**CHAPTER 1**

**1.1 INTRODUCTION**

Electronic commerce -commerce) is a broad term under which the concept of operating shopping malls falls under. E-commerce typically refers to the exchange of goods and services on computer network platforms (Shahrzad, Mohammadreza , & Saeid , 2015). Parties interact electronically and not physically (Shahrzad, Mohammadreza , & Saeid , 2015). Electronic shopping mall is a typical example of e-business, a subset of e-commerce concerned with the operation of business processes on the Internet platform (Shahrzad, Mohammadreza , & Saeid , 2015). This concept was hatched by IBM in October 1997 when it launched a campaign built around e-business (Shahrzad, Mohammadreza , & Saeid , 2015).

This study shall be taking a look some of the traditional methods of carrying out shopping activities and also a survey of the perceived derivable benefits from making use of online shopping platforms using Babcock University Ventures as a case study. A detailed study shall also be undertaken in order to disclose various customer types, their behavior towards shopping, factors that influence their shopping habits as well as various means of making the shopping experience better than traditional methods. A review of some of the existing online shopping platforms would be carried out in order to make necessary improvements that can ease and better customers’ online shopping experience. Finally an online shopping mall shall be developed and implemented using relevant software tools to take advantage of all benefits that would be identified.

**1.2 BACKGROUND TO THE STUDY**

There has been an upsurge in the population of people who make use of online means of carrying out various activities from studying (e-learning), commerce (e-commerce), entertainment, tourism, sports, etc. There are various motives that may have informed these decisions of taking to online means of doing things. For instance, statistics reveal that some of the largest as well as developing economies of the world have all leveraged on the positive bearings of operating e-commerce platforms amongst which online shopping form a pronounced part of. China increased e-commerce transactions with other countries by 32% to 2.3 trillion Yuan in 2012 which accounted for 9.6% of China’s total international trade in 2013. Czech Republic enjoys approximately 24% of her total enterprise revenues from online channels (Shahrzad, Mohammadreza , & Saeid , 2015). Brazil is expected to earn at least $17.3 billion from retail e-commerce by 2016 according to *eMarketer* (Shahrzad, Mohammadreza , & Saeid , 2015).

This has further influenced the choice of this project to investigate into the ways by which the online platform has been beneficial to the shopping process and also to establish the potential graces that online shopping malls have in stock for commercial activities. In order to fill the lacuna between shoppers and the products, there is intent to design and implement a platform that can enhance customers’ access to goods and commodities conveniently.

**1.3 PROBLEM STATEMENT**

The hassles involved in accessing physical shopping malls and the hours these malls are open to customers to buy goods or obtain services is limited. The design and implementation of an electronic platform for shopping seeks to give a more convenient means of buying goods and obtaining services. This research would seek to take care of:

* Waiting on pay queues in the supermarket which can be time consuming.
* Distance taken to get to the supermarket.
* Information gap leading to customer dissatisfaction about goods currently out of stock.
* The challenges faced during return of surplus balance to customers.
* Difficulty in locating wanted products due to poor arrangement patterns in physical shopping malls.

**1.4 AIM AND OBJECTIVES**

The aim of this research is to develop an online platform on which intended users can get available goods and services at their own convenience. In achieving this aim, the following objectives shall be satisfied:

1. Develop a platform that can allow multiple users shop concurrently from remote locations.
2. Provide adequate information about all available products and the number of units in stock at a glance to customers.
3. Integration of an online payment module to handle financial transactions.
4. Proper categorization of goods and provision for product search.

**1.5 METHODOLOGY**

1. The use of appropriate programming languages and tools to design web pages that would be hosted on a network server to allow access by multiple users at the same time. Product selections and payments operations can be carried out exclusively by users at the same time.
2. The system shall be designed with an integrated database that would have tables responsible for storing and updating inventory of goods. A summary of available units of a product shall be attached to that product on display.
3. Incorporation of online payment channels (e.g. PayPal) into the system to manage payment for all purchases made.
4. Different database tables would be designed to manage and organize various product categories. Appropriate database queries would be set to handle user search requests for specific products.

The incremental process model shall be used through the development process as opposed to other models owing to the following rationales:

1. Development is in segments (modules) which gives less room for errors.
2. A working version of the software is available upon completion of the first module.
3. It is quite tranquil to manage and monitor progress.
4. Concentration on distinct modules within stipulated periods is a beneficial/efficient project schedule monitoring and management strategy.

**1.6 SCOPE**

The project should be able to see to the following functions:

1. Provide an easy-to-use user interface for displaying all products available for sale.
2. A shopping cart that holds customers’ selected goods.
3. A database module that would be responsible for storing customers’ information, inventory of goods and shopping cart contents.
4. An integrated payment module that would allow online payment for goods purchased.
5. The system would be capable of generating transaction identification numbers to aid in verifying customer shopping details upon delivery of goods.

