motivated us to choose the particular topic.

Both of the authors are enrolled in the Master program of Management at Umeå School of Business and Economics. Furthermore, Ludger Schmuck has an undergraduate degree from the German Ostfalia University of Applied Sciences within Business Administration, more specifically Transport and Logistics-Management, whereas Veronika Vintish holds an undergraduate degree from the University of Latvia in Business Administration and Economics. We consider that our knowledge within management, marketing and sociology, gained during our business studies at the Master and Bachelor levels, is relevant for the choice of the apparent multidisciplinary topic. Due to the authors’ better acquaintance with the management and marketing disciplines, these two directions will affect the study and choice of the theories to a greater extent. However, we do not only rely on the theories and concepts familiar to us but we also give space for new ones since we try to look on the problem from different angles and to contribute to our knowledge-development. In relation to the professional experience, Veronika Vintish has worked in customer service within the private banking sector and Ludger Schmuck has extensive professional experience related to project management in a multinational organization. This practical experience in international companies and life in Sweden made us particularly interested in conducting our own business in this country after graduation.

In the beginning of the year 2015, Ludger has established an own micro company, offering consultation within business development. Also, Veronika’s husband started his own business related to consultancy in building engineering, inspiring her to support him in the initial stages of the micro company development. These facts lead us to the closer examination of micro SMEs in Sweden and the problems they encounter. One of the problems we have thought about was how micro companies develop and let others know about themselves and how they communicate with consumers, customers, business partners and other interested parties. We are also consumers searching actively for information about products and services on the Internet prior to our purchases and we found that a website is published by only 59% of small and medium companies in Sweden (SCB,
However, we have not found solid explanations in the literature why especially micro SMEs do not adopt a website in this age of technologies. In this way, we have chosen the subject for our study and formed the research questions that we aim to answer.

Our concern regards the impact of our personal preconditions and interest in the topic on the interpretations of the results. However, we tried to minimize this impact and build a parallel with literature to support our interpretations. We try to stay objective and provide critical reflections, however we agree with Poortman & Schildkamp (2012, p. 1730) that absolute objectivity cannot be maintained in any research. Since we adopt the constructivist and interpretivist philosophical stance, we are involved in understanding the research objects’ world and its social construction (Bryman, 2012, p. 33; Saunders et al., 2012, p. 137), that we will discuss further.

### 3.2 Research philosophy

Social research methods guide a researcher in the research process. Research method should support the purpose of the study, assist in addressing the research problem and answering the research questions. (Bryman, 2012, p. 4) Research philosophy affects the theoretical perspective that the researcher adopts, which in turn influences the research method and the choice of method (Gray, 2009, p. 17). We reflect the methodological choices made in this study in Figure 4.

<table>
<thead>
<tr>
<th>Philosophy</th>
<th>• Ontology: constructivism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Epistemology: interpretivism</td>
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<tr>
<th>Approach</th>
<th>• Abduction</th>
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<tbody>
<tr>
<td>Methodological choice</td>
<td>• Qualitative with quantitative elements</td>
</tr>
<tr>
<td>Strategy</td>
<td>• Multiple case study</td>
</tr>
<tr>
<td>Time horizon</td>
<td>• Cross-sectional</td>
</tr>
<tr>
<td>Data collection method</td>
<td>• Semi-structured interviews</td>
</tr>
</tbody>
</table>

![Figure 4: The structure of the research methodological choices (Research “onion” adapted from Saunders et al., 2012, p. 128).](image)

According to Saunders et al. (2012, p. 127), the nature of knowledge is attributable to research philosophy, which envisages two concepts of social reality: ontological and epistemological considerations. Ontology is oriented towards the nature of social reality; it is concerned with a researcher’s assumptions about whether social reality is objective or subjective (Long et al., 2000, p. 190). Objectivism views the social world as being independent or external to the researcher, which means that there are no influences of the individual on external facts. Constructivism, on the other hand, refers to the production of
social phenomena and their meanings through continuous interplay of social actors with the social world. (Bryman, 2012, pp. 32-33) However, the process of construction of meanings may come from the subject’s dreams, beliefs, or, for example, collective unconsciousness. This is known as a subjectivist position (Gray, 2009, p. 18). An ontological position of constructivism is in line with our intentions since we ask the owners of the micro SMEs to construct the meanings of the company’s strategic position, communication and relationships with consumers and customers, as well as meanings of the role of the Internet and a corporate website. We think that these meanings are constructed in active interaction with the social world, and they are not influenced only by personal beliefs or similar as in subjectivism. We expect that the meanings produced by the companies’ owners can be different because, according to Gray (2009, p. 18), they are constructed in various ways. In addition to that, we provide as researchers our own interpretations of these meanings, meaning that the social world cannot be considered as external in this case: neither for the researchers, nor for the owners of the companies.

Another set of assumptions of an epistemological kind are concerned with the bases of knowledge and the issue if the social sciences can and should apply the same principles, techniques and ways as in the natural sciences, to study the social world (Bryman, 2012, p. 27; Cohen et al., 2007, p. 7). Positivism and the major type of realism, critical realism, adopt the approach of natural sciences (Bryman, 2012, p. 29). While the structures that build the world are external to the researcher, the social conditioning affects their interpretation, and this differentiates critical realism from positivism (Mikkelsen, 2005, p. 135).

We aim understand why micro SMEs do not adopt a website. We do this by taking a perspective of the micro SMEs owners’ to see things through their eyes and to understand the social world around them and their companies, which refers to interpretivist epistemological position (Saunders et al., 2012, p. 137). Thus, we cannot apply the methods of natural scientist as positivists and realists. Neither can we measure the external reality, explain human behavior with laws and mechanisms and provide law-like generalizations (Gray, 2009, p. 24; Travers, 2001, pp. 10-11). Our interpretivist and constructionist philosophical standpoints are interlinked, which means that the research includes subjective perceptions and will not be value-free (Cohen et al., 2007, p. 33; Gray, 2009, p. 21). Denzin & Lincoln (eds., 2003, p. 33) think that how we feel about the world, what beliefs we have about it, how we should understand and study it has an impact in every research conducted and thus all research is interpretive. Continuing this idea, the researcher will ask particular questions and will provide own interpretations which is particularly our case. Bryman (2012, p. 39) reflects that the research cannot be value-free and it is not possible to keep all the researcher’s values is check, but it is important to be self-reflected to avoid bias – things we have discussed in chapter 3.1.

3.3 Research approach

The theories applied in the study facilitate a researcher’s understanding of the social world. The choice of specific theoretical positions will affect the topics covered and investigated in the research, as well as the interpretation of the findings. (Bryman, 2012, p. 5) There are several approaches which use theories in a particular stage of the research process. A
A deductive approach means that a researcher start with an abstract thinking and generation of ideas, which are then connected to theory and are tested with empirical data. If the research follows an inverse sequence of these process stages, then it adopts an inductive approach (Neuman & Kreuger, 2006, p. 53). While the researchers, who adopt a deductive approach, aim to test their ideas about the world and to verify or to falsify theory, an inductive approach identifies patterns and meanings and creates a conceptual framework (Gray, 2009, p. 15; Neuman & Kreuger, 2006, p. 53; Saunders et al., 2012, p. 144). Yet, a different is called abduction, or systematic combining. It is being viewed as being dependable to a greater degree on theory than induction, but to a lesser degree than deduction. It is more close to an inductive approach, and is useful when developing a theory. (Dubois & Gadde, 2002, pp. 554-555, 559)

An abductive approach envisages a contemporary process of proceeding of the theoretical and empirical frameworks as well as case analysis, which is also our research strategy that is discussed further. How this process will evolve depends on the real-life situation, theories that can be accessed by a researcher, the case that is in a constant development and the analytical framework being established. An abductive approach provides better understanding of theoretical and empirical phenomena being studied. (Dubois & Gadde, 2002, pp. 554-555) We consider that an abductive approach reflects the process of our research since we were going “back and forth” between empirical data collection and analysis, and theory. We have found a that only 59% of micro small and medium companies in Sweden have a website (SCB, 2014a, p. 28), while in the literature a solid discussion regarding why especially micro SMEs do not adopt a corporate website is not presented. Because we have not found explanations of such decision, we started to collected detailed and rich data, conducting semi-structured interviews. That helped us to understand better the settings of an empirical problem, identifying themes and patterns (Saunders et al., 2012, p. 147) related to a decision of the owners-managers of the micro SMEs to not adopt a website. We continuously connected new empirical data gathered from the semi-structured interviews with theories and concepts available to us, so that there was interplay between empiria and theory. The four key themes we have identified and presented in chapter 4. “Empirical results”, were integrated in the conceptual framework. The conceptual framework developed in the initial stages of the research, which is shown in the end of the chapter 2 “Theoretical frame of reference”, was adjusted later on with new empirical data gathered. The final framework is reflected in the chapter 5 “Empirical analysis and discussion”, and a new insight to the theory frame was provided in terms of identifying the reasons why a website is not adopted and, secondly, exploring why these reasons exist. Thus, we have contributed to the theory development. While this study applies an abductive approach and is of qualitative nature, the previous studies of ICT adoption in the SMEs context were quantitative and applied a deductive approach (Chinedu Eze et al., 2014, p. 64). That is, we have applied different methodology, which helps to study the problem more deeply.

3.4 Research methodology

According to Morse (2005, p. 22) and Jackson et al. (2007, p. 22), a qualitative research is based on communication, to gather and to understand information about stories, experiences and reflections about those experiences. This implies that the researcher can
count on rich and detailed information but also that s/he has to rely on the participants’ in-depth responses and the fact that the results will not be generalizable (Jackson et al., 2007, p. 23). We decided to conduct a qualitative study because we want to gain deep understanding of the research problem by carefully studying the situation of the micro companies through communicating with the owners. We want to understand their perspective, how they perceive a website and the internal and external situation of their companies. Since we want to explore the reasons why no website exists, we have to gather as much information as possible. Additionally, we include elements of quantitative research due to counting the frequency of the answers (Saunders et al., 2012, p. 161), thus reflecting them in the numerical form, and using statistical tools in Excel. Also, the qualitative research design is in line with interpretivism we were arguing for because it implies the subjective perception of knowledge (Cohen et al., 2007, p. 33; Mikkelsen, 2005, p. 135) and because it matches an abductive approach and case study strategy (Saunders et al., 2012, p. 163). It is being argued that a combination of qualitative and case study is valuable for studying phenomena within management and business areas (Gummesson, 2000, p. 1) which is especially applicable in our case since the multidisciplinary topic of this study relates to management, marketing as well as sociological disciplines. We discuss the critics of the qualitative case-study research and argument for its use in this thesis in the chapter 3.10 “Research quality”.

3.5 Research strategy: multiple case study
The use of a case study is quite popular in management (Gummesson, 2000, p. 83). It provides in-depth understanding of a contemporary real-life phenomenon, whereas this phenomenon highly depends on the context of its environment (Yin, 2009, p. 18). Other differentiating features of case studies refer to the questions it aims to answer. Mostly “why” or “how”, but also “what” questions and low or no possibility for the researcher to control the events characterize case studies. (Saunders et al., 2012, p. 179; Yin, 2009, p. 2) These are the main conditions that differentiate case studies from variety of research strategies, for example, experiment, survey or archival research (Yin, 2009, p. 8).

Gummesson (2000, p. 88) criticizes that case studies may generate hypotheses but due to their lack of statistical reliability and generalizability, they fail to test them. However, gathering in-depth information about an individual, a group, an event or social setting allows the researcher to create rich data, leaving him/her with a strong understanding about the studied subject (Berg, 2004, p. 251). The researcher can conduct exploratory, explanatory or descriptive case studies (Gummesson, 2000, p. 85; Yin, 2009, p. 8). The exploratory case study describes research that creates better understanding of a phenomenon by collecting data through quite unstructured interviews before the research questions being precisely formulated (Gummesson, 2000, p. 85; Berg, 2004, p. 256; Saunders et al., 2012, p. 171). Explanatory case studies rather describe than explore a phenomenon. It is being used to create causal relationships as well creating theory whereas the explanations and arguments are based on facts. (Berg, 2004, p. 257) The descriptive case study focuses on the presentation of descriptive theory and building the theoretical framework, which will guide the study. Before the formulation of the research question(s), the researcher should be clear about what to study and what theory will guide the research (Berg, 2004, p. 257).
A case study not only is exploratory, explanatory or descriptive but it is also characterized as instrumental, collective or intrinsic. An instrumental or single case study is a case study where the researcher focuses on an issue or concern and then selects one case to address and understand this issue (Creswell, 2013, p. 99). The collective, or multiple case study focuses again on an issue but then the researcher selects several subjects, or cases, to illustrate the problem (Creswell, 2013, p. 99). Multiple case studies are more convincing and offer a better insight than single case studies (De Vaus, 2011, p. 227). Intrinsic case studies place their focus on the subject that is being studied rather than the issue (Creswell, 2013, p. 100). The researcher places a focus on the case itself and is more interested in the uniqueness of the subject being studied rather than creating or testing theory (De Vaus, 2011, p. 227).

This research is aimed to study and to understand the contemporary issue of why micro SMEs in Sweden do not adopt a website. In order to answer the main question “why”, we need to identify what are the reasons that harm a website adoption among micro SMEs, so that we may explore and understand the existence of those reasons. Due to the nature of our study, it is characterized as exploratory and explanatory type. We aim to select several micro SMEs, represented by the owners, (= multiple cases) for the semi-structured interviews in order to explore and better understand the reasons why they have neglected to establish a website. In addition to that, we do not have control of behavioral events. This explains why a multiple case study is chosen as a strategy for this research.

When the choice of methodology and strategy is made, a researcher has to decide on suitable time horizon of the study: cross-sectional or longitudinal (Saunders et al., 2012, p. 160). The difference between them lies in time constraints: while longitudinal time horizon allows the researcher to study phenomenon and change or development over an extended period (years), “cross-sectional” refers to the short-term studies (weeks or months), which takes a “snapshot” at a particular time (Cohen et al., 2011, p. 266; Saunders et al., 2012, p. 190). A cross-sectional time horizon is usually chosen for surveys. However, Saunders et al. (2012, p. 190) states that it is appropriate for many qualitative case studies that envisage conduction of the interviews in a short timeframe. Due to time constraints for this thesis, the semi-structured interviews for the multiple case study were being conducted in about one month, so that the cross-sectional time horizon is considered to be suitable. It should be noted that the term “cross-sectional” is attributable to the short-time horizon in this thesis, which depends on the choice of broader levels of the research design or methodology (qualitative with quantitative elements) and strategy (multiple case study) (see Figure 4). This segregation is important to highlight since, for example, Bryman (2012, p. 76) defines “cross-sectional” and “case study” as the types of research design, while “qualitative” in his interpretation is the research strategy.

