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Online Shopping Behavior: An In-Depth Study on Motivating and Restraining Factors

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Abstract- Albeit Bangladesh has a bright future in e-commerce; the number of online shoppers is negligible comparing to the number of internet users. Fostering this in mind this study attempts to explore the dominant factors behind this along with demographic factors of the online shoppers. Descriptive statistics have been carried out using SPSS software. Primary data were collected using a structured questionnaire. Researcher procured secondary data from the published papers, books journals and websites. The study found that perceived advantages of online shopping motivate consumers to shop through the internet, whereas, risks, disadvantages and security issues create an obstacle in the mind of consumers. Moreover male consumers are more prone to online shopping than female. Male consumers mostly purchase books and magazines comparing to females who commonly shop apparels and accessories from online marketers. Researchers provide some recommendations for the Bangladeshi e-marketers on which strategies and techniques to practice to increase the number of internet shoppers.

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I. Introduction

After the emergence of the internet in 1969, a consumer's life has become more comfortable and smarter than before. One of its examples is online shopping which has become almost a global phenomenon nowadays. Since online shopping is carried out through the internet, today's busy and sophisticated consumers find it more convenient and time-saving than traditional shopping.

The figure of internet users is thriving in all parts of the world. According to the internet world stats data, the number of worldwide internet users till 30 June 2015 is 3,270,490,584. Among them, 47.8% reside in Asia alone which is the 38.8% of the total Asian population. And the rest 52.2% of the whole internet users belong to the rest of the world. Keeping the pace with the increasing number of internet users, the number of online shoppers is also increasing all over the earth. According to the Information Economy Report 2015 by United Nations Conference on Trade and Development, global online shoppers will grow by 50% by 2018 from 1.079 billion in 2013 to 1.623 billion. The report says that, by 2018 developing countries are hoped to represent nearly 40% of worldwide B2C e-commerce, where the developed countries B2C share will decline to almost 60% in 2018. It also comments that, China has flourished as the greatest global market for B2C e-commerce, considering the number of online buyers and the amount of revenue. According to China's National Bureau of Statistics, online sales in China heighten 50% to almost $450 billion in 2014. Furthermore, within 2013 and 2018, the portion of the Asia and Oceania region in worldwide B2C e-commerce is anticipated to swell to 37% from 28%, though, the Middle East and Africa are desired to grow mildly to 2.5% from 2.2%.

However, although Bangladesh has a very bright prospect for e-commerce due to better access, coverage and ever - growing internet population (Daily Star, 2015), the number of online shoppers is not increasing to a mark. According to the Bangladesh Telecom Regulatory Commission (BTRC), in November 2013, 43 million people used the internet in Bangladesh. Every year in the country about 1.5 to 2 million people shop online. And every year online sales and purchase are increasing by 15% to 20% (Prothom Alo, 2014). There are 20 to 25 shopping sites in Bangladesh. Among them Ekhanei.com, Bikroy.com, Carmudi, Lamudi, and ClickBD.com are mentionable.

Based on the prior discussion, it is discernible that, in Bangladesh, the number of online shoppers is not increasing in comparison to internet users. Researchers felt encouraged to investigate the reason. Henceforth, the study attempts to identify and analyze the impact of dominating factors that motivate consumers to shop online, and also the factors that discourage or restrain consumers from online shopping. The study of the previous researches reveals several factors that have an effect on consumer's online shopping behavior all over the world. These factors are found to be security, privacy, e-service quality, product attributes, perceived benefits and risks associated with shopping online, etc. The analysis of the prior researches elicit that, however, among these factors, benefits and risks and security issues mostly explain the shopping behavior of Bangladeshi consumers. Therefore, this paper has concentrated mainly on the analysis of the perceived advantages that motivate Bangladeshi consumers to online shopping and

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potential risks, disadvantages, and security issues that are supposed to restrain Bangladeshi consumers from doing shopping online.

