CHAPTER 3

RESEARCH MODEL

3.1 INTRODUCTION

This chapter the conceptual framework of the two proposed research models based on strong literature support discussed in the previous chapter is elaborately discussed. The various antecedents that influence the intention to adopt CRM technology are examined and a conceptual model is suggested. The latter part discusses the hypothesis development where the researcher states the various hypotheses framed.

3.2 RESEARCH MODEL

This section deliberates on the factors that are relevant to organizational adoption of innovations in general which may possibly be relevant to the adoption of the CRM and development of research model is discussed. The model is an extension of diffusion of innovation theory popularly known as the DOI theory was proposed by Rogers (1995). Here the perceived benefit internal and external benefit factor was identified as intention to adopt factor by Chwelos et al (2001). A second model is proposed to test the effect of the organizational readiness which is treated as a moderating variable. These two models are proposed to test the factors influencing adoption of CRM among the SMEs.

Jeyaraj et al (2006) reviewed various empirical researches conducted between the years 1992-2003 found as much as a hundred variables have been
used as predictors of organizational adoption and this study helped to categorize them into four categories namely innovation characteristics, organizational factors, individual factors and external factors. A similar grouping was also used by researchers (Premkumar and Roberts 1999, Thong 1999, Frambach et al 1998, Frambach and Schillewaert 2002) for studying innovation adoption among Small firms.

3.3 TECHNOLOGICAL (INNOVATION) FACTORS

The effect of technology characteristics on adoption of CRM need to be investigated and based on review the Roger’s diffusion theory was adopted for this research. Rogers (1995) identified five factors that influence the adoption of technology: (1) relative advantage, (2) compatibility, (3) complexity, (4) trialability, and (5) observability.

3.3.1 Relative Advantage

Relative advantage is the degree to which the CRM technology creates customer information that leads to superior customer service when compared to traditional methods of meeting customer needs. The relative CRM advantage relates to perceptions of just how adoption of CRM technology will ultimately benefit the organization when it comes to competing against other organizations for customers (Rogers 1995, Mole et al 2004). A rational adoption decision in a firm will involve evaluating the advantages of the new technology. Adopters of these technologies gain many benefits such as reduced turnaround time, better customer service, reduced costs and timely information available for decision making. In an aggressive and competitive marketplace, these benefits generate significant motivations for adopting these technologies (Premkumar and Roberts 1999). Several researchers have used this attribute in their search for factors affecting technology adoption and found it to be one of the best predictors of an
innovation’s rate of adoption. For example, O’Callaghan et al (1992) found that adoption of EDI is related to the perceived relative advantage of the technology. Cragg and King (1993) established that the perceived relative advantage of IT is the most important factor for IT adoption in small businesses. The studies that support relative advantage are found in the works of (Premkumar et al 1994, Soh et al 1997, Songan and Noor 1999). Therefore it is possible to hypothesize that a positive relationship exists between perceived relative advantage and the intention to adopt CRM.

3.3.2 Compatibility

Roger (1995) defines Compatibility as the degree to which it is perceived as being consistent with the existing values, past experiences and needs of the potential adopter. This construct is analogous to the notion of fit commonly emphasized in the literature (Floyd 1988). Organisations typically attempt to choose technologies that conform to certain internal values and experiences (Ettlie 1986). In this way, the organization will need to make minimal adjustments and changes, which implies that there is less resistance to the adoption. Further, compatibility ensures greater security and lesser risk to the potential adopter and makes the innovation idea more meaningful to the organization (Teo et al 1997). The use of Information Technologies (IT) can bring in significant changes in the work practices of businesses and the employees resist change which is observed as a normal organizational reaction. Hence it is important for small businesses to see that the changes are compatible with its values and belief systems so that owner can adopt the new technologies (Premkumar and Roberts 1999). Prior empirical studies have found compatibility to be a significant factor affecting adoption (Ettlie and Vellenga 1979, Kimberly and Evanisko 1981, Tornatzky and Klein 1982, Copper and Zmud 1990).
3.3.3 Complexity

Complexity is determined by the degree, to which an innovation is perceived to be relatively difficult to understand and use, has been found to be an important determinant of innovation adoption (Rogers 1995). Adoption will be less likely to take place if the innovation is perceived as being complex or difficult to use (Rogers 1983). If adequate technical skills to use the innovation are lacking in the organization, then the organization will perceive the technology to be too complex and therefore may not adopt it (Premkumar et al 1994). The studies on innovation have found it to be an important attribute (Tornatzky and Klein 1982a, Cooper and Zmud 1990a, Thong 1999).