The intended system would be providing an easy-to-use graphical user interface for displaying all products available for sale. The system shall accommodate a shopping cart per user that would hold all customer selections within a database table, an inventory of available goods and an integrated payment module for handling all payments for goods selected by the user. The system would be capable of generating transaction identification numbers to aid in verifying customer shopping details upon delivery of goods.

**1.7 LIMITATIONS**

1. Internet security cannot be guaranteed. Virus risk on server side capable of distorting database records (tuples) can be.
2. There is the possibility of loss of contact with customers upon product delivery.
3. Some individuals are still skeptical about carrying out online financial transactions due to escalating rates of cybercrime.
4. High level of computer literacy is required to carry out complete shopping activities online. This may pose a challenge in migrating all users of physical shopping malls to an online platform.

**1.8 SIGNIFICANCE OF THE PROJECT**

E-commerce is changing the world to the extent that it is eradicating most of the initially known manual ways of performing daily activities. In India, it was predicted that the e-commerce revenue will increase by more than five times in 2016, moving up from 1.6 billion dollars in 2012 to a stunning amount of 8.8 billion dollars in 2016. (Nishith Desai Associates, 2015). Everyone is adapting to the changes, hence, this study is targeted at designing a digital platform for a shopping mall to ease the hassles encountered during manual shopping processes.

The world is growing towards a stage where strenuous work would be reduced, where more rest would be attained to aid complete physical healthy state for all. Many machines have been built to reduce stress, for example, the vacuum cleaner, the washing machine, cars, telephones and so on. This project shall also ease the strenuous activities involved in physical shopping. The design and implementation of an online shopping mall aims at seeing .

**1.8.1 ECONOMIC IMPORTANCE OF ONLINE SHOPPING MALLS**

1. Speed of access;
2. Wider selection of goods and services;
3. International reach;
4. Limited customer service;
5. Inability to inspect goods before purchase;
6. Wait time for shipping (Shahrzad, Mohammadreza , & Saeid , 2015).

**1.8.2 BENEFITS TO ORGANIZATIONS**

1. Expands marketplace to national and International borders.
2. Reduces the cost of operating paper based business processes.
3. Reduced cost of maintaining physical shopping centers(Shahrzad, Mohammadreza , & Saeid , 2015)

**1.8.3 BENEFITS TO CUSTOMERS**

1. 24-hour shopping all year round from any accessible location.
2. Wider space for price comparisons as one can shop in many places at a time
3. Quick receipt of relevant information.
4. Interaction with other customers in virtual auctions (Shahrzad, Mohammadreza , & Saeid , 2015).

Some of the major pitfalls facing shopping malls and e-commerce in general include (but not limited to):

* Product safety: managing banned products from being sold in shopping malls has been an issue over the years (OECD, 2016).
* Payment mode snags: customers have been found to occasionally experience difficulties in making payments both in online and offline shopping malls. Payment protection is also an issue depending on the type of payment mechanism used (OECD, 2016).
* Security: client-server risks, data and transaction risks, virus risks are also present (Dinesh).
* High startup cost: internet subscriptions, hardware/software requirements, maintenance of resources (employees and webpages) (Dinesh)
* Information gaps: some firms intending to operate shopping malls lack the skills to operate electronic means of communication with their customers (Dinesh).
* Overcrowding: there is usually the problem of over population at physical shopping malls (especially during weekends) owing to the fact that different categories of people troop in for the various goods and services (TinoBusiness, 2016)

**1.9 CHAPTER SUMMARY**

It has been perceived that the way forward in carrying out most commercial, educational, entertainment, tourist and business activities is through the use of online platforms. Shopping is an activity that can be eased through the design and implementation of an online shopping mall. This chapter successfully identified some of the major problems associated with manual methods of shopping, the aim of the entire study has been stated along with various objectives that must be satisfied in order to achieve our aim and methodologies to be adopted in actualizing all objectives were clearly stated. The project scope as well as some of the limitations that the study would not be able cover were clearly defined. An outline of all derivable benefits from embarking on the project as pertains all stakeholders was also captured.

**1.10 ORGANISATION OF SUBSEQUENT CHAPTERS**

This project shall span across five chapters. The content of each is as stated concisely below:

Chapter One: Introduction and general appraisal of the essence for embarking on the project.

Chapter Two: Literature review and related works.

Chapter Three: System analysis and design.

Chapter Four: Implementation of the proposed system.

Chapter Five: General summary and conclusion of the entire project. Recommendations for future research in the light of this system derived from the uncovered areas of the project.

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