**Online Shopping**

**Chapter 1**

# THE PROBLEM AND ITS BACKGROUND

Nowadays, internet offers a wider range of benefits for consumers, such as easy availability of information, in terms of products that has been release in the market. In the past decade, there has been a dramatic change in the way of consumers of shopping. Although consumers continue to purchase from a physical store, they feel very convenient to shop online since it frees the customer from personally visiting the store. The internet is a worldwide means of exchanging information and communicating through a series of interconnected computers. It offers a fast and versatile communications capabilities. (Belch & Belch, 2004, p. 486.) The online sales to the customers may reflect compelling advantages of internet shopping. The internet has been a powerful tool. The advent of internet has removed major industry barriers and made shopping much more easily. The development of internet from last 5 years has significantly increased the web-users which are due high-speed data transmission and other technology developments have created an advantage for the firms to promote themselves more significantly. In the current era of internet customers use internet for varied purpose and activities; searching information about products/ services, companies, product features and prices, availability of the product , selection of products, placing order and paying them online ensuring a smooth transmission of the complete process. Online shopping allures customers since it offers convenience, savings, and a numerous variation of choices of items in a single website. With less effort, customers can purchase from the websites by using internet-connected gadgets (Desktop, computers, laptops, and mobile phones). The online stores are using various names such as: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store etc. An online shop evokes the physical analogy of buying [products](http://en.wikipedia.org/wiki/Product_(business)" \o "Product (business)) or services at a [bricks-and-mortar](http://en.wikipedia.org/wiki/Brick_and_mortar_business" \o "Brick and mortar business) [retailer](http://en.wikipedia.org/wiki/Retailing" \o "Retailing) or [shopping center](http://en.wikipedia.org/wiki/Shopping_center" \o "Shopping center), the process is called business-to-consumer (B2C) online shopping. Electronic commerce, or e-commerce, is the act of merchandising and purchasing of products or transferring of money using various electronic means mainly by the internet and mobile applications (Rouse, 2019). One of the sites incentives is the offer given in a form of a discounts and savings that can attract and provide leverage for the customer to choose online shopping rather than physical store. These conditions will be taken as an opportunity for major retailers to send out their products efficiently to further create additional revenues. (Macarayo, 2017) Customers in America tended to buy produce which they can physically test by touching and examining the product to personally scrutinize its quality and durability (Shoup, 2018). As stated by Sivanesan (2017), Indian online customers often faced problems in this phase of shopping as they usually had to wait for their ordered product with a week of delay or more. Businesses using the Internet gained a new dimension of communication with the other businesses and organizations (Tekin, İnce, Etlioğlu, Koyuncuoğlu, & Tekin, [2018](https://www.tandfonline.com/doi/full/10.1080/23311975.2018.1535751)). Each website that is able to generate income (or its intention is to generate income) can be included in this category (Horch, Wohlfrom, & Weisbecker, [2017](https://www.tandfonline.com/doi/full/10.1080/23311975.2018.1535751)).

