



## Study on the Review of Literature on E- Commerce

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**Abstract:** Some preliminary works on e-business and banking have been made through using data analysis. This literature review was also conducted to help put the research methodology in a better conceptual framework. In this regard the review focused on: the evolution and definition of e-business; processes of e-business adoption; benefits, barriers and challenges to e-business adoption. E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e- Business as part of a recipe to stay competitive in the global economy.

[Devi, **NAGALAMBIKA and Singh, R. Study on the Review of Literature on E- Commerce. *Researcher* 2023;15(6):6-11]. ISSN 1553-9865 (print); ISSN 2163-8950 (online). <http://www.sciencepub.net/researcher>. 02.doi:[10.7537/marsrsj150623.02](https://doi.org/10.7537/marsrsj150623.02).**

**Keywords:** E-Commerce, Business, Globalization, Review of Literature

### Introduction:

E- Commerce is the process of doing business online. Or we can say that E-commerce is to conduct business by using the IT Information technology, i.e., computer technology and electronic communication. It is the buying and selling of items or goods or services on the Web using electronic communication and digital information processing technology. EDI or Electronic Data Interchange is an early form of e-commerce. Its high cost, use of proprietary standards etc. E-commerce is the process of doing business electronic. It changes the entire business scenario due to the powerful innovation of Internet, which is spreading fast through the world. The power of Internet as a global access was felt with the introduction of the World Wide Web (WWW) in 1994. This global network makes global relations with the companies made easier. It is predicted that, in the near future the digital economy will overtake the traditional economy of all developed countries. E-commerce is a composite of technologies process and business strategies that foster the instant exchange of information within and between organization. E-

commerce strengthens relationship with buyers & make it easier to attract new customer, improves customer responsiveness and open new markets on a global scale. E-commerce is the application of various communication technologies to provide the automated exchange of business information with internal and external customer, suppliers and financial institution E-commerce business in India has seen exponential growth over the last decade. This growth is due to many contributory factors, including rapid adoption of technology by Indian consumers, large increases in the number of internet users, new enabling technologies, innovative business models and alternative payment options offered by E-commerce companies. Moreover, the high growth in E-commerce continues unabated, with the sector expecting to witness a steep increase in revenues in the coming years. The E-commerce industry was worth 12.9 billion US \$ in 2015 grew at a CAGR of 42%, and is estimated to become 38.09 billion US Dollar by 2020.

## REVIEW OF LITERATURE

E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e-Business as part of a recipe to stay competitive in the global economy. The term “e-Business” has a very broad application and means different things to different people. Furthermore, its relation with e-commerce is at the source of many disagreements. (Melao, 2008). A more comprehensive definition of e-business is: “The transformation of an organization’s processes to deliver additional customer value through the application of technologies, philosophies and computing paradigm of the new economy.” In a simple sense, E-Business can be defined as, “the organized effort of individuals to produce and sell, for profit, products and services that satisfy society’s needs through the facilities available on the Internet” (Brahm Canzer, 2009) Some authors view e-Business as the evolution of e-commerce from the buying and selling over the Internet, and argue that the former is a subset of the latter. (Turban et al., 2006). Others defend that, although related, they are distinct concepts (Laudon and Traver, 2008). Others use both terms interchangeably to mean the same thing (Schneider, 2002). (Kalakota and Robinson, 2000) proposed a definition of e-business that clearly stresses the difference between e-commerce and e-business. More precisely they assume that “e-business is not just about e-commerce transactions or about buying and selling over the Web; it is the overall strategy of redefining old business models, with the aid of technology, to maximize customer value and profits”. Kalakota and Robinson’s definition is of great importance because it describes e-business as an essential business-reengineering factor that can promote company’s growth. According to (Melao, 2008) the clear commonalities among these definitions, include the improvement of business processes and the use of ICT in intranets, extranets and the Internet to conduct business. He defines e-Business as the use of ICT as an enabler to (re)design, manage, execute, improve and control business processes both within and between organizations. Thus, front and back-office integration and multi-channel integration become crucial in e-Business, which requires a challenging process improvement approach to support the necessary organizational, technological and social changes. The article published by Rahmath Safeena,

