

The Rise in Demand For Online Shopping and the Effects it is having on High Street Stores.

YEOTY 2019

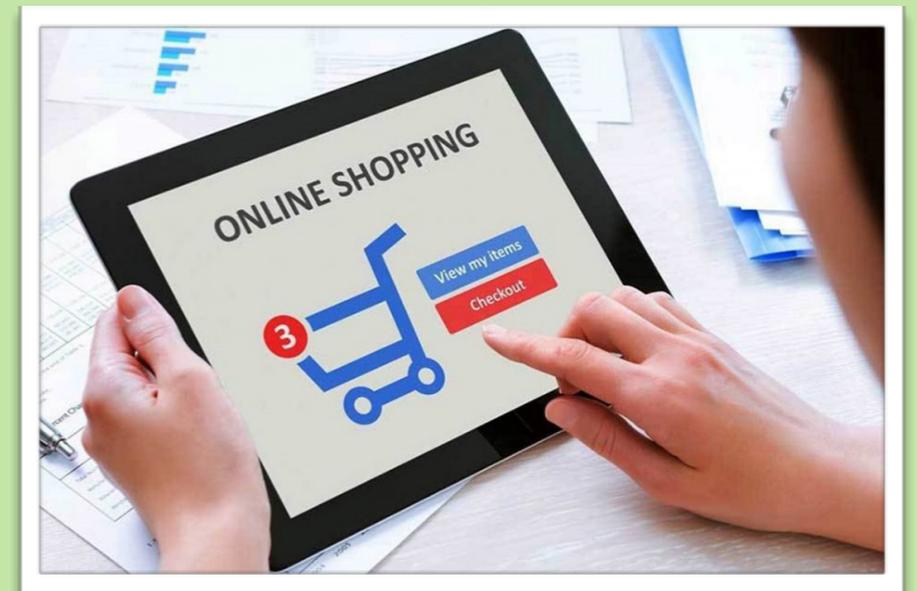
**St. Vincent's Secondary School, Dundalk
2nd Year.**

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Aim

- **We chose this project because we wanted to see how the growth of online shopping is affecting high street stores.**
- **We believe that an increase in demand for online shopping in recent years may be having a detrimental effect on stores that do not provide an online facility to its customers.**
- **We believe that more stores are now providing an online facility to its customers in order for their stores to survive in a constantly changing retail environment.**

What is Online Shopping?



- Online shopping is a form of electronic commerce which allows consumers to buy goods and services directly from the seller, on a web browser.
- It is the action of buying goods or services over the internet.
- It can be done from the comfort of your home and can be accessed on a phone, tablet, laptop or computer etc.

What is Demand and Supply?

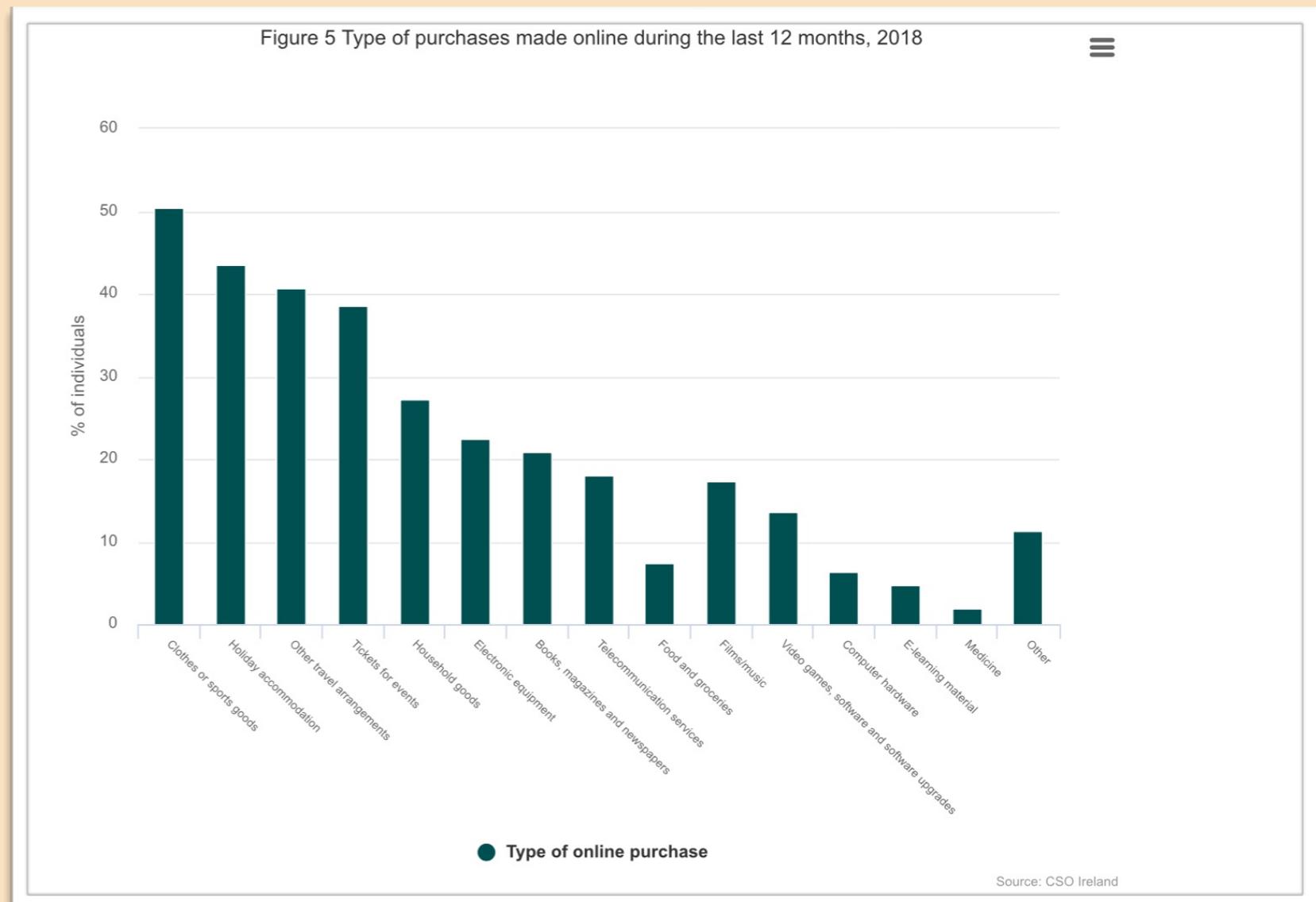
- **Demand** is the number of customers who wish to buy a product/service at a certain price.
- **Supply** is the quantity of a product or a service suppliers will make available at a certain price.

