Organisational Perceptions of e-Commerce: Re-assessing the Benefits

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Abstract

This paper reports on preliminary findings from a wider and more in-depth study of six traditional organisations from different sectors that have successfully introduced e-commerce initiatives. The research adopted a case study approach, within which a questionnaire, identifying 16 generic benefits synthesised from the literature, was administered. The organisations were also asked to characterise whether e-commerce was strategic for them or not. The findings suggest that those organisations that perceived e-commerce to be strategic tended to consider intangible benefits as more important than tangible benefits, indicating perhaps a move away from the traditional view of e-commerce as a marketing driver to increase or create sales. Those organisations perceiving e-commerce as non-strategic rated the tangible benefits in much the same way as the strategic organisations, but rated the intangibles lower. Also it was found that e-commerce was important as a communication tool, not only with customers, as might be expected, but also with staff within the organisation. The value of intra-organisational e-commerce was also found to be important, perhaps more than previously thought, as was its use in communicating and disseminating knowledge. The findings also reflect the importance of the sector and environment of the organisation in determining their perceptions of e-commerce.

1. Introduction

E-commerce has suffered from the kind of hype syndrome that has become common in business and more recently IT (Abrahamson 1996, Newell et al. 2001). In relation to IT, Business Process Reengineering (BPR), Total Quality Management (TQM), just-in time production, and possibly Customer Relationship Management (CRM) have all shown some evidence of the syndrome. The syndrome is essentially a very enthusiastic initial welcome for a new idea or concept with tales of significant and business changing benefits together with predictions of dire consequences for any organisation that fails to embrace or adopt the new concept. This is followed, sometime later, by a swing of the pendulum to the other extreme, as a result of some poor experiences, that suggests that the new concept has not lived up to its early hype and that severe problems have been identified, even to the extent that the concept might now have to be rejected. This is then followed by a reassessment that identifies that the concept may indeed have some benefits but also some downsides, but that if applied appropriately and in suitable circumstances, can still be beneficial. Wang (2002) talks about waves of technologies that come and go, 'frequently associated with fashions, fads and hype' and suggests that e-Commerce fits the syndrome symptoms exactly.

Certainly e-commerce was first introduced as a concept with great enthusiasm, with exhortations that it would change the world, and many organisations were led to believe that they had to embrace this new world otherwise they would suffer and be forced out of business by their more quick moving competitors. This was followed by the spectacular bursting of the dot.com bubble, with some high-profile failures, and retrenchment. As a result opinions changed and the literature reflected a radical change in the approach to e-commerce. It was no longer seen as a strategic weapon but more as a marketing tool, with traditional elements, such as branding remaining of key importance. We are now seeing continuing reassessment taking place which is perhaps changing the nature and recommendations concerning e-commerce.

This paper reports on a preliminary study of perceptions of e-commerce in traditional, bricks and mortar, organisations. The organisations studied were already successfully competing in their own

traditional market segments but reported additional benefits after investing in e-commerce. It explores the experiences of organisations that have used e-commerce for the last 4-5 years and their perceptions of the benefits of e-commerce at both operational as well as strategic levels. It is hoped that this will shed light on the motivation and rationales for implementing e-commerce in traditional organisations and enable a re-assessment of their motivations.

2. Theoretical framework

In this context a broad view of e-commerce is taken, i.e. that it is not just about buying and selling through the internet, but also about servicing customers, collaboration with business partners, and conducting business internally, within the organisation (Turban 2002). This definition permits the identification of three layers of e-commerce, (i) Intra-organisational, or e-commerce conducted within a business, the main technologies used being the Intranet and internal e-mail, (ii) Inter-organisational, or business conducted with other business partners, mainly utilising Extranets. Finally, (iii) there is Customer to business, which is the public network (internet) open to everyone, (Kalakota & Whinston 1997). The same idea is adopted by Lawrence, et al. (2000) who defined e-commerce as a group of networks; Intranet or private to the organisation, extranet also private but with business partners, and the internet, which is the public and global network, open to everybody.

2.1 The changes in e-commerce perception

The literature relevant to this study can be divided into three different distinct eras. The first one is around 1980 to 1990 when several authors argued that competitive advantage could be achieved through the use of Information Systems (e.g. Porter & Millar 1985, Earl 1989, Robson 1997, Galliers & Baker 1994, Ward & Griffiths 1996). Information Systems were seen as a strategic weapon and various ways of achieving this strategic value were identified, for example, the enabling of new opportunities, the creation of new markets, the negation of geography and distance, and the creation (or destruction) of barriers to entry.