Hema Date and Abdullah Kammani in January 2001, states that, the various areas where the banks are preparing to use ebusiness approach include familiar and relatively mature electronically based products in developing markets, such as telephone banking, mobile banking, credit cards, ATMs, and direct deposit. This means that most of the banks have recognized the need to change their business process to conform to changing business trends in order to keep up with competition. The customers are using net banking, to pay the utility bills, insurance premium, to book orders online, to book railway tickets also to book flight tickets, purchasing the products online using net banking or online banking (e-banking), credit cards, debit cards or smartcards also. The development in the e-business however means that an increasing number of jobs are being changed from traditional tellers to branch advisors/ counselors. Bank staff is increasingly asked to provide highly qualified financial advice rather than perform simple teller functions. By using intranet the communication is very fast in the banks. The banks can handle their transaction very fast online, using e-banking. Electronic business methods enable companies to link their internal and external data processing systems more efficiently and flexibly, to work more closely with suppliers and partners, and to better satisfy the needs and expectations of their customers. EBusiness refers to more strategic focus with an emphasis on the functions that occur using electronic capabilities. (Yen-Yi, 2006) 7 In the article published by Windrum, and De Berranger in 2002 focussed on the integration of the internet and related ICTs into the business organization forming ebusiness. It has two facets. One is the integration of the supply chain so that production and delivery become a seamless process. The other is the creation of new business models based on open systems of communication between customers, suppliers and partners. Where the integration of the supply chain provides increased efficiency and significant cost advantages through waste minimization, the development of new products and services are facilitated by new ways of conducting business based on internet working between organizations and individuals.

Windrum and Berranger (2002) suggest that the commercial benefits of e-business lie in five areas. Firstly, firms are able to expand their geographical reach. Secondly, important cost benefits lie in improved efficiency in procurement, production and logistics processes. Thirdly, there is enormous scope for gaining through improved customer communications and management. Fourthly, the Internet reduces barriers to entry for new market entrants and provides an opportunity for small firms to

reorient their supply chain relationships to forge new strategic partnerships. Finally, e-business technology facilitates the development of new types of products and new business models for generating revenues in different ways. According to Windrum and Berranger (2002) it is hypothesized that many of the factors affecting the successful adoption of new technologies such as e-business are generic in nature and that the successful adoption of internet technologies in part depends on how these are used in conjunction with the other technologies and management practices that form a 'technology' cluster. Wang, Lin and Tang in 2003 claims that in the 1990s e-banking was under-utilised as business organisations used it only to market their products and services. Thornton and White (2001), examined customer orientations and usage of financial distribution channels in the Australian financial industry, found that more recently most financial institutions, faced with competitive pressure after the introduction of deregulation in 1983, have rethought their strategies to take full advantage of IT. Rafiu (2007) opines that the challenge to expand and maintain banking market share has influenced many banks to invest more in making better use of the Internet. The emergence of e-banking had made many banks rethink their IT strategies in competitive markets. This findings suggest that the banks that fail to respond to the emergence of e-banking in the market are likely to lose customers and that the cost of offering e-banking services is less than the cost of keeping branch banking. Karjaluo in 2002 indicated that banks have the choice to offer their banking services through various electronic distribution channels technologies such as Internet technology, video banking technology, telephone banking technology, and WAP technology. They also indicated that Internet technology is the main electronic distribution channel in the banking industry. In other words, e-banking as an online 10 banking that involves the provision of banking services such as accessing accounts, transferring funds between accounts, and offering an online financial service. Ayo (2006) investigated the prospects of e-commerce based on ability, motivation and opportunities (AMO) model and observed that virtually all companies have online presence. The paper reported the motivation and opportunities for e-commerce as low based on lack of e-Payment infrastructure and access to information and communication technology (ICT) facilities. Chiemeké (2006) conducted an empirical investigation on adoption of e-banking in Nigeria. The study identified the major inhibiting factors to Internet banking adoption in Nigeria such as, insecurity, inadequate operational facilities including telecommunications facilities and electricity supply, and made recommendations on how Nigeria banks can

narrow the digital divide. Also, the report revealed that Internet banking is being offered at the basic level of interactivity with most of the banks having mainly information sites and providing little Internet transactional services. It is to note that there are some barriers to e-business adoption. Common barriers include: unsuitability for the type of business; enabling factors (availability of ICT skills, qualified personnel, network infrastructure); cost factors (ICT equipment and networks, software and re-organization); security and trust factors (security and reliability of e-commerce systems, uncertainty of payment methods, legal frameworks and Intellectual Property Right); and challenges in areas of management skills, technological capabilities, productivity and competitiveness. Lack of reliable trust and redress systems and cross-country legal and regulatory differences also impede e-business adoption. The barriers to e-Business adoption work differently according to organizational type and culture. Areas of training and people development need to be addressed. (Aranda-Mena and Stewart, 2005).