II. Research Objectives

The aim of this study is to identify and analyze the factors influencing the online shopping behavior of Bangladeshi consumers as motivating and restraining factors. The specific objectives of this report are:-

1. To identify and extract the overall factors that affect Bangladeshi consumer's online shopping behavior.
2. To categorize the factors into motivating and restraining in the form of perceived advantages and potential risks, disadvantages, and security issues respectively
3. To investigate if perceived advantages (motivating factors) and potential risks, disadvantages, and security issues (restraining factors) have a significant impact on consumer's online shopping behavior and to what extent.
4. To recommend some suggestions to online marketers by the research findings.

III. Literature Review

a) *Shopping Behavior*

The classic consumer purchasing decision-making theory can be characterized as a continuum extending from routine problem-solving behaviors, through to limited problem-solving behaviors and then towards extensive problem-solving behaviors [Schiffman et al., 2001]. According to Kotler & Keller (2009), a consumer goes through five stages while making a purchase decision. At first, the consumer feels the need of a good or service that is to satisfy. Then he/she start to gather necessary information about the product like what solutions are available in the market, where they could be available, what their prices are, quality, etc. At the third step, consumer evaluates and compares the information gathered in the second step regarding his/her nature of demand, lifestyle, social status, profession, individual and family likings, preference, affordability, etc. to select the right product to satisfy his need. After evaluation, the consumer decides and chooses the product. At the fourth stage, the consumer takes the necessary action to purchase the product and consumes. At the final phase, the consumer goes through the post-purchase behavior like cognitive dissonance. Thus a consumer's shopping behavior or buying behavior ends. This behavior varies in its range depending on the habitual product or complex product.

b) *Online Shopping Behavior*

Shopping through the internet has become a common phenomenon in both developing and developed countries, after the emergence of the internet. Online shopping or internet shopping has paves the way to interact customers with the marketer in the easiest way than before which has created a new era in the business world (Comegys, Hannula, & Vaisanen, 2006). Online buying behavior refers to the mode of purchasing products or services using the Internet (Uddin & Sultana; 2015). Online shopping has become a changed way of brick-and-mortar type of delivering products and it has been one of the mostly concentrated and contemporary research areas in both information system and marketing (Javadiet al., 2012; Lee & Chen, 2010). Similar to the traditional buying process, online shopping also consists of five steps (Liang and Lai 2000).

c) *Factors of Online Shopping*

This research intends to identify the factors that influence the online shopping behavior of consumers. Some factors motivate consumers to shop through the internet; whereas, some other factors restrain consumers from purchasing online.

Soopramanien and Robertson (2007) suggest that attitude towards online shopping depends upon the view of the consumers regarding the activities carried out on the internet as opposed to conventional shopping environments. From studies, it can be said that perceived advantages are the crucial motivators that causes people to shop online. Uddin and Sultana (2015) found that the consumer's positive attitude toward online shopping is mostly explained by the convenience regarding less time consuming and hassle-free shopping. Chen et al. (2010) suggest that convenience denotes shopping practices on the internet that can reduce the time and anxiety of the consumers in the buying process. Schaupp and Bélanger (2005) argue that E-commerce has made finding merchants easier by cutting down on trouble and time.

Jarvenpaa et al. [2000] resolved that the attitude and the risk perception have an effect on the consumer's willingness to purchase from the shop. Risks related to online shopping have a tremendous affect on consumer's decision making. Whereas some early researches point out that risk perception may have an inferior role in the online shopping [Jarvenpaa and Todd, 1997], latter studies have recognized that consumers' felt risk is a fundamental hindrance to the potential growth of e-commerce [Culnan, 1999]. Consumers are mainly concern about the privacy and safely of own information, the security of online transaction systems and the ambiguity of product quality (Shergill & Chen, 2005).

IV. Methodology

a) *Research Questions & Hypothesis Development*

This study attempts to address the following research questions:

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RQ1: How do perceived advantages of online shopping influence Bangladeshi consumer's behavior on the internet?

RQ2: How do potential risks, disadvantages and security issues of online shopping influence Bangladeshi consumer's behavior on the internet?

