Analysis of the Factors Affecting the Success of E-Commerce in Asia: A Literature Review

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Abstract - **Ecommerce, which is also called Internet commerce, or electronic commerce is the act of buying and selling of goods or services through the use of the Internet. The rise in the Ecommerce can be attributed to a number of factors, which include the dramatic fall in the entry barriers, an increase in the number of people with Internet access and the rapid growth in mobile commerce among others.This paper presents reviews some of the main factors, which influences the success of Ecommerce in the Asian region. This is aimed at pointing out the critical success factors for success of the ecommerce businesses. In order to collect data for the study, secondary information sources were used. These were mainly journal articles done by previous scholars in the domain of ecommerce success. The findings of the research indicate that some of the main factors, which affect the overall success of E-commerce businesses, include provision of sufficient information, competitive pricing and the use of highly effective technologies, which will also go a long way in ensuring that there is drastic improvement in the level of customer service in the industry. The findings also reveal that the style of leadership and management and the security of the systems also influence the overall success of the ecommerce businesses.**
Keywords: **E-Commerce, Asia, Management**

I. INTRODUCTION

E-commerce entails selling or buying various products as well as services over the interne. Some of the main technologies, which are used in Ecommerce, include electronic funds transfer, mobile commerce, supply chain management, online transaction processing, electronic data interchange, as well as automated collection systems. The recent past has seen a significant growth of ecommerce, and this can be attributed to a number of factors. While a number of players in the industry have been highly successful as a result of the implementation of highly effective strategies, some of them have not been successful, and this has been brought about by their inability to employ the best industry practices. The aim of this paper is to explore some of the main factors, which affect the success of E-commerce in Asia. This is aimed at providing information to the players concerning some of the most effective practices, which they can put in place to ensure that they are highly successful.

II. LITERATURE REVIEW

A. Theoretical Model

The theoretical model that underpins this study is the Technology–Organization–Environment Framework (TOE).

Tornatzky and Fleisher (1990) developed this model. It has the technological context, organizational context, as well as the external environment context, which have been discussed below.

B. Technological Environment Context

The technological environmental context offers various technologies, which can be used by the players in the Ecommerce industry. These may be both the technologies, which are available in the markets as well as the companies' current equipment. Before the players in the industry make the decision to use any kind of technology, it has to be available within the markets. At the same time, the given technologies have to fit with the ones that the company is already using. Previous studies carried out concerning the factors affecting the success of ecommerce companies indicate that the kinds of technologies that are used to a great extent affect the success of the Ecommerce businesses.

According to a study, which was carried out by Chavan (2013), the findings indicated that one of the critical success factors of Ecommerce businesses include the provision of super customer service, multichannel marketing, and improvement in the store accessibility. All these depend on the kinds of technologies, which are used by the online retail stores. It can thus be noted that the technology used by the retail stores to a great extent influences the overall success of the retail stores, and as such, online retail stores, which are keen on improving their performance should adopt the right technologies.

C. Organizational Environment Context

The organizational context provides some of the internal factors in organizations, which are also crucial for success. Some of the main organizational factors include the size and structure of the given organizations. The other factors include process of communication within the organization, support from the top organization, knowledge of the employees and availability of resources within the organizations (Tornatzky and Fleisher, 1990). Al these can be said to influence the success of the ecommerce businesses.

D. External Environment

The external environment refers to the arena in which the organizationscarry out their businesses. The two key

environmental pressures that e-commerce businesses face include pressure from their trading partners, like their customers and suppliers, as well as other competitive pressures (Tornatzky and Fleisher, 1990).The stiff competition within the environment in which the businesses operate is also a major external environmental factor. These also affect the success of the ecommerce businesses. Therefore, the businesses should look into all the external environmental factors and ensure that adequate measures are put in place to counter their side effects.

E. Critical Success Factors for Ecommerce

Different scholars have carried out different studies, and they have provided a number of factors, which are regarded to be highly critical for the success of ecommerce. A study carried out by Hasan & Saidul (2010) indicated the need for the players in the Ecommerce industry to add value with regards to convenience, information value, disintermediation, price, as well as choice.A different study by Nanehkaran (2013) indicated the need for the players in the Ecommerce industry to place much emphasis on niche markets.