3.6 Data collection method: semi-structured interviews

There are two main ways how data can be collected, namely quantitative and qualitative (David & Sutton, 2011, p. 5). A qualitative approach focuses on data collection which has not been expressed into numbers or scales and is rather concerned with the meaning of a message. Hence, the researcher is trying to gain in-depth knowledge during the data
collection (David & Sutton, 2011, pp. 82-83). A qualitative data collection may be performed via focus groups, interviews or observations, for example (Keegan, 2009, p. 73). Since we are aiming to explore and understand the reasons for micro SME-owners regarding websites, we follow a qualitative data collection method. More precisely, we chose interviews as a method of data collection since it is a way to explore rich and detailed information in order to gain in-depth knowledge (DiCicco-Bloom & Crabtree, 2006, p. 319; Keegan, 2009, p. 78).

Semi-structured interviews are characterized by open-ended questions whereas other, even unplanned questions arise during the conversation with the interviewee. Semi-structured interviews are usually scheduled in advance at a specific time, falling outside the everyday activities. Semi-structured in-depth interviews is the most common type of interview when it comes to collecting qualitative data, allowing the researcher to gain comprehensive knowledge about the interviewee. (DiCicco-Bloom & Crabtree, 2006, p. 315)

Not only have we chosen semi-structured in-depth interviews for our research but also we decided upon telephone-interviews instead of face-to-face interviews. This is mainly because we wanted to spread the participants all over Sweden instead of focusing on one geographical area.

Telephone interviews are a reasonable instrument to conduct a qualitative study and the information outcome is very similar to the more established face-to-face interviews (Sturges & Hanrahan, 2004, p. 115; Saura & Balsas, 2014, p. 2628). Moreover, several authors argue that the phone can be used as a tool for in-depth interviews in order to reach geographically dispersed respondents or to save costs (Musselwhite et al., 2007, p. 1065; Keegan, 2009, p. 81; Harvey, 2011, p. 435; David & Sutton, 2011, p. 249). Obviously, phone-interviews also helped us to save immense expenses while still having been able to interview participants from southern, western, eastern and northern Sweden.

The main difference between telephone and face-to-face interviews is the absence of physical and visual presence (Irvine et al., 2013, p. 89) which limits the interviewers’ options to comfort the interviewee if s/he gets emotional (Keegan, 2009, p. 82; Sturges & Hanrahan, 2004, p. 115). However, the physical and visual absence can also be beneficial since the phone can minimize the disadvantages of face-to-face interviews, such as the influence of facial-expressions, physical action like walking or smoking as well as the lower anonymity, resulting in the fact that the interviewee could be more open in his/her answers (Musselwhite et al., 2007, p. 1066; Saura & Balsas, 2014, p. 2628). Further Irvine et al. (2013, p. 101) state that telephone interviews, compared to face-to-face data collection, are not causing difficulties in the essential understanding.

Important to know as a researcher is, as several authors have noticed before, that the respondents can easily lose focus when participating in telephone interviews which is why one not only have to be well prepared but also to be more precise and clear in the questions compared to face-to-face interviews (Cohen et al., 2007, p. 93; Keegan, 2009, pp. 81-82; Harvey, 2011, p. 434; David & Sutton, 2011, p. 249; Irvine et al., 2013, p. 100). Considering this will help to gain and strengthen the trust of a participant which in return will result in higher quality data (Harvey, 2011, p. 433). Not only being well prepared and
direct will enhance the trust amongst the researcher and respondent and therefore the data quality but also being as transparent as possible is an important factor. Harvey (2011, p. 434) argues further, that sharing as much information as possible before the interview will enhance trust as well as the quality of the interview.

Other factors that the researcher has to bear in mind are the lower tolerance for silence and patience in telephone interviews (Irvine et al., 2013, p. 101). Further, the authors found that phone interviews tend to be shorter than face-to-face interviews which might be partly due to the necessity of listening very carefully or due to the fact that so called acknowledgement tokens, such as "mh", "uh" and "hm", have been observed to be less frequent during telephone interviews compared to face-to-face interviews (Irvine et al., 2013, p. 98). Keegan (2009, p. 82) goes even further and states that telephone interviews should be at maximum 30 minutes. Additionally, Harvey (2011) mentions in his study that interviews with “elite respondents”, which are senior managers, board members or owners, are often significantly shorter than interviews with other employees since elites are more likely to be direct when answering questions (Harvey, 2011, p. 439).

Knox and Burkard (2009) review some of the literature about face-to-face and phone interviews and come to the conclusion that there are only minor differences in the quality of the data. They recommend that a researcher chooses the method which promises the richest data in regard to the study (Knox & Burkard. 2009, p. 568).

We think that the telephone interviews are beneficial for our study since we want to know the perceptions of the micro SMEs’ owners from different parts in Sweden. We think that the main shortcoming of the telephone interviews is the fact that they are shorter compared to face-to-face interviews. However, since we aim to interview the owner-managers of the companies, we expect to get focused and solid answers to the questions. We were careful in designing the interview guide and to ask the main questions about the themes we are particularly interested in. We tried to keep a neutral voice when asking the questions in order to avoid any impact on the answers. Being aware of lower tolerance of silence and patience during the telephone interviews, we have conducted them in the silent premise, and during a time that was most comfortable for the interviewees. In the next section we are going to discuss the criteria for the interviewee-selection and how a sampling is designed.

### 3.7 Interviewee-selection and sampling design

Keegan (2009, p. 34) argues that the researcher should include important interviewees which reflect the objectives of the research as well as the target group. The main criterion for selection was the unavailability of a website with information about the company and the services or products it provides. We aimed to target micro SMEs, that are Small- and Medium sized companies with one to nine employees and with a turnover of maximum two million Euros, which was being converted to Swedish krona according to the exchange rate defined by Riksbank. Furthermore, we decided only to take those micro SMEs into account which are located in a municipality with a population of 40,000 to 70,000. This is because we aimed to have roughly the same environmental conditions for all selected companies.

Sampling strategies in social research are divided into two approaches: probability and non-probability. On the one hand, probability sampling is usually being used for quantitative
studies aiming for generalizations since every respondent in the population of interest can be chosen for the study with the same probability (Ritchie et al., 2014, p. 112). On the other hand, non-probability sampling is used for qualitative studies and it is characterized by the fact that some individuals of the population of interest have no chance at all to be selected for the study. It is the characteristics which determine the potential respondents and the sample does not aim to be generalizable. (Ritchie et al., 2014, p. 113)

The main sampling strategies for a qualitative research are: purposive, theoretical and convenience sampling. Theoretical sampling is usually being used to develop and test theory. The researcher selects a sample, analyses the data and aligns it with the theory. Based on the findings, the process is being repeated and more samples are being selected until a satisfying amount of data is available. (Creswell, 2013, p. 158; Ritchie et al., 2014, p. 115) Convenience sampling describes the approach of selecting those who are simply available. However, this method is highly limited and the validity is questionable. (Ritchie et al., 2014, pp. 115-116)

Purposive sampling means that potential respondents are being selected on purpose because of some specific characteristics. These characteristics usually help the researcher to explore and understand the main questions s/he has outlined. (Creswell, 2013, p. 157; Ritchie et al., 2014, p. 113) This sampling method was also chosen for our study and firms were being selected based on their specific characteristics, represented the specific focus group. The selection criteria are based and consistent with the research problem.

We exclusively contacted and held interviews with the founders and owners of the respective company. We think that this is appropriate since the companies are very small in size and only the owners of the company may be able to answer all our questions satisfactorily. Since the owners of micro SMEs are also deeply involved in managing the firm, we use “owner-manager” as a synonym for “owner”.

In the table 1 below, we present some background information about the companies with which we had interviews. Due to the wish of being anonymous, we had to replace the names of the companies to “Company A”, “Company B” etc. Also, we do not reveal the city and year of establishment of these companies to avoid the possibility of identifying them by looking into the company register. The duration of the interviews was approximately the same 20 minutes, with minor deviations.
Table 1: Background information about the companies interviewed.

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>City</th>
<th>Services/Products</th>
<th>Year</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.02.15</td>
<td>Company B</td>
<td></td>
<td>Technical consultancy firms in industrial engineering</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>02.03.15</td>
<td>Frösö Byggnadsplåtslageri AB</td>
<td>Östersund</td>
<td>Steel</td>
<td>2010</td>
<td>5</td>
</tr>
<tr>
<td>03.03.15</td>
<td>Company A</td>
<td></td>
<td>Floor- and wall covering</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>03.03.15</td>
<td>Östersunds Rörisolering AB</td>
<td>Östersund</td>
<td>Pipe isolation</td>
<td>2000</td>
<td>9</td>
</tr>
<tr>
<td>04.03.15</td>
<td>Megaron AB</td>
<td>Skellefteå</td>
<td>Business and management consultancy</td>
<td>2004</td>
<td>3</td>
</tr>
<tr>
<td>17.03.15</td>
<td>Company C</td>
<td></td>
<td>Computer consultants</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>17.03.15</td>
<td>IT &amp; R i Karlstad AB</td>
<td>Karlstad</td>
<td>Computer consultants</td>
<td>2007</td>
<td>3</td>
</tr>
<tr>
<td>20.03.15</td>
<td>Company D</td>
<td></td>
<td>Carpentry for buildings and construction sites</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>25.03.15</td>
<td>Company F</td>
<td></td>
<td>Skin care products</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>25.03.15</td>
<td>City Advisory Sverige AB</td>
<td>Karlstad</td>
<td>Tax advisory</td>
<td>1982</td>
<td>2</td>
</tr>
<tr>
<td>26.03.15</td>
<td>Company E</td>
<td></td>
<td>Technical consultancy firms in electrical engineering</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>02.04.15</td>
<td>Bokenäs El &amp; Event AB</td>
<td>Uddevalla</td>
<td>Electrical installations / Technical consultancy firms in electrical engineering</td>
<td>2007</td>
<td>2</td>
</tr>
</tbody>
</table>

3.8 Interview guide & procedure

An interview guide contains an outline of the topics with questions and is therefore a structure of the planned interview (Kvale, 2007, p. 56). During semi-structured interview, as in our case, it is up to the researcher how strict s/he orientates her/himself on the questions and how open the discussion with the interviewee will be which means that new questions can occur and that the interview could take a detour, ignoring the structure of the interview guide for a while (Kvale, 2007, p. 57). Our interview guide is guided by the conceptual framework, presented in chapter 5. The conceptual framework was created with a prior literature search and adjusted and changed due to our abductive approach.

Kvale (2007, p. 57) argues that interview questions can be evaluated in two ways. On the one hand, the thematic dimension describes to the production of knowledge. On the hand, the dynamic dimension focuses on the interpersonal relationship during the interview which means that the interview questions should maintain a positive conversation without major interruptions.

When developing the interview questions, we kept the thematic and dynamic dimension in mind which resulted in two interview guides. As Kvale (2007, p. 58) emphasizes, two
interview guides might be useful, whereas one guide uses theoretical and the other guide uses everyday language. Hence, the questions are easily understood by both, researchers and respondents alike. Our research and interview questions can be seen in table 2 below. For the interviewees’ convenience, we have sent the questions both in Swedish and English, which can be found in the Appendix 1 – Interview questions.

Table 2: Connections between research questions, theory and empirical data categories.

<table>
<thead>
<tr>
<th>Theoretical connection</th>
<th>Researcher question</th>
<th>Interviewer question</th>
<th>Category in empirical data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch. 2.1 &amp; 2.2., E.g.: Porter (2001); Henry (2008); Ates et al. (2013); Ghobadian &amp; Gallear (1997); Varadarajan &amp; Yadav (2002); Ates &amp; Bititci (2011)</td>
<td>What kind of knowledge about market influences and what kind of motivation does the owner possess?</td>
<td>Q1. What kind of products and/or services does your company offer?</td>
<td>Background information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q2. How would you describe your company’s current position in the market?</td>
<td>Competitive environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q3. What are your company’s strengths and weaknesses?</td>
<td>Strengths and weaknesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q4. Where are your customers located?</td>
<td>Customer location</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q5. How do you want your company to develop in the future?</td>
<td>Future direction of company</td>
</tr>
<tr>
<td>Ch. 2.3 &amp; 2.4., E.g.: Martínez &amp; del Bosque (2013); Bauer et al. (2002); Chang &amp; Wong (2010); Setó-Pamies (2012); Sakkthivel (2012); Hill &amp; White (2000); Pitt et al. (2006); Chinedu Eze et al. (2014)</td>
<td>Is the owner aware of communication channels and what kind of channels is s/he using?</td>
<td>Q6. How do you provide information about your company and its services or products to a. customers? b. business partners?</td>
<td>Providing information to the outside &amp; customer acquisition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q7. How do you attract customers? a. How important are these communication channels for your company?</td>
<td>Providing information to the outside &amp; customer acquisition</td>
</tr>
<tr>
<td>Theoretical connection</td>
<td>Researcher question</td>
<td>Interviewer question</td>
<td>Category in empirical data</td>
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<td>Ch. 2.2 &amp; 2.4.; E.g. Thompson et al. (2013); Celuch et al. (2007); Topalian (2003); O’Dwyer et al. (2009); Belanche et al. (2012); Eighmey &amp; McCord (1998)</td>
<td>What is the perceived usability of websites for the owner and why did s/he not implement one?</td>
<td>Q9. What do you think are advantages and disadvantages of having a corporate website?</td>
<td>Advantages and disadvantages of a website</td>
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<td>Q10. Have you thought about getting a corporate website?</td>
<td>Perceptions about homepage and arguments explaining why no website available</td>
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<td>a. If no, why not? b. If yes, what are the obstacles preventing your from having one?</td>
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<td>Q11. How do you think a website could affect especially your business?</td>
<td>Perceptions about homepage and arguments explaining why no website available</td>
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<td>Is there a difference and/or different perception about the importance of the Internet for personal and business use respectively?</td>
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<td>Ch. 2.5, E.g.: Dholakia &amp; Kshetri (2004); Peltier et. al (2012); Thompson et al. (2013); Prause et al. (2013)</td>
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<td>Q12. How often do you use the internet personally?</td>
<td>Internet for personal purposes</td>
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<td></td>
<td></td>
<td>a. For what purposes do you use the Internet?</td>
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<td>Q13. Would you like to add something else?</td>
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The aim of our interviews is to explore the owners’ knowledge about the market, competitive forces, aspirations for their company as well as their communication and interaction with consumers and customers. Furthermore, we are aiming to explore the owners’ perception about the Internet as a communication tool, more precisely websites as a medium to represent companies online. In order to achieve this, we categorized the questions accordingly. Moreover, the questions are aimed to be formulated open-ended so that as much information is being gathered as possible.

