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Ali Alawneh

Ezz Hattab

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E-BUSINESS VALUE CREATION: AN EXPLORATORY STUDY

Ali Alawneh* and Ezz Hattab**, Arab Academy for Banking and Financial Sciences, Faculty of Information Systems and Technology, *alawneh2001@yahoo.com, **ehattab@aabfs.org

ABSTRACT

Value creation is one of the most important issues in formulating e-business strategies. Value is a construct that is hard to define and even harder to model and understand. This paper provides a framework of theoretical analysis that helps the scholars to think about the concept of value creation in the new digital economy. Researchers and practitioners are struggling to identify factors that contribute in creating e-business value. This paper also evaluates these factors with a focus on value creation from adopting e-business in the firms. The presented evaluation is mined from the literatures and from our own experience in e-business strategies. The paper provides a theoretical survey for exploring the common ground between factors that create such a value. The introduced survey covers perspectives, definition, sources and drivers of e-business value creation.

Keywords: e-business, e-business value, value creation, value sources/drivers, e-business model, value appropriation, value chain.

INTRODUCTION

E-business is the use of Internet to conduct or support business activities along the value chain [5] [40] [23]. It offers new marketplaces, revenues and commercial models. E-business is redefining the way organizations conduct their business activities, and creating an economic value by application of information & communication technology (ICT), and supporting Internet technologies.

E-business, continually, optimizes firm's value proposition and value-chain position by taking advantages of the connected marketplaces. Marketplaces open new opportunities, redefine relationships of customers and suppliers and transform the interaction among the market and its firms, brands, products and services [1].

In the context of e-business strategies, the concept of value creation deserves special attention because many Internet start-ups that ended up in bankruptcy at the end of the Internet boom years did not pay enough attention to this issue. Instead, they were frequently concerned mainly with customer acquisition and revenue growth, which was sustainable only as long as venture capitalists and stock markets were willing to finance these firms.

Nowadays, however, in a harder and more turbulent business environment, it is imperative that strategies focus on what value to create and for whom, as well as how to create it and how to capture the value in form of profits. In economic terms, value created is the difference between the benefit a firm provides to its consumers and the costs it incurs for doing so.

The concept of value creation is at the core of what a firm does, since only superior value creation vis-à-vis rivals opens up the opportunity for superior profitability. Value creation is viewed as a collaborative, creative, synergistic processes rather than purely mechanistic or a result of command-and-control.

E-business value could be defined as applying e-business to improve the business performance of firms in terms of its impacts on sales, services, marketing, internal operations, procurement and coordination by means of transactional efficiencies, market expansion, information sharing and integration [42].

This paper attempts to identify the sources and drivers of value creation in e-business. Specifically, it reviews how value is created from different perspectives such as entrepreneurship, strategic management, economics, finance, IS/IT strategies, e-business and e-commerce.

Henceforth, the terms "source of value creation" and "value driver" (which are used interchangeably in this study) refer to any factor that enhances the total value created by an e-business. This value, in turn, is the sum of all values that can be appropriated by the participants in an e-business transactions [6].

Furthermore, this paper handles the creation of e-business value, where value may be expressed as the ability of e-business to enhance the business performance of the enterprise. Hence, we constrain our measurements of value creation through e-business to changes in three related dimensions of firms' performance—(1) impact on commerce (increasing sales, improving customer services, and widening sales and marketing channels); (2) impact on internal efficiency (increasing employee

productivity and internal processes efficiency); and (3) impact on coordination (reducing transaction costs with business partners, and improving coordination with business partners or suppliers). Hence, the e-business value construct represents an integrative measure of the level of Internet-enhanced business performance along these three dimensions.

Researchers discuss four dimensions related to the e-business value creation, these dimensions are:

- Perspectives on E-business value creation.
- Definition of E-business value.
- Sources and drivers of E-business value creation.
- Appropriation of E-business value

Hereafter, we will present the problem and importance of study. Section 2 sheds the light on some perspectives of E-business value. Section 3 defines E-business value creation. Section 4 discusses the sources and drivers of E-business value. Section 5 addresses the appropriation of E-business value. Section 6 presents the discussion and concluding remarks. Suggestions for future researches will be elaborated in section 7.