According to a study carried out by Abbasi, Sarlak, Ghorbani & Esfanjani (2010), the players in the ecommerce industry should maintain flexibility. The scholars go ahead to point out that the players should segment geographically. Abdul & Counsell (2012) indicates that the ecommerce businesses should get their technology right. This will play a major role in enhancing customer service besides enhancing the level of efficiency in the operations of the given businesses.

AlGhamdi, Drew & Al-Ghaith (2011) posits that ecommerce businesses should strive to offer exceptional customer services. This will enhance the level of retention of the customers. It will also make the customers to refer their friends thus expanding the market share of the companies. This results in an increase in the profitability of the ecommerce businesses.

AlGhamdi, Nguyen & Jones (2013) indicates that the players in the ecommerce businesses should strive to understand the Internet culture. This will make them to know the dos and don'ts when they are carrying out certain business activities like digital marketing.

According to Hasan & Saidul (2010), just like any other business, there is need for the ecommerce businesses to ensure that they have sound leadership in place. Highly effective leadership is crucial for the overall success of the businesses. The scholar also noted the need for the businesses to use the right technologies. They should use systems, which are highly effective in the realization of the business benefits. Security aspects also have to be taken into consideration by the ecommerce businesses (Hasan&Saidul, 2010).The players should ensure that the businesses together with their customers are protected from online

fraud, which has become so rampant in the recent past. They should have in place different protocols, which safely guide the ecommerce transactions. Dong-Jenn, Dai-Hsu & Liu (2012) recommends that the ecommerce businesses should have in place highly stringent security requirements to protect themselves from threats such as credit card fraud. When this is not done, they risk jeopardizing customer trust, and this can affect the performance of the companies.

Gilaninia, Danesh, Amiri, Mousavian & Eskandarpour (2011) suggested a number of measures, which the ecommerce businesses should adopt in order to improve their performance. Most of the recommendations that the scholars provided mainly touched on operational aspects of the business. It mainly indicated that the use of the right technologies could ensure smooth operations of the ecommerce businesses, and this can generate significant improvements in the businesses.

Similarly, Barua *et al.,* (2000c) suggest eight key drivers for ecommerce success. These include customer orientation of the IT systems used, system integration, supply orientation of technologies used, international operation of the technologies used, effectiveness of the customer-related processes, effectiveness of the supplier-related processes, supplier e-business readiness, as well as customer e-business readiness.

According to Karakaya and Stark (2013), players in the industry need to develop highly effective strategies to guide the operations of the ecommerce businesses. This entails the development of highly effective strategies, formulation of the given strategies and making sure that they work towards the realization of the goals and objectives of the businesses.

Saif-Ur-Rehman (2016) notes the need for the ecommerce businesses to ensure customer-orientation. All the activities should ensure that the needs and expectations of the customers are met. Shah, Okeke & Ahmed (2013) suggest the development of highly effective marketing strategies. They state that the pricing mechanisms should be highly effective in the realization of the business goals. The other key factors, which are crucial for the success of the ecommerce businesses, as suggested by Shahibi and Fakeh (2011) is the use of highly effective website.

The given website used must be easy for the customer to navigate, and at the same time, it has to be secure to ensure privacy of customer's information. The scholars also noted the stability of systems used by the online retail stores, the cost of operations of the online retail stores, the manner in which information concerning goods and services are presented, the kind of strategy developed by the ecommerce stores, the competitiveness of the prices, which they charge their customers, variety of the services and goods they offer, and the marketing strategies that they use. According to the scholars, when these aspects are not taken into consideration, the ecommerce businesses cannot be successful.

III. CONCLUSION

The main aim of this report was to explore the factors, which affect the overall success of E-commerce in Asia. The study relied on the previous studies, which have been carried out by other scholars. It revealed that some of the factors, which affect the overall success of E-commerce businesses, include provision of sufficient information, competitive pricing, the use of highly effective technologies, which will also go a long way in ensuring that there is drastic improvement in the level of customer service in the industry. The report also indicates that sound leadership of the top management of the ecommerce business influences its success. The leadership and management of the companies also influence the development of strategies for the businesses, which ultimately affects the overall success of the business. Therefore, effective style of leadership and management should be used in order to ensure that success is realized. The other key aspects based on the findings of the study include ensuring security of online transactions. Most of the customers always look at the security features of the ecommerce businesses.

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