



**FACTORS AFFECTING THE PERFORMANCE OF E-BUSINESS STRATEGY IN BIDCO AFRICA KENYA**

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### ABSTRACT

*E-business strategy has become an important aspect in today's business world and is affecting every type of business as they attempt to improve efficiency and stay ahead of their competitors. Development of new skills for companies has become a necessity because the conventional ways of competing may become obsolete if strategies of firms do not integrate the new technologies. The integration of information and communications technology (ICT) has revolutionized relationships within organizations and among organizations and individuals. E-business strategy being a technological insurgency is important to look at the factors affecting its implementation. A survey was carried out and a questionnaire was used to collect quantitative and qualitative data. It had a blend of both an open and closed ended questions. The collected data was captured in to the Statistical Package for Social Scientists (SPSS) and Ms Excel software. Quantitative data analysis which mainly forms numerical values was analysed using descriptive statistics that was frequency, percentages and means and was presented in summary form using graphs, tables and charts. The response on organization expertise on e-business strategy was on average neutral probably because the company had not invested heavily on technology. However, it was gradually adapting to e-business strategies such as use of ICTs in their processes. ICT introduces new ways of creating and delivering value. Without good IT infrastructure, companies cannot fit the evolution of e-business. The leadership also should spent time shaping the vision and strategies for the adoption and use of electronic commerce and leveraging it into the business processes and activities. Resources play important role in the adoption of electronic commerce creation of more widespread awareness about e-business, as well as adequate training and skills are some of the support that would help company employees adapt to change.*

**Key Words:** Organization Expertise, Innovative Practices, Technology, Performance of E-business

## INTRODUCTION

E-business strategy has become an important aspect in today's business world and is affecting every type of business as they attempt to improve efficiency and stay ahead of their competitors. In the beginning there was Electronic Data Interchange (EDI). EDI involved electronic transmission of commercial information between two trading partners. This was the original e-commerce application. However, EDI was technologically basic; it required complex standards to implement and was limited to organizations with pre-existing agreements. According to (Kallioranta, Vlosky, 2002) in the mid-1990's, electronic commerce emerged as a term that was EDI as well as open buying and selling on electronic networks. Electronic commerce was defined as "Doing business on-line". This included purchasing products via on-line services and the Internet as well as electronic data interchange (EDI), this required one company's computer to query and transmit purchase orders to another company's computer (Kallioranta, Vlosky, 2002). In a 1997 marketing campaign IBM introduced the term e-business as "how network technologies can be used to transform key business processes conducted both within an organization, and externally with its customers, partners, stakeholders and suppliers. According to (Viehland, 2000), an element of e-business is e-commerce, which IBM defines more narrowly, as commercial transactions over the Internet only" (Wagstaff, 1997).

Development of new skills for companies has become a necessity because the conventional ways of competing may become obsolete if strategies of firms do not integrate the new technologies. According to (Zeng, Li, 2008) e-business strategy describes how organizations are connected with their external partners and also how the organizations are operated within management activities, processes and systems. It enables organizations to promote the alignment

of business and Information Technology (IT) infrastructure in order to derive the maximum benefit from their investments in technology. To enable successful e-business strategy implementation, firms should therefore define appropriate strategies to guide their e-business implementation and support the overall corporate strategy. (Weill, Vitale, 2013), defines e-business as the marketing, buying, selling, delivering, servicing, and paying for products and services, and information across networks linking an enterprise and its prospects, customers, agents, suppliers, competitors, and allies. Conversely E-business refers to the initiating, arranging, and carrying out electronic business processes (Meier, Stormer 2009, 2). E-business provides an important stepping point to help businesses grow.

In Kenya efforts have been made in implementing electronic transactions over the internet, and with the rollout of the fiber optic cable, the challenge of connectivity will be minimized paving way to more electronic offerings in both government and private sector. Majority of private companies however have taken that important step to increase profitability and combat with the fierce competition. Kenyan banks for instance are taking e-business to the next level in an effort of maintaining a sustainable competitive advantage. These banks have introduced e-commerce products and services which are in use by banking organizations to carry out transactions without necessarily coming into physical contact with their clients. These services include Automatic Teller Machines (ATMs), Electronic Fund Transfer (ETF), mobile banking, online banking, Electronic Data Interchange (EDI) and telecommunication services. The public sector on the other hand is viewed as a later adopter of technology. But in the last few years, efforts have been made to transform this sector and bridge the digital divide gap.

Bidco Africa was founded in 1970 by Bhimji Debar

Shah to manufacture garments. The company ventured into soap production in 1985 and launched edible oil manufacturing in 1991. In 1998, Bidco acquired the Elianto unit from Unga Group, a firm listed on the Nairobi Securities Exchange. This was the first acquisition by Bidco. The group expanded regionally in 2001 when it launched into Tanzania through the creation of BIDCO Oil & Soap Ltd in Dar es Salaam. This marked the entry of Bidco into one of Africa's fastest growing markets. In 2002, Bidco acquired Unilever's leading brands in edible oil and soap business in Kenya. This bought brands such as Kimbo and Cowboy into its stable. In 2005, the group expanded into Uganda with the official opening of the Bidco Uganda Limited Complex in Jinja, Uganda. This plant has since been producing products for both the Uganda local market and the export markets. Shah is CEO of Bidco Group, the Kenyan-headquartered edible oils, fats and personal care products manufacturer with more than 40 brands. The group has operations in Kenya, Uganda and Tanzania and its products are distributed in 16 countries across the continent. In 2013, Bidco reportedly had an annual turnover of more than US\$500m.