The second stage begins around the end of 1996 when the first internet based e-commerce systems arose. This literature reflected an increasing enthusiasm for a new kind of business, with different rules

that needed different strategies and theories (e.g. Kalakota & Robinson 1999, Currie 2000). The internet was perceived as a panacea, able to produce large benefits, address an enormous target market, enable global businesses, and provide the opportunity to reach clients more effectively than ever before. This assumption came to be accepted by most sectors, particularly financial services, government, consultants, the media and the public in general. As a result new internet based start-up companies rapidly emerged, they were not constrained by conventional business and market rules, and were not assessed by the market according to revenues, but on their potential future performance, which was thought to be extremely large. As a result many had a very high but, as it turned out, unrealistic market value. The general philosophy was that companies had to be part of this internet challenge or they would disappear. In the late spring of 2000 the realisation of the over-valuation of the dotcoms occurred and resulted in a stock market crash, with all shares hit severely but in particular the dotcoms. At this stage, the value of e-commerce initiatives returned to a more traditional evaluation pattern based more on current revenues rather than future potential.

The third stage observed in the literature is relatively recent and adopts a more critical view of e-commerce. These authors maintain that the internet is not as radical as previously thought but was simply an additional channel of communication (Porter 2001, Carr 2003). Consequently, its importance needs to be re-assessed in this light. However, some authors maintain the strategic importance of e-commerce and its powerful influence on markets and industry structures (Dans 2004).

2.2 The benefits of e-commerce

A wide range of different motivators and benefits of e-commerce can be found in the literature. Maloff (1996) usefully identifies four general areas or categories of benefit. The first category concerns benefits arising from the reduction of external and internal communication expenses, e.g. the speed-up of businesses processes and reduction of administrative tasks. The second category relates to revenues that can be generated, either from current business or from new initiatives. The third category relates to tangible benefits, such as reduced costs and more flexible working practices and the final category relates to intangible benefits, such as enhanced competitive positioning and improved customer relationships. Other studies found some similar benefits but also some additional ones. Currie (2000), for example, in a study of three organisations (Dell, Cisco, and Fedex) highlighted lower

sales/marketing costs, lower service/support costs, and improved customer relationships. Lederer, et al. (1996) identified a list of 33 motivators and benefits, which they evaluated in a survey and using factor analysis over the 33 benefits derived the following list of key themes: Information, Cost savings, Competitiveness, Productivity, Control and New applications. Zhuang and Lederer (2003) used this list to measure business benefits of e-commerce in the retail sector, identifying some specific additional benefits related to that particular sector. The various benefits identified in the literature overlap to a large degree, although there are some important differences.

As a starting point for this study it was decided to identify a comprehensive list of potential e-commerce benefits that could be used independently of the organisational domain and then employ such a list to inform a study of the way organisations perceive these e-commerce benefits and how they have changed over time. This combines the motivations and benefits derived from Maloff (1996), Lederer, et al. (1996), Curry (2000) and Zhuang and Leaderer (2003), to derive a more comprehensive generic list. The criterion for deriving the list was, first, to identify the common benefits, that is those found in more than one source. For example, *to improve customer service* can be found in both Maloff (1996) and Lederer et al (1996), as well as others. Second, any benefits that did not have a match in other lists were rejected, on the grounds that they were probably specific to a particular organisation or context, and finally, benefits specifically relating to a particular sector were rejected. For example, facilitated shipment tracing, from the Zhuang and Leaderer (2003) study, relates specifically to the retail sector and was not used in the generic list. Table 1 is the list derived from such an analysis and is used in the subsequent research.

TABLE 1 HERE

3. Research methodology

This paper is part of a broader study of e-commerce, but for this paper a combination of qualitative and quantitative research of an exploratory nature has been undertaken, with case studies conducted in six different organisations from different sectors. The case study approach was chosen because it enables

examination of phenomena in natural settings and multiple methods of data collection are appropriate. It is particularly recommended when the research is focused on contemporary events and is perceived as advantageous in studies about the relationship between IT and corporate strategy (Yin 1994, Benbasat, Goldstein, & Mead 2002). Thus the approach fits well with research in the e-commerce area. On the other hand one of the weaknesses of case study research is the difficulty of generalising from findings (Cavaye 1996).