The researcher has developed the following two hypotheses based on the previous researches-

H1: Perceived advantages do not motivate consumers to online shopping.

H2: Potential risks, disadvantages and security issues do not restrain consumers from online shopping.

b) Population, Sampling Technique, & Sample Size

The population of this research was the consumers who shop online at least for once. Moreover, the population was confined by the geographical location, and the sample was from Dhaka, Bangladesh. A non-probability convenience sampling method has been used to collect data from 50 respondents.

c) Types of Data used & Sources of Data

This research used both primary data and secondary data. Data were procured from 50 respondents using a structured questionnaire. On the other hand, secondary data were collected from already published journals, articles, and books.

d) Questionnaire Development & Data Collection

A Likert scale type questionnaire has been used to collect primary data from the respondents along with some demographic information. Each Likert scale item includes five response categories-strongly agree, agree, neutral, disagree and strongly disagree. Each response has been assigned a numeric score like 5, 4, 3, 2 and 1 respectively. As 3 is the midpoint, it has been chosen as test value for this one sample t-test. The questionnaire was edited and adopted from the similar researches. The instruments of the questionnaire were taken from previous studies like perceived advantages from (Forsythe et al., 2006; Karayanni, 2003; Swinyard &Smith, 2003; Liang & Huang, 1998), potential risks and disadvantages from (Swinyard & Smith, 2003; Forsythe et al., 2006; Lewis, 2006) and security issues from (Flaviaan et al., 2006; Liu et al., 2005).

e) Data Analysis Technique & Statistical Tool

Descriptive technique has used for analyzing the collected data using statistical tool IBM SPSS version 20. For hypothesis testing, one sample t-test has used. Data were interpreted and presented using graphs and tables.

V. Analysis

a) Demographic Profile

In this study, 48% of respondents belong to the age group 21-29, and 36% belong to 30-39 age group. 62% of the respondents were male, and 38% of respondents were female. 31.6% of the female respondents and 38.7% of the male respondents said that they are using the internet for shopping for the last 6-12 months. Only 16.1% of the male respondents are using the internet for shopping for the last 3-5 years. Moreover, 77.8% of the female respondents are more prone to buy apparel and accessories than other things from online, 5.6% books and magazines, another 5.6% cinema tickets and 11.1% others. Among the male respondents, 29% prefer books and magazines to shop online, 25.8% electronic goods and gadgets, 12.9% apparel and accessories, 9.7% financial services and another 9.7% purchase daily use items. When respondents were asked about their estimated online expenditure for the last six month, 55.6% female respondents said it was tk0-tk4000, 38.9% said tk5000-tk9000 and only 5.6% said that it was tk10000-tk14000. Among the male respondents, 41.9% said estimated expenditure was tk0-tk4000, 35.5% said tk5000-tk9000 and 19.4% said it was tk10000-tk14000.

b) Hypothesis Testing

In this research, the level of significance was 5% also. If the p-value is less than 0.05; the null hypothesis can be rejected. And, if the p-value is greater than .05, the null hypothesis will be accepted.

The 1st hypothesis of this research is:

H_O: Perceived advantages do not motivate consumers to online shopping.

H_A: Perceived advantages do motivate consumers to online shopping.

The SPSS outputs for normal curve and one sample t-test for the 1st hypothesis are shown in the Fig-1, Table 1 and Table 2 respectively.

In the table 1, it is clear that the mean of all the variables considered under perceived advantages are above the test value 3. It indicates that, in average respondents were inclined to shop online when these perceived advantages do subsist. Customers are greatly influenced to shop online if they get several options for payment for example cash on delivery, through Bikash and debit card or credit card. Easy ordering system and navigation, 24/7 access, and detailed product information mostly encourage customers to online shopping. In table 2, all the variables considered under perceived advantages have significant values of less than .05. So null hypothesis is rejected, and the alternative hypothesis is accepted that consumers are motivated to shop online if the perceived advantage variables are present in the shopping environment.