Research

1. Statistical Research on Online Shopping

Source: cso.ie

- It is estimated that, in 2018, 89% of households have access to the internet at home.
- Finding information on goods and services (88%) was the most common activity carried out on the internet by individuals.
- The most common types of goods or services purchased by internet users were clothes or sports goods (50%). The next most common types of internet purchases were holiday accommodation (44%) and other travel arrangements (41%).



2. Surveys

- Using Survey Monkey a questionnaire with open, closed and multiple choice questions was designed.
- Survey Monkey is a tool that allows users to create their own surveys using question format templates.
- We carried out this survey on 3 different age brackets; 12-15, 16-18 and 18+.

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* 1. Please tick appropriate age bracket

12-15 years of age

16-18 years of age

18+ years of age

* 2. Do you shop online?

Yes

No

3. If yes, how often?

2-3 times a week

Once a week

Less than once a month

Once a month

2-3 times a month

* 4. Do you prefer to:

Shop online

Shop in stores

Don't mind

5. If you picked shop online, why?
Tick relevant boxes

More convenient

Better choice

Cheaper

Other (please specify)

6. Would you prefer if every shop had an online facility?

Yes

No

7. What would you mainly buy online?
Tick relevant boxes

Clothes

Shoes

Food

Electrical Goods

Household appliances

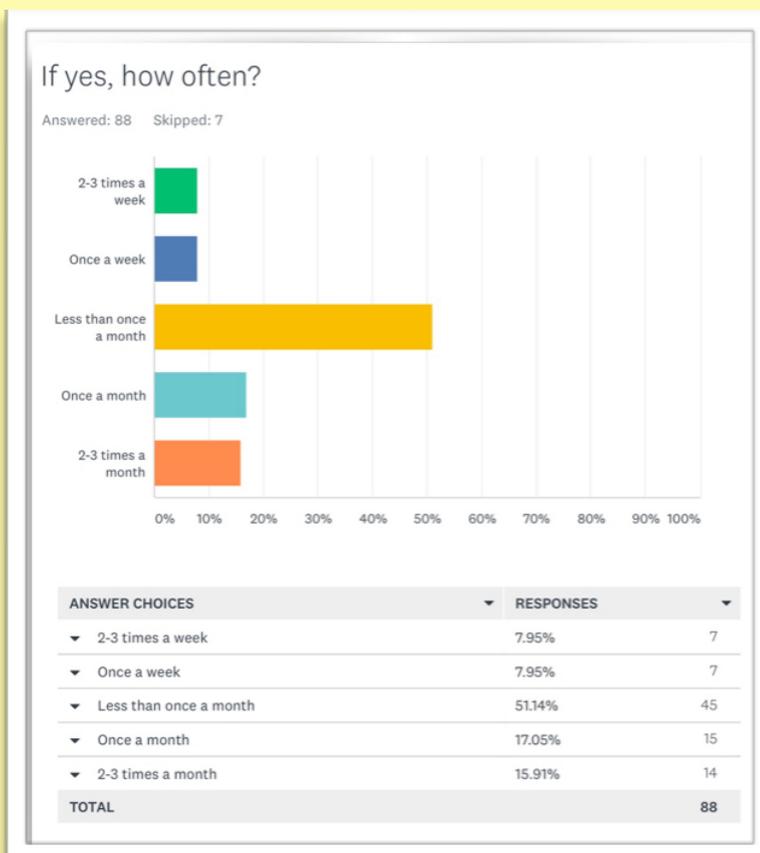
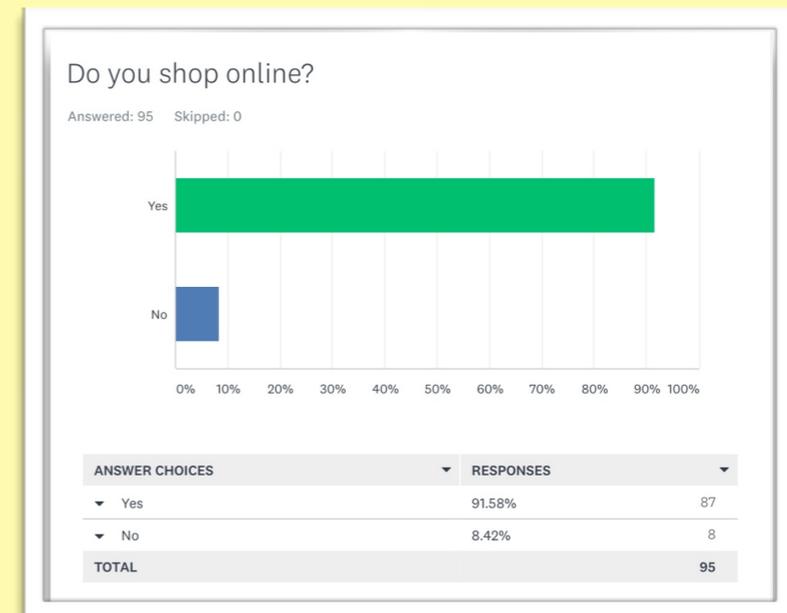
Other (please specify)

Analysis & Findings of the Survey

12-15 years of age

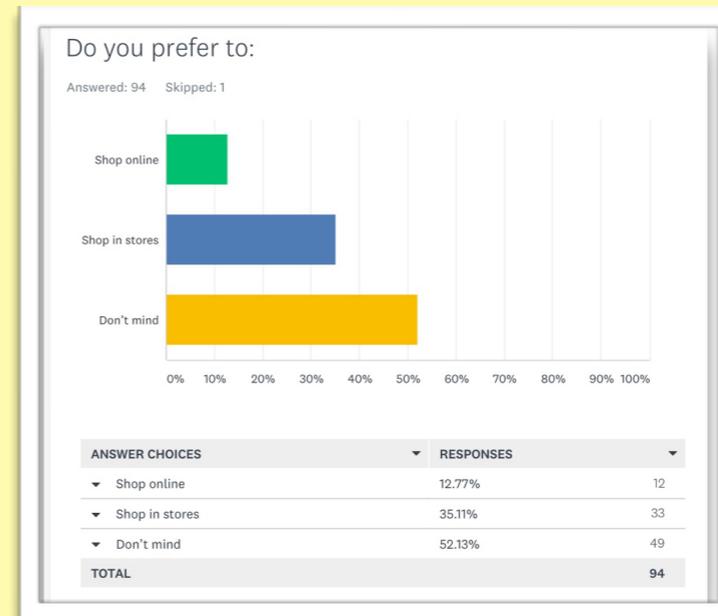
- In the first age bracket of our survey we had the 12-15 years of age category. We had a total of 95 people complete this survey.

1. In our first question we asked “if people shop online?” In this age category, the yes option had the majority with 92%. Only a small 8% said no.

