

# Online shopping

Business



Introduction The progress in Information Technology (IT) has led to tremendous changes in the way people interact. The emergence of social media and other online platforms have improved the manner in which people communicate and carry out transactions. Most organizations have invested heavily in technology to leverage on the advantages of e-commerce. Recent surveys indicate that there is a continued rise in the number of people doing online transactions.

Most businesses have responded by investing in latest technologies to minimize overheads. Background to the Study Competition is the main factor behind the upward rush in investment in new information technology as most organizations seek to increase their productivity. Productivity helps organizations to make more profits and is one of the most important factors in measuring the economic growth in any industry or company (Gunasekaram & Kobu, 2002). Productivity growth encourages companies to boost their market share. At its most fundamental, productivity is the relative amount of output to input.

According to the neoclassical model, productivity is very important to economic growth as it allows organizations to generate more in terms of products or services via specific production aspects and to maximize the application of it production needs. Improving productivity is a basic factor when it comes to the survival of a company in an environment that is highly competitive, such as the current one. All the efforts that companies expend to increase productivity are meant to make permanent enhancement of their performance. Productivity is also a useful tool when it comes to reducing joblessness, combating inflation, improving profits, diminishing costs,

generating resources and prosperity and improving the value of working time (Morrison, 1997). Internet Shopping The Internet has been used as a source of information and a means of communication since its uprise.

However, innovative scientists have come up with more and more uses for this amazing invention. Shopping has always been a time consuming process, but with the option of shopping online this tiring activity has been facilitated drastically. Online shopping is one of the ways in which the Internet has made lives of thousands of people easier. However, this has not been wholly embraced by the society and some people still find it difficult to shop online. While some cite unscrupulous businessmen and women as the reason they prefer manual shopping, others are just adamant to venture into that area. Internet Shopping in the US Online shoppers in the US commonly use their credit cards for transactions but there are a variety of alternatives, such as phone billing, cheque, debit card, gift cards, postal money order, wire transfers, direct debit and cash delivery although the latter is very rarely accepted.

Most online businesses have conditions that the customer must meet. For instance, some companies do not accept international credit cards, and others require the billing and delivery address to be within their country of operation. Some companies, however, allow consumers to make purchases from anywhere and these can be delivered regardless of location. The products in internet shopping are delivered through various channels. Some companies use shipping agents, mailing and courier services while others have local pick-up point.

Statement of the Problem Shopping online is a convenient activity in that you get what you want at a good price in the comfort of your home, office or even from your phone or tablet. Time is also not a limiting factor as most online stores run all through. Despite all these advantages of internet shopping, consumers still flock shopping centers, especially during the holiday season. Ideally, more people should do shopping online to avoid overcrowding in stores. The large numbers of shoppers that visit these stores to do last minute shopping bring about a lot of insecurity and sometimes confusion, not to mention the traffic jams and long queues at the cashier's counter, which is time consuming, as well as costly. The number of people shopping online during the holidays should, actually, skyrocket since that is a boom time for the retail business and thus everyone should prefer to shop without the unnecessary hustles of travelling and queuing.

Though we all know that shopping online is convenient, this study seeks to understand why people still go for tedious manual shopping and, particularly, during the holiday season when the stores are flocking. Research Questions What are the advantages and disadvantages of internet shopping? Why do stores still flock during the holiday season? Objectives of the Study The main objective of this study is to determine why stores still get overcrowded during the holiday season. The specific objectives include: To determine the trend of shopping in the US To establish the efficiency of e-commerce. To determine the possibility of a complete shopping revolution. Significance of the Study Although it is preferable that local retail businesses would be profitable, the fact that they overcrowd and waste a lot of time and energy is quite inconvenient.

The time spent on travelling and waiting in queues can be used to do other constructive activities; and even the fuel that is burned while waiting in traffic is wasted resource. This study will provide knowledge of how to curb the overcrowding in stores and encourage consumers to stick to internet shopping and save time and energy. Literature Review According to Peterson, R. A., Balasubramanian, S. & Bronnenberg, B.

