ABSTRACT

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**Introduction**

The thesis deals with the study of “The Impact of Electronic Commerce on Business Value in Service Organisations”. Though the scope of the study extends to many service organisations, emphasis has been laid down on the study Banking, Finance, Insurance, Entertainment, Education, Software, Consultancy, Electronic Commerce Solution and Telecommunication organisations.

Electronic Commerce refers to all value transactions involving the transfer of information, products and services or payments via electronic networks. Electronic Commerce is recently a new mode of conducting business and its history can be traced back to 1960s.

When organisations redefine the products, processes and business models using technology to change the ways products are conceived, marketed, delivered it is said to have derived the business value. The main components of Business Value are Product Promotion, New Sales Channel, Direct Saving, Time to Market, Customer Service, Brand Image, Customer Relationship, Technology and Laboratory Learning, New Product Capabilities and New Business Models.

Through this study, area of interest has been explored after an extensive literature review which shows that no research have been conducted before on this aspect of The Impact of Electronic Commerce on Business Value in Service Organisations.

**Contents of the Thesis**

The study has been divided into five chapters. The first chapter presents an overview of electronic commerce followed by meaning and definitions, historical background, benefits, barriers, views, types of e-commerce, strategies challenges etc. It aims at providing the reader an overall idea about the nature and activities of electronic commerce.

The second chapter entitled ‘The Concept of Business Value and Measurement’ briefly describes the meaning and other relevant specific details of business value.
The methodology of research adopted for the purposes of the present study has been presented in chapter three. The chapter consists of extensive literature review to establish the need for study, the scope of study, conceptual framework of electronic commerce, impact of electronic commerce, survey reports, case studies, present models of electronic commerce, data collection methods and procedures, hypothesis and analytical techniques used have been included in this chapter, under separate sections.

Chapter four of the thesis analyses and interprets the overall overview on the Impact of Electronic Commerce on Business Value on all the sectors of service organisations as well as with reference to Annual Group Turnover, percentage of Annual IT spending and percentage of Electronic Commerce spending.

Chapter five presents suggestions and recommendations of this study.

References used in the study appear at the end of each chapter. The list of books, journals, magazines, web sites visited and referred to have been appended at the end of the thesis in the form of Bibliography. Besides this general information about e-commerce has been given in Appendix I, II, and III. In Appendix IV questionnaire, glossary, useful web sites and e-mail Ids are given and in the last Appendix V calculations for F and Z tests are given.

Objectives of the Study

Important Objectives of the study are stated as follows:

- To what extent Electronic Commerce has the Impact on Business Values on all the sectors of service organisations.
- To what extent Electronic Commerce has had a varying Impact on Business Values with reference to Annual Group Turnover of the organisations
- To what extent Electronic Commerce shows Impact on Business Values with reference to Annual percentage of IT spending.
- To what extent Electronic Commerce has the maximum Impact on Business Values with reference to percentage of Electronic Commerce spending in an organisation.
Methodology of Research

Keeping in view the objectives of the study, and in order to justify the need for research, the researcher has conducted a review of existing literature in the subject. This led to identification of research gaps.

In formulating the research problem, the major components of Business Values have been chosen for the present study. In view of the nature of study, exploratory research design has been selected. The researcher has constructed a questionnaire based on the dimensions of these Business Values and respondents in selected service organisations were ask to rank the extent of the Impact of Electronic Commerce on these Business Value components. The framework proposed by Michael Bloch, Yves Pigneur & Arie Segev in their paper On the Road of Electronic Commerce--A Business Value Framework, Gaining Competitive Advantage and Some Research Issues has been used.

In collecting information, primary sources have been considered as population sample. Data has been collected through a structured questionnaire developed on a five-point scale. Data was entered on tabulation sheet using MS Excel. Thereafter overall mean of various scores was taken. The mean was then compared with the mean of different components of Business Values. The comparison could have resulted in difference between population mean and mean of specific segment of population. In order to know that this difference was statistically significant or not popular F and Z tests were applied.

In other words, had there been an equal number of respondents in each group of subgroup or more than our present sample size i.e. 135 we would have obtained same mean. This is our null hypothesis (Ho). We have tested this at significance level of 5% in both the cases and findings would have been more appropriately discussed and analysed at various level of significance.
Main Findings of the Study

On the basis of analysis following results are made on all the sectors of service organisations of the Impact of Electronic Commerce on Business Value.

**Brand Image**- Analysis shows Electronic Commerce has the maximum impact on Brand Image. Banking and Electronic Commerce Solution industry have taken full advantage of the opportunities offered by Electronic Commerce.

