Only a few years ago, the emergence of online markets and electronic business was expected to revolutionize market structures, supply chains and company performance. The fact that the cost of information and communication would become very low led to the assumption that markets would show increased transparency and reaction speeds would reach hitherto unknown levels. E-business and its sub-category e-commerce were forecast to facilitate communication between potential market participants and dissolve the geographical boundaries between markets. Productivity was expected to rise dramatically as a result of the plummeting transaction costs. All of these assumptions were based on extrapolations of a few spectacular cases or on purely theoretical considerations. However, the widely expected market development either did not occur or did not have the impact that was somewhat rashly forecast in the early stages of electronic market developments.

After a massive shake-up and a period of sobering expectations, more empirical evidence is now available on different e-commerce applications. Data have been generated on the diffusion and (expected) impact of online selling and procurement schemes, and studies have dealt with e-business strategies that have actually been observed empirically.

This focus theme section on e-business impacts builds on recent empirical research that contributes to a revision of theoretical predictions. While some theses can be confirmed, others clearly have to be rejected or at least reformulated. The main merit of this collection lies in the presentation and analysis of empirical results which make it possible to put the discussion on e-business impacts on more solid ground. Although the results are often not spectacular, they can be used to enhance our understanding of processes. A wide range of methodological approaches, from extensive international company surveys and comprehensive content analyses of web pages to in-depth case studies and qualitative interviews with consumers were applied to generate reliable data on business-to-business and business-to-consumer e-commerce applications and strategies.

The papers show that deviations from what theoretical considerations might suggest are quite frequent. The main strands in which theories might need revision refer to the strategic aims of e-business adoptions on the one hand and to the benefits to be derived from it on the other. It can be shown that companies shape the strategies pursued
through their e-business models in unforeseen ways. The first two papers in this section report these strategy-related results. The following three contributions present findings on benefits associated with, or experienced by, both companies and consumers.

In the first paper, ‘Contrasted Paths of Adoption: Is E-Commerce Really Converging Toward a Common Organizational Model?’, Eric Brousseau and Bruno Chaves compare strategies of e-business use and adoption across industries and countries with the aim of finding country-specific and/or industry-specific patterns. The paper is based on a survey of more than a thousand enterprises in five countries. The authors conclude that there is not one single (or best-practice) pattern of use for e-business, but that two different strategies can be observed. In one strategy, e-business is introduced with the main objective of coordinating interaction with business partners. The central aim of this strategy is cost reduction. In contrast, the other strategic approach emphasizes the buy and sell functions, the e-commerce part of e-business. Here the most important aim is to increase sales. It was not possible to find any clear country or industry patterns in the survey, however. Results rather show a ‘fringe’ pattern: ‘intangible’ impacts, i.e., soft factors, seem to be more significant than tangible factors. E-commerce turns out not to have been the globalization driver everybody had expected it to be. Domestic markets are far more strongly affected than international markets. Another interesting result of this paper concerns patterns of networking: network externalities and learning effects seem to lead to a harmonized path of adoption of e-business within business networks.

The second paper, ‘Click and Mortar Strategies Viewed from the Web: A Content Analysis of Features Illustrating Integration Between Retailers’ Online and Offline Presence’, by Charles Steinfield, Thomas Adelaar and Fang Liu, empirically investigates the implementation of another e-commerce strategy, the combination of offline with online business. Although synergies from this combination have been discussed extensively in the literature, companies are not showing any great inclination to integrate these two diverse sales channels into one strategic approach. The analysis of so-called click-and-mortar strategies looks at the degree of integration between retailers’ online and offline presence by examining some 1,000 company websites in the US. The study finds that often there is not even an attempt to reap the theoretically argued benefits: a high degree of integration is unusual. Integration efforts affect only rather basic features of business models. The method of data collection adopted makes it possible to consider company strategies in great detail, differentiated by retail sub-sector or company size. The large number of cases studied shows that the phenomenon marks a trend that is of general importance.

