

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 E-Commerce Website**

E-commerce, short for electronic commerce, refers to the act of commercial activity such as buying and selling items, or services by using internet [1]. E-commerce has the capability to digitalize a business by eliminating some of the conventional business methods such as physical storefront. The majority of e-commerce transactions occur through online platforms such as mobile applications and websites. By utilizing the usage of e-commerce websites, both business and consumers gain numerous advantages such as global reach where internet websites enable businesses to reach potential customers worldwide as long as the customers are connected to the internet. E-commerce websites provide 24/7 availability unlike traditional stores with fixed operating hours, the website enables customers to do transactions 24 hours a day and 7 days a week. It also lower operational costs since the store is running through internet indicates no need for a physical stores and bill costs for running the store such as electricity, gas, or waters. The products that can be sold using e-commerce can showcase a wider range of products, and capability for streamlined operations such as inventory management, order processing, and payment systems leading to reducing manual tasks and increasing sales potential.

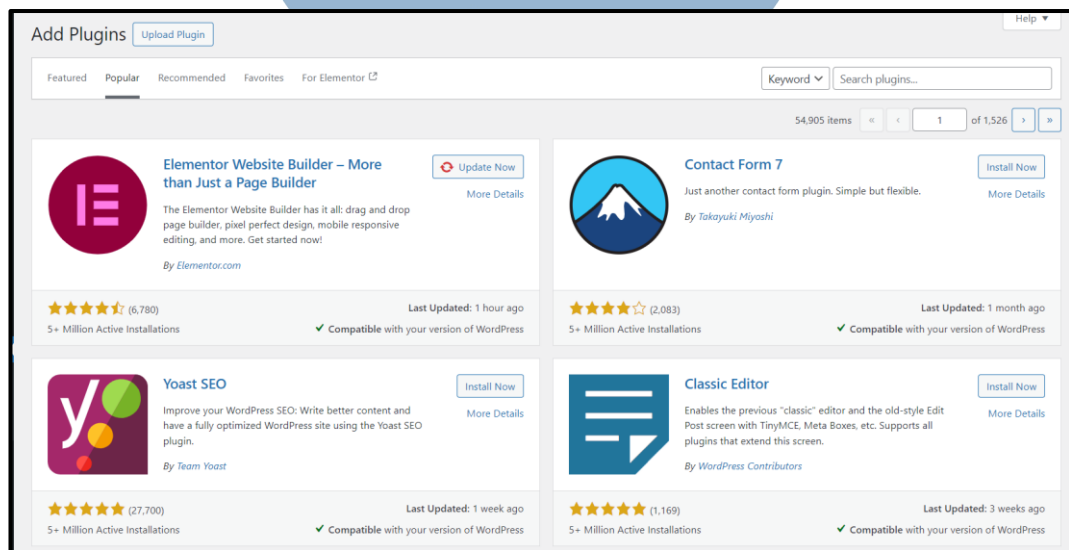
#### **2.2 WordPress**

WordPress is an open-source content management system or CMS that is used to create, manage, organize, and modify digital contents [2]. WordPress offers users a wide range from free theme and purchased of template or predesigned themes that can be used in any type of websites, moreover the theme can be customized to look more unique. Since the platform is an open-source software, the source code is available to the public and allows for developers to make some modifications on the websites. Therefore, WordPress can be used for creating business websites,

blogs, e-commerce stores, portfolios making it scalable based on user's need. The platform is also known for plugins, which are piece of software tool that useful for extend website's features for example when adding payment gateway features, shopping cart, or improving search engine optimization, there are plugins for that features.

### 2.2.1 Sure cart

Sure cart is one of the plugins in WordPress platform that can be used for adding features related to e-commerce websites such as shopping cart, checkout form, product's tax, subscription, and transaction related queries (payment, order history, and refunds). Sure cart also provides templates for various types of products starting from downloadable digital products, multiple variation product, subscription product and etc. This plugin also provides a customer side dashboard that contains order history and refund features making setting up the shop page faster and easier.



