

## Chapter 8.7

# Study on E-Business Adoption from Stakeholders' Perspectives in Indian Firms

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### ABSTRACT

E-business adoption towards creating better stakeholders' values in any business organization should begin with corporate home pages, which is equivalent of the online identity of the physical firm. This paper, by taking two snapshot pictures of corporate homepages, one in 2005 and another in 2007, analyses e-business adoption levels in fifteen

publicly-listed Indian firms of three different sizes and five sectors from four external stakeholders (Customers, Suppliers/Alliances, Shareholders and Society/Community) perspectives. We also measure overall e-business readiness levels from four stakeholders' perspectives in 2005 and 2007, and analyze the adoption as per Stages of Growth model. The measurement is based on presence of various categories of interactions, as commonly perceived, between the firm and respective stakeholder group.

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## INTRODUCTION

Creating an e-business strategy to support corporate functions is quite an intriguing task due to the evolving nature of e-business practices, technological innovations and also due to increasing reach of the Internet. Business organizations were still not in a position to effectively leverage real time queries from stakeholders until the turn of the twenty first century when Internet with its increased reach and acceptability made it possible for organizations to engage into real time capturing of information and conducting business transactions with various stakeholders, as and when wanted by the stakeholders. Effective e-business practices generate opportunities to create value for the enterprise by reducing response time and costs due to reengineered business processes in one side, and by increasing market reach, thereby resulting in better satisfaction levels and financial performances.

E-business is defined as the use of Internet-based Information and Communication Technologies (ICTs) by organizations to conduct business transactions, to share information and to maintain relationships (Singh & George, 2005). We studied e-business adoption by studying the corporate portals of our sample, starting with the homepages. A portal is an application of information technology that facilitates complex business interactions by presenting them in an easy-to-use web based interface (Curran & Singh, 2001) whereas a homepage is the main page of a website, intended chiefly to greet visitors and provide information about the site or its owner. Reichinger & Baumgartner (2004) found that an entity can have multiple homepages, however there can be only one entity that has any particular homepage, i.e. not allowing two entities to have the same homepage. Normally we don't see business organizations having multiple homepages, they rather have one. A homepage in this sense is a public web document about that business entity, though parts of that public

web document may have private access. For this work, we felt homepages did qualify to be part of corporate portals as well

Like the physical business of any organization that strives to meet the diverse needs of its various stakeholders, the homepages also addresses and informs different groups of stakeholders, thereby facilitating online/offline business and meeting their diverse online business needs. Through clearly demarcated sections in homepages, firms try to reach out to its various stakeholders like customers, alliances/suppliers, shareholders, government, potential employees and finally to the community (society). Addressing online the company initiatives, to foster a better community through Corporate Social Responsibility (CSR), can be an excellent tool for enhancing the legitimacy of the firm among its other stakeholders, and thereby helps towards development of a positive corporate image (Morimoto et al, 2004). Homepages can be the platform where the various other stakeholder-specific public or private portals of the firm can potentially converge.

This paper examines already adopted E-business practices in fifteen Indian firms for four groups of stakeholders - namely Customers, Suppliers/Alliances<sup>1</sup>, Community and Shareholders over two time-periods. As adoption of e-business strategy is influenced by firm and industry level factors, the sample comprised five different segments (Banking, Chemical, Metal, FMCH and IT) and three different sizes (small, medium and large). E-business with Government as a stakeholder is not considered as that remains outside the purview of homepage functionalities - to whatever extent that happens over Internet. Similarly employees are also not considered for this study because e-business practices with employees may not be publicly accessible. Two categories of information flows are considered between firms and select four groups of stakeholders - one what the firm wants to communicate with the selected stakeholder groups through standardized open communica-

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