However the results have been mixed in the context of EDI and IS (Grover 1993, Premkumar et al 1994). Given the relatively small size of firms, the usage of CRM technology may make complexity a critical variable among the SMEs; since they are associated with lower levels of technical know-how (Cragg and King 1993). Teo et al (1995) used DOI theory to predict intent to adopt financial EDI in Singapore and proved that the complexity is an important factor responsible for intent to adopt.

3.3.4 Trailability

Trailability is the degree to which an innovation may be experimented on a limited basis. New ideas that can be tried on the instalment plan are mostly adopted more rapidly than the innovations that are not divisible. Early adopters of an innovation perceive the trialability as relatively more important than later adopters. Generally, an innovation is easier to try, the more it will be adopted. Yang (2007) found that when the users perceived higher trialability, they perceived a higher level of usefulness and ease of use of the system.
3.3.5 Observability

Observability is the degree to which the results of an innovation are visible to others. The results of some ideas are easily observed and communicated to others, whereas some innovations are difficult to observe and to describe to others. Some studies found that observability had a positive impact on the users’ attitude toward the system and intention to use the system (Lee 2004). When the employees perceived the systems as being easier to be observed or described, they tended to perceive the systems more useful and easier to use (Huang et al 2004, Yang 2007). It can be concluded that the greater is the observability, if an innovation the more rapidly it will be adopted.

3.3.6 Cost

The Firms would like the benefits from the adoption of a new innovation to be commensurate with the costs associated with the adoption of the innovation (Premkumar and Roberts 1999). The cost of an innovation has many components, namely, initial investment cost, operational costs and the cost of training the users to use the innovation (Premkumar et al 1994). However, technologies that are perceived to be low in cost are likely to be adopted (Tornatzky and Klein 1982, Rogers 1983). Premkumar et al (1994a) found that the cost being an important variable in the context of EDI.

Palvia et al (1994) found that the cost is not a significant deterrent in the adoption of IT for SMEs due to the commoditization of hardware and availability of cheap, user-friendly software packages. The switching costs related to the financial commitment required to purchase the CRM and complementary products, the amount of learning or training needed to effectively use the innovation, and other time commitments may arise that lessen the desire and/or the ability to adopt the technology (Peltier et al 2002). Switching costs thus add to the "total" costs associated with the adoption
decision. When switching costs are high, the likelihood of adoption is reduced (Speier and Venkatesh 2002). However, for small businesses, the costs of hardware and software are still a big deterrent to adoption, and therefore firms evaluate the cost relative to the benefits before adopting a new technology.

### 3.3.7 Image

The image is referred to as the degree to which use of an innovation is perceived to enhance one’s image or status in one's social system, Moore and Benbasat (1991). Adoption may be facilitated if the use of the innovation improves the image of the user, so as prestige and other valued attributes to culture in relation to the use of the innovation that are directly related to the adoption rate (Aubert and Hamel 2001).

### 3.4 ORGANIZATIONAL FACTORS

#### 3.4.1 IT Knowledge and Experience

Nelson and Winter (1982) observed that innovations are based on knowledge related to the firms’ existing skills, abilities and routines. Both radical and incremental innovations are contingent upon the presence of relevant technical knowledge (Ettlie et al 1984, Dewar and Dutton 1986, Pennings and Harianto 1992). Attewell (1992) talked about the diffusion of complex technological innovations in terms of decreasing knowledge barriers. Due to obstacles in developing the necessary skills and technical knowledge, many businesses are tempted to postpone adoption of the innovation until the barriers to adoption are lowered. The implication of this theory is that overcoming the lack of knowledge of the innovation will lead to greater likelihood of adopting the innovation. It was found that small business owners tend to lack basic knowledge and awareness of IT and most of them rejected the notion that IT could be of any use to their business, as they had no idea of the benefits that IT could potentially offer (Gable and Raman 1992).
study by Reynolds et al (1994) confirmed that owners and employees of small businesses tend to have limited skills and expertise especially when it comes to the use of IT. If these small businesses are educated about the benefits of IT, they may be more willing to adopt such technology (Thong and Yap 1995).

3.4.2 Top Management Support

The significance of top management support and commitment to successful adoption of innovation is evident and also documented in empirical studies (Baldridge and Burnham 1975, Ettlie 1986). The study by Quinn (1985) has found that the top management recognizes strategic opportunities and provides a long-term vision, so this attribute is critical for successful adoption of an innovation. The top management support for innovation ensures that there is a commitment in resources that in turn creates an organizational climate conducive to innovation. It is observed that if top management does not provide for innovation, it is hard to find champions in the organization for new ideas. Top management support is also crucial in overcoming barriers and resistance to change and innovation (Teo et al 1997).

