Chapter 4
E-Services and Australian Accounting Practices

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ABSTRACT
This research investigated the website use of Australian accounting practices in metropolitan Melbourne, Australia in the period 2006-2010. This occurred through an investigation of the websites of 100 practices and interviews involving selected practices at the start of the period and a further investigation of the websites at the end of the period. The analysis revealed a heavy emphasis towards website features that identify the businesses and the services that they offer, which is consistent with other website studies involving professional services. More than other businesses, accounting practices rely on keeping their clients up to date and thus the provision of information such as taxation news updates, changes to superannuation and regular newsletters to clients through their websites was identified as being an important tool for many practices. None of the accounting practices offered online order or payment features over the period. Again this is consistent with other studies of similar professional services businesses. Although some of the practices had log-in features in 2006, only two contained features that could perhaps be classed as ‘e-services’. However, the 2010 review found an increase in the number of accounting practices with a log-in feature on their website. This suggests that the issues of trust in the technology are being addressed and that they could be moving towards a situation where e-services may become more commonplace in the future.

INTRODUCTION
Advances in information technology (IT) and the use of the Internet have brought forth new business models for professional services, thus enabling firms to operate more competitively on a wider and more efficient scale (Kotler et al. 2002). Firm-client relationships supported by the Internet will, by many predictions, define the successful accounting firm of the future (Bhansali

DOI: 10.4018/978-1-60960-607-7.ch004
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Adopters of these new accounting practice models report significant benefits as they move into more productive and satisfying relationships with their clients. These benefits include a reduction in paperwork, the delivery of more responsive services, reduction in errors, and the incorporation of additional services (McCausland 2004). Firms have achieved these benefits by installing online accounting systems through which services are delivered using private and secure Web sites accessible to their clients.

This research investigates the use of the Internet among accounting practices located in metropolitan Melbourne, Australia (and its surrounding suburbs) by comparing and contrasting the changes in website content of 100 Australian accounting practices in the period 2007-2010 and, secondly, reporting on interviews with partners in 20 accounting practices conducted in 2007 to identify the level of e-service delivery in Australian accounting practices.

DELIVERING SERVICES ON THE INTERNET

The power of information and communication technology in improving business performance is underpinned by the versatility of the Internet as an information medium. Through their websites, firms have effectively reached out to their customers in a variety of ways, achieving greater efficiencies and in some cases offering added value. In the late 1990’s, Angehrn (1997) identified four Internet ‘dimensions’ that a business could employ when developing a strategy to engage customers via the Internet. These dimensions are information (dissemination), communication (with customers), distribution (of digital goods or services) and (online) transactions (ICDT). More recently, Jelassi and Enders (2005) have suggested that these dimensions could be used by a business to help them select which Internet features to employ when engaging with customers. They describe Angehrn’s dimensions as:

- **Virtual information space**: this includes online advertising and posting business information.
- **Virtual communication space**: is where the business engages in a two-way online communication with its customers, typically through email, chat facilities or bulletin boards.
- **Virtual distribution space**: allows for the delivery of digital goods (such as online books, software) and services (such as financial advice). This is an area where innovation in services delivery could provide benefits both to businesses that offer professional services and their clients.
- **Virtual transaction space**: allows for the acceptance of online orders and payments.

The four dimensions provide a useful framework from which to map out existing and potential value-adding activities and are particularly relevant to the subject of this study, accounting practices. In particular, the four dimensions will be used to classify the different e-service strategies of Australian accounting practices. Before this can be carried out, it is necessary to spend some time discussing e-services.

Stafford (2003) suggests that experts have not yet come upon a clear definition of what e-services actually are. One reason for this, as Stafford argues, could be attributed to the range of specialities involved in the delivery of e-services. From a marketing viewpoint, Bolton (2003) suggests that e-services are those services that can take place without buyer involvement. For instance, automatic collection of road tolls as a car passes through a tolling booth is an example of this. E-services can also be related to particular industries. For instance, Laffie (2005) discusses the US Internal Revenue Service (IRS) and describes their e-services as being a suite of online