As mentioned through (Weill, Vitale, 2013), Cisco and Dell, Ernst, Young, an eighty-five-thousand person global consulting firm operating in thirty two countries, are good examples of e-business success. But only a few companies can succeed in e-business. Most companies found many difficulties when they tried to implement e-business. What are the factors affecting e-business success? How other companies can learn from the successful ones? This study will therefore look into the factors affecting the implementation of e-business strategy.

#### **Statement of the Problem**

Every firm seeks to be successful through placing and relating to its environment in a way which assures its continued success (Mwin'jaka, 2013). The introduction of internet in the 90's made a

tremendous impact in the business world giving rise to the electronic business. The integration of information and communications technology (ICT) has revolutionized relationships within organizations and among organizations and individuals. It has also enhanced productivity, encouraged greater customer participation, enabled mass customization, reduces costs and increases return on investment (ROI). There are three primary processes that are enhanced in e-business: production processes, customer-focused processes, and internal management processes. E-business has become an inescapable fact of life (John A. Rodgers, David C. Yen, & David C. Chou, 2002). Globally firms are striving for the implementation of a successful e-business strategy. Although e-business appear lucrative it is often accompanied by complex concerns such as infrastructure and security (Mukhopadhyay & Mishra, 2011). This hinders many enterprises from adopting e-business. E-business strategy being a technological insurgency, it is important to look at the factors affecting its implementation.

#### **Study Objectives**

The general objective of the study was to assess the factors affecting the Performance of e-business strategy in Bidco Africa Kenya. The specific objectives were:

- To assess how organization expertise influences performance of e-business strategy in Bidco Africa Kenya.
- To determine how innovative practices impacts the performance of e-business strategy in Bidco Africa Kenya.
- To determine how technology requirements impacts the performance of e-business strategy in Bidco Africa Kenya.

#### **LITERATURE REVIEW**

##### **Theories of the study**

##### **Contingency theory**

(Hofer, 1990), the core of contingency theory is that best practices depend on the contingencies of the situation. It is often called the "it all depends"

theory, because when you ask a contingency theorist for an answer, the typical response is "it all depends". He adds that a contingency is a relationship between two phenomena. That is if one phenomenon exists, then a conclusion can be drawn about another phenomenon. He gives an example of, if a job is highly structured, then a person with a freewheeling personality will have problems with the job. (Ansoff, 1965) says although primarily it is process oriented, he put forward several propositions about the content of the strategy. For example, he argued that synergy should be a major factor in strategic choice, i.e. Internal development is indicated when the start-up synergy is strong, even if operating synergy is weak. Conglomerate diversification and absence of synergy usually call for acquisition.

#### **Stage Theory of Organizational Change**

(Lewin, 1947) developed the stage theory that was based on the idea that organizations pass through a series of steps or stages as they change. After stages are recognized, strategies to promote change can be matched to various points in the process of change. According to Stage theory, adoption of an innovation usually follows several stages. Each stage requires a specific set of strategies that are contingent on the organization's stage of adopting, implementing, and sustaining new approaches as well as socio environmental factors. While Kurt Lewin is credited for creating one of the earliest stage models, modern stage theory is based on both Lewin's work and Rogers' Diffusion of Innovations (DOI) theory (Everett M. Rogers, 2003). He opines that individuals are seen as possessing different degrees of willingness to adopt innovations and thus it is generally observed that the portion of the population adopting an innovation is approximately normally distributed over time.

The stage theory has four stages namely: Awareness of a problem and possible solutions, Decision to adopt the innovation, Implementation that includes redefining the innovation and

modifying organizational structures to accommodate it. Different leaders or "change agents" within the organization assume leading roles during different stages. Strategies that organizations use depends on their stage of change and whether the nature of the social environment surrounding the innovation is supportive or otherwise (Lewin, 1947).

Another theory explaining organizational change is the organization theory whose perspective focuses on the changing capability of organizations relative to a quickly changeable world. According to the theory there are different features of the future organizations as (Lægaard and Bindslev, 2006).

Additionally, in (Jones & Bouncken, 2008) view, organizational theory is a proposition or set of propositions that tries to explain how groups and individuals behave in differing organizational setups. It maintains that the organizational approach to strategy and structures are dependent variables, which relate to the organizational performance.

