Internet Shopping VS Traditional Shopping Essay, Research Paper

THE WORLD IS CHANGING

Much has been written about the death of store based retailing, as we know it, to be replaced by shopping on the Internet. However, it is the subject of Electronic Retailing, and specifically Electronic Home Shopping, in the business to consumer sector that is resulting in widely varying estimates on the likelihood and pace of this next evolution in retailing.

The traditional view suggests that this form of retailing will have little more impact than that currently achieved by existing mail and telephone retailing, which in most advanced nations achieves only a 5% share of total retailing. The traditional view also suggests that shopping from home over the Internet will reduce consumers to socially inactive “mouse potatoes” who lose all form of human contact

WHAT IS E-TAILING?

E-tailing is the selling of retail goods on the Internet. Short for “electronic retailing” and used in Internet discussions as early as 1995, the term seems an almost inevitable addition to e-mail, e-business, and e-commerce.

To fully define and understand e-commerce some more consideration must be given to traditional commerce. Traditional commerce involves more than just selling an item. The traditional sales cycle could be described in the following way. To meet the needs of the marketplace, business design and manufacture new products, market their products, distribute them and provide customer support, generating revenue along the way. Customers first identify a need for some product, service or information. Then they must find information about the product, fined retailers who sell the product and make comparisons before a sale is finalized. There are also a lot of post purchase practices which companies engage in, for example, customer support opinion and surveys

1997 was the year in which e-tailing begun to work for some major corporations and smaller entrepreneurs. Dell Computer reported multimillion-dollar orders taken at its Web site. The success of Amazon.com hastened the arrival of Barnes and Noble’s e-tail site. Concerns about secure order taking receded. 1997 was a year in which Auto-by-Tel reported that they had sold their millionth car over the Web. CommerceNet / Nielsen Media reported that 10 million people had made purchases on the Web. And Jupiter research predicted that e-tailing would grow from $2 billion in 1997 to $37 billion by 2002.

The future prospects for e-tailing have resulted in the development of a number of software tools for creating online catalogs and managing the business connected with doing e-tailing. A new trend is the price comparison site that can quickly compare prices from a number of different e-tailers and link you to them.

Since e-tailing is growing rapidly and more people are turning to buy things through the internet, I am going to experience both online shopping and traditional retail shopping at Body Shop and to contract the difference between consumer’s perspective and the professional buyer’s perspective.

ONLINE SHOPPING EXPERIENCE

The easier way to find a web-site address is to look under a search engine like Yahoo, About.com or many others.. Since the name “Body Shop” is quite common on the net, it took me sometime to find out the exact web address. The first page that comes to the screen is their big log and company name. The screen then disappeared in about five seconds and brings you to another page with all their news and current products. Surprisingly, they do not sell individual products online but only gift pack and these kinds of gift packs are not available in their store. In another words, the merchandise they have online are totally different than those are in the store.

Since Valentine is coming, the company is promoting different Valentine’s gift pack on their web-site. Different gift packs are showing on the web page and a larger picture of each individual gift pack item can also be found. Descriptions are placed next to each photograph and names are given to each package respectively. All gift packs comes with a basket and they are usually more than four items in total at one selling price.

The graphic design for this web page is very harmony. It didn’t create a “heavy” feeling even though different colours are being used in one graphic. The feeling that I have here is like being in a countryside, seeing a large piece of green with many different flowers all around.

Even though you are not a “computer” person, you do not have to worry too much because this web page is very user-friendly. If you have no idea what you wanted to buy, you can always go to the “Smart Selector” section and they will guide you to your choice. Under the “Smart Selector”, you can select items by special promotion, by price range or by gender. It helps you better on making your decision especially if you do not have a particular item in mind.

Here?s how it works: With a simple click, you can browse, shop and send gift selections to anyone in Canada. Gifts can only be ordered and shipped to Canadian addresses. The Body Shop Canada offers two different shipping options to choose from: Standard (7 day delivery) for $9.00 anywhere in the country; and Express (3 day delivery) for $14.00 anywhere in the country. To start, you need to select a gift selection viewing choice from the navigation bar. To view a gift selection up close, click on it. To purchase a gift selection, simply click on ?I?ll take that!? At any point, you can calculate and change your order, by changing the quantity. When you are finished shopping, go to Check Out and we will take you step by step through the final confirmation process.

