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**“FACTORS INFLUENCING CONSUMER ATTITUDE
TOWARDS ONLINE SHOPPING IN KARACHI”**

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ABSTRACT

Online shopping is playing a key role in the economic growth of developed countries; however Pakistan is still far behind and has holistic approach towards it. The increasing use of Internet and various online shopping ventures shows the sign of potential growth but number of factors impedes the consumer buying behavior at the same time. The current study examined the main factors that influence the consumer attitude towards online shopping and also how to intact and keep the customer motivated is another aspect of the study. The research is quantitative descriptive in nature to support the hypotheses regarding the most influencing factor in online shopping from consumer point of view. A questionnaire used on close ended items on a Likert scale starting from strongly agrees to strongly disagree, 130 respondents were answered to the questionnaire including 54 online respondents whereas 76 were approached physically. The research findings provide the insights regarding the consumer attitude that convenience is on top of the chart however many consumer give up their purchases because of security issues, therefore step must be taken in this regard to satisfy the consumer. Besides, the study also shed the light for future direction by keeping in view the customer services factor in particular and the online stores should come up with better strategies in order to build the trust by providing better security while doing online shopping.

Keywords: Online shopping, consumer attitude, convenience, security, time saving, website design.

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1. Introduction

From the last decade, there is a significant change in consumers shopping pattern, still consumers like to do shopping in a traditional way but at the same time there are many who feel convenient doing online shopping as they do not need to go to the store physically. (Ali & Sankaran, 2010). Online shopping has gained popularity across the world in recent past and the shopping trends have changed worldwide particularly in those countries where infrastructure is developed and avenues are available for marketing activities over the internet. (Delafrooz, Paim & Khatibi, 2010), but still most of the consumers feel reluctant and ended up by giving up their purchases because of high security/risk factor involved in online shopping. (Järvenpää et al. 1999; Su & Huang, 2011).

Internet and online shopping has made people life easy. Online shopping is advantageous for both retailer and consumer in many ways. For instance; consumer has the option of doing shopping round the clock anytime, no more store visits, saving money (travelling costs, fuel costs, parking hassles) and offering a wide range of products and services. (Cheema, Rizwan, Jalal, Durrani & Sohail). As per the communication policy (2001), University of California, Los Angeles (UCLA), after emailing and web browsing over the internet, online shopping ranked third as the most popular activity in term of usage. From tickets reservations to clothing, video games and purchase of electronic products, online shopping is everywhere now. (AC Nielsen Report on Global Consumer Attitudes towards Online Shopping, 2007).

Further, there are several studies conducted on factors which influence consumer's online shopping attitude and behavior. For instance convenience, security, time saving etc. However there is a little work done with respect to internet knowledge, customer services, and shipment issues. As stated by (Hoffman & Novack, 1996; Zarrad & Debabi, 2012), the behavior of consumers while shopping online is of dire importance as there is a difference between the consumers' online behavior as compare to the behavior observed in the real world. Thus the objective of this study is to identify the factors which influence consumers for online shopping. The researcher took four factors including Convenience, Time Saving, Website Design/Features and Security. It is of pivotal importance to understand the behavior of consumers and what are the factors that drive consumer's decisions to buy products/services online.

1.1 Problem Statement

Studies across the globe support the trend of online shopping. Online shopping has been widely accepted for purchasing products/services and has become a major popular mean in the Internet world (Bourlakis et al., 2008). In the view of (Yu and Wu, 2007; Wang 2011), modern consumers who look for convenience and speed, online shopping helps them in context of both of the above factor. Contrary, some consumers still feel uncomfortable while shopping online. Different scholars have highlighted various factors that impede consumers to buy online. As per (Järvenpää et al. 1999), lack of security is one of the main reasons why people feel reluctant and ended up by giving up their purchases. Other factors could be unfriendly design of website and shipping time that cause resentment amongst online buyers and have negative impact on consumer decision for online shopping.

Setting up an online portal with a lot of different category offerings is easy but what actually motivates the consumers to buy that offerings is what the marketers/retailers should be main focus.