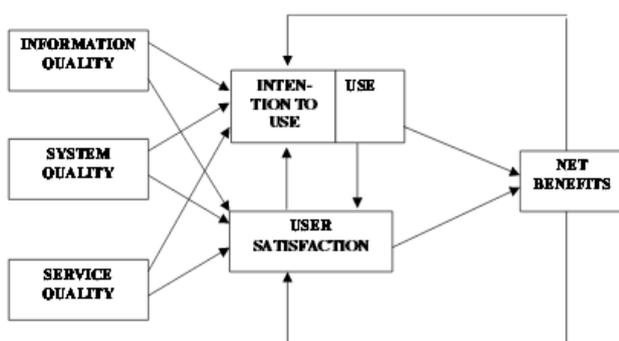
#### **Diffusion of Innovation Theory**

The diffusion of innovation (DOI) theory (Everett M. Rogers, 2003), opines that individuals are seen as possessing different degrees of willingness to adopt innovations and thus it is generally observed that the portion of the population adopting an innovation is approximately normally distributed over time. He goes on to say that breaking this normal distribution into segments leads to the segregation of individuals into the following five categories of individual innovativeness (from earliest to latest adopters): innovators, early adopters, early majority, late majority, laggards (Everett M. Rogers, 2003). Diffusion of innovation theory provides well developed concepts and a large body of empirical results applicable to the study of technology evaluation, adoption and implementation, as well as tools, both quantitative and qualitative, for assessing the

likely rate of diffusion of a technology, and identifies numerous factors that facilitate or hinder technology adoption and implementation (Robert Fichman, 1992). (Elena Karahanna & Detmar Straub, 1999) argued that the theory does not provide evidence on how attitude evolves into accept/reject decisions and how innovation characteristics fit into this process this was affirmed by (Chen, Gillenson, & Sherrell, 2002).

**Models of the study**

(Osterwalder, Pigneur, 2002) defines a model as the logic of a business system for creating value that lies behind the actual processes. It is therefore the conceptual and architectural implementation of a business strategy and as the foundation for the implementation of business processes. Several models attempt to explain the success of information systems (IS). While there are many new technological improvements, the dependent variable still remains the success of an IS. The DeLone , McLean IS Success Model (DeLone , McLean, 1992) is an existing success-measurement framework that has found wide application since its publication. The model can be applied to e- commerce success measurement. The figure below describes the model



**Figure 1: DeLone , McLean IS Success Model (DeLone , McLean, 1992)**

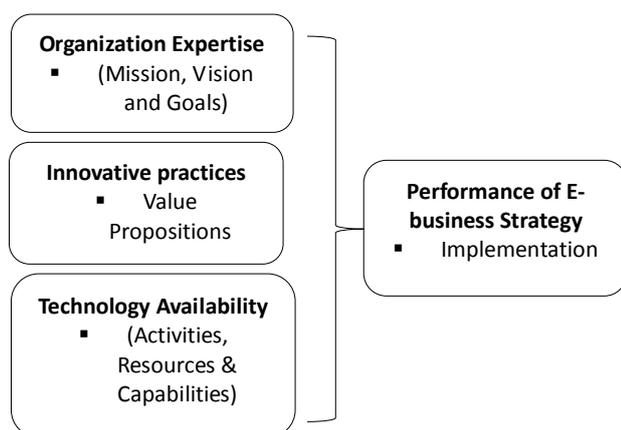
The six success scopes of the DeLone , McLean IS Success Model can be applied also to the e-business environment (DeLone , McLean, 1992).

The System quality component measures the desired characteristics of an e-commerce system. That is the usability, availability, reliability, adaptability, and response time are examples of abilities that are appreciated by users of an e-commerce/business system. On the other hand the Information quality component captures the e-commerce content issue. The content of a website should be personalized, thorough, appropriate, easy to understand, and secure if potential buyers or suppliers are to initiate transactions via the Internet and return to a site on a regular basis. The other component is the Service quality. It explains the general support delivered by the service provider, relates irrespective of whether the support is provided by the IS department or a new organizational unit or is outsourced to an Internet service provider. This aspect is more significant in an e-commerce/business environment since the users are now customers rather than employees, and therefore, poor user support translates to lost customers and lost sales. The Usage component measures everything from a visit to a Web site and navigation within the site to information retrieval and execution of a transaction. User satisfaction measures the opinions of an e-commerce system by its users and covers the total customer experience cycle from information retrieval through purchase, payment, receipt, and service. The Net benefits capture the balance of the positive and negative impacts of e-commerce on customers, suppliers, employees, organizations, markets, industries, economies, and even society as a whole (DeLone , McLean, 1992).

Another model trying to explain the success of an Information System is the Seddon’s IS success model. It consist of three classes of variables: measures of Information Quality and System Quality; general perceptual measures of net benefits of IS use (i.e. Perceived Usefulness and User Satisfaction); and other measures of net benefits of IS use (Seddon, 1997). He furthermore

asserts that IS Use is a behaviour, not a success measure, and replaces DeLone , McLean’s (1992) IS Use with Perceived Usefulness, which serves as a general perceptual measure of the Net Benefits of IS use, to adapt his model to both volitional and non-volitional usage contexts. In conclusion the e-commerce/business success model consists of three classes of variables: beliefs, attitudes and behaviors. Information Quality, System Quality, Service Quality and Perceived Value represent beliefs, measures of User Satisfaction represent attitudes, and purpose to reuse centers on behavioral measures.

