The contribution of goal setting to the success of eCommerce systems among small and medium enterprises

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ABSTRACT
The purpose of this paper is to explore the role of goal setting as contributing factor for eCommerce systems (ECS) success in small and medium enterprises (SMEs). Based on the literature review relative to eCommerce in SMEs, this research postulates that goal setting influence the success of ECS in SMEs. The success of ECS in SMEs is the dependent variable, the dimensions of which are identified by using DeLone and McLean success model. The output result of this paper is a conceptual model identifying the relevant dimensions of both success and goal setting and the resultant hypotheses that require empirical research to validate the proposed model.

INTRODUCTION
While ECS can be regarded as one form of an IS [16], the concept of success is recognized as one of the problematic issues that can be interpreted in many ways. Attempts to measure the success of information system (IS) with single or multiple variables have been the focus of many researchers. Very few SMEs actually undertake any formal measure of their ECS performance. In fact, the literature does not present any concept of ECS success developed specifically for SMEs. DeLone and McLean [4] conducted a comprehensive review of IS literature and proposed the concept of an IS success model which has been argued and validated by many researchers. The present study seeks to extend DeLone and McLean IS success model and adapt it for the SMEs setting by identifying and incorporating dimensions of success relevant to SMEs. There appears to be no such study conducted to examine the applicability of this model in an SME setting. However, DeLone and McLean [6] asserted that the selection of success measures should also consider the independent variables being researched, goal setting in this paper.

Many researchers have suggested a variety of independent factors that influence the success of eCommerce in SMEs, yet few studies have addressed ones that are related with the success of ECS in SMEs in terms of their goals [23]. This has been investigated in terms of planning [20] and goal alignment [13] as a success factors of eCommerce implementation. This present paper refers to these two terms as goal setting.

The purpose of this paper is to explore the role of one organizational factor, namely goal setting for ECS success in SMEs. Thus, a research question can be articulated as “What is the contribution of goal setting for ECS success in SMEs?”. This would help manager/owners assess their eCommerce initiatives by focusing on the dimensions of success for their ECS as identified in this study.

ECS SUCCESS MODEL
In attempting to structure the myriad of variables associated with the diversity of information systems, DeLone and McLean [4] conducted comprehensive review of IS literature in which they proposed the concept of the IS success model. Their work is still contributing toward a universal model, which many have employed with respect to information system performance [1; 21; 24]. Pitt et al [18] proposed a modification of this model to include a service quality component; Myers et al [17] suggested additional IS impact measures; [24] argued to exclude the usage from the model and used ‘net benefit’ in his characterization of the outcome. These modifications were endorsed by DeLone and McLean with an updated IS success model [5] and adapted the updated model to the measurement of eCommerce systems [6]. While the DeLone and McLean framework is flexible, the dynamics make it very difficult to operationalize its constructs. However, choice of the appropriate dimensions of the success constructs to be able better to realize benefits is a context dependent and “contingent on the objectives of the empirical investigation”. It is also “a function of the independent variable under investigation” [6]. That, makes it applicable for different domains. However for the purpose of this study we look at the profit based SME as the stakeholder of the ECS and the benefit accrued to that SME invested in the system from the perspective of owners/managers whom they ultimately determine the success of their venture.

GOAL SETTING
Goal setting serves the purpose of establishing a measure for evaluating the success of a business and sets priorities for its management. This will keep management focused on success and away from destructive activities that drain business resources and accomplish little [26]. Although setting up a goal may seem simple, but in precise terms is futile [27] unless all stakeholders are taken into consideration. It is a standard practice for SMEs to engage the service of an IT provider due to the lack of expertise and financial resources and by default, outsourcing their eCommerce strategies [2]. In doing so SMEs need to strategically align their ECS development with eCommerce strategies in synergy with the customer expectations. While every ECS is unique, it is imperative that it matches the well defined business’ goals, the well articulated IT/IS goals, and the well understood customers’ goals. In an eCommerce
environment these goals involves choices that position the firm in the global information technology market [10] which will require both planning strategically and goal alignment to formulate a strategy with plans that has IT integration. These two broad dimensions were deemed adequate in providing a structure for the goal setting construct to contribute to the success of ECS.

**STRATEGIC PLANNING**

In their study of the organizational size influence on IS planning, [19] found that they are not related and concluded that small firms may integrate IS into their business operations and have an effective IS planning system. Small firms may be able to better coordinate their activities and thereby have a more effective planning system [8]. Evaluation of planning system have been assessed using measures such as user satisfaction and system effectiveness [20]; Planning system capabilities and the fulfillment of key planning objectives [28]; quality of planning process and planning effectiveness [19]. These measures have been manifested in terms of two empirical concepts. One reflects the “means” perspective which represent the process aspect of planning. The other concept focuses on the “ends” or benefits perspective which represents the aspect of planning effectiveness [19].

