Significance of Critical Success Factors for Indian eBusiness

Neeta Baporikar

Namibia University of Science and Technology, Namibia & University of Pune, India

ABSTRACT

India is in an enviable leading position as far as Information Technology (IT) development and related service is concerned. This has also lead to a boom in India for ecommerce and ebusiness, where the companies do all or most of its transactions through the Internet. However, understanding of Critical Success Factors (CSFs), for ebusiness which is vital, still seems to be inapt. CSFs, refers to greatest possible and important circumstance, fact, or influence that contributes for the correct or desired result of an attempt and it is one of the parts that make up a whole or the one that actively contributes to the production of a result or success or failure of something that is aimed to be achieved or attained. Through grounded theory approach, in depth literature review and deep observation, the core of this chapter is to identify the critical success factors for eBusiness in India and critically evaluate the identified critical factors.

INTRODUCTION

The internet has dramatically impacted every kind of organization. It forms completely new challenges on the one hand but on the other hand it offers entirely new facilities. Through the establishment of digital networks, a considerably faster and less expensive way is created to change information with others. Additionally, spatiotemporal borders disappear (Pörner, 2002). Totally new business models are being developed and companies have discovered completely new strategies to gain competitive advantage in this information age. Traditional economies defined by regions and countries have shifted to more globally-oriented markets. The discipline of supply chain management has progressed from inventory, warehouse, and transportation management to strategic management both in the boardrooms of global enterprises and in the offices of small- and medium-sized enterprises (SMEs). The new e-Business environment enables global collaboration through networks for conducting world-wide supply chain operations. Supply chain and material management are seen as the arteries of a nation’s economy and their metrics are used to evaluate the level of modernization and economic power of a nation. As the

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convergence of information, communication and technology becomes imperative and global collaboration drives modern management, it becomes important to understand the critical success factors (CSFs) of doing it the “e-way”.

The advancements in society and technology leading to convergence of information, communication, and technology coupled with accelerations in globalization, competitive environments and changing customer’s preferences have created new challenges as well as opportunities for leveraging the computers. Yet there remains a need to identify and understand the critical success factors underlying the success of e-Business and that is the core objective of this chapter. With a mission to identify, understand, and evaluate the critical success factors for e-Business in developing global markets, the objectives of this chapter are: to understand the relevance of eCommerce in building excellent organizations, to identify the critical success factors for e-Business in India, and to critically evaluate the identified critical factors.

**GENERAL PERSPECTIVE OF ECOMMERCE AND E-BUSINESS**

According to Turban et al. (2005, p. 4), eCommerce is the realization of all business activities realized via computer networks. E-Business, in contrast, does not only include the buying and selling process but everything else such as customer service, corporation with suppliers, and every internal process of the organization handled via an established digital network. Dell Computer was the first company to use the direct-marketing business model to sell such an expensive good like a personal computer (PC) directly to its customers without the intermediation of a reseller (Turban et al., 2005, pp. 2–3). The term “e-Business” has a very broad application. It can describe companies operating in the information and communications technology (ICT) producing sectors as well as new emerging sectors and industries such as in the area of digital content. However, at a more fundamental level, the term e-Business also describes the application of information and communication technologies to business processes in all sectors of the economy to reduce costs, to improve customer value, and to find new markets for products and services. It is in this sense that the term is interpreted and used in this chapter.

The chapter is intended to form the basis of a new e-Business strategy aimed at encouraging and assisting businesses, across all sectors of the economy, to use ICTs in a way that will maximize their competitive advantage. Effective use of ICTs by enterprises is a key element in building competitiveness and for this understanding the critical success factors in e-Business is crucial. Today e-Business has emerged as a mainstream way to facilitate business transactions around the world. Even with the world’s economy in a downturn and digesting the impact of the September 11, 2001 attacks on the United States, e-Business has continued to grow.

The definition of e-Business is broad, and encompasses eCommerce and all means by which people transact with one another over the internet. Among the variations are:

- **Business-to-business eCommerce (B2B)**, involving the sale of goods and services by one business to another;
- **Business-to-consumer eCommerce (B2C)**, involving the sale of goods and services by one business to consumers;
- **Business-to-government eCommerce (B2G)**, involving the sale of goods and services by businesses to government agencies;
- **Government-to-consumer (G2C)**, which involves the provision of services to citizens;
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