RESEARCH PROBLEM AND IMPORTANCE

Problem: E-Business Value Creation

Lately, skepticism about the ability of e-business to create a business value has been renewed due to the gap between substantial firm spending on IT—particularly on Internet-related technologies—and the widespread perception about the lack of value from e-business. Various factors affect the business value impact of e-business strategy. The most important factor is the alignment between Information Technology (IT) and business processes, organization structure, and strategy. [Nicholas Carr, 2003] triggered a wave of debate over the new “IT value paradox.” Today more than ever, researchers face challenges in proving e-business value creation [41]. This renewed paradox will have important implications for the way firms approach IT investment and management [20].

In essence, strategy formulation revolves around the concepts of value creation, its sources, drivers, impacts and capturing. During the Internet boom years, Internet ventures often did not pay enough attention to these fundamental economic concepts. Nowadays, though, economic viability of any e-business venture is of paramount importance to managers and investors alike. The concept of value creation is at the core of what a firm does, since only superior value creation vis-à-vis rivals opens up the opportunity for superior profitability. This is why we devote our efforts to conduct this study.

Much of the existing research about understanding of e-business innovation has focused on the adoption decision and on measures such as “intent to adopt” and “adoption versus nonadoption” [13]. Thus, we need to view e-business diffusion, use, and value as a multistage process that starts at adoption and extends to usage and value creation [13] [10]. In particular, what is missing in the existing literature is: (1) a solid theoretical framework for identifying factors that shape e-business value, (2) a research model for studying the relationships of these factors to e-business value.

Generally speaking, Our review indicates that the existing literature is mainly focused on technology adoption. Only a few studies have been done to directly examine how e-business value creation factors affect on firm performance. Potentially, future developments in e-commerce and e-business will have some significant and major implications for value creation in enterprises. There is a need for research to describe and explain the economic impacts of these changes for managers and policy makers. The research reported here seeks to address some of these needs.

E-BUSINESS VALUE PERSPECTIVES

A literature review was done to capture how the scholars perceive e-business value creation as strategy to support and enhance the competitiveness of organizations. In this review we are also trying to clarify the different theories of e-business value creation.

Jelassi and Enders (2005) presented the concept of value creation in e-business from strategic and economic perspectives. According to them, strategy formulation revolves around the concepts of value creation and value capturing. They said that during the Internet boom years, Internet ventures often did not pay enough attention to these fundamental economic concepts. Nowadays, though, economic viability of any e-business venture is of paramount importance to managers and investors alike. The concept of value creation is at the core of what a firm does, since only superior value creation vis-à-vis rivals opens up the opportunity for superior profitability. This is consistent with the work of Amit and Zott (2001) who viewed e-business value creation from the strategic management and entrepreneurship perspective where the ultimate goal of any strategic decision for firms is to create economic value where they proposed the business model construct as a unifying unit of analysis that captures the value creation arising from multiple sources.

On the other hand, others, such as Christensen and Methlie (2003), Barua et al. (2001) assumed that value creation through e-business is expressed from financial and economic views in terms of changes in the economic and financial indicators of enterprises.

All of the above scholars agreed with Porter (1985) who stated that there are economic implications of value that is created through value chain activities at the firm level where some aspects of value are measured by total revenue. Whilst Brandenburger and Stuart (1996) claimed that value is created by all the agents involved in a particular 'virtual market chain' based on traditional strategic network theory perspective which assumed that the locus of value creation may be the network rather than the firm (Gulati, Nohria et al., 2000). While (Kriger et al, 2002) proposed a Kite framework that contribute to e-Value and explains additional dimensions of value, in order to understand inductively how e-businesses are competing at multiple levels, ranging from the more macro (economically) to the meso (in terms of social processes and competencies) to the micro (psychologically in terms of personal competencies and perception of space and time). But (Williamson, 1989) introduced the concept of value creation based on transaction cost economics theory where transaction efficiency as a major source of value. While Schumpeter presented the innovation as a major source of value creation based on creative destruction theory. Whilst (Barney 1991) viewed that resources and capabilities are the source of value creation based on the resource-based theory which is rooted in the strategic management literature.

