



research proposal

Diploma in Business Management (ESOFT Metro Campus)

Diploma in Business Management

FINAL PROJECT

**Factors affecting customer preference on selecting
online shopping store – Fashion/Clothing sector**

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Batch – Dibm 110

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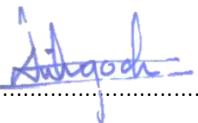
	
<p align="center">Diploma in Business Management Final Project</p>	

STUDENT INFORMATION			
Enter the information requested below			
Batch Code	DIBM-110	Date of Submission	28 th February 2021
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Instruction to Candidates			
<ol style="list-style-type: none"> 1. A Cover page or title page — You should always attach a title page to your assignment. 2. This entire brief should be attached in first before you start answering. 3. All the assignments should prepare using word processing software. 4. Allow 1" margin on each side of the paper. 5. The font size should be 12 point, and should be in the style of Time New Roman. 6. Use 1.5 line word-processing. Left justify all paragraphs. 7. Ensure that all headings are consistent in terms of size and font style. 8. Use footer function on the word processor to insert Your Name and Page Number on each page. 9. Use word processing application spell check and grammar check function to help edit your assignment. 			

Student Declaration

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Assignment Brief

You are required to select an industry or an organization, identify a key issue /problematic area and then to design a research proposal on the chosen topic.

Task

1. Identify a specific industry or organization and find out a key issue in any of the function (sales, marketing, HRM, finance, supply chain management, etc.)
2. Write an introduction including the problem outline, industry overview, aims and objectives of the research that you are planning to do (500 words).
3. Write a literature review on the research topic, relating it to independent variables and dependent variable. Thereby, develop the conceptual framework of the research and research hypotheses (1000 words).
4. Prepare a detailed description of research methodology, suggesting appropriate research philosophy, research approach, research strategies, time horizon and data collection methods. Further, give a detailed description on how do you ensure reliability, validity and generalizability in your research and also the constraints and ethics relating to the research (1000 words).

Marking Rubric

Description	Marks Allocated	Marks Offered	Assessor's Comment
General Guidelines: Cover Page Assignment Brief Declaration of Candidate Acknowledgement Table of Content List of Tables List of Figures	5 Marks		
Body of the Assignment: a. Introduction (500 words) i. Problem Outline of the Research ii. Industry Overview iii. Aims and Objectives of the Research	15 Marks		
b. Literature Review (1000 words) i. Literature review on independent variables and dependent variable ii. Conceptual Framework iii. Research Hypotheses	15 Marks		
c. Research Methodology (1000 words) i. Theoretical Stance ii. Reliability, Validity and generalizability iii. Constraints and ethics	15 Marks		
TOTAL	50 Marks		

Assessor's Name : _____

Date: _____

Signature:

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Introduction

E-commerce has become crucial to the global economic growth process as it provided countless opportunities to numerous fields and industries. Famously known as online shopping it is also referred to as internet buying, electronic shopping or internet shopping. An industry most, thriving in this platform is the “Fashion industry”. According to Bounkhong & Cho (2017). It is visible that millennials have often communicated with businesses via social media and hence due to the increase in social media users. It is driving the businesses to integrate social media as part of their digital marketing strategy.

A benefit for online retailers is that they are able to sell items at cheaper prices because of the lack of operational costs in this process. The sole aim of online shopping with the implementation of this method is to save time and money with countless other beneficial factors, such as a wider range of variety, easier to send presents to loved ones, easier to compare prices, no crowds and even privacy for discreet purchases. As mentioned by Sunitha & Gnanadhas (2014), how tempting online shopping can be as it is without barriers to even proceed with transactions all throughout the globe, customers feel like they are in charge and double online job opportunities, and it has also being mentioned how people with increased technology exposure would be the ones who are highly likely to have a favorable attitude towards online shopping.

