CHAPTER - II

REVIEW OF LITERATURE

2.1 Study of review of literature
2.2 Objectives of the study
2.3 Scope of the study
2.4 Hypothesis
2.5 Research methodology
2.6 Data analysis and statistical tool
2.7 Limitations of the study
2.8 Scheme of the chapter
2.1 Study of review of literature

The following studies are reviewed in the following section. Arvind Panagariya (2000) reported that access to e-commerce, which in the WTO pariance often means access to e-exports, has two components that must be distinguished sharply. Access to Internet services and access to services that can be traded electronically. The former deals with to access to Internet infrastructure while the latter relates to specific commitments in electronically tradable services. E-commerce 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 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.
Diana Oblinger (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 a energy requirements and form factors shrink, e-learning will become more popular.

In addition to the importance of life long 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.

Patric Barwise (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.

**Current and Future B2C digital media :**

Digital media able to support consumer e-commerce can be grouped under five main headings within the home PCs, IDTV and within next five years a range of other online device such as games, computers, utility meters etc. in summary, the online PC is well established while the other B2C digital media are still emerging.

**Farooq Ahmed (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  
6) Jurisdiction : Cyber space transaction know no national and international boundaries and are not analogous to 3 dimensional world in which common Law Principles Involved.
7) Identity of Parties - The issues of Jurisdiction, applicable Law and enforcement of the Judgments are not confined to only national boundaries. The problems raised are global in nature and need global resolution.

Andrew D. Mitchell (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.

Nir B. Kshetri (2001) This paper attempts to 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.

Prithviraj Dasgupta and Kasturi Sengupta (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 (2004) examined all the best elements of e-commerce does 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 (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 without 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 1, 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 W. Ken Harmon (2006)** 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 E-commerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to ecommerce 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 tothe critical aspects of e-commerce, certain e-commerce topics should be integrated into existing business courses.

**Mauricio S. Featherman, Joseph S. Valacich & John D. Wells (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 and Bai (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.

Shweta Sharma, Sugandha Mittal - examined a developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and International competitiveness, develop e-commerce and e-governance applications. An Information based society or knowledge based society is composed of it products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through opening of economies which is essential for promoting competition and diffusion of International technologies. Large enough to have a critical mass of 10 to 20 million users to be able to an impact one-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. The rapid expansion of internet, e-commerce, is set to play a very important role in the 21\textsuperscript{st} century, the new opportunities that will be thrown open will be accessible to both large corporations and small companies. The role of government is to provide a legal framework for e-commerce so that while domestic and International trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, prevention of fraud, consumer protection etc are all taken care of.

**Mr. RAJIV RASTOGI** Reported that a developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop e-commerce and e-governance applications. An information based society or knowledge based society is composed of IT products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies.

The Internet is boosting efficiency and enhancing market integration in developing countries. The developed world has had a long lead over the developing countries in the telecom infrastructure. The world average of teledensity is 15 percent compared to the developed world average of 55 to 60 percent. Same is true of PCs Internet connections, and the number of Internet hosts. All these traditional indicators for India as seen above are still small. But the total number of Internet connections are large in absolute numbers.
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. The number of e-transactions will be large enough to sustain the Internet economy.

2.2 OBJECTIVES OF THE STUDY

Objectives of research are as follows

1) To study the identify the changes in management process of e-commerce in planning, organizing, direction, communication, co-ordinations and controlling.

2) To study the Internet marketing, Electronic cash, Advertising on the Internet, Paperless office, Electronic banking in e-commerce.

3) To know the real involvement of dealers and customers in the process of E-commerce.

4) To study and identifying the influences and the corresponding changes in management process and functional areas concerned to e-commerce.

5) To study the problems and prospects of Distributors, sellers and customers in the process of E-commerce.

2.3 Scope of the Study

In the current Information Technology scenario various organizations and companies all over the world are relying heavily on access to information in the electronic medium. The internet is the
major source of information in knowledge based societies. The last
decade in India has witnessed a major Information Technology
revolution. An example growing use of Internet in a very short span of
time the use of computers at offices and homes has become a reality.
E-commerce has helped the banking, financial institutions and
industry to automate their business process and minimize the
transactional days. In the industrial and banking the performance is
measured in terms of processing speed and customer satisfaction with
the application of computer it has become possible to clear the
recurring dues like payment for electricity bills, telephone bill,
shopping bill by instructing the bank for payments from customers
account online fund transfer from one account to another in the bank
has also become possible in the banks Credit card, Debit card, ATM,
E-cash, E-cheque it has become possible for customers to made a
payment or to withdraw cash from the bank round the hour.

E-commerce has proved to be extremely useful for education
and research. It is not too far from now when people used to collect
the relevant information in the Library Journals and books. A lot of
time used to be wasted in finding the relevant information source with
the help of Information Technology or popularity of World Wide Web
and easy accessibility to the Internet, it now takes a few seconds to
find any designed information.

E-commerce is a new phenomenon that has resulted from the
rapid commercialization of the Internet in the recent years. Strictly
speaking the definition of what constitutes e-commerce changes as
new forms of doing business on the Internet in the rapid
commercialization of the Internet in the recent years. Strictly speaking the definition of what constitutes e-commerce changes as new forms of doing business on the Internet emerge. For the purpose of this thesis “E-commerce is much more than buying and selling on the Net. It is about doing business electronically both within enterprises and externally, using computer networks and mobile communication.” There are many forms of e-commerce. Business to Business, Business to Consumer, Consumer to Business and Business to Government E-commerce is “predominantly a business issue, enabled by Information Technology” The ability to do business electronically has resulted in the development of new business models at a rapid pace, which models will prevail is still being decided.

It is up to Government to facilitate e-commerce by providing the necessary infrastructure, providing the basic communications connectivity to allow people to access the Internet.