The six organisations were chosen as significant e-commerce players and are from different activity sectors and can be regarded, to some extent at least, as representative, due to either their size and/or importance within the sector. Their e-commerce initiatives were also an additional part of their traditional business and they were not start-up e-commerce companies, but traditional, bricks and mortar companies, that have been successful in their e-commerce initiatives. The organisations are from the following sectors: Education, Oil and Gas, Local Government, Alcoholic Beverages, Building Materials, and Audit and Advisory services. Obviously not all sectors engaged in e-commerce are represented but for this exploratory study six were thought to be appropriate. Clearly the issue of access was important and it is always difficult to get organisations to agree to participate. Unfortunately, some of the organisations, although happy to participate did not wish to be named, for reasons of confidentiality, so the organisations have been anonymised. They are labelled generically as Business School x, Oil x, Borough x, Beverage x, Material x and Consultancy x. The main characteristics of the participating organisations are summarised in Table 2.

Interviews were conducted in the six organisations together with analysis of documents and texts, and observation of their web-sites and their e-commerce initiatives. Participants were also asked to complete a questionnaire and reflect on the importance of various benefits of e-commerce. This list was derived from the theoretical framework as explained in Section 2. The paper focuses on the results of this part of the study in relation to the organisations perceptions of the benefits of e-commerce. The interviews and questionnaires were conducted with e-business and IT managers from the headquarters of the organisation, all of whom had a significant role in defining and implementing their e-commerce platforms from either a business or IT perspective. These people were identified as key players in

relation to the organisations' e-commerce initiatives and were mostly senior within the organisation, or had the ear of the strategist where they were not in that position themselves.

TABLE 2 HERE

4. Research findings

This section provides a brief description of the findings from this part of the study. In particular it reports the perceived benefits (or reasons) related to the adoption of e-commerce for each of the organisations under study. The rankings provided by the organisation, via the questionnaire, in relation to reasons/benefits for adopting e-commerce initiatives, are summarised in Table 3 and discussed below. The importance of each benefit was assessed on the following scale: 1 (not important), 2 (of very little importance), 3 (somewhat important), 4 (important), 5 (extremely important). We analyse the responses in relation to the nature of the business and the sector and environment within which they operate.

Business School X

The Business School regards e-commerce as highly strategic and they believe that the internet is their main means to promote their courses and attract students from home and abroad. Not surprisingly, the most important reasons for investing in e-commerce was to improve their link with customers (existing and potential students) and to improve customer service. The improvement of customer (student) service was one of their main concerns as online delivery of courses and e-learning in general was a main priority to address the needs of their increasingly dispersed students and staff. As online education is growing fast, the business school perceived e-commerce as a way to succeed in this area. Additionally the school was seeking to enhance its image, especially as they compete in the international market, as well as enabling flexible working practices as the staff are highly independent, as is common for college/university professors.

Oil X

This organisation also assesses e-commerce to be highly strategic with many of the potential benefits highly ranked. Their use of e-commerce is mostly related and integrated with ERP applications within the organisation. Thus, their main concern was the automation of processes between different departments and the standardisation of practises with a view to integrating their processes with business partners. Thus it is not surprising that the most important reasons for establishing an e-commerce infrastructure were to reduce personnel costs, increase sales, reduce channels, and create competitive advantage. The nature of Oil x's business, which lacks direct links with end consumers, is reflected in the high perception of the benefits to be obtained from reduced marketing costs, enhanced company image, better communication with customers, improved customer services and increased number of new customers..

Borough X

E-commerce is assessed by the borough as strategic. This view reflects the significant pressure coming from the UK government for the adoption of e-government initiatives by local authorities. The diffusion of the internet and electronic commerce has been at the top of the UK technological policy agenda with the target of having all government services on line by 2005. The 'customers' in the case of e-government applications are the citizens and providing them with access to information and better services from public bodies is an important part of this objective. Thus, the most important reasons for e-commerce adoption for the borough were better communication with customers, increasing the number of new customers, improving customer services and more flexible working practices. The first benefits are related to the borough's core focus and the first step towards e-government is offering on-line information and allowing certain transactions, such as local tax payments. Improved flexible working practices was assessed as very important because it allows a more efficient and open working environment among staff. Less important reasons for e-commerce adoption was simplifying the ordering process, speeding-up administrative processes, sharing knowledge around the organisation, and facilitating communication within the organisation. These reasons reflect the public sector's need to promote their front-office applications in order to keep the citizens satisfied while important back-office applications such as on-line procurement is expected to come later, as these processes are deemed to have a lower priority as they are less transparent to the customers. Finally the creation of

competitive advantage was very low in importance as the public sector is not in a direct competitive situation, although it is increasingly compared in terms of performance with other boroughs.

