



De La Salle University – Dasmariñas
GRADUATE PROGRAM

ADOPTING E-TAILING FOR TRUE VALUE HARDWARE CORPORATION

A Thesis

Presented to

the Faculty of the Graduate School in Business

De La Salle University-Dasmariñas

In Partial Fulfillment

of the Requirements for the Degree

Master in Business Administration

by:

Elma Winona S. Cruz

January 2004

AKLATANG EMILIO AGUNALDO ARCHIVES



De La Salle University – Dasmariñas

GRADUATE PROGRAM

ABSTRACT

Adopting E-Tailing for True Value Hardware Corporation
by

Elma Winona S. Cruz

The development of new E-Commerce businesses has changed the way companies transact with each other particularly in terms of negotiating lower prices, broadening supplier bases, and streamlining their procurement processes. Electronic Retailing or E-tailing has been widely used in the market. This system enables companies to reach their market in less time and at a situation most convenient to the customers.

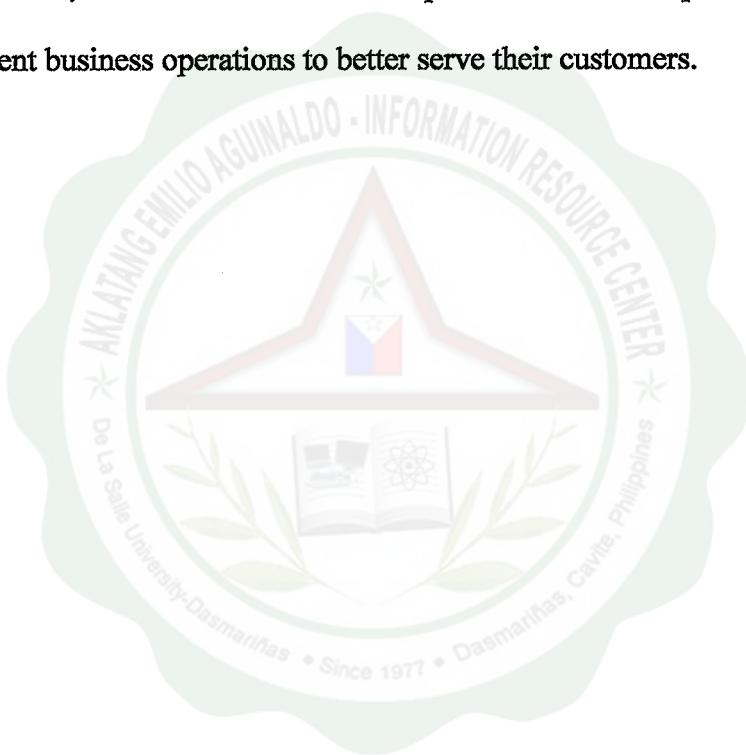
The study determines the adoptability of E-tailing for True Value Hardware Corporation to reach a wider customer base and answered questions related to the receptiveness of Metro Manila based customers on the use of the Internet for purchasing products, the types of product lines that customers would purchase online and the preferences of customers on the content of True Value Hardware Corporation's website.

The results of the study showed that adopting E-tailing will make True Value Hardware Corporation competitive and innovative considering that Metro Manila based customers were receptive to E-tailing. Majority of the customers preferred to leave to True Value Hardware Corporation the decision on the types of product lines and website features to be offered in its website. Customers are willing to support True Value Hardware Corporation E-tailing project and adopt an online shopping experience.



De La Salle University – Dasmariñas GRADUATE PROGRAM

Since True Value Hardware Corporation caters to the high end market, a customer database should be established and an Internet kiosk should be set-up to attract and educate customers. The development of a simple website would expand True Value's market share and encourage and motivate customers to adopt E-tailing. Therefore, True Value Hardware Corporation should adopt E-tailing as part of their current business operations to better serve their customers.





De La Salle University – Dasmariñas
GRADUATE PROGRAM

© 2004

Elma Winona Soriano Cruz

ALL RIGHTS RESERVED



TABLE OF CONTENTS

	Page
List of Tables	vii
List of Figures	ix
Chapter	
1. Introduction	1
A. Background of the Problem	1
B. Statement of the Research Problem	2
C. Research Objectives	3
D. Scope and Limitation	4
E. Significance of the Study	4
F. Operational Definition of Terms	5
2. Review of Related Literature	7
Foreign Literature	7
Evolution of Retailing	7
E-Tailing	9
What is E-tailing?	10
E-tailing Strategy	11
Consumers in E-tailing	14
Combining Traditional and E-tailing Stores	15



