

# An online gifts store analysis



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## KEYWORDS

Online Shopping, Online Gifts, Online Purchase.

## ABSTRACT

After Internet growth, most of the dimensions of our lives such as education, business, communication, etc., were surpassed by this new phenomenon. One of these dimensions is to deal with online buying of different products and services. This paper describes the various methods of shopping and sending gifts online. This paper will also discuss the various web advertising techniques and tools used to bring traffic to the website.

## HISTORY

In 1990 Tim Berners-Lee created the first World Wide Web server and browser. It opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza Hut. During that same year, Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. Also in 1994 the German company Intershop introduced its first online shopping system. In 1995 Amazon launched its online shopping site, and in 1996 eBay appeared. [1]

## PROBLEM STATEMENT

The concept of grab and wrap has established to facilitate the customers who don't have much time to go in the market and search for different items to gift their loved ones. This website will bring all the gift items wrapped and

delivered at your doorstep. All you need to do is just grab the gift and go to the party without being indulged in hassle of leaving your place, reach to the required shop, get the item, get it wrapped and then go to the party. This whole process is even worst when you are involved in office and family matters. But still, you can't ignore this event. We will also assist in making your special days like i. e anniversary, birthdays, events a memorable one. We will provide the secure and trusted shopping and shipment mechanism by fulfilling the right orders at right time.

## RESEARCH OBJECTIVES

In this research, we have three objectives.

First Objective: The first objective of our research is to find out all the needs of customers pertaining to online shopping.

Second Objective: The second objective of our research is to provide such a marketing mechanism that would bring enough traffic into the website through affiliate programs, Google Ad sense and other social marketing networks.

Third Objective: The third objective of our research is to design a model to provide the customers a secured online shopping experience.

## SCOPE AND LIMITATION

In this research, we have analyzed different ways of online shopping and focused particularly on gifting the products and their wrapping material. This research is applicable in Pakistan and other countries similar to it in which

online shopping is effective and most common mode of buying. Our products will mainly consists of the various categories that the people usually purchase for gifting purposes.

The proposed model application can be implemented through google websites, different website designing platforms, or using programming languages such as HTML, ASP. NET, C#, Dreamweaver etc. The size of sample in our survey is 100. The distribution of questionnaire was done only in Karachi which might be another limitation for the research.

## INTRODUCTION

In online buying security is one of the major concerns of most of the people.

Through our proposed model in this research paper, customers can easily perform an online transaction. They can buy different gift items for their loved ones. This website will include various products from different brands and categories. Customer can also select the various wrapping papers to get their gifts wrapped. Moreover, this website will include various ways of marketing and will provide a platform for individuals to meet online and share their experiences around the items they have bought in the past and which types of gifts are suitable for which events.

We have also included payment mechanism through credit cards using PayPal, as this is considered as the most trusted mechanism for online payments by the people across the globe.

## TOP 10 REASONS WHY ONLINE SHOPPING IS THE BEST

Because of the numerous Benefits of Shopping Online more and more people these days prefer Online Shopping over conventional shopping. There are many reasons why I think online shopping is the best too.

1) Convenience: The convenience of this method of shopping is what I like best about it. Where else can you do shopping even a midnight wearing your night suit? You do not have to wait in a line or wait till the shop assistant is ready to help you with your purchases. You can do your shopping in minutes even if you are busy apart from saving time and avoiding crowds. Online shops give us the opportunity to shop 24 x 7 and also reward us with a 'no pollution' shopping. There is no better place to buy information products like e-books. Immediately after the payment is made one can download the information. And downloadable items purchased online eliminate the need for any kind of material goods at all.

2) Better Prices: Another thing which fascinates me is the cheap deals and better prices I get from online stores because products come to you direct from the manufacturer or seller without middlemen involved. Many online shops offer discount coupons and rebates. Apart from this, the Online Store is only required to collect sales tax if they have a physical location in our state even if we buy from a store across the world.

3) Variety: The choices you can get for products are amazing. One can get several brands and products from different sellers at one place. You can get in on the latest international trends without spending money on airfare. When you shop online, you can shop from retailers in other parts of the country or even the world without being limited by geographic area. These

stores offer a far greater selection of colors and sizes than you will find locally. Apart from that, How many times have it happened that you spend your money reaching a local shop only to find that the product you need is out of stock? Some online shops have a provision to accept orders without stock and ship it across to you when the stock becomes available. You also have the option of taking your business to another online store where the product is available.

