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Survey of Existing Literature on E-commerce.
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The speed of evolution of paper economy could be described as leisurely, if not painstakingly slow. In contrast, the speed of evolution of the electronic economy is extraordinarily fast and unprecedented (Bloor, 2000). Just for the record it may be noted that: to reach a 50 million user mark it took the Radio-38 years, the TV- 13 years, the Cable – 10 years and the Internet –5 years. (Chip, 1998) In fact academic research has established many a benefits of Internet and doing business on the net e.g. lower costs due to the ability to bypass many of the intermediaries in the retail distribution value chain (Wigand & Benjamin, 1995; Wigand, 1997), ability to add value to products and services by offering links to complementary producers (Steinfield et al., 1999), ability to rapidly respond to changes in the market, through price adjustments, which can be almost in real time (Bailey, 1998), as well as changes in product mix and marketing approach.

Internet being a technically new medium many researchers focused too much on the technical aspect only and overlooked the business and the consumer. We can find past work has focused on the theoretical relationship, generally based on transaction cost between information technology (IT) and transaction governance (markets vs. hierarchies) (Bakos, 1991; Benjamin and Wigand, 1995; Gurbaxani and Whang,
1991; Malone and Rockart, 1991; Malone et al., 1987, 1989). Business is approaching this new communication medium (Marken, 1995; Sarna and Febish, 1995; Sprout, 1995; Hoffman, 1996) and on other technical issues like software agent’s applications that are adaptable and flexible (Jennings and Wooldrich, 1998) and develop trust in the agent’s abilities (Etzioni, 1997; Grosos et al., 1997). Digital signature management and security (Hassler, 1999), enhancing the quality of low bit rate (Cheung and Yip, 1999). And of course on the net banking and advanced Internet banking strategies in these countries (Libert, 1996; McCoy, 1996; Thinakal, 1996). Internet is the most rapidly growing medium and hence it got lots of attention on its growth factor, enthusiasm, dramatic growth of websites (Gabriel, 1996; DeLoughry, 1995) and users (Commerce Net/Nielsen, 1997; Pew Research Center, 1996; Standard & Poor’s Industry Surveys, 1998), content analyses of sites and home pages (Aikat, 1995; Johnson et al., 1995), and reports of the large sums of money being spent to establish an organizational presence on the Web (McDowell, 1996).

But mostly we see that the Internet is referred to as a communication or information medium. Internet is referred to as an information infrastructure (Cerf, 1994; Dempsey, 1993; Kahin, 1995), an information superhighway (Koelsch, 1995) or more recently a communication superhighway (Hearn et al., 1998).
Even after the growth of commercial websites; the majority of the studies have examined only a few aspects of commercial sites and have an after-the-fact orientation in that they focus solely on the customer attraction and performance of existing Web sites. In that sense, these analyses explain the popularity and performance of Web sites after they have become well-known (Hays, 1997). Beyond a general focus on marketing, there is little attempt to use an integrated approach, which examines the total strategic environment of commercial Web sites (Kelly, 1995; Angerhrn, 1997; Baranoff et al. 1997).

A growing body of studies is investigating many aspects of users' interactions with the Web. Experimental and comparative studies show little overlap in the results retrieved by different search engines based on the same queries (Ding and Marchionini, 1996; Gordan and Pathak, 1999; Lawrence and Giles, 1998). Many differences in search engine features and performance (Chu and Rosenthal, 1996) and users' Web searching behavior (Tomaiuolo and Packer, 1996) have been identified. Studies comparing novice and expert Web searchers show regular patterns in Web users' surfing behavior (Huberman et al., 1998). Many surveys of Web users have been conducted; either library based (Tillotson et al., 1995) or distributed via newsgroups. Spink et al.'s (1999) survey of Excite users shows that many users conduct several related searches of the Web on the same topic over time.
Internet search engines are an important information resource on the Internet, and if the Web begins to take a significant share of commerce, then any differences in national or international coverage can have major financial implications. Such differences may stem from differing national use of the Internet, from different treatment by search engines or from the linguistic implications on search algorithms for countries with languages differing from the dominant American English. And hence much research and development time goes into designing, analyzing and assessing search engines and methods of indexing or classifying Web pages and sites (Brin and Page, 1998; Chun, 1999; Dowe et al., 1998; Gordon and Patak, 1999; Henzinger et al., 1999; Kirsch, 1998; Pringle et al., 1998; Schwartz, 1998; Snyder and Rosenbaum, 1998; Spink et al., 1999).