However not only are advantages of online purchasing but also disadvantages such as delays and problems in shipping, Risks of fraud, addiction towards internet and eventually spending more time, less contact with the community, no visible tangible proof of purchase until it arrives and even lack of sales assistance. In knowledge of Pavlou & Fygenson,(2006) The rise of the internet and e-commerce has been said to have an impact on customer lives, from their decision-making to how they traded prior to this. It can also be concluded that there is a disparity between conventional consumer behavior and online consumer behavior

When it comes to consumer behavior on physical or online countless factors affect their purchasing decision such as Psychological Factors, social factors, cultural factors, personal factors and economic factors. According to Michaud-Trevinal & Stenger, (2012) although online shopping is not a physical activity, it can be a mutual experience most often. Where the user is conversing with their peers in order to make a decision, hence it cannot be defined as a lonely experience.

Industry Overview – Fashion Industry in Sri Lanka

The fashion industry is certainly a rising market in this little island nation. Not only are brands well known in Sri Lanka, but it is also home to countless factories where world-renowned brands are produced. That makes Sri Lanka's fashion industry one of the country's biggest employers. As mentioned by Gaille (2019), on 19 Sri Lankan Fashion Industry Statistics, Trends & Analysis States The industry's largest segment includes exports of clothing, hitting a total value of \$4.8 billion in 2017. That number was 3% higher compared to the figures for 2016. Around 40 percent of the country's overall exports in some way include clothing. A 6.3 per cent annualized growth rate and a per capita value of more than \$3,200 per person have been funded by the industry since 2002.

This research is to find out the variables that support the explanation why consumers are pushed by factors to choose a particular store compared to another. What are the reasons that customers relate to as convenient to them and how customer service impacts the sudden change of heart to ensure a purchase from the store and even return to the same store consecutively. Another factor being how the financial ability of a consumer effect the choice of purchase. A primary type of business has been founded on the lives of millennials who favor online activity in the fashion/clothing industry that thrives in the present world. With that been a focus how do business ensure that the customers are attracted to their marketing strategies.

Aims and Objective of research

With the world going through so many advances in technology, people are making their lives simpler nearly every day. Online shopping is one way of doing that and. The emphasis of this report is on what influences a customer to be drawn to a particular online shopping store. As it is believed to be one of the biggest ranking industries in the online shopping world, the clothing and apparel industry is the main focus. Therefore, the objective is to encourage the online shopping industry to use the findings of this study in the future formulation of advertisement and marketing strategy in order to attract the customer to services.

Specific Objectives

- Explore the impact of **brand marketing** on customer preference in the online shopping market in the Sri Lankan fashion industry.
- To consider how **convenience** plays in the willingness of the customer to make an online shopping store choice.
- To investigate the effects of **economic status** and the effect of culture and peer pressure on consumer preference in the online shopping market in the Sri Lankan fashion industry.

Literature Review

Social Media Marketing

The main focus in today's generation is the non-tangible form of ensuring your required good or service arrive to your doorstep without having to move an inch away from the screen. In knowledge of Rishi & Sharma (2017), social media is the ideal and least time-consuming platform to be updated on the current products and services available.

Via social media, the two-way networking mechanism enables customers to see what their circle of friends are up to or what trends they are watching. From a review that is posted on the business pages and even the 24 hours of viewable stories, a way to ensure that if you give the consumers the right push needed, a brand can be easily promoted. Also, during closing hours, these types of platforms allow consumers to visit the shop to view the services and products available for purchase with just a click away to type out for more clarifications through the instant messaging possibility where shopping has become ever so easy and accessible. Many businesses have simply pushed into doing their promotions mostly through notable individuals who keep up to date with new trends and fashion and also move on to giveaway prizes in order to raise the weight of the business through the count of the follower base they have.

Managing Facebook marketing is something which needs to be done cautiously. As the motive behind the Facebook use of customers and marketers goes on different directions. While marketers use it for the purpose of selling, customers use it to connect with people. In addition to that, due to the speedy communication via Facebook, customers always look for fresh information. Thus, it becomes very important to keep the brand live and relevant for customers. Businesses using this as its main form of marketing can approach their customer using various methods. As mentioned by Jayasuriya et al. (2017), Managing Facebook marketing is a process that needs to be handled meticulously. As the first reason behind the usage of Facebook by consumers and advertisers for sales purposes, customers suspect it to communicate with individuals causing inefficiency.