4) Send Gifts: Online Shopping makes sending gifts to relatives and friends easy, no matter where ever they stay. Now there is no need of making distance an excuse for not sending a gift on occasions like Birthday, Wedding Anniversary, Marriage, Valentine's Day, Mother's Day etc.

5) Fewer Expenses: Many times when we opt for conventional shopping we tend to spend a lot more than the required shopping expenses on things like eating out, traveling, impulsive shopping etc.

6) Comparison of Prices: Online shops make comparison and research of products and prices possible. Online stores also give you the ability to share information and reviews with other shoppers who have firsthand experience with a product or retailer.

7) Crowds: If you are like me, you would like to avoid the crowds when you do the shopping. Especially during Festivals and Special events the crowds can really give a head ache. Crowds force us to do a hurried shopping most of the time. For me grumpy or irritating people and those who smell bad are a huge turn off. Crowds also create a problem when it comes to finding a

parking place nearby where you want to shop and going back to your vehicle later loaded with shopping bags.

8) Compulsive Shopping: Many times when we go out on Shopping we end up buying things which we do not require because of the shop keepers up selling skills. Sometimes we even compromise on our choices because of the lack of choices in those shops.

9) Buying Old or unused Stuff at low prices: Online Shops make it possible for us to buy old or unused stuff at rock bottom prices. If we want to buy antiques there is no better options than online stores.

10) Discreet Purchases: Some things are better done in privacy. Online shops are also best for discreet purchases like adult toys, sexy lingerie and so on. Online Shops enable me to purchase under garments and lingerie without the embarrassment that there are several people watching me and my choices. [2]

## PRIMARY RESEARCH

Primary research has been conducted in two parts.

Website designing considerations and revenue generating mechanisms searched from the different websites and also what has been taught in our E-Commerce class.

Online journals, articles, e-books, and web site blogs.

Survey through questionnaire were conducted with a sample of 100 respondents of different segments such as business men, retailers, bankers,

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professionals, etc. convenience sampling is used for sampling and MS Excel is used as a tool for analysis.

## SECONDARY RESEARCH

Secondary research has been conducted by referring various research papers mentioned in the literature review & reference section. These papers are focusing on online shopping, gift items that are usually purchased & its security. We have utilized these papers to propose our model, addressing security issues, and how it can be a best fit for our environment.

## TARGET AUDIENCE

In recent years, online shopping has become popular; however, it still caters to the middle and upper class. In order to shop online, one must be able to have access to a computer, a bank account and a debit card. Shopping has evolved with the growth of technology. According to research found in the Journal of Electronic Commerce, if one focuses on the demographic characteristics of the in-home shopper, in general, the higher the level of education, income, and occupation of the head of the household, the more favourable the perception of non-store shopping., Enrique.(2005) The Impact of Internet User Shopping Patterns and Demographics on Consumer Mobile Buying Behaviour. Journal of Electronic Commerce Research, An influential factor in consumer attitude towards non-store shopping is exposure to technology, since it has been demonstrated that increased exposure to technology increases the probability of developing favourable attitudes towards new shopping channels.



Online shopping widened the target audience to men and women of the middle class. At first, the main users of online shopping were young men with a high level of income and a university education. This profile is changing. For example, in USA in the early years of Internet there were very few women users, but by 2001 women were 52.8% of the online population. [3]

## LITERATURE REVIEW

### More than a Labor of Love: Gender Roles and Christmas Gift Shopping

EILEEN FISCHER and STEPHEN J. ARNOLD , discussed on how Cultural influences on consumption are increasing attention. The nature and implications of links between gender and Christmas shopping are explored here through a conceptual discussion of the relationship, an analysis of interviews with gift shoppers, and a field study of gift-buying practices. The contributions of the research are threefold. First, it sheds new light on the stereotype of gift shopping in the Christmas context as “ women’s work.” Second, the research shows how individual differences in gender-related variables have an effect on the traditional meanings associated with Christmas shopping. Third, the implications of gender for general consumer activities are developed-gender-related variables (sex, gender-role attitudes, and gender identity) and their influence on gender-typed consumer behavior are clarified. This research explores buying behavior of both (male and female), It was concluded that people with more feminine gender identities are somewhat more involved in shopping activity. Communally oriented men start shopping earlier and spend more time shopping per recipient. [4]