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Figure 2.1 WordPress Plugin Dashboard

### 2.2.2 WPForm

WPForm is one of the popular WordPress that is capable of creating various types of forms that can be used in WordPress websites like contact forms, survey forms, feedback forms, and payment forms [3]. To implement this plugin by drag

and drop attributes of the form builder with no requirement of coding which is accessible to wide range of users. Some pre-built form templates which are responsive for mobile display are also available to be used or customized in this plugin using HTML blocks and CSS. The forms from WPForm are known to be one of the fastest WordPress contact form plugins due to query optimization on the frontend and the backend making it also SEO friendly form plugins. Some additional features of the form such as scale, star ratings, file uploads, and multi-page contact forms are embedded in this plugin and able to integrate with some of payment gateways such as PayPal, Stripe, and Square.

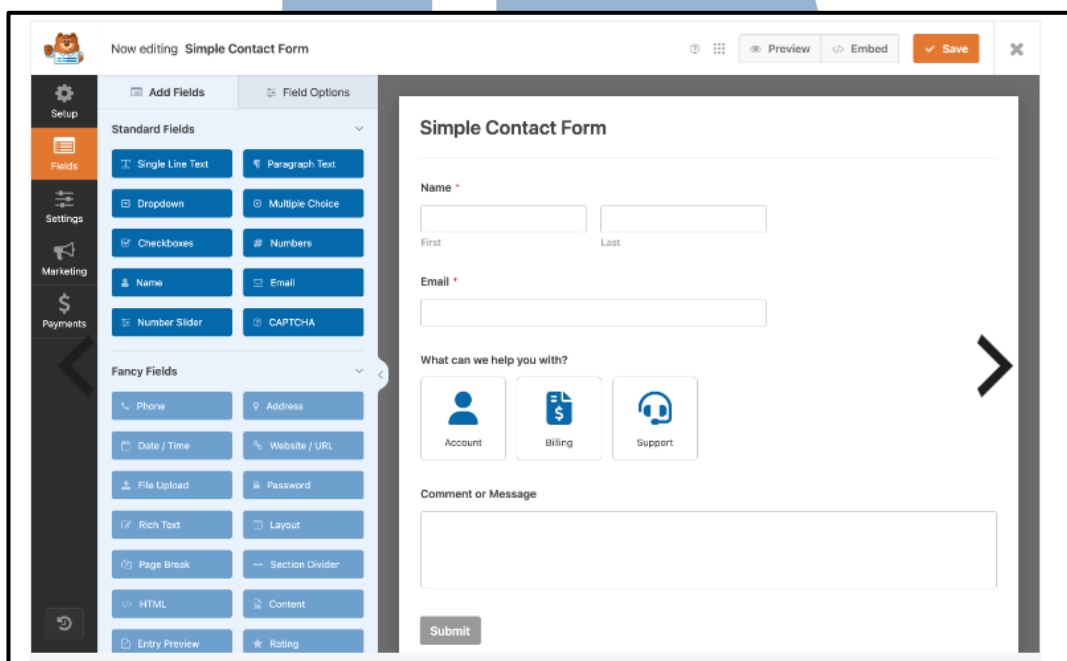


Figure 2.2 WPForm Simple Contact Form

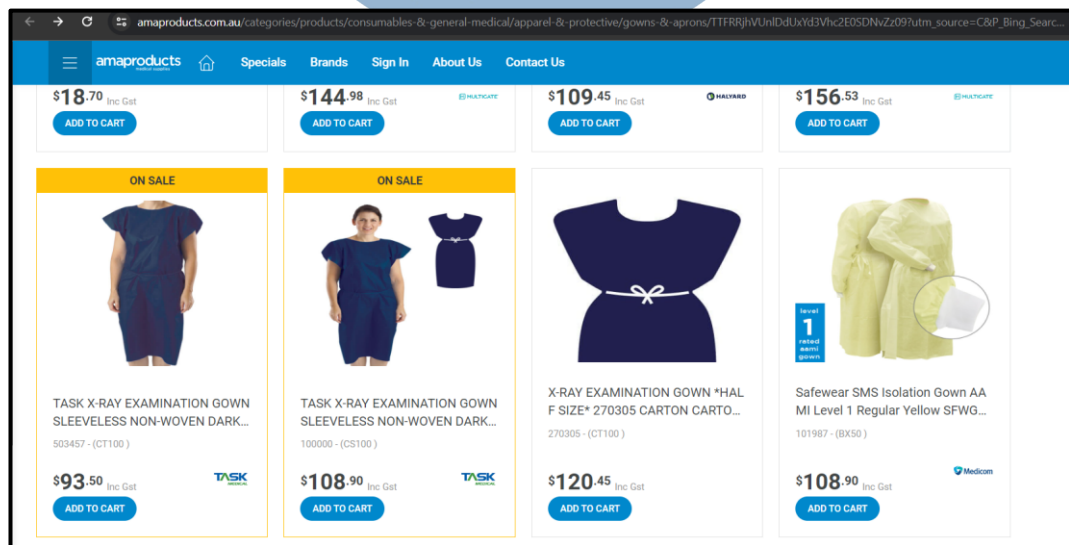
### 2.2.3 PayPal Payment Gateway

PayPal is the preferred choice for online payment systems in Australia since Australia transitioning to a cashless society [4]. PayPal itself is a online payment platform that enables individuals or businesses to exchange, send, and receive money securely over the internet and operates in over 200 countries and is able to support variety of currencies [5]. By using PayPal payment, customers are able to

decide from various payment methods such as PayPal balance, credit card or debit card and provide a secure transaction that are encrypted to protect user's sensitive information and protecting from fraud. PayPal payment plugin can be found almost in any e-commerce related plugin such as SureCart or WooCommerce since it can seamlessly integrate its functionality into website's shopping cart and checkout, creating a convenient and smooth users experience.

### 2.3 AmaProducts

AmaProducts is one of the prominent medical distributors in Australia for over 25 years [6]. This company mainly offers a wide range of medical products starting from medical equipment, surgical instruments, medical furniture and fittings, and diagnostics instruments. The project takes reference from this company since the project focused on providing medical garment in aged care with simple web design, wide range of navigations and detailed pages that can be used as reference.



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Figure 2.3 AmaProducts Shop Page

### 2.4 Business Concept

Having a business concept and brand is important to building the business brand identity [7]. The concept outlines the important elements of the business for