Several researchers have found that the top management support be critical for creating a supportive climate and providing adequate resources for adoption of new technologies (Kwon and Zmud 1987, Grover and Goslar 1993, Ang and Pavri 1994, Rogers 1995). The study by Delone (1988) found that top management’s commitment is critical to success of small business systems. The Top management support is more critical for communication technologies, since the use of these technologies involves the cooperation of the trading partners (Premkumar and Ramamurthy 1995). In small business, the decision-maker is very likely to be in the top management team and therefore should have his/her support for the adoption of new technologies (Blili and Raymond 1993).
3.5 ENVIRONMENTAL FACTORS

3.5.1 Competitive Pressures

It is inferred from various research work that that competition increases the probability of innovation adoption (Utterback 1974, Kimberly and Evanisko 1981, Link and Bozeman 1991). It is tough rivalry that pushes businesses to be innovative (Porter 1990). The empirical study Globerman (1975) showed that more intense competition is associated with higher adoption rates. The competition leads to environmental uncertainty and increases both the need for and the rate of innovation adoption (Ettlie and Bridges 1982, Ettlie 1983). Competitive pressure has been identified by Jeyaraj et al (2006) as one of the best predictors of organizational adoption of innovations. Competition in the adopter's industry is generally perceived to positively influence the adoption of innovations (Gatignon and Robertson 1989). Premkumar and Ramamurthy (1995) observed that to compete in the market place, firms have to adopt new technologies which has become a strategic necessity.

3.5.2 Governmental Role

The Government plays an important role as users and inducers of IT practices (Kim 2001, Chan and Al-Hawamdeh 2002, Tigre 2003). Crow (1988) observed that as government financing or influence increases, sales of the affected products subsequently increase. Mowery and Rosenberg (1979) suggest that government policies that enhance or appear to enhance the ability of the firm to compete in the marketplace have a strong positive influence on technology development strategy at the corporate level.
3.5.3 Technology Support from Vendors

The research findings indicated that most SMEs lack in-house IT expertise in SMEs, the extent of IT usage would depend on the availability of external support from vendors and consultants (Blili and Raymond 1993, Poon and Swatman 1997). CRM represents an innovation and dynamic in nature and hence, the availability of continuous support is essential for the extensive use of CRM.

3.6 ORGANIZATIONAL READINESS

Organizational readiness refers to the firm’s level of (1) hardware resources, (2) software resources, and (3) financial resources available for EC adoption (Gemino et al 2006). This factor is considered important in adoption, because SMEs typically lacks the technical and financial resources necessary for EC and other IT investments. Mehrtens et al (2001) found that SMEs with high levels of IT are more likely to adopt the Internet. Chwelos et al (2001) found that IT sophistication affected the firm’s ability to adopt EDI. Harrison et al (1997) observed that a small business executive’s decision to adopt an IT was affected by the firm’s availability of required hardware and software resources.

3.7 PERCEIVED INTERNAL AND EXTERNAL BENEFIT FACTORS

Cragg and King (1993) observed that relative advantage was a primary cause for encouraging further IT growth. Iacovou et al (1995) suggested that relative advantage was expressed by perceived benefits and found a positive relationship between perceived benefits of adoption of innovation like EDI. Chwelos et al (2001) found a positive correlation between perceived benefits and intent to adopt EDI. Mehrtens et al (2001) found that relative advantage was a predictor of Internet adoption in SMEs.
Harrison et al (1997) observed that attitude towards adoption (i.e., positive or negative anticipated consequences of adoption) strongly influenced a small business executive’s decision to adopt an IT to help their firm compete. Teo and Tan (1998), Walczuch et al (2000) concluded that strategic and informational benefits, specifically related to customers, have a positive influence on the adoption of electronic commerce.

Thus based on extensive literature survey the researcher has identified four major parameters namely technology (innovative) factors, organizational factors, environmental factors, individual factors, organizational readiness and perceived internal and external benefits and proposed to research models.

