

## **Problem definition and rationale**

As the building Internet wave continues its shift from entertainment to transaction medium, it is continuing its relentless destruction of long-standing business models that have been carefully honed over centuries of barter and trade. The dramatic proliferation of the PC technology, together with the emergence of a low-cost, worldwide communication network is reshaping the way that the individuals and business carry out their transactions.

There are major implications for the markets, both at national and international level (indicated by the collapse of the value chains around the world). Although there is a clear interdependence between the national and international aspect of the problem, the dissertation will focus on those directly affecting the UK businesses.

Source: [Aurel Voiculescu http://www.aurelvoiculescu.com](http://www.aurelvoiculescu.com) MBA <http://www.aurelvoiculescu.com/mba>

## **Research question**

The scope of my research is to analyze how the electronic commerce will impact on the UK businesses.

## **Research objectives:**

To analyze:

- Companies' attitude towards doing business on the Internet
- The features of electronic commerce
- Internet benefits
- To compare electronic commerce with more traditional forms of activities
- Barriers of implementing e-commerce solutions
- Implications of the e-commerce on the global market place

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## Project design method and techniques to gather data

The project design will include (Jankowicz, 1991):

- A preliminary analysis of existing and associated issues of the Electronic Commerce, the identification of the stakeholders and testing out the questions to ask.
- A main analysis involving collecting of data and searching the alternative viewpoints followed by selecting key aspects, summarizing findings in relation with what's already known
- Generating alternative courses of actions - if required
- Followed by proposed recommendation

As a method of gathering data I have used fully structured questionnaire, although some of the questions are open-ended.

The value of fully structured questionnaire:

- It allows to standardized the questions to such an extent that a more numerate, statistically based analysis is possible
- The hypotheses can be tested more explicitly
- Provides greater feelings of anonymity
- Allow respondents more time to think

- Very convenient way – In each email sent there is hyperlink to the questionnaire on the web. The URL of the questionnaire:

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The questionnaire<sup>1</sup> is divided into 6 sections:

#### Section 1- Introduction

- Web presence
- Primary reason for the company web-presence
- Company's attitude towards doing business on the Internet
- Requirements for successful implementation of e-commerce

#### Section 2 – E-commerce features

- Services provided
- Integration of Internet strategies
- Customer driven
- Versatility of e-commerce applications
- Beyond the boundaries

#### Section3 – Internet benefits

- Monitoring the e-commerce activities
- Earning revenue from e-commerce applications
- Benefits of e-commerce
- Comparisons between traditional activities and Internet activities

#### Section 4 – Enhancing companies credibility and security issues

- Security policy
- Main things that hinder the implementation of security policies
- Enhancing the companies credibility

#### Section 5 - Overcoming problems

- Fallacies of web commerce fulfillment
- Barriers in implementing e-commerce

#### Section 6 – Reasons for not doing business on the Internet

#### Section 7 – General questions

- Internet impact on the global market place
- Way the Government can help in development of e-commerce solutions
- Attitudes regarding the importance of the Internet

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<sup>1</sup> See appendix for an example of the questionnaire (off-line version of the questionnaire on the web)

## Sampling

Jankowicz (1991) states “sampling can be defined as the deliberate choice of a number of people, the **sample**, who are to provide the data necessary to draw conclusions from, about a larger group, the **population** whom these people represent”.

In order to identify the Implications of Electronic Commerce for UK businesses the sampling technique used in my research represents a **probability sampling technique**.

One of the significant advantages of the probability sampling technique is that the results can be generalizable (with a margin of error) to the whole population.

