

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.

Index terms— online shopping, e-commerce, click-n-mortar, brick-n-mortar, cognitive dissonance, perceived advantage, perceived disadvantage, demographic factor

1 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

44 used the internet in Bangladesh. Every year in the country about 1.5 to 2 million people shop online. And
45 every year online sales and purchase are increasing by 15% to 20% (Prothom Alo, 2014). There are 20 to 25
46 shopping sites in Bangladesh. Among them Ekhanei.com, Bikroy.com, Carmudi, Lamudi, and ClickBD.com are
47 mentionable.

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

59 2 II. Research Objectives

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

62 3 III. Literature Review a) Shopping Behavior

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

75 4 b) Online Shopping Behavior

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

84 5 c) Factors of Online Shopping

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

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

96 Jarvenpaa et al. [2000] resolved that the attitude and the risk perception have an effect on the consumer's
97 willingness to purchase from the shop. Risks related to online shopping have a tremendous affect on consumer's
98 decision making. Whereas some early researches point out that risk perception may have an inferior role in
99 the online shopping [Jarvenpaa and Todd, 1997], latter studies have recognized that consumers' felt risk is a
100 fundamental hindrance to the potential growth of e-commerce [Culnan, 1999]. Consumers are mainly concern

101 about the privacy and safely of own information, the security of online transaction systems and the ambiguity of
102 product quality (Shergill & Chen, 2005).

103 RQ1: How do perceived advantages of online shopping influence Bangladeshi consumer's behavior on the
104 internet? RQ2: How do potential risks, disadvantages and security issues of online shopping influence Bangladeshi
105 consumer's behavior on the internet?

106 The researcher has developed the following two hypotheses based on the previous researches-H1: Perceived
107 advantages do not motivate consumers to online shopping. H2: Potential risks, disadvantages and security issues
108 do not restrain consumers from online shopping.

109 **6 b) Population, Sampling Technique, & Sample Size**

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

113 **7 c) Types of Data used & Sources of Data**

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

117 **8 d) Questionnaire Development & Data Collection**

118 A Likert scale type questionnaire has been used to collect primary data from the respondents along with some
119 demographic information. Each Likert scale item includes five response categories-strongly agree, agree, neutral,
120 disagree and strongly disagree. Each response has been assigned a numeric score like 5, 4, 3, 2 and 1 respectively.
121 As 3 is the midpoint, it has been chosen as test value for this one sample t-test. The questionnaire was edited
122 and adopted from the similar researches. The instruments of the questionnaire were taken from previous studies
123 like perceived advantages

124 **9 e) Data Analysis Technique & Statistical Tool**

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

127 **10 V. Analysis a) Demographic Profile**

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

139 **11 b) Hypothesis Testing**

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

142 **12 The 1 st hypothesis of this research is:**

143 H O : Perceived advantages do not motivate consumers to online shopping.

144 H A : Perceived advantages do motivate consumers to online shopping.

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

147 In the table 1, it is clear that the mean of all the variables considered under perceived advantages are above
148 the test value 3. It indicates that, in average respondents were inclined to shop online when these perceived
149 advantages do subsist. Customers are greatly influenced to shop online if they get several options for payment for
150 example cash on delivery, through Bikash and debit card or credit card. Easy ordering system and navigation,
151 24/7 access, and detailed product information mostly encourage customers to online shopping. In table 2, all
152 the variables considered under perceived advantages have significant values of less than .05. So null hypothesis is
153 rejected, and the alternative hypothesis is accepted that consumers are motivated to shop online if the perceived

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

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

161 From table ??, it is seen that the mean of all the variables considered under potential risks, disadvantages
162 and security issues except the risk of product nondelivery are above the test value 3. Hence, average consumers
163 agreed that they avoid shopping through online because of the high risk of receiving default product, difficulty
164 in evaluating product quality, delayed and difficult after-sale service, fear of disclose and misuse of credit card
165 information and personal information if they shop online. Only the factor, the risk of product non-delivery, in
166 online shopping found to As it was found from the research that risks, disadvantages and security issues discourage
167 consumers from shopping online, online marketers need to make an effort to minimize the presence of these factors
168 in online shopping environment through establishing reputation and reliability. E-marketers must take some steps
169 to deliver the perfect product on time to consumers to reduce the risk of delivery of malfunctioning product and
170 also product non-delivery risk. Another thing online marketer must be concern about is that services should be
171 timely and available especially in the case of sensitive products like electronics goods and gadgets. For this, they
172 need to establish service centers near to consumers.