The Internet is transforming the rules of competition and inventing new value propositions. The changes made possible by the Internet are strategic and fundamental (Ghosh, 1998).

Bower and Christensen (1995) introduce the concepts of disruptive and sustaining technologies or innovations. They contend that sustaining innovations are those technologies or processes that foster improved product performance or business operations, while disruptive technologies are those that initially tend to degrade performance but promise greater long-term potential. These technological changes
damage established companies with their different package of performance attributes. (Bower and Christensen, 1995).

Economics of exchanging information. The trade-off between richness and reach in information exchange is now being blown up. Information can reach many people through the Internet without sacrificing the richness of the contents (Evans and Wurster, 1997).

Connectivity and interactivity. In e-commerce, connectivity exists between information systems, and communication is two-way and is in real time (Gossain and Kandiah, 1998). These features enable real-time pricing, customer interactions, and very low cost for distributing information goods.

Economics of abundance. Information is a source of revenue (Rayport and Sviokla, 1995) and every business is an information business (Evans and Wurster, 1997; Earl, 1999). In the digital economy, information or knowledge products can be reproduced and distributed for near zero marginal cost.

Prosumption. Customer defines the end product, i.e. the convergence of design with development process and the production of goods and services by customers made possible by the Internet (Tapscott, 1996).

Industrial context. Value was created within the context of industrial sectors, such as manufacturing, retail, and financial services. In the
digital economy, value generated in e-business communities transcends industrial sectors (Tapscott, 1999.)

But in spite of the fact that such drastic changes have been forecasted and is taking place, the business to consumer division is very complacent about this change. This may be because the B2C sector is dwarfed by the extraordinary revenue predictions for business-to-business (B2B) e-commerce. The B2B e-commerce market is projected to multiply almost three times between 1999 and 2000. By 2004, it will constitute 7 percent of the world's total sales revenue (Internet.com). The major sectors of B2B e-commerce purchases are predicted to be in: retail, motor vehicles, shipping, industrial equipment, high tech and government (Internet.com).

A market research carried out during 1999 for People Soft and IBM by TBC Research, based on interviews with 100 senior managers in Europe's top 1000 companies, showed a surprising level of complacency. In the survey, only 13 percent of those questioned viewed e-business as high priority factor. But most of them opined it to be a medium priority factor and when they are asked to identify the biggest challenges to their organization over the next 10 years, only 2 percent cited e-commerce. It can be well understood if that is the attitude of the large European companies then what would be the level of complacency in the smaller companies.

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And that is what has been very strange altogether. With so much of research going on nobody is much bothered to see what is going in the business world. What models could survive and what has been successful so far what are existing problems in the business world? How are the existing firms carrying over this transfer from brick and mortar to online business? Most researches are either directed towards the technical problem or towards developing theoretical concepts of what can be.

We have taken these strategic problems after the crash of dot-com firms in late 2000, with the view that it is important to know what has really caused the crash and is it possible to make online business firm with success or is it just a bubble that has busted at last?

It with this view in mind we have taken up real life case studies to have a critical look at what is going on in the market. Theoretical researches have shown that it is possible to profit immensely from the e-business. But we wish to know what the practical situation is like? So we have taken up case studies of the companies that have failed and also of those companies that have succeeded. We have critically analyzed the points of their failure and also of the success. Thus we have tried to find some strategic factors that can lead to success.