My research has been undertaken within the Midlands. The approach used is “cluster sampling”

considering that the companies in the Midlands present no significant differences from the other companies in the UK. This is one

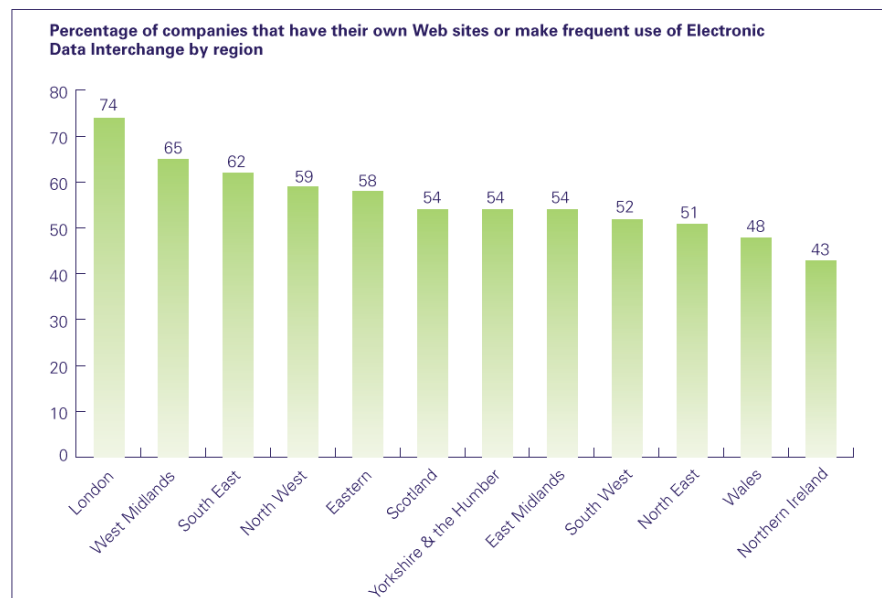


Figure 10: Source: Cabinet Office, 1999, [e-commerce@its.best.uk](mailto:e-commerce@its.best.uk), source: <http://www.cabinet-office.gov.uk/innovation/1999/e-commerce/>

of my assumptions, backed up by the Cabinet Office (1999).

### **Sample size:**

As an instrument for researching the companies within the Midlands, I used Business Pages Midlands 2000/2001. Within the Business Pages a number of approximate 100000 businesses are advertised.

### Assumption 2:

Considering a level of accuracy of 10% either way, for the population of 100000 businesses the sample size required is 96.

The number of pages within the Business Pages Midlands 2000/2001 is 926 pages.

In order to choose the respondents I have used **systematic sampling** technique:

- The “step” is 926 divided by 96 = approx 10
- Every 10<sup>th</sup> page I choose a respondent within the page
- Within the chosen page I have used **simple random sampling** to choose the respondents

The respondents have been contacted via:

- Email – if the email address was available within the Business Pages
- Telephone – explaining them the purpose of my research or/and asking them for the email address so I can send them a hyperlink to my on-line questionnaire. If they accepted to take part o my research I either post them one of my questionnaire, or I email them.

Together with my questionnaire I email/send by post a covering letter, with an explanation of the purpose of my research<sup>2</sup> and also I assure the participants for the confidentiality of the data.

The final number of chosen respondents contacted via:

- Email with a hyperlink to my questionnaire – **100 companies**
- Post (pre-printed questionnaire) – **20 companies**

As a result of my survey I had **86 answers, 4 of which are not fully completed.**

Rate of reply is **68.3%**.

Jankowicz (1991) concludes that even a proportion of the respondents reply in a particular way, there is an assumption that the others would have replied identically. The results drawn from the analysis of the 68.3% of the respondents can be generalized to the whole population.

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<sup>2</sup> See appendix for a copy of the covering letter

## Limitation of the project

The project will represent an up-to-date analysis of the Electronic Commerce from the UK perspective. Although Electronic Commerce represents the driving force for change in the way the traditional firms carry out their transactions, the change in technology is difficult to predict, therefore there is a limitation in analyzing the Internet as a “perfect vehicle” for change. Lots of traditional firms are now engaged in Electronic transactions. Woolley (1998) argues that they are missing the point: “if you think that what exists today is permanent and forever true, you inevitable get your head handed to you”.

My research reflects the attitude to Electronic Commerce of the companies within the Midlands and based on the assumption that the results are no significantly different then the other areas within the UK.

A deeper research should be carried out, segmented for different sort of activities in order to get a more accurate picture of the implications of e-commerce on various industries.

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