On the other hand, Turban et al. (2004) viewed from business and marketing point of view that business plans include a value proposition statement in their business model where a value proposition defines how a company product or service fulfills the needs of customers, as value proposition is an important part of the marketing plan of any product or service.

In this context we adopt the strategic management perspective on E-business value creation, in the sense that, organizations are endeavoring on the long run to create economic value and achieve sustainable profitability through implementing e-business strategies. We believe that this strategic view of e-business value creation is holistic view where it combines the views from other theories on e-business value creation where it comprises efficiency from the transaction cost theory, innovation from the schumpeter theory, resources and capabilities from the resource-based theory, and networks from the strategic network theory. In that respect, the ultimate goal of the strategic decision toward adopting an e-business initiatives is to achieving the value which can be expressed either economically -on micro level- in terms of financial indicators or at organizational level -on macro level- in terms of improvements on organization performance.

DEFINITION OF E-BUSINESS VALUE

According to (Zhu et al. 2004) E-business value refers to the impact of e-business use or conduct on firm performance, which is measured by three major activities along the value chain : downstream sales (i.e., increasing sales and improving customer services), upstream procurement (i.e., reducing inventory and procurement costs and improving coordination with suppliers), and internal operations (i.e., increasing employee productivity and making internal processes more efficient), Turban et al. (2004) agreed with (Zhu et al. 2004) as they stated that value proposition refers to the benefits, including the intangible, nonquantitative ones, that a company can derive from conducting operations such as from using electronic commerce.

While Jelassi and Enders (2005) defined the value created in e-business as the difference between the benefits that consumers get from using a product and the costs that are incurred to produce the product. also, they asserted that the value created must be positive, i.e., the costs must be lower than the benefits it provides to consumers. and must be higher than the value that is created by competitors, on the same direction Prahalad and Ramaswamy (2000) observed that by electronically supplying information in real time, customers can even 'co-create value'.

congruent with Jelassi and Enders (2005) were Brandenburger and Stuart (1996) who defined value as the difference between the value of the product and the cost of the inputs used to make that product. Porter (1985) Agreed with Jelassi and Enders (2005) as he defined value as the amount buyers are willing to pay for what a firm provides them, value is measured by total revenue where a firm is profitable if the value it commands exceeds the costs involved in creating the product.

But according to Christensen and Methlie (2003), e-business value refers to the value accrued to the economic players of the value system, i.e., mostly business firms. Hence, they constrain measurements of value creation through e-business to changes in the economic and financial indicators of enterprises. This is consistent with the approach taken by Barua et al. (2001) where they developed a model of business value for Internet enabled business transformation. Their model suggests that Internet enabled business performance is judged by traditional financial performance measures such as revenue per employee, gross profit margin, return on investments, etc. Furthermore, the model posits that improved financial performance is a result of operational excellence in business conduct.

on the contrary, Amit and Zott (2001) see that total value is created in transactions regardless of the role of value-creating Participant, but they contradicted Brandenburger and Stuart (1996) who assumed that the total value created by an e-business is the sum of all values that can be appropriated by the participants in e-business transactions where the term 'value' refers to the total value created in e-business transactions regardless of whether it is the firm, the customer, or any other participant in the transaction who appropriates that value but Prahalad and Ramaswamy (2000) had extended Brandenburger and Stuart (1996) approach by positing that total value created through a business model equals the sum of the values appropriated by all the participants in a business model, over all transactions that the business model enables.

