Full Length Research Paper

Knowledge on the Use and Benefits of E-Commerce

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Accepted 06 May 2016

The study was conducted to determine knowledge on the use and benefits of E-commerce. The respondents of this study were 49 individuals who use E-commerce (internet) in their business transactions. Their age ranges from 25-39 years old. This study utilized the descriptive correlation research design. The study found out that the respondents had very high level of knowledge on e-commerce. It also showed that the respondent has positive attitude toward e-commerce since they are convinced of the benefits of e-commerce. Study showed that there is no significant relationship between the respondents’ level of knowledge on the use and benefits toward e-commerce.

Keywords: e-commerce, knowledge, benefits

INTRODUCTION

The term E-commerce is defined as the process of buying, selling or exchanging products, services and information through the Internet. Electronic commerce operates in all four of the major market segments: business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C) and business-to-government (B2G) (www.investopedia.com/terms/e/ecommerce.asp)

E-commerce was introduced 40 years ago and, to this day, continues to grow with new technologies, innovations, and thousands of businesses entering the online market. The convenience, safety and user experience of e-commerce has improved exponentially since its inception in the 1970’s. Currently, Amazon offers not only books but DVDs, CDs, MP3 Downloads, computer softwares, videogames, electronic, apparel, furniture, food, and toys. Another success story of the dot com bubble was eBay an online auction site, and other retailers like Zappos and Victoria Secret. Two successful web directories began their own ecommerce subsidiaries; Google shopping and Yahoo Auction in 1998 and in 1995 respectively (www.miva.com/the-history-of-ecommerce-how-did-it-all-begin).

E-commerce uses range of technologies such as electronic data exchange (EDI), electronic mail (e-mail) and electronic fund transfer (EFT). EDI requires agreement between trading partners in order to govern their electronic trading relationship.

With the emergence of Internet commercially, as it started in the Philippines in 1994, e commerce took a new manifestation and businessmen can now sell their goods through ones website and close transactions either online or through e-mail. Websites like PinoyDelikasi.com, Load.com.ph, RegaloServuce.com,
Lazada, OkayOkay.com, Lenddo.com.ph, Shopinas, Island Rose, Healthland Malls, Chikka.com, Cashsense, Metro Deal, these are just sites that sells goods and services online. (www.digitalfilipino.com/e-commerce-101).

From the buyer’s perspective, because e-commerce is open 24/7, offers a lot of tangible advantages like a consumer may at his leisure buy from the comfort of his home products from an online store, reduction in buyer’s sorting out time, better buyer decisions, and increased opportunities for buying alternative products and less time is spent in resolving invoices and order discrepancies. Moreover, e-commerce has allowed firms to establish a market presence or to enhance an existing market position by providing a cheaper and more efficient distribution chain for their products or services. E-commerce is synonymous with on-line shopping, on-line purchasing, web-shopping and internet shopping.

While the concept of e-commerce may no longer be considered new in concept, an important part of e-commerce that is still relatively new is the use of social media, such as Facebook, My Space, Instagram, and Twitter as a way for Internet-based businesses to connect directly with customers and attempt to sell products or services. The trend in e-commerce is to rely heavily on social networking sites because of ability they provide to connect directly with the customers regardless of location and in a way that builds a loyal and trusting relationships between buyer and seller. However, it is important to examine a full range of issues related to the e-commerce strategy of using social networking as a way to attempt to connect with customers and increase revenues for this will help researcher, students and entrepreneurs appreciate the value of e-commerce thus enabling them to cope up with effective and efficient strategies on maximizing such trade.

Many businesses have failed in differentiating their online operations. For instance, the simple translation of a web site into a foreign language may be a disaster. Additionally, beyond the interface factors it is necessary to investigate what extent other factors influence people to buy, or not, through the internet. And also, there are people who do not buy through the Internet, because of privacy, security and fear of using credit cards have been main factors negatively influencing individuals to buy through the Internet.

