

## ABSTRACT

The initiation of e-commerce offers considerable opportunities for large and small businesses across to enlarge their customer base enter new products and justify their businesses by competing in the global markets. Tanzanian SMEs have generally been slow to adopt and evaluate electronic commerce. SMEs performance in Tanzania face a great challenge of how to adopt and use ICT related technologies particularly e-commerce technology.

The study discovered that the variable knowledge of benefits derived from e-commerce and infrastructure would enable businesses to actively pursue e-commerce. Additionally Tanzania Communications Regulatory Authority (TCRA) should put in place policies that regulate ecommerce businesses. Cost of e-commerce implementation within the business and technical skills and IT knowledge amongst owners and employees would additionally encourage businesses in venturing into e-commerce.

The findings show that, lack of ecommerce regulation, security anxieties, infrastructure issues, organization culture, lack of ICT skills training, slow internet speed, leadership ecommerce perception and lack of ICT Skilled personnel are major factors affecting e-commerce adoption among SMEs in Tanzania.

Using the survey research design, the respondents were owners and managers selected from the Municipal Council of Arusha City and the survey ensured that information gathering was comprehensive. Interviews were also used for the investigation of factors affecting the adoption of e-commerce among SMES in Tanzania

The researcher suggested that ecommerce regulating policies should be put in place by the government. When it comes to the payment means, bank should avail cards that support online transactions. The knowledge of benefits of ecommerce tools would drive an increase and sustainable adoption of e-commerce among the SMEs sector in the country. Therefore, there is need for further research to be done on other regions of Tanzania where the infrastructure may differ since Arusha is a semi-urban, the factors silently differ in rural regions this will give greater insights on the easier and faster adoption of e-commerce for greater growth of the SME sector in Tanzania.

