

Research model and reality of e-commerce application in cosmetic businesses, case study in Danang city

Truong Thi Vien ⁽¹⁾, Nguyen Thi Nhu Quynh ⁽²⁾

^{1,2} The University of Danang - Vietnam-Korea University of Information and Communication Technology

Abstract:

Vietnam e-commerce has changed sharply in recent years. The investment in technology infrastructure, the legal corridor as well as the awareness of enterprises on e-commerce application has been significant improvement. However, sales from e-commerce activities, especially online purchases, are still not commensurate with the potential because consumers are still hesitant and psychologically not ready in online shopping. Skin Follicle is considered one of the few local that have conditions big develop e-commerce print allfour aspects big develop e-commerce print business and social management activities, including: technology infrastructure, legal infrastructure, development policies, as well as human resource infrastructure. Based on the application of technology acceptance model (TAM) and business environment organization technology model (TOE), the article continues to examine 200 cosmetic business enterprises in Danang city, to explore and evaluate the factors that influence e-commerce application behavior in their businesses. This article presents the model of research with the factors affecting e-commerce application behavior in cosmetic business in Danang city including: barriers of application, strategic benefits, support services.

Keywords : E-commerce, cosmetics business enterprise, cosmetics businesses.

Date of Submission: 26-05-2023

Date of acceptance: 07-06-2023

I. INTRODUCTION

Cosmetic market is being heavily influenced by imported products. Cosmetics become an indispensable part for the majority of Vietnamese consumers in the country. Besides, the opening The deeper the economic integration door, the more international cosmetic brands are present in the cosmetic industry in market school Vietnamese Male also day ass much, do give love image edge painting live group branch This ass become harsh. That's why domestic cosmetic businesses always have to put high standards of quality, design, customer service, product benefits to be able to compete with other brands. water outside. Unlike traditional shopping, online shopping has become quite popular on the Vietnamese market in recent years because of the variety and convenience it brings. With the boom of the Internet during the boom in technology, consumers became more sophisticated in job look for the items cosmetics row brand, beautiful clothes. Vietnam's e-commerce (e-commerce) in recent years has made quite a change strong. The investment in technology infrastructure, the legal corridor as well as the awareness of enterprises The application of e-commerce has been markedly improved. However, sales from e-commerce activities, especially Online shopping activities are still not commensurate with the potential because consumers are still hesitant and mentality Not yet ready in job buy online shopping line. On the basis of application of technology acceptance model (TAM) and environmental organization technology model School of Business (TOE), the article continues to survey 20 0 cosmetic businesses in the area Danang city table to explore and evaluate the factors affecting application behavior e-commerce into the business activities of these enterprises. The results of this study It has been shown that the factors affecting the behavior of applying e-commerce in cosmetics business in Danang city include: Barriers to application, strategic benefits, supported services. play develop.

II. THEORETICAL BASIS AND RESEARCH MODEL

2.1. Concept

According to the E-Commerce Committee of the Asia-Pacific Economic Cooperation (Apec), e-commerce is business conducted through data communication and labour turmeric information technology Digital.

According to the World Trade Organization (WTO), e-commerce includes the production, advertising, advertising, selling and distributing products that are bought, sold and paid for on the Internet but delivered physical receipt, delivery of products as well as digitized information through the network Internet".

According to the European Commission, e-commerce is understood as the conduct of business activities through electronic means. Based on the processing and transmission of electronic data in the form of text, sound,

bar and image.

According to Laudon and Traver (2010), e-commerce is defined as the entire world of activities electronic-based organizational action that supports a company's market exchange - including system infrastructure solid information system, allowing interaction between sellers and consumers in planning plan and bow provide contact information.

E-commerce is known by many different names, such as "electronic commerce", "online commerce", "paperless commerce" or "paperless commerce". e-business" (e-business). However, "e-commerce" is still the most common name and is used uniformly in documents or research works of organizations or researchers. E-commerce begins with the buying and selling of goods and services through electronic means and telecommunications networks. Enterprises apply information technology to all their activities, from sales, marketing, payment to procurement, production, training, coordination with suppliers, partners and customers. then e-commerce develops into an e-business and a high-level e-commerce application enterprise is called an e-enterprise. Thus, it can be understood that e-business is the development model of enterprises when participating in e-commerce at a high level and applying information technology in-depth in all activities of enterprises (Nguyen Van Thoan, 2011, p.14).

2.2. Cosmetic business and the need for e-commerce application

As life is gradually improving, the demand for beauty and health care of consumers is therefore increasing. In addition, the cosmetics industry is always considered one of the most prominent industries today thanks to the large number of people involved in trade. Not only that, the strong development of e-commerce after the pandemic is gradually becoming a popular business method and an integral key link in the digital transformation process of every business, including cosmetic business.