Methods of payment are restricted only on Master, Visa and American Express credit card. The whole buying process is clear and straightforward, you will receive a confirmation number by the end of your trade. Orders will be taking care in one to two days and you will receive your shipment usually within a week.

The Body Shop are almost everywhere in Canada, it is very easy for you to purchase what you need from them. The product that I have choose is definitely in season, they only carry it three weeks before the Valentine’s day. My selection is a promotional combo includes one Chococherry Massage Oil (125 mL), one Chococherry Scented Votive Candle, one Raspberry Ripple Bathing Bubbles (60 mL) and one Raspberry Heart Soap at $17.95 in total (before taxes).

I should say, the quality of their product is just in average and their price is fair. There are many other elements that combined to make it success. First of all, is the company’s image. They suggest environmental friendly from time to time. All their products are “Against animal testing” and they even picked green as their logo colour. You will be surprised how much time and money the company contributed into the social, community as well as our environment.

Since Body Shop is a franchise company and their UK headquarter produce all the merchandise, I wonder if they will have a buyers in the head office. The only buyers that they might have will be the raw material buyer for product manufacturing. The Body Shop has a soapworks facility in Glasgow, U.K. and this is where they finish their design and production steps.

FACE TO FACE SHOPPING EXPERIENCE

The Body Shop that I decided to buy my “Romance to Go” product is located on 2nd floor at Metrotown, Burnaby. The store is very easy to recognize as they have an open entrance as well as a big logo at the storefront. Green is their basic colour and you can found it everywhere in the store. Their staffs are all very friendly and helpful and I noticed that, they only have female staff working in the store. That might be females are usually better knowledge in cosmetic and skin products compare to male in most cases.

As long as I went into the store, the saleslady approached and asked if I need her help. I said no and started browsing around in the store. The store isn’t very big but they have all their walls installed all with shelves to hold and display their merchandise. Each shelf are placing different products and there are always a “sample” for you to try on. Anytime you stop in front of a product, their saleslady will approach you to explain the product and teach you the way to use it as well as giving you suggestion on what you should be use. Since some of their products are relatively small in size, they provide baskets for you to hold your purchase while you are shopping in the store. Once you have decided what you are going to buy, the saleslady will bring you to their sales desk. The cashier will ring up your items and package your purchase. If you are buying a gift for someone, they will wrap it up for you nicely with no extra cost. When they are doing promotion on a certain products, you will receive a free sample or catalogue on your checkout.

Since my Valentine gift pack “Romance to Go” is not available in the store. I do not know the way they present the product. As I have mentioned, their merchandise is either stack up or line up on the shelf, I found that the store is absolutely organized and well presented. If there are promotional products or special package need to be display, they will place it on the “Display Island” where ou can find it near the entrance.

It is very easy to shop and compare the value from Body Shop to the others because there are many similar products available in the market. For example, is the Fruit and Passion. Although their merchandise are all under their brand, their products are very similar with the Body shop in general. The main different probably will be the price and company image as Fruit and Passion is more classy and high-end but the Body shop is more natural and down-to-earth type.

Since each Body shop are independently owned and managed, owner or store manager will naturally becomes the store buyer unless they hire an individual person for the position. However, these kinds of owners or store managers are more likely doing ordering rather than buying, as they must have a certain products in their store according to the franchise contract.

TRADITIONAL VERSUS ELECTRONIC BUSINESS TRANSACTIONS

Using the web, the consumer can select products from a web site, request approvals and place orders all via electronic processes such as e-mail. You do not need to leave your house or office to place the order, in another words; you are saving time and money as well as your energy. Customers can now gets most of the merchandise information and place their order from their own computer through the internet. It is absolutely convenience for those who do not have much time to shop and compare merchandise.

But, if you are someone who enjoys shopping like me, you will probably stay with the traditional shopping, as it is much more fun and interesting. I prefer to see, feel and touch the merchandise before making my purchasing decision. Although you can refund the purchase any times if you are not satisfied with it, you already wasted your time, shipping and duty charges of the products.

THE BENEFITS OF E-COMMERCE

E-commerce can help open new markets, enabling business to reach new customers while making it easier and faster to do business with the existing customer base. A substantial reduction in paperwork is also benefit when the move to network based systems is made

CONSUMER’S PERSPECTIVE

Now that the shopping has been done, the real fun starts. Returns, exchanges, gifts that didn’t make it home for the holidays, it’s time for e-tailers to flex their customer service muscle, and their future may very well depend on it.