The interviews were being conducted by phone over a time-horizon of about one month (26.02.2015 - 02.04.2015). The companies were being looked up in the company register “Näringslivsregister” in the respective municipality. Further instruments, such portals which offer information about businesses online, were used in order to determine whether the companies we found correspond to our selection criteria. In Figure 5 the results from contacting 212 companies are shown, from which 12 companies agreed to make the interview with us.
We decided to structure the communication process with the potential interviewees into five stages. First, after looking up background information online, we called the potential participant and introduced ourselves, what we do, what our study aims for and asked whether they would like to participate in it. If the contacted person agreed to participate, we scheduled a date and time for the interview. Moreover we informed the participant that we will send information prior to the interview so that s/he can read up about our purpose. Conclusively, the second step of our communication process with the interviewee was to send clarifying information via e-mail before the scheduled date. The information included general statements such as the purpose and aim of the study, clarifications that we are planning to record the interview with an agreement of the interviewee, and that the participant may be anonymous if desired. We also reflected upon confidentiality of the data. Burke and Miller (2001) argue that participants need time to reflect upon questions so that rich data can be retrieved which can be achieved by sending the questions before the interview. This finding, combined with the argumentation about the minimized tolerance for pauses (Irvine et al., 2013, p. 101) and the aim of being as transparent as possible in order to receive high-quality results (Harvey, 2011, p. 434), let us also send our questions before the interview. The third step was the interview itself. We started, as emphasized by Cohen et al. (2007, p. 94), with the questions whether the participant read and understood the e-Mail. We then repeated the aim of our study and asked whether they have any questions and if they agree to be recorded. Also, we asked if the interviewees would like to stay anonymous. Fourthly, after the interview we have sent summary of the interview to the respondent via e-mail, in order to check if the he or she confirms the correctness of information provided. We have also asked one more time if the interviewee desires to stay anonymous in case if previously he or she agreed to reveal the company’s name in the thesis. We think this step was valuable because we and the interviewees got confidence that the interpretations are correctly reflected and will be provided in the thesis, and one interviewee changed an opinion about towards staying anonymous. The final step is to send
the results of the study to the owners of micro companies, if they were interested to get them.

However, one step of the planned communication process was slightly different in the case of two owners of the companies, who wished to have a spontaneous interview. In this situation the information that we normally provided via e-mail was announced in the beginning of the interview whereas we ensured that the involved person understood everything correctly. Interestingly, one interview was slightly longer, while another was shorter. We assume this happened because one owner has been established with his/her firm for a long time and is experienced in the business which resulted in quite broad and long answers, including solid information with concrete examples. The other owner has a company with a short history and it seemed that the owner is not that well aware of the situation since, for example, the owner mentioned not to be aware about the company’s strengths and weaknesses.

### 3.9 Empirical data analysis approach

Making sense and to create a deeper understanding of the collected data is the goal of the data analysis (Creswell, 2009, p. 183). Also, “interpreting and analyzing qualitative data is perhaps the most difficult and time consuming task while doing case study research” (Ghauri & Firth, 2009, p. 34) which is why we think a clear and concise approach for the data analysis is necessary. Our approach for the data analysis in the following chapters consists out of five steps:

1. **Organizing and preparing the data**
   Creswell (2009, p. 185) suggests that a qualitative case study analysis should start with organizing and preparing the data for analysis which can be achieved by transcribing the interviews. Transcribing describes the process of transferring the spoken conversations, word by word, into written form so that a starting point for the analysis is available (Oxford Dictionaries, 2015). We have been transcribing every interview for about four hours, using Word in order to keep the transcript visible and make it available for future preparation. The transcriptions comprised four to five pages each and have been cross-checked so that errors were being minimized.

2. **Making general sense**
   This step includes that we are reading through all our data so that we can get an understanding about the information we have. The identification of general ideas amongst the interviewees as well as an overall impression about the quality and usefulness of the data can be thereby achieved. (Creswell, 2009, p. 185).

3. **Coding & categorizing**
   The third step in the data analysis includes that the data is being organized into chunks of text which then get assigned a code. This code expresses with one or a few words the meaning of this chunk of text. Furthermore, coding also includes creating categories: similar codes can be collected together and expressed in categories. Hence, a category consists out of several codes which all address a specific topic. Following this third step
breaks down the data into segments making it more understandable which again helps us to interpret the collected data. (Creswell, 2009, p. 186; Ghauri & Firth, 2009, p. 35).

4. Generating themes
After having created codes and categories, the next step is to create themes. Themes include several categories which address a certain topic. These themes represent the major findings of our study and are the basis for the analysis. Moreover, themes are supported by different quotations from the interview data. (Creswell, 2009, p. 189) In this study, we used the program “OpenCode 4.0” from Umeå University (ICT Services and System Development and Division of Epidemiology and Global Health, 2013), in order to assign codes, categories and themes to the data.

5. Interpreting
The last step of our data analysis approach is the actual interpretation of the data. Here we interpret and reflect the findings from our interviewees with our theoretical framework so that the research question can be answered. (Creswell, 2009, p. 189)

The data was being categorized and thematized according to the interview guide. For example, Figure 6 below shows the theme “Internet” with the two categories “Internet for business purposes” and “Internet for personal purposes”. Under these categories, the different codes which were assigned in the transcript are visible.

Figure 6: Example of the structure of the theme, categories and codes for “Internet”.

Figure 7 reveals an example of how the codes are assigned to the lines of the answer in the interview.

Figure 7: Example of codes assignment to the lines of the text.
3.10 Research quality

As the researchers we have an important task to ensure quality of the research process and the report. In the previous sections we have presented and discussed the theoretical and practical method, applied in this study. Qualitative research is criticized due to uncertainty of its quality assessment criteria in comparison to quantitative research (Hammersley, 2007, p. 287). However, quantitative and qualitative research employ different methodological approaches, thus thoughts and judgements about quality will be different, too. Validity and reliability criteria are considered to be crucial in quantitative research, but their adoption in qualitative research is arguable and thus more accurate criteria are needed. (Cope, 2014, p. 89; Hammersley, 2007, pp. 287, 289; Poortman & Schildkamp, 2012, p. 1728; Sinkovics et al., 2008, p. 695) Widely used quality criteria for qualitative study are those developed by Lincoln & Guba in 1985 and in 1994: credibility, dependability, confirmability, transferability and authenticity (Cope, 2014, p. 89).

Great effort was put in drawing a solid picture of the phenomena we study, at the same time maintaining all the small details important for building an ambiance of transparency and trust to involve a reader in the research process. Careful planning of the research process, the amount of time spent on the literature review, critical discussions and justifications of our choices, transparency of the research process and data collection as well as analysis, the logical story line throughout the work, - all this, in our opinion, helped us to address the issue of quality in the research. Although Poortman & Schildkamp (2012, p. 1730) state that it is impossible to stay totally objective in any study, we tried to maintain objectivity, starting from self-reflection as was suggested by Bryman (2012, p. 39).

We think that we took important steps towards the achievement of credibility, confirmability and authenticity in the study. We ensured: (1) timely transcriptions of the interview records to produce reflective commentaries for identifying patterns, connections to existing theory and findings, and for development of theory; (2) the interviewees’ reflection upon a summary of the interview to ascertain whether our interpretations were correct; (3) use of extensive quotes from the interview transcripts with maintained interviewee’s speaking style and language, which allows a reader to make personal reflections and then compare with our interpretations (Lodico et al., 2010, pp. 171-172; Shenton, 2004, pp. 68-69). We have constructed a chain of detailed descriptions, discussions and decisions made which can be observed by a reader. We also want to highlight that reaching credibility of the findings was not possible without trustful contact establishment with our interviewees who provided us with credible data.

Another way of improving aforementioned quality criteria was triangulation, which is considered to be a vital part of the case study research (Verschuren, 2003, p. 131). We have adopted triangulation of observers (Neuman & Kreuger, 2006, p. 137) by cross-checking the transcriptions of the interviews and their conformity with the records, and also our own interpretations given to the meanings provided by the interviewees when analyzing data. Regarding triangulation of theory (Neuman & Kreuger, 2006, p. 137), we have involved different theoretical perspectives that assisted us in the interpretation of the study findings. We think that space triangulation (Cohen et al., 2007, pp. 142-143) also refers to our
research because we have interviewed companies from different cities and parts in Sweden, and we have compared the findings from these multiple cases.

The study can be considered dependable because we have provided readers with detailed information, which means it can be repeated in the future (Sinkovics et al., 2008, p. 699), but the results should not be necessarily the same as pointed out by Shenton (2004, p. 71). However, regarding transferability, the small purposive sample of cases used in this research does not intend to make any statistical generalization, but rather analytical generalisation (Poortman & Schildkamp, 2012, pp. 1731-1732). We agree with Malterud (2001, p. 485) that the findings of any study cannot be universally extrapolated to other situations and people, so there are limitations. We tried to describe in details the phenomenon we study, selection of the sampling according to specific criteria, data collection methods, time spent to each of the interviews and data collection period. We believe that this information can help readers to transfer the findings and the conclusions to other settings. However, as Polit & Beck (2010, p. 1453) indicated, readers of the research are those who estimate the extent to which the results can be transferred to their situations.

A valuable part of writing this thesis work was discussions of the research stages and process with a group of peers and the supervisor. They provided us with valuable feedback that was a motivator to strengthen our arguments, control bias, and consider other perspectives. Another set of issues that has to be addressed by the researchers is ethics considerations.

3.11 Research ethics

Every social research must be conducted in an ethical way and address ethical issues arising on each stage of the research (Cohen et al., 2007, p. 51). The ethical issue is especially sharp in the research with qualitative data collection methods because of close interactions between a researcher and research subjects (Blaxter et al., 2006, p. 158). However, Neuman & Kreuger (2006, p. 100) note that absolute rights cannot be granted for a researcher or for research subjects because if it is so, rights of research subjects may be violated by a researcher, or non-interference of research subjects may turn data collection process impossible. Thus, there should be a balance between the researcher’s rights and the research subject’s rights to solve this ethical dilemma. We were careful in compliance of the rights of the interviewees, the authors of the ideas and literature we have used in the work, as well as the rights of readers of this work. We have followed the ethical guidelines found in literature and Umeå University’s policies. We discuss common ethical issues and how we have addressed them in the research.

Informed consent refers to an informed voluntary decision of a research subject to participate in the study (Neuman & Kreuger, 2006, p. 104). We have provided the interviewees with detailed information about our study and the interview, and their rights, before the interview was conducted. Some interviewees raised no objection about being mentioned in the research whereas others decided to stay anonymous. According to Berg (2004, p. 65), there cannot be absolute anonymity because we, as the researchers, know the names of the subjects that we have contacted by phone. We respect the interviewees’ anonymity and we did not present the real names of the companies and their owners. We
assigned them abstract names, such as “Company A” or “Company B”. In terms of confidentiality, we have removed the names of the parties connected to the company, for example, names of business partners, competitors and places, as well as all other information that could help to identify the company, as suggested by Berg (2004, p. 65). In addition to that, we asked only the questions related to the phenomenon we study and the interviewees were informed about the possibility to get additional information if something is unclear and not having to answer questions they are uncomfortable with.

The presentation, analysis and interpretation of the findings are important parts in the research that must not make any harm to the research subjects who provided us with data. We have considered the consequences and risks for the interviewees which is why we contacted them after transcribing the interviews again in order to let them approve our interpretations and perceptions. Again, we mentioned the possibility to still be anonymous if desired. Additionally, in order to evoke trust among readers of this study, we have neatly reflected the data collection process. We have also followed Berg (2004, p. 67) suggestion to secure the data and keep it away from public.

Plagiarism is another ethical issue that we have addressed by stating the sources of information and the ideas that were not ours. In addition to that, we tried to avoid secondary references and to use original sources in order to improve both quality and ethics. As the researchers, who work in pairs, we were transparent to each other and discussed the issues that appeared in our study timely.

### 3.12 Choice of literature and critical evaluation

The literature review in this study is mainly based on peer-reviewed articles. However, two articles have been used which are not peer-reviewed. These articles were chosen to be included since they have been cited by several peer-reviewed articles which increased their credibility. Before we decided to use the articles we included, we reflect upon the journal it was published so that applicability is being ensured. We also considered the authors’ expertise and reputation by considering the frequency of citations in other articles. Additionally we used some books in order to explain main concepts as described in the research methodology or main terms, such as “customers” for example. We always strived to look up the primary source in order to enhance the reliability and quality of our study which is why some of our sources are dating back a few years. However, those older articles were the sources newer literature constantly referred to which let us to decide to include it as well. We are aware of the criticism of using old sources, but it was not always possible to avoid them since we have reflected established theories, such as Theory of Planned Behavior (TPB), Actor-Network Theory (ANT) and Social network theory (SNT), which were developed many years ago. Furthermore, we used a conference paper and the websites we have used as sources reflect statistical and European Commission reports, as we as an online dictionary and a reference to the transcribing-program „OpenCode 4.0.” Finding appropriate articles and books was supported by the use of the search engine from Umeå University’s homepage (www.ub.umu.se) and Google Scholar in combination with the Umeå University library proxy (http://proxy.ub.umu.se/login?url=http://scholar.google.se/). Several keywords, such as “offline shopping”, “customer loyalty and trust”, “customer purchasing”, “usability of websites SMEs”, have been used to find the literature.
4. Empirical results

In this chapter we present the findings from the interviews. Theoretical and empirical connections introduce the reader to the sequence of further data presentation whereas an overview can be found in the appendix 2. The findings are structured according to the categories “Strategic position”, “Customer and communication”, “Internet” and “Websites”.