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

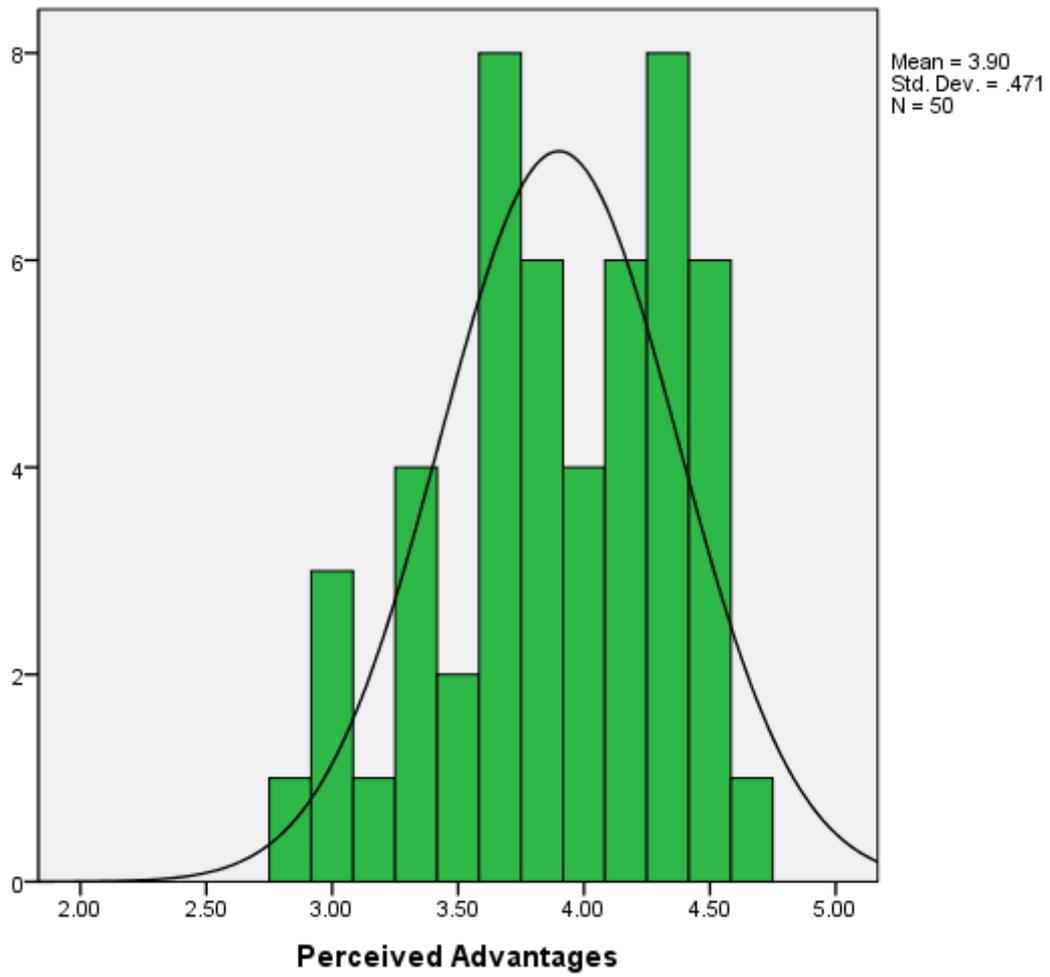
176 The study refers that the large portion of online consumers is from the age group 21-39. Therefore online
177 marketers must design and deliver their product according to their likings and preferences.