### Conceptual Framework



**Independent Variables**      **Dependent Variables**

**Figure 2: Conceptual Framework**

### Empirical Review

The implementation of e-business application is generally seen as an effective means of improving competitive advantages (Pai, 2012). The use of Information Communication Technology (ICT) to improve business competitiveness has also gained recognition in several studies, the main factors being the push for successful innovation, having devoted and motivated individuals, and paying attention to a multitude of good management activities and attitudes such as the ability to scan, predict and respond to the dynamic business environment (Karanja, 2012). ICT based applications (Kenneth, Rebecca, , Eunice, 2012) says enables the buying and selling of products and services and to facilitate the transaction of

business activities between and among businesses, individuals, governments or other organizations. In addition ICT strengthens a company’s internal operations, such as logistics, procurement, and human resource and contracts management, information and data management, communication functions, and to facilitate the flow of products between businesses and consumers, e.g marketing, ordering, payment, delivery, and searching for suppliers (Kenneth et al., 2012). As powerful as it may be, (Ocha, 2011) says it has not been adopted as anticipated and has not reached its full potential since the uptake of Internet technologies in especially in businesses has been slow, as many still prefer the use traditional means to search for information and communicate with others. The banking sector however (Kinuthia , Akinnusi, 2014) notes that in Kenya has taken it as the way forward in reducing costs and remaining competitive in comparison with conventional banking practices.

(Kongongo, 2004) research on the readiness status by evaluating the e-business strategy and the level of investment in technology indicated that though businesses may be internally ready for e-business, external barriers restricted the degree to which it could reap the benefits of value chain integration. His research revealed that the pre-requisites for e-business success are largely internal rather than external, hence organizations could achieve a lot by improving their own internal readiness before extending the scope of their e-business initiatives. (Kenneth et al., 2012) further adds that a reason why other countries do well in establishing a good atmosphere for implementation of electronic commerce is the presence of basic ICT framework and standards because it makes internal electronic transactions commonplace and well accepted in conclusion they say the infrastructure of a country positively influences the adoption of new technologies.

### **Organization Expertise**

According to (Kalakota , Robinson, 2001), in order to compete effectively in the e-business world, a company must structurally transform its internal foundation. This requires the company to develop an innovative e-business strategy, focusing on speed to market and breakthrough execution. They continue by saying that the company must also develop a potent e-business infrastructure oriented towards continuous service improvement and ceaseless innovation. The e-business concept describes the rationale of the business, that is; goals and vision, well formulated objectives and products from which it will earn revenue. A successful concept is based on a market analysis that identifies customers likely to purchase the product and how much they are willing to pay for it.

The merge of the information technology and the web standards have formed the electronic business "E-business". Succession in e-business will need organizations to revise their strategies and goals to meet market rules of demand and supply. Conversion of ordinary business into e-business has forced organizations to be redesigned and reshaped.

The essential qualities of leadership in support of successful e-commerce implementations are embodied in the following: business process problems are solved first (investment in technology will be wasted unless the business issues are integrated with the technology); senior management is attuned to the opportunities and threats enabled by the e-economy; e-commerce initiatives are integrated with the organization's business strategy; generating a competitive advantage via e-commerce is a top priority of senior management; senior management is involved in, buys into, and participates in e-commerce efforts; an e-commerce vision in the 12 to 18 months' time frame exists and is communicated up and down the organization (planning past an 18-month time horizon is

fruitless because events change too quickly in the e-economy); an e-culture (web-enabled mind-set) exists up and down the organization; and a culture of information sharing exists. E-business is a combination of economic, technology and market forces that reinvented strategies of traditional business. To improve the prospects for a successful e-commerce implementation, dynamic and strong leadership is required. The business process is counted to use the power of computers and communication networks which are known as Internet. This can allow organizations to stay competitive and more efficient. Also, new business models have been introduced and implemented in a variety of ways.

In reference to (Kongongo, 2004), who assessed the readiness of one of the companies in Kenya, the e-business strategy and the level of investment in technology are indicators of the organization's readiness for e-business, He also stated that the focus on the extent of automation of both the supply and demand chain, which are indicators of execution of e-business strategy are of great importance to the implementation of e-business. The e-business concept should be based, in part, on the companies goals and to become a competitor to some of the well-known firms (Kinuthia , Akinnusi, 2014b). (Kongongo, 2004b) in his research indicated that the organizations pre-requisites for e-business success are largely internal rather than external. Business plans hold these goals and objectives which must be realistic.