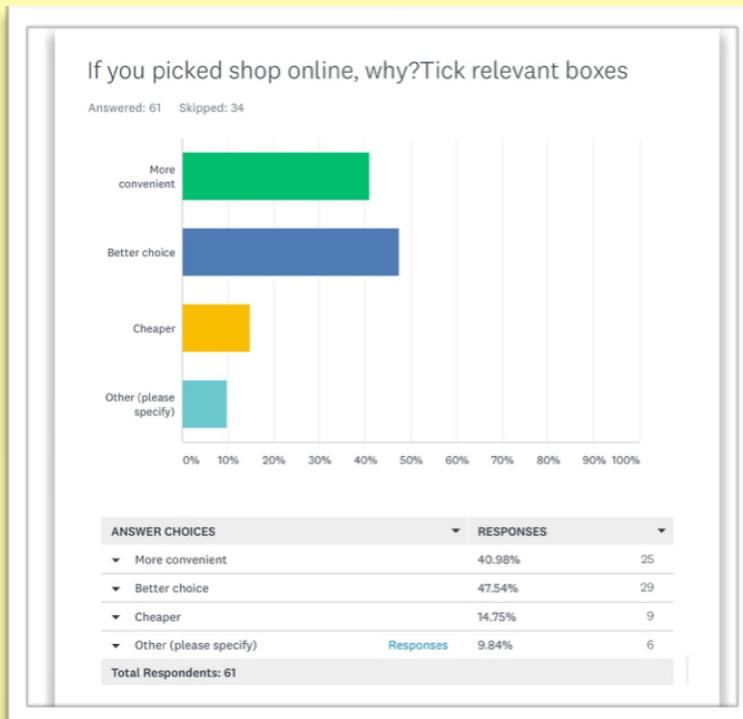


2. In question 2 we asked “how often would you shop online?”. The majority vote was ‘less than one month’ with 51% of the votes. The other options had between 8-17%.

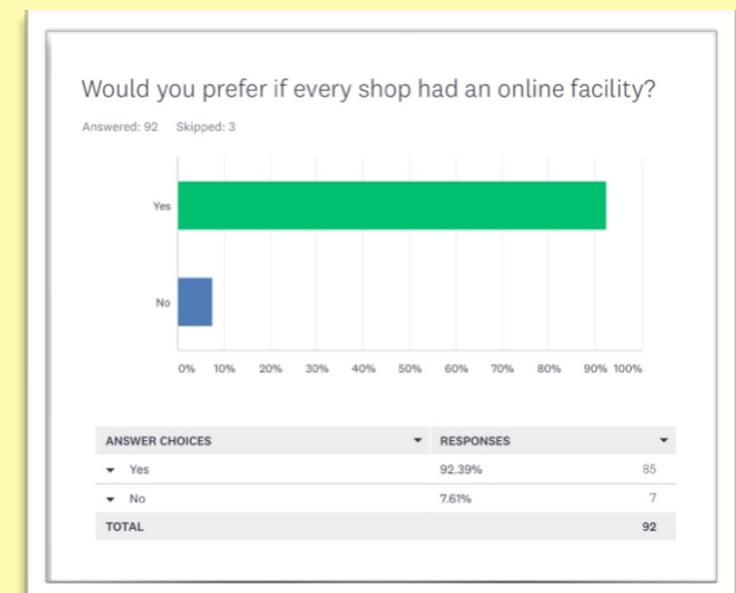
3. In question 3 we asked “do you prefer to: shop online, in stores or don’t mind”. The ‘don’t mind’ option was the option that the majority picked, having 52% of the respondents pick it. ‘Shop in stores’ came closely after with 35%.



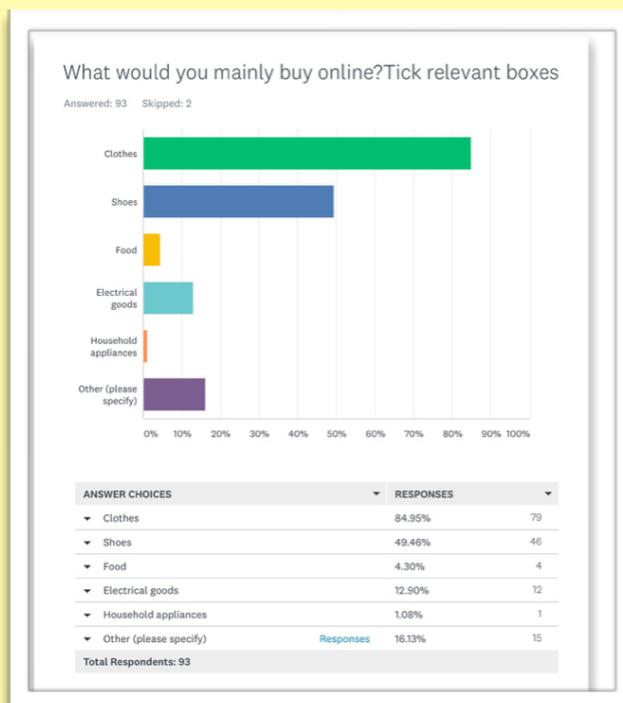
4. In question 4 we asked “ why do you prefer to shop online?” The most popular option was the ‘better choice’ option. A total of 48% of people said this answer for this question. The ‘more convenient’ option came closely behind having 41% of people answer this.



