

## THE USE OF CORPORATE WEB SITES BY ROMANIAN COMPANIES

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Abstract. This paper attempted to briefly present a research project investigating the use of corporate web sites by Romanian companies. Despite the slow development of the online market, the Internet system is already integrated with the enterprise information system of these companies, allowing a cost-effective collection of market information, and communication with target audiences. The corporate web site is successfully used by the majority of respondent companies to promote the company and its activity, and, in a smaller measure, to sell online products and/or services.

### 1. THE INTERNET - INFORMATION SYSTEM INTEGRATION PROCESS

The Internet represents an important element of the enterprise information system. The Internet has changed the functionality and the orientation of the enterprise information system. If the traditional information system was mainly focused on the internal storage and flow of information, the Internet had the effect to dynamically connect the company with the external world. The functionality emphasis of information system has changed from providing the managers with relevant and timely information for decision-making, to integrating the company into the external information environment.

The integration of the Internet functionality with the corporate information system needs to be planned and implemented carefully, in order to maximize the benefits for the enterprise. The Internet connection represents a first step towards accessing and collecting relevant data about the business environment, the target market and competition [Feh97]. The information collected online can be stored in company database and analyzed for strategic purposes [Muk02]. However, this is a passive approach to an Internet – supported strategy. In order to take advantage of the interactive nature of the Internet, the company should implement and manage a corporate web site.

The corporate web site has a rich functionality that can be fully exploited only through an organic integration with the enterprise information system [Gra96]. The web site will represent: an interface between the corporate information system and online customers, a promotional tool, a communication channel between online customers and the company.

All these functions are enhanced though the interactive characteristics of various Internet applications. These applications, however, will determine a complex restructuring of the enterprise information system, both at operational and at architectural level. On the other hand, the marketing and communications strategies of the company require integration with the online marketing strategy.

### 2. THE SPECIFIC CONDITIONS OF INTERNET - INFORMATION SYSTEM STRATEGY IN A EMERGING ECONOMY, LIKE THE ROMANIAN ONE

The integration between the corporate web site and the internal information system can raise specific challenges in an emerging economy. If the design and implementation of the corporate web site can be quite simple in a developed country, with a developed telecommunication infrastructure and easily available professional support, the lack of these conditions in a developing country can make the set up of the corporate web site a

more difficult enterprise. On the other hand, even when available, the specialist services in designing the web site can be quite expensive in terms of relative value, for the SMEs. It can be therefore expected that many of these enterprises will take advantage of their internal resources and expertise to design and implement the corporate web site at least in the initial stages of Internet presence. On the other hand it can be assumed that the companies which have specialist expertise in IT or Internet – related activities will have a higher propensity to use their own resources in setting up the corporate web site than the companies from other activity sectors. The following hypothesis can be therefore formulated:

*H1. The propensity to implement the corporate web site using internal resources will be influenced by the size and the activity profile of the company.*

The capacity to effectively implement Internet – based systems and integrate them with the existing information system of the enterprise is a function of resources and benefits. The resources are often dependent on the size of the company, since larger companies are expected to control a larger volume and diversity of resources than the small ones. Secondly, the companies active in various industries will benefit differently from the introduction of the Internet – based information system. It is expected that the companies which are have IT or Internet – related activities will benefit more from these system, than the ones that are active in more traditional industries. Considering this variability, the sector of activity of the respondent companies was considered as another important independent variable.

*The company related variables are expected to have a significant influence on:*

- *the functionality of the web site (H2)*
- *the interactive features of the web site (H3)*
- *the capacity of the company to take advantage of the Internet – enabled capabilities in collecting information about, or communication information to, the company's customers (H4).*

The relationship between these variables has been in the research hypothesis H2-H4.

### 3. RESEARCH METHODOLOGY

In order to collect primary data related with the formulated research hypothesis, 400 questionnaires have been send by e-mail to randomly selected Romanian companies. 126 of these questionnaires were returned, but only 121 of them were properly completed, and could be used for data analysis, resulting in a response rate of 30,25%.

The questions were grouped into 4 main categories:

1. Questions related with the company's profile in term of size and sector of activity.

The size of the company was classified using the following criteria:

- small companies – up to 50 employees
- medium-sized companies – between 51 and 500 employees
- large companies – with more than 500 employees.

The sector of activity was classified using two different criteria:

- a. the relation with IT technologies, which classifies the respondent companies in: computer-related, Internet related and other industries.
- b. the type of activity: manufacturing, commerce, services and other activities.