Beverage X

E-commerce is regarded as strategic and the organisation has recently undertaken a large programme to assess and understand these opportunities. Their main focus is the promotion of their already popular products to the public. Their web-site has information about their products and the activities of the company, such as charity work in less developed countries, etc. Thus, the reasons assessed as 'very important' were to increase communication with customers, improve customer services, speed-up business administrative processes, facilitate communication around the organisation, and in particular, share knowledge, and create competitive advantage. Their competitive advantage, in particular, is achieved by the creation and maintenance of strong brand recognition together with customer loyalty and their internet presence is seen as one of the important ways to achieve this. Their web-site does not support transactions with the customers but is used as an advertising medium. Therefore reasons for e-commerce adoption such as: reduction of operational costs, increased sales, disintermediation, increasing the number of new customers, simplifying the ordering process, and improving flexible working practices were of less important.

Material X

For this company e-commerce is not regarded as strategic currently. Interestingly it was previously perceived as important but having recognised the difficulties and problems inherent in their business it is now non-strategic. The main reasons are to do with the nature of the business and the relationship with customers. For example, negotiations and pricing is variable and depends on a variety of factors which mitigates against the standardisation usually required for electronic sales. For the same reasons on-line ordering has proved difficult, due to the high level of interaction required with the customer who typically are not as used to internet business as in some other sectors. The company did not perceive any reasons to be extremely important. Reasons that appeared somewhat important were related to the sharing of information within and outside the organisation, such as to enhance company image, increase communication with customers, improve customer service, share knowledge around the organisation, and facilitate communication around the organisation. Enhancing the operational cost was also assessed as important, because even small reductions in operational costs, such as overheads

or transport costs, highly influences the cost of the final product. Differentiation in the product is difficult in this sector and consequently product price is the critical factor. Finally, the non-strategic role that e-commerce has in this organisation is reflected by the fact that reasons such as reducing human resource costs, increasing sales, creating competitive advantage and improving flexible working practices were assessed as of relatively little importance.

Consultancy X

E-Commerce is not assessed as strategic for Consultancy x. The main reason for this is that the nature of their business is primarily seen as face-to-face and not amenable to e-commerce. The main use of e-commerce is thus for advertising their services to a wider audience and increase of sales was the only reason considered to be extremely important for the organisation. The increased flow of information and documents required for this type of business explains why facilitating communication within the organisation was reported as important. This reason is also supported by the international nature of the company with a large network of staff and offices all over the world and thus knowledge management is key for them. Except for these two reasons nothing else was considered important.

TABLE 3 HERE

5. Discussion

First, those organisations that characterise e-commerce as strategic are compared to those that characterise it as non-strategic. This was a separate assessment from the individual ranking of benefits shown in the body of Table 3. Next, the six organisations are compared based on their detailed responses, irrespective of whether they think e-commerce is strategic or not, and the notion of tangible and intangible benefits are introduced. Finally, the organisations responses are reflected upon in relation to their backgrounds and sector characteristics.

Those characterising e-commerce as strategic are Business School x, Oil x, Borough x, Beverage x, whilst those characterising it as non-strategic are Material x and Consultancy x. Although those characterising e-commerce as strategic were from quite different sectors, all of them share some issues

in their e-commerce strategies and perceptions. Table 4 combines the responses of these two groups. Analysis of Table 4 suggests that those organisations that consider e-commerce as strategic tend to consider intangible benefits more important than tangible benefits. The mean value for eight out of twelve intangible benefits was rated at 4 or more, whereas none of the mean values for tangible benefits were rated more than 3.25. This suggests that those organisations that consider e-commerce as strategic have shifted from the traditional way of perceiving e-commerce as a marketing tool to using e-commerce for other purposes, specifically in relation to communication and process improvement. The benefit that was rated with the highest score by these organisations was to improve customer service followed by to speed-up business/administrative processes, to increase communication with customers, and to create competitive advantage. This may be due to the fact that investment in e-commerce is much larger for the organisations with a strategic perception of e-commerce, and their assessments of the benefits are generally more optimistic. They believe that clear and positive returns are available, i.e. the more they invest the more they recover.

