CHAPTER 2
REVIEW OF LITERATURE

HR in e-commerce is a challenging portfolio because of the sheer diversity in the organisation. By virtue of its novelty and entrepreneurial experience, e-commerce start-ups are attracting diverse talent from traditional industries. This talent may or may not be in the high-awareness zone in terms of what they are getting into. This is precisely what makes it essential for an HR professional in e-commerce to have a strong understanding of various industries, their talent landscapes and how they map to the e-commerce ecosystem.

Following literature is review for the research work:

Chen et al., (2011) investigated that according to Significant Success factors for E-Commerce companies which recognized by Sung, there are customer relationship and privacy of information, low cost operation, ease of use, E-Commerce strategy, methodological E-Commerce expertise, immovability of systems, security of systems, prosperity of information, variety of goods/services, speed of systems, payment process, services, delivery of goods/services, low price of goods and services, and assessment of E-Commerce operations. It’s based on the theoretical model of consumer acceptance of the virtual stores proposed by Chen et al. the Significant Success factors are product offerings, the usability of storefront, the perceived service quality, and the perceived trust.

Dubelaar et al., (2012) reported that for E-Commerce success, Turban et allotted the CAFs which are the user-friendly of Web interface, delivery of specific and high-value services or products, its support of top management and technical infrastructure, level of trust between buyers and sellers, security and control of the E-Commerce system, the customer acceptance, the mass customization, competition and the market situation, the optimization of scope of business, and creating new partnerships and alliance. According to Dubelaar declared that the CAFs presented by the companies succeed in B2C e-business adoption is the combination of strong customer attention, it’s clearly distinct the performance measures, a clear link between value intention and measures, and the incremental development process.
Viehland D.W., (2012) identified the six factors Significant to the success of the e-business strategy as to create a consumer-centric strategy, to accept outsourcing to improve business performance, to act like a new entrant, to the utilize information management to differentiate company’s product, to be part of an e-business community, and to require executive leadership. According to Eid grouped the CAFs for business-to-business international Internet marketing successful implementation into five related factors, which are marketing strategy related factors, web site related factors, global related factors, internal related factors, and external related factors. Each group comprised of several factors.

Yan G. and Paradi J.C., (1999) identified the five significant success factors for the financial institutions to compete in the E-Commerce market. They involve E-Commerce strategy of the innovation, risk tolerance, the communication network and size of company assets. They investigated the web characteristics as significant success factors for web sites. Their investigation found that interactivity and immediacy are success factors for B2B web sites. Further, for B2C web sites, there are four success factors including media richness and –variety, availability and ease of use.

Jennex M.E. et. al, (2009) discussed the key infrastructure factors for setting up B2B e-commerce enterprise in developing countries. They are people factors and technical infrastructure factors, the client interface factors, the business infrastructure factors, and regulatory environment factors. Each factor consists of several attributes. The Knowledge of workers and the worker technical skills, faith in the relationship between client and provider, knowledgeable client contacts, the client contacts that can speak with the provider’s language, and client contact methods are considered Significant. Moreover, client interface factors are considered the most Significant among these five factors.

Liu & Arnett, (2009) obtained four major factors that are Significant to the Web site success in the E-Commerce from a research model derived from applying both the information systems and marketing literature. The variables were defined to
measure each factor. After the factor analysis, the significant factors include information and service quality, system use, playfulness and system design quality.

Khan M. S. and Mahapatra S. S., (2009) remarked that technology plays a vital role in improving the quality of services provided by the business units. One of the technologies which really brought information revolution in the society is Internet Technology and is rightly regarded as the third wave of revolution after agricultural and industrial revolution. The cutting edge for business today is e-Commerce. The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers like online advertising and marketing, online order taking and online customer service etc. It can also reduce cost in managing orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services. Businesses are increasingly using the Internet for commercial activities. The ubiquitous nature of the Internet and its wide global access has made it an extremely effective mode of communication between businesses and customers.