## Markets Gift Cards

Jennifer Pate Offen berg suggested that the gift cards can explores the operation of individual markets. Patterns of behavior in markets for specific goods and services offer lessons about the determinants and effects of supply and demand, market structure, strategic behavior, and government regulation. As gift cards are booming in popularity, we can relate this to our research project by providing coupon voucher for consumers visiting our website and purchasing valuable product and service, this voucher would be based on certain amount that is spend on different product categories. This strategy will also help to bring enough traffic to our website. [5]

## Dynamic Conversion Behavior at E-Commerce Sites)

Wendv W. Moe and Peter S. Fader, explored how this paper develops a model of conversion behavior (i. e., converting store visits into purchases) that predicts each customer's probability of purchasing based on an observed history of visits and purchases. They offer an individual-level probability model that allows for different forms of customer heterogeneity in a very flexible manner. This model is based on 6 steps:

Baseline probability of purchasing

Positive visit effect on purchasing.

Negative purchasing-threshold effect on purchasing

Heterogeneity in visit effects and purchase thresholds

Evolving effects over time

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## Hard-core never-buyers

As this model captures the key behavioral elements underlying the conversion process and can be readily adapted for theory testing using richer datasets as they become available. By applying this model we can differentiate our real customers , as customer have different reasons for visiting a retail site, therefore it is important to understand and account for various patterns in the relationship between visiting and purchasing. [6]

## The Role of Online Buying Experience as a Competitive Advantage: Evidence from Third- Party Ratings for E-Commerce Firms

Suresh Kotha, Shivaram Rajgopal (University of Washington), & Mohan Venkatachalam (Duke University) examines whether the quality of online buying experience represents a competitive advantage for Internet firms focused on business to consumer ecommerce, This article is based on Five Dimensions of Online Buying Experience Tracked by Gomez(Advisors), which are: [7]

Web Site Usability (EASE)

On-site Resources (SELECTION)

Customer Confidence (TRUST)

Relationship Services (REL)

Price Leadership (COST)

Creating a satisfying internet shopping experience via atmospheric variables

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Letecia N. McKinney (University of Wisconsin-Madison, Department of Consumer Science, and Madison, WI, USA) explains the atmospheric variables that contributed to satisfaction for internet consumers with different orientations toward shopping. This study provides a better understanding of internet consumers and their behavior in the marketplace. Specifically, there is a need to evaluate the influence of the internet shopping environment on consumer behavior. The internet shopping environment communicates image through product and site offerings and often influences consumers' satisfaction. Furthermore, the need for research involving shopping orientation results from differences between consumers. If all consumers were the same there would be no need for segmentation nor different products and services because all stimuli could be identical. As it is helpful in identifying strategies to satisfy internet consumers based on their opinions and feelings about shopping. More importantly, it identifies specific target markets for which product offerings and services are differentiated.

[8]

#### Probabilistic Goods: A Creative Way of Selling Products and Services

Scott Fay, Jinhong Xie Department of Marketing, University of Florida, Gainesville, Florida 32611, defines a unique type of product or service offering, termed probabilistic goods, and analyzes a novel selling strategy, termed probabilistic selling (PS). A probabilistic good is not a concrete product or service but an offer involving a probability of getting any one of a set of multiple distinct items. Under the probabilistic selling strategy, a multi-item seller creates probabilistic goods using the existing distinct products or services and offers such probabilistic goods as additional purchase choices.

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However, under probabilistic selling, the seller can use the probabilistic good to effectively move some consumers with weak preferences to consume the “ inferior” product, which saves capacity of the “ superior” product for consumers with strong preferences. [9]

#### Consumer Decision Making in Online Shopping Environments: The Effects of Interactive Decision Aids by Haubl and Trifts

Gerald Haubl and Valaries Trifts, have researched the effects of interactive decision tools in online buying or electronic shopping, and found that these two interactive tools are very important, RA ( Recommendation Agent) and CM ( Comparison Matrix. They have proved that these interactive decision tool are beneficial in e- shopping and leads to an increases in e-shoppers. RA helps screen the numerous product options , narrowing it to the shoppers preferences, and CM provides an in depth comparison of the selected alternatives and their attributes before a decision is reached..