1.2 Research Questions

Research questions are design in order to obtain the required information with respect to research objectives. Based on the above discussion, following research questions has been developed:

1. Does *convenience* influence consumer's attitude for online shopping?
2. Does a consumer prefer online shopping because it *saves time*?
3. Does *website design* influence consumers for online shopping?
4. Does *security* impede consumers to do online shopping?

1.3 Gaps and Contributions

Internet has set the basis for online shopping and a lot of studies have already been conducted in this regard. Most of the previous researches focused on understanding the consumer attitude and behavior with respect to online shopping by taking into account the *convenience, perceived risk, time saving, website layout/features* and *security* factor. As stated by Borchers (2001) there is a little work done on the influence of external factors on online shopping. An external

factor consist on further two factors. First is what will be the legal formalities for the online shopper if there is any loss in case of online transaction and second is the number of competitors who are offering the same products and services over the internet.(Lee et al. 2000). Besides, most of the past researches have over looked the factor of shipment and logistics. It has been noticed that shipment and logistics problem is a key element in online shopping perhaps the most important one as the consumer is eager to have the required product at the earliest. Last but not the least, how the customer care representative deals with the consumer at the time of taking the order and how well he explains the offerings is also one of the factor which needs a bit of attention. Besides, this study will significantly contribute for the organizations that are doing online businesses in Karachi. The findings can also be of great help for the online organizations as the conceptual framework were designed on that factors that directly stimuli consumers' behavior which motivates the consumers to shop online. Further, in which areas there is a room for improvement and what additional features and offering a customer want, this is also highlighted in the form of gaps and in literature later in the study.

2. Literature Review

In this chapter, we will discuss regarding the relevant literature and past empirical research studies with respect to the Attitude towards online shopping and its factors including Convenience, Time Saving, Website design and Security.

2.1 Online Shopping

The process of buying and selling of product/services over the internet is called online shopping. As per Forsythe and Shi (2003), despite of gaining wider acceptance, some online consumers are still window shoppers who browse just for the sake of information online and to make their purchases off-line. As Internet has gained the popularity from all the corners of the world, online shopping has also become a new mode of consumption (Su & Huang, 2011). Today, along with the technological advancement more and more people are going towards online shopping. From clothing to grocery, all these things can now be purchased online and it carries a lot of advantages as well. For instance, no traffic and parking hassles, you can shop at your convenience or even after working hours and you also have the luxury to compare the prices from different online sites etc. Further, now online shopping is not limited to clothing and

grocery only, many people even purchase furniture and sofas online for their home comfort. (Ali, 2010 & Qinghe, Wenyuan, Kaiming, 2014).

2.2 Advantages of Online Shopping

Below are the various advantages of online shopping stated by (Qinghe, et al., 2014).

- Online shopping does not require going to the store physically, in this way you can save time and energy and the consumer can also enjoy the experience of doing shopping at home in a comfortable manner.
- Online shopping has benefits for the marketer/retailer as well, as it is selling over the Internet so it save store and other expenses too.
- Customer has the luxury to easily compare the different product prices and also product related information.
- The consumer can do the shopping 24/7, as the consumer is not time bound.
- Consumer can easily see the product information online and can refer to other users for further product evaluation and its results.

2.3 Disadvantages of Online Shopping

Along with various advantages, online shopping does have some disadvantages as well. Security issues related to customer personal information and credit card information in particular. Further, several risks are also associated with online shopping known as perceived and anticipated risk. Most commonly type of risks are product risk (will the product will be same as seeing on the screen), non-delivery risk (what if the required product is not delivered) and convenience risk (what if I return the product).The consumer is greatly influenced by uncertainty in online shopping regarding the perceived risk. (Bhatnagar et al, 2000). Besides, there is also a possibility of receiving a damaged product; it can be damage in transit.As define by (Häubel and Murray, 2003; Xiao and Benbasat, 2007 & Javadi, Dolatabadi, Nourbakhsh, Poursaedi & Asadollahi, 2012), that the consumer cannot see, touch and taste the product in online buying and it also hamper the purchasing, however this issue can be greatly resolved with the help of some software such as ‘online recommendation agent’.