An organization must use different types of strategies to successfully enter the social media industry. A specific order of controlled and pre-made posts with attention grabbing captions are needed to sustain the social media network algorithm to continue promoting the posts posted by the specific page in order to keep the cycle going. Some platforms do allow the option to boost and advertise certain posts which essentially means charging the business a

certain amount of US dollars to promote the post to appear on random users' newsfeeds to attract the customers. Businesses are also given the option to select the types of users they are targeting to even the location to which they are targeting. Via social media marketing this allows people of all ages from all over the globe to have access to knowledge in fashion and break into the industry and go evolving with the current trends and brand-new designers. According to Ahmad et al..(2015), The position of traditional media is not diminished by social media, but it offers another way for customers to encounter the products they know and love.

Convenience in Online shopping

Multiple variables weigh on the shoulders of the above-mentioned concept, but essentially, accessibility, the ability to save money and decreased frustration can be best described as the ultimate goal. The availability of products delivery is essential for every aspect of convenience from the user friendliness platforms. Particularly for the online shopping market, adding to one's ease or comfort is a very difficult task as they have to understand their target audience clearly and what the audience prefers in order to ensure their interaction. In knowledge of Pentina et al..(2011),Online customer experience can be characterized as the contribution of different customer capacities (e.g. sensory, cognitive, emotional, pragmatic, and relational) to engage in fulfilling and value-creating experiences with the brand, its offers and customers online. As mentioned by Parasuraman et al..(2005), consumers must be encouraged in engaging in online shopping, such as providing improved service quality, ease perceived usefulness, interactivities, information search, information in scope and diversity, and reliability.

For when this is achieved is when the business can ensure the customer will once again return for purchase. There are high chances where the customer may recommend the platform for others too specifically if the site is easily accessible with constant reengagement and a user-friendly interface. According to Xu & Paulins (2005), web page design, navigation facilitation, knowledge search, and protection warranty are the elements that enable customers to repurchase online clothing merchandise. Furthermore, the growth of online shoppers is greater than the growth of internet users, suggesting that online shopping demands comfort for internet users. This further proves that avid internet users are more prone towards online shopping and eventually means they have better and more sophisticated understanding of technology hence businesses must learn to grow with the technology to keep their users engaged and happy.

Economy and its effects on online shopping

When it comes to factors involved in varying the customer preference in choosing an online store, a main factor which comes to mind is the economical or the financial status of the customers. The willingness to purchase products comes with the condition of whether they are able to afford the said product or not. According to Bucko et al. (2018), generation Y (born between 1980 and 1995) are the individuals with a higher degree of Internet literacy. The price factor determines the customer's choice. They believed that the price was particularly relevant for university students because, in most cases, they were not working and their financial budget was also small.

In order to survive, all business models are focused on the economy and its status. With the requirement of having a loyal consumer base and the ability to retain customers in order for the company to remain afloat. But what comes to play when the products are not in the affordable range with the world where its middle-class population keeps growing further and further, the businesses must ensure the products they offer can be purchased by a majority.

The much-needed income of many is spent on the basic needs such as food and shelter with the fluctuating economy and a greater proportion of the world population having a low to middle income with a high unemployment rate. Therefore, most individuals possess a certain amount of disposable income during the span of a rise in an economy which will cause them to purchase multiple occasions and hence will correlate to the increased sales in the fashion industry. However, the reverse happens during recessions, with revenues being considerably lower for the same brands. With prospective buyers preferring the much inexpensive goods with their less disposable income, retailers have plenty of inventory in stock and are ultimately forced to offer the products at a much lower price to compete with other brands. Due to this form of recession in economy and consumer market, a new form of business has begun which is the rental of clothing or accessories where people can rent their clothing accordingly to their taste at a very reasonable price. These forms of innovative approaches to battle economy can also affect the fashion industry negatively.

Furthermore, the **conceptual framework** resulted from the literature review can be depicted as follows.