5. In question 5, 93% of the respondents said they would prefer if every shop had an online facility.



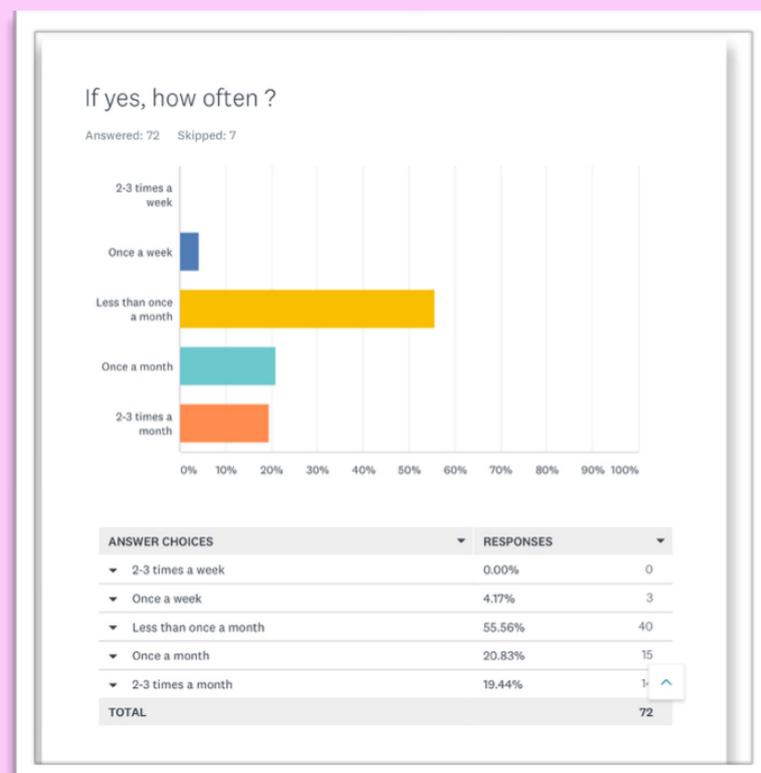
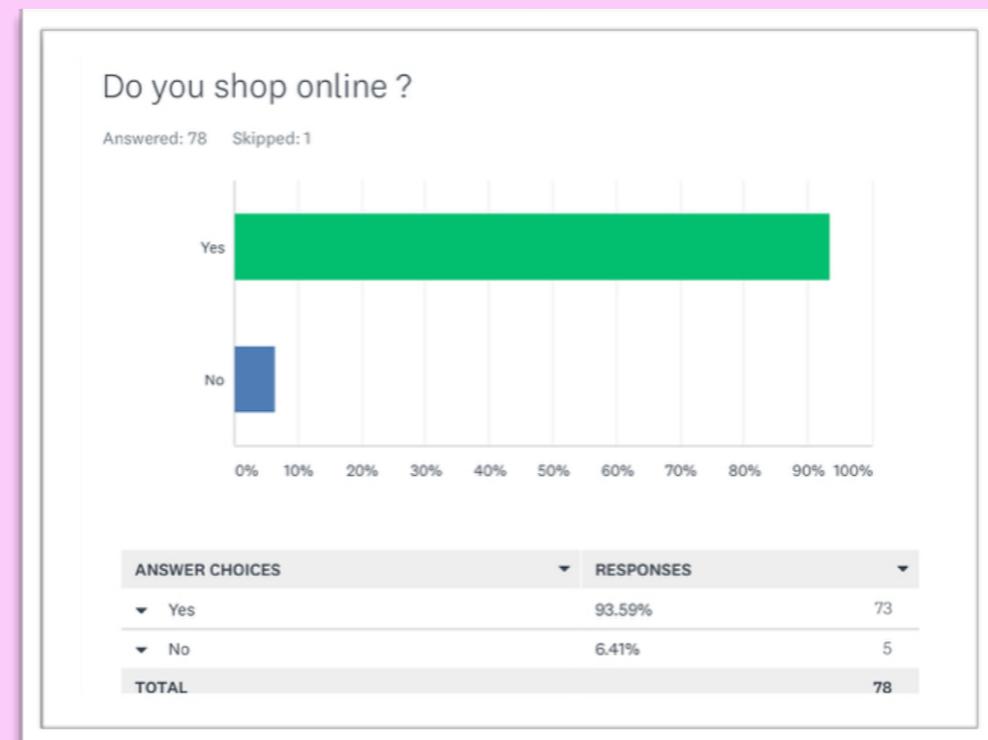
6. In our final question we asked “ what would you mainly buy online?”. The most popular answer was by far clothes taking the lead with 85%. The second most popular was shoes with 50%. Other items purchased were : food, electrical goods and household appliances



16-18 years of age

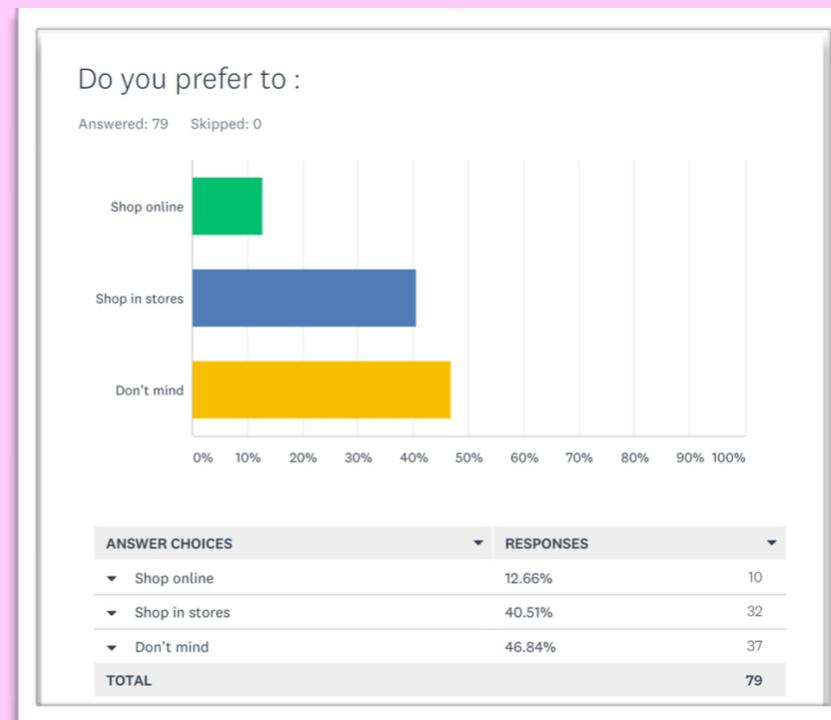
- In the second age bracket of our survey we had the 16-18 years of age category .We had a total of 79 people complete this survey.

1. In our first question we asked “do you shop online ?”. In this age category, the yes option had the majority with 94%. Only a small 6% said no.

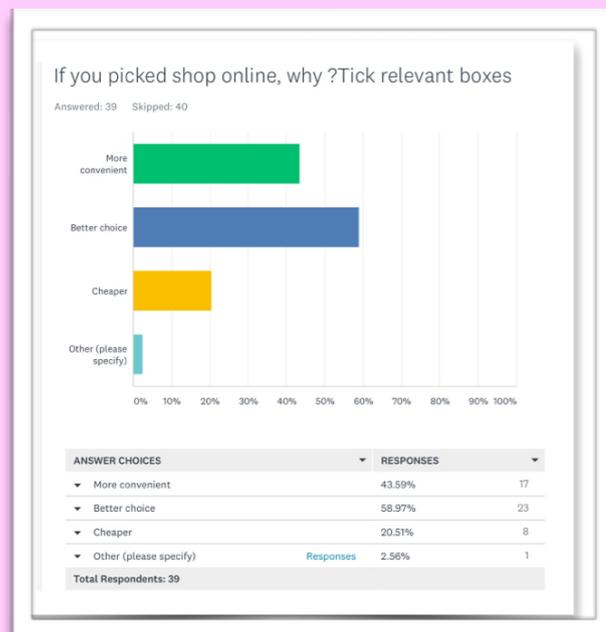


2. In question 2 we asked “ how often would you shop online ?”. The majority vote was ‘less than once a month’ with 56% of the votes. The other options had between 4-21%.