D. Agrawal et. al., (2012) defined that electronic commerce, commonly known as e-commerce or e Commerce, consists of the buying and selling of products or services over electronic system such as internet and other computer network. Intent is the technology for e-commerce as it offers easier ways to access companies and individuals at very low cost n order to carry out day-to-day business transactions. Search engine marketing (SEM) is a form of web advertising that companies use to promote their products and services on search engine results pages (SERPs). SEM is focused on the effective use of search engine advertisements (a.k.a., sponsored results, sponsored links) that appear on the SERP. SEM which allows firms to target consumers by placing ads on search engines has proven to be an effective audience acquisition strategy. Unlike traditional online advertising, advertisers pay only when users actually click on an ad when successfully implemented, SEM can generate steady traffic levels and tremendous return on investment (ROI).
Boughton S. B. (2005) remarked that most online advertising campaigns have two main objectives: brand development and direct response. Selecting an appropriate marketing channel ultimately depends on which strategies will provide the greatest ROI. Firms that offer products and services through the Web clearly stand to gain from Internet advertising because their prospective customers are already online. Non web-based companies may choose online marketing in order to increase exposure and promote brand. SEM allows companies to closely track their ROI from an audience acquisition standpoint. SEM delivers ads to users who are already searching for the products or services that an advertiser is offering, meaning that theoretically, they are only receiving qualified traffic. Unlike traditional banner ads, advertisers are charged based on the number of clicks they receive, not on the number of impressions (number of times an ad appears). Furthermore, many marketing campaigns place a great deal of importance on branding. PPC ads can be very effective in terms of driving home a brand name because they appear alongside search results for thousands of different search terms. SEM is a form of Internet marketing that involves the promotion of websites by increasing their visibility in SERP through optimization (both on-page and off-page) as well as through advertising (paid placements, contextual advertising, and paid inclusions). This paper deals the conceptual knowledge of search engine marketing or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. The further research areas are; the quality of sponsored ad text, ad position, Search Engine Optimization (SEO), PageRank, yellow pages, bid management etc.

Waghmare G.T. (2012) pointed out that many countries in Asia are taking advantage of Ecommerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies. Large enough to have a critical mass of 10 to 20 million users to be able to make an impact on e-commerce and e-governance. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of
internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies. A recent report by the Internet and Mobile Association of India (IMAI) reveals that India’s e-commerce market is growing at an average rate of 70 percent annually, and has grown over 500 percent in the past three years alone.

Zia and Manish (2012) estimated that e-Commerce retailers in India are expanding their offerings to the online population outside metropolitan India and are investing heavily in the infrastructure to support these cities.10 Online apparel retailer Myntra.com is already seeing demand for its products outside metropolitan India: 50% of its sales are outside India’s 10 biggest cities. To widen their reach, for example, multiple retailers are building warehouses outside central locations; testing shipping options that work in rural areas; offering payment options like cash on delivery (COD) that provide options for the unbanked; and subsequently marketing these to semi-urban and rural consumers.

Moreover, Ruckman R.R. (2012) suggested that Internet research becomes an increasingly important tool during the purchasing process; more marketers are seeing the advantages too. It’s a win-win situation. Marketing departments are investing more into online marketing today because it’s:

- Attractive to a significant segment of the demographics for most customer profiles. It can effectively reach the target customer.
- Faster and less expensive to conduct direct marketing campaigns
- Measurable, which means that successes are identifiable and repeatable
- Open 24-hours a day
- Cost-effective, in the long run.

According to Nagi E.W.T. and Wat F.K.T, (2002) the adoption and diffusion of e-commerce in to medium enterprises (SMEs) remains a critical area of investigation in the information systems literature. As SMEs have a potential role in development and industrialization of each country and E-commerce is a strategy for rapid growth, especially by small and medium sized businesses (SMEs) this study focuses on the use of e-commerce by SMEs.
Chih Chien Wang and Chien Chang Chen, (2010) identifies the potential benefits and drivers of adopting e-commerce includes more direct and indirect cost savings in communications and marketing greater business exposure and more access to new customers and trading partners. In the business environment e-commerce has made considerable challenges not only into large organizations but also the SMEs.