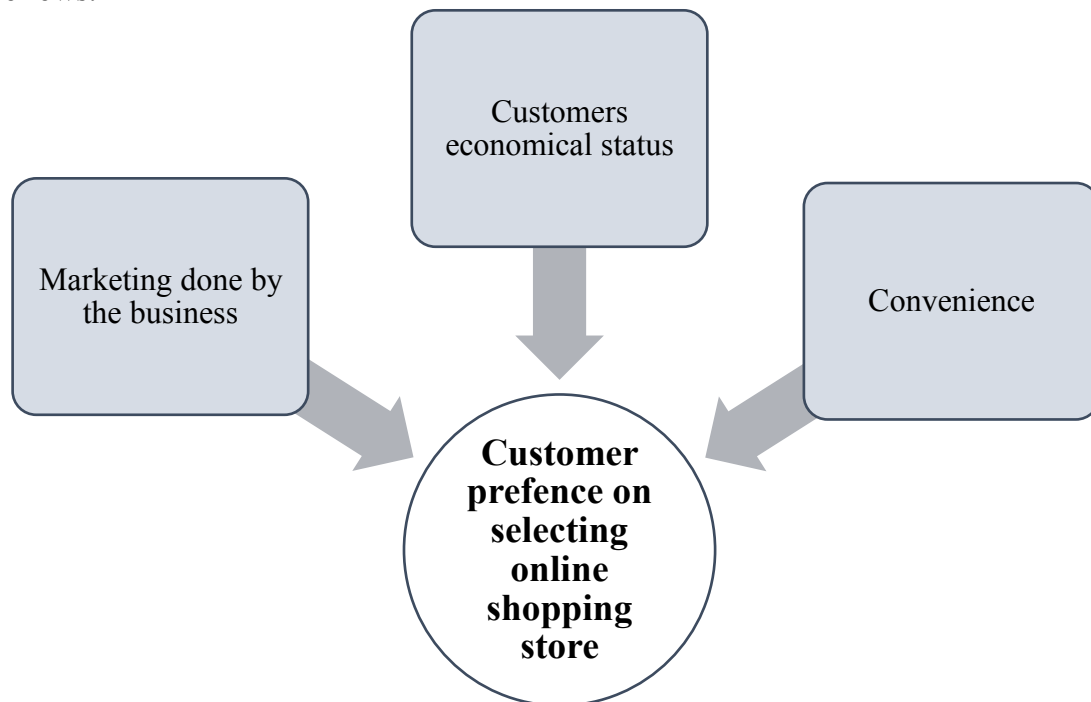


Figure 1 - Conceptual Framework

Table 1 makes an overview on the **research hypothesis** of this study, of which main purpose is to test the theory based on those.

H1	There is a relationship between marketing done by the business and customer preference on selecting online shopping store
	There is no relationship between marketing done by the business and customer preference on selecting online shopping store
H2	There is a relationship between convenience and customer preference on selecting online shopping store
	There is no relationship between convenience and customer preference on selecting online shopping store
H3	There is a relationship between customer economical status and the customer preference on selecting online shopping store
	There is no relationship between customer economical status and the customer preference on selecting online shopping store