Dr. GAGANDEEP K NAGRA\* & Dr. R .GOPAL said that Indian consumers as a whole spend about 55% of the total consumption expenditure on food items. According to a survey conducted by ORG, the expenditure on non-food items has recorded large growth that the expenditure on food items. Consumers decide whether, what, when, from whom, where and how much to buy. However, a lot of differences concerning digital buying have been discovered due to the various consumers' characteristics and the types of provided products and services. Pizza Hut also opened an online pizza shop, while eBay and Amazon took the notion of digital shopping to a completely innovative level. Digital shopping began in full action since the year 1996. Digital consumers tend to be better educated. Higher computer literacy makes internet shopping smarter. Alireza Mohammadpour, Taher Roshandel Arbatani explained E-commerce improves communication and open economy at national and international level, changing business method and changing traditional markets to its new forms. One of the new purchase methods with great advantages is e-shopping. Now, the majority of transactions are done by this method all over the world. Social media marketing as a developing phenomenon plays an important role in the tendency of e-shopping of customers. Social media are those available easily and they lead to communication development. The main question of the present study is whether value capital, relational capital and brand capital play a mediating role in relationship between social media marketing and customers' decision to use e-shopping E-commerce improves communication and open

economy at national and international level, changing business method and changing traditional markets to its new forms. SMM had the direct, positive and significant impact on three mediating variables: relational, value and brand capital. Afrina Yasmin, Sadia Tasneem, Kaniz Fatema told Digital marketing embodies an extensive selection of service, product and brand marketing tactics which mainly use Internet as a core promotional medium in addition to mobile and traditional TV and radio. Canon image Gateway helps consumers share their digital photos with friends online. Magazine publishers can activate and drive their customers into Internet with e-mails and SMS messages to improve re-subscription rate (Merisavo et al., 2004). Digital marketing has no boundaries. Company can use any devices such as smartphones, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services. Srivastava Priyanka written the internet has become an ongoing emerging source that tends to expand more and more. The growth of this particular media attracts the attention of advertisers as a more productive source to bring in consumers. In its most common use, the term "online advertising" comprises all sorts of banner, e-mail, in game, and keyword advertising, on platforms such as Facebook, Twitter, or Myspace has received increased relevance. Internet marketing, also known as web marketing, online marketing, web advertising, or e-marketing, is referred to as the marketing (generally promotion) of products or services over the Internet. Marketing is used as an abbreviated form for Internet Marketing.

Importance of E-commerce Through, E-commerce, operating efficiency of the business firm will definitely improve and which in turn strengthen the value and service given to customers and provide a competitive edge over competitors. These improvements may result in more effective performance. The direct benefit accrue to an organization on practicing e-commerce are better quality, greater customer satisfaction, better decision making, low cost, high speed and real time interaction. More specifically e-commerce enables executing of information relating to the transaction between two or more using interconnected networks. From the business perspective with less time spent during each transaction, more transaction can be achieved on the same day. As for the consumer, they will save up more time during their transaction. Because of this, E-commerce steps in and replaced the traditional commerce method where a single transaction can cost both parties a lot of valuable time. E-commerce is the most cost effective compared to traditional commerce