2.4 Attitude towards Online Shopping

Attitude towards online shopping refers to the consumer's psychological state with respect to making the purchases over the Internet. (Liang and Lai 2000; Sultan & Nasir Uddin, 2011). Attitude is multi-dimensional and acceptance of the Internet as a shopping channel is also one dimension of an attitude (Jahng, Jain & Ramamurthy, 2001). Past studies has also suggested that attitude towards online shopping is a significant predictor for online purchasing/buying. (Yang *et al.*, 2007). Attitude can be positive or negative and it also influences customer intuition during the online transaction and also affects the perception towards one marketer/retailer (Lai & Wang, 2012; Jin, Osman, Romle & Othman, 2015). Attitude greatly influence the consumers purchase decision which can be measured through several ways, for instance consumers facial expressions, voice and other body gestures. (Boundless, 2011; Jin *et al.*, 2015). Moreover, how much satisfied your consumer is, the degree of satisfaction also shows consumer attitude. (Hidayanto, Saifulhaq & Handayani, 2012). Consistent with the literature, it is also important to identify those factors which influence consumer attitude and behavior towards online shopping. As (Cao, 2005; Qinghe, *et al.*, 2014) explained that this information will help the marketer/retailer to improve the website design and security so that more consumers can encourage to do online shopping. There are various factors which affects the consumer's attitude directly or indirectly. As identified by (Prasad and Aryasri, 2009; Qinghe, *et al.*, 2014), other than the trust factor, convenience, website environment and customer services has significantly impact consumer willingness to shop over the Internet. Similarly, a research study conducted on 700 online users in New Zealand by (Doolin, Dillon, Thompson, and Corner, 2005; Qinghe, *et al.*, 2014), shows that convenience and enjoyment in online shopping are the main key factors that motivates consumers for online shopping. Besides, perceived or anticipated risk and lack of social interaction can hamper the consumer decision to choose Internet as a shopping medium. Different researchers have identified various factors which influence consumer for online shopping. (Herna'ndezet *al.*, 2011) uses demographic factor while perceived risk, perceived enjoyment, perceived usefulness and perceived ease of use, used by (Jain, Goswami & Bhutani, 2014). From the past research studies the researcher took the below four factors to understand the dynamics of the consumer and the factors that mainly drive the consumer attitude and behavior toward online shopping.

2.5 Conceptual Framework

Below is the conceptual model designed for online shopping behavior of Pakistan, Karachi consumers by keeping in view the previous researches.