TABLE 4 HERE

Those organisations characterising e-commerce as non-strategic perceive that their customers are not particularly attracted by e-commerce, either, because their targeted customers do not match the typical internet user or because they perceive the personal relationship with their customers to be of great importance and that it might be lost through the standardisation of an e-commerce system. From Table 4 it can be seen that the mean values given to benefits for both tangible and intangible are rated less than 4. In fact, the only benefit that was rated 4 was to facilitate communication within the organisation.

The comparison of organisations rating e-commerce as strategic versus those that perceiving it as non-strategic thus reveals some interesting differences. However, we now drop this distinction and look at the organisations as a whole. An important observation here is that the benefit means ranked highest were; increase communication with customers (4.00), improve customer service (4.17), speed-up

business/administrative processes (4.17), and facilitate communications within the organisation (4.00). Except for the last reason (and even this might contribute) all are directly related to improving customer service and adding value, rather than directly increasing sales. It will also be seen that none of these benefits are those defined as tangible. Furthermore, the only benefit that was rated equally by all 6 organisations was to facilitate communication within the organisation (4.00). Thus it could be argued that the value that organisations give to e-commerce is shifting from the traditional perception as a marketing tool towards a more comprehensive technology that can improve intra-organisational areas such as communication and processes improvement.

Another advantage traditionally associated with e-commerce is that of helping to create competitive advantage. This ranks higher than increasing sales but is also mid-table. Thus, despite some recent academic literature doubting this possibility, organisations still appear to believe that it still exists to some extent. On the other hand, e-commerce is not generally perceived as a competitive necessity. However, most of the organisations stated that they did benchmark their competitors in relation to e-commerce. The relatively high rankings given to the benefits of facilitating communication within the organisation and sharing knowledge is also interesting and indicates the importance for organisations of e-commerce as a communication tool.

Another generalisation that can be drawn from both tables is that the organisational background has an impact on the way organisations perceive e-commerce. For example, Business School x rated intangible benefits as being significantly more important than tangible benefits. Three out of four tangible benefits were rated with the lowest grade (1) whereas six intangible benefits were rated 4 or more. This may be due to the reasons suggested in section 4. Operational, personnel and marketing costs are factors that have relatively little influence on academic institutions' strategies. On the other hand, these organisations tend to use e-commerce as a mean to recruit more students (to increase sales), to improve students services (customer service), to improve processes such as registration, timetabling, etc, (to speed-up business/administrative processes) in order to compete in an international market (to create competitive advantage). Oil x and Material x are other examples that support this notion. Oil x perceives tangible and intangible benefits as equally important. This may be due to the fact that large organisations, such as Oil x, traditionally invest more in Information and Communication Technologies

(ICTs). Hence, they are more familiar in general with the benefits of technology and find that e-commerce brings both tangible and intangible benefits.

Material x is an interesting example of the way the organisational background may affect the perception of e-commerce. As described in section 4, this company previously regarded e-commerce as strategic, but having recognised the difficulties and problems inherent in their business it is now perceived as non-strategic. Table 3 reflects this, for instance, the mean values for both tangible and intangible are in the middle range (3.00 and 3.25 respectively). These values are close to, or higher than, some of the organisations that consider e-commerce as strategic (see Business School x and Borough x). Hence it could be argued that their e-commerce perception is actually strategic. This organisation, however, did not rate any benefit as being extremely important (5) whereas all organisations that perceive e-commerce as strategic rated at least four benefits as being 5. This reflects the fact that the organisation perceives e-commerce as being important but not enough to be considered as strategic.

The relatively low rating of disintermediation is also interesting, with four organisations rating it low and two relatively high, but there is no particular difference between whether these organisations perceive e-commerce as strategic or not. This probably reflects the value of channels in particular sectors. Those organisations with complex channels or without direct relationships with the final customer would seem to avoid transacting business through e-commerce. Such organisations assessed their channels as especially important and were reluctant to disintermediate. Indeed, their channels were seen to add value to the product and the more they did so the more essential they are perceived by the organisations.