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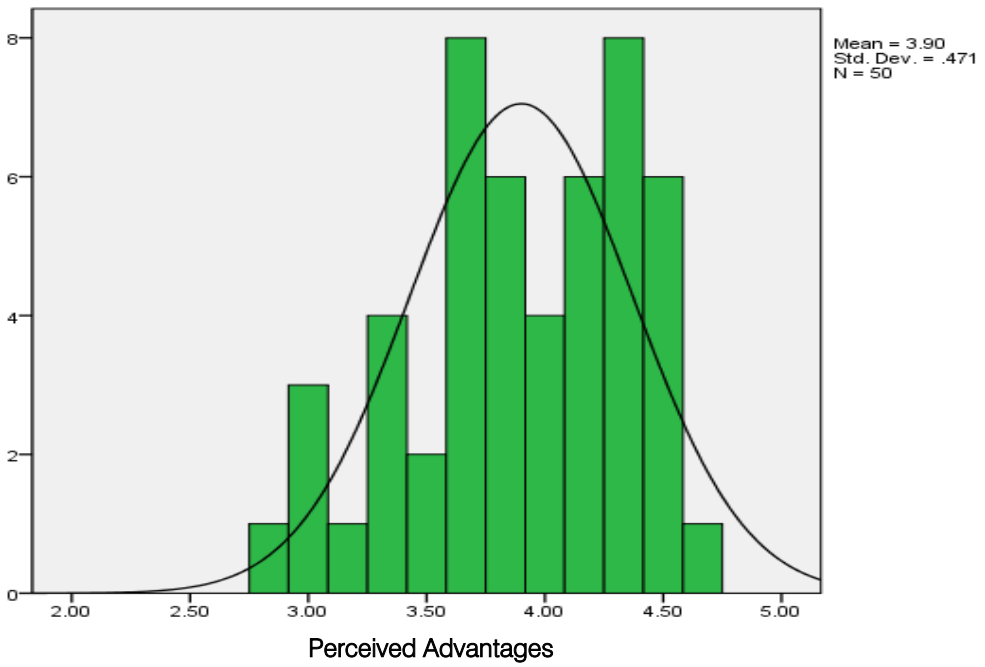

Figure 1: Normal Curve

Table 1: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Benefits of 24/7 availability	50	3.94	.818	.116
In detailed product information	50	3.84	1.037	.147
Easy price comparison benefit	50	3.68	.891	.126
More payment options	50	4.04	.638	.090
Less Stress	50	3.94	.867	.123
Easy Ordering System	50	3.96	.903	.128

Table 2: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Benefits of 24/7 availability	8.122	49	.000	.940	.71	1.17
In detailed product information	5.726	49	.000	.840	.55	1.13
Easy price comparison benefit	5.398	49	.000	.680	.43	.93
More payment options	11.534	49	.000	1.040	.86	1.22
Less Stress	7.668	49	.000	.940	.69	1.19
Easy Ordering System	7.521	49	.000	.960	.70	1.22

The 2nd hypothesis of this research is:

H_O: Potential risks, disadvantages and security issues do not restrain consumers from online shopping.

H_A: Potential risks, disadvantages and security issues do restrain consumers from online shopping.

Here, perceived risks, disadvantages and security issues involve a high risk of receiving default product, difficulty in evaluating the product quality, risk of product non-delivery, delayed and difficult after-sale service, the risk of compromising credit card information and risk of compromising personal information. Null hypothesis tries to prove that these variables don't restrain Bangladeshi consumers from online shopping.

The SPSS outputs for the normal curve and one sample t-test for the 2nd hypothesis are shown in the Fig-2, Table 3 and Table 4 respectively.