The paper by Younes Benslimane, Michel Plaisent and Prosper Bernard, ‘Investigating Search Costs and Coordination Costs in Electronic Markets: A Transaction Costs Economics Perspective’, analyses the effects on corporate buyers of procurement via the world-wide web. It concentrates on changes in the costs for searching and coordinating business activities on the buyer’s side. As proposed by transaction-cost economics, it is assumed that Internet-based procurement leads to major savings. A model is presented that pursues a transaction-cost analysis using survey data from more than hundred cases. While it is found that electronic procurement via the web is associated with a reduction in buyers’ search costs compared with traditional procurement methods, the results for coordination costs were more ambiguous. Nevertheless, the authors conclude that savings in both search and coordination costs can lead to changes in company strategies with respect to value-chain organization. However, as in many analyses of e-business impacts, the results actually obtained are subject to changes in the strategies pursued by management and are not an automatic outcome of the adoption of the technology. While the results regarding search and coordination costs are based on empirical findings, the conclusions follow the pattern of theoretical considerations. Whether companies will actually take advantage of lower search costs to increase the number of suppliers remains open, as does the question of whether lower coordination costs lead to more outsourcing. Hence, as in any serious paper, the reader is left with new questions to be answered. Although the results are not surprising, they contribute an important piece in the puzzle of empirical verification of the core theses of e-commerce research.

Another perspective on the benefits companies can reap from adopting e-commerce is taken in the contribution by Guy Fitzgerald, Anastasia Papazafeiropoulou, Luisa Piris and Alan Serrano, ‘Organizational Perceptions of e-Commerce: Re-assessing the Benefits’. The authors have conducted a survey of company managers to ascertain the nature and intensity of the benefits gained from e-business. The paper refers directly to 16 theses presented in the theoretical literature and challenges their validity. Unlike the papers that are based on larger surveys, and which can claim a certain degree of generality, this paper gathers evidence from six case studies. This makes it possible to record more detailed and more complex phenomena. The results that set this study apart from previously published studies concern ‘soft’ criteria rather than hard economic facts. They point to phenomena that might be overlooked in analyses concentrating on simple causalities seeking to explain performance indicators. In particular it is emphasized that e-commerce is not only a technique for improving sales figures, but that intangible impacts might be more important. Here the paper comes close to the findings presented in the contribution by
Brousseau and Chaves, where the evidence is based on a much larger sample. Undoubtedly, as the authors point out, e-commerce can be seen as a powerful communication tool within the company, but this needs to be acknowledged by managers and become part of their strategies. This result confirms an argument that has been repeated many times: obviously, the impact of e-commerce depends on whether management sees it as a strategic factor or not. The innovative contribution of the paper lies in its analysis of the differences in impact depending on whether e-commerce is based on explicit strategies or not.

The comparative advantages of Internet shopping are theoretically convincing. However, customers are still reluctant to change their shopping behaviour. The paper by Grant Robertson, Jamie Murphy and Sharon Purchase, ‘Distance to Market: Propinquity Across In-Store and Online Food Retailing’, analyses the reasons for shopping online rather than in-store. A quasi-experimental setting was created to conduct 15 interviews in which buyers were to reveal the benefits of online shopping. Convenience was identified as the main motivation. In addition, in the selection of shopping channels, temporal convenience and trust in known brands were more important drivers than physical proximity. While the results – that e-commerce does not make shopping a footloose activity devoid of any local affiliation and that the gain in time sovereignty is a strong argument in favour of e-commerce – are not new, the clear distinction of different types of ‘closeness’ (physical, temporal and relational) sheds new light on consumer behaviour.

With the research presented here, some steps towards the revision of a purely theoretical perspective on e-business impacts have been documented. As the technology is quite new and diffusion rates have only just reached levels that are significant enough to influence markets, the process of observing actual outcomes and confronting them with deductions from theory will have to continue.