We think it is not useful to present all raw data in the results but instead, we think that the researchers have to keep it clear and aggregated when presenting the major findings. Thus, the part of the presentation of the findings has to be structured and easy to follow. That is why we decided to implement a storyline. The storyline is supposed to lead the reader through the empirical findings, so that he or she will not be lost. We present the major quotes, contrasting views, as well as summaries of findings, so that all data is being reflected. A summary of the interviewees’ answers is provided in the Appendix 3.

We want to emphasize that we do not present the “raw” quotes with placeholders such as “eh”, “oh”, “mh”, etc., since it does not provide valuable information and makes a quote greater in volume. We have marked the parts we did not transfer with “[...]”. In order to provide understandable quotes for the reader, we had to add information in some cases. The added information is being highlighted with “[ed.]” after the word added.

4.1 Strategic position

Within the area of strategic position, we asked the interviewees about their companies’ services or products, competitive environment, strengths and weaknesses as well as current position on the market and planned future direction. We decided to ask these questions because we wanted to explore the interviewees’ awareness of their business and environment surrounding their companies.

4.1.1 Background information

The business of all the interviewed companies, excepting one, is oriented towards provision of consultancy and other services within different industries that were previously mentioned in the Table 1, chapter 3.7. Examples of how the owners of the companies describe their business are:

“I am working as an electrician, I am doing services at private home and smaller company. [...] I have been having my company now for about, a little more about ten years.” (Bokenäs El & Event AB)

“We are striving IT services for administrative systems and also [for, ed.] economic consulting.” (IT&R i Karlstad)

“It is isolating ventilation and pipes [...] in Jämtland here in the valley. [...] The company is pretty old, I do this since 1980.” (Östersunds Rörisolering AB)
Customer assistance in electrical or IT issues, as provided by Bokenäs El & Event AB and IT&R i Karlstad, or work with ventilation and pipes isolation, stated by Östersunds Rörisolering AB, means that this kind of service provision envisages close work relation with the customers. For nine of the companies which provide services, this work lasts for five years or more, while two other service companies operate for less than five years. That indicates that the majority of the companies should have extensive experience of the services they provide, which is supported by the strengths mentioned in the section 4.1.3. Relatively new companies on the market may lack this experience. An example is Company B, which operated less than five years and it is the only company selling a product. This is a young company with a quite recently graduated engineer as owner and the product is just about to get on the market:

“[...] product for controlling the flow of wood timber. [...] We are not really on the market for the moment. We are just starting entering the market.”
(Company B)

It turned out that two contacted companies, Megaron AB and Company D, are being used under umbrella companies, which implies that they have limited interest in being known on the bigger market since they are solely working for the umbrella company:

“Megaron is a holding company for an umbrella company. [...] We have a very stiff partition controlling our organization, so we don’t have any products the whole is just more consultancy. [...] We are working with this for 45 years.”
(Megaron AB)

“I work with the services. [...] I have a content in company and, personally, I am a project leader in construction and furnituring. [...] I have a very strong network. [...] I also have an extensive experience over working with this kind of projects or services as I’m working with. [...] I have been working with this [network, ed.] for fifteen years. [...] We have a big company, we have a company called [company name], and that is kind of umbrella used here in Sweden, umbrella company. And under the [company name] there are some small companies.”
(Company D)

Being a part of the established and well-known umbrella company provides many opportunities for the micro companies interviewed, such as work all around Sweden and use of the established network of contacts. However, as it was noticed, these two micro companies have limited interest to grow since they work solely for their umbrella company.

4.1.2 Competitive environment

After having asked the owners about the nature of their companies’ business, we focused our questions on the competitive environment surrounding the companies. In general, the findings show that ten from twelve interviewees have been well aware of the competitive environment which tangent their business, for example:
“[...] there are two more [competitors, ed.] with I think more than 6 employees, and then there are some with 10 and 3 and 2 and some sole traders. All in all, 8, 9.” (Frösö Byggnadsplåtslageri AB)

“There are more companies and we are the biggest. [...] There are two competitors here in Jämtland [...].” (Östersunds Rörisolering AB)

Knowing competitors and competitive environment is important for the company in order to be aware of the changes that might influence the company itself, so that it can respond accordingly to these changes and work towards a more competitive position. Bokenäs El & Event AB not only knows about its competitors, but was able to build friendly-business relationships with them. This situation shows that competitors may be also business partners and friends:

“[...] In the neighborhood we are like five electricians, but we are all the similar, we [are, ed.] up two persons employees and, there are also some bigger one, but we don’t fight with each other, rather the opposite – we work together. [...] If I am lack of something, outlets or something, I call a friend: „Do you have that one on your storage I can borrow yours?”, and so on.” (Bokenäs El & Event AB)

However, we have also noticed that one interviewee has not been fully aware of its competitive environment, and it is justified by the company’s relatively new position on the market. That means that more time is needed for Company F to get to know competitive surroundings:

“[...] there are of course some other [competing companies, ed.] around. We are very new.” (Company F)

4.1.3 Strengths and weaknesses

When asking the interviewees about strengths and weaknesses of their companies, we experienced that the question about weaknesses was being avoided quite often. Most repeated strengths among the interviewees were: experience – five times (Company A; Company C; Company D; Östersunds Rörisolering AB; Megaron AB), and delivery of high-quality work – three times (Frösö Byggnadsplåtslageri AB; Company D; Company F). The following quotes represent these two most mentioned strengths of the companies:

“[...] we are old, experienced and that we have worked a long time in the industry and really always keep the deadline, that means that we are always done when we promised to be. [...] We are a special company and capable and [have, ed.] very well-known employees.” (Company A)

"I try to have very high level of services and I also [think, ed.] that they have broad experience of the services I can give them [...].” (Company D)
Additionally, we received answers that placed “knowledge [and; ed.] many employees” (Östersunds Rörisolering AB), “quick in decisions” (Megaron AB), “customer-oriented, good service [and; ed.] competent in advising customers” (Company F) as well as “good reputation” (City Advisory Sverige AB) and “flexible” (Bokenäs El & Event AB) as factors for strength. It was highlighted in the previous sections that the majority of the interviewed companies operate for a long time in the industry and thus, these companies mention experience as the strength. Experienced companies, which work closely with their customers, know how to meet customer needs and how to deliver good service. Due to long-term work in the industry, companies may be well-known and can have good reputation, which helps in establishment of the customer base.

On the question about both strengths and weaknesses, we got also the answer from a relatively new company on the market: “I really don’t know. Hard questions to answer that.” (Company E). We did not receive many responses regarding the weaknesses. Four interviewees avoided answering the question. However, those who answered named small size in terms of people four times (Company C; IT&R i Karlstad AB; Company D; City Advisory Sverige AB):

“The weaknesses is that we are very few, we just two people. And that means that if someone is sick or, accidents and something like that, we will be very weak concerning that situation […].” (City Advisory Sverige AB)

The informants’ common opinion was also that each employee plays an important role, and that they are highly occupied with different tasks. Thus, if someone is sick, other people experience higher pressure, and they are pushed to perform additionally others’ tasks in the micro company. Other weaknesses being mentioned were: “very slow to do my paperwork” (Bokenäs El & Event AB), which refers to the company with two employees, and “being new” (Company F). However, we experienced that one company, which operates under an umbrella company, stated that it has no weakness at all: “As weakness, we don’t have any as I can think of” (Megaron AB).

4.1.4. Future direction of company

The question about the future direction of the company was asked since the chosen strategic direction affects many decisions made by the company, and later in the analysis it will be seen how the strategic direction is connected to availability of a website. We received mixed answers to this question. Eight owners are happy with the current situation of their companies and they intend to stay the same:

“I am pretty happy with how it is. […] I don’t want to become bigger. […] Feels pretty good.” (Östersunds Rörisolering AB)

“[…] mainly we are replacing employees because some older will stop working. Actually it is quite good how we are right now.” (Company A)

The choice to stay the same Frösö Byggnadspåtslageri AB, for example, explains with achieved desired growth level. The owner even wants to work less personally. Another
explanation, provided by Company C, is related to willingness of the owner to work alone in the company, thus having full control over work:

“Well, personally I do not want to grow that much anymore, I actually want to start working less soon. [...] I am pretty happy with how it is right now.” (Frösö Byggnadslåtslageri AB)

“We have a very kind of spot on that market because I’m alone at my company. [...] I want it to be just like it is now. I am not going to expand it, it would be a one-man company.” (Company C)

The rest of the three companies desire to grow, and this decision is especially important for the companies such as Company B and Company F, because they are new on the market:

“The target is to get the product sold to customers and in the future to have the next step to sell the, an information system for our forestry industry. Next year or so. So we would like to see the profit to grow.” (Company B)

“To grow a bit, to get some employees, and to grow in number of persons.” (IT&R i Karlstad AB)

“As stable as possible I want to say. The main aim is to create a good customer base. So, we want actually the people that they come back to us and this should be the main thing for the company.” (Company F)

Bokenäs El & Event AB follows a contrasting strategic direction. The owner of the company thinks that the company should stay the same or should be even smaller, in order for him to exercise full control over it and the services provided:

“Stay the same or even the smaller, because I have one guy [...] employee now, and I like to be myself, really.” (Bokenäs El & Event AB)

4.2 Customers and communication

The category “Customers and communication” presents information about customers, their location, as well as how companies provide information about themselves and how they attract customers.

4.2.1 Customer location

Customers of the interviewed companies are located within the same city, state or across Sweden. Five companies have their customers in all of the before mentioned areas, whereas four operate in the state they are located in. Examples of their responses are:

“My clients are in [city name, ed.]. But all the projects are around different places in Sweden because I am working with hotels and, as you know that are all over the place.” (Company D)
“The most of the customers is located in Karlstad, the same town as the company. And some customers is in Stockholm and Uppsala, and Jönköping, for example.” (City Advisory Sverige AB)

“We have much antiquarian jobs like with churches [...] it is in the whole state [jobs/projects/assignments, ed.] but we even had some from abroad but for now we have most within the state [...] State/County of Jämtland I mean.” (Frösö Byggnadsplåtslageri AB)

For the companies that have customers spread out over several cities, communication should be an important aspect. That is, the distance between the company and its customers would require greater communication than for the companies, which operate solely within the city where they were established. We found that only three companies focus solely on customers within the city, where they were established. An example quote of Company A is given below:

“We are just active in [city of A, ed.], we turn down many many requests which are coming from outside. We have so much to do so we also turn down many job opportunities from [city of A, ed.].” (Company A)

4.2.2 Providing information to the outside & customer acquisition

When asking the interviewees about their customer-acquisition practices, we have noticed that most companies, nine of twelve, are passive in acquiring customers. In other words, these companies do not exercise any proactive advertising practices but they rely mostly on mouth-to-mouth and face-to-face communication as well as on their reputation. The contrasting methods of information provision to the outside used by three companies, which are active in acquiring customers, are newspapers, flyers, yellow pages and phone calls. Figure 8 reflects all the methods of information provision to the outside, which are used by both passive and active companies when acquiring their customers.
Figure 8: Information provision ways to the outside.

The owners of Company A and Frösö Byggnadsplåtslageri AB pointed on passive information provision methods – mouth-to-mouth communication and reputation. Business relations and face-to-face communication are the ways how Company E spreads information to the outside:

“The company was founded [more than five years, ed.] years ago and it was very easy to get a good reputation. People are talking to each other and if you do a good job, then everyone knows what we do and how we do it. We don’t advertise. People call us up because of our reputation.” (Company A)

“Mostly it goes via the djungel-phone if you can say it like that. Earlier today, I was at a church-job and that I got from a meeting at a church, and we got it because of our earlier work we have done for other churches, so they have called and asked around and they got us as a reference from them.” (Frösö Byggnadsplåtslageri AB)

“I don’t have any Internet, page or anything like that. It’s more like connections within the business area. [...] Face-to-face communication.” (Company E)

These are the most frequently mentioned passive information provision methods by the companies, and they are “passive” because they do not require active involvement of the company in the information spread and advertising activities. When customers or business partners spread information about the company, or when it has a good reputation or established business relations, means that somebody has already worked with the company and knows what kind of services and how these services can be delivered. Face-to-face communication, however, requires more personal contact in relation to the aforementioned ways of information spread. In comparison to the passive ways of information spread, the active ones were less frequently mentioned. Active ways of information provision being
mentioned by the companies are: newspaper and flyers (Company F), phone (Company B) and yellow pages for advertisement (Bokenäs El & Event AB). An example of Company F shows that active and passive communication strategies can be applied simultaneously:

“We usually put out ads and hand out flyers. [...] In newspapers! And the flyers usually directly into the mailboxes in this district. [...] very important is also the mouth-to-mouth communication, so people talk to each other and if they say they were happy then they might recommend us to their friends etcetera. I would say that this is most important, that people are spreading the word.” (Company F)

4.3 Internet

In this section we present the answers from the interviewees regarding the perceived importance and usage of the Internet for both, business and personal purposes.

4.3.1 Internet for business purposes

The owner-managers use the Internet on a daily basis, excepting one company. Moreover, the importance of the Internet for the firm is seen differently. As for example, the owners of IT&R i Karlstad AB and City Advisory Sverige AB mention:

“We depend on Internet all the time to perform our work. Because we work, we are totally on site to the customer. But, also we work on distance. [...] We depend on Internet very much [...].” (IT&R i Karlstad AB)

“Internet is very important because when you get a question, most of the answers you can find on Internet. Normally on specific sites that we, for example, [...] you need to find out the solutions or something like that, which means that special companies deliver different information, so it’s to say, information sites concerning legal or tax advising. So Internet is very important for us, yes.” (City Advisory Sverige AB)

These comments clearly indicate that the owners perceive the Internet as very important and essential for running their business and it cannot be missed. Other owners emphasized that the Internet is important for their business, however it is important to a lower degree than in the cases of IT&R i Karlstad AB and City Advisory Sverige AB:

“Sometimes customers send me an e-mail, and of course I reply on the e-mail. [...] I think for sure it [Internet, ed.] plays some role because people, if they will getting contact me, they will google me or go on the yellow pages on the Internet. Yeah, Internet is for sure something to do with me.” (Bokenäs El & Event AB)

“I use internet every day [and, ed.] I do banking, invoices, I may have to look and order things. Advertisements about machines sometimes and things like
that I am looking for. And I even look if there is some folk looking for job.”
(Frösö Byggnadslåtslageri AB)

“I don’t have to use Internet to look for new jobs that quite often. But, of
course in my work I work with information technology, so, I use Internet all the
time in my work [...].” (Company C)

From the example of these quotes, it is apparent that the owner-managers see the Internet
as a tool they need and use during their daily business-activities. Yet, it is not being seen as
an absolute necessity as it was being emphasized in the examples of IT&R i Karlstad AB
and City Advisory Sverige AB before. When reviewing all the interviews, it became
apparent that a total of seven companies (Frösö Byggnadslåtslageri AB, Megaron AB,
IT&R i Karlstad AB, City Advisory Sverige AB, Company D, Bokenäs El & Event AB,
Company C) perceive the Internet for their business as important to very important.