According to CommonThread , the global cosmetic e-commerce market size is valued at \$483 billion in 2020 and grows to \$511 billion in 2021 at a compound annual growth rate (CAGR) of 4.75%. It is estimated that by 2025, the market size will exceed 716 billion USD and 784.6 billion USD by 2027. The digital economy in Vietnam is growing rapidly, and four key sectors - e-commerce, online travel, food and transportation, and online media - are increasing technology adoption. to keep up with consumer demand. The current state of e-commerce in Vietnam in 2021 recorded a growth of 16% over the previous year, reaching a total value of goods worth \$13 billion.

A recent report by the Department of E-commerce and Digital Economy, Ministry of Industry and Trade shows that Vietnam's e-commerce market will record an estimated value of 13.7 billion USD in 2021, accounting for about 6.5% of the total retail revenue. This figure represents a growth of 16% compared to 2020. The market is also forecast to grow at an annual rate of 30% from 2021 to 2025.

The middle income class in Vietnam has increased steadily over the past ten years. A recent World Bank report shows that the middle-income population in Vietnam is estimated at 13 million people by 2021, accounting for about 13% of the total population and expected to reach 26% . in 2026. The World Bank also estimates that around 1.5 million people are added to Vietnam's middle-income class each year between 2015 and 2020. Their increased disposable income is expected to boost domestic consumption through electronic payment platforms.

Vietnam has become the second fastest growing digital economy in the world, after India, and has the highest e-commerce growth rate in Southeast Asia. According to forecasts by Google and Temasek, the value of Vietnam's digital economy could reach \$49 billion in 2025 and \$120-200 billion in 2030.

2.3. The benefits of cosmetic businesses deploy e-commerce

Quickly adapt to market changes

In the past pandemic years, the global economy has witnessed a sudden decline in sales of many industries, including cosmetics. During the period of implementing social distancing measures, people are forced to limit going out. At this time, people's psychology will spend more time watching and taking care of themselves. Therefore, the demand for shopping for skin care, hair care and body care products to improve spiritual life in the face of unpredictable fluctuations of the pandemic has increased dramatically. At the same time, online shopping at that time was no longer an option but became a necessary and urgent means of shopping instead of on-site purchases because of restrictions on leaving the house. That is the stepping stone to create the momentum for e-commerce to develop explosively and lead to strong growth for other fields such as fashion , department , alcohol , and even cosmetics. These are two factors that illuminate the great potential of this "cake", helping many cosmetic businesses realize and quickly embark on e-commerce implementation for sustainable development along with the transformation. of the market.

Expand the scope of business

The implementation of e-commerce as a solution for cosmetics businesses to convert their business models from offline to online (O2O) instead of letting their business activities "get lost" in the crisis of the cosmetic industry. Covid-19 pandemic. In addition, in the era of digital transformation, businesses will easily lose

many potential customers to competitors if they still do not have a professional e-commerce website to introduce and sell. products for customers who love to shop online. This is especially true for a fiercely competitive industry like cosmetics. Meanwhile, some brands have caught up with this trend early and rose to dominate the cosmetic e-commerce market such as Hasaki, LixiBox, Watsons, Guardian, etc. Not only that, e-commerce deployment soon will create favorable conditions for marketing campaigns to work more effectively, thereby contributing to expanding the business scope for businesses.

Enhance customer shopping experience

Customers' shopping experience is something that businesses when deploying e-commerce websites need to pay attention not only to the cosmetic industry. The shopping process will be fast, efficient and bring satisfaction to customers when choosing to buy cosmetics online thanks to the application of modern technologies that are very popular in the cosmetics world such as visual experience. with 360-degree view, virtual reality technology (VR), augmented reality technology (AR).

In addition, by collecting, analyzing and synthesizing the consumer tastes of each customer segment, e-commerce helps businesses easily personalize the buyer experience, such as product recommendations. In addition to visual experiences, e-commerce also provides a seamless experience for customers in various channels such as social networks (Facebook, Instagram, Tiktok, Zalo, etc.), e-commerce platform (Shopee, Lazada, Tiki, Sendo, etc.), e-commerce website, mobile app, etc.