The process of strategic planning for ECS is similar to strategic planning for the organization in general [29]. It involves goal setting in which it is interpreted to objectives. Then a detailed process analysis of internal resources, external forces and core competencies of the firm is performed, the outcome of which is a specific plan selected and implemented. Finally, evaluation occurs [29]. Hence

Hypothesis 1: The strategic planning process influence the success of ECS in SMEs.

Planning effectiveness represents a set of measurements that can be made to address the issue of how well the planning system has met its goals [14]. This can be assessed in terms of the extent of fulfillment of key planning objectives [19; 28]. Hence Hypothesis 2: strategic planning effectiveness influences the success of ECS in SMEs.

**GOAL ALIGNMENT**

Many authors have studied alignment with a variety of meaning relating to different issues. Alignment according to Hsiao and Ormerod is about achieving synergy between relevant dimensions of business such as strategy and technology to achieve competitive advantage [11]. It involves the linking between business goals and IT goals [22]. Effective strategic alignment positively influence IT effectiveness and leads to better business performance [3]. There have been a number of frameworks proposed that draw connections, validate alignment and linkage between IT and business strategy: Levy et al investigated how alignment works in SMEs and proposed a number of paths for SMEs to implement in order to reap rewards from IS investment [15]. Hussin et al also investigated factors lead to greater IT alignment in small firms, they concluded that the owner/manager software knowledge was associated with the ability to align IT with business strategy and suggested that they need to be aware of existing and new technologies in order to provide the strategic perspective to guide the direction for their firm’s IT [13].

When considering an eCommerce initiative alignment may be manifested through an understanding of Customers’ expectations which need to be met to create an on-going relationship with them which will lead to some sort of transaction, organizational goals vary according to the business model in use and different systems will have different goals [23]. Belanger et al cited in [23] produced taxonomy of websites each can have different customers with different goals, the party (internal or external) who design, host and maintain the system referred to as IT/IS who will be working according to their interest which need to be clarified. The quality of IT/IS provider in terms of knowledge and experience in eCommerce, web design and strategic management are key factors for a successful outcome of the relationship between the owner/manager and IT/IS provider [12].

In the light of the above discussion, it is postulated that by aligning the business goals, developer (IT/IS) goals and customer goals, this may result into a better system acceptance and improved user satisfaction and ultimately may lead to a successful ECS use and implementation. Hence

Hypothesis 3: goal alignment influences the success of ECS in SMEs.

**CONCEPTUAL MODEL**

To create a theoretical structure for the objective of this study, along with what is noted in previous research [5] regarding to what causes success rather than being part of it. Dependent and independent variable model is created. While ECS success is the dependent variable which represent what is part of success i.e. surrogate measures for success, goal setting is the independent variable which represent what cause success. However, this is not a cause effect relationship but will demonstrate the contribution of the goal setting to the ECS success. This will fulfill the objective of this study.

It is generally accepted that the many aspect of success with respect of ECS are complex. In essence multiple, interrelated success dimensions are likely to capture changes in performance than one single item or even a set of financial measures [25].This study frames theoretical dimensions of ECS success within the paradigm DeLone and MacLean model. Empirical research on assessing goal setting contribution to the success of ECS across SMEs is sparse. Numerous scholars have indicated the important role of strategic planning for websites for firms that want to take the approach to eCommerce [7; 19; 25; 28, 29]. Others studied determinants to a successful web strategy [27]. In addition to that, other writers have investigated the necessity of goal alignment to assimilate web technology into their business activities and strategies to grow the internet site [9; 13; 15]. Summing up the goal setting variables along with success factors of ECS would depict the framework shown in Fig.1 portraying all relevant
constructs. Whether such a relationship would lead to benefits would depict an output construct "net benefit" the result of which on the long run is the ultimate outcome, profit.

FIG.1 CONCEPTUAL MODEL

The research model proposes that the success of ECS in SMEs is influenced by planning process, planning effectiveness and goal alignment. 

CONCLUSION

To better realize benefits from web based presence among SMEs Owners/Managers must make important choices regarding their eCommerce initiative in relation to their:

1. ECS characteristics in terms of the quality of the user’s experience and the customer's usage of, and satisfaction with, the system.

2. Setting up a goal, planning for it and align it with other player improve performance and count for a successful eCommerce initiative.

The consequences of these actions impact various output including improvements in customer acquisition and loyalty, in cost reduction, in channel optimization. These, in the long run will lead to the ultimate outcome, profit. 

Empirical research will be required to validate the proposed framework. Such a study will strengthen or refute claims of other related studies. Hence, this will be both a theoretical and practical contribution to the field of eCommerce systems when implemented in SMEs.

REFERENCES