Other viewpoints about the importance of the Internet for business activities are given by
the comments of three companies (Company A, Company B, Company E), stating that the
Internet is not important for their business activities. Further, two companies (Company F,
Östersunds Rörisolering AB) mention that the Internet has no purpose for their business
activity at all. Examples for these two statements are shown below.

“For today it’s [the Internet; ed.] just a way to communicate by email. [...] For
the moment it does not matter. [...] but eh that’s just because of we have no
homepage and I think with a homepage it will be more worth.” (Company B)

“Not important, not important at all. I never used it for business purposes.”
(Company F)

All in all, the most frequently mentioned purpose for using the Internet is communication
via e-mail (six times) whereas a less popular purpose is information search (three times).
The quotes reflected all the purposes mentioned by the interviewees, excepting one
purpose “for leaving an offer”.

4.3.2 Internet for personal purposes
We also wondered how the interviewees perceive and use the Internet for personal
purposes. The reason of asking this question was to determine whether there is a gap
between the perceived importance of the Internet for the own firm and for personal needs
whereas this idea will be picked up later in the analysis. As seen from the following
example-quotes, the interviewees use the Internet to an advanced degree, which includes a
wide range of purposes from information search and purchase, to active communication
with people. That could indicate that in general the interviewees are up to date with the
possibility that the information technology offers:

“Very often! Looking up information, booking trips and looking for trends and
shopping mostly.” (Company F)
“Many times every day [usage of Internet; ed.] [...] banking, communicating for work. I’m checking the weather every day, every morning. I’m reading the newspapers, I watch TV, [I, ed.] do everything.” (IT&R i Karlstad AB)

“[...] I am following ice hockey, going in to sites and look and check on blocket. [...] once a day for sure.” (Östersunds Rörisolering AB)

“Personally I use Internet to keep track of invoices, facebook, fishing-movies, hunting and call people.” (Company A)

Eight of twelve interviewees are online every day, others (Company A, Company C we haven’t asked), and two use the Internet very often (Company D; Company F). The most popular personal purpose for using the Internet is communication which is mentioned by seven companies, and it is done via Facebook (4), e-mail (2), calls (1), and two times the communication channel was not specified. Another purpose is information search, which was mentioned seven times. Also, reading news and newspapers is mentioned four times. In addition to these purposes, there were mentioned: “economics and for fund” (Company C); “looking for ads for things to buy” (Company E); “I use like a search page or the maps or something” (Bokenäs El & Event AB).

4.4 Websites

More concretely we were interested in the participants’ perception of websites in general. What do they perceive as advantage and what as disadvantage? Furthermore we were interested in finding out what kind of arguments they have about not having a website for their own company.

4.4.1 Advantages and disadvantages of a website

Here, the respondents state their perceptions of the advantages and disadvantages of a website in general. On the one hand, we noticed that the interviewees perceived the possibility to present information about services and products as the biggest advantage since it was mentioned by eight different owners. Also, six interviewees stated that a website has the advantage to make one more visible and reachable for the customer, closely followed by the argument stated by five respondents that a website would help in a growth-process. Two companies have also mentioned that the easy visualization of previous work is of advantage. A summary of the advantages can be seen in Figure 9 below, supported by quotes.
Figure 9: Perceived advantages of websites.

“A website could be easy to google for and find it. People that are in this business and would like to look a little bit closer would get in touch with me. Those who like to have limited information, they just heard about us, they would like to use a website to be able to read more. I think it would be a upside of having a internet, webpage where people can get more, yeah, find out more about us.” (Company B)

“I think it’s [website, ed.] mostly advantage. I think it’s good to be seen and it’s good to spread the information about the company, absolutely.” (IT&R i Karlstad AB)

On the other hand, five interviewees perceived the fact that a website has to be updated regularly as disadvantage. As for example, City Advisory Sverige AB and Company E provide interesting arguments about this:

“The advantage is that you can deliver your information, you can get clients to contact you.” (City Advisory Sverige AB)

“If you want to try to find customers it’s very important to show who you are and what products you sell. In generally it’s very important of course.” (Company E)

As it can be seen, the owner-managers mention the necessity to update a website as a disadvantage and the lack of up-to-date information that can be published will, according to the interviewees, result in losing customers. Hence, they believe that if no care is taken of a website, it can directly harm their business. Moreover, four owners argued that a website is too time-consuming. One owner also mentioned that the information on a website could lead to the fact that a customer has too high expectations which cannot be fulfilled. Additional findings about disadvantages regarding websites are money-consuming,
necessity of know-how and the fact that a small company might not be able to handle all inquiries. Three interviewees have expressed that they do not see any disadvantage with a website. The perceived main disadvantages of websites are summarized in Figure 10.

![Figure 10: Main perceived disadvantages of a website.](image)

“*The disadvantage could be that you have to continue to update the information on the website. Because if you don’t do that, I think you can lose clients because you don’t build the same interests any more, if you don’t update your website.*” (City Advisory Sverige AB)

“If I [am, ed.] going to a corporate website, I’ll find only old information, then that is bad. It’s to have up-to-date information and not old information because then you can think the company is not existing at all.” (Company E)

**4.4.2 Perceptions about homepage and arguments explaining why no website available**

We received a wide range of arguments explaining why the owners did not implement a website for their business. The most mentioned arguments can be found in Figure 11 below.
We received additional twelve arguments, such as precaution due to competitors, lack of information to present or costs. Here, we present some of the interviewees’ perception about websites and their arguments why they have not adopted a website for their own business. As for example, the owners of Company A and Frösö Byggnadsplåtslageri AB stated, amongst others, that no time or people are available for setting up a website:

“That takes so much time so we never got it done. We have so many customers who are coming to us and even 60-70% of those requests from [city of A, ed.] we have to say no to because we don’t have so many employees. I don’t think that a website is so important for us.” (Company A)

“We have so much to do, so we actually have not enough people. [...] The problem for me is that I have too few employees [and, ed.] lack of knowledge and what shall I say. Not so much committed in websites so it came to the fact that there has never come one up. [...] Right now we have so much to do so that I am not so committed into that. That is because of having so much work all the time.” (Frösö Byggnadsplåtslageri AB)

These example quotes have in common that the owners argue about having plenty of orders which keep them occupied. That is why time, staff and interest for a website are lacking. Furthermore, due to job-offers they get, the owners do not think a website would have a strong impact on their business. Östersunds Rörisolering AB and Bokenäs El & Event AB argue in a similar way:
“I have thought about it [getting a website; ed.] but it never happened. [...] it [a website; ed.] would actually not [influence the company; ed.] [...] since I have corporate customers and they are nationwide companies so you are in their register so they fish you up anywhere where you are in the country so to speak. [...] I have made it without a website for 15 years so I can do 12 more.”

(Östersunds Rörisolering AB)

“I have been having my company now for about, a little more about ten years. The other companies, they know me personally, so I don’t think right now a web site do either positive or negative for me. [...] if it helps something to do with other companies, what to know about me.” (Bokenäs El & Event AB)

Clearly, the owner-managers of these two companies have had no trouble to survive without a website for their business over a decade, and this is why they decided to neglect a website adoption. It appears to be a link between the four aforementioned companies: full order books mean less time available, leading the owner-managers to neglect a website and to believe that a website has no impact on their business. We will discuss that more in the analysis.

Information, that has to be presented on a website, is also of importance amongst the interviewees. As for example City Advisory Sverige AB has the following opinion:

“It seems strange, but we have made it important to not have any website because if we have a website, it’s rather specific to get information to the clients what we do or what we work with. It could be that the person believes that we deliver services that we don’t do. And thus, we could get in a wrong situation, that means that the client wants and thinks that we can deliver this but we can’t. [...] when we summarized the advantage and the disadvantage, we made the decision to not set up a website.” (City Advisory Sverige AB)

Information being presented could, according to this respondent, cause false expectations amongst customers which he tries to avoid. The importance of right information that is being shown was also important to the owner of company B:

“[I, ed.] haven’t find out a good way to make a great web design and the next thing would be, we are lacking the information to show on the website so far. I have been waiting to get some good news to get on the website.” (Company B)

It is apparent that missing appropriate information is one of the reasons why this firm has no web-presence yet.
5. Empirical analysis and discussion

This chapter deals with the analysis and discussion of the empirical results, based on the interpretations of the authors and connections to the theory. In the beginning, the revised theoretical framework is presented which illustrates the approach to the analysis. It follows the first discussion, extracting the reasons why a website has not been adopted. These reasons are being summarized in an extra chapter and the model will be supplemented by our findings before we go deeper into understanding of the findings.

5.1 Approach to analysis

We decided to structure our analysis in three parts. First of all, we will connect the four identified themes from the empirical findings with theory, analyzing the data to describe what has happened. This step will let us identify reasons why micro SMEs have not adopted a website. Secondly, we will summarize these findings in an extra chapter so that the findings are being presented as clear as possible. Third and last, we are taking these findings to explore the reasons in more detail. This means that we will try to explain why the reasons we found do exist. Due to this approach, the conceptual model, which is being shown and explained throughout the analysis, is being revised twice.

Our research question we are about to answer was:

*Why do micro SMEs in Sweden not adopt a website?*

5.2 Identification of key factors - what was observed

In this subchapter we will identify the factors which could have an impact on the website adoption whereas these factors are emerging from the themes we created during the analysis of the data. More precisely, we will focus on discussing what we observed. The approach is visualized in Figure 12 below. When analysing the collected data, we realized that the themes “Communication & interaction” and “Customer & Consumer” provide feasible and usable explanations only if they are being considered together. This is why the figure illustrates those two themes as being connected. The other two themes have been looked upon independently and thus this chapter analyses the data collected by combining the identified themes with theory.
5.2.1 Strategic perspective

According to Ghobadian & Gallear (1997, p. 132) employees in small and medium-size companies have awareness of the market in which operates their company, and they should feel greater responsibility of how they deliver work and build relationships with customers. This is especially the case of micro SMEs that we have interviewed. Most of them provide consultancy or other services which means that the people employed in the company are working closely with customers and services they provide. We have two discrepancies described by Company F which is being unaware of their competitors and Company E, being unaware of its strengths and weaknesses. However, the remaining ten companies are very well aware of their strengths, weaknesses, competitors and the market due to their extensive work experience in the particular industry. In general, the long-time experience and the quality of delivered work is mentioned as the most common strength by the interviewed owners whereas this strategic competence can be achieved when the employees realise their responsibility in work with the customers, as well as it can be achieved with long-term work in the industry. Experience is being fostered by flexibility and quick decision-making, additional strengths which were being mentioned. However, these strengths mainly come from the need of adaptation to the constantly changing environment (Aragón-Sánchez & Sánchez-Marín, 2005, p. 287; O'Regan et al., 2005, pp. 382-383), and from the simplicity of the internal organisation (Aragón-Sánchez & Sánchez-Marín, 2005, p. 288; Ghobadian & Gallear, 1997, pp. 132-133). All in all, these findings let us believe that our interviewees have a good understanding of their business, their competitive environment as well as customers. Therefore we argue that the owners possess sufficient business acumen which should help them to survive on the market. Hence, we can preclude
a lack of business acumen as a factor creating the barrier to adopt systems, such as websites.

An interesting finding concerns the size of the micro company, particularly the number of employees. The answers confirmed our expectations that the size of the firm is considered to be a weakness by the owners because many of them have one-man companies or companies with only a few employees. Literature also states that the small size of a company in terms of people can be a weakness (Ates & Bititci, 2011, p. 5604). They argue that if somebody gets sick, their income is in danger. However, the majority of the owners are happy with their current situation and do not intend to grow. We know that SMEs and especially micro SMEs are strongly affected by the changes in the environment and competitive forces striving from the Internet (Porter, 2001, p. 66; Varadarajan & Yadav, 2002, p. 296; Aragón-Sánchez & Sánchez-Marín, 2005, p. 287; O'Regan et al., 2005, pp. 382-383). Moreover the border between the electronic and physical market is blurry, resulting in the fact that an Internet presence should be a must have for a company to maintain their competitiveness and to maintain their current position (Porter, 2001, p. 66; Varadarajan & Yadav, 2002, p. 301). Thus, a website as the element of an online presence can contribute to the company’s competitiveness. More specifically, three companies argue not to have sufficient people and therefore no time in order to take on a website but at the same time they have no desire to employ additional staff and let the business grow in the future. Hence, the argument of having too few employees could be easily solved but the owner-manager rather chooses to neglect a website and continue with the business as usual. It becomes clear that the lack of people can be a barrier.

When we asked about the future direction of the company, we found out that eight out of our twelve interviewed owner-managers do not intend to let the business grow in the future but instead place a focus on maintaining the current position in the market. This said, it is interesting to know that some interviewees connect a website solely with growth-opportunities. Indeed, due to the help of the online channel, more customers can be attracted (Beheshti & Salehi-Sangari 2007; Sakkthivel, 2011) and a firm will be more competitive (O’Dwyer et al., 2009; Thompson et al., 2013). This perception about a website could lead owner-managers who have no intention to grow to neglect a website.

At the same time, there are three companies that desire growth but do not share the recently mentioned perception of websites. In two cases this strategic direction of growth is chosen due to being new on the market, which means the efforts should be directed to establishment of customer base, explorations of the market, and obtaining own competitive advantages (O’Regan & Ghobadian, 2002, p. 664; Henry, 2008, p. 4). Interestingly in the case of Company B, the owner argues that a website is important and a necessity. Yet, he decided not to adopt one due to strategic reasons. He is in the early stages of offering a new product to a specific industry and tries to be as invisible for his main competitor as much as possible. This competitor is also in the early stages but, according to the interviewee, unaware of his company. The respondent argued that the decision of not having a website right now was a precaution so that he can get the biggest market share possible.