2.4. Theoretical models

2.4.1. Technology Acceptance Model – TAM

The TAM model was built by Fred Davis (1989) and Richard Bagozzi (1992), based on the developed from the theory of rational action (TRA - Fishbein and Ajzen, 1975) and the theory of intended behavior (TPB - Ajzen, 1985). These theories have been recognized as useful tools in predicting behavior user level. In which, TAM has been widely recognized as a reliable and strong model in modeling user acceptance of information technology. “TAM's goal is provides an explanation of the general determinants of computer acceptance, which be able to explain user behavior across all types of computer user technologies and the community of users” (Davis et al.1989, p. 985). Accordingly, the main purpose of TAM is to provide a basis for investigating the impact of external factors on internal factors is trust (belief), attitudes (attitudes) and intentions (intentions). TAM theory is modeled and presented in the following figure:

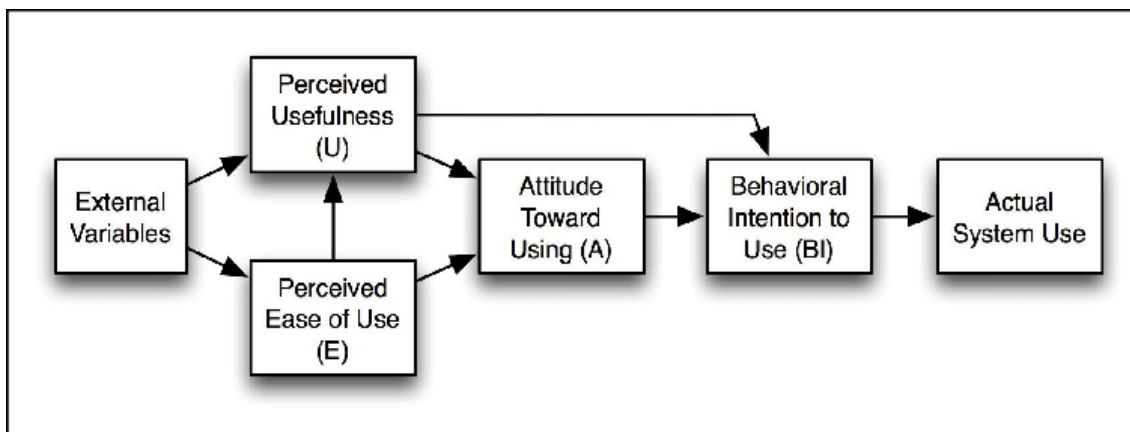


Figure 1. Technology Acceptance Model TAM

Source: Davis, 1989

2.4.2. Technology model - Organization - Business environment (TOE)

TOE is one of the popular research frameworks on the behavior of enterprises applying new technology. The general idea of this model is that the enterprise's application of a new technology is governed by three main factors: Firstly, technological factors such as the availability of technology, the characteristics of the technology; The second is organizational factors such as organizational structure, organizational size, organizational characteristics as well as communication processes within that organization, and finally, environmental factors such as industry characteristics, level competition, etc. industry, government support, government regulation.(Zhu et al, 2004)

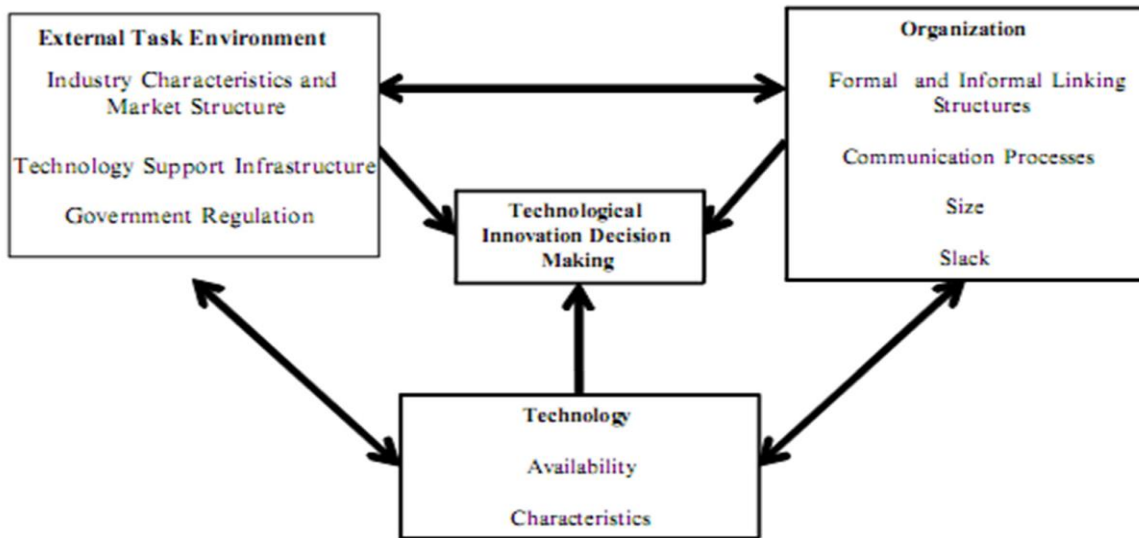


Figure 2. TOE theory of new technology adoption behavior

Source: Zhu et al., 2004

2.5. Proposed research model and research hypotheses

From the theoretical basis presented and previous related studies, the author proposes a research model based on the theoretical foundation of TAM model and TOE model to identify factors to predict intention. use of e-commerce by businesses operating in the field of cosmetics with the proposed research model as follows:

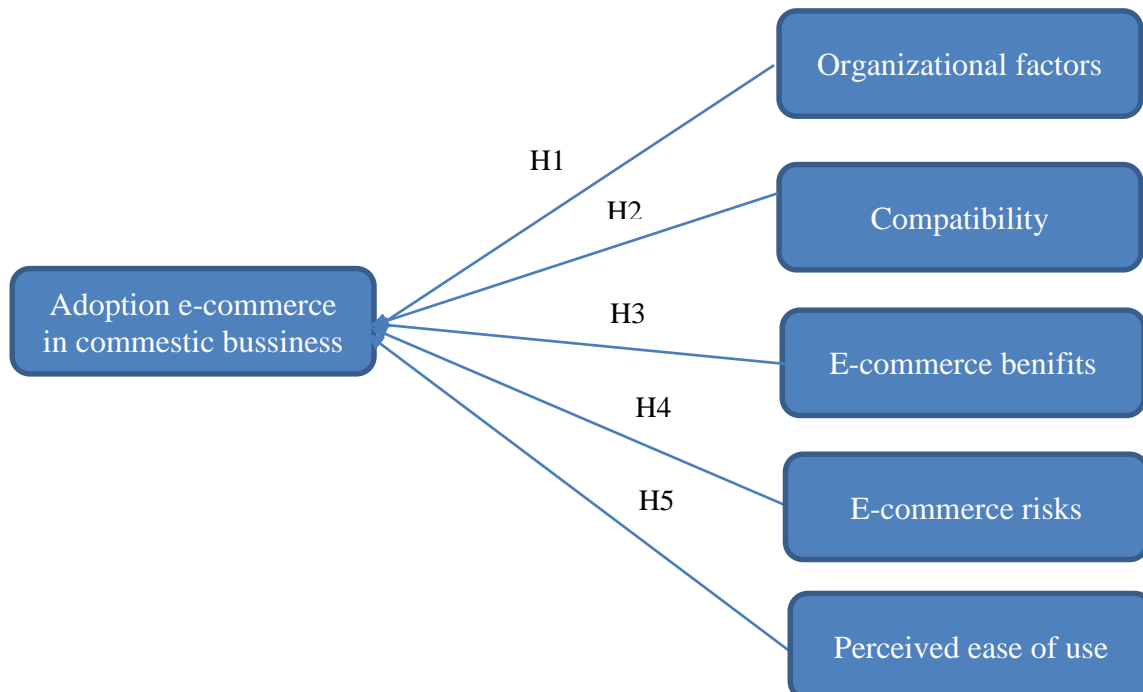


Figure 3. Proposed research model

III. Research Methods

To clarify the research problem, the team combined both qualitative and quantitative research methods. For qualitative research method through in-depth interview technique with 15 experts in the field of e-commerce and in the field of cosmetics to serve as a basis for building a preliminary questionnaire on influencing factors. to the use of e-commerce in the operation of cosmetic businesses in Da Nang city. This method aims to introduce factors affecting the application of e-commerce in cosmetic business activities in addition to those given in the proposed research model. For quantitative research method: through detailed questionnaires to directly interview

200 customers operating in the field of cosmetics, with and without e-commerce application in business activities in Da Nang. Nang, with the stratified random sampling method.

Collected data were processed by SPSS software version 25.0. After coding and cleaning the data will continue to be included for analysis: descriptive statistics, scale reliability assessment, factor analysis, after the scale of the factors is checked, step the final would be to run linear regression and verify at 5% significance level under the adjusted model. The results of the model will help the team determine the direction and influence of factors affecting the intention to apply e-commerce in cosmetic businesses in Da Nang.

IV. CONCLUSION

Doing business on e-commerce platforms is now a sales and consumption trend of the new era. According to forecasts, online business will grow stronger in the coming time. Therefore, new e-commerce platforms are still born and actively promote and capture market share. The determination of good factors positively or negatively affects the application of e-commerce for cosmetic trading companies has practical significance in the current period.

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