

## Online shopping

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**Abstract:** The paper focuses on the topic of online business. This article also aims to link the theme of online food business. What are the possibilities of common food through e-shop in the Czech Republic. The main focus of the paper is research, research of literary and scientific sources. The importance of building a position in the online environment tends to be underestimated in companies. Success in an online business may be associated with a happy coincidence of favorable circumstances, but in most cases success in any business is underpinned by self-effort, self-confidence and entrepreneurial knowledge. To manage success, you need to know the factors and circumstances that determine and influence it. Through their knowledge, entrepreneurs can purposefully manage and regulate their path to success.

**Keywords:** online, business, companies, food, e-shop

### 1 Internet

Kotler states that [19] „the Internet is a huge public network of computer networks that allows users of all kinds from around the world to communicate with each other and access incredibly large resources.” The Internet is one big information highway on which bits can be transmitted from one location to another at incredible speed. According to author Bandara [3] „with the emergence of the World Wide Web and Internet browsers in the 1990s, the Internet has turned from a mere communication tool to a truly revolutionary technology.” Today, the Internet is almost surrounded by people of all ages.

Hesmathi said [11] „this makes trading online much easier and more popular. Today, almost anything can be bought online. People buy clothes, electronics, books, furniture, gifts of all kinds, but also experiences.” Online shopping allows for convenience, saves time and does not put stress on buyers. Goods can be picked up at any time of the day and can be purchased from the other side of the world. Buying and selling via the Internet brings many opportunities and opportunities for businesses and customers.

Remondes et al. [22] said „a growing phenomenon is currently buying food online. Choose food from the comfort of your home, take the time to study information about each food, not to push in the store and queue with other customers and get imported buying to the door of your apartment, isn't it a dream? Online grocery shopping is becoming increasingly popular, has its advantages, but unfortunately also disadvantages, and most people are still skeptical about this kind of shopping.” The question is whether we will see a time when online grocery shopping people are totally forfeited and will no longer want to shop in traditional brick-and-mortar stores.

Kotler describes [19] „e-business in translation means e-business using information and communication technologies and the benefits of the Internet in business. E-business is the implementation of business processes on the Internet.” Sedláček said [24] „these processes include the purchase and sale of products, supplies and services, customer service, payment

processing, collaboration with business partners, and in particular all electronic information exchange within and between the company and customers”.

According to Kavaf [17] „e-business uses electronic platforms (ie intranet, extranet and internet) to realize the business of the respective company (business entity).” Zaoh said [28] „companies set up websites to inform customers about their products and services, build an intranet to communicate employees and an extranet to exchange information with major suppliers and distributors”.

According to Bandara [3] „the difference between e-business and e-commerce lies in their scope. While the term ebusiness covers e-business more comprehensively, e-commerce has a narrower definition.” E-commerce is the process of buying and selling by electronic means, especially the Internet Ecommerce can also be defined as the process of purchasing affordable products and services over the Internet using secure connections and electronic payment services. E-commerce includes not only error-free online transmission of information and documents, but above all also contracting and partnership through the Internet. Simply put, e-commerce consists in setting up and adding a store to the Internet, allowing visitors to access store pages and browse through a virtual catalog of products or services online. Qiu said [23]. „in ecommerce, businesses can act as pure online businesses that are not represented in the traditional market, or as hybrid businesses that have started using e-marketing for their traditional physical business.” Hybrid stores have more benefits they have well-known names, larger clientele and offers customers more options than purely online stores.

## **2 History of e-commerce**

Chao states that [15] „the first online purchases were made in the early 1990s.” The Internet has brought a major breakthrough to the world of business. With the emergence of "http" and "www", e-commerce began to emerge in 1994 and 1995, as we know it today. Chen said [16]. Until then, companies used the Internet as a space for presentation and contact with visitors.

Holden said [13] „internet shopping in Europe, respectively. in the Czech Republic had a different development than in the USA.” In America, Europe and the Czech Republic, e-commerce has gone in different directions. The online store in the USA has developed greatly due to the great popularity of online payments, which in turn have created distrust in European customers. Payment security is related to the establishment of SSL3 in 1994, which encrypts both the recipient and the sender of an online transaction. SSL provides data encryption regarding name, address, credit card number, ie. all data "browsing" on the Internet. Fleich [9] said that „since then, a service that allows you to transfer money from different sources without revealing your payer card details, and that is PayPal.” A common development in all parts of the world was the promotion of large retail chains with their own online stores. An example of an e-commerce connection to a stone chain is Target.com Walmart. com or Bestbuy.com.