An interesting finding is that one company was founded solely for the purpose of doing business for an already existing firm. It operates as a contractor for an umbrella company.
which has a website available. The interviewee argues that only the umbrella company should be known on the market whereas the micro SME operates in the background. Since the micro SME is not supposed to sell services or products to external customers, it does not need to be known and therefore does not need a website.

5.2.2 Customer & Consumer, communication & interaction perspectives
We found that the customers of the interviewed companies are located in different areas. We chose to differentiate between the same city where the firm is located, the same federal state, such as Västerbotten, and “Sweden”, meaning customers beyond the state of the firm’s location. We have gotten mixed answers, leaving us with five companies having customers located in Sweden, four having them in the same state and three in the same city.

Despite the fact that the owner of IT&R i Karlstad AB states that he does not think that there are disadvantages in terms of corporate websites, he decided to rely on the mouth-to-mouth communication amongst his customers. Something we do not recommend due to the possibility of structural holes in their social network (Pitt et al., 2006, pp. 601-602). Company F argues that focusing on walk-in customers is important whereas a website is not included in their strategic planning. Both companies desire to grow but despite the fact that websites can contribute to growth (e.g. Maddox & Mehra, 1997, pp. 56-57; O’Dwyer et al., 2009, pp. 55-56; Bell & Loane, 2010, p. 216; Celuch et al., 2007, p. 196; Thompson et al., 2013, p. 957) and despite the fact that the latter two owners are aware of the advantages being caused by an online-presence, they choose not to adopt one. In general, the customers of all interviewed companies are either located in the same city, the same federal state or all over Sweden. Since no website as a communication tool is available for any of the firm, it is interesting to know how the owners communicate information about their company towards customers and business partners. Only three companies use the Internet as a medium to deliver information to customers and business partners and that only in a simple form, namely via e-mail. The Internet and especially websites have been neglected or willingly not chosen to be a part of the micro SMEs communication strategy. As for example, five companies, of which three have customers all over Sweden and two within the same state, mentioned that face-to-face communication was an important way to spread information which is not replaceable. This finding is concise with the literature which states that SMEs favor the vital face-to-face communication since it helps to build relationships (Asproth & Nyström, 2008, p. 184; Vorvoreanu, 2008, p. 225; Chang & Wong, 2010, p. 262). Moreover this result is concise with the results from Hill and White (2000, pp. 47-48) who found in their case study, that the Internet cannot replace personal communication. However, the Internet is a low-cost possibility to get in touch with customers (Lohrke et al., 2006, pp. 164-165; Chang & Wong, 2010, p. 263) which is why small companies with limited resources can have immense advantages of using it.

With a similar frequency, the mouth-to-mouth communication and reputation of the firm amongst customers has been seen as important, as supported by the literature (Resnick et al., 2011, p. 44). This leaves the companies with a passive communication strategy about their products and services. Passive communication in this case is promoted through the directional and nondirectional ties in the social network (Pitt et al., 2006, p. 601). That means the customers of the company spread information to people who they know
personally, and these people become aware of the company, even if they have not worked with it previously. These interactions and ties may affect decision of individual persons to contact the company (Wasserman & Faust, 1994, p. 7). The face-to-face and mouth-to-mouth communication has worked out well for the interviewees in the past and we think that the success of existing communication methods harms the development of a website.

Another finding was that only one company decided to advertise actively to the broader mass for two reasons: spreading information and acquiring new customers. This company uses traditional advertising channels, namely newspapers and flyers but in the light of the findings from Jones et al. (2005, p. 642), who state that people remember information on paper better than on screen, companies should not neglect to present the same information online such as on a homepage since individuals have different preferences about how to perceive information (Grant et al., 2007, p. 522). Combining online and offline channels will increase the possibility of getting new customers, and it will help in achieving competitive advantage (Latour, 2005, pp. 216-217, 220; Porter, 2001, p. 64; Spinuzzi, 2008, p. 87). Another company advertises itself in the Internet and in the printed newspapers, while also relies on the promotion through business partners and previous contacts. Other interviewed companies were not concerned with actively acquiring new customers since they think their existing customer base is sufficient.

Taken the previous paragraphs into account, we conclude that an existing network and successful offline-communication methods harm the adoption process of a website.

5.2.3 Perception about websites
Our respondents have had different personal opinions about a website. Some thought having one is important whereas others see it as unimportant. We found that the perceived main advantages of a website are the possibility to present information about own products or services, a good way to be visible and reachable for customers as well as a possibility for growth. As argued before, consumers are looking for information prior to a purchase (Verhoef et al., 2007, p. 144; Sakkthivel, 2011, p. 184) and are likely to buy intangible goods and services online (Sakkthivel, 2011, p. 173). Additionally, being visible online will enhance the customer relationship and therefore trust and loyalty towards a company (Bauer et al., 2002, p. 157; Eighmey & McCord, 1998, p. 193; Flavián et al., 2006, p. 8; Topalian, 2003, p. 1121; McGoldrick & Collins, 2007, p. 155) - things the owner-managers are striving for. When asking the interviewees about the usage of the Internet for business and personal purposes in general, we found that it is being mostly used for simple tasks, such as online-banking or communicating with others. An interesting finding is that the respondents use the Internet for retrieving information about products, services and events as well as purchasing goods. The involvement of the owners in the Internet is a good sign and an important step towards the adoption of the website (Dholakia & Kshetri, 2004, p. 320). All in all, it seems like the interviewees are aware of some advantageous features of a website but they are not fully aware of the impact, as emphasized by the literature, the website has. We think that if the owner-managers would be aware of the outlined impact of a website, they would have probably decided launch one themselves. Hence, being unaware of a website’s impact can harm the adoption of such.
The perceived main disadvantages about a corporate website in general are that they require frequent updating and time-consumption, and time of the owner-manager is in scarce (Ates & Bititci, 2011, p. 5604; Ghobadian & Gallear, 1997, pp. 130). These perceptions seem not to have changed over 15 years since they confirm what Hill & White (2000) found in their study. Practitioners already expressed then that updating and maintaining a website is unpleasant work (Hill & White, 2000, p. 48). In favour for websites speaks that three interviewees admitted that they cannot think of one disadvantage regarding websites. When we asked more precisely about the reasons why they have no website for their firm, we received diverse answers. Several (four) interviewees know what it means to have a website. As Thompson et al. (2013, p. 957) argue, owners have to understand what actions have to be taken when adopting new technological systems. The respondents argued that it is necessary to have a good website which is being updated continuously so it is attractive to the customers and consumers. This finding shows that the interviewees are aware that a website has to be user-friendly so that customer satisfaction can be achieved. These are the key elements which are being argued for in the literature (Flavián et al., 2006; Tan & Wei, 2007, p. 269; Belanche et al., 2012, pp. 129-130; Lee & Kozar, 2012, p. 458). However, the interviewees argued that in order to establish a website with these attributes, much time would be needed - a resource which they argue not to have. Indeed, the lack of resources, such as time, can influence the adoption of a website negatively (Bell & Loane, 2010, p. 224; O’Dwyer et al., 2009, p. 55). An additional argument which was being named by three respondents was a lack of knowledge or know-how about how to set up a website. It is true that missing knowledge can result in the fact that a website will not be adopted (Ward, 2004, p. 175; Chao & Chandra, 2012, pp. 127-128; Peltier et al., 2012, p. 423; Thompson et al., 2013, p. 957). In fact, we expected that the interviewees would argue with costs when it comes to websites. However, we found only two companies stating that a website is a cost factor but only one used it to explain why no website for his firm is available. This is an umbrella company and the owner argues not having a need to be known on the bigger market which makes the website adoption irrelevant. The owner-managers seem to have the correct perception about the fact that a website is an inexpensive tool, as supported by the literature (Harrison et al., 1997, p. 177; Bell & Loane, 2010, p. 216). In general, we can state that a lack of time and competences can be a factor leaving micro SMEs without a website.

Another interviewee argued that a website could raise false perceptions about the products and services being offered amongst the customers. He fears that customers will have unrealistic expectations, expectations he cannot live up to and hence lose his good reputation and this is why he refuses to adopt a website. Yet a different interviewee argues that a website is only valuable if you are selling products. These perceptions can lead, according to the theory of planned behaviour, to the fact that the owner does not adopt a website (Ajzen, 1991, p. 188; Harrison et al., 1997, p. 177). However, we think these arguments are untenable since the content and therefore the message a website sends depends highly on the content which is being presented. As we have referred to earlier, the presentation of accurate and clear information via a website rather affects the customer and its relationship towards the firm positively instead of raising unrealistic expectations (Sakkthivel, 2011, p. 184; Verhoef et al., 2007, p. 144). However, this finding reveals that a wrong perception about the impact of a website can be a reason why this medium is being neglected. This wrong perception was also found by another owner-manager who argued
that a firm only needs a website when it sells products, which he does not. Furthermore he argues that he has 99% corporate customers and therefore does not think a website is applicable in his case. On the one hand, literature supports the argument about corporate customers and minor importance of a website, stating that business-to-business communication is happening on a more personal level (Baird & Parasins, 2011, p. 36; Jussila et al., 2014, pp. 607-608). On the other hand, the interviewee’s argument about a website just being helpful when selling products is not supported since a website can be used to present information or to sell services and products alike for example (Sakkthivel, 2011, p. 173; Flavián et al., 2006).

5.2.4 Summarized findings & adoption of the model
Having discussed our findings, we have identified several reasons why no website has been adopted amongst the interviewed micro SMEs. Additionally, it makes sense to group some identified reasons leaving us with the following findings:

1. Wrong perceptions about a website in terms of:
   - Solely for growth.
   - Not useful when having solely corporate customers.
   - Only valuable when selling products.
   - A source of false expectations for customers.
2. Lack of the resources and competences including
   - Time
   - People
   - Know-how
3. Precaution
4. Existing networks and successful offline-communication methods
5. Contractor to an umbrella company
6. Unaware of the impact of a website.

5.3 Explanation of key factors - why do they exist
We have identified some key factors determining why micro SMEs neglect websites which we will now pay more attention to. We are aiming to use a holistic approach in order to discuss and explain more closely why these reasons can exist for micro SMEs. That means that we are taking all identified themes into account so that the findings and its reasons can be explored which leads to the necessity to adopt our framework for the last time, as shown in Figure 13 below.
Wrong perception
Lack of resources and competences
Precaution
Contractor to umbrella company
Unaware of a website’s impact
Successful network & offline-communication methods

Figure 13: Reasons creating a barrier regarding a website adoption.

Only when taking all dimensions into account, we are able to explore why the identified reasons for neglecting a website exist. We will now look closer into each and every identified key factor.

5.3.1 Wrong perception
This finding was surprising since we identified that the majority of the interviewees is aware of the website’s advantages. The perception about a website being only useful when one desires to grow may exist because the interviewees thinks about what kind of new factors a website would contribute to his or her current position. The interviewee’s business is running as usual and adopting a website means that it has to create something new and improvements are not being thought of. It seems like the owners have a rather short term focus and adjust their strategy as needed to the current situation. Phenomena which can be found in the literature as well (Beaver & Jennings, 2000, p. 399; Bellamy, 2009, p. 544; Ates et al., 2013, p. 46)

When arguing for the fact that only firms selling products need a website lets us believe that the respondent thinks about ecommerce and online shops when talking about websites. Obviously, online shops are one type of websites and are very common but this is only one side of the medal. Presenting information about the own company, its services including booking possibilities for appointments for example, can be another option for a web-presence.

Believing that a website will create customer expectations that the firm cannot live up to is a statement we are surprised to hear. The only explanation we can think of why one might
think this way is that false information online will trigger unrealistic expectations. However, we do not believe that an owner of a company would offer services or products that the firm cannot deliver. Moreover, if one takes into account that the information is being presented as clear and concise as possible (e.g. Belanche et al., 2012, p. 130; Lee & Kozar, 2012, p. 458)

5.3.2 Lack of resources and competences
As identified in the previous chapter, the lack of resources and competences, such as staff, time and know-how, can be a reason leading to the fact that a micro SME is not adopting a website. Furthermore, several owner-managers do not desire to employ more people, leaving them with the perception that they are powerless towards the fact that they have not the human resources to adopt a website. However, we think that one way of keeping the company the same size and simultaneously adopting a website without losing much time or workforce could be to outsource the project (Chinedu Eze et al., 2014, p. 78). A third party could establish and, if desired, maintain an online presence. We believe that this investment is lucrative since the return of the costs will be compensated due to the increased customer satisfaction, acquisition, reputation and the possibility to be more competitive (Thompson et al., 2013, p. 957; O’Dwyer et al., 2009, pp. 55-56; Flavían et al., 2006, p. 8; Bell & Loane, 2010, p. 216). We discovered one special case where the owner wants to be as much included in the website adoption process as possible. At the same time this interviewee states to have a lack of know-how and no time to learn the skills necessary. On top of that, he wants to cut back hours in the future to spend more time with his family. Comparing this finding to other answers, we realized that there is a desire of owner-managers to control as much as possible and that the owners have a hard time of leaving such tasks to third parties. Hence, the lack of resources and competences gets strengthened by the fact that the owners want to be involved as much as possible even though there is no place for it in their schedule. For those owners where a lack of resources and competences in terms of website adoption is applicable, it is important to learn how to let go and delegate such tasks.

5.3.3 Precaution
Having a new product which is about to go to the market can cause decision-makers, as in the case of Company B, to be careful about what they do. Not presenting information online will make the company and its product less visible for people in terms of the digital market. Being aware of the fact that people are using the Internet to look up information (e.g. SCB, 2014b, p. 77), which probably includes for business people checking what the competition does, can lead companies to neglect an online presentation. The firms still can communicate directly with their (potential) customers via e-Mail, phone or personal meetings, as in the case of Company B, in order to ensure that the right audience is aware about what the company can offer. Conclusively, we think that not adopting a website as a precaution is not comparable to the other barriers we have identified because the owner willingly chooses to stay under the radar to increase the potential market share and minimize competitive pressure, especially when a product is not protected via a patent for example. Nevertheless, it can be a reason why especially smaller companies, which are having a hard time competing with big organizations, might want to be unknown for the bigger market in the beginning.
5.3.4 Contractor to an umbrella company
A micro SME which was established by a bigger company for only one reason, namely doing tasks for this bigger company, is a special case. The micro SME has only one customer, the umbrella company, and everyone involved knows the purpose and the people of the micro SME. Hence, a presentation on the web or even for any other organisation or person but the umbrella company is unnecessary. Of course, the micro SME could establish a website, presenting information about what they do, but it would not add any value to any of the parties involved. It would just be a cost. Hence, being a contractor for solely one umbrella company is a very good reasons why one should not adopt a website.

