INTRODUCTION

As the 21st century emerges, there is a growing consent that information technologies are altering the way we live, work, communicate and organize our activities. Information and communication technology and its interaction with social and economic changes on organizational, individual, and societal levels have received growing attention due to the depth and wide use of it. The ICT related disciplines have so far been focused too much on the “technology push” instead of on human needs and requirements in the development, facilitate a necessary rethinking and renovation. In fact, many people believe that we have entered a period of socio-economic change that will prove to be as monumental as the industrial revolution. Information and communication technology and its interaction with social and economic changes on organizational, individual, and societal levels have received growing attention due to the depth and wide use of it. The ICT related disciplines have so far been focused too much on the “technology push” instead of on human needs and requirements in the development, facilitate a necessary rethinking and renovation. Several authors refer that, due to its socio-economic consequences, the emergence of ICTs has shaped a new society: we are now in what is known as Information Society; a society where information and communication technology deeply and broadly have penetrated and became integrated in the society and its substructures. To be successful in the 21st century, every part of the world needs to move towards innovation activities in every domain of life, based on an adequate and intensive use of information and communication technology (ICT), and rendering them into new breaks and opportunities. The payoffs are economic growth, social development as well as personal development. More precisely information and communication technology (ICT) is an essential element of success in today’s social and economic environment. Over the last decade the ICT have brought about profound changes in the economies and societies. This fact is especially relevant for small and medium sized enterprises (SMEs) also, whose survival depends on the use they make of ICTs among other factors. If SMEs hope to compete with MNC from foreign, they should develop strongest capabilities which could fend-off competitions from foreign and become major market player. In order to do so, they should continue to innovate and adopt suitable technologies’ services especially in terms of ICT facilities. Information and communication Technologies (ICT) is fundamentally changing the approach in which business is directed in SMEs locally as well as globally, forces them to find out new directions to change the way business processes are
carried out, expand their business market to attract and retain their customers, allows them to reap more benefits and achieve competitive advantages. Information and communication technology (ICT) has brought about new prospects for all types of organization and businesses. The information and communication technology particularly the use of internet to conduct online business is quickly changing the conventional way of doing business. With the strong waves of globalization and liberalization across the world, ICT is believed to be the most cost-efficient tool to help companies gain bigger markets and the ability to compete with larger organizations in attracting customers to their products, services and information. Globalization and digitalization have changed the way business is done and competes in the marketplace. Information and communication technology is the lifeblood of this change which has resulted in a new economy known as the knowledge economy. Nowadays several organizations have moved from manual paper-based to ICTs for internal processing of information and from telephony to Information and communication technology for external communication. Thus, access to Information and communication technology has provided people with a foundation for building up and applying knowledge globally and particularly in developing nations. In the present knowledge based economy, the use of ICT can bring the same competitive advantage to small and medium sized enterprises as that brought to large enterprises. ICTs are also making it possible for developing countries to participate in the world economy in ways that simply were not possible in the past. Hence, information and communication technologies should be regarded as a strategic tool in SMEs. The use of ICTs in SMEs should be considered as part of the wider informal to formal transition process for information systems. There is need for SMEs to undertake continuous improvement of their existing processes, products and services. They need to introduce products and services with extended capabilities to create more value for their customers. On one hand, Information and communication technology provides all enterprises with many opportunities for their business activities. On the other hand, SMEs have always been considered to be the major economic players and strong sources of economic growth. Therefore, it is apparent that the use of Information and communication technology in SMEs is critical in every economy. Information and communication technology have the potential to improve SMEs’ business processes as it is able to bring about better insights.

Despite the fact that ICT play an important role in developing national economy, ICT adoption in SMEs is still relatively low when compared to developed countries. SMEs are
falling behind best ICT practices adopted by their larger counterparts in the global economy. Nevertheless, the emergence of technology has allowed the SMEs to compete in domestic as well as international markets effectively and efficiently. However, the same level of such technologies are not evident in SMEs when compared to their larger counterparts. Whilst the ICT practices has spread rapidly throughout large firms, its growth amongst SMEs has been much less pervasive. There are number of studies which mainly focuses on the infrastructural and economic differences, social and cultural issues of technology adoption, however there is a growing need of examining their reluctance in the technological context. To understand the lack of, or slow uptake of ICT it is appropriate to have attention into the innovation characteristics and or factors apart from the infrastructural, economic or social issues. Other factors, such as the characteristics of innovation and related factors, uncertainties associated with technology should be studied in greater detail in order to see how they affect the adoption of ICT by SMEs. Globalization and digitalization have changed the way business is done and competes in the marketplace. Information and communication technology (ICT) is the lifeblood of this change which has resulted in a new economy known as the knowledge economy

The analysis of technological factors of ICT adoption and the impacts on organizations are very important to understand and how to stimulate in SMEs the process of investment in new technologies. The adoption and assimilation of information and communication technology (ICT) is recognized as one factor both for enabling growth through strategic exploitation of ICT as a tool and inhibiting it through poor access or adoption, the actual scale of positive and negative influences can be difficult to determine, and much depends on the related factors and characteristics of innovation. Therefore, this study aims to identify the technological factors and then show their situations in the case of SMEs in India and thereby developing a framework that will facilitate SMEs to implement Information and Communication Technology.