J., customers are attracted to online shopping not only because of the high level of convenience but also because of the broader selection, competitive pricing, and greater access to information. Shopping online should be the norm as we live in an era where convenience and efficiency are vital aspects. Shoppers should be drawn to avenues that do not consume much of their time and still give them what they want. This should result in less traffic and shorter queues in shopping outlets. However, there is always an influx of customers at the retail stores and even more so during the holidays.

Recent studies have drawn attention to the opportunities as well as the challenges that IT has been able to present to the world economy. Hitt & Brynjolfsson (1996), for instance, have been able to evaluate the inferences that IT has on productivity whereas authors, such as Pohjola, (2000) and Stiroh (2001), have mainly concentrated their studies on Growth and Development. Establishing the significance of IT on productivity at the organizational level has been one of the main apprehensions of Information Systems based research. The debate on whether IT leads to improvements in productivity in an organization has been ongoing for a while now, with many firms said to have invested a lot in IT for the last one decade. Organizations

in the US are said to have spent over one hundred and thirty billion dollars on IT for the period spanning two years before 2002 alone.

Studies on the subject of how IT impacts productivity in organizations have been inconclusive so far, but empirical studies carried out in various organizations have shown that there is a constructive connection linking IT with productivity in those organizations. It is worth noting that, for many years, researchers were not able to find any definite evidence with regard to the impacts of Information technology on productivity and that led to the emergence of what recently came to be known as “IT productivity Paradox”. Morrison (1997) was of the opinion that investment in IT had negative impacts on productivity based on the argument that the approximate subsidiary profits to organizations were often less than the approximate secondary expenditure on IT. Barua et. al (1995) were of the opinion that no irrefutable proof could be found to disprove the premise that investment in IT in organizational settings was trivial with regards to productivity, but according to Hitt & Brynjolfsson (1996), many researchers looking into the issue have been able to find that IT plays a considerable function and has been found to contribute towards productivity in organizations.

However, many of the organizations, upon which recent research has been based, are manufacturing companies due to the fact that there is a basic lack of information with respect to the service industry. According to (Hitt & Brynjolfsson, 1996), IT increases productivity in an organization in the following ways: by boosting the amount of resources used for every employee, by speeding up the development of the entire productivity aspect in an organization due to the existing developments in technology and also <https://assignbuster.com/online-shopping-essay-samples/>

by speeding up the expansion of TFL productivity in organizations that use Information Technology. IT investment, according to a definition by Dedrick & Gurbaxani (2003), is comprised of investments in both computers and telecommunications and in other related components, such as hardware and software, as well as services, such as repair and replacements. The last few decades have seen many organizations making huge investments in IT and their inferences in productivity have in turn been extensively talked about in both business and academic circles. The growth of an organization in terms of productivity is a key factor in measuring both its nationalized and organizational achievements and is one of those factors that many organizational management teams consider when making decisions. This is because the resources a nation consumes are directly connected to what it produces; and the same applies to the achievement of the goals of an organization, which is also dependent on the capability to create production worth for its consumers on the same resource base.

If an organization is not capable to show any significant constructive association between IT and improvement in productivity but still keeps on adding IT investment, then that is referred to as a “ productivity paradox”, and it is the subject that became the basis of much debate for many years. The 1980s particularly saw many researches aimed at establishing the relationship between IT and productivity that showed no connection between the two while research that was done in the years succeeding the 1980s showed constructive and major outcomes of IT on productivity as well as economic growth (Dedrick & Gurbaxani, 2003). Many organizational researches which found it hard to gain any reasonable information at the

industry and national level opted for the organizational level in the search for productivity paradox. Research Methodology This chapter deals with the design, population and sample design, data collection, analysis, as well as presentation. Research Design The objective of this study is to establish why stores still get overcrowded during the holiday seasons.

The study will make use of primary data that will be obtained from general public and also proprietors in the retail business in Kuwait. Data collection will be accomplished by use questionnaires. Working Hypothesis The working hypothesis for this study is that shopping centers should not be overcrowded when people have the option of internet shopping. Data Analysis and Presentation The study will make use of descriptive statistics as means of showing trends in shopping over time. It will also relate the number of people who shop online during the holiday seasons.

In addition, it will consider the public opinion with regard to the effectiveness and convenience of internet shopping.