Table 1 - Research Hypothesis

Research Methodology

Theoretical Stance

1. The Research Onion

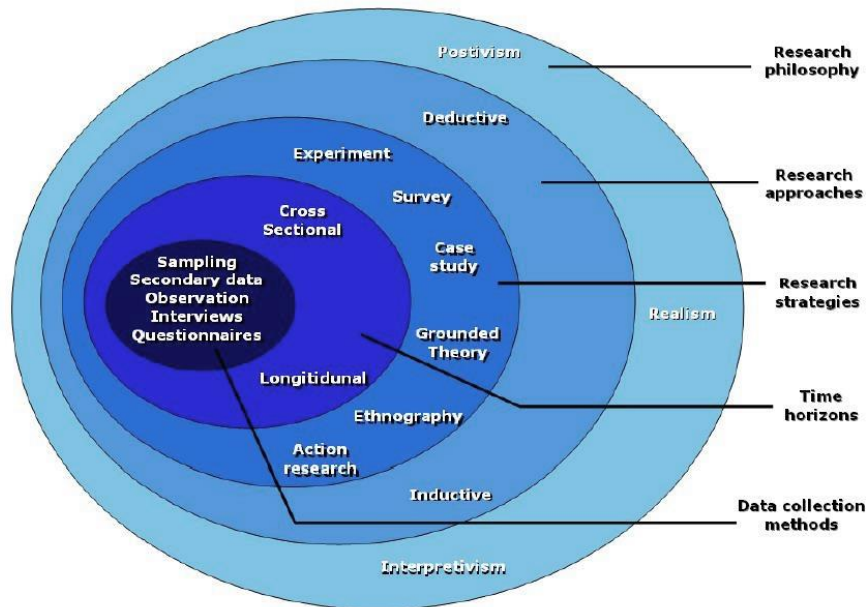


Figure 2- Research Onion

Source: Institut Numerique (2012)

The Research Onion was developed by Saunders et al. (2007). According to Saunders et al. (2007), the Research Onion was illustrated to determine the several stages followed for a Research Methodology. The layers of the onion have been allocated for each research stage and each stage has been described in detail. The research onion provides an effective and efficient progression strategy and enables any researcher to design a successful Research methodology. Thus, the Research Onion will be taken into consideration when the Researcher is determining the methodology to which the research should be carried out. As stated by Bryman (2012), the adaptability of this Research Onion can be used for any type of research in any context which is a successful factor. The researcher will go on to describe each layer of the Research Onion and will couple it with each stage of the research on 'Factors affecting customer preference on selecting online shopping store - fashion clothing sector'.

As described by Bryman (2012), Research Philosophy is said to be the beliefs and the assumptions made by a Researcher on which the research will be scrutinized on. Flick (2011) says that the reasoning for how the research will be embark on will be determined by the theories created by the research philosophy. The research philosophy can differ according to the research objective or objectives depending on the number. These are not necessarily at odds with one another, but the selection of research philosophy is defined by the sort of data being investigated within the research.

There are two main positions considered here, referred to as positivism and interpretivism. This reinforces the qualitative research versus quantitative research debate, often mentioned as the scientist versus detective deliberation. As such, this study reflects a positivistic philosophical stance, where its objective is to find out are Factors affecting customer preference on selecting online shopping store - fashion clothing sector by gathering the relevant data through questionnaires and thereafter scrutinizing same in order to try and take a broad view of the findings. Thereby, the structure of this research is based on this.

Once the first layer of the onion is peeled off the researcher comes about the second layer of the onion, which is known as the research approach. This stage in a research methodology is something quite important as the way forward of the research is based at this stage. There are two main approaches at this stage, the deductive and the inductive approach. As said by Silverman (2013), Deductive approach is where a hypothesis or hypotheses are articulated in order to determine the foregoing theory where thereafter a research approach is determined. According to Bryman & Bell (2011), The inductive approach is characterized as a move from the precise to the overall. In this approach, the observations are the start line for the researcher, and patterns are searched for within the data. Similarly, as this research study will need to determine factor affecting customer preference on selecting online shopping store as an option the approach most appropriate is the deductive approach. Thereby, the researcher will develop a hypothesis or hypotheses to determine the relationship between the dependent and independent variables. The deductive approach thereby is carried forward using s survey method.

Once the second layer of the onion is peeled off the third and the next later is identified as the Research Strategies. The research strategy stage in a Research Methodology will enable the researcher to identify which method is best suited to determine the research objectives of the research. The research strategy is how the researcher intends to carry out the work (Saunders et

al., 2007). The strategy can consist of a number of diverse approaches, to name a few, experimental research, action research, case study research, interviews, surveys, and a systematic literature review. As such, this research will move ahead using the survey method by developing a structured questionnaire to gather the necessary data to prove the hypothesis or hypotheses developed by researcher based on its objectives. According to Bryman & Bell (2011), Surveys have a tendency to be used in a quantitative research. This requires sampling a delegate ratio of the total population of the study.