Web shoppers expect customer service at each step of the transaction process, according to Forrester (a research company). Exceptional service, as might be expected, increases buyers’ total satisfaction, which encourages repeat visits and word-of-mouth recommendations.

The three most critical components to solid reactive services are a well staffed, responsive service organization; a simple return process; and easy order tracking. Speaking of returns, 89 percent of online buyers say return policies influence their decision to shop with an e-retailer, according to a survey of 9,800 consumers. The research also found that at least 5 percent of the 36 million orders it expected to be placed online for the holidays will be returned.

Certain attributes of return policies can actually drive potential customers away. These include the inability to receive credit on a credit or debit card (85 percent) followed by a time limit to return products that is “too short” (68 percent). Other attributes that online buyers consider important are whether the merchant allows products to be returned by mail (66 percent) and the ability to exchange a product for another item (58 percent). Sixty-two percent of consumers said they would prefer to return products by mail instead of traveling to a brick-and-mortar store

PROFESSIONAL BUYER’S PERSPECTIVE

As the world continues to get access, the Web?s advantages as a place to shop. i.e. : 24-hour availability, a global reach, the ability to interact and provide custom information and ordering and it?s multimedia prospects also are expected to make it a multibillion pound source of revenue for world business. There are 2 market divisions over which e-commerce operates. These are business-to-business and business-to-consumer. These represent many varied transaction types, from on-line stock transactions and corporate purchasing to buying books or CD?s over the Internet.

Business-to-business ? the use of private networks or the Internet to automate business transactions between companies. Electronic Data Exchange (EDI), is the exchange of business data using an understood Format. It predates the World Wide Web and began on private networks in the 1960?s. E-commerce was virtually synonymous with EDI for many years, but EDI has since been largely replaced by the Internet and in more recent years by the WWW.

Business-to-consumer ? The use of the world wide web to sell merchandise or provide services to customers in much the same way as a store or catalogue. Web sites of this kind, such as Travelocity.com have attracted much media attention due to their success. Search engines such as Exite and Metacrawler allow consumers to shop simultaneously for almost any product category. According to Odyssey, a market research firm, 7 million household purchases were made in the last 6 months of 1997, more than double the previous year number. Nowadays e-commerce is available to anyone with access to the Internet. The concepts of e-tailing (electronic retailing) and virtual storefronts now exist in e-commerce.

THE FUTURE

Electronic commerce will not just be a new market for selling. It will be a new market. This will effect relationships with customers, suppliers and employers. E-commerce will have a massive financial impact on companies using this medium. Buying on the Internet is rising at 8% a month and companies that join the Internet in the next few years now have the bonus that they are not now ?a localized business.? They will have to cope with the fact that the company is trading on a global market, and that their doors are open for trading 24 hours a day, 365 days a year. But in order to reap these benefits, companies in the future must be almost entirely web-based. Predictions state that if this is not the case, the companies will be dead within a year. This is all well and good for the small companies that can afford to set up an E-commerce system. Not alone must they purchase a system, the system itself must be updated daily or else it will fail. You need one person to run it and that is a big outlay for a small business.

While the growth of point and click E-commerce last year was massive, in 1999 or 2000 the next logical step in E-commerce will take place – voice activated commerce, V-commerce. This is expected to take E-commerce to a new level, enabling anyone to shop, buy or obtain support by speaking over a telephone or other connected device. Businesses rightly see the telephone as the most widely used communication interface. When we think of speech in relation to commerce, it is an interface with huge growth potential. The Web needs standards and this also will happen. Many see Microsoft and Netscape co-operating on a browser in the future so the web can be standardized.

CONCLUSION

It is clear that E-commerce is a quickly developing area in the rapid moving Information Technology world. E-tailing will, in the not-too-distant future, be a part of our everyday lives, where we will logon and surf to buy anything from a concert ticket to a sweeping brush to a car. Security seems to be the biggest threat to proposed development, along with the lack of a standardized browser, something Netscape and Microsoft would do well to sort out between themselves.

I feel that E-commerce is far more important than the industrial revolution of the 19th century, and its aftermath will be written in the history books of the future. E-commerce promotes global interactivity between the giants and the minnows of the business community and the common everyday activity!