A review on Critical factors affecting intermediary web site adoption: understanding how to extend e-participation

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**Abstract**

Purpose – To provide an investigation of e-commerce development via an examination of the forces shaping web site development among intermediaries in an extended supply chain.

Design/methodology/approach – A two-stage research design combining qualitative and quantitative methods. Unstructured interviews conducted in the spirit of phenomenology elicited a range of critical incidents of web site development which were further examined via a quantitative survey of intermediaries to test for relationships between critical incidents and web site adoption.

Practical implications – Provides useful insights for providers of financial services in understanding how to progress the adoption of web site technology by intermediaries, suggesting the development of networks of relationships involving IT suppliers rather than simply focusing on relationships with preferred intermediaries.

**Introduction**

E-commerce technology is now viewed as an integral part of marketing channels and distribution systems (Rosenbloom, 2004). Supply chain constituents are able to form digital links to share information, to buy, sell and distribute products or services and to transfer cash flow

Although a wide range of e-commerce activities are distinguishable, including EDI, e-mail and Intranet use (Chau, 2003), this study focuses on the development and use of web sites. A web site is the mechanism that combines the sales and marketing functions that an intermediary undertakes on behalf of the supplier, therefore an intermediary web site is the interface between the supplier and the customer and is a supplier’s route to the online market. Hence, this paper examines intermediary ecommerce development through examining the forces shaping web site development amongst intermediaries within an extended supply chain.

**Main Body**

The author gives an overview of the factors driving web site development within the financial services sector is timely. A recent government report on the medium and long term savings industry identified that co-ordination and co-operation difficulties are manifest through a lack of customer facing sites, low levels of capital investment, poor integration of legacy systems and a lack of common standards (Sandler, 2002). Due to successive and proposed legislation to remove entry barriers and cap administrative charges, providers are looking to reduce their processing costs. Investment in technology is one option which in turn increases the necessity for IFAs to have enhanced technological capability that facilitates end-to-end processing in order to realise cost savings.

Furthermore, within the banking sector there are indications that consumers value the relative advantage of online banking in terms of the increased convenience and enhanced service of online access. However the technological capability of IFAs is relatively poor hence the market presents a significant “technology catch-up” opportunity (Datamonitor, 2002).

Therefore this paper reports on the factors driving web site development amongst IFAs who are involved in the distribution of medium and long-term investment products.

**Conclusion**

This paper has examined intermediary e-commerce development, focusing specifically on the adoption and use of web sites, the factors influencing initial adoption, the characteristics of adopters and subsequent patterns of web site use. The findings show that there are clear differences between financial intermediaries in terms of the timing of

adoption, the factors driving web site development and the way in which the web site is used with implications for the whole of the supply chain. Innovators and early adopters are

more likely to have a clearer reason for developing a web site and are making most advanced use of it, with obvious benefits for both suppliers and customers.

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