### **Innovative practices**

According to (Burke, 2008), value proposition explains the value that the company will provide to its customers and, sometimes, to others as well. With a value proposition the company attempts to offer better value than competitors so that the buyer will benefit most with this product. It is an offer to a customer that includes elements in terms of target customers, the benefits offered to those customers and the price. In addition (Clarke,

2001), value propositions describe the relationship between supplier offerings and consumer purchases by identifying how the supplier fulfills the customer's needs across different consumer roles. It specifies the interdependence between the performances attributes of a product or service and the fulfillment of needs. The value proposition furthermore solidifies the relationship between the customer and various dimensions of product value. Thus, customer satisfaction is merely a response to the value proposition offered by a specific product/service bundle.

There can be several strategies of value proposition distinguished (e.g. inferior value – low prices, superior value – high prices) (Doligalski, 2010). The Information and Communication Technology (ICT) industry has had the most significant impact on new ways of creating and delivering value, for example, through substantial cost savings thanks to dis-intermediation. For instance Dell has transformed the computer industry by directly selling to its customers over the Internet. (Burke, 2008) also through mass customization and through rule based one-to-one personalization or collaborative filtering, firms can propose value tailored to the profile of every single customer.

In the recent decade, the call for information technology is information, any time, any place and on any device. Accordingly, e-commerce is poised to witness an unprecedented explosion of mobility, creating a new domain of mobile commerce (Clarke, 2001). A gripping value proposition is important to a business at any stage, but never more so than at the start. To create a compelling value proposition, you have to know your three C's: competencies, customers, and competitors.

The first step in creating a value proposition getting to know the business is good at i.e. core

competencies which serve as the building blocks for determining how a business creates value. What can the business provide customers that they cannot get today, and can this be provided in a way that uniquely differentiates the business (Stark , Stewart, 2012). These competencies are the foundation of your value proposition, and it's imperative to consistently work to further develop and improve them to maintain a compelling offering. Next is to understand the customers, their needs, and how best to serve them. Having a deep understanding of their life, what drives them, and what keeps them up at night is significant because it can assist in the designing a value proposition around your customers' needs will better prepare one to move the apathetic consumer.

The final part of a truly effective value proposition is knowing your competition. Markets and competitors tend to gravitate to the areas with the most distinguished and developed customer needs. However, these strategies limit differentiation and often do not represent the future direction of the market. Know the competition, their strengths and weaknesses, and develop a value proposition that meets the needs they are unable or choose not to address. (Stark, Stewart, 2012)

### **Technology Availability**

According to (Bleistein, Aurum, Cox, , Ray, 2004), the alignment of IT with business strategy can have significant positive impact on business performance. (Weill , Vitale, 2002), identify critical success factors, core competencies, and IT infrastructure requirements according to a survey of e-business initiatives around the world. E-business combines business and technology. Without good IT infrastructure, companies cannot fit the evolution of e-business. For a business to succeed in the electronic economy, the entire organization must have strong and standardized IT infrastructure (Li , Huang, 2004). IT should support e-business applications quickly and make people

work together easily. According to (Epstein, 2005) a company's management is responsible for determining a suitable level of investment to devote to the e business initiative. This includes adequate funding for the IT department and the modernization of the company's information systems. In addition investment assessments should be basically strategic i.e. the company should decide whether to sell online, and compare the offerings with the traditional ones. Returns should be viewed in light of potential impacts, importantly; e-commerce and IT should be seen as value creators rather than cost centers.

(Ogutu, 2010) argues that alignment of IT with the company strategies is not easy, but it requires the senior management to take a different perspective towards IT and assign a considerable amount of time and understanding on the application of IS and IT in the business. They should understand that IT is not only vital for the corporate strategy, at times it is the strategy. He suggest that, improvement of the IS/IT –business alignment, it is important for IT to understand its business industry.

Unfortunately however, (Hartono, Lederer, Sethi, , Zhuang, 2003), adds that not all IT projects are implemented without failure .Several factors have been identified that contribute to IT project failures. One of the main failures is lack of proper planning processes, failure to translate goals and objectives into action plans and lack of support for IT architecture. The main reason IT organizations fail to deliver value to the business is their incapability to focus sufficient attention and resources in IT. (Kearns, Lederer, 2004) have suggested that there is a need to align the IT plans with the business plans to improve the organizational performance. Not every company, especially those arriving late to e-commerce, will have invested well enough in IT to create e-commerce independently, so even those with strong IT departments may choose to outsource the development because of the necessity for speed.

### **Performance of E-business Strategy**

E-business offers numerous benefits. It also offers an invaluable resource for those responsible for “electronifying” business practices to gain a competitive advantage. According to (Kidd, 2001), e-business has influence on product definition, so that it is possible to redefine existing, as well as to propose new goods and services. E-business also affects all features of the enterprise: the way new products are developed; methods of working with suppliers and distributors; delivery of goods and services to customers; and so on. The concept of e-business has grown to be an inevitable fact of life, almost as essential to commerce as the telephone communication. According to (Rodgers, Yen, , Chou, 2002),it's almost impossible to compete today without some kind of e-business strategy. While e-commerce focuses primarily on a firm's customers, e-business expands the connectivity of the organization to include its suppliers, employees, and business partners.

