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## **ONLINE SHOPPING AND HIGH STREET**

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## **EXECUTIVE SUMMARY**

Establishing ways in which online shopping is influencing jobs losses, affecting the pricing of items, and changes in the spending pattern of shoppers on the high street are the main issues that this study attempts to consider. Data was collected from 10 undergraduate students in University of Wales Trinity Saint David. The results reveal that the closure of high street retail shops because most people prefer to buy items online is major contributor in job losses on high street shops. Most of the participants, however, agreed to the fact that their spending pattern had indeed changed and to some extent, they attributed the changes to the high discounts and the lower prices of items bought online. The findings affirm the fact that online shopping is affecting, prices, jobs and the spending pattern of consumers who buy items from the high street, in one way or another.

## **1.0 INTRODUCTION**

There has been a profound impact on the way businesses operate since the start of the new millennium because of e-commerce technologies and methods. It was also noted that online retailing has become increasingly important, there is a need for retailers to understand; react to the reasons behind the consumers' interest in online shopping (Ramachandran, *et al.*, 2011). According to the Office for National Statistics (2002, cited in Ramachandran *et al.*, 2011) e-commerce (online shopping) can facilitate growth, improve efficiency, effectiveness and increase markets at the same time transform business. Evidently, the numbers of types of shoppers are as big as the number of researchers in the field and hence the notion that people tend to get various forms of satisfaction from their shopping behaviours. These forms of satisfaction range from getting a great bargain deal to being able to interact socially with other people while for some its simple change in their daily routine (Reid *et al.*, 1996).

## **1.2 AIMS AND OBJECTIVES**

This research aims to explore the impact of online shopping on the jobs, pricing of items and the spending pattern of consumers on the high street.

The objectives of the research are as follows;

1. To establish how online shopping is influencing job losses in the high street.
2. To identify how online shopping is affecting the pricing of items in the high street.
3. To evaluate how online shopping is changing the spending pattern of consumers.

## **1.3 RESEARCH QUESTIONS**

To be able to attain our objectives, there was a need to ask the following questions.

- 1.How is online shopping influencing job losses in the high street?
- 2.How is online shopping affecting the pricing of items and changing the spending pattern of consumers?

## **1.4 BACK GROUND AND RESEARCH AREA**

Online shopping is profoundly affecting the high street business. Firstly, we look at how it is influencing job losses, and secondly how it is affecting the pricing of items in the high street, and lastly how it is changing the spending pattern of consumers.

According to Townsend & Kahn (2014), Consumers are rapidly adopting to the variety of internet -access devices such as tablets and smart phones. It has become very crucial to understand how they interpret online information that is important when it comes to their shopping needs. And there is an impact on the shopping behaviours of the consumers which may be related to the nature of online information; this has attracted attention to more research. **2.0**

## **LITERATURE REVIEW**

With online shopping attracting more consumers, in a period of five years, a fifth of the high street stores is expected to close. A study by the centre for research showed that struggles in the high street businesses, such as rising costs, tightened consumer spending, and changing habits would lead to a fall in the number of stores from 282,000 to 220,000 in 2018 (Robinson, 2013). There has been more flexibility for consumers when it comes to shopping because of increased internet shopping. Consumers who are very busy can save time and energy by getting their groceries delivered to them when they shop online, on top of discounts inform of voucher codes. Many retailers are giving the consumers the convenience of being able to choose a preferred date for the delivery of their packages and discount vouchers as well. Consumers are now able to read reviews about an item before they buy it to be able to make a purchasing decision buy or not, according to the PR Newswire Europe Limited (2010). Online shopping is providing customers with better offerings and in the process changing their shopping patterns as a result of an eruption of deliveries being done at peoples' homes and services such as click -and- collect (Campbell, 2016).The present increase in online shopping is set to influence high street store in such a way that will lead to 316,000 workers losing their jobs, and a fifth of high street stores closing by 2018 which means that 62,000 retail outlets will stop trading; a study conducted by the Centre for Retail Research (M2 EquityBites, 2013). Going for the good bargains online is now considered a hobby; consumers' attention is drifting towards the prices of items more than ever because of the internet, The Brand strategy (2006) argues. The rising prices of the items on e-commerce websites, while those of the items on the high street are falling, indicates an increasing confidence within the online community. e-commerce is being used to sell items with value added due to the convenience it offers as opposed to being used as a tool to give consumers discounts because there is less competition among the online community (e-volve, 2002). However, Tang and Lv (2011) argue that since there is no middleman in the online businesses, the prices of the items sold online tend to be cheaper. The New Media Age (2005) stated that the representative of online traders and online arms of the high street retailers IMRG asserted that a