example, the concepts help to achieve value, and to set it apart from any competitors in aged care garment market. It also acts as the blueprint for a tangible and viable business by focusing on their visions and key aspects of their venture such as purpose, target market, and value proposition of the business that will be used for decision-making and strategic planning. Having a business concept gives the stakeholders the essence of business and generates interest in the venture. Developing a business concept involves evaluating the potential success of the business, analyzing the market trends, customer needs, and competition to determine whether the concepts is viable and able to sustain in long run. A business concept can be breakdown into some pieces:

1. Business Purpose: The purpose or the reason why the business exists and the goals or aims of the business besides making a financial profit.
2. Business Vision: Outline the long-term goals of the business or the aspirational future state that want to be achieved.
3. Business values: Outlines the benefit or worth that a business provides to customers, employees, and broader community. The values encompass tangible aspects that contribute to the success and sustainability of the business

## **2.5 Market Analysis**

Providing insights into trends, and opportunities within a specific market is the purpose of market analysis [8]. Examine and research upon opportunities aspects such as customer needs, behaviors, and industry trends could be a consideration for decision making and develop effective marketing strategies for potential customers and positioning offerings effectively [9]. Market analysis provides essential components for business strategic planning, providing insight of customer needs, business competitiveness, and business potential. Market analysis components can be described as these below:

### **2.5.1 Target Market and Audience Analysis**

Target market and audiences' analysis provide information and insight for business to identify and understand types of potential target consumers [10]. This analysis can be shown using demographic location, psychographic, and behavioral characteristics of market audiences. By having this analysis, the product or services of a business will be able to adapt into target market audiences' needs and demand resulting in customer satisfaction, and loyalty.

### **2.5.2 Competitor Analysis**

In running a business, knowing the competitor or other similar business can be crucial for business to thrive. Competitors analysis provides insight of business competitors for identifying and evaluating their strategies, strengths, and weaknesses [11]. Competitor analysis also includes competitor's pricing strategy, product or service offering and marketing tactics. By understanding the strengths and weaknesses of competitors, a business will be able to take advantage to provide products or services that will stand out and differentiate themselves from other competitors.

