## **ABSTRACT**

A lot of research has been done on the IT industry of Pakistan in the context of computerization, technological advantages, history and acceptance models etc. But there is a gap in research on comparative analysis of international versus local clientage of Software Houses of Pakistan with respect to the dynamics, preferences and priorities in E-adoption and E-business in relation to local SMEs. Pakistan has great potential in IT skills but still has a long way to cover in this globalization race especially when it came to e-adoption by local business market. So, the first objective was to explore the factors and their relationships which influence E-adoption and E-business by SMEs with respect to the role and reputation of the local Software Houses in Pakistan. Second most important objective was to identify the differences in perception and priorities between international and local clients of Software Houses of Pakistan.

Survey approach was used in this research, a questionnaire was designed, tested and used to collect primary data on a 5-point Likert scale from two populations i.e. Software Houses and SMEs. Profiling of SMEs and Software Houses has been represented using bar charts, pie charts and histograms while ANOVA F-test, Pearson's correlation, independent sample t-test and paired sample t-test were used for statistical analysis. Total 18 hypotheses were developed based on 20 constructs comprising of 75 elements. It includes main variables like "Role of Government, Environmental Pressure, Individual's Influence, Organizational Factors, Capabilities of Software Houses and Developers, Technological Factors, Characteristics of Clients of Software houses from Local as well as International market".

The study concluded that despite the several challenges faced by Software Houses there is still a great potential for them in the local market of Pakistan. SMEs also have some hurdles and issues regarding e-adoption which can be improved with proper measures and trainings. The increasing trend of E-adoption and E-business is reshaping the dynamics of business environment and creating new societal trends which is providing abundant opportunities for both populations under study i.e. SMEs and Software Houses. Moreover, it was found out that there is really a significant difference between the preferences and priorities between international and local clients of Software Houses of Pakistan.