

E-commerce, opportunities, and challenges in Georgian market: SMEs attitude

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DECLARATION

'As the author of this paper, I declare that this thesis presented for the degree of Master of Business Administration is an original report of my research and has been written by me. Due references have been provided on all supporting literature and resources. I confirm that this thesis has been composed entirely by myself. The work contained herein is my own except where explicitly stated otherwise in the text. This work has not been submitted for any other degree or professional qualification.

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A handwritten signature in black ink, appearing to be 'Ali Bagheri Razi', enclosed within a large, loopy oval shape.

Abstract

Electronic commerce has become part of our lives. Traditional ways of doing business have been changing year by year, and nowadays, most companies are trying to be presented online and sell their products through the Internet. However, digital marketing, especially the role of electronic commerce on small and medium enterprises, and some opportunities and challenges have been previously assessed only to a minimal extent in Georgia. The research was conducted to identify the opportunities and challenges in e-commerce that SMEs faced in the Georgian market. In other words, SMEs can easily affect the entire economy, it is crucial to analyze what possibilities and barriers e-commerce creates for the SMEs In the Georgian market and how it affects it. The main problem that led to this research was the failure of small and medium enterprises in digital marketing, and the lack of awareness of the e-commerce environment in the Georgian market. To carry out the research work effectively, it aimed to initiate a solid ground for further research perspectives while creating a starting point and emphasizing new topics, new challenges, and determinants that need to be studied. This research approach was based on a case study. It was conducted with SME owners who provide online products and services and used primary data directly obtained by dividing and collecting questionnaires from respondents involved with digital marketing. In addition, this study was based on descriptive analysis to determine the implication of the results. The answers have been grouped in different sections to show the picture of the collected information. This study is crucial to understand the advantages of e-commerce, filling the gap in the usage of e-commerce, defining the readiness of SMEs and local businesses to provide services and products online, and how they respond to organizational and environmental

challenges. In other words, it assisted in identifying the correlation between the challenges of e-commerce and its efficiency in small and medium enterprises in customer service. The research results supported and verified the hypothesis, the challenges have a positive effect on SMEs' efficiency. Accordingly, the impact is evident, but all the challenges have not the same positive effect on SMEs in a long period. Therefore, SMEs did not perceive challenges as an effective way to increase customer service efficiency. The conducted study suggests several recommendations for SMEs to increase the proper usage of e-commerce. In that case, small and medium enterprises can gain valuable success in a competitive environment by having a close relationship with the customers and an appropriate market strategy.

Keywords: Electronic commerce, Small and medium enterprises, Digital marketing, Opportunities and challenges, Georgian market, Online service and product, Local businesses, Organizational and environmental challenges, Market strategy