Enablers and Inhibitors of Electronic Commerce

EC/EB in Organizations

- Anecdotal evidence
- The nature of EC
- Phases

Inhibitors

Inhibitors (literature)
- Security
- Web site issues
- People and organizational issues
- Measuring success
- Technology cost
- Security
- Lack of e-commerce infrastructure
- Budget
- Software compatibility
- Integrating front-end EC to back-end system
- Managing change
- Acquiring IT skilled people
- Employee resistance towards e-commerce
- Reliable technology vendor
- Internet service provider reliability

Inhibitors (case studies)
- Web site issues
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Enablers (CSF)

- Electronic payment system;
- Effective project leader;
- Forming alliances;
- Partnership with suppliers;
- Partnership with technology provider;
- Rapid delivery;
- Advertising;
- Adequate resources;
- Top management support;
- Frequently asked questions;
- Disintermediation;

- Top management support;
- Adequate resources;
- Rapid delivery;
- Effective project leader;
- Active role of IT department in organization;
- Partnership with technology providers;
- The use of new technology;
- Online tracking facilities;
- Functional and user-friendly web site;
- Regular update of the Web;
- Online catalogue;
- Cross-functional project team;
- Being visionary;

Benefits

- Business efficiency;
- Acquisition of a niche market;
- Retained and expanded customer base;
- Competitive advantage;
- Customer loyalty;
- Business efficiency;
- Reduced operation costs;
- Consumer loyalty;
- Competitive advantage;
- Convenient shopping;
- Better knowledge management;
- Increased sales;
- Increased automation of processes;
- Transformation of traditional market chain;

- Business efficiency;
- Acquired a niche market;
- Retained an expanded customer base;
- Competitive advantage;
- Customer loyalty;
- Business efficiency;
- Reduced operation costs;
- Improved image;
- Secure electronic commerce environment

EC/EB by Industries

- Finance/Banking
- Manufacturing
- Communications
- Wholesale/Retail trade
### Challenges

<table>
<thead>
<tr>
<th></th>
<th>1 Lack of e-commerce knowledge</th>
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<td>2 Technology cost</td>
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<td>3 Acquiring IT skilled people</td>
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<td>5 Security</td>
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### Anticipated and Encountered Challenges

- 9 out of 20 not anticipated.
- 7 out of 9 underestimated
- 2 out of 9 overestimated by the companies
• **Underestimated**
  - Technology cost
  - Software compatibility
  - Acquiring IT skilled people
  - Reliable technology vendor, etc.

• **Overestimated**
  - Obtaining senior management support
  - Reaching customers in rural and regional areas

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<th>CSF</th>
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| 10  | Functional and user-friendly web site |
| 11  | Cross-functional project team |
| 28  | Allowing FAQ on Web site |
| 35  | Web site listed on critical search engines |
| 37  | Appropriate Sociotechnical policy |
Anticipated and Identified CSF

• 14 out of 37 not anticipated
• 11 out of 14 underestimated
• 3 out of 14 overestimated.

Underestimated
– Adequate resources
– Effective project leader
– Forming alliances
– Partnership with technology providers, etc

Overestimated
– Web site listed on critical search engine
– Partnership with service provider
– Appropriate packaging

Benefits

1 Competitive advantage
2 Improved image
3 Business efficiency
4 Increased sales
5 Retained and expanded customer base
9 Customer loyalty
13 Better knowledge management
14 Reduced inventories
Anticipated and Identified Benefits

• 11 out of 14 not anticipated
• All overestimated.

Reasons

• High expectations
• Influence of the literature available on electronic commerce benefits, which encouraged them to participate.
• Expected to reap the benefits

Comparisons

• Challenges
  – Between 80% and 100% similar
• CSF
  – Between 40% and 100% similar
• Benefits
  – Between 60% and 80% similar
Comparisons cont...

- The highest ranked challenges, success factors and benefits are similarly ranked.
- The reason could be - a similar stage of EC.

Comparisons cont...

- Almost all of the variations among industries are of the kind to be expected.
- Existing differences across the industries seems to suggest that the focus of different industries is on different issues.

Relationships

- Existing literature and interviews indicated that a relationship between some of the success factors (solutions) and challenges (problems) existed.
<table>
<thead>
<tr>
<th>Success Factors - and Challenges</th>
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<tr>
<td>• Adequate resources - Technology Cost</td>
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<td>• Cross functional project team – Security</td>
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<td>• Forming alliances - Software compatibility</td>
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