### **2.1 Advantages and disadvantages of e-commerce**

Escobar-rodriguez [7] states that „e-commerce offers many benefits for both buyers and sellers.” Benefits for buyers include convenience, buyers have the opportunity to expand their leisure time and make purchasing decisions at any time, 24 hours a day, without restrictions. Heshmati said [11] „customers are more private, they usually have more choice and better access to products on the Internet.” Buyers can also easily find information about companies, products and competitors on the internet.

Zhao said [28] „e-commerce enables traders to achieve lower prices, they can continuously update their offer without great additional costs, which would be increased, for example, in classic mail order sales.” Internet sales also save labor costs, but also the sales area. According to Hwangbo [14] „the main benefits for sellers include the ability to build customer relationships more efficiently, bringing lower costs, higher speed and efficiency. E-commerce offers more flexibility and allows you to reach customers from all over the world”.

According to Awa [1] „the main disadvantage of e-commerce for buyers is the inability to visually, physically inspect or test the goods. Lack of contact with the goods and the seller, limitation of impulsive offer, but also limitation of social contacts in the actual implementation of the purchase, may be another minus for customers shopping over the Internet.” There is also a risk of transactions with an unknown seller and fear of Internet fraud. This is related to security and ensuring privacy and consumer rights. Baethge said [4] „disadvantages for merchants are, for example, the costs of computer technology and information technology and the need to have knowledge of information technology at different levels and the associated higher demands on skilled labor”.

### **3 Online buying and selling food**

Kirby-hawkins said [18] „the domestic and European food markets are undergoing a fundamental change, which is the dynamic arrival of online sales. Online shopping is beginning to threaten the traditional position of brick and mortar stores in different categories of goods.” The category of food, beverages and drugstores is still bought mainly in the stores. However, even these goods are not safe from the Internet in the future. The reason is the increasing demand of the Czech customer and the penetration of new technologies into this traditional industry.

According to Humair [19] „buying food in an ordinary shop is a duty for people and gives rise to negative emotions. According to Incoma FutureBuy 2013, buying food is compared for the purchase of clothing, where in-store purchases are described negatively as tiring and frustrating as compared to online purchases. We give the definition of consumer behavior primarily because of the distinction between consumer and customer, where the consumer and the customer may not be at all the same person. This changed later in the 1990s, when customers learned to buy in larger quantities thanks to new opportunities. In the early 1990s new ones began to appear in 1991, Mana, Billa or Delvita stores were newly opened in the Czech Republic. After 1996, the first hypermarket chains began to appear, including Globus.

Zhou [29] „defines a supermarket as follows: A supermarket is a large-capacity store with a full range of groceries and basic types of non-food goods.” The number of goods in the supermarket is between 5 000 and 10 000 items, a significant part is made of food and non-food is complementary segment. The supermarket's strategy is to offer a complete range of daily necessities, that is to say, offering a great selection, quality, freshness, all at affordable prices. The main difference between supermarkets and hypermarkets is mainly in the size of sales areas. Hypermarkets have larger sales areas, which is associated with a wider range of products. In hypermarkets, besides food, there is also a wide range of non-food goods, where the largest hypermarkets can offer up to 50,000 items. The number of supermarkets, discounts and hypermarkets has been increasing rapidly over the years. At the beginning of 2016, there were 318 hypermarkets and 1334 supermarkets in the Czech Republic. For almost half of Czech households, hypermarkets are the main shopping place and customers spend most of their expenses on food. The number of online sellers of food registered with the Czech Agriculture

and Food Inspection Authority is growing by 100 to 200% year-on-year. Today, consumers / consumers are most interested in looking for local, quality and fresh food. Quality is the most important factor in food choice. Another factor is the price, less important is the composition of foods. However, this has started to change over recent years and the food composition criterion is becoming more with the stated purchase criterion. According to Riyush [21] „the Czechs are known for their approach to price, when the price is often better than quality when shopping. Even this trend is gradually changing and the price begins to be conditioned by quality.” The trends in food purchase include large, so-called supply purchases. Big purchases are cheaper and more convenient, which makes grocery stores especially useful. The big shopping trend also applies to online food sales, and most of the virtual baskets contain durable foods or beverages. The constant trend is that women make more decisions about purchases. This is also true for online shopping where women shop more often than men.