10% increase in price was charged retailers more than those on the high street for items sold in wholesale.

### 3.0 METHODOLOGY

The methodology adopted the qualitative approach in which 10 face to face interviews were carried out, and the required data collected by the interviewers. Participants were interviewed in university of wales Trinity Saint David. The objectives of the research made it inevitable to conduct the research at this university since majority of the students are employed, do online shopping and are conscious about their spending. The selected group of individuals who were interviewed were considered to represent the various categories of people (youths and adults) involved in online and high street shopping. 10 interviews were carried out.

### 4.0 ANALYSIS AND FINDINGS

The findings ascertain the facts in the report by CRR which indicated that by 2018, 62,0000 retail outlets would have closed; we stand to see more jobs losses than job creation (M2 EquityBites, 2013). The findings show that 40% of the participants had either lost a job or knew someone who has lost a job due to the eruption of online shopping. 30% of the participants believe that online shopping is creating more jobs for those on the high street as more retail shops start to setup online shopping platforms for their businesses. And 30% said they did not believe online shopping was increasing jobs or leading to job losses on the high street. As showed in figure 1 below.

Figure 1. Illustrates the effect of online shopping on the jobs, prices of items and spending pattern of shoppers on the high street.



Figure 1 illustrates that 20% believe that high street shopping is more expensive while 40% believe the opposite is true, and 40% are of the view that both online and high street shopping are expensive depending on what you are buying.

30% of the participants were of the view that their spending pattern is neither affected by online shopping or high street shopping. while 40 % only spent their money on a particular online item and not every item. 30 % believed that online shopping has affected their spending pattern whereby they only buy what they need once a week to cover that whole week.

*“I prefer to shop online especially with amazon because, I get to see what other people say about the items before I buy and the fact that there is an option of buying the same used items at a cheaper price.so I can easily choose whether I want to buy a new one or a used one which is cheaper.”* **Participant 1**

*“The customer service for online shopping is very poor sometimes but both online and high street shopping is very cheap during some seasons of the year.”* **Participant 2**

Figure 2 . The effect of online shopping on the prices of itmes on the high street.



think that high street shopping is more expensive than online shopping.

Extracted from table 4 in the appendices, figure 3 below shows that the number of shoppers whose spending pattern was not affected was found equal to those who buy items on the weekly basis and those whose is spending is influenced by a particular item online was found to be the biggest.

Figure 3. The effect of online shopping on the spending pattern of people buying form the high street.



Figure 4 . Effect of online shopping on jobs on the high street.



As shown in figure 4, particiapnts were found to be affected by the jobloss on the high street , a problem brought about by the onlineshopping while 3 were of the view that online shopping creates jobs instead and the remaining 3 participnats claimed not to have been affected by the joblosses caused by

onlineshopping. So the number of participants whose jobs were affected by online shopping was 7 out of the 10 participants.