Amit and Zott (2001, 2002) described the potential of value creation in e-business in four interrelated dimensions: efficiency, complementarities, lock-in, and novelty. Efficiency describes possible reductions in transaction costs and is mainly derived from lower costs due to faster transactions, increased automation of the company's operations, and the ease with which clients can research relevant information, whereas complementarities describe the value potential from combining products and services, technologies and activities in new and innovative ways, they are mainly concerned with the bundling of resources and technological capabilities, as well as the bundling of products and services of various partners in one electronic network. Lock-in describes the potential value in creating switching costs from arrangements that motivate customers and business partners to repeat and improve transactions and relationships, by locking in to a particular reliable technological solution, a company gains approval and trust among its client base. Novelty describes value creation resulting from innovations in the way business is conducted (e.g. web-based auctions, etc.). it refers to the design and adoption of new operational methods in a given sector that link up new or existing participants, or introduce new products and services.

On the other hand, Parker and Benson (1988) base their concept of IT value on Porter's value chain (Porter 1985). Value, in their definition, may be summarized as the ability of IT to enhance the business performance of the enterprise. Wiseman (1992), develops Parker and Benson's ideas by differentiating between value and benefits, asserting that value is both larger and more important than benefits. He argues that, for example, users can develop a strong attachment to an old system. It can thus acquire a sort of value, despite the fact that it may be out of date and inefficient (although one could argue that it is still delivering 'benefit' in the sense of user comfort). Deitz and Renkema (1995) define value as the outcome of financial and non financial consequences of the IT investment – a flexible definition, but one which still leaves the fundamental nature of value untouched.

In this context we believe that the value concept is more broader and comprehensive than benefits concept that can be accrued from conducting online business. In the sense that, the value refers to improvements and enhancements in business performance of firms in terms of tangible and intangible, quantitative and nonquantitative, financial and nonfinancial benefits through conducting e-business initiatives. In that respect, the e-business value construct represents an integrative measure of the level of Internet-enhanced business performance along firm activities.

SOURCES AND DRIVERS OF E-BUSINESS VALUE CREATION

(Zhu et al. 2004) identified the antecedents and sources of e-business value creation, and the extent of e-business use by an organization as well would be influenced by its technological, organizational, and environmental contexts within the TOE (Technology-Organization-Environment) framework which was developed by Tornatzky and Fleischer (1990). While Jelassi and Enders (2005) identify first, the virtual value chain, which suggests that information captured in the physical value chain should be used as a new source of value creation to enhance the quality of customer service, and second, resource-based view which builds on the core competencies (resources and skills) that cut across different activities as a second source of value creation.

But Porter (1985) stated that drivers of product differentiation, and hence sources of value creation are policy choices (what activities to perform and how), linkages (within the value chain or with suppliers and channels), timing (of activities), location, sharing of activities among business units, learning, integration, scale and institutional factors. While Teece (1987) adds that the effectiveness of protective property rights and complementary assets can add to the value creation potential of innovations. But Goshal and Moran (1996) observed that innovation and the reconfiguration of resources are fundamental sources of value.

In respect to the theoretical framework developed by Porter (1985), the adequate unit of analysis for measuring value creation would be activities, while for resources-based view's scholars would be resources (Barney, 1991), networks for strategic network theorists (Gulati, Nohria et al., 2000), innovation is the source of value creation in Schumpeter's theory, transaction efficiency and cost reduction are major sources of value creation as identified in transaction cost economics (Williamson, 1983), and capabilities for other scholars (Teece, Pisano et al., 1997). This diversity in unit of analysis is an important obstacle when measuring online value creation.

While Rayport and Sviokla (1995) observed that Value creation opportunities in virtual markets and e-business may result from new combinations of information, physical products and services, innovative configurations of transactions, and the reconfiguration and integration of resources, capabilities, roles and relationships among suppliers, partners and customers. Whilst (Kriger et al, 2002) proposed a Kite framework which consists of four overall dimensions that organizations use to engage in strategic process in the information economy, they are technological invention, relationships, time, and aesthetics. Their Kite framework brings new and important elements that contribute to e-Value and explains additional dimensions of value.