From table 3, it is seen that the mean of all the variables considered under potential risks, disadvantages and security issues except the risk of product non-delivery are above the test value 3. Hence, average consumers agreed that they avoid shopping through online because of the high risk of receiving default product, difficulty in evaluating product quality, delayed and difficult after-sale service, fear of disclose and misuse of credit card information and personal information if they shop online. Only the factor, the risk of product non-delivery, in online shopping found to

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have no negative effect on customers inclination to shop online. In table 4, the significant values of all the variables considered as potential risks, disadvantages and security issues are less than .05. Henceforth, the null hypothesis is rejected, and the alternative hypothesis is accepted that potential risks, disadvantages and security issues restrain Bangladeshi consumers from online shopping behavior. They hesitate to shop online when these factors are present in the online shopping environment.

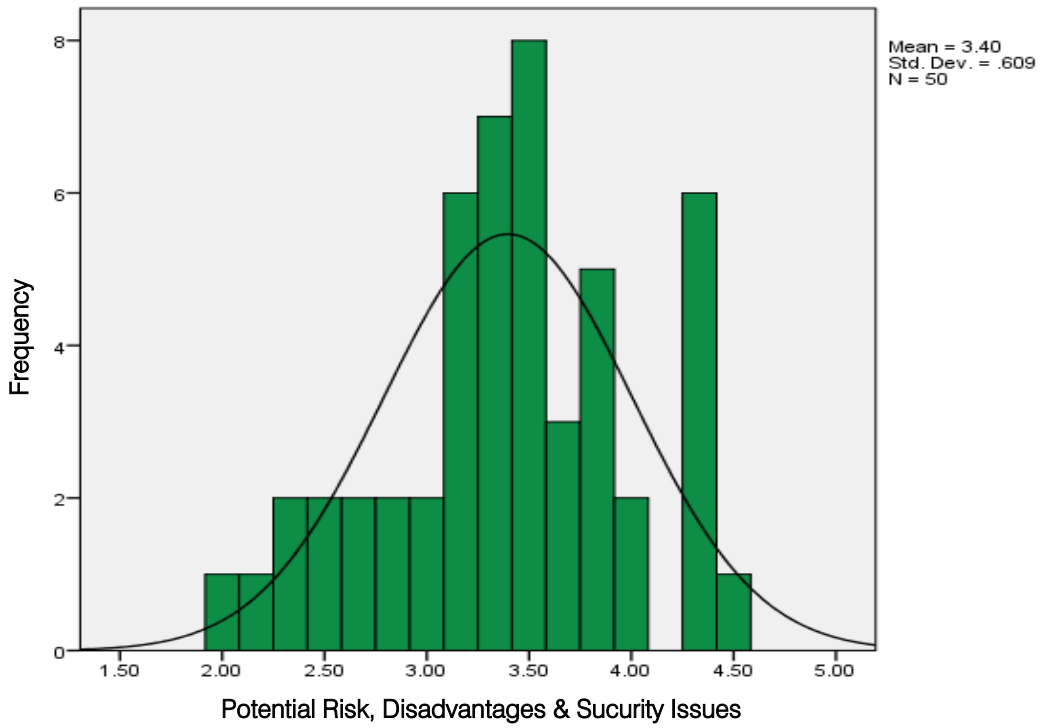

Figure 2: Normal Curve

Table 3: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
High risk of receiving default product	50	3.68	1.159	.164
Difficult to judge the product quality	50	4.32	.966	.137
Risk of product non-delivery when	50	2.52	1.054	.149
Getting after sale service is delayed and difficult	50	4.02	1.136	.161
Credit card information might be compromised and misused	50	4.18	1.092	.154
Personal information might be compromised to the third party	50	4.04	1.053	.149

Table 4

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
High risk of receiving default product	2.319	49	.025	.380	.05	.71
Difficult to judge the product quality	6.738	49	.000	.920	.65	1.19
Risk of product non-delivery	-3.219	49	.002	-.480	-.78	-.18
Getting after sale service is delayed and difficult	4.109	49	.000	.660	.34	.98
Credit card information might be compromised and misused	2.979	49	.004	.460	.15	.77
Personal information might be compromised to the third party	2.955	49	.005	.440	.14	.74

VI. Research Implications

Online marketers need to ensure the presence of the factors of perceived advantages in the online shopping environment to encourage consumers more in online shopping as the study reveals that perceived advantages positively related to consumer's online shopping behavior.

