

With K. Saeed. (2005) "The Relationship of E-Commerce Competence to Customer Value and Firm Performance: An Empirical Investigation," *Journal of Management Information Systems*, Vol.22(1), 223-256.

The advent of electronic commerce has induced many organizations to develop a Web presence and exploit the opportunities offered by the Internet. In an environment that commodifies products and allows for easy imitative behavior through instant access to information on competitor's offerings, it is not clear how to build a sustainable competitive advantage. This study endeavors to facilitate an understanding of this complex issue. Electronic commerce competence is posited as a key driver of organizational performance, and it is argued that this effect is mediated by the generation of "customer value" through Web site functionality. By empirically analyzing primary and secondary data from over 100 companies, the relationship between electronic commerce competence, customer value, and both short- and long-term firm performance is examined. The results show that firms with high electronic commerce competence exhibit superior performance and that customer value generated through Web site functionality partially mediates this relationship. In addition, the results show that companies can enhance short-term performance by providing value to the customer in prepurchase situations. But in order to build customer loyalty and thus long-term performance, companies need to enhance the product ownership experience of customers.