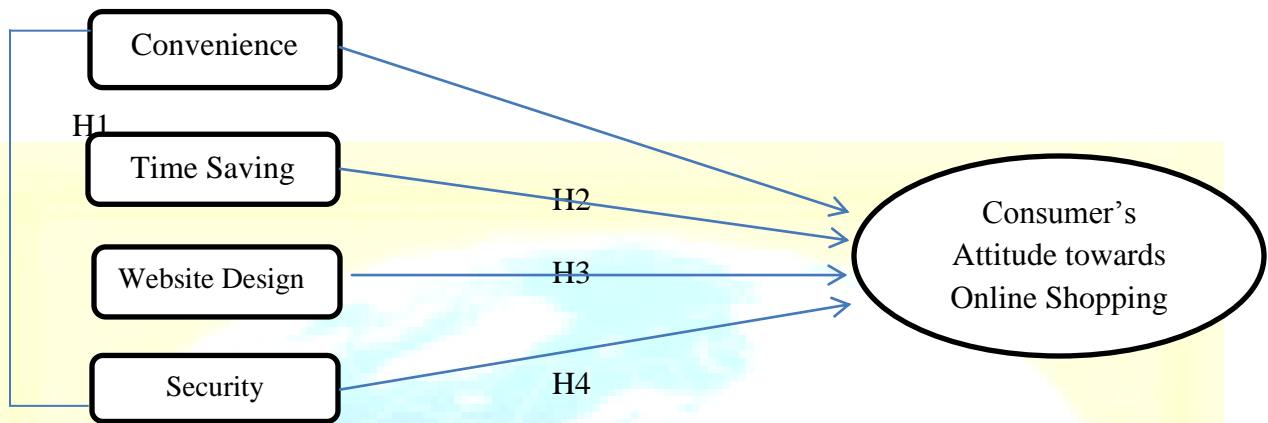


Figure 1: Research Proposed Model

2.5.1 Convenience

There are many reasons why people shop online, convenience factor is one of them. As stated by (Hofacker, 2001; Wang et al., 2005 & Wang 2011), convenience is one of the most influencing factor because one can do online shopping as per his/her convenience as is it available 24/7. As per the research, 58% gave their verdict in the favor of online shopping because it is easy for them to do shopping even after working hours and 61% respondents chose to shop online because they do not want to wait in long queues, want to avoid the hassle crowd especially in weekend shopping (The Tech Faq, 2008). Online shopping carries several advantages with regard to convenience, as it is less time consuming, flexible and requires less physical effort. (Darian, 1987; Sultan & Nasir Uddin, 2011). Further, as per Robinson (Robinson, Riley, Rettie and Wilson & Qinghe, Wenyuan, Kaiming, 2014), convenience is the main motivation for online shoppers as they can have bundles of items delivered at their door step any time. One can have the idea of how importantly consumer perceives convenience is online shopping as there are many empirical studies showing that consumers are more tend to be convenience oriented. (Donthu and Garcia, 1999; Korgaonkar and Wolin 1999; Li et al. 1999; Swaminathan et al. 1999; Zhou, Dai & Zhang, 2007).

The above mentioned findings lead to the following hypothesis;

H1: Convenience has positive influence on customer attitude towards online shopping

2.5.2 Relationship between Convenience and Online Shopping

Previous studies suggested that convenience has a positive influence on customer's attitude towards online shopping (Kim & Kim, 2004; Delafrooz et al., 2010). Additionally, convenience is considered as one of the major advantages of online shopping as consumers have the luxury to compare the prices online. Hence, price comparison is yet another convenience factor for online shoppers. (Webcheck's, 1999). Li and colleagues (1999) found that customers who purchase from Internet stores every now and then are more convenience oriented and less experience oriented. For these consumers, convenience is the most important factor while online shopping and in purchase decisions, because they are time constrained and do not mind buying products without touching or feeling them if they are saving their time in this way. Besides, most of the customers do online shopping as they are not so willing to have a face to face interaction with the salesman and they feel more comfortable doing shopping online. (Goldsmith and Flynn, 2005; Parks, 2008 & Wang 2011).

2.5.3 Time Saving

Time saving is another one of the influencing factors for online shopping. You can browse or search the required product and services over the internet in no time and make your purchases as quick as possible. Online shopping saves time as you do not need to require traveling to go to the traditional store (Swaminathan, 2004; Qinghe, et al., 2014). Time saving attracts the consumer more as they are free from crowd and long queues. Further, time saving can be seen in many ways, for instance "one living in Florida can easily shop online at Harod's in London in no time than to visit to the local departmental store" (Alba et al. 1997). Five main motivating factors defined by Kaiming (2014), suggest that time saving being the major force for online shopping, as the consumer can do shopping in minimal time with less effort to search/browse the entire product offering by the online stores. In a nutshell, the importance of the time saving factor cannot be neglected as it is a motivation behind the online purchasing. (Morganosky & Cude, 2000).

H2: Time saving has positive influence on customer attitude towards online shopping.

2.5.4 Relationship between Time Saving and Online Shopping

There is a positive and significant relationship between times saving with online shopping. As stated by (Monuwe, Dellaert & de Ruyter, 2004; Delafrooz et al., 2010), online shoppers look for time saving and they want their purchases to be on time without any irritation. Online consumer wants to receive the right quality of products, which they have ordered within the time frame given by the marketer/retailer and that's what influence them to buy online. Time and convenience factor both complement each other in online shopping and both the factors are positively influence the consumer attitude and behavior (Jun et al., 2004; Alam, Bakar, Ismail, Ahsan, 2008).