E-retailers are offered infinite shelf which provides the user with the advantage of numerous products, thus increasing the difficulty for e- shopper to make accurate shopping decision, these Interactive decision tools helps capitalize enormous product information hence converting many traditional shoppers to e-shoppers. [10]

The influence of college students’ shopping orientations and gender differences on online information searches and purchase behaviours

Yoo-Kyoung Seock and Lauren R. Bailey, have researched that at present high speed broad band internet is more easily accessed at homes and

offices, Yoo Kyoung Souk and Lauren Bailey recognized the importance of such a technology hence carried out survey's and detailed investigation, into the relationship between college students shopping orientations, and the differences between male and female college student' s shopping orientation, information searches and purchase behaviors in the context of Internet shopping. Convenience and recreational orientations were strong predictors for online shopping compared with single channel offline shoppers, and among the seven shopping orientations identified, shopping confidence and price consciousness received the highest mean score for both male and female, implying that online buyers shop online to compare prices and deals mainly. [11]

## HYPOTHESIS

We will test the hypothesis that there is a huge scope of online shopping in Pakistan and other countries provided the right things are delivered to the right customer at right time using a secured medium. We will mainly focus on gift items.

## DESIGN MODEL

<http://www.navinlama.com/blog/wp-content/uploads/2008/09/ecommerce.jpg>

## USER INTERACTIONS

Website user will perform the following steps:

Sign up for an Account

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Select product(s)

Select Wrapping Material

Enter Source and Destination (This will also include sender and receiver emails)

Enter Payment Details

Send the Gift!

## INTENDED WEBSITE SECTIONS

Sign Up Section

New users are required to sign-up for the first time to chat and take ideas from available users. In order to purchase products, one should have an account with the website.

Product Categories Section

This will be a domestic website having multiple products related to different industries e. g.

Fashion

Dresses

Jewelry

Bags

Shoes

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Art

Portraits

Sceneries

Eatables

Chocolates

Cosmetics

Makeup

Perfumes

Wrapping Material

Glossy Papers

Cards

Wrapping Types

Cash Gift Coupons

(Note: Products will also be filtered based on the different occasions)

Products Filtration

Following events sections will be included to narrow down the customers search based on the events:

Birthday

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Wedding

Christmas

Thanksgiving

Valentine's Day

AGE GROUPS

15-20

21-30

31-45

45-55

Other: \_\_\_\_\_

GENDER

MALE

FEMALE

Reminders Section

Reminders for various events will also be sent to the members of Grab N Wrap. This will help the member in deciding about the gift items and necessary arrangements in advance.

Thank You Section

This website will also have a “ Say Thank You “ section where the receiver of gift can say Thank You to the sender. This will help other people to look for the thank you notes and can see the impact of different gift items on the receiver. This will help the sender choosing their selection.

#### Chatter Section

Sender and Receiver will log in to the Chatter section and will be able to chat with each other and discuss more about the available products.

#### Payments Section

Payments will be made through credit cards using PayPal which is considered as a trusted mechanism.

#### Recent Products Purchases and Best Sellers Section

This section will show the recent discussions on various products that can be gifted on various events. This will also have the list of all the best seller items in order to increase the confidence of buyers.

#### Complimentary Section

This section will include the free gifts, vouchers, discount coupons that we will give to our frequent and bulk buyers.

#### WEB ADVERTISING TOOLS AND TECHNIQUES

Google AdSense Website Designing and Website Hosting will be used to design a website and place google Ads in the website to generate revenue on clicks.

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Affiliations programs can also be used to generate revenue.

## WEB MARKETING SLOGANS

Our Stores serve a variety of products; Dresses, Jewellery, Chocolates, Bags, Perfumes, Makeup and so much more.

Are you bored with all the typical ribbons and boxes???

We offer special wrapping for any occasion that would make your present “ Out of the ordinary”!!!

We are much more than just a store !!! We’ll offer you the gift you’ll always remember.

## SURVEY RESULTS AND DISCUSSIONS

## CONCLUSION

## FUTURE WORK

Future work can be done by adding an “ E-Auction” Section on the basis of regions/countries. This would help the customers in performing sales and purchase of their products. Social networking techniques can also be embedded to bring the users of this website closer.