method. This is due to the fact where through e-commerce, the cost for the middleperson to sell their products can be saved and diverted top another aspect of their business. For e-commerce, the total overheads needed to run the business is significantly much less compared to the traditional commerce method. The reason due to that is where most of the cost can be reduced in Ecommerce. To both the consumers and business, connectivity plays an important part as it is the key factor determining the whole business. From the business point of view, E-commerce provides better connectivity for its potential customer as their respective website can be accessed virtually from anywhere through the Internet. This way, more potential customers can get in touch with the company's business and thus, eliminating the limits of geographical location. From the customer's standpoint, E-commerce is much more convenient as they can browse through a whole directories of catalogues without any hassle, compare prices between products, buying from another country and on top of that, they can do it while at home or at work, without any necessity to move a single inch from their chair. Besides that for both consumers and business, commerce proves to be more convenient as online trading has less red tape compared to traditional commerce method. Ecommerce itself gives a boost to the global market. In short, if without any major obstacles, E-commerce will certainly continue to mature in the global; market and eventually, it will become an essential business plan for a company in order to survive and stay competitive in the ever changing market. E-commerce business have numerous advantages over off line retail locations and catalog operators consumers browsing online stores can easily search to find exactly what they are looking for while shopping and can easily comparison of shop with just a few clicks of the mouse. Even the smallest online retail sites can sell products and turn a profit with a very simple online presence. Web tracking technology allows e-commerce sites to closely track customer preferences and deliver highly individualized marketing to their entire customer base.

Gupta (2014) in her paper "E-Commerce: Role of ecommerce in today's business", presents a far reaching meaning of internet business while detaching it from ebusiness. The paper enrolls the different internet business models for example B2B, B2C, B2G and C2C, narratively breaking down the nitty gritty of each. Rina (2016)also expounds the various utilizations of web based business in "Challenges and Future Scope of E-commerce in India", simultaneously, characterizing how much they are functional in the country.

Hierarchical frameworks in “E-commerce and its impact on operations management”, characterizing it concerning exchanging and expounding how it has pervaded each field of business. The paper distinguishes the progressive pretended by before web applications like email and electronic information exchange and subtleties the progressive changes got by the web advances fabricating, promoting, buying, plan, creation, selling and appropriation, warehousing and human asset the executives. Web based innovations have empowered organizations to abbreviate improvement, buy and acquirement cycles, keep up with up to date item and market data, fundamentally speed up correspondences and increment the nature of client connections by working with close contact and consistent correspondence. The paper concentrates inside and out, the meaning of online advances in various business tasks, in this way, working on their proficiency through compelling B2B online business. (Pandey and Parmar,2019) expected To examine the variables influencing shopper's web based shopping behavior, The concentrate on results recommend that consumers 'online shopping conduct is being impacted by a few elements like segment factors, social variables, customer internet shopping experience, information on utilizing web and PC, web architecture, virtual entertainment, situational factors, working with conditions, item qualities, deals limited time plot, instalment choice, conveyance of products and after deals administrations assumes a significant part in internet shopping. Through “ Problems and Prospects of ECommerce”, Raghunath & Panga (2013) present an expansive examination of various nuances of online business while featuring that, in present time every business development, be it publicizing, mentioning, portion, etc, can be acted in the mechanized organic framework. The paper moreover enlists different spotlights on the meaning of online business which are responsible for its improvement as the new show. It has engaged the creation and cheating of new business open entryways, all the while extending the say of clients in the progression of new things and organizations. Online business has not recently extended the show of internal business the leaders, yet, has moreover engaged better client associations by propelling a strategy that is essentially established on information sharing. The receptiveness of web accessibility and other electronic devices agent one more surprise. SWOT assessment of online business coordinated by Awais and Samin(2012) highlights comprehensiveness, low working cost, further created client participation and effective as the exceptional characteristics of e-commerce, but, at the comparable time accentuates upon the requirement for the associations to conform to the changing environment

and improve ceaselessly to compose better commitments for clients.

## Conclusion

The introduction of e-commerce has impacted on the traditional means of online exchanges. It is creating a new market place and opportunities for the reorganization of economic processes, in a more efficient way. The open structure of the Internet and the low cost of using it permit the interconnection of new and existing information and communication technologies. It offers businesses and consumers an innovative and powerful information system and another form of communication. This changes the way they search and consumer products, with these products increasingly customized, distributed and exchanged differently. The advent of ecommerce has seen a dramatic impact on the traditional ways of doing business. It has brought producers and consumers closer together and eradicated many of the costs previously encountered. It is evident that the supply industry will benefit from e-commerce which includes those producing computers, networking equipment and the software necessary It has affected the following fields of economic activity. Pricing of the product. • Product availability • The transportation patterns • Transaction costs. • Cost and profit structure of all companies. • Consumer behaviour in developed economies • & worldwide competitiveness.

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6/10/2023