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As it was found from the research that risks, disadvantages and security issues discourage consumers from shopping online, online marketers need to make an effort to minimize the presence of these factors in online shopping environment through establishing reputation and reliability. E-marketers must take some steps to deliver the perfect product on time to consumers to reduce the risk of delivery of malfunctioning product and also product non-delivery risk. Another thing online marketer must be concern about is that services should be timely and available especially in the case of sensitive products like electronics goods and gadgets. For this, they need to establish service centers near to consumers.

Click-n-mortar marketers must ensure the privacy of credit card information and personal information and make consumers feel secure while doing a transaction online. They can use some specific protocol to protect consumer's information from being disclosed.

The study refers that the large portion of online consumers is from the age group 21-39. Therefore online marketers must design and deliver their product according to their likings and preferences.

Click-n-mortar marketers must take steps to attract female consumers so that they prefer online to a shopping mall for their shopping. Marketers can keep exclusive products of apparels and jewelry, which are not available in brick-n-mortar companies along with services.

VII. Future Research

This study surely contributes in understanding the online shopping behavior especially in respect of Bangladesh. However, the study has some limitations. Firstly, 50 respondents were selected as the sample from the capital Dhaka, which might not be sufficient enough to generalize the result. Another limitation is that this research used the convenience sampling method to reach the respondents. Results generated from the sample selected through this method might not accurately represent the target population. Moreover, research studied only a few variables. Other variables are also vital to consider and analyze to get a comprehensive picture of the phenomenon. Hence, there is an enormous scope for advance research in this area. Further researches should be conducted taking more variables in consideration of a large sample to make the result more generalized and representative. Although this research has been done in a limited scope, it gives a clear insight of online shopping pattern in Bangladesh. The study recommends some suggestions that will be helpful for the e-marketers of Bangladesh regarding what to improve and how to attract and increase the number of online shoppers. Still further researches are needed to be conducted for a better understanding.

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Appendixes

Gender * Duration of using Internet Shopping Cross tabulation

			Duration of using Internet Shopping						Total
			Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-3 Years	3-5 Years	
Gender	Female	Count	2	5	6	3	3	0	19
		% within Gender	10.5%	26.3%	31.6%	15.8%	15.8%	0.0%	100.0%
	Male	Count	1	4	12	5	4	5	31
		% within Gender	3.2%	12.9%	38.7%	16.1%	12.9%	16.1%	100.0%
Total		Count	3	9	18	8	7	5	50
		% within Gender	6.0%	18.0%	36.0%	16.0%	14.0%	10.0%	100.0%

Gender * Preference Cross tabulation

			Preference							Total
			Apparel and Accessories	Electronic goods and gadgets	Books and Magazines	Cinema tickets	Financial Services	Use daily use items	Others	
Gender	Female	Count	14	1	0	1	0	0	2	18
		% within Gender	77.8%	5.6%	0.0%	5.6%	0.0%	0.0%	11.1%	100.0%
	Male	Count	4	8	9	1	3	3	3	31
		% within Gender	12.9%	25.8%	29.0%	3.2%	9.7%	9.7%	9.7%	100.0%
Total		Count	18	9	9	2	3	3	5	49
		% within Gender	36.7%	18.4%	18.4%	4.1%	6.1%	6.1%	10.2%	100.0%

Gender * Estimated online expenditure Cross tabulation

			Estimated Online Expenditure				Total
			0-4000	5000-9000	10000-14000	Above 20000	
Gender	Female	Count	10	7	1	0	18
		% Within Gender	55.6%	38.9%	5.6%	0.0%	100.0%
	Male	Count	13	11	6	1	31
		% Within Gender	41.9%	35.5%	19.4%	3.2%	100.0%
Total		Count	23	18	7	1	49
		% Within Gender	46.9%	36.7%	14.3%	2.0%	100.0%

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