According to Laosethakul K. and Boulton W., (2007) e-commerce consists of transaction oriented Internet base functions (e.g. on-line catalogs, purchasing and payment). In particular, Electronic Commerce provides a new means of creating, sustaining and escalating competitive advantage by driving down the cost of transacting business, deepening customer relationships and creating new markets in the market space through virtualization.

Turban E. et al, (2002) investigated that the CSFs in e-commerce is important for Bangladesh Government & senior management of ecommerce related organizations, because it would potentially help the country taking decision to implement e-commerce cent percent and improve their strategic planning process. The Internet, as a channel for services delivery, is fundamentally different from other channels such as branch networks, telephone banking or Automated Teller Machines (ATMs). Therefore, it brings up unique types of challenges and requires novel solutions.

Sung T.K., (2004) investigated the critical success factors for E-Commerce companies which identified by Sung, there are customer relationship, privacy of information, low cost operation, ease of use, E-Commerce strategy, technical E-Commerce expertise, stability of systems, security of systems, plenty of information, variety of goods/services, speed of systems, payment process, services, delivery of goods/services, low price of goods/services, and evaluation of E-Commerce operations. The Internet should be integrated with other channels such as ATMs and internal systems to increase its effectiveness. Processing across the channels has to be real time too to avoid inconvenience.

For E-Commerce success, Turban et al. (2002) listed CSFs which are user-friendly Web interface, delivery of specific and high-value services or products,
support of top management, technical infrastructure, level of trust between buyers and sellers, security and control of E-Commerce system, customer acceptance, mass customization, competition and market situation, optimization of scope of business, and creating new partnerships and alliance.

Vichland D. W. (2000) identified six factors critical to the success of the e-business strategy as to create a consumer-centric strategy, to accept outsourcing to improve business performance, to act like a new entrant, to utilize information management to differentiate company’s product, to be part of an e-business community, and to require executive leadership.

Jennex et al. (2004) discussed the key infrastructure factors for setting up B2B e-commerce enterprise in developing countries. They are people factors, technical infrastructure factors, client interface factors, business infrastructure factors, and regulatory environment factors. Each factor comprise of several attributes. Knowledge of workers, worker technical skills, trust in the relationship between client and provider, knowledgeable client contacts, client contacts that can speak with the provider’s language, and client contact methods are considered critical. Moreover, client interface factors are considered the most critical among these five factors.

Madeja N. and Schoder D. (2003) investigated the web characteristics as significant success factors for web sites. Their investigation found that interactivity and immediacy are success factors for B2B web sites. Further, for B2C web sites, there are four success factors including media richness and variety, availability and ease of use.

Liu C. and Arnett K.P. (2000) obtained four major factors that are critical to Web site success in E-Commerce from a research model derived from applying both information systems and marketing literature. The variables were defined to measure each factor. After the factor analysis, the critical factors include information and service quality, system use, playfulness and system design quality.

Panagariya Arvind (2000) reported that access to e-commerce, which in the WTO parlance often means access to e-exports, has two components that must be
distinguished sharply and access to Internet services and access to services that can be traded electronically. The former deals with access to Internet infrastructure while the latter relates to specific commitments in electronically tradable services. Ecommerce offers unprecedented opportunities to both developing and developed countries. In the short run, the gain are likely to be concentrated in developed countries have more to benefit. This is because, in the short run, developing countries lack the infrastructure necessary to take full advantage of Internet. For many countries, especially developing ones in these countries, most consumers do not have computers or Internet access. A likely scenario, therefore, is one in which a handful of independent entrepreneurs will receive the product by Internet, convert it into physical form such as CDs and sell the latter to consumers. But this activity may itself be costly using up real resources. Buy in the long run. They can Leapfrog, skipping some of the stages in the development of Information Technology through which developed countries have had to pass.