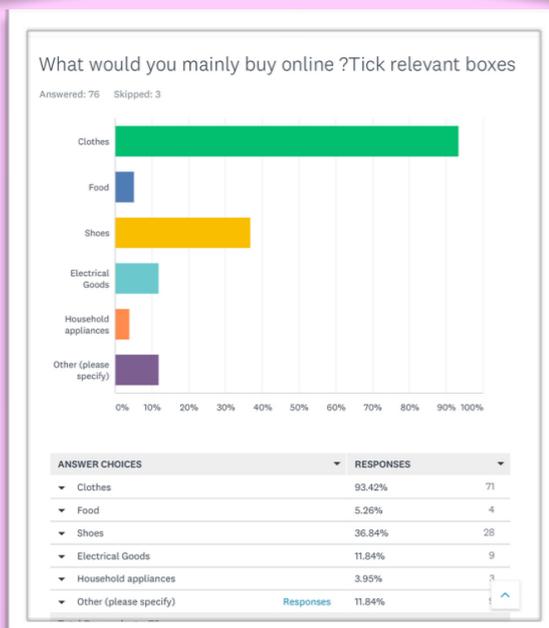
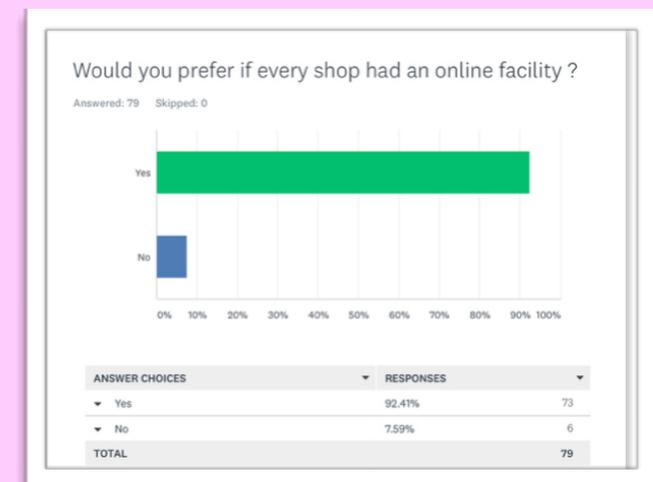
3. In question 3 we asked “ do you prefer to : shop online, in stores or don’t mind”. The ‘don’t mind’ option was the option that the majority picked, having 47% of the respondents pick it. Shop in stores came closely after with 41%.



4. In question 4 we asked “why do you prefer to shop online ?” The most popular option was the ‘better choice’ option. A total of 59% of people said this answer for this question. The ‘more convenient’ option came closely behind having 44% of people answer this.



5. In question 5, 92% of the respondents said they would prefer if every shop had an online facility.

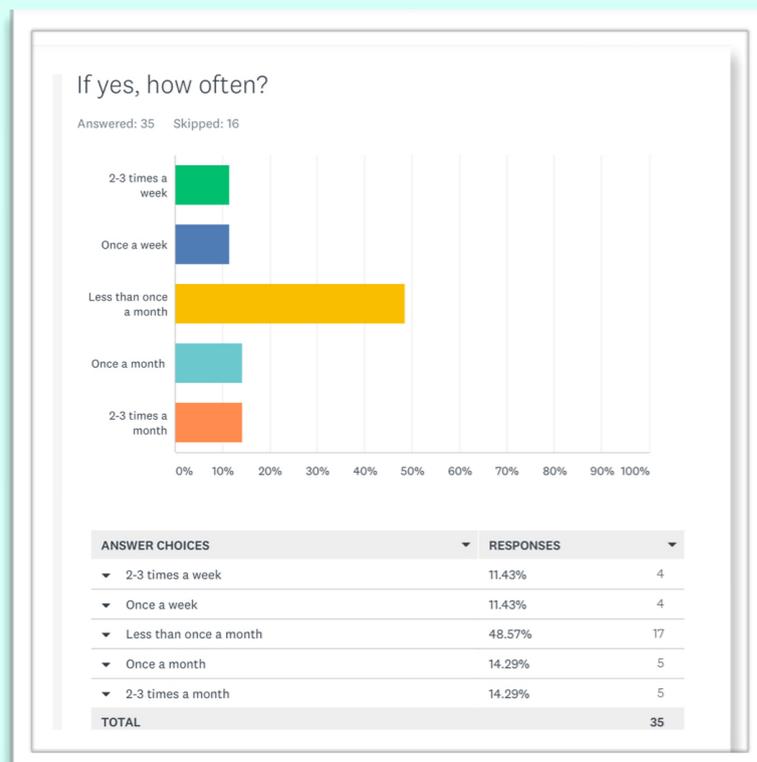
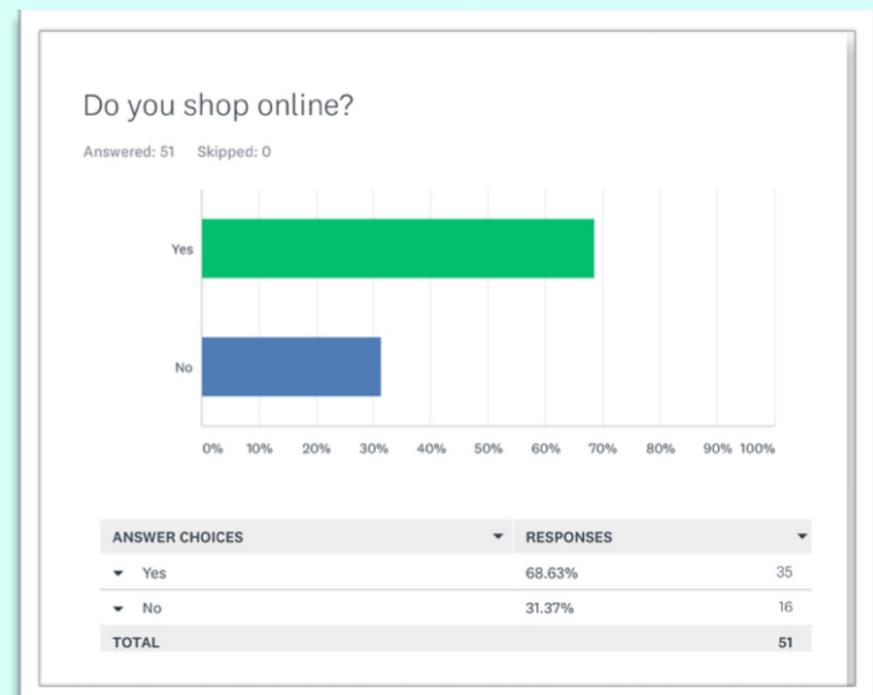


6. In our final question we asked “ what would you mainly buy online ?”. The most popular answer was by far clothes taking the lead with 93%. The second most popular was shoes with 37%. Other items purchased were: food, electrical goods, household appliances, makeup, books and phone accessories.