The implementation of e-business should relate to all the employee of the company. A complete e-business strategy implementation requires a concerted effort within an organization, this incorporate commitment and involvement of senior management, the awareness and skills of employees, the rationalization of key business processes and the support of technological infrastructure, systems and criteria. It is important for leaders who participate in the project to establish a clear target, vision, mission goals and objectives. According to (Muraguri, 2013) mission statements help set the disposition of where the company wishes to go. Embedded in the mission statement is a philosophy statement that reflects the basic beliefs, values and philosophical priorities of the senior management. The statements represent its sensitivity to customer wants and attention to quality. Since decision-makers and managers are core and sole of the company their support in the implementation will make project successful(Li , Huang, 2004a).

Implementing e-business will bring many changes to a company because the existing organizational structure and processes found in most companies are not compatible with the system. Organizational (Pai , Yeh, 2008)opines that readiness and Information System (IS) core competence are positively related to the quality of the implementation process for e-business applications.

In (Rodgers et al., 2002) view, companies do admit that they are inclined to implement an e-business solution in order to operate more efficiently, but a larger percentage of executives indicated that improved customer service is their primary reason. (Muraguri, 2013)in addition says that relationships are also improved with customers owing to ease of communication via online services. Other corporeal benefits include improved sales from new sales, bringing in new customers and markets, as well as repeat-clients and referrals.

#### **RESEARCH METHODOLOGY**

A descriptive study design was used to collect quantitative and qualitative data. The population for this study were employees of private sector companies in Kenya. The target population is the entire group of study in which the researcher wishes to draw conclusions. In this study it included employees of Bidco Africa in Kenya. The sampling technique that was employed for the survey was the stratified random sampling which involves the dividing of the population into homogenous groups and then drawing random samples from each group (Kumar R, 2005). Out of the 450 senior employees a sample of 10% was used. A questionnaire which had a blend of open and closed ended questions was be used. The collected data was captured into the Statistical Package for Social Scientists (SPSS) and Ms Excel

software. Quantitative data analysis which mainly forms numerical values was analysed using descriptive statistics that is frequency, percentages and means and was presented in summary form using graphs, tables and charts. Inferential data analysis techniques such as correlation analysis was used to analyze the collected data. These parameters were used to determine and evaluate the relationships of the variables being measured.

#### **FINDINGS**

Out of 45 questionnaires distributed, 40 were returned, an 88.8% response. In order to understand the respondents' gender distribution, the respondents were asked to indicate their gender category in which they fell. 35 % of the respondents were female whereas 65% were male. On age, majority of respondents were aged between 35 and 44 years at 42.5% whereas the least at 5% were aged between 20 to 24 years. This is a fairly young an energetic group that is in their prime of career development. On years in employment, most of those interviewed had worked between 6 and 10 years. They represented 35% of those interviewed. They employees therefore seem to have a vast experience in company operations. The average number of years that the interviewed employees had used e-business was found to be 4.95 years with a standard deviation of 3.22 years. The findings could be affiliated with the fact that E-business a fairly new concept in the Kenyan market.

#### **Assessment of Organizational Expertise**

The study sort to understand how the company employees were versant with the e business strategy.

**Table 1: Assessment of Organizational Expertise**

STATEMENT	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
The mission, vision and the e business goals were well formulated in regard to the competitive environment and opportunities	4	9	16	10	1	40
The business scope and size was well stipulated in the development of e business strategy	8	12	17	3	0	40
Management Structure(leadership) was a key component in the formulation of the e business strategy	0	2	14	18	6	40
The e business strategy was customer driven	1	4	15	14	6	40
Total	13	27	62	45	13	

27.5%, 7.5%, 60%, 50% agreed with the statements respectively. The highest rated were the statements regarding leadership in e-business strategy as well as customer focus. In the current business era changes organizations processes should be aligned with customers and suppliers. Failure to plan for these changes could threaten the existence of the business so strategic planning was key. However, the response rates were just average probably because the company has not invested heavily on technology. In reference to (Kongongo, 2004), the e-business strategy and the level of investment in technology are indicators of the organization's readiness for e-business.

The study sort to understand if there was continuous monitoring and evaluation to ensure sustainability of the e business strategy. It was found the majority of respondents (57.5%) agreed that there was continuous Monitoring and Evaluation (M &E) to ensure sustainability of the e-business strategy. The M& E system were put in place to provide constant feedback on the extent to which the systems are achieving their goals, identify potential problems at an early stage and propose possible solutions. However the 42.5% indicated that M & E systems were not adopted fully in company, therefore the company could not be able to identify the most valuable and efficient use of resources.