2. Questions related with the approach adopted for the web site implementation.

3. Questions related with the functionality and the interactive features of the web site.

4. Questions related with the capacity of the company to collect information and to communicate with its target audiences through the Internet system.

#### 4. ANALYSIS AND INTERPRETATION OF DATA

The data collected showed that the method selected by the companies to design and implement their web site is not influenced by the size of the company or the type of activity, but is statistically correlated with the company relation to IT technologies (Table1).

Web site implementation/ Sector of activity		Own resources	Specialized agency	ISP	Total
Computer-related	N	25	3	0	28
	%	89,3	10,7	0	100
Internet-related	N	19	0	0	19
	%	100	0	0	100
Other	N	44	21	9	74
	%	59,5	28,4	12,1	100
Total		88	24	9	121

**Table 1. Crosstabulation between the web site implementation method and the sector of activity of the respondent companies**

As it can be seen in *Table 1*, all respondent companies that have Internet-related activities have designed and implemented the web site using their own resources. At the other extreme are the companies from sectors which are not IT or Internet-related. Although the majority of these companies have used their internal expertise to design the web site, one third of them have used either a specialized agency or the ISP.

Therefore the research hypothesis:

*H1. The propensity to implement the corporate web site using internal resources will be influenced by the size and the activity profile of the company, is only partially verified through the research findings.*

The functionality of the web site is indeed influenced by the company's size and activity profile. The large companies tend to use the corporate web site mainly to promote the company or to communicate with target audiences, on the other hand the small and medium sized companies are more active in using the Internet system for market research and online selling. The manufacturing companies tend to use the Internet only as a secondary channel of communication and promotion, while in the case of service providers (many of them IT-related), the web site has a multiple functionality: market research, promotion, communication and selling).

These findings support the research hypothesis that:

*H2. The company's size and activity have a significant influence on the functionality of the web site.*

The data collected show that the corporate web site of the small companies has more interactive features than the web site of medium-sized or large companies. The Internet can be used creatively by these companies to reach and communicate with their target audiences, with low costs and effort. The service provider companies implement web sites with higher levels of interactivity (e-mail, discussion forums, online membership form) in comparison with manufacturing or commercial companies. However, in terms of their relationship with the IT technology the differences are small, although the Internet-related companies have, overall, a more interactive web site.

Considering these results, the research hypothesis:

*H3. The company's size and activity have a significant influence on the interactivity of the web site, is only partially verified.*

The capacity to collect relevant information and to communicate with the targeted audiences, using the Internet, is expected to be influenced by the size, sector of activity,

and the economic sector of the respondent companies. Although the implementation of the corporate web site will improve the communication exchanges between the company and its competitive environment, the variety in strategic objectives, technical expertise and communication needs is expected to be shape the capacity to collect and/or distribute information though the Internet.

	Capacity to collect relevant information	Capacity to communicate with target audiences
<b>Size</b>	Chi Square=5.326 P=0.253	Chi Square=17.900 P=0.001
<b>Sector of activity</b>	Chi Square=5.093 P=0.274	Chi Square=7.269 P=0.119
<b>Economic sector</b>	Chi Square=0.987 P=0.976	Chi Square=3.986 P=0.670

**Table 2. Chi square test values for the relation between the company's size and profile and the company's capacity to collect information or to communicate with target audiences**

The results shown in *Table 2* only partially support the research hypothesis:

*H4. The company's size and activity have a significant influence on the capacity of the company to collect information and communicate with its target audiences using Internet systems.*

Only the size of the company has a statistically significant influence on the capacity of the company to communicate with its target audiences (the larger the company, the better targeted is the communication strategy on the Internet). In the case of the other company's characteristics the influence is negligible. This finding can be interpreted in the sense that although the Internet provides a level plain field for companies of different sizes and organizational structures, in the case of marketing communication, additional resources and expertise can determine a difference in selecting and targeting the high priority audiences.

The size and the activity profile of the company influences some of the aspects related to the implementation, functionality and interactivity of the web site. The small companies are actively using the corporate web site to compete successfully with larger organizations, which do not have yet the necessary incentives to fully exploit the Internet capabilities. In the context of a poorly developed online market, they prefer to use the traditional channels of data collection, promotion, selling and communications, treating the Internet as a secondary channel.

The IT-related companies do have the necessary expertise and motivation to intensively use the corporate web site. They often provide specialized services over the Internet, which requires a fully functional and highly interactive web site. On the other hand, the manufacturing companies are slow to adopt this new information channel, because of a business environment without many online ramifications. The poor development of the Romanian online market, many of the commercial companies do not fully invest in the interactive capabilities of the corporate web site.

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