![Figure 3.1 Research model I](image-url)

Figure 3.1 Research model I
3.8 HYPOTHESIS DEVELOPMENT

The Research hypothesis is developed to test the significant association between organizational characteristics and the factors influencing adoption of CRM among the SMEs. This tests the first objective of the study which is currently an unexplored research area. Secondly hypotheses are postulated to test the two research models proposed based on literature survey. In order to identify the various factors that has an influence on adoption of CRM, the researchers has identified more no of hypotheses.
3.8.1 Effect of Organizational Characteristics and Individual Characteristics on Factors Influencing Adoption of CRM

Here based on literature survey, the organizational characteristics, individual characteristic and factors influencing adoption of CRM are identified and the hypotheses to be tested are framed. The identified organizational factors are annual sales, organization size- no of employees, type of organization, type of industry, age of the firm i.e., number of years in the industry, the market scope, IS usage-information system usage and level of usage of information systems. The individual characteristics are key employee’s experience in the use of information systems.

3.8.1.1 Organization size

Organization size is the number of employees working in an organization and is considered as a factor influencing innovation adoption (Kimberly and Evanisko 1981). The smaller organizations are more likely to adopt innovations due to structural flexibility (Damanpour 1992). The various researches have indicated organization size to be an influential variable in adoption of innovation for instance (Malhotra and Singh 2007, Bayo-Moriones and Lera-Lopez 2007, Harrison and Waite (2005), Fabiani et al 2005).

3.8.1.2 Type of industry

Type of Industry is defined as the industry in which the organization operates. It is observed that the information processing needs are different for businesses in different sectors and those in more information intensive sectors are more likely to adopt new technology (Yap 1990). Researches show that the industry in which the firm operates has an effect on...
its information requirements and thus influences its decision to adopt new technology (Premkumar and King 1994, Reich and Benbasat 1990).

### 3.8.1.3 Age of firms

It refers to the number of years that the organization has been in business. The age of a firm is linked to firm size in the sense that large firms are generally old and young firms are generally small. Christensen and Rosenbloom (1995) observed that new firms are more flexible and thus more likely to adopt a new technology than older firms. The age reflects more experience and greater financial capacity to support the adoption of innovative systems (Raymond 1985).

### 3.8.1.4 Market scope

It is defined as the horizontal extent of a firm’s operations (Zhu et al 2003). They introduced as a variable influencing adoption of technology and it has two major perspectives i) internal coordination cost and ii) external cost. The internal coordination cost increases as organizations expand their market and sees increased administrative complexity and information processing. The external cost includes search costs and inventory holding costs and these would considerably increase with the market scope (Gurbaxani and Whang 1991). Business digitization helps to reduce these costs (Shapiro and Varian 1999).

### 3.8.1.5 Information systems usage

Southern and Tilley (2000) have identified three types of user groups that use Information and Communication Technology (ICT). They are i) low users ii) medium users and iii) high users. The low users are mostly small organizations that have little or no ICT in their business. Generally they
are not willing to make an investment in ICT. The medium users are also small organizations that possess standalone computers and have some form of network established to meet their business requirements. The high users are those organizations that show signs of more sophisticated understanding of ICT and have a better understanding of the application of technology in their business.

### 3.8.1.6 Individual characteristics

Various research studies have identified CEO’s innovativeness, CEO’s IS/IT/EC knowledge and CEO involvement as an important factor influencing the adoption and classified under individual factors that influence adoption. It is observed that most of the IT literature in the SME segment demonstrates the importance of the manager’s role (CEO) (usually the owner) as a product champion (Cragg and King 1993, Poon and Swatman 1998, 1997, 1999) and the entrepreneur as a change agent (Hailey 1987).

Thus emphasizing the importance of the CEO’s innovativeness and involvement only on adoption of innovation like electronic commerce success (Poon and Swatman1998a) would provide more insight. The factor CEO’s innovativeness was a significant factor that influenced IS adoption significantly and positively in SMEs (Thong 1999, Thong and Yap, 1995, 1996). Moreover Poon and Swatman (1998a, 1999a) found the CEO’s involvement influencing the electronic commerce success significantly and positively among the SMEs. Hence based on the extensive literature survey which helped to identify the various antecedents the following hypotheses were framed.

**H1:** There is a significant association between annual sales of the SMEs and each of the technological factors.

**H2:** There is a significant association between annual sales of the SMEs and each of the organizational factors.
H3: There is a significant association between annual sales of the SMEs and each of the environmental factors.

H4: There is a significant association between annual sales of the SMEs and each of the organization readiness factors.

H5: There is a significant association between annual sales of the SMEs and each of the perceived internal and external benefit factors.

H6: There is a significant association between the organization size of the SMEs and each of the technological factors.

