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IDENTIFYING FACTORS AFFECTING OF CONSUMER BEHAVIOR TOWARD ONLINE SHOPPING, A CASE OF PAKISTAN

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Abstract

In these days the electronic marketing is a huge revolution in globalisation. During the last few years the most of the business cooperates are running by technological change. For enhanced marketing performance the use of technology like computer, mobile and tablet for online shop and e marketing. The retailers are changing their strategies to fulfil the online shoppers demand. They are trying to research of consumer's behaviour or attitude toward online shopping. That's why we are doing research on attitude/behaviour of online shoppers specially the factors which are influence the consumer's attitude toward online shopping.

The big cities of Punjab, Pakistan are selected as population for study and the sample size is 150 and we followed convenience sampling techniques. The results of our findings are shows that the convenience is most power full factor which influence consumer for online shopping, time saving is the second and website feature is third one. The research shows that security is the big issue among online shoppers.

Keywords: online shopping, consumer buying attitude, e-commerce, time saving, security, website design

1. Introduction

Online shopping means you don't need to go out for shopping, you can buy or sale products and savvies by intern. In online shopping customer buy goods and services directly from seller by using online shopping applications. Most of the brands have their own online shopping application as we can say e-shop, e-store and online store. The goods which are selling by online stores are described by pitchers, text and videos as well. Most of the e-store gives extra information to their customer about the goods. They provides the following information about the product like is this selected product are available right now or not, size, how long it going to take time for delivery, safety procedure, instruction of the products (Guo and Jaafar 2011). There is a lot of benefit for online shopping as

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customer can save time and cost for searching as compare offline shopping. Another benefits of online shopping is, customer can find many alternative products, doing fast shopping and at lower price (Luo, Ba et al. 2012). Consumer's behaviour about on-line shopping depend their psychology state of mind for buying products and service.

Now in these days the trend of on-line shopping increased swiftly because of internet awareness and easy access of internet. On-line purchasing is most trendy activity on internet due to using e-mail and browsing. Worldwide almost 626 million people did on-line shopping by internet so far. United Kingdom and Germany are the most popular on-line shoppers. The most popular products which are selling by on-line shopping are books, video games, air ticket, clothes, shoes and electronic goods (Keisidou, Sarigiannidis et al. 2011).

On-line shopping has not only benefits but drawback as well. Normally consumers are avoiding on-line shopping because of credit card fraud, leakage of privacy, guaranty issue and non-delivery of product. Government should take action to control risk and increase on-line shopping trends. United Kingdom was first country who introduced fraud free on-line transaction in 1995 after two year Europe and Singapore started (Luo, Ba et al. 2012). The main principle of this research is to identifying major factors which are influence consumer's attitude toward on-line shopping, those factors helps the marketer to make some strategies to promote on-line shopping.

1.1. Problem definition

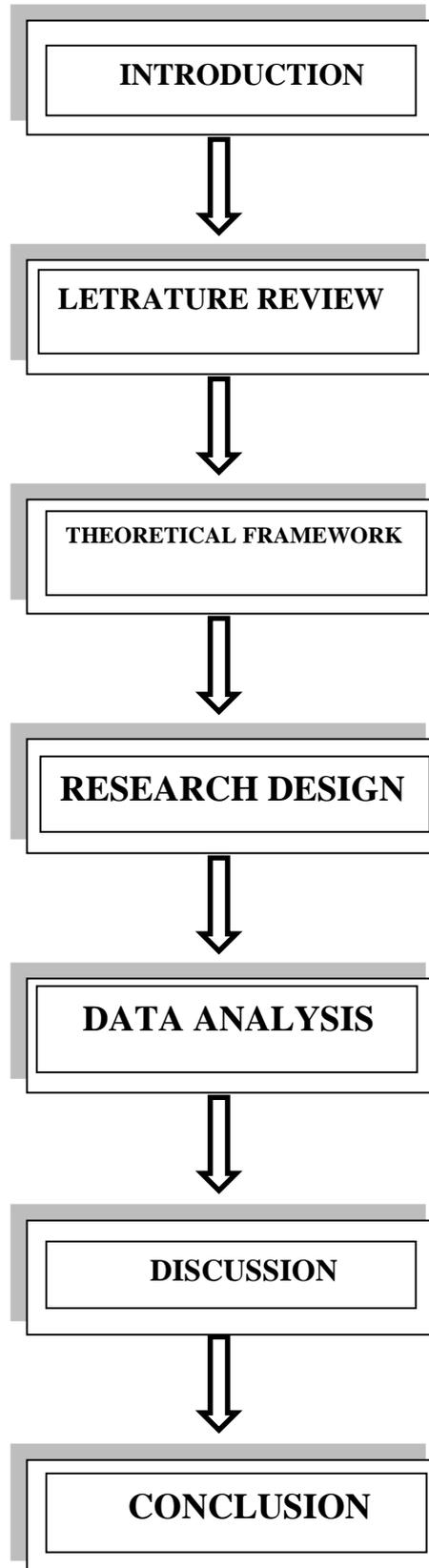
By increase no. Of firm and corporate are developing and creating business opportunities on internet. The fast growing trend of on-line shopping indicates the marketers to be taught that which factor encourage the customer to do online shopping. On internet there is hard competition among the sellers and they are trying to make their competitive edge to become unique on on-line shopping field. To get competitive edge, marketers should know consumer attitude towards online shopping. So that, it is very significant to understand the factors which shows consumer attraction towards online shopping for capture E-market. To capture E-market it is also important to understand consumers in respect of age, gender, education, income.

1.2 Purpose and research questions

The basic principle to conduct this research is to recognize and investigation the factors which influence Pakistani consumer to do on-line shopping