Elizabeth Goldsmith Elizabeth and Sue L.T. McGregor (2000) analyzed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research are given in this research paper.

Oblinger Diana (2001) reported that one is that education and continuous learning have become so vital in all societies that the demands for distance and open learning will increase. As the availability of the Internet expands as computing devices become more affordable and energy requirements and form factors shrink, e-learning will become more popular. In addition to the importance of lifelong learning, distance education and e-learning will grow in popularity because convenience and flexibility are more important decision criteria than ever before.

E-learning will become widely accepted because exposure to the Internet and e-learning often begins in the primary grades, thus making more students familiar and comfortable with online learning. In fact, for many countries, distance education has been the most viable solution for providing education to hundreds of thousands of students.
Jackie Gilbert Bette Ann Stead (2001) reviewed the incredible growth of electronic commerce (e-commerce) and presented ethical issues that have emerged. Security concerns, spamming, websites that do not carry an “advertising” label, cyber squatters, online marketing to children, conflicts of interest, manufacturers competing with intermediaries online and “dinosaurs” were discussed.

Barwise Patric (2001) reported that probability 99 % of e-commerce today is done using PCs either desktops or Laptops. For B2B e-commerce this is unlikely to change for B2C e-commerce however, things will be more complex, there will be wider range of relevant media including interactive digital TV and a range of mobile and wireless service there will be huge difference between different consumers’ ownership of equipment and access technology. Some will have broadband access and others have no digital communication at all.

Ahmed Farooq (2001) reported that some of the multifaceted issues raised are summarized in following manner:

1) Formation of e-contracts
   a) Contracts by e-data interchange
   b) Cyber contracts
2) Validity of e-transactions.
3) Dichotomy of offer and invitation to treat.
4) Communication of offer and acceptance.
5) Mistake in e-commerce
   a) Mutual mistake
   b) Unilateral mistake

Mitchell Andrew D. (2001) examined the key issues that electronic commerce poses for Global trade, using as a starting point the General Agreement on trade in services (GATS), the World Trade Organization (WTO) agreement most relevant to e-commerce.

Kshetri Nir B. (2001) identified and synthesized the available evidence on predictors of magnitude, global distribution and forms of e-commerce. The analysis
indicated that the twin forces of globalization and major revolutions in ICT are fuelling the rapid growth of global e-commerce.

**Dasgupta Prithviraj and Sengupta Kasturi, (2002)** reported that the recent growth of Internet Infrastructure and Introduction of economic reforms in the Insurance sector have opened up the monopolistic Indian Insurance market to competition from foreign alliances. Although the focus of e-commerce has been mainly on business to consumer (B2C) applications the emphasis is now shifting towards business to business (B2B) applications. The Insurance Industry provides an appropriate model that combines both B2C and B2B applications.

**James Christopher James (2004)** examined all the best elements of ecommerce do not guarantee consumers will visit or remain loyal. But looking at what they want and their satisfaction levels of other well established e-tailors such as Amazon and eBay who have already invested significant resources to understand what consumers’ needs, wants and desires. Perhaps it would be useful to emulate these established pure players since they have been and continue to be highly successful as retain high marks for customer satisfaction.

