ABSTRACT

This thesis tries to analyze and evaluates information technology investment in retail industry by using information economics (IE) approaches. (Parker, 1988)

The results of return on investment (ROI) calculation is increases from negative 12 by using traditional cost benefit to negative 4 by using IE approaches. Value linking, value acceleration, value restructuring and innovation valuation are the factor why this ROI calculation is increase. Therefore, even though the ROI is negative, the company should continue the investment, because the contribution of ROI score is only 10 %.

The Business and Technology assessment contributes for 90 % of the IE total weighted score of IE scorecards. The company should considered with Strategic Match, Competitive Advantages, Management Information, Competitive Response and Project or Organizational Risk, Strategic IS Architecture, Definitional Uncertainty, Technical Uncertainty and IS Infrastructure Risk.

The result of the total score in IE scorecards is 48. In Information Technology (IT) investment classification, the score of 48 means the IT investment is a second of excellent.

Keywords: Information Economics, Return on Investment, Value Linking, Value Acceleration, Value Restructuring, Innovation Valuation.
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