The fourth layer of the onion is based on the choices made by a researcher. At this stage the researcher method of approach is to be chosen in order to proceed further with the research. The choices outlined in the research onion include the mono method, the mixed method, and the multi-method (Saunders et al., 2007). It is clear, that since the researcher is to follow a Quantitative research the approach of choice will be the mono method where only one approach will be used for the research.

The next layer of the Research Onion consists of the Time Horizons of a Research. The Time Horizon is the time framework within which the project is intended for completion (Saunders et al., 2007). According to Bryman (2012), there are two types of Time horizons specified in this stage which is namely cross sectional and the longitudinal. Whilst the cross-sectional time horizon means the researcher predetermines the exact point in the research process in which the data needs to be collected at, longitudinal time horizon means collecting data during a series of a period at different times of the period. By means of this, this survey will use the cross-sectional time horizon when data collection comes in to play.

The last and final layer of the onion consists of one of the most important aspects of Data Collection and Analysis. This depends on the methodological approach and has a significant effect towards the overall reliability and validity of the study. Namely, Primary Data and Secondary Data. The Primary data is considered to be the firsthand data which was received by either a survey questionnaire or Interviews etc. The data provided by the selected respondent can be considered as primary data. Secondary Data is considered as the data collected in order complete the Literature Review. Therefore, it understood that data searched and received by articles, newspapers, journal articles et. However, there is an extent to which the data is defined by its use, rather than its inherent nature (Flick, 2011)

Reliability, Validity and Generalizability

The three vital impressions in a quantitative technique are validity, reliability, and generalizability. Each of the three align directly with measurement. According to Carcary (2009), Reliability means replicability of the research method and the findings or rather results. The fundamental nature of reliability remains with consistency. As stated, this study will be carried out basing positive theoretical stance. This enables consistency in the data collected. Another reason for consistent data is due to the cross-sectional time horizon which will be use by the researcher. Since it is not a longitudinal time horizon there stands a guaranteed reliability of the data collected.

As said by Leung (2015), Validity entails relevance of the tools, processes, and data within a research. Even though the research question is valid for the anticipated conclusion, the choice of method is appropriate for answering the research question, the design is valid for the methodology, the sampling and data analysis is acceptable, and eventually the results and conclusions are valid for the sample and context. The researcher will conduct this research on a positive theoretical stance make use of the deductive approach since the researcher needs to test, analyze, and prove the theory. In order to do so, through the deductive approach which supports accuracy of data which will be collected through a well-structured questionnaire. This is one of the most reliable tools and techniques uses in the deductive approach.

Further, according to Finfgeld-Connett D (2010), most research studies, are intended to study a specific issue or singularity in a certain population or cultural group, of an attentive vicinity in a specific setting, therefore generalizability of research findings is an expected characteristic. Thereby, the data findings of this study will be through a randomly selected sample from a selected population relevant to the study and its research question, objective and hypothesis.

Constraints and Ethics

Constraints are limitations which is out of control of the researcher when handling the study. Constraints may occur during different stages of the study and maybe unexpected at times. Therefore, it is the responsibility of the researcher to make certain assumptions in terms of the limitations or rather constraints that may occur during the study. One of the key constraints are the time constraint. There is always a time limitation given to each study and gathering data and analyzing same can be constraints due unavoidable factors such as data not being readily available or accessible due to reasons beyond the control if a researcher.

Research Ethics are something which has been rooted since ground level of a research. From the point of interaction with a responded to publishing their responses there is a parameter or guideline a researcher needs to follow. This means being ethical and being responsible for the data presented. It is a necessity that all respondents give their consent to the researcher before anything is questioned from the respondents. It also quite important that the researcher emphasizes on the confidentiality of the data provided by respondents and ensures that all data is protected. Another area is where the researcher does not ask questions or provide questionnaires hat may affect any respondent physically or psychologically whatsoever. A responsible research also covers due diligence. Credit to the relevant past research articles needs to be given as references as an ethical practice when doing a study.

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