The proposed duration for the study is two years each companies from 2008 and 2009. It is to identify the different problems and prospects of e-commerce in the concerned places in Maharashtra during the period.

2.4 HYPOTHESIS

The following are the some of the major Hypothesis formulated for the study.

1) Management process are influenced by E-commerce.
**Sub Hypothesis**

1) E-commerce effect on planning & communication process.

2) E-commerce impact on staffing, organizing & controlling process.

3) Direction & co-ordination process are influenced by e-commerce.

2) functional areas are influenced by e-commerce.

**Sub Hypothesis**

1) E-commerce effect on marketing management process.

2) E-commerce impact on personnel management process.

3) E-commerce effect on office management process.

**2.5 Research Methodology**

This study intends to involve the both types of data. i.e. the primary data and secondary data.

1. **Primary Data** - The Primary Data is collected with the help of Questionnaire from Directors or Managers, Dealers & Customers in five District Located in Five Regions. In the state of Maharashtra. In Order to study the problems of E-Commerce process in the state of Maharashtra five district namely Mumbai, Pune, Nashik, Aurangabad & Nagpur have been selected. It’s revealed from Table 2.1 by applying Random Sample technique researcher selected is companies out of 200 i.e. [6 companies in Mumbai, 5 companies in Pune, 4 companies in Nashik, 3 companies in Nagpur and 2 companies in Aurangabad] The logic behind selection of 20 companies from 5
district was on the basis of the Ratio of the number of companies providing electronic process in Maharashtra. In each companies 3 Directors and Managers and 2 Dealers and 2 Customers were approached in all. Attempt is made by the Researcher to contact 140 Respondents.

2. Secondery Data-


The entire study is drawn upon the ideas and research from secondary sources. Twenty samples companies selected for detailed study. This study confined to the period from 2008 and 2009. However the survey was conducted for the period of at least two years.
### Table 2.1
Surveyed Company – number of respondents responded.

<table>
<thead>
<tr>
<th>Sr. no</th>
<th>Name of the Company</th>
<th>Number of Respondents</th>
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<tbody>
<tr>
<td>1</td>
<td>Bajaj Auto Ltd. Aurangabad</td>
<td>7</td>
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<tr>
<td>2</td>
<td>Videocon Industries Ltd. Aurangabad</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Murli Industries Ltd. Nagpur</td>
<td>7</td>
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<tr>
<td>4</td>
<td>Pratibha Pipes and Structural Ltd. Nagpur</td>
<td>7</td>
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<tr>
<td>5</td>
<td>Ballarpur Industries Ltd. Nagpur</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Insutech India Ltd. Nashik</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Everest Industries Ltd. Nashik</td>
<td>7</td>
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<tr>
<td>8</td>
<td>Gabriel India Ltd. Nashik</td>
<td>7</td>
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<tr>
<td>9</td>
<td>Femcare Pharma Ltd. Nashik</td>
<td>7</td>
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<tr>
<td>10</td>
<td>Force Motors, Pune</td>
<td>7</td>
</tr>
<tr>
<td>11</td>
<td>Tata Motors, Pune</td>
<td>7</td>
</tr>
<tr>
<td>12</td>
<td>Sahyadri Industries Ltd. Pune</td>
<td>7</td>
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<tr>
<td>13</td>
<td>Kirloskar Electronic Company Ltd. Pune</td>
<td>7</td>
</tr>
<tr>
<td>14</td>
<td>Suzlon Ltd. Pune</td>
<td>7</td>
</tr>
<tr>
<td>15</td>
<td>Mahindra Lifespace Ltd. Mumbai</td>
<td>7</td>
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<tr>
<td>16</td>
<td>Godrej Ltd. Mumbai</td>
<td>7</td>
</tr>
<tr>
<td>17</td>
<td>Bharat Petroleum Ltd. Mumbai</td>
<td>7</td>
</tr>
<tr>
<td>18</td>
<td>MAN Industries Mumbai</td>
<td>7</td>
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<tr>
<td>19</td>
<td>Apcotex Industries Ltd. Mumbai</td>
<td>7</td>
</tr>
<tr>
<td>20</td>
<td>Reliance Communication Ltd. Mumbai</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>= 140</td>
</tr>
</tbody>
</table>
Map 2.1
Location of surveyed district in Maharashtra

Mumbai
Pune
Nashik
Nagpur
Aurangabad
Since the use of e-commerce is limited in rural area, it becomes problematic to study it as compared to developed cities.

Only in developed area the study could fruitful.

Due to concentration on developed area, the rural area which is a bigger part of Maharashtra is left out of study.

This study limited to the selected sample.

2.8 Scheme of Chapter

The present study consist of seven chapters. The first chapter is developed to discuss the detailed introduction of e-commerce, definitions of e-commerce, e-commerce market models, Applications of E-commerce, Architectural Framework For E-Commerce, significance of electronic commerce, Advantages and disadvantages of e-commerce.

The Second Chapter presents the Review of Literature and the objective of the study. Scope, Hypothesis and Limitations of the study, methodology adopted to study them and scheme of chapters are given in this chapter.

The third chapter presents the detail process of E-commerce, E-banking System, E-cheque system, E-credit system, Electronic Data Interchange, Electronic Funds Transfer and Electronic Cash are given in this chapter.

Fourth chapter presents the detail management process & E-commerce impacts on management process.
In Fifth chapter detail discuss of functional areas influenced by E-commerce.

In sixth chapter First hand show the condition of companies then primary data collected through different methods is analyzed and interpreted which is useful again to test the hypothesis and problems.

In Seventh chapter the result coming out of the study interpreted by the researcher through the reasoning power certain suggestions projecting the prospects of E-commerce in Maharashtra.
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