But (Gordijn and Akkermans, 2001) proposed three different types of logic can be identified as having a significant impact on the success of e-business and the creation of value, they are: Business logic takes into account the different roles and business models of the various participants in the supply chain (clients, contractors, suppliers). Market logic deals with whether the enterprise can expect clients to be interested and willing to pay for an e-business offering. and Technology logic refers to

whether the technology and e-business needs suffice in terms of functionality, reliability, and availability and whether the enterprise has the required corporate technology competencies.

Whereas Zhu and Kraemer (2005) distinguished between e-business use and e-business value where they stated that anecdotes of e-business use are technology competence, firm size, financial commitment, competitive pressure, and regulatory support. While both front-end and back-end capabilities contribute to e-business value. But Grey et al (2003) are of the opinion that much of the value associated with e-business comes not only from improvements in the technological infrastructure but from business and organizational transformations.

On the other hand, Jelassi and Enders (2005) presented two strategy options for value creation in e-business and market spaces are: cost leadership and differentiation strategies, this is congruent with Porter (1985) where he assumed that value can be created by differentiation along every step of the value chain, through activities resulting in products and services that lower buyers' costs or raise buyers' performance. On the same direction, Porter and Millar (1985) argue that information technology creates value by supporting differentiation strategies.

Whilst Earle and Keen (2000) posited that value in e-business is created if and only if firms adopt e-business models that respond to relevant e-value drivers. This is consistent with the work of Amit and Zott (2001) who emphasize the value creation through activities or structures described by a business model where a business model depicts the design of transaction content (exchanged goods and information), structure (the links between transaction stakeholders), and governance (the control and management of the flows of goods, information and resources) so as to create value through the exploitation of business opportunities. Amit and Zott (2001) suggested that using the Internet to conduct business can enhance value creation, so they identified four major value drivers for Internet business models: novelty, lock-in, complementarities and efficiency. For these authors, innovative business models create value through capturing latent consumer needs and the business model becomes the locus of innovation. The value-creating potential of a business model also depends on the extent to which it can motivate customers to engage in repeat transactions.

like Amit and Zott (2001) was Bakos (1991) who identified similar values are: reduced search cost, significant switching cost, economies of scale and scope, and network externality (the tendency for consumers to place more value on a good or service as more of the market uses that good or service), but they contradicted with Stahler (2001) who dividing Internet business models into a number of different elements: the value proposition is that part of the business model which concentrates on the customer needs on the one hand, but also on the needs of the other partners in the value chain. The architecture of goods and services are the elements which build the basis for a promising product- market combination in relation to the internal and external necessities. And the revenue model defines the ways the company plans to make money.

Agreed with Stahler (2001) were Bieger, Rüegg-Stürm and von Rohr (2002) who identified a further categorization of Internet business models, taking all the important components of traditional business models and combining them into different concepts which, together, build an online business model. The authors have developed a business model with eight important elements: the goods and services concept concentrates on the question of which value is relevant for which customer, the communication concept focuses on the goods or services which are communicated to the market, the revenue concept is responsible for the sources of income in the Internet company, the growth concept defines which growth concept will be pursued, the competence configuration which describes the core competencies of the business model, the form of organization implies the company's coverage, the cooperation concept lays down which partner or partners are needed, the coordination concept defines the coordination model to use. Rayport and Jaworski (2001) agreed with Stahler (2001) as they introduced that Value proposition is one of the key components of an organization's business model. It is a specification of an organization's choice of target segment(s), choice of focal customer benefits and rationale of competitive edge in delivering value to its target customers. It represents an organization's view on what value can be created and how it can differentiate itself from others.

Whereas McKinsey and company (2000) found that e-marketplaces create value by providing information and capabilities that support decision-making during the entire sourcing process who proposed a classification of marketplaces based on how they create value along the supply chain, so they agree with Jelassi and Enders (2005) who observed that information in the virtual value chain and competencies in the resource-based view as sources of value creation.