**Review of Related Literature**

From a communication perspective, e-commerce is the delivery of information, products/services, or payments via telephone lines, computer networks or any other means; from a business process perspective, e-commerce is the application of technology toward the automation of business transactions and workforce; from a service perspective, e-commerce is a tool that addresses the desire of firms, consumers, and management to cut service costs while improving the quality of goods and increasing the speed of service delivery; from an online perspective, e-commerce provides the capability of buying and selling products and information on the internet and other online services. (Kalakota & Whinston, 1997).

Online e shopping is done through an online shop, e-shop, e-store; and products are described through text, with photos and multi media. Online stores also provide links for extra information about their product. They often make available safety procedures, instructions, manufacture specification and demonstrations.

The most amazing aspect of E-commerce is its ability to impact sales and marketing efforts immediately. An e-commerce promotion strategy looks at the total acquisition cost of the customer and increased ROI on a long term basis. (www.ecommercefuel.comecommerce-marketing-strategies)

According to this strategy, one needs to bring in the most relevant visitors at the lowest possible costs, increase sales per order and be able to bring them back for similar purchases in the long run. Web-based sales know no international boundaries. Not only is the internet increasing number of potential customers that a company can reach, but it’s driving profitability.

The promotional strategies in e-commerce are: (Micro-Target an Online Audience and (2) Integrating Across Channels (www.forbes.com/sites/allbusiness/2014/01/16/12-e-commerce-strategies-to-grow-your-business-this-year).

In Micro-Target an Online Audience, E-commerce is basically about establishing a “territory”: defining and designing a site to reach an audience with a common interest or characteristic. On the other hand, integrating across channel about creating multi-channel offerings. It enables consumers to experience the brand consistently, whatever their shopping method or choice, But there the products that are sold through different channels should be sufficiently differentiated to account for price differences.

The development of e-commerce continues to undergo changes that will have profound impact on the way companies manage their supply chains. E-commerce has altered the practice, timing, and technology of business-to-business (b2B) and business-to-consumer (b2c) commerce. It has affected pricing, product availability, transportation patterns, and consumer behaviour in developed economies worldwide (www.supplychainquarterly.com).

Numerous benefits such as access to a broader customer base, lower information dissemination cost, lower transaction costs, and the interactive nature of the internet will continue to expand the volume of e-
Attitude towards online shopping is defined as the positive and negative feelings related to accomplishing the purchasing behaviour on the internet (Chiu et al., 2005; Schlosser, 2003). Attitudes are reflected to customers’ steady favorable and unfavorable assessment, feelings and inclinations toward object or idea (Kotler & Armstrong, 1997). Buying trends and internet adoption indications have been seen as the overall electronic commerce value in Malaysia rising from US$18 million in 1998 to US$83.7 million 1999 (Mohd Suki et al., 2006).

Benefits of e-commerce have grown very fast because of the many advantages of buying on internet as the lowest transaction and search cost as compared to other types of shopping. Online shopping allows consumers to buy faster, more alternatives and can order products and services at a comparative lowest price (Cuneyt & Gautan, 2004)

Will e-commerce completely replace all physical stores in the near future? Online stores will take tap the larger pie of the market but it will take years to do so and will never be able to destroy the physical store ever since there are still a large number of people who don’t have the access to internet yet. (www.quora.com)

METHODS

This study utilized the descriptive correlation research design. Descriptive correlation methods permit investigators to see whether there is a link or association between the variables of interest (Weiten, 2010).

Respondents of the Study

The respondents of this study were 49 individuals who used E-commerce (internet in their business transactions. Their age ranges from 25-39 years old.

Instrumentation and Validation

This research used a researcher-made questionnaire for the purpose of collecting the needed primary data. The questionnaire was presented to the panel of experts for validation. It was validated by experts in the field of business, a senior researcher, and a statistician. After corrections and suggestions were incorporated, it was personally administered by the researchers.

Ethical Considerations

The researcher explained to the respondents the purpose of the study, its objectives and they will be subjected to certain interview and the information gathered from them will be treated with utmost confidentiality.