2.5.5 Website Design/ Features

Another dominating factor that has influence on consumer attitude is website design and its features (Shergill & Chen, 2005; Sultan & Nasir Uddin, 2011). The better the website quality and its features more will be the consumer intend to shop online. (Kamariah & Salwani, 2005). According to a survey conducted by Reibstein (2000) of approx. 100,000 online shopper's, they rated that the website design is an important factor for online shoppers. Moreover, it has also been observed that the consumer link website design and its features with satisfaction or dissatisfaction with a particular website. (Zhang, Dran, Small & Barcellos, 1999; Qinghe, et al., 2014).

H3: Website design has positive influence on customer attitude towards online shopping.

2.5.6 Relationship between Website Design/ Features and Online Shopping

As convenience and time saving has positive relationship with online shopping, same is the case with website design/features. Previous study conducted by (Yasmin & Nik, 2010) suggested that online shopping has a significant relationship with website design and its features. Good quality website design/features can create positive and negative feelings as it is considered as a motivating factor behind the consumer buying behavior. (Zhang et al., 1999). Properly design and user friendly website guides the consumer how to make the transaction easily and also ensures

the revisit (Li and Zhang, 2002). Contrary, if the website quality is not up to the mark, it hampers the consumers to do online shopping (Liang and Lai, 2000).

2.5.7 Security

Online shopping carries various advantages but have disadvantages at the same time. As per (Sultan & Nasir Uddin, 2011) security is another dominating factor which prevents consumers to buy the products/services online because of many reasons such as credit card fraud, privacy factors, non-delivery risk and thinks alike. Security factor has a direct influence on consumers buying decision, as it has been observed that the large number of online buyers who don't like to do online shopping because of their thinking regarding the security of their sensitive information. (Bhatnagar & Ghose, 2004). Security is a big concern from consumer point of view (Laudon & Traver, 2009; Wang 2011), as they worried that their personal information especially credit card information may misuse by the online store and it also hamper their purchases (Comegys et al., 2009). If the online shoppers have low sense of security then the risk factor will be more which leads to lower degree online shopping participation (Lim, 2003). Further, another study by (Elliot and Fowell, 2000; Jun & Jaffar, 2011) also suggests that the consumer feel bit resultant to do e-purchases because of their perception regarding security related matters. Thus security has become one of the most influencer factors that impede consumer to do online shopping.

H4: Security factor has negative influence on customer attitude towards online shopping.

2.5.8 Relationship between Security and Online Shopping

As discussed above, how much security influences the consumer to buy or not to buy online. Literature also supports the argument that security issues have influence on consumer buying decision. According to a survey of 214 U.S online consumers, it has found that website characteristics, security/privacy and information content are the most dominating factors that influence consumer intention for online shopping. Moreover, security and privacy are identified as to be a more important factor on consumers as compare to the design and information content of the website. (Ranganathan & Ganapathy, 2002).

3. Methodology

The study is quantitative in nature. Designed conceptual framework, research questions and objectives are based on the literature review discussed in the study. The sample was obtained through convenience sampling. Sample population of total 130 participants were mainly from IoBM (Institute of Business Management) and online users in Karachi including both male and female that was randomly sampled regardless of the class, age, gender and socio economic status. In order to ensure the reliability and validity, the data was collected through a questionnaire; the questionnaire used for this study is from the past research. The respondents were from 18-39 years of age. A 5-point Likert scale ranging from 'Strongly disagrees being the (1) to strongly agree (5) were used in order to note the responses. All these scales are taken from the previous published research. (Qinghe, Wenyuan, Kaiming, 2014). Further, descriptive frequencies and percentages were used for analysis on SPSS 17.0. The answers provided by respondents are kept private and confidential, and the data are used only for the purpose of the research.

4. Results and Findings

Below are the research findings with respect to Convenience, Time saving, Website design/features and Security. All these four factors has influence on consumer behavior for online shopping, first three factors has positive while security negatively influence consumer behavior.