**Table 2: Assessment of Innovative Practices**

STATEMENT	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
The company's work force competency is regularly improved through trainings and workshops	4	6	11	16	3	40
There is continuous product improvement in line with the e business strategy	1	6	18	14	1	40
The company adapts quickly to changes in the market and the environment	0	10	12	17	1	40
There is a defined structure to ensure the company keeps up with the changes in technology	2	6	15	13	4	40
The company continuously improves products to maintain its e business strategy	0	11	17	8	4	40

From the finding above, 47.5% of the respondents agreed that the company trains them regularly hence improving their competence, in addition, 37.5% agreed that the company did continuous product improvement. Moreover, 45% thought that the company adapts quickly to changes in the market. This implied that the respondents agreed with the innovative practices – value propositions of the organization. Companies were gradually adapting to e-business strategies such as ICT introduces new ways of creating and delivering value, for example, through substantial cost savings thanks to dis-intermediation. Additionally,

e-commerce was poised to witness an unprecedented explosion of mobility, creating a new domain of mobile commerce (Clarke, 2001). Also the understanding of the customers, their needs, and how best to serve can assist in the designing a value proposition around your customers' needs (Stark , Stewart, 2012).

#### **Assessment of Technology Availability**

The study sort to assess the level technology preparedness for the implementation of E-business strategy.

**Table 3: Assessment of Technology Availability**

STATEMENT	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
The company's ICT resources were well structured before the implementation of the e business strategy	2	14	14	9	1	40
The company's staff were capacitated with the necessary skills to implement the e business strategy	9	12	13	5	1	40
The company's e business system was developed to transmit, integrate and process data easily	7	14	10	5	4	40
The e business system was developed to enhance expansibility	4	9	15	11	1	40

From the findings the respondents were neutral about the structure of ICT resources for the implementation of e business strategy and 52.5% felt that they were not properly capacitated with special skills for its implementation. The response could be attributed to the fact that the company may not be fully digitized meaning they have not totally implemented ICT systems in their processes. Without good IT infrastructure, companies cannot fit the evolution of e-business. For a business to succeed in the electronic economy, the entire organization must have strong and standardized IT infrastructure (Li , Huang, 2004). IT should support e-business applications quickly and make people work together easily. According to (Epstein, 2005) a company's management is responsible for determining a suitable level of investment to devote to the e business initiative.

On frequency of IT head participating in Business Planning, majority of respondents (47.5%) felt the IT head only participates in business planning sometimes. The heads are probably not supported in their ventures. (Hartono, Lederer, Sethi, , Zhuang, 2003) supports the notion saying that not all IT projects were implemented without failure because of lack of proper planning processes,

failure to translate goals and objectives into action plans and lack of support for IT architecture. The main reason IT organizations fail to deliver value to the business is their incapability to focus sufficient attention and resources in IT.

On level of Business Knowledge of IT, the level of business knowledge of IT in Managers and personnel within the organization was found by most respondents to be good. This is could be because companies tend to hire the best in the field. (Epstein, 2005) say that a company's management is responsible for determining a suitable level of investment to devote to the e business initiative. This includes adequate funding for the IT department and the modernization of the company's information systems.

#### **Alignment of the IS Strategy to Business Strategy**

The alignment of the IS strategy to Business strategy in the Organization was rated by a majority of respondents (42.5%) to be satisfactory. The main reason IT organizations fail to deliver value to the business is their incapability to focus sufficient attention and resources in IT. (Kearns, Lederer, 2004) have suggested that there is a need to align the IT plans

with the business plans to improve the organizational performance.

**Table 4: E-Business Strategy Implementation**

STATEMENT	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean	Standard deviation
Increased market share	3	6	16	10	5	40	3.200	1.190
Increased growth of sales	0	4	16	17	3	40	3.475	0.615
Increased Return on investment	0	5	13	18	4	40	3.525	0.717
Increased profit margins	0	7	10	20	3	40	3.475	0.769
Increased average selling price	3	9	16	9	3	40	3.000	1.077
Increased information availability	4	10	8	13	5	40	3.125	1.497

The mean response ranged from 3.000 to 3.525 out of 5 with the standard deviation ranging from 0.615 to 1.497. On the overall the mean response for this section was found to be 3.300 with a standard deviation of 0.997. This translated to a rating of 67.4%. This implies that the respondents were in agreement with the e-business strategy implementation of the organization. A complete e-business strategy implementation requires a concerted effort within an organization, this incorporate commitment and involvement of senior management, the awareness and skills of employees, the rationalization of key business processes and the support of technological infrastructure, systems and criteria. It is important for leaders who participate in the project to establish a clear target, vision, mission goals and objectives. According to (Muraguri, 2013) mission

statements help set the disposition of where the company wishes to go. And in that line the company has recently contracted IBM to run its IT systems as a service and upgrade Bidco's current power systems, servers and storage systems and applications (Kagicha, 2015).

#### **Inferential Statistics**

The inferential statistics performed on this study were mainly namely multiple regression analysis among independent variables and the dependent one.

#### **Regression Analysis**

The study conducted a multiple regression analysis to determine the significance of each of the variables with respect to E-business strategy implementation. The study applied the statistical package for social sciences to code, enter and

compute the measurements of the multiple regressions for the study, and the findings are

presented below.