H7: There is a significant association between the organization size of the SMEs and each of the organizational factors.

H8: There is a significant association between the organization size of the SMEs and each of the environmental factors.

H9: There is a significant association between the organization size of the SMEs and each of the organizational readiness factors.

H10: There is a significant association between the organization size of the SMEs each of the perceived internal and external benefit factors.

H11: There is a significant association between the types of organization of the SMEs each of the technological factors.

H12: There is a significant association between types of organization of the SMEs and each of the organizational factors.

H13: There is a significant association between types of organization of the SMEs and each of the environmental factors.

H14: There is a significant association between types of organization of the SMEs and each of the organization readiness factors.
H15: There is a significant association between type of organization of the SMEs and each of the perceived internal and external benefit factors.

H16: There is a significant association between the type of organization and each of the technological factors.

H17: There is a significant association between type of industry and each of the organizational factors.

H18: There is a significant association between type of industry and each of the environmental factors.

H19: There is a significant association between type of industry and each of the organization readiness factors.

H20: There is a significant association between type of industry and each of the perceived internal and external benefit factors.

H21: There is a significant association between the age of the firm and each of the technological factors.

H22: There is a significant association between the age of the firm and each of the organizational factors.

H23: There is a significant association between the age of the firm and each of the environmental factors.

H24: There is a significant association between the age of the firm and each of the organization readiness factors.

H25: There is a significant association between the age of the firm and each of the perceived internal and external benefit factors.

H26: There is a significant association between the IS usage and each of the technological factors.
H27: There is a significant association between the IS usage and each of the organizational factors.

H28: There is a significant association between the IS usage and each of the environmental factors.

H29: There is a significant association between the IS usage and each of the organization readiness factors.

H30: There is a significant association between the IS usage and each of the perceived internal and external benefit factors.

3.8.2 Effect of Factors Influencing Adoption of CRM and Intention to Adopt CRM

The hypotheses were based on an extensive survey of technical literature and the two proposed research models were framed to test the significance. The Innovation diffusion theory (DOI) for organizations proposed by Rogers (2003) is used as a theoretical basis for this research to investigate the impact of technological factors on SMEs’ willingness to adopt innovations. As per Rogers (2003a), relative advantage is the degree to which an innovation is perceived as being better than the idea it supersedes.

The studies by Grandon and Pearson (2004), Kuan and Chau (2001) found this variable to be positively correlated to adoption of innovation like information systems. Further research studies specific to SMEs by Thong 1999, Cragg and King (1993) supports the findings stated above. As per Rogers (2003), complexity is the degree to which an innovation is perceived as relatively difficult to understand and use.

This factor is identified as an important determinant and shows a significant relationship in research (Lertwongsatien and Wongpinunwatana
2003, Thong 1999). The more complex the technology, greater the uncertainty of implementation and thereby increases the risk in adoption of Information systems (Premkumar and Roberts 1999).

Compatibility is defined as the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters (Rogers 2003). The research studies by Premkumar (2003) have indicated that compatibility is an important determinant of adoption of information systems innovations. The adoption of new technologies can bring considerable changes to the work practices of businesses and resistance to change is treated as a normal organizational reaction (Premkumar and Roberts 1999). Therefore the hypothesis to test compatibility was postulated.

Trailability is the degree to which an innovation may be experimented with on a limited basis (Rogers 2003c). Kendall et al (2001) found that the trailability to be positively related to e-commerce adoption among SMEs. Generally, an innovation is easier to sample, the more it will be adopted. Hence the hypothesis to test the trailability was postulated.

Observability is the degree to which the results of an innovation are visible to others (Rogers 2003d). The studies conducted by (Huang 2004, Lee 2007, Yang 2007) have found that when employees perceived the system to be easily described or observed, they perceive them to be more useful and easy to use. Therefore the hypothesis to test observability was suggested.

Premkumar and Roberts (1999) state that Firms would like the benefits from the adoption of a new innovation to be commensurate with the costs associated with the adoption of the innovation. The cost of an innovation has many components, namely, initial investment cost, operational costs and the cost of training the users to use the innovation (Premkumar et al 1994).
However, technologies that are perceived to be low in cost are likely to be adopted (Tornatzky and Klein 1982, Rogers 1983). Premkumar et al (1994a) found that cost being an important variable in the context of EDI. Hence the hypothesis to test the switching was suggested.