**Werther H and Ricci F. (2004)** reported that e-commerce in travel and tourism industries are continuously increasing despite of tough economic problems. This industry is adopting application of B2B and B2C. This industry has changed the ways of do business for traditional ways to modern way i.e. e-commerce via web and other online transaction software. Web is changing the behavior of consumers are well as they are becoming less loyal, take less time for choosing and consuming the tourism products. As this industry is service oriented business industry, companies are implementing various new techniques to satisfy consumer needs and providing information to them through web and different value generating strategies like value extraction, value capture, value addition value creation. Travel and tourism is information based service oriented business and the product is termed as “confidence good” and prior comprehensive Assessment of quality is impossible however due to use of e-commerce feedbacks from consumers can be obtained in short span of time and this services can be enhanced accordingly.
Due to adoption of e-commerce in travel and tourism industry consumers are becoming more powerful players as they can choose their destination and sites in few minutes whereas travel agents, travel websites etc see diminishing power in sales however they are providing new market functionality using new technologies to attract more consumers. Many tour operator, travel agents online travel agents are using these strategy to attract more consumers however using more high-tech technologies needs huge investments need more high skill human resource etc.

Kim C. (2004) examined there are main two factors for conducting successful e-commerce strategy which are security of the e-commerce system and user friendly web interface. Security means not only securing own system but also providing security assurance to users who are using the sites or online software user friendly web interface give consumer trust and its easy to convenience for customers. Beside these factors other factors are also essential to succeed which are top management support, IT infrastructure and customer acceptance. Top management support plays vital role as per Kim as they are the decision makers and their support and decision will direct the company to use the strategy. Further he also explained that with-out proper IT structure and skilled human resources, e-commerce strategy will fail. One of the factors he explained is customer acceptance; customer acceptance means the way customer accepts the web or online software of the company and it should have very rich contents and very easy to use these factors will decide whether business will get more customers.

Young Jan Choi and Chung Suk Suh (2005) reported that the economic consequences of the death of geographical distance due to the emergence of e-marketplaces. It has shown that overcoming spatial barriers by means of e-marketplaces lowers the price level. Since e-marketplaces achieve economies of scale by aggregating dispersed demands, they allow the company to have more varieties that did not exist before their emergence.

Zabihollah Rezaee Kenneth R. Lambert and Ken Harmon W. reported that the rationale for infusion of e-commerce education into all business courses is that technological developments are significantly affecting all aspects of today’s
business. An Ecommerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to e-commerce education and topics covered a variety of business courses in different disciplines eg. accounting, economics, finance, marketing, management, management information systems. To help assure that all related business courses in all disciplines such as eg. accounting, finance, economics, marketing, management, information systems pay proper attention to the critical aspects of e-commerce, certain e-commerce topics should be integrated into existing business courses.

Featherman S. Mauricio et. al, (2006) reported that as companies oracle to digitize physical based service processes repackaging them as online e-services, it becomes increasingly important to understand how consumers perceive the digitized e-service alternative. E-service replacements may seem unfamiliar artificial and non authentic in comparison to traditional service processing methods. Consumers may believe that new Internet based processing methods expose them to new potential risks the dangers of online fraud identity theft and phishing Swindles means schemes to steal confidential information using spoofed websites, have become common place and are likely to cause alarm and fear within consumers.

Law R. and Bai B. (2008) on their research paper mentioned there are two types of customers who use travel companies websites, those are buyers and borrowers. Buyers are those people who actually intend to buy the services whereas browsers are those who intend to surf and get information only. Those browsers can be converted to buyers by improving the website contents making it attractive, provided very rich in contents and very user friendly to use. As more and more travel companies are applying these strategies, the increase in percentage of website buyers and browsers are also increasing day by day, this is due to adaption of e-commerce technology in travel and tourism industry.

According to Ketlley P. and Reilly P. (2003), computerized human resource information system consists of a fully integrated, organization wide network of HR-related data, information, services, databases, tools and transactions. Technology has
only recently developed in a way that enables e-HRM to make its mark, especially
the introduction of corporate intranets and web-enabled HRIS. The nature of the
development path, however, varies considerably from organization to organization.

Kavanagh M. and Thite M. (2008) reported that to improve effectiveness
and efficiency in terms of service delivery, cost reduction and value-added services,
HR departments came under pressure to harness technology that was becoming
cheaper and more powerful.