**Table 5: Model summary**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	σ
0.649	0.421	0.373	0.204

σ, standard error of estimate; a, predictors: (constant), organizational expertise, innovative practices and Technology Availability; dependent variable: E-business strategy Implementation

Coefficient of determination (R<sup>2</sup>) explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable. The three independent variables that were studied, explain

42.1% of variance in E-Business strategy implementation as represented by the R<sup>2</sup>. This therefore means that other factors not studied in this research contribute 57.9% of variance in the dependent variable.

**Table 6: Analysis of Variance Table**

Model	Sum of Squares	Degrees of freedom	Mean Square	F	Significance
Regression	1.089	3	0.363	8.731	0.0002
Residual	1.497	36	0.042		
<b>Total</b>	<b>2.585</b>	<b>39</b>			

The p value of 0.0002 indicates that the model is significant

**Table 7: Multiple regression results**

Description	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.586	0.566		2.805	0.008
Organizational Expertise	0.233	0.114	0.264	2.043	0.048
Innovative Practices	0.271	0.122	0.284	2.234	0.032
Technology availability	0.404	0.107	0.490	3.786	0.001

From the regression findings, the substitution of the equation

$$(Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3) \text{ becomes:}$$

$$Y = 1.586 + 0.233X_1 + 0.271X_2 + 0.404X_3$$

Where Y is the dependent variable (E business Strategy Implementation), X<sub>1</sub> is Organizational Expertise X<sub>2</sub> Innovative Practices and X<sub>3</sub> Technology availability.

According to the equation, taking all factors

constant at zero, E business strategy Implementation will be 1.586. The data findings also show that a unit change in organizational expertise will lead to a **0.233** change in E business strategy Implementation; a unit change in innovative practices will lead to a **0.271** change in E business strategy Implementation and a unit change in technology availability realized will lead to a **0.404** change in E business strategy Implementation.

## **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **Summary of the Findings**

The response on organization expertise on e-business strategy was on average neutral probably because the company had not invested heavily on technology. However, it was gradually adapting to adapting to e-business strategies such as use of ICTs in their processes. ICT introduces new ways of creating and delivering value. Without good IT infrastructure, companies cannot fit the evolution of e-business.

Technology readiness which involves technology infrastructure and IT human resources, is reflected not only by physical assets, but also by human resources that complements the physical assets. Technology infrastructure establishes a platform on which internet technologies can be built while the IT work force provide the knowledge and skills.

According to the findings majority of the respondents agreed that there were innovative practices within the organization. It can be established that when both innovative practices and strategic business objectives are promoted and fully communicated they nature business success, moreover they encourage a culture where top-down business objectives are communicated throughout the organization enabling the addressing the business short and long-term goals.

Most of the respondents agreed that the technology facilities were adequate for the organization. The company may not be fully digitized meaning that the ICT infrastructure could be termed as fair. Without good IT infrastructure, companies cannot fit the evolution of e-business. The tools and pillars of e-business strategies include internet, intranet, cellular networks and other forms of digital technology.

Most of the respondents 67.4% said the company has incorporated e-business strategy. A complete e-business strategy implementation requires a concerted effort within an organization, this incorporate commitment and involvement of senior management, the awareness and skills of employees, the rationalization of key business processes and the support of technological infrastructure, systems and criteria. And in that line the company has recently contracted IBM to run its IT systems as a service and upgrade Bidco's current power systems, servers and storage systems and applications.

### **Conclusion**

The findings from this study shed light on some of the issues concerning the adoption and use of e-business strategies in organizations the problems underpinning the low adoption of sophisticated e-business technology lack of capital for ICT infrastructure awareness of e-business strategic benefits can be further improved, e-business functions awareness was not well understood in the company. However the company was seen to be gradually embracing technology in its processes, though there was need to fast track the adoption process.

On organizational expertise, the company had yet to implemented fully the e-business strategies, part of the problem relates to poor support of ICT projects by management and affordability of information technology infrastructure. Secondly, on innovative practices Bidco was in fact adapting to e-business strategies such as ICT innovations, because it had introduced new ways of creating and delivering value.

Lastly, since respondents felt that they were not properly capacitated with special skills for E-business strategy implementation it is concluded that the company is partly digitized.

## **Recommendations**

Creation of more widespread awareness about e-business, as well as adequate training and skills are some of the support that the company's would engage in to ensure employees adapt to change.

The company should add more innovative practices to their daily endeavors to perform better in the implementation of E-business strategy. It should be dynamic to incorporate continuous product improvement so that its products rendered obsolete by the changing business trends.

On Technology availability the company should put more finances on ensuring that the ICT equipment's are fully included in the implementation of the E-business strategy. It is of importance that the companies involve the employees more in trainings to improve capacity.

E-business strategy implementation will lead to increased customer satisfaction with faster service and lower operating costs. In addition, adopting e-business can generate new marketing opportunities, reduce time-to-market, and increase return on investment (ROI).

## **Areas for Further Research**

The study focused on a few factors that affect e-business strategy, further studies on other factors need to be conducted. This will enable the identification of the other problems that may hinder e-business strategy adoption, they can then be appropriately addressed, and the findings generated to other industries the context of developing appropriate solutions.

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