### **2.5.3 SWOT Analysis**

SWOT analysis that consists of strength, weakness, opportunities, and threat identification of a business. SWOT analysis can be used as a framework to further improve business' product or services [12]. Components such as strength and weakness are internal factors that can be improved while opportunities and threats are external factors that a business can strategically respond to.

### **2.5.4 Barrier to Entry**

Barrier to Entry are obstacles for a business to enter a market, where it can be identified as government regulations constraint, high capital requirements, or economies of scale [13]. Knowing this aspect for business is important especially for new or startup business to maintain their competitive positions in the market.

## **2.6 Market and Sales Strategies**

Marketing and sales play crucial roles in determining how well a product or services will be delivered to the target audience or consumers [14]. The purposes of the market and sales strategy are to promote, sell, and distribute products and services to the target audience. By doing marketing and sales, it will attract potential consumers into actual customers and creating customers loyalty. There are some components in market and sales strategies that can be described as below:

### **2.6.1 Distribution Channels**

Distribution channels are also known as the way a product or service reaches a customer or the way the products travel from manufacturer to the customer [15]. There are two types of distribution channels, indirect channels and direct channels. Indirect channels, the products reach the end consumers by using an interpreter or intermediaries such as retailer and distributor. While the direct channels are using selling directly to the end consumers, where it can be done by stores that the business owned and online platforms.

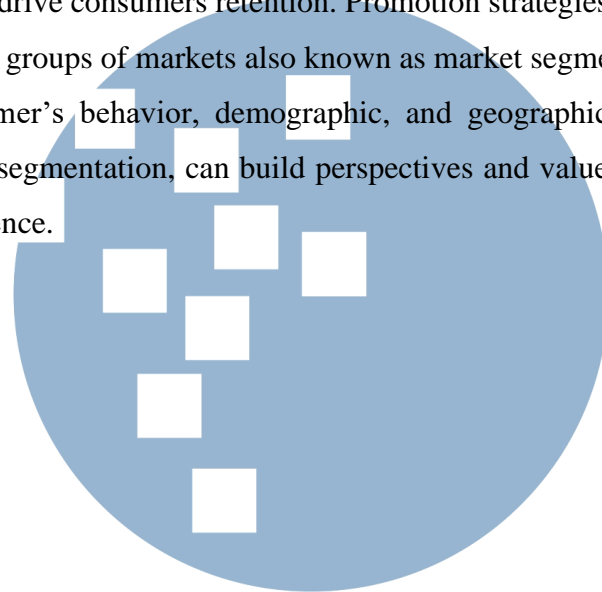
### **2.6.2 Pricing Strategy**

Pricing strategy is a strategy to determine whether a product or a service should be priced and that is crucial for profitability and market positioning [16]. Pricing strategy has three categories such as cost based, value based, and competition-based pricing where the cost based involves setting price based on the cost of the product's production cost with added markup for profitability. Value based pricing sets the price on the value of the product to the consumers which in some cases can be labeled as premium or products that are highly desired in the market. Competition based pricing set the price of the product based on the competitor's product price where the product may be set lower or higher to gain market share.

### **2.6.3 Promotion / Marketing Strategy**

In marketing or sales, promotion or promotion plays important role of communicating the products or services a business offers to potential customers [17]. Promotion can be found in various forms such as advertising, public relations, personal selling, sales or discount promotion, and digital marketing/promotion.

Digital marketing has become one of the impactful methods of promotion in this era, utilizing social media platforms, email and search engine optimization to advertise and introduce products to further hard to reach customers. Doing a promotion strategy, having or creating compelling content, partnering with influencers, and utilizing data analytics to optimize promotion. Discount and loyalty also can drive consumers retention. Promotion strategies can be focused on smaller, specific groups of markets also known as market segmentation that can be based on customer's behavior, demographic, and geographic. By targeting on focused market segmentation, can build perspectives and value of the business to the market audience.



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