Data Gathering Procedure

The questionnaire is considered as the most appropriate data-gathering instrument for the descriptive research study. In conducting the survey, first the researcher asked the permission of the prospective respondents to conduct the survey. After acquiring the approval, the researcher explained the directions of answering questionnaire clearly and understandably to the respondents and personally conducted the survey. The questionnaire was retrieved after the respondents had answered the questionnaires. The responses were tallied and summarized and were subjected to statistical treatment of data.

Scoring Instruments:

To measure the respondents level of knowledge and the benefits on the use of E-commerce, the evaluation and scoring tools used were the following:

- 3.51-4.0   SA Strongly Agree,
- 2.51-3.5   Agree,
- 1.51-2.50  Disagree
- 1.00-1.50  Strongly disagree

Statistical Analysis

The following statistical tools were applied in the processing of data gathered: 1. Weighted Mean, was used to determine the respondents’ concept on e-commerce along with (a) respondents’ degree of knowledge and (b) respondents’ attitude. 2. Pearson r was used to determine if there is a relationship in the respondents’ (a.) degree of knowledge and (b.) attitude.

RESULTS AND DISCUSSION

The findings of the study and the description of the result relative to the respondents’ knowledge and attitude toward e-commerce are as follows:

Table 1 shows the respondents’ knowledge on e-commerce. Ranked first is indicator 4 which states that payment maybe made via credit card, PayPal, bank to bank or upfront , with a weighted mean of 3.86 and verbally interpreted as very high. Indicator 3 which states that “On line business transaction also serves as promotional strategy” ranked second with a weighted mean of 3.80 and verbally interpreted as very high. Third, is the delivery may be in forms of meet ups, door to door and the like with a weighted mean of 3.58 and a verbal interpretation of very high. E-commerce
maximizes buying experience of the consumers was interpreted as high with a weighted mean of 3.33. E-commerce involves both buying and selling of goods and services obtained a weighted mean of 3.27 and was verbally interpreted as high. An average weighted mean of 3.58 was obtained with a verbal interpretation of very high.

On the benefits on the use of E-commerce, Table 2 shows that fast and convenient ranked first with a weighted mean of 2.90 and a verbal interpretation of agree. It reduces transaction costs obtained a weighted mean of 2.80 and a verbal interpretation of agree. Ranked third is accessible for global market with a weighted mean of 2.76 and a verbal interpretation of agree. Facilitates increase in profit obtained a weighted mean of 2.31 and was verbally interpreted as disagree. Provides wide selection to cater to all consumers ranked fourth with a weighted mean of 2.69 and was verbally interpreted as agree. A weighted mean of 2.69 was obtained with a verbal interpretation of agree.

As shown in the Table, for the relationship between knowledge and benefits on E-commerce, a Pearson r value of 0.112 was obtained. A p-value of 0.444 was obtained which was higher than the 0.05 level of significance of 0.05. This shows that there is no significant relationship between the respondent’s knowledge and the benefits on E-commerce. This means that the respondents’ knowledge has no bearing on their benefits towards E-commerce.

**CONCLUSION**

Based on the foregoing findings, the following conclusions were drawn: Study shows that the respondents had very high level of knowledge in e-commerce since they know that in e-commerce, payment maybe made via credit card, pay pal or up front and that online business transaction also serves as a promotional strategy.

Study shows that the respondents has positive attitude toward e-commerce since they are convinced of the benefits of E-commerce such as it is fast and convenient and it reduces transaction costs.
Furthermore, study showed that the respondents’ knowledge on the use and benefits of e-commerce has no bearing on the benefits they experience towards e-commerce.

RECOMMENDATIONS

1. Businessmen need to continuously upgrade themselves on the modern trends in e-commerce by maximizing the use of all widely use social medias such as face book, twitter, and the like;
2. Business men should be more creative and innovative as to how they could better as to how they could better promote their product by devoting more time surfing the internet to update themselves in the recent trends and fashion
3. Businessmen should not rely solely on e-commerce rather, still be involved in personal approach in facilitating their business;
4. Since e-commerce is a growing trend, a more strict regulation policy should be implemented through the supervision of the Department of Trade and Industry to protect both businessmen and consumers;
5. A more detailed study about e-commerce can be conducted taking into consideration the consumers as respondents:

REFERENCES

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