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

181 13 VII. Future Research

182 This study surely contributes in understanding the online shopping behavior especially in respect of Bangladesh.
183 However, the study has some limitations. Firstly, 50 respondents were selected as the sample from the capital
184 Dhaka, which might not be sufficient enough to generalize the result. Another limitation is that this research
185 used the convenience sampling method to reach the respondents. Results generated from the sample selected
186 through this method might not accurately represent the target population. Moreover, research studied only
187 a few variables. Other variables are also vital to consider and analyze to get a comprehensive picture of the
188 phenomenon. Hence, there is an enormous scope for advance research in this area. Further researches should
189 be conducted taking more variables in consideration of a large sample to make the result more generalized and
190 representative. Although this research has been done in a limited scope, it gives a clear insight of online shopping
191 pattern in Bangladesh. The study recommends some suggestions that will be helpful for the e-marketers of
192 Bangladesh regarding what to improve and how to attract and increase the number of online shoppers. Still
193 further researches are needed to be conducted for a better understanding. ¹

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1

Figure 1: Figure 1 :

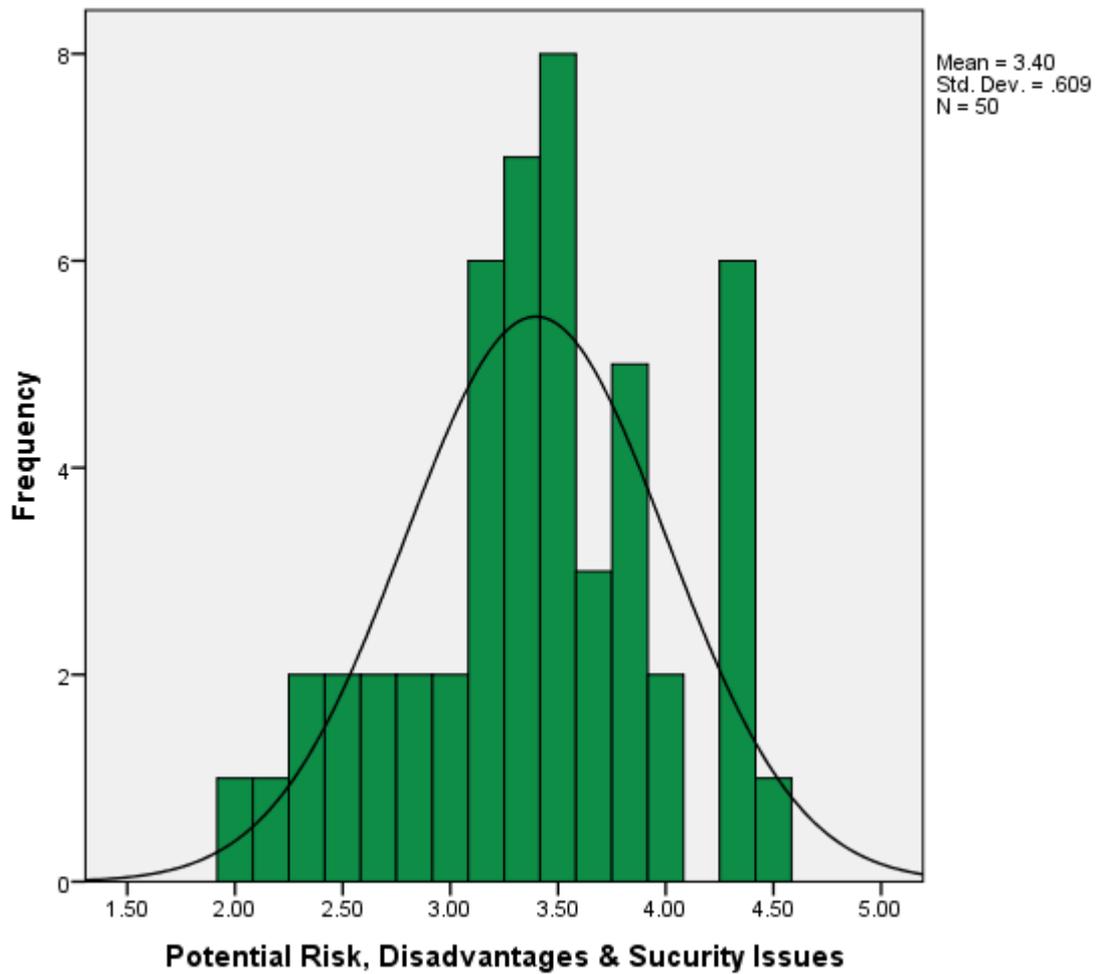


Figure 2:

1

	N	Mean	Std. Devia- tion	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

Figure 3: Table 1 :

2

	t	df	Sig. (2- tailed)	Test Value = 3 Mean Dif- fer- ence	95% Confidence Interval of	
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 2 nd 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.

Figure 4: Table 2 :

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

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