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Jatinder Gupta

University of Alabama, Huntsville

Sushil Sharma

Ball State University

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MEASURING BUSINESS VALUE OF IT INVESTMENTS OF E-COMMERCE USING PORTER'S FRAMEWORK

Jatinder N. D. Gupta
University of Alabama, Huntsville
jgupta@bsu.edu

Sushil K. Sharma
Ball State University
ssharma@bsu.edu

Abstract

Business and information systems professionals continue to struggle to address the complex issues involved in determining payoffs from information technology (IT) investments in e-business environment. The business value returned by IT investments in E-business environment is being viewed with increasing skepticism by researchers and practitioners. Quantifying the IT investments payoff has always been subject to debate because measurements and real value delivered some time can not be expressed in typical IT metrics like response time and hardware utilization etc. Aligning IT measurements with the business measurements is critical to establishing the business value of IT investments. In this paper we suggest a framework that identifies not only the components where IT investment payoff could be measured for e-commerce initiatives but also provides a guidance about how and where to measures for business value from the perspective of management and end-users in e-business environment.

Keywords: IT investments, pay off, e-business, business value, e-commerce