Hypothesis 1: Hypothesis 1 is accepted, the research findings stated that majority of the respondents were agreed that online shopping has got numerous advantages such as you can do shopping anytime as per your convenience by being at home, no need to go to the store physically. Web check's study also shows the same result with regard to convenience as one of the biggest advantage of online shopping. (Qinghe et al., 2014). Another beauty of online shopping with respect to convenience is price comparison, the findings of the research revealed that online shopper prefer to buy online as they have the luxury to compare the prices from different web portals also consistent with the research findings of (Swaminathan, E-commerce, 2004) plus they can also have the online reviews regarding any product or service and then take

the decision accordingly, whereas in traditional method, one has to go to different shops in order to have the best price and it consumes time as well.

Hypothesis 2: Hypothesis 2 also shows positive relation and accepted. When asked about the time saving, the findings shows that time saving is the factor which positively influences the consumer as they can do shopping 24/7 and even after working hours as they are not time bound and also there are no such issues of having traffic jams, hassle crowd and long queues as compare to the traditional method of shopping. The findings also shows that online shopping not only saves time but also reduces the efforts at the same time, consistent with the findings of (Schaupp and Bélanger, 2005). Moreover, it takes less time in evaluating the product and enables the consumer to complete the shopping quickly. Besides, it was also observed in the findings that the facility of door step delivery enhances and motivates the consumer for online shopping. All in all majorities of the respondents gave their verdict in favor of online shopping because of time saving and on-time door step delivery.

Hypothesis 3: Hypothesis 3 also proved to be true as the result regarding website design and features shows that the respondents were quite confident and positive that good quality website design along with easy navigation facilitates consumer to the greatest extent. The better the features of the website in term of searching any product or service, placing order and the payment procedure, the higher will be the chances to converting the online users into online buyers. Additionally, one of the respondents gave his opinion by giving the example of Daraz.pk that it will be great for many online shoppers if online websites give the facility of Urdu translation like the above mentioned site does. In a nutshell, the findings clearly stated that website design, its features along with ease of navigation and mode of the payment has positively influences the consumer attitude which ultimately leads to the buying decision. Moving further, the research finding also indicates that consumer prefer online shopping because it reduces the monetary costs, for example petrol/fuel and parking issues. Majority of the respondents said they use the online shopping as a new medium because it facilitates them and saves their money at the same time.

Hypothesis 4: Hypothesis 4 has also been accepted. Everything comes with a package, same is the case with online shopping, it has many advantages as mentioned above while some

disadvantages as well, and security is one of them. It has already been observed that security factor impedes consumers to do online shopping and because of this they give up their purchases, the past study also has the same result (Su & Huang, 2011). As per the research findings, 90% of the respondents said they feel bit reluctant doing online shopping because of security issues, for instance credit card information in particular. Consistent with the literature, a study by (Elliott and Fowell, 2000; Jun, Jaffar, 2011), shows that consumer regard security related concerns as one of the main factor in purchasing from a web portal. Contrary with the good quality website design and its features, findings shows that consumers are more concern regarding the security than a good website with a lot of offerings and they prefer to shop from a trustworthy website. Another noticeable thing which findings revealed with respect to security is use of credit card, many people do not prefer to use credit card due to their religious beliefs and they left with no option by paying cash at the delivery which is certainly not a good idea as per the online retailer point of view. Further, another area of concern for the online shopper is potential expenses in online shopping as compare to potential risk. The research findings say that risk in online transaction is quite high in the eye of the consumer. First and foremost is the risk of leaking of consumer credit card and personal information as it can be misuse, secondly, the risk of damage product and not exactly the same product which were ordered. All these issues with respect to security and risk have negative impact on consumer behavior.

5. Conclusion and Limitations

By summing up the above research findings and discussion, it can be concluded that despite of gaining the popularity and wider acceptance, online shopping is still in its early phase in Pakistan. We can conclude from the results that convenience is the most influencing factor which drives consumer attitude followed by time saving and website design. However, security factor have negative impact and hampers the buying decision. Understanding the consumer attitude is of dire importance in online shopping as after analyzing the additional comments gave by the respondents that step should be taken in order to improve the security issues. Further, different discount deals, good customer services also enhance the buying decision. Every study has its limitations so as the current study has. The sample size is relatively small and does not represent the whole populations of the city; therefore the results may not be generalized. Further, the research focused was mainly four factors. However, other factors related to vendor services,

intangibility issues of online product and customer services may be considered for future research.

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