Bednářová said [6] „online food and beverage sales are currently among the smallest retail segments in terms of size, but have the greatest growth potential.” According to KPMG Czech Republic's 2015 Purchasing Habit Survey, it turns out that 21% of Czechs have ever bought food online, of which only 2% they were buying food regularly. The survey also showed that 23% of Czechs are still planning to buy food and drinks online. In the European Union, as well as in the Czech Republic, the purchase of food online is mainly used by residents of large cities. It is logically conditioned by the momentary unavailability of the service in the given locations. It is possible to assume that the volume of online food purchases will increase in proportion to the expansion of the areas where these services operate. However, the survey also shows that almost half of Czechs are strongly opposed to buying food online. Holden presents [13] „the greatest potential the risk for the respondents was the delivery of a different quantity or quality of products. The disadvantages of buying food online are the same for those who have already purchased and those who do not want to do so.” They consider the disadvantages of the price of transport, the fact that someone must be at home when taking the goods or the inability to find out more information of goods. The biggest advantages of online shopping are comfort and time savings.

Fleisch states that [9] „from a psychological point of view, it is also about overcoming certain habits and stereotypes that we have built up in shopping behavior over time and the ability to prepare to learn something new.”

**Tab. 1** Competitive analysis for *www.rohlik.cz*

Online food	URL	Availability	S-rank	GTPR	Number of back links
<b>Rohlík</b>	<a href="https://www.rohlik.cz/">https://www.rohlik.cz/</a>	Prague, Central Bohemia, Brno, Pardubice, Hradec Kralove, Pilsen, Liberec, Jablonec nad Nisou.	65	6/10	12 382
<b>Košík</b>	<a href="https://www.kosik.cz/">https://www.kosik.cz/</a>	Prague, Central Bohemia, Pardubice, Chrudim, Hradec Kralove, Plzen, Liberec, Jablonec nad Nisou, Usti nad Labem, Teplice.	82	4/10	157
<b>Tesco</b>	<a href="https://www.itesco.cz/">https://www.itesco.cz/</a>	Prague, Central Bohemia and surroundings, Brno, Blansko and surroundings, Breclav, Hodonin and surroundings, Pardubice, Hradec Kralove and surroundings, Mlada Boleslav and surroundings	40	5/10	754

Source: own processing

This could be the result of competitive analysis for the website [29]. [www.rohlik.cz](http://rohlik.cz) (<http://rohlik.cz>). Specific data collected for each e-shop with food should be selected according to the purpose of the analysis and its expected further use.

The following search engine queries were used in the analysis:

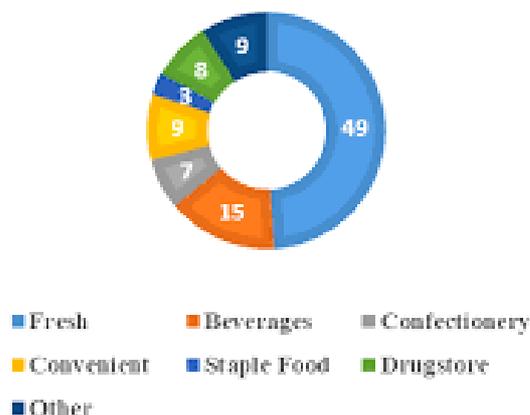
- a) about buying food online
- b) for home food,
- c) Import of food.

This information was discovered by researching the sites found and by: o Search Status16 extension for Firefox to detect Google Toolbar Page Rank. o H1.cz SEO extension17 for Firefox to detect S-rank. o The query "link: required URL" to determine the number of back links of each website in the search engine.

According to Remondes et al. [22] „developments in e-commerce and purchasing in consumer behavior are causing more and more customers to buy more often through the Internet.” They buy clothes, electronics and more recently, groceries online. Internet sales of food are a small segment, although sales are expanding throughout the Czech Republic.

**Fig. 1** Shopping basket 2018

### SHOPPING BASKET 2018



Source: [31]

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