6. Conclusions

This paper reports on a study of six traditional organisations that have successfully introduced e-commerce initiatives. Each organisation is from a different sector and they are significant players in that sector and can be regarded as somewhat representative. The research adopted a case study approach, argued to be appropriate for such a study, and within the approach a questionnaire relating to their perceptions about the benefits of (or reasons for adopting) e-commerce was introduced. The

questionnaire asked the respondents to rate, on a Likert type scale, the strength of the benefits for their organisation. The questionnaire listed a set of 16 potential benefits synthesised from the literature. The organisations were also asked to characterise whether e-commerce was strategic for them or not. Four of the organisations characterised e-commerce as strategic and two as non-strategic. The findings were assessed and discussed, first, in relation to comparing the strategic versus non-strategic, second, in relation to comparing the responses of each individual organisation and the distinction between tangible and intangible benefits, and finally in relation to the organisations particular sector and background.

The results show some mixed but interesting findings. These have been discussed in Section 5 but a few implications are highlighted in conclusion. In relation to whether organisations perceived e-commerce as strategic or non-strategic there were clear differences. Those organisations that obtain income and profit through the internet are more likely to perceive e-commerce as strategic, whereas those organisations that have no direct revenues through the internet usually have a lower strategic perception of e-commerce. This conclusion supports findings by others, e.g. Chang, et al. (2003).

However, those that thought e-commerce strategic tended to consider intangible benefits more important than tangible benefits, indicating perhaps a move away from the traditional view of e-commerce as a marketing driver to increase or create sales. Those organisations perceiving e-commerce as non-strategic rated the tangible benefits in much the same way as the strategic organisations but rated the intangibles lower. For those that perceived e-commerce as strategic the highly valued intangibles included the benefit of improving customer service but many related to improving communication not only with customers but with staff within the organisation. Thus it seems that the value of intra organisational e-commerce is more important than previously thought. Indeed its importance as a vehicle for communicating and disseminating information and knowledge internally came as something of a surprise. Interestingly this last was also equally highly valued by the non-strategic organisations. These kinds of traditional organisations value less highly tangible benefits such as direct cost savings and enhanced revenues, and value intangible benefits more, including those associated with communications, both internal and external to the organisation. If this is correct it indicates that organisations are taking a broader, perhaps more sophisticated, view of e-commerce and

its rationale than previously, certainly than in the early days of e-commerce hype. Indeed it may also be that the notion of e-commerce is itself increasingly being perceived as a broader concept than just electronic trading and that the related area of intranets, service, communication, and even business improvement processes, are being included in the term. If this is the case then it might be seen as a further step along the road towards the disappearance of e-commerce as a separate concept.

Another issue from the early days of e-commerce was the perception that it was about creating competitive advantage. This was supported in the organisations that perceived e-commerce as strategic but much less so in those that did not. So organisations that view e-commerce as strategic seem to think this is still a significant benefit but perhaps the message is that it is not quite as simple as originally thought and that it depends on how organisations characterise themselves and what they are trying to achieve with e-commerce. This fits with a related finding of significance which is the importance of the sector of activity and the environment in which organisations are operating. Many of the perceptions of the participants are revealed and explained by an understanding of these factors. An obvious example is Borough x, where its perceptions are clearly highly influenced by central government policies and their ability to pressurise the Borough. The importance of context is also found in other sectors albeit with perhaps a more complex set of background and environmental factors. Overall what emerges is the shifting nature of e-commerce and the way that organisations perceive it, together with the importance of the sector of activity in influencing these perceptions. Clearly further e-commerce research is needed but perhaps a more sector oriented focus, or level of granularity, is required and treating e-commerce as a homogeneous concept is probably a mistake.

In relation to the research described it should be noted that it is preliminary and exploratory and the findings should be treated as potential indicators rather than absolutes. The number of organisations involved in the study was small and, as has been pointed out generalisations are problematic, although it is argued that the organisations chosen are all significant and important players in their particular sectors. Further research is planned in two areas, first a larger sample of organisations is needed with multiple organisations in each sector, and second some of the findings need further explanation and elaboration in a more in-depth case study mode to better explore the thinking behind the answers provided.