**Customer Service**- Findings show that Customer Service has maximum impact on Software, Consultancy, Telecommunication and Entertainment industries. These industries enjoyed the most benefits offered by Electronic Commerce.

**New Business Models**- Analysis shows that no particular service organisation has taken full advantage of the opportunities offered by Electronic Commerce business models on any of the components of Business Value. This also shows that all service organisations can take advantage of Electronic Commerce business models in developing their business models.

**Product Promotion**- Overall analysis shows that no service organisation has taken full advantage of Electronic Commerce opportunities offered by it, which shows that all service organisations can promote their products using Electronic Commerce.

**Customer Relationship**- Customer Relationship has the maximum impact on Finance and Insurance companies, which shows that these industries have taken full, benefits of Customer Relationship related opportunities offered by Electronic Commerce.

**Direct Saving**- Analysis on the basis of service organisations shows that Education and Other companies have the maximum impact on Direct saving using Electronic Commerce.

**Time to Market**- Overall maximum impact of Electronic Commerce on Time to Market shows that no service organisations has the impact on any of the Business Value components, which shows that Electronic Commerce helped all service organisations equally for its customers to give Time to Market.
**Technology and Laboratory Learning** - Technology learning after Time to Market shows that it does not have any impact on any of the components of Business value in any of the service organisations, this shows that it offers opportunities to all service organisations for new Technology and Laboratory Learning either equally or no impact at all.

**New Sales Channel** - Comparing it with different service organisations analysis shows that no service organisation has taken full advantage of the opportunities offered by Electronic Commerce for New Sales Channel which shows that all service organisations can improve their sales channel by using Electronic Commerce.

**New Product Capabilities** - Analysis shows that this component of Business Value does not show any impact. Therefore organisations can take full advantage of the opportunities offered by Electronic Commerce for developing new product capabilities.

*On the basis of findings of present study following results are made on the Impact of Electronic Commerce on Business Value with reference to Annual Group Turnover, percentage of Annual IT spending, percentage of Electronic Commerce spending.*

**Brand Image** - Findings show that apart from Banking and Electronic Commerce Solution industry service organisations with Annual Group Turnover between 5500 and 10000 Cr and where % of Electronic Commerce spending <20% has maximum impact on Brand Image of the opportunities offered by Electronic Commerce.

**Customer Service** - Analysis shows that service organisations with Annual Group Turnover between 500-1500Cr and Annual IT spending <5Cr has maximum impact on Customer Service in improving their services of the benefits offered by Electronic Commerce.

**New Business Models** - Overall analysis shows that no service organisation with reference to Annual Group Turnover, Annual IT spending, and % of Electronic Commerce spending show any significant impact on any of the components of Business Value.

**Product Promotion** - Comparing it with different service organisations with reference to Annual Group Turnover, Annual IT spending, % of Electronic Commerce spending
companies with Annual IT spending between 250 and 4000 Cr has the maximum impact on Product Promotion and can be followed by other organisations as well to take full advantage offered by Electronic Commerce.

Customer Relationship - Overall Customer Relationship has the maximum impact on companies with Annual Group Turnover 50-500 Cr, Annual IT spending <5 Cr and % of Electronic Commerce spending 50-100% and have taken full advantages on Customer Relationship by using Electronic Commerce.

Direct Saving - On the basis of analysis Electronic Commerce has the maximum impact on Direct Saving on companies with Annual Group Turnover exceeding 10000 Crores. There were of five organisations in the sample, where the turnover was in the range of billion/ million dollars. This is an exception and hence cannot be generalised.

Time to Market - Overall maximum impact of Electronic Commerce is on Time to Market with reference to % of Electronic Commerce spending between 20-50%. This shows that Electronic Commerce have given full support to companies and their customers on Time to Market in building its image and it may be followed by other organisations as well.

Technology and Laboratory Learning - Technology and Laboratory Learning does not have maximum impact on any of the Business Value components in any organisation and all service organisations can take advantages from it.

New Sales Channel - Organisations with Annual Group Turnover between 1500-5500Cr show maximum impact on New Sales Channel and can be followed by other organisations as well to take advantage of the opportunities offered by Electronic Commerce.

New Product Capabilities - Findings of the analysis show that this component of Business Value does not show any impact comparing it with different service organisations Annual Group Turnover, Annual IT spending and % of Electronic Commerce spending and is applicable to all service organisations to have maximum impact for developing their new products.