

# Chapter 5

## The Role of E-Business Adoption in the Business World

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### ABSTRACT

*This chapter introduces the role of e-business adoption in the business world, thus explaining the concept of e-business, the significance of e-business, the application of e-business, the steps of e-business implementation, the advantages and disadvantages of e-business implementation, and the Critical Success Factors (CSFs) of e-business. E-business allows for the extended organization to be connected. This means that all employees, customers/clients, suppliers, and other stakeholders, regardless of geographic region, are interconnected. E-business facilitates data flows in business-to-business or system-to-system processes. E-business revolutionizes the way of effective communication between internal and external stakeholders within an organization. Connecting numerous information systems and integrating data streams can significantly increase the operational efficiency of the firm. E-business can lead to competitive advantage as well as profitability in the global business environments. Understanding the role of e-business adoption in the business world will significantly enhance the organizational performance and achieve business goals.*

### INTRODUCTION

E-business widens the breadth of solutions availability to consumers in almost every industry in the sense that purchasers can now compare and contrast the offerings of providers worldwide. Information technology (IT) made a tremendous impact on the business world. With the help of IT, business processes and operations that used to take days or weeks can now be done in a matter of seconds. This makes individuals and customers

to be better served than in the past. Every firm that seeks to be successful in the future is striving for the implementation of a successful e-business strategy. It is a critical issue in the business world and is affecting every type of organization as they attempt to improve efficiency and stay ahead of their competitors. E-business adoption is a critical strategic issue for firms. E-business adoption has rapidly increased in recent years, as its adoption enhances competitiveness by transforming a firm's processes, products, and techniques. There

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has been a growing interest in understanding the antecedents of the implementation of internet-based technologies and in e-business and its consequences in terms of performance or value creation (Koellinger, 2008; Bordonaba-Juste, Lucia-Palacios, & Polo-Redondo, 2012). Many small and medium enterprises (SMEs) have grappled with the technical and business issues of effectively deploying e-business technologies to the clear benefit of their operations (Wynn, Turner, & Lau, 2013). E-business implementation may impact performance indirectly in different ways, for example, in the development of collaborative relationships, knowledge management (KM) processes or the innovation of processes, products or services (Koellinger, 2008; Perez-Lopez & Alegre, 2012). It has been found that e-business leads to changes in different business aspects such as corporate strategy, management, and marketing (Bordonaba-Juste et al., 2012). The implementation of e business allows firms to sense changes in customer preferences, trends or market threats, as well as to respond faster to these changes by adapting their processes to the new environment (Overby, Bharadwaj, & Sambamurthy, 2006). In addition, e-business implementation increases the level of cash flow and firm performance (Voola, Casimir, Carlson, & Agnihotri, 2012; Chen & Lien, 2013). This chapter introduces the role of e-business adoption in the business world, thus explaining the concept of e-business, the significance of e-business, the application of e-business, the steps of e-business implementation, the advantages and disadvantages of e-business implementation, and the CSFs of e-business.

## **BACKGROUND**

To remain competitive in global markets, e-business has become imperative and encompasses activities such as electronic data interchange (EDI), having a web site that is linked with key business processes, and capabilities to buy online

(Fillis, Johansson, & Wagner, 2004). In business environment, many organizations are seeking to be competitive through the implementation of IT (Martinez-Caro & Cegarra-Navarro, 2010). Businesses conducted electronically had been promising new avenues for the creation of wealth and business opportunities with its dynamic, rapidly growing, and highly competitive characteristics (Cagarra-Navarro & Martinez-Conesa, 2007). Many large and SME companies have developed internet enabled initiatives to strengthen online connection with customers, disseminate product information, facilitate transactions, improve customer services, and manage inventory via electronic links with suppliers (Hafeez, Keoy, & Hanneman, 2006). E-business has become the phenomenon which is widely used throughout the global marketplace as information technology is by far the most important facilitator in business environment. E-business can be defined as the method of computerized business transactions using electronic communication system through private networks and Internet from one end to another end (Papazoglou & Ribbers, 2006). Worldwide organizations are affected by the emergence of the e-business in a broad sense. This is not only in the operations and ways of doing business, but also the creation of new sales channels, new occurrences in inter-firm relationships, and a new means of managing business-related information for all organizations. With the emergence of the internet, e-business is now a vital tool for companies; from supporting business operations to helping them to gain competitive advantages. Email and internet are now widely used by almost every company (Van Donk, 2008).

## **THE ROLE OF E-BUSINESS ADOPTION IN THE BUSINESS WORLD**

This section introduces the concept of e-business, the significance of e-business, the application of

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