5.3.5 Being unaware of the impact a website can have
As outlined, the interviewees are aware of a website’s advantages, including the reachability and visibility for customers. Interestingly, when asking the owner-managers about their personal Internet use, we discovered that they use it for online purchases and retrieving information about almost everything for example. When drawing the connection between the personal internet usage and the fact that no website is available for their company reveals a discrepancy. Apparently, the owner-managers perceive the value and importance of the Internet and especially websites differently. The interviewees do not offer the same possibilities they have and use, namely searching for information online, to their own (potential) customers. We can explain this phenomenon with the fact that several owner-managers see their firm as highly unique and special, making them, according to the interviewees, difficult to compare with others. Hence, they do not think that the general rules apply for them. Since they perceive their business as a special case, they do not think that a website would have any impact on their firm.

5.3.6 Existing networks and successful offline-communication methods
As outlined in the results, the interviewees are convinced that their quality of previous work and their reputation will be enough to secure new orders from returning or new customers. They rely on their customers’ mouth-to-mouth communication. This way of handling the awareness of the own firm is directly related to trust and loyalty as argued for in the theory part. Respondents have answered that they always deliver high-quality services and work since their reputation amongst people determines their future success. Clearly, the interviewees realized that trust, especially for service companies, can be created by delivering good work and customer satisfaction which is also being argued for in the literature (Sirdeshmukh et al., 2002, p. 33; Chang & Wong, 2010, p. 262; Lancastre & Lages, 2006, p. 777; Ndubisi, 2007, p. 104; Setó-Pamies, 2012, p. 1266-1267; Yieh et al., 2007, p. 281-282; Prause et al., 2013, p. 537-538). We found that the interviewees put a strong focus on the quality of their delivered work but the findings in the literature also suggest that a good communication between firm and customer has to be apparent for establishing trust and loyalty (Ndubisi, 2007, p. 100). Despite the fact that a website could help to establish good customer relationships and ease the information presentation (Bauer et al., 2002, p. 157; Eighmey & McCord, 1998, p. 193; Flavián et al., 2006, p. 8; Topalian, 2003, p. 112), the interviewees rely on their existing network. We have gotten the impression that the micro SME owners are living to the credo “never change a running business”. They see no reason why they should adopt a website since the way they are
doing things works out for them. This position is being strengthened by the fact that the majority of the respondents have no desire to grow in the future either. They would like to keep the firm and its business as it is and therefore are maybe even less open for change. Additionally, owner-managers could be routine-blinded, leaving them with a restricted holistic view for their business and its impact.
6. Conclusions

The main findings - the answers to the research questions and the purpose of the study are stated in the beginning of this chapter. Managerial implications, theoretical and practical contributions, and limitations of this study are presented as follows.

6.1 Main findings

The main purpose of this multidisciplinary research was to contribute with the findings from the multiple-case study to fill the existing gap in the theory why micro SMEs do not adopt a website. Since the previous research has focused on the aggregation of the possible influences on the website adoption by SMEs found in the fragmented literature (Simmons, 2008), it was valuable to find the actual influencing factors affecting the decision to do not adopt a website.

The answer to the research question is drawn from the analysis of the four perspectives: strategic, customer and consumer, communication and interaction, as well as the interviewees’ perception about a website. The conceptual framework, which included these four perspectives, guided the research and helped to identify six main reasons why a website is not adopted by micro SMEs in Sweden:

1) Wrong perceptions about a website in terms of:

- **Solely for growth.** In general, the owners of micro SMEs are quite well aware of the business and the competitive environment they are involved in, whereas the majority of them operate in the industry for a long time and desire to maintain the same position on the market. The strategic planning and management process is rather informal in small companies, and it is guided by current circumstances with the aim to deliver value to the customer now. The current position of the companies is appreciated by the owners and no growth is desired. A website is considered to be important only in case of the development of the company in the growth direction.
- **Not useful when having solely corporate customers.** There is a view that a website is not needed, when the majority of customers are companies, forming business-to-business relationships.
- **Only valuable when selling products.** The companies, which specialize on service provision, think that a website is useful only for selling products.
- **A source of false expectations for customers.** There is a belief that customers may expect more from the company than it can provide if there is a website published with information with the offers.

2) **Lack of the resources and competences.** Those owners who are aware about the advantages of a website, lack human resources, time and know-how. The owner-managers and employees are highly occupied with core work due to their small number and continuous demand of the company’s services. A website development takes particular time and its maintenance is associated with regular updates. It is considered that the website should be developed within the company itself, but
neither resources nor competences, such as know-how, are available for that. External help is perceived as negative and unnecessary but some owners lack knowledge and skills themselves in order to take care of a website development personally.

3) *Precaution.* The young company’s strategic choice relates to maintaining invisibility of its existence and new product to the competitors at the early stage of product offering, in order to be first on the market and to obtain larger market share. The specific product designed for the industry is promoted through face-to-face communication and presentations, so a website is not a focus at the moment.

4) *Existing networks and successful offline-communication methods.* The owners of the companies consider face-to-face and mouth-to-mouth communication to be the most important channel to deliver information about the company and passively advertise it without any proactive actions. These ways of communication promote building trust and loyalty between the company and its customers.

5) *Contractor to an umbrella company.* The special case relates to companies who operate as a contractor for an umbrella company which means that the brand promotion is attributable to the mother-company only. A website is considered to be important only for the umbrella company and the contractor stays under the radar.

6) *Unaware of the impact of a website.* While there is awareness of some advantages of a website, however greater impact such as innovativeness, competitive strength, creation and maintenance of relationships with customers is realised, which can harm adoption of a website.

### 6.2 Managerial implications

A website can be an additional way of competing and can improve the competitive advantage in the company, which is important especially for small companies, who depend very much on the changes in the environment (Aragón-Sánchez & Sánchez-Marín, 2005, p. 287; Ates & Bititci, 2011, p. 5604; O'Regan et al., 2005, pp. 382-383; Porter, 2001, p. 64). In line with the growth opportunities that a website provides, it also contributes to maintaining the current competitive position in the market. It is very important because the companies operate also outside the city and the contact as well as communication with customers is crucial. Since the physical and electronic markets continue to drift together (Varadarajan & Yadav, 2002, p. 301) and many consumers are actively seeking information about a product or service before purchase (Verhoef et al., 2007, p. 144; Sakkthivel, 2011, p. 184), it is beneficial for the companies to be visible and reachable online. In this way, the owner-managers of micro SMEs should consider the opportunity to adopt a corporate website.
A website is an investment that will pay back in the future. Some of the companies see the problem of a website adoption in the lack of resources and competences. However, highly-occupied owner-managers and the employees can put the responsibility of a website establishment on IT specialists, which is also being suggested by Chinedu Eze et al. (2014, p. 78). They should not hesitate to ask for external help when they face restrictions or are not competent in this area. IT specialists can assist in creating an appropriate design and consult the owner about how to update the information effectively. Furthermore, the information presented on the website should correspond to the reality. If it is provided in a clear and accurate way, then the problem of false expectations amongst customers should not occur. It is not that important if the company provides services or products and if it works with private or corporate clients because they all use the Internet for personal and for business purposes in terms of communication and information search. A website makes a company visible online that may stimulate trust and loyalty as well as foster contact and relationship building with customers.

The owners of micro SMEs should not rely solely on mouth-to-mouth communication because there may occur structural holes in the social networks and thus, information may not be equally delivered to all participants involved (Pitt et al., 2006, pp. 601-602). A website is a part of the human and non-human actor network where information asymmetry can reduce equal access to information presented by the company. A website may act as a passive mediator between the company and its customers (Latour, 2005, pp. 216-217, 220). It should not be feared to lose the face-to-face communication that the owners consider to be highly important when working with customers. Since the majority of our interviewed companies provide services that are personalized, there will still be space for personal communication. The Internet, and a website, should be seen as an additional channel to compete and spread information about the company. The conclusion is that a website should be perceived as a strategic tool and its development should be included in the strategic planning.

**6.3 Contributions**

This research focuses on understanding micro SMEs’ reasons leading to neglect a website adoption. The only solid study apparent that relates to the area of our interest was written seven years ago by Simmons et al. (2008). The study was based on the theoretical identification of possible influences on the website adoption decision by SMEs.

Firstly, we will present the theoretical contribution of this study. A particular focus was on identifying the concrete reasons that harm the adoption of a website adoption in the context of Swedish micro SMEs. For this purpose, we used several perspectives in our multidisciplinary study, namely the strategic, owner-manager, customer and consumer as well as the communication and interaction perspective, which were combined in the initial conceptual framework. These perspectives are linked to three research areas: management, marketing and sociology. The study applies an alternative qualitative research method - multiple-case study with semi-structured interviews. We focused on the deeper understanding of the micro SMEs’ strategic direction, communication and interaction with the customers, use of the Internet technologies and the owners’ perception about a website. By combining all this information, we were able to modify the conceptual framework and
to identify and understand some reasons which harm the adoption of a website. The category “Perspective of the owner-manager” in the conceptual framework was being slightly changed to “Perception about websites” and the four perspectives became interlinked. Existing general theory partly explains our findings, but we have developed it in terms of new findings that were not previously discussed. For example, being a contractor of an umbrella company prevents companies to develop a website since the purpose is to promote the umbrella company’s brand and growth, while the micro SMEs stays in its shadow.

Secondly, our practical contribution is the empirical data gathered about the strategic position of the companies, their customers and communication with them, the perceived importance of Internet technologies, their use and the perception about a website. We also provide managerial implication about how the reasons and the barriers to adopt a website can be addressed by the owner-managers. We provide them with concrete suggestions, and highlight the importance of a website.

6.4 Limitations
In our research we have put great attention to the dimension of strategic planning and marketing. However, we think the sociological dimension was not extensively addressed in this study. In regards to the location of the companies, it is limited to the Swedish market and several mid-sized cities. Also, a great attention was paid to the company’s relationship with its customers, but the discussion about the relationships with the competitors and business partners was limited.

The data collection method that we have used, semi-structured telephone-interviews, was the only method in this study. In addition to that, the interviews took in around 20 minutes, which is in line with the suggestion in the literature, that telephone-interviews should not be longer than 30 minutes (Keegan (2009, p. 82). We think that this time allowed us to ask the main questions related to the topic of the study. Nevertheless, longer face-to-face interviews could provide even more detailed findings.

Another drawback of the study is that some of the interviews were carried out in Swedish and the translation might cause slightly different interpretations. However, the interviews in Swedish were held of one of us, who knows Swedish very good. We tried to reflect the true meanings by asking for help of a native speaker to minimize misinterpretations and mistranslations whereas we paid attention on maintaining the confidentiality and anonymity of the interviewees. Additionally, we have not been experienced in conducting interviews but we tried to structure and lead them in a neutral manner. Obviously, it was still possible that our voice, tone or phrasing could have slightly affected the answers and understandings of the questions by the interviewees.
7. Recommendations for future research

The concluding chapter of the thesis reflects the authors’ recommendations for further investigation of the topic, proposing additional methodological, practical method, and theoretical options that other researchers can apply in the study.

Since we have studied only micro SMEs that have not adopted a website, it would be interesting to conduct a comparative study, where there are contrasted micro SMEs, that have and have not adopted a website. Thus, the study will be focusing on the usefulness of a website. Another alternative is to make cross-country comparisons or comparisons between cities with a different concentration of people and business activities, so that the findings may show differences in the reasons of why a website is not available. Regarding the data collection method, it may be useful to organize group discussions among micro SMEs, forming focus groups. In these discussions, different views may be identified concerning the usefulness of a website and the experience of using the IT and a website. The participants can facilitate each other to provide more information about the topic of interest. Also, different data collection methods could be applied simultaneously, such as interviews and focus groups. A qualitative research design and inductive or abductive logics would be valuable to apply in that study since the previous studies of ICT adoption were mainly deductive and quantitative (Chinedu Eze et al., 2014, p. 64).

Identifying the customers’ perception about the importance of corporate websites is yet a different way to find out whether a website is important for micro SMEs. In addition to that, a group of companies, who are competitors, can be studied. Future research can also focus more on the understanding of human motivations affecting the adoption of a website whereas especially the personality of the owner-manager can be studied closely, since he or she is the main decision-maker in micro SMEs.
Reference list


Thompson, P., Williams, R., & Thomas, B. (2013). Are UK SMEs with active web sites more likely to achieve both innovation and growth?. *Journal of Small Business and Enterprise Development*, 20(4), 934-965.