As was mentioned in the beginning of the paper, e-commerce has its benefits for small- and medium-sized enterprises (Kartiwi, Hussin, Suhaimi, Jalaldeen, & Amin, [2018](https://www.tandfonline.com/doi/full/10.1080/23311975.2018.1535751)). However, behind this expanding market, problems still arose. These problems include the slow internet connection which the internet users had to deal with; thus, compelling them to pay 1.5 times more just to experience the same speed of internet connection in Luzon areas like Makati (Marcelo, 2018). Some entrepreneurs tried to sell on different cities only to discover that other cities did not embrace electronic commerce, in comparison to the Davao Region. (Bagaforo, 2017). It has been identified that majority of people spend almost a quarter of their daily lives surfing through various social networking sites (Forbes, 2017). The extant literature has situated the importance of e-commerce platforms that facilitate virtual interactions and include informative and insightful product information ([Chandna and Salimath, 2018](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib6); [Li et al., 2020](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib29)) that consumers might consider to be economic benefits ([Zhang et al., 2017](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib65)). Such that, firms can increase sales revenue as e-commerce platforms help leverage existing consumers and attract new ones, build social groups, and ensure compatibility with legacy systems ([Lee et al., 2018](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib28)), especially in pandemic periods ([Nielsen, 2020a](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib41), [Nielsen, 2020b](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib42)). In fact, Covid-19 has disrupted and changed the business landscape as managers have been thrust into the position of operating online supplies due to the reduction of in-person contact. However, the literature has yet to address how e-commerce platforms can benefit both firms and consumers during the pandemic. As a result, managers who seek to implement online selling currently have no specific guidance to improve consumer intention for sustainable consumption over time and circumstance ([Guillen-Royo, 2019](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib14); [Hernant and Rosengren, 2017](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib19)). More over in Vietnam, starts recognizing the benefits of online shopping, especially during the pandemic period. There are many research papers analysed the online shopping behaviour of consumers. However, most of the previous studies were carried out before the spread of Covid-19, it is still a question of how this pandemic may impact consumer behaviour towards online shopping. Uses and gratification theory (UGT) refers to an influential sociological paradigm that explains which social and psychology needs motivate consumers to select particular platforms ([Li et al., 2018](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib30)). Advances in Internet technologies have enabled e-commerce platforms to transform retail and logistics operations that create more economic benefits as reductions of costs and delays, triggering the roles of UGT in explaining usage motivations ([Luo et al., 2011](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib37)). For example, consumers use e-commerce platforms to interact and purchase products from retailers while retailers can provide consumers with various online shopping opportunities ([Wagner et al., 2020](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib58)). In this regard, UGT fundamentally helps to examine what role consumer behavior and motivation plays in consumers' online interactions with firms ([Huang et al., 2014](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib20)). If firms can effectively fulfill consumer needs with products via online platforms, consumers will be more willing to continue to interact with firms ([Li et al., 2018](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7475027/" \l "bib30)).

# Statement of the Problem

The pandemic today has brought many difficulties to each person from work and home—lack of mobility from people due to the limited vehicles that can be on the road today. Most of the time, people also think that overseas products are better than products made here in the Philippines. Today, almost everyone spends most of their time home; People tend to be more active online, from school, work, and most importantly, buying our basic needs. Lokal.ph aims to fulfill when it comes to the things about buying our basic needs and most importantly, supporting our local products. The development of our website ensures not only the satisfaction but the safety of our customers.

# Scope and Delimitation

The lokal.ph is a web platform that aims to support locally made products in the Philippines to help Filipino local producers to introduce their products to a bigger market. This study is conducted by the Universidad de Manila BSIT-33 3rd Year Students SY 2020-2021. The developers will finish the project as soon as the planned finish to use it immediately by the customer in the Philippines.

Scopes of the project:

* Manage store and product feature
* Search store and product feature
* Chat feature
* Login feature
* Registration feature

Limitations of the project:

* Social media logins

**Significance of the study**

The purpose of this study is used as a guideline to research which is related with how to sell local products. Since an online storefront has a number of very powerful advantages over a brick-and-mortar location that can yield big dividends for surprisingly little investment of time and money. Even if you have a physical shop, an online store can be a big help in marketing your business, as well as being a supplementary sales outlet that can add to your bottom line. In term of trust and security customer relationships are the most significant factor in maintaining trust while building ecommerce. As far as the fear for secure transactions is concerned, it is imperative that online companies ensure that they will never use their customers’ private information for any other purposes. This should be mentioned in the privacy policy. It will help the customer have more security regarding their identity. Online stores can even build specially integrated mechanisms that ensure safeguarding of personal information of the consumers and avoid misuse of information and payments through credit card.

Usefulness is the perception that customers will feel comfortable while using the new technology. Usefulness refers to ease to use, because the easier is the technology to use the more useful will find online shopping ease to use, this perception leads to more growth in this field. find online shopping ease to use, this perception leads to more growth in this field.