More and Benbasat (1991) have defined image as the degree to which use of an innovation is perceived to enhance one’s image or status in one's social system, (Moore and Benbasat 1991). The adoption may be facilitated if the use of the innovation improves the image of the user (Aubert and Hamel 2001). Hence the hypothesis to test the image was proposed.

Organisational readiness is defined as “the availability of the needed organizational resources for adoption” (Iacovou et al 1995). It refers to the firm’s level of (1) hardware resources, (2) software resources, and (3) financial resources available for EC adoption (Gemino et al 2006). This factor is considered important in adoption because SMEs typically lacks the technical and financial resources necessary for EC and other IT investments. Mehrtens et al (2001) found that SMEs with high levels of IT are more likely to adopt the Internet.

Chwelos et al (2001) found that IT sophistication affected the firm’s ability to adopt EDI. Information systems sophistication assesses whether a firm is technologically ready to undertake the adoption of an IS innovation; while financial resources express an organization’s capital available for IS investment. In this study the organization readiness factor is taken as a moderating variable. The two factors – IT knowledge and experience and top management support is identified to influence the organization's readiness.

Firms that do not have much IT knowledge and experience may be unaware of new technologies or may not be willing to take a risk to adopt
them. Dholakia and Kshetri (2002) suggest that technologies already existing in an organization influence the future adoption of a new technology.

They argue that the incremental cost and knowledge required to adopt the Internet, for example, will be much smaller if a firm already owns a computer and a telephone. However, other research studies have shown that prior IT knowledge and experience influence the adoption of new technologies (Kuan and Chau 2001, Fink 1998). Therefore the hypothesis was framed to test IT knowledge and experience which is one of the factors responsible for organizational readiness.

Jeyaraj et al (2006) found that top management support be important factors that influences the adoption of Information Systems' innovations. Top management can kindle change by communicating and reinforcing values through an articulated vision for the organization (Thong 1999). Further studies have found top management support to be critical for creating a supportive climate for the adoption of new technologies (e.g. Premkumar and Roberts 1999, Grover and Goslar 1993). In SMEs, the decision-maker is more likely to be in the top management team and their support is vital for the adoption to take place.

It is inferred from various research work that that competition increases the probability of innovation adoption (Utterback 1974, Kimberly and Evanisko 1981, Link and Bozeman 1991). It is tough rivalry that pushes businesses to be innovative (Porter, 1990). The empirical studies showed that more intense competition is associated with higher adoption rates (Globerman 1975, Levin et al 1987). Competitive pressure has been identified by Jeyaraj et al (2006) as one of the best predictors of organizational adoption of innovations. Competitions in the adopter’s industry are by and large perceived to positively influence the adoption of innovations (Gatignon and Robertson 1989). Premkumar and Ramamurthy (1995) observed that it has
become a strategic need to have these new technologies to compete in the market place. Hence, it is possible to frame a hypothesis to test the competitive pressure

Government plays an important role as users and inducers of IT practices (Kim 2001, Chan and AL-Hawamdeh 2002, Tigre 2003). Crow (1988) observed that as government financing or influence increases, sales of the affected products subsequently increase. Mowery and Rosenberg (1979) suggest that government policies that enhance or appear to enhance the ability of the firm to compete in the marketplace have a strong positive influence on technology development strategy at the corporate level. Therefore, it is possible to hypothesize that a positive relationship exists between government support and the intention to adopt CRM and hence the hypothesis is postulated. Therefore based on strong literature support from previous research studies the hypotheses were framed. The hypotheses framed are shown below:

H1: The greater the perceived relative advantage of CRM, the more likely SMEs will be willing to adopt CRM technologies.

H2: The lower the perceived complexity of CRM, the more likely SMEs will be willing to adopt these CRM technologies.

H3: The greater the perceived compatibility of CRM, the more likely SMEs will be willing to adopt these CRM technologies.

H4: SMEs with greater ability to experiment with CRM before adoption are more likely to adopt them.

H5: The better the observability of CRM technologies, the more likely SMEs will be willing to adopt CRM.
H6: The lower the switching cost of CRM technologies, the more likely that SMEs adopts them.

H7: The higher the image associated with the user, the more willing are the SMEs to adopt CRM.

H8: The greater the IT knowledge and experience is the more likely to influence organization readiness factor

H9: The greater the top management support for CRM adoption, the most likely to influence organization readiness.

H10: The greater the organization readiness factor, the more likely to influence the adoption of CRM.

H11: Higher the competitive pressure faced by business, the more likely that the SMEs shall adopt CRM.

H12: Higher the support rendered by the Government, the more likely the SMEs will adopt CRM.