18+ Survey

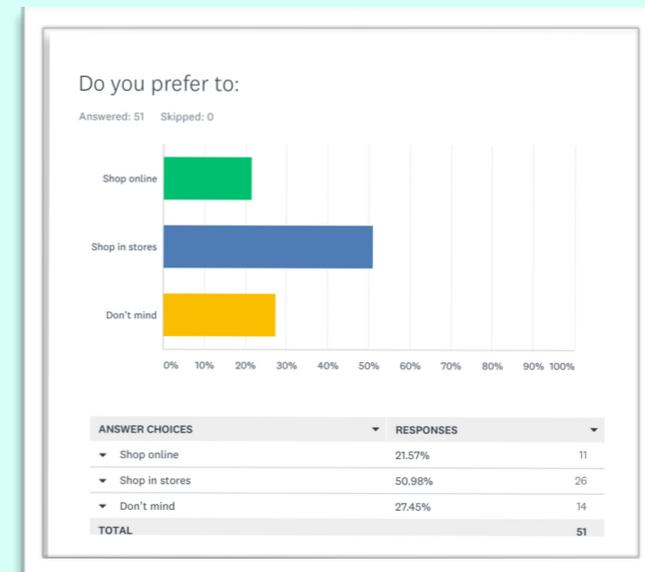
- In the last age bracket of our survey we had the 18+ years of age category. We used the same questions as the 12-15 years of age and the 16-18 years of age. We had a total of 51 people complete this survey.

1. In our first question we asked “if people shop online?”. This age category had the highest percentage of people say no at 31%. Still the yes option had the majority with 69%.

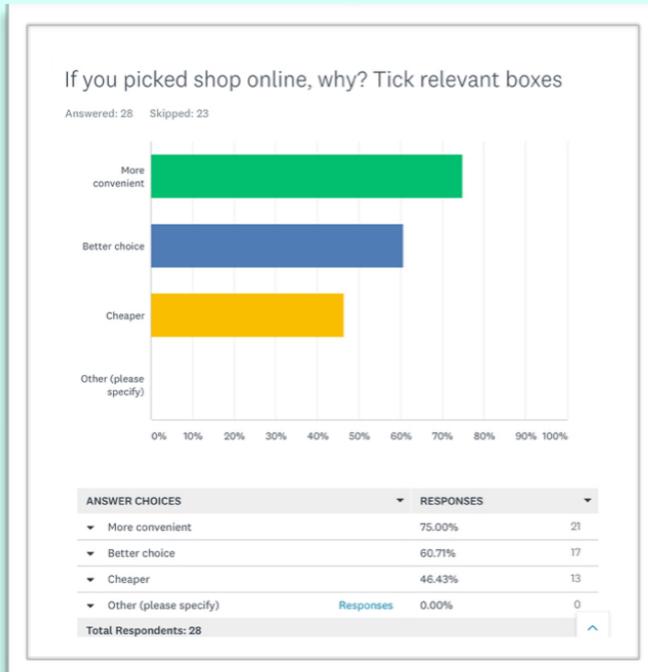


2. In Q2 we asked “how often would people shop online?”. The most popular option was ‘less than once a month’ with nearly half of the respondents choosing that option. This option was chosen by 49%. The other options had between 10%-15%.

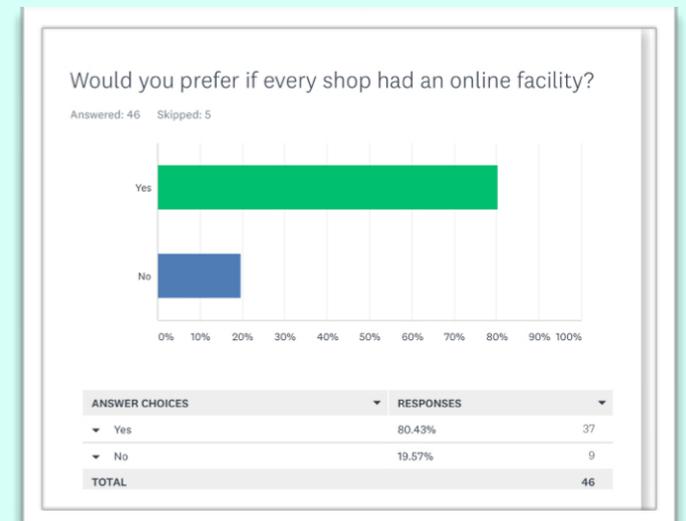
3. In Q3, we asked the question: “Do you prefer to; shop online, shop in stores or don’t mind?”. Half of the respondents replied that they preferred to “shop in stores”. This shows that the older generation still shop in stores.



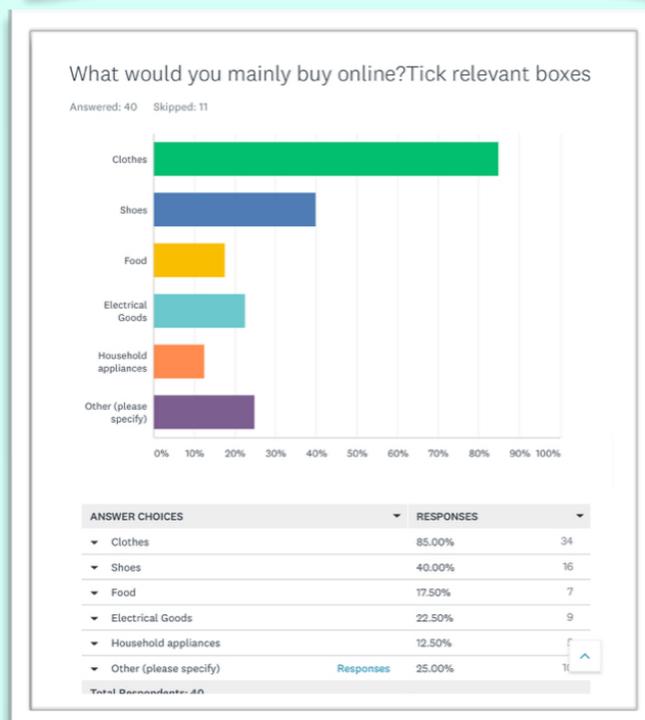
4. In Q4, we asked “why people prefer to shop online?” The most popular answer was “more convenient”. A total of 75% of people said this answer to the question. Not far off, 61% of people said that online shopping has better choice and 46% said it is cheaper.



