

**Factors for the e-business adoption by small tourism firms and
the role of shadow economic practices**

Zhelyu Vladimirov¹

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¹ Sofia University St Kliment Ohridski, 1504, Faculty of Economics and Business Administration
15 Tzar Osvoboditel, Sofia, Bulgaria, Tel.:+359(2)8738123, Fax: +359(2)8702118, Email: jeve@feb.uni-sofia.bg

Abstract

The goal of this study is to reveal the main factors influencing the e-business adoption by the small tourism firms in Bulgaria with a special attention on the role played by the shadow economic practices in this process. These practices relate to undeclared work, undeclared deals, and sales underreporting by legally registered firms. The research is based on data gathered from 282 small tourism firms' managers through a structured questionnaire. The

exploratory factor analysis provided five factors as antecedents to the e-business adoption. These factors reflect the perceptions of environmental pressure, organisational readiness, shadow economic practices in the sector, and managers' attitudes (positive and negative) towards the e-business. The effects of the factors on the e-business adoption are assessed by a multiple regression model, which include also manager experience and firm size as control variables.

The findings suggest that environmental pressure, organisational readiness, and positive expectations are more likely to enhance the e-business adoption. The manager experience and the firm size influence positively this adoption too. On the contrary, negative expectations and particularly the perceptions of the spread up of shadow economic practices in the sector were more likely to work against the e-business adoption by small tourism firms.

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