## Appendices

### Appendix 1 – Interview questions

<table>
<thead>
<tr>
<th>Questions in English</th>
<th>Questions in Swedish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What kind of products and/or services does your company offer?</td>
<td>1. Vilken typ av produkter och/eller tjänster erbjuder ditt företag?</td>
</tr>
<tr>
<td>2. How would you describe your company’s current position in the market?</td>
<td>2. Hur skulle du beskriva ditt företags nuvarande position på marknaden?</td>
</tr>
<tr>
<td>3. What are your company’s strengths and weaknesses?</td>
<td>3. Vilka är ditt företags styrkor och svagheter?</td>
</tr>
<tr>
<td>4. Where are your customers located?</td>
<td>4. Vart finns dina kunder (geografiskt)?</td>
</tr>
<tr>
<td>5. How do you want your company to develop in the future?</td>
<td>5. Hur vill du att ditt företag ska utvecklas i framtiden?</td>
</tr>
<tr>
<td>6. How do you provide information about your company and its services or products to a. customers?</td>
<td>6. Hur tillhandahåller du information om ditt företag, dess tjänster eller produkter till a. kunder?</td>
</tr>
<tr>
<td>b. business partners?</td>
<td>b. affärspartners?</td>
</tr>
<tr>
<td>9. What do you think are advantages and disadvantages of having a corporate website?</td>
<td>9. Vilka fördelar och nackdelar tror du att det finns med en hemsida för företag?</td>
</tr>
<tr>
<td>Question</td>
<td>Question</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>a. If no, why not?</td>
<td>a. Om nej, varför inte?</td>
</tr>
<tr>
<td>b. If yes, what are the obstacles preventing your from having one?</td>
<td>b. Om ja, vilka är orsakerna som hindrar dig från detta?</td>
</tr>
<tr>
<td>11. How do you think a website could affect especially your business?</td>
<td>11. Hur tror du att en hemsida kan påverka just ditt företag?</td>
</tr>
<tr>
<td>a. For what purposes do you use the Internet?</td>
<td>a. För vilka ändamål använder du Internet personligen?</td>
</tr>
<tr>
<td>13. Would you like to add something else?</td>
<td>13. Är det något du skulle vilja tillägga?</td>
</tr>
</tbody>
</table>
### Appendix 2 – Theoretical and empirical connections

<table>
<thead>
<tr>
<th>Theoretical connection</th>
<th>Question</th>
<th>Theme</th>
<th>Category</th>
<th>Example quote from data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch. 2.1 &amp; 2.2; E.g. Porter (2001); Henry (2008); Bellamy et al. (2013); Bellamy (2009); Ates et al. (2013); Ajzen (1991); Ghobadian &amp; Gallear, 1997 - add Varadarajan &amp; Yadav, 2002</td>
<td>Q1</td>
<td>Strategic position</td>
<td>Background information</td>
<td>“I am working as an electrician, I doing services at private home and smaller company. [...] I have been having my company now for about, a little more about ten years.” (Bokenäs El &amp; Event AB)</td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td></td>
<td>Competitive environment</td>
<td>“In Östersund we are market leader for office floors. There are 4 big companies and 1-2 small companies which are in direct competition with us.” (Company A)</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td></td>
<td>Strengths and weaknesses</td>
<td>“The strength is that the persons in the company have good reputation. [...] The weaknesses is that we are very few, we just two people. And that means that if someone is sick or accidents and something like that, we will be very weak concerning that situation.” (City Advisory Sverige AB)</td>
</tr>
<tr>
<td></td>
<td>Q4, Q7</td>
<td>Customers and communication</td>
<td>Customer location</td>
<td>“My clients are in [city name, ed.]. But all the projects are around different places in Sweden because I am working with hotels and, as you know that are all over the place.” (Company D)</td>
</tr>
<tr>
<td></td>
<td>Q5</td>
<td></td>
<td>Future direction of company</td>
<td>“Well, personally I do not want to grow that much anymore, I actually want to start working less soon. [...] I am pretty happy with how it is right now.” (Frösö Byggnadsplåtslageri AB)</td>
</tr>
<tr>
<td>Ch. 2.3 &amp; 2.4; E.g.: Sakkthivel (2012); Hill &amp; White (2000); Pitt et al. (2006); Chinedu Eze et al. (2014)</td>
<td>Q6</td>
<td></td>
<td>Providing information to the outside &amp; customer acquisition</td>
<td>“We provide knowledge through business relations. And that our solution is spread among customers. [...] We are not advertising, we just [try, ed.] to get new customers from contacts.” (IT&amp;R i Karlstad)</td>
</tr>
<tr>
<td>Q8</td>
<td>Internet for business purposes</td>
<td>“For today it’s [the Internet; ed.] just a way to communicate by email. [...] For the moment it does not matter. [...] but eh that’s just because we have no homepage and I think with a homepage it will be more worth.” (Company B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12</td>
<td>Internet for personal purposes</td>
<td>“Looking up information, booking trips and looking for trends and shopping mostly.” (Company F)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q9</td>
<td>Websites</td>
<td>Advantages and disadvantages of a website</td>
<td>“If you want to try to find customers it’s very important to show who you are and what products you sell. In generally it’s very important of course.” (Company E)</td>
<td></td>
</tr>
<tr>
<td>Q10, Q11</td>
<td>Perceptions about homepage and arguments explaining why no website available</td>
<td>“That takes so much time so we never got it done. We have so many customers who are coming to us and even 60-70% of those requests from [city of A, ed.] we have to say no to because we don’t have so many employees. I don’t think that a website is so important for us.” (Company A)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 3 – Summary of the interviewees’ answers

Notes: = (the same); ↑ (growth); ↓ (smaller); f2f (face-to-face); m2m (mouth-to-mouth); / (answer is not given)

<table>
<thead>
<tr>
<th></th>
<th>Frösö Byggnadsplåtslageri AB</th>
<th>Company A</th>
<th>Östersunds Rörisolering AB</th>
<th>AB Megaron</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Background information</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>Steel</td>
<td>Floor- and wall covering</td>
<td>Pipe isolation</td>
<td>Business and management consultancy</td>
</tr>
<tr>
<td><strong>Year of establishment</strong></td>
<td>2010</td>
<td>2000</td>
<td></td>
<td>2004</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td>Östersund</td>
<td>Östersund</td>
<td>Skellefteå</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic perspective</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aware of competitors?</strong></td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>umbrella, not relevant</td>
</tr>
<tr>
<td><strong>Future direction?</strong></td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td><strong>Strength</strong></td>
<td>specialized (knowledge); quality of work avoided</td>
<td>experienced; keep deadlines avoided</td>
<td>experienced; many employees avoided</td>
<td>quick decision-making; experienced none</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td>avoided</td>
<td>avoided</td>
<td>avoided</td>
<td>none</td>
</tr>
<tr>
<td><strong>Customer &amp; Consumer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer location</strong></td>
<td>state</td>
<td>city</td>
<td>state</td>
<td>&quot;mother company&quot; only. Sweden</td>
</tr>
<tr>
<td><strong>Customer acquisition</strong></td>
<td>not actively: existing &amp; m2m</td>
<td>not actively: m2m</td>
<td>not actively: existing</td>
<td>not necessary</td>
</tr>
<tr>
<td><strong>Communication and interaction</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Spreading information</strong></td>
<td>not actively: m2m; reputation ordering; banking; information; looking for jobseeker</td>
<td>not actively: reputation; m2m</td>
<td>not actively: reputation</td>
<td>f2f only</td>
</tr>
<tr>
<td><strong>Internet for business</strong></td>
<td>not actively: m2m; reputation ordering; e-mail</td>
<td>leaving offers</td>
<td>essential for work</td>
<td></td>
</tr>
<tr>
<td><strong>Internet personally</strong></td>
<td>banking; purchasing</td>
<td>banking; web 2.0</td>
<td>purchasing; information retrieving</td>
<td>information retrieving; communication</td>
</tr>
<tr>
<td><strong>Owner-manager perspective</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Perceived adv. website</strong></td>
<td>visualize work; increasing business potential</td>
<td>/</td>
<td>show information for products</td>
<td>presenting services and products that are being offered</td>
</tr>
<tr>
<td><strong>Perceived disadv. website</strong></td>
<td>none</td>
<td>time-consuming; update money-consuming</td>
<td>avoided</td>
<td>money-consuming;</td>
</tr>
<tr>
<td><strong>Arguments mentioned why not having a website</strong></td>
<td>lack of people; no time; lack of knowledge; no commitment</td>
<td>lack of time; not important since much work is available</td>
<td>only important if you sell products; no need; not interested; 99% b2b</td>
<td>no need to be known on the bigger market; no need to sell; just a cost</td>
</tr>
<tr>
<td></td>
<td>Company B</td>
<td>Company F</td>
<td>Company C</td>
<td>IT&amp;R i Karlstad AB</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>Technical consultancy firms in industrial engineering</td>
<td>Skin care products</td>
<td>Computer consultants</td>
<td></td>
</tr>
<tr>
<td><strong>Year of establishment</strong></td>
<td></td>
<td></td>
<td></td>
<td>2007</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td></td>
<td></td>
<td></td>
<td>Karlstad</td>
</tr>
<tr>
<td><strong>Aware of competitors?</strong></td>
<td>yes</td>
<td>no</td>
<td>yes</td>
<td>avoided</td>
</tr>
<tr>
<td><strong>Future direction?</strong></td>
<td>↑ meeting customer need; connected to industry avoided</td>
<td>↑ customer-oriented; quality of work new</td>
<td>↑ knowledge, experience small (people)</td>
<td></td>
</tr>
<tr>
<td><strong>Strength</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer location</strong></td>
<td>Sweden</td>
<td>city area of city active: advertisement in newspaper; flyer in post-boxes</td>
<td>city</td>
<td>Sweden</td>
</tr>
<tr>
<td><strong>Customer acquisition</strong></td>
<td>actively: presentations; f2f</td>
<td>not actively: own advertising (makes no difference)</td>
<td>not actively: get customers from contacts</td>
<td></td>
</tr>
<tr>
<td><strong>Spreading information</strong></td>
<td>trade fairs; f2f; phone; e-mail; recommendations</td>
<td>actively: advertisement in newspaper &amp; flyers; not-actively: depends on m2m-recommendations (most important)</td>
<td>reputation (connections); e-mail business relations; network (through others)</td>
<td></td>
</tr>
<tr>
<td><strong>Internet for business</strong></td>
<td>essential for work e-mail</td>
<td>e-mail</td>
<td>never used</td>
<td>answer to requests; essential for work with IT; look for jobs (not that often)</td>
</tr>
<tr>
<td><strong>Internet personally</strong></td>
<td>information retrieving; communication web 2.0; information retrieving</td>
<td>purchasing; information</td>
<td>purchasing; information</td>
<td>economics; fund</td>
</tr>
<tr>
<td><strong>Perceived adv. website</strong></td>
<td>visualize work; presenting products and services; visible/reachable for customers</td>
<td>visible &amp; reachable for customers; presenting service &amp; products time-consuming; update; know-how necessary not necessary for strategic direction; focusing on walk-in customers</td>
<td>new contacts; expand location; be bigger; sell something; depends on business</td>
<td>to be seen; spread info about company; growth</td>
</tr>
<tr>
<td><strong>Perceived disadv. website</strong></td>
<td>none</td>
<td>time; workload; keep it wise</td>
<td></td>
<td>no disadvantages</td>
</tr>
<tr>
<td><strong>Arguments mentioned why not having a website</strong></td>
<td>precaution; lack of information to present; lack of know-how;</td>
<td>existing connections; doesn't want to expand customer location and contacts</td>
<td></td>
<td>thought and need to develop to growth; not advertising, just get customers from contacts</td>
</tr>
<tr>
<td><strong>Background information</strong></td>
<td><strong>Industry</strong></td>
<td>Company D</td>
<td>City Advisory Sverige AB</td>
<td>Company E</td>
</tr>
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<td>---------------------------</td>
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</tr>
<tr>
<td><strong>Year of establishment</strong></td>
<td></td>
<td>1982</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td></td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td></td>
<td>Karlstad</td>
<td>Uddevalla</td>
<td></td>
</tr>
<tr>
<td><strong>Aware of competitors?</strong></td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td><strong>Future direction?</strong></td>
<td>= (own company); ↑ (company nr. under umbrella company)</td>
<td>=</td>
<td>=</td>
<td>= ↓</td>
</tr>
<tr>
<td><strong>Strength</strong></td>
<td>reputation</td>
<td>does not know</td>
<td>flexible</td>
<td></td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td>no employees - sickness; experience</td>
<td>few people - sickness/accident; does not know</td>
<td>slow to do paper work</td>
<td></td>
</tr>
<tr>
<td><strong>Customer location</strong></td>
<td>other city, but projects all over Sweden</td>
<td>mostly city, but all over Sweden</td>
<td>state</td>
<td>state</td>
</tr>
<tr>
<td><strong>Customer acquisition</strong></td>
<td>not actively; high level and broad experience of services</td>
<td>not actively; earlier jobs and services</td>
<td>not actively; knowledge, skills, previous work (4 times in 1 year with 1 customer)</td>
<td></td>
</tr>
<tr>
<td><strong>Spreading information</strong></td>
<td>big network; personal information and communication when customers buy services; f2f</td>
<td>mouth2mouth</td>
<td>connections within business area; f2f</td>
<td>yellow pages, f2f; e-mail; m2m</td>
</tr>
<tr>
<td><strong>Internet for business</strong></td>
<td>contacts via e-mail and Internet for work</td>
<td>seek for information on special companies' sites regarding legal and tax advising to answer a question of customers and find solution sport games results (football), newspaper</td>
<td>mail communication, use not that much the Internet; but when is sitting on the customer, uses every day</td>
<td>advertisement (see previous); page or maps to search for customer location</td>
</tr>
<tr>
<td><strong>Internet personally</strong></td>
<td>seek for information</td>
<td></td>
<td>looking for ads - things to buy, news pages, Facebook</td>
<td>Facebook; e-mail; bank account</td>
</tr>
<tr>
<td><strong>Owner-manager</strong></td>
<td>find new customers; delivery of info; you are seen and people can contact you</td>
<td>find customers; show who you are and products you sell</td>
<td>people can read about company and what is does; more customers updates</td>
<td></td>
</tr>
<tr>
<td><strong>Perceived adv. website</strong></td>
<td>take care of a lot of info updates; info</td>
<td></td>
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<tr>
<td>perspective</td>
<td>Arguments mentioned why not having a website</td>
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<tr>
<td></td>
<td>contacts is problematic for a small company</td>
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<td></td>
<td>should attract a client; services presented may</td>
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<td></td>
<td>not be delivered or match expectations of</td>
<td></td>
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<tr>
<td></td>
<td>customers</td>
<td></td>
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<td></td>
<td>small, limited resources and take care of more</td>
<td></td>
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<tr>
<td></td>
<td>contacts is problematic</td>
<td></td>
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<tr>
<td></td>
<td>people spread info about them (+ perceived</td>
<td></td>
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<tr>
<td></td>
<td>disadvantage)</td>
<td></td>
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<td>not at the current position; but if</td>
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<td></td>
<td>will look for other customers or business areas...;</td>
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<td></td>
<td>does not see any effect on his business</td>
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<td></td>
<td>personal contact with other companies; no time to make</td>
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<tr>
<td></td>
<td>it, has 4 children; wants to make it personally, needs to</td>
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<tr>
<td></td>
<td>know how</td>
<td></td>
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</tbody>
</table>