5. In our second last question, 80% of the respondents said that they would prefer if every shop had an online facility.



6. Lastly we asked “what do you mainly buy online?”. The most popular answers were clothes with 85% and shoes with 40%. These are the most popular items people aged over 18 buy online. Other items purchased are food, electrical goods, household appliances, books, makeup, sports equipment and gifts.



Summary of Survey Results

What we gathered from carrying out these surveys is the following key points:

- Gender - When we gathered the information from these surveys we realised that women tend to online shop more than men.
- Age- We also found out that different age categories shop online more than others. From our survey results, in the 12-15 years of age category 92% of people shop online and 8% don't. In the 16-18 years of age category 94% of people shop online and 6% don't and in the 18+ category only 69% of people shop online and 31% don't. In conclusion we gathered that younger generations shop online more than the older generations.
- What people mainly buy online- Another key part of our survey results is that we found out that in every age category the products that people mainly buy online are clothes followed by shoes.



3. Interviews



Interview Questions

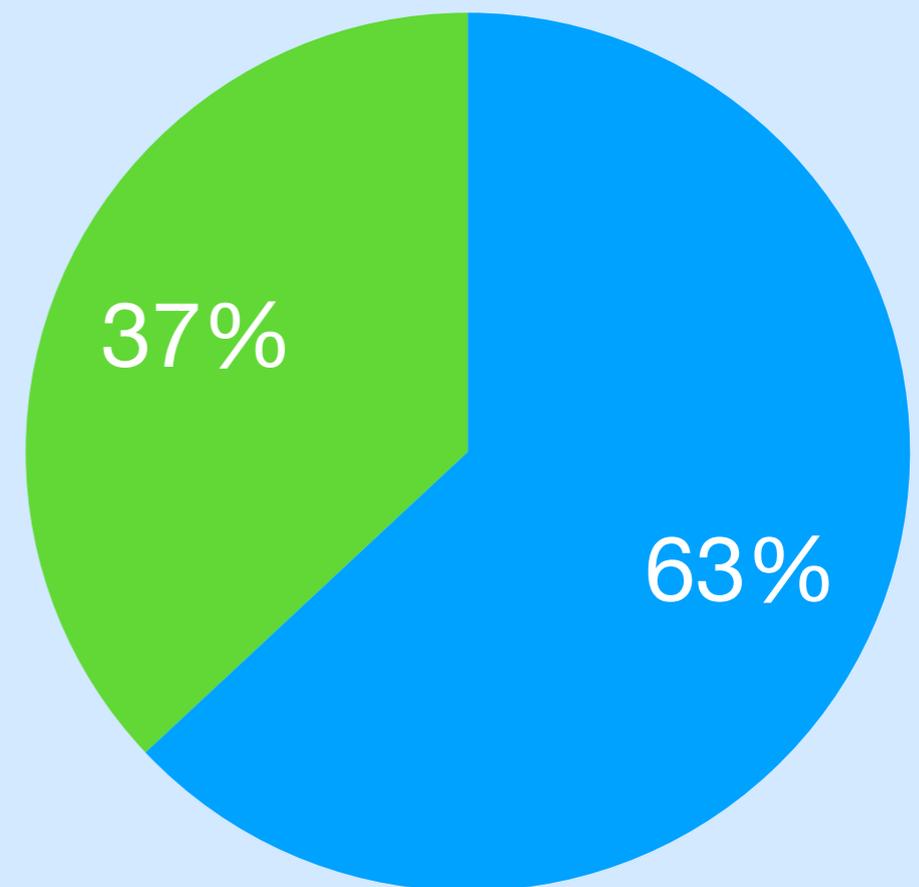
- A list of questions was compiled and a sample of high street stores were interviewed.
- We interviewed stores which had an online facility for its customers as well as stores without an online facility.
- Stores interviewed included Ruby Nu, Austin Reid's, Rapport, Roe River Books, Brendan Reid's, T.C Matthews Carpets, La Grá Boutique and Neola.

1. Do you have an online website?
2. Do you sell your products online ?
3. Do more people buy products online or in your shop?
4. What percentage of your sales do you sell online?
5. Have you noticed a decline in footfall in your store this year due to online shopping compared to 4-5 years ago?
6. Do you use any social media platforms to promote your products?
7. Would you ever consider making an online website?
If not, why ?

High Street Store Interview Findings

- 25% of stores interviewed sell their products via an online website. 63% of stores interviewed have no online facility. 12% of stores interviewed have an online website but do not sell their products online.
- Stores who sell their products online said that between 10%-20% of their overall sales are online.
- 63% of stores interviewed said that there has been a decline in 'footfall' over the last four to five years due to online shopping. Comments like "people prefer to stay at home to shop" were made.
- 75% of stores felt that online shopping was more of a trend for the female gender.
- 50% of stores without an online facility said they had no online shopping services because it was too expensive to set up and run.
- 75% of stores without an online facility said they sell their products cheaper due to the competition from online shopping.
- 100% of stores interviewed use social media platforms like Facebook or Instagram to promote their products.