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Table 1: List of derived e-commerce benefits

Benefits
Reduce operational costs
Reduce personnel costs
Reduce marketing cost
Increase sales
Enhance company image
A way of disintermediation (reduce channels)
Increase communication with customers
Increase the number of new customers
Improve customer service
Simplify the ordering process
Speed-up business/administrative processes
Create competitive advantage
Competitive necessity
Share knowledge around the organisation
Facilitate communications within the organisation
Improve flexible working practices

Table 2. The organisations participating in the research

Business School x	A well-known Spanish Business School, which provides postgraduate courses and Masters degrees, competing in the international market place. Their Masters programmes almost always appear in the top ten of the world ranking, alongside Harvard Business School, London Business School, London School of Economics, etc.
Oil x	An important multinational company in the oil and gas sector, with its headquarters in the UK and Holland. They cover all the upstream and

	downstream stages related to the petroleum business. They own all the channels from extraction of oil to direct sales to customers, having their own petrol station network.
Borough x	A local authority borough in London with around 1,000 employees. Their remit is to deliver high quality, cost effective services through a partnership with stakeholders and the community. A wide range of services are provided including, education, libraries, housing and social care.
Beverage x	The world's largest producer of alcoholic drinks, with the Head Office based in London. It is the leader in its sector, with more than 25,000 employees around the world and supplying alcoholic drinks in 180 markets, with the UK and Ireland, USA and Spain being their three main markets. Their brands are of very strong value.
Material x	A UK multinational company in the building materials sector. They have a presence in more than 50 countries, with 140 plants and more than 13,000 employees around the world. As a result they are one of the most important firms in the sector. European operations accounts for about half of the company's total sales.
Consultancy x	One of the leaders in the Audit and Advisory Services sector. They employ over 100,000 professionals worldwide in 750 offices in 152 countries. However, although there is a strong relationship among countries, each country operates as an independent company with their own strategies and policies. Audit service, financial advisory, consulting, legal services, assurance are some of the services provided.

Table 3. Reported benefits (from 1 to 5) for each organisation.

Scale 1 = not important, 2 = of very little importance, 3 = somewhat important, 4 = important, 5 = extremely important.

REASON/ BENEFIT	Organisations perceiving e-commerce as **strategic**				Organisations perceiving e-commerce as **non-strategic**		Benefit Mean
	School x	Oil x	Borough x	Beverage x	Material x	Consultancy x	
Tangible Benefits							
To reduce operational costs	1	4	3	4	4	3	**3.17**
To reduce personnel costs	1	5	3	2	2	3	**2.67**
To reduce marketing cost	1	4	2	3	4	3	**2.83**
To increase sales	3	5	1	4	2	5	**3.33**
Mean Tangibles	**1.50**	**4.50**	**2.25**	**3.25**	**3.00**	**3.50**	**3.00**
Intangible Benefits							
To enhance company image	4	4	3	3	4	2	**3.33**
Disintermediation (reduce channels)	1	5	1	4	2	2	**2.50**
To increase communication	3	4	5	5	4	3	**4.00**

with customers							
Increase the number of new customers	2	4	5	4	2	3	**3.33**
Improve customer service	5	4	5	5	4	2	**4.17**
To simplify the ordering process	5	3	4	4	4	3	**3.83**
To speed-up business/ administrative processes	5	4	4	5	4	3	**4.17**
To create competitive advantage	5	5	2	5	2	3	**3.67**
Competitive necessity	2	4	2	3	3	2	**2.67**
To share knowledge around the organisation	3	4	4	5	4	3	**3.83**
To facilitate communication within the organisation	3	4	4	5	4	4	**4.00**
To improve flexible working practices	4	3	5	4	2	3	**3.50**
Mean Intangibles	**3.50**	**4.00**	**3.67**	**4.33**	**3.25**	**2.75**	**3.58**
Org Mean	**3.00**	**4.13**	**3.31**	**4.06**	**3.19**	**2.94**	**3.44**

Table 4 Reported importance benefits by Strategic and Non-Strategic

REASON/BENEFIT	Strategic mean	Non-Strategic Mean
Tangible Benefits		
To reduce operational costs	3.00	3.50
To reduce personnel costs	2.75	2.50
To reduce marketing cost	2.50	3.50
To increase sales	3.25	3.50
Intangible Benefits		
To enhance company image	3.50	3.00
Disintermediation (reduce channels)	2.75	2.00
To increase communication with customers	4.25	3.50
Increase the number of new customers	3.75	2.50
Improve customer service	4.75	3.00
To simplify the ordering process	4.00	3.50
To speed-up business/administrative processes	4.50	3.50
To create competitive advantage	4.25	2.50
Competitive necessity	2.75	2.50
To share knowledge around the organisation	4.00	3.50
To facilitate communication within the organisation	4.00	4.00
To improve flexible working practices	4.00	2.50