Far from McKinsey and company (2000), Jelassi and Enders (2005) opinions was Porter (1985) who observed that value creation in e-business goes beyond the value that can be realized through the configuration of the value chain. Rather, he identified four steps along the value chain to analyze value creation at the firm level are: defining the strategic business unit, identifying critical activities, defining products, and determining the value of an activity.

Agreed with Porter (1985) are Normann and Ramirez (1994) who introduced that a value constellation shifts the focus from the actual activities performed by a firm –the value chain- to the activities that should be performed and add to customer value. But Stabell and Fjeldstad (1998) found the value chain model more suitable for the analysis of production and manufacturing firms than for service firms where the resulting chain does not fully capture the essence of the value creation mechanisms of the firm.

Congruent with Jelassi and Enders (2005) was Rayport and Sviokla (1995) who proposed a 'virtual' value chain that includes a sequence of gathering, organizing, selecting, synthesizing, and distributing information. While this modification of the value chain concept corresponds better to the realities of virtual markets, and in particular to the importance of information goods (Shapiro and Varian, 1999), there may still be room to capture the richness of e-business activity more fully.

Porter (2001) had asserted that an organization creates value through performing activities through which products or services are created and delivered to customers in the value chain. It includes activities that are directly related to transactions like marketing and sales as well as support activities such as accounting and human resources.

In sum, Amit and Zott (2001), stated that e-commerce may have numerous potential sources of value creation that might be difficult to capture through a unique particular paradigm. Trying to solve this problem, they proposed the 'business model' as a unit of analysis in order to unify existing theoretical frameworks.

In this context we believe that there are several sources and drivers for e-business value creation that could contribute in creating that value through conducting online business. We assume that there are two types of sources are: hard sources (concerning firm) which combine technological, organizational, and environmental factors. and soft sources (concerning e-business technology) which include skills, competencies, capabilities, efficiency, complementarity, lock-in, innovation, information, processes, strategies, and resources. In that respect, the two types of sources for e-business value creation are supported by two capabilities of Internet are: reach and richness because we are talking about e-business as an international phenomenon built on Internet as a global platform.

APPROPRIATION OF E-BUSINESS VALUE

Jelassi and Enders (2005) went beyond the creation of value and stated that value creation by itself does not provide any information about how the value is distributed between consumers and producers. This distribution takes place through the price that a firm can charge for the product or a service. Price splits the value created into two separate entities: the producer surplus in form of profits and the consumer surplus which represents the difference between the consumer benefit, which is the maximum willingness to pay, and the price the customer has actually paid for a product. They asserted that a firm needs to be able to create higher value than its rivals, it also needs to be able to capture the value that it creates in the form of prices that exceed its costs. If a firm can charge high prices for its products or services, then it captures large parts of the value it creates. If, on the other hand, prices are driven down by competition, then consumers will capture most of the value.

On the other hand, Porter (1998) proposed a five-forces framework, which outlines the main factors determining a firm's ability to capture the value it creates. In essence, this ability is determined largely by the attractiveness of the industry in which a firm competes. Obviously, the advent of the Internet has profoundly impacted the structure of many industries.

While Brandenburger and Stuart Jr. (1996) distinguished between the concepts of creation and appropriation of value. They start analyzing how different players along a market chain create value, As the value of the product depends upon buyers' perception, they expressed value creation as the difference between buyer's willingness-to-pay and suppliers' opportunity costs. Consequently, value creation is an outcome of the efforts carried on by all the agents involved in a transaction. By contrast, value appropriation depends on each of the players involved in the production of a particular good or service, particularly in each player's bargaining power. According to this interpretation, the players with high added value are the ones who may appropriate value since their bargaining power is high; on the contrary, the players with low added value will not capture any and may be substituted by others without threatening the value created in the market chain. By extension, if the bargaining power of a player changes, his ability to capture value changes as well.

