INTRODUCTION

Electronic business, commonly referred to as "E-Business", may be defined as the utilization of information and communication technologies in support of all the activities of business. Generally the term E-Business is referred to as doing the business online. Commerce constitutes the exchange of products and services between businesses, groups and individuals and can be seen as one of the essential activities of any business.

Organizations of all kinds continue to expand their involvement in E-Business. This requires considerable financial investment in IT, in processes and in people. It might be expected that there would be a concern to ensure that performance measurement systems are capable of justifying these investments, and of evaluating their worth once implemented.

E-business involves business processes spanning the entire value chain: electronic purchasing and supply chain management, processing orders electronically, handling customer service, and cooperating with business partners. Special technical standards for e-business facilitate the exchange of data between companies.

E-Business provides the online business; it’s very faster and cost effective as compared with the traditional business. Bill Gates, co-founder of Microsoft Corporation stated, “The information highway will… carry us into a new world of low-friction, low-overhead capitalism, in which market information will be plentiful and transaction costs low. It will be a shopper’s heaven.” (Albert, Judd, Rivers, 2006)

E-business has dramatically changed how companies’ business processes are implemented and enhanced, altered industry structures, and shifted the balance of power between corporations and their suppliers and customers (both downstream partners and consumers) (Amit Basu and Steve Muylle, 2007).

E-Business is a term used to describe businesses run on the Internet, or utilizing Internet technologies to improve the productivity or profitability of a business. It is the use of Internet-based information and communication technologies (ICTs) to conduct businesses including sharing information, maintaining relationships and
conducting transactions within and between organizations and outside the organization also.

Organizations cannot compete solely on past record of success in today’s rapidly changing business environment that is characterized by boundary blurring, disintermediation and hyper competition. To move ahead of these rivals they need to seek innovation constantly at every level of activities. Their ability to generate successful business models and strategies as well as new products, will be the key for their survival in new economy. The first step of such innovation is internet, which made the traditional commerce to evolve in to E-Business trend.

In order to participate in the new online business environment, businesses have had to make significant financial investments, not only in the necessary technologies but also in the processes and people necessary to operate them. Whether evaluating E-Business investment proposals or monitoring the resulting online business operations requires the existence of an appropriate measurement of the effect of e-business on corporate performance.

The unique characteristics underlying the Web may in some cases require new metrics or at least the careful evaluation of the e-business implementation including their impact on the corporate performance as compared to the previous traditional systems.

Value creation in e-business is one of the most important issues in deciding about e-business component investments. Banks have invested heavily to leverage the Internet and transform their traditional businesses into e-businesses in the last ten years. Nationalized and private banks have increasingly resorted to e-business to capitalize on the opportunities of business efficiencies. These banks adopted the Business to Consumer (B2C) e-business model to increase market share, offer better customer service and to reach out to customers at greater geographic distances.

The research aimed at determining the impact of E-Business on Corporate Performance. It mainly focuses on the impact of E-Business developments in terms of effectiveness, efficiency and other attributes on the corporate performance reference to banking sector. Qualitative data was collected from interviews with key informants from each organization. Additional data came from company documents. The cases
reveal a variety of approaches to the impact of E-Business on corporate performance, with no common framework apparent.

Banking sector is chosen because it was one of the first movers to adopt the Internet technologies and to innovate with e-business applications. Data analysis will be performed to determine the role and influence of sources of value creation on e-business value creation and on bank performance.