Sanayei A. and Mirzaei A. (2008) in empirical study aim at providing an
explanation of e-HRM and introducing its activities and tools, after the investigation,
the effect of various independent variables such as job satisfaction, professional
commitment, and organizational commitment on the effectiveness of HRM as a
dependent variable. E-HRM tools such as intranet, extranet, HR portals; integrated
HR suite software is rarely used, however according to expert's judgment if they are
used, they would have a positive effect on HRM output in Iranian organizations.

Florkowski G. and Olivas Lujan M. (2006) examined the diffusion patterns
of eight information technologies that are transforming HR service-delivery in North
America and Europe: HR functional applications, integrated HR suites, IVR
systems, HR intranets, employee and manager self-service applications, HR
extranets, and HR portals. The overall diffusion was best characterized as an
outgrowth of internal influences, fuelled primarily by contacts among members in
the social system of potential adopters. Companies in the 21st century can be
broadly said to have adopted at least one of the above mentioned e-HRM
technologies.

Foster et al. (2004) described that the application of the internet to the
Human Resource function (e-HR) combines two elements; one is the use of electronic
media while the other is the active participation of employees in the process.

Bondarouk, T. et al. (2004) states organisations need to embrace the e-HRM
revolution which relies on cutting edge information technology, ranging from internet-
enabled human resources information systems (HRIS) to corporate intranets and portals.

According to **Lengnick Hall M. and Moritz S., (2003)** the final stage of total digitalization in the 1990s arrived when HR professionals and ICT specialists joined forces and developed electronic information systems that moved HR decision making from drawers to computer.

As per **Watson Wyatt’s (2002)** survey of HR technology issues revealed that a wide variety of HR and payroll systems are being used today. According to the results of the study, web technology is the predominant method for delivering HR-related services to employees and managers, and offers significant opportunities to improve communication, knowledge sharing and HR delivery systems.

According to **Florkowski G. and Olivas-Luján M (2006)** HRIA is private computer network that provides employees with direct access to link internal database and/ or a seamless interface with the internet. It is a network designed to organize and share information and carry out digital business transactions within a company. An intranet employs applications associated with the internet such as web pages, browsers, e-mails, newsgroups and mailing lists but is accessible only to those within the organization. HR Intranets offer the greatest innovation to HR departments since the advent of the desktop computer.

As per **Sanayei A. and Mirzaei A. (2008)**, as intranet usage proliferated worldwide opportunities emerged to utilize e-mail and electronic-form software to reduce the costs of data entry for payroll, benefits administration, training administration etc.

**Rodgers, K. (2009)** the term HR intranet means different things to different people, but it’s really about using your internal IT network to communicate and collaborate. An HR intranet usually provides self-service access to your central HR systems so managers and staff can input personal data and carry out transactions online, such as booking training courses. Some firms also have sophisticated employee portals on the front – a sort of internal home page where employees go to
log on to different IT systems and get information. HR self-service capability is typically provided as an add-on to your HR management system. HR intranet facilitates improvement in data quality, empowerment of employee, reduction in paper consumption, streamlining process, rapid dissemination of valuable information on a wide variety of topics, enables employee to perform various task, connects employee and standardizes HR practices.

**Ketley P. and Reilly P. (2003)**, before embarking on e-HRM, organizations should review and optimize their business processes. This may be a case of major process redesign, or a more tactical exercise tackling areas of concern. Following a process review, a common next step is to introduce a form of self service. This is likely to involve employee self service, where staff can access their personal record and update it or add new information.

**Keebler J. and Rhodes (2002)** go on to discuss how, while improving HR efficiencies is the major focus in e-HRM technology design, it should also assist in making e-HRM technology more user-friendly. This should improve the service experience of the managers and employees. In this way, a client service improvement of the HR system can be achieved.

**Bhatnagar J. (2007)** employees an organizational learning lens so look at technology enabled HR in Indian Organizations which leads to increased managerial capabilities, competencies and strategies.