As regards value appropriation, (Amit and Zott, 2001) suggested the revenue model as the appropriate unit of analysis: 'a revenue model refers to the specific modes in which a business model enables revenue generation'. The business model and the revenue model are complementary, yet different concepts. while the business model refers primarily to value creation, the revenue model is primarily concerned with value appropriation. However, the definition of the revenue model makes no reference to costs and, therefore, it will hardly be a good mechanism to measure how value is appropriated since rents may dissipate if the costs of providing the product exceed the revenues generated.

Our opinion concerning appropriation of E-business value take in consideration the new environment of businesses which is the Internet. On the Web there are different forces that could determine who can appropriate the value created from conducting online business either suppliers (firms) or buyers (customers). We conceive that firms will capture the largest part of value because they have the tools, mechanisms, processes, and strategies for conducting online transactions. Hence, they will appropriate the value created from e-business in form of profits and revenues through the improvements and enhancements in their performance. Generally speaking, we contend that appropriation of e-business value is a further step that require, first, ensuring the complementarity of information technology infrastructure and e-business capability, next, the adoption and use of e-business, and finally creating value from implementing e-business strategies.

DISCUSSION AND CONCLUDING REMARKS

Based on literature review and previous theoretical perspectives, we conceive that e-business value creation concept could be viewed from a strategic management perspective where organizations are endeavoring on the long run to create economic value and achieve sustainable profitability through implementing e-business strategies. This holistic view combine the views from other theories on e-business value creation as it comprise efficiency from transaction cost theory, innovation from schumpeter theory, resources and capabilities from resource-based theory, and networks from strategic network theory. By the way, the ultimate goal of the strategic decision toward adopting e-business initiatives is achieving the value which can be expressed either economically -on micro level- in terms of financial indicators or organizationally -on macro level- in terms of improvements on organization performance.

We contend that value concept is broader and more comprehensive than benefits concept that can be accrued from conducting online business. In the sense that, value refer to improvements and enhancements in business performance of organizations in terms of tangible and intangible, quantitative and non-quantitative, financial and non-financial benefits through conducting e-business initiatives. Hence, the e-business value construct represents an integrative measure of the level of Internet-enhanced business performance along organization activities.

We conceive that there are several sources and drivers that could contribute in creating value through conducting online business. We assume that there are tow types of sources are: hard sources which combine technological, organizational, and environmental factors. and soft sources which include skills, competencies, capabilities, efficiency, innovation, information, processes, strategies, and resources. By the way, the two types of sources for e-business value creation are supported by two specific properties of Internet are: reach and richness because we are talking about e-business as an international phenomenon built on Internet as a global platform.

We contend that appropriation of e-business value should take in consideration the new environment of businesses, which is the Internet. On the Web there are different forces that could influence on determining who can appropriate the value created from conducting online business either suppliers (firms) or buyers (customers). We conceive that firms will capture the largest part of value since they have the tools, mechanisms, processes, and strategies for conducting online transactions. Hence, they will appropriate the value created from e-business in form of profits and revenues through the improvements and enhancements in their performance. Generally speaking, we contend that appropriation of e-business value is a further step that require first ensuring the complementarily of information technology infrastructure and e-business capability, next the adoption and use of e-business, and finally creating value from implementing e-business ventures.

FUTURE WORK

Researchers will develop strategic framework for e-business value creation that combines our own perspective as regards the concept of e-business value creation, its definition, sources and drivers, and appropriation of that value that is created from conducting online business. This framework for e-business value creation can help IT professionals, finance experts, and business operations planners to coordinate and communicate more effectively in their efforts to improve e-business processes.

Thereafter, researchers will test and apply the proposed framework empirically to explore the value creation from e-business either in certain sectors that adopted e-business (e.g. , financial, retailing, education, health, manufacturing, travel, ...etc), or to investigate the value that is created from adopting specific e-business applications (e.g., e-Banking, e-CRM, e-SCM, e-Learning, e-Marketing, e-health, e-government, ...etc).

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