## **5.0 LIMITATIONS AND CONCLUSION**

Online shopping's influencing on job losses, its effects on the pricing of items and spending pattern of consumers on the high street have been identified and evaluated. It has been found out that the benefits such as convenience and discounted prices have led to an increase in the number of who people prefer online shopping to high street shopping. The major limitation of the research was on fact that some participants have very limited knowledge about the online shopping. While some people have lost jobs as result of the high street shops closing, online shopping has created jobs through the adoption and creation of online presences for high street shops. The prices of items sold on both the high street have been found to change from time to time for reasons far beyond online shopping; although huge discounts have enticed more consumers change their spending patterns by buying more items online. here remains some who would rather keep going to the high street. It is recommended that with the adoption of new technologies, one should take advantage of either as they find suiting in their circumstances.

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## APENDICIES

1.1 Table 1: Findings form the interview.

| <b>Effect of online shopping on the jobs, prices of items and spending pattern of shoppers on the high street.</b> |                                                    |          |                                                 |          |                                                                         |          |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------|-------------------------------------------------|----------|-------------------------------------------------------------------------|----------|
|                                                                                                                    | <b>Affected by Job losses.</b>                     | <b>%</b> | <b>Those affected by prices.</b>                | <b>%</b> | <b>Those whose spending pattern was affected.</b>                       | <b>%</b> |
| 1                                                                                                                  | Lost a job in a high street retail.                | 40       | Online shopping is expensive.                   | 40       | Buy on line on a weekly basis.                                          | 30       |
| 2                                                                                                                  | Thinks its creating jobs on the high street shops. | 30       | High street shopping is expensive.              | 20       | Only spend on selected items online.                                    | 40       |
| 3                                                                                                                  | Not affected at all                                | 30       | Both had cheaper options depending on the item. | 40       | Don't feel their spending pattern is affected. They don't shop on line. | 30       |

1.2 Table 2: Shows the effect of on line shopping on the prices of items on the high street.

| <b>EFFECT OF ONLINE SHOPPING ON PRICES OF ITEMS ON THE HIGH STREET</b> |            |
|------------------------------------------------------------------------|------------|
| <b>Participants</b>                                                    | <b>No.</b> |
| Online shopping is expensive.                                          | 4          |
| High street shopping is expensive.                                     | 2          |
| Both had cheaper options depending on the item.                        | 4          |

1.3 Table 3: shows how the spending pattern of consumers on the high street is affected by online shopping.

| <b>EFFECT OF ONLINE SHOPPING ON THE SPENDINGPARTTERN OF PEOPLE BUYING FORM THE HIGH STREET</b> |            |
|------------------------------------------------------------------------------------------------|------------|
| <b>Participants</b>                                                                            | <b>No.</b> |
| Buy on line on a weekly basis.                                                                 | 3          |
| Only spend on selected items online.                                                           | 4          |
| Don't feel their spending pattern is affected. They don't shop on line.                        | 3          |

1.4 Table 4: Table illustrates the effect of online shopping on jobs on the high street.

| <b>EFFECT OF ONLINE SHOPPING ON JOBS ON THE HIGH STREET</b> |            |
|-------------------------------------------------------------|------------|
| <b>Participants</b>                                         | <b>No.</b> |
| Lost a job on because of online shopping                    | 4          |
| Think online shopping is creating jobs                      | 3          |
| Their jobs were not affected                                | 3          |

## Online and high street shopping interview questions.

We appreciate you for taking time to take this interview with us . It will not take more than 8 minutes of your time. Please feel free to advise otherwise if I do ask a question you would not like to answer.

1. What are some of the apps and websites you use the most?.....  
.....  
.....
2. When do you normally first use the Internet in a typical day?.....
3. How do you currently go about shopping?.....  
.....  
.....
4. What's most appealing about online or high street shopping? .....  
.....  
.....
5. What challenges do you face with online or high street shopping?.....  
.....  
.....  
.....
6. Do you work or know anyone who does a job on the high street?.....
7. Have you or anyone close to you lost a job on the high street? If yes, why?.....  
.....
8. Do you compare prices with those of the same items on the high street when shopping on line?.....
9. Has your spending pattern changed from the time you started doing online shopping?  
.....  
.....