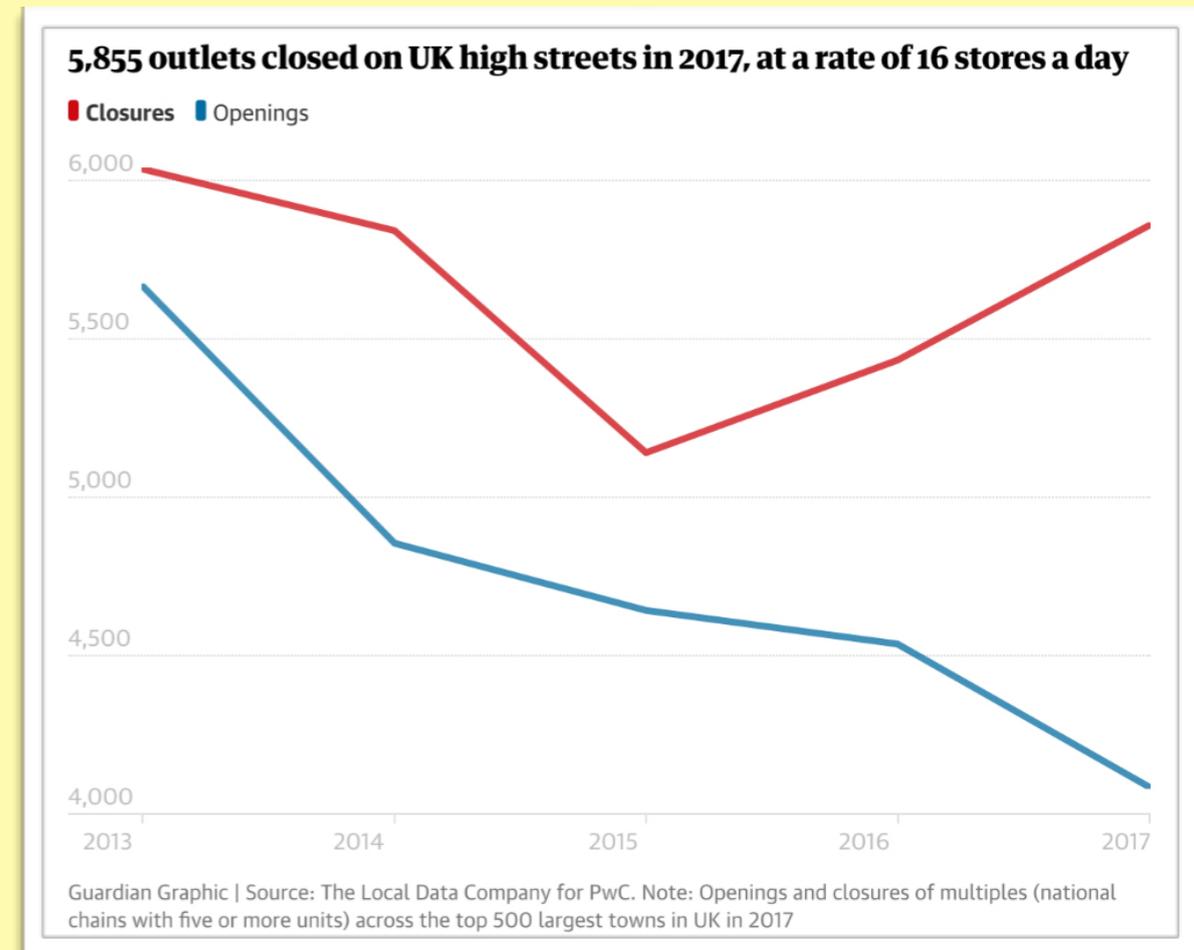
- Footfall
- No decline in Footfall



4. Statistical Research on the Effects of Online Shopping on the Retail Sector

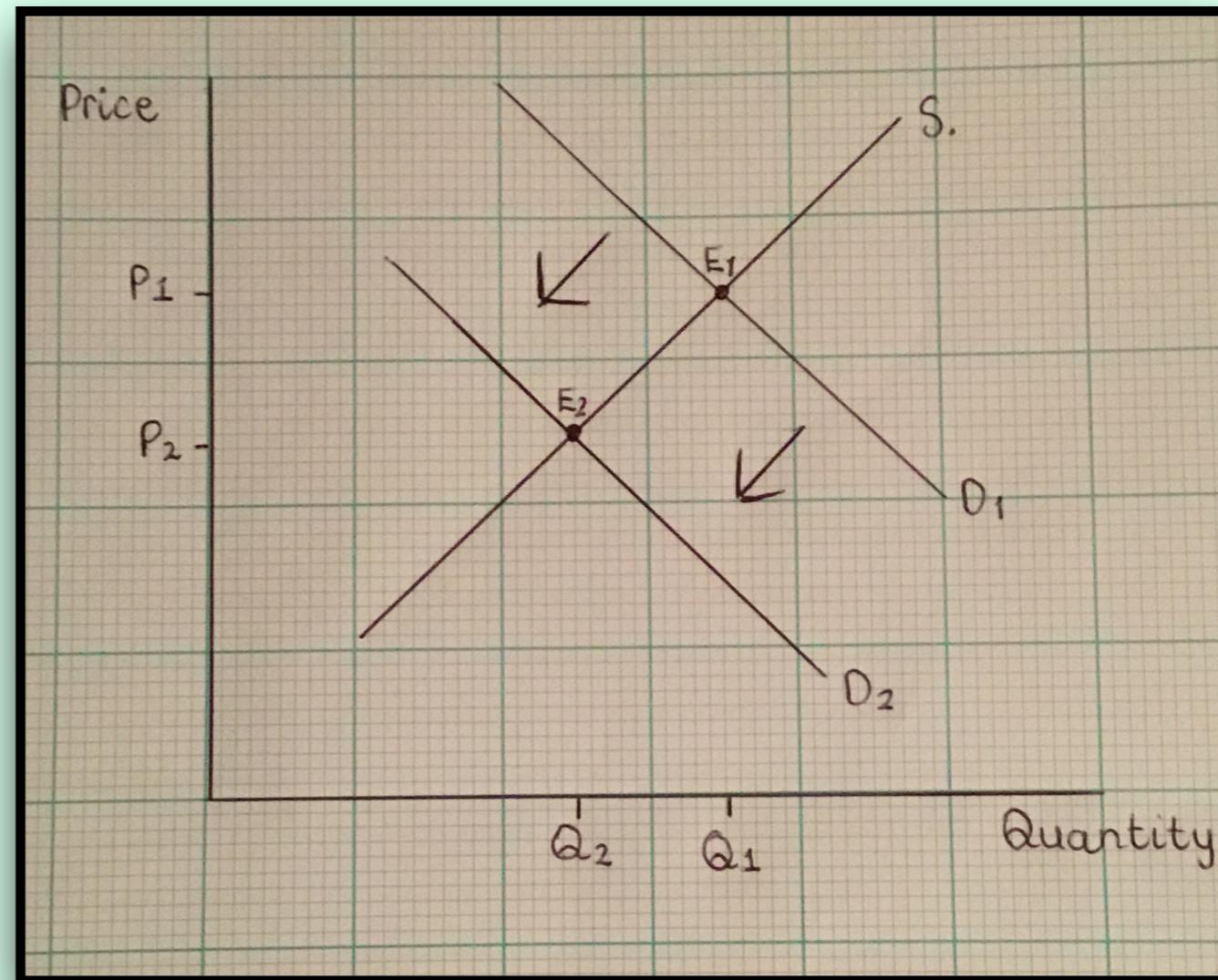


- The UK's high streets suffered 5,855 store closures in 2017, more than in any year since 2010, as fashion retailers, shoe shops, travel agents and estate agents have been driven out by the rise of internet shopping.
- Clothes retailer New Look is closing 60 stores and cutting around 1,000 jobs. One of the reasons for this is due to the increase in online shoppers on their online store in the past 6 months, leaving their stores empty most days.
- Poundland became the latest in a slew of major players to announce materially bad news with around 100 stores set to close. The collapse came amid decreasing footfall.



Conclusion

- When goods are at Price 1 there are Quantity 1 shops. Due to competition from online stores Demand for shops go down. This is shown by a shift in Demand Curve to the left. The new equilibrium point can be found at Price 2 and Quantity 2. This means there are less shops supplying goods. Lower prices are charged due to more competition.



Thank You

We would like to take this opportunity to thank all the people who completed our survey, the high street stores who assisted us with interviews and our teacher Mr.Doyle.