

Returns on Investments in Information Technology: A Research Synthesis

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Abstract

Understanding the return on investments in information technology is the focus of a large and growing body of research. The objective of this paper is to synthesize this research and develop a model to guide future research in the evaluation of information technology investments. We focus on archival studies that use accounting or market measures of firm performance. We emphasize those studies where accounting researchers with interest in market-level analyses of systems and technology issues may hold a competitive advantage over traditional IS researchers. We propose numerous opportunities for future research. These include examining the relation between IT and business processes, and business processes and overall firm performance, understanding the effect of contextual factors on the IT-performance relation, examining the IT-performance relation in an international context, and examining the interactive affects of IT spending and IT management on firm performance.

Key Words

Information Technology, Literature Review, Performance Measures, Returns, Market Measures, Accounting Measures, Research Opportunities