Foreign Studies	16
Studies on Adoption of E-tailing	16
Local Studies	22
E-tailing Business Model	22
A. Merchant Model	23
B. Brokerage Model	23
C. Manufacturer (Direct) Model	24
D. Affiliate Model	24
3. Theoretical Framework, Hypothesis	27
A. Theoretical Framework	27
B. Operational Framework	30
C. Hypothesis	31
Null Hypothesis	31
D. Assumption	32
4. Research Methodology	33
A. Research Design	33
B. Sampling Plan	33
C. Data Collection Methodology	34
D. Statistical Treatment	36
5. Analysis, Interpretation and Presentation of Data	37
A. Respondent Demographics	37



De La Salle University – Dasmariñas

GRADUATE PROGRAM

v

1.) Gender	37
2.) Age	38
3.) Average Monthly Income	40
4.) Frequency of Store Visit	42
5.) Opinion on Quality of True Value Products	43
6.) Whether or Not Respondents is an Internet user	45
7.) Purpose in Using the Internet	46
8.) Reasons for Buying Online	47
9.) Opinion on the Features of True Value Website	49
10.) Willing to Buy Items through True Value Website ...	52
11.) Types of Products to Buy Online in True Value website	54
12.) Payment Facility when Purchase Online	56
13.) Respondents willingness to Give Credit Cards number to True Value	57
14.) Opinion on Development and Online Sales	59
15.) Respondents Support to True Value Electronic Retailing Project	60
B. Analysis and Interpretation of Survey Results	62
6. Conclusion and Recommendation	64
Conclusion	64
Recommendation	65
1. Attract and Cultivate Customers	65
2. Set-up in Store Internet Kiosk	65



De La Salle University – Dasmariñas

GRADUATE PROGRAM

vi

3. Develop a Simple Website	65
Bibliography	67
Appendices	69
A. Company Profile	70
B. Questionnaire	76
C. Results of Test of Hypotheses	79





TABLES

Table	Page
1. Customer Respondents Responses per Branch	35
2. Non-Customer Respondents Responses per Branch	36
3. Gender of Customer Respondents	37
4. Gender of Non-Customer Respondents	38
5. Age Bracket of Customer Respondents	38
6. Age Bracket of Non-Customer Respondents	39
7. Average Monthly Income of Customer Respondents	40
8. Average Monthly Income of Non-Customer Respondents ...	41
9. Frequency of Store Visit of Customer Respondents	42
10. Frequency of Store Visit of Non-Customer Respondents...	43
11. Response of Customer Respondents on the Quality of True Value Products	44
12. Response of Non-Customer Respondents on the Quality of True Value Products	44
13. Customer Respondents as Internet Users	45
14. Non-Customer Respondents as Internet Users	45
15. Response of Customer Respondents in Using the Internet for Browsing and/or Purchasing Products	46
16. Response of Non-Customer Respondents in Using the Internet for Browsing and/or Purchasing Products	47
17. Customer Respondents Reason for Buying Online	48
18. Non-Customer Respondents Reason for Buying Online	49



De La Salle University – Dasmariñas

GRADUATE PROGRAM

19.	Customer Respondents Preferences in the Features of True Value Website	50
20.	Non-Customer Respondents Preferences in the Features of True Value Website	51
21.	Willingness of Customer Respondents to Buy Items Through True Value website	53
22.	Willingness of Non-Customer Respondents to Buy Items Through True Value website	53
23.	Customer Respondents Product Preference in Buying Online in True Value website	54
24.	Non-Customer Respondents Product Preference in Buying Online in True Value website	55
25.	Customer Respondents Mode of Payment Preference	56
26.	Non-Customer Respondents Mode of Payment Preference	57
27.	Response of Customer Respondents in Giving Credit Card Numbers Provided that True Value Guarantees Safe and Secure Transactions	58
28.	Response of Non-Customer Respondents in Giving Credit Card Numbers Provided that True Value Guarantees Safe and Secure Transactions	58
29.	Response of Customer Respondents for True Value in Developing and Offering Products for Sale in a Website To Better Improve Customer Relations	59
30.	Response of Non-Customer Respondents for True Value in Developing and Offering Products for Sale in a Website to Better Improve Customer Relations	60
31.	Response of Customer Respondents in Supporting True Value Electronic Retailing Project	61
32.	Response of Non-Customer Respondents in Supporting True Value Electronic Retailing Project	61



De La Salle University – Dasmariñas

GRADUATE PROGRAM

ix

FIGURES

Figure	Page
1. Rogers' Model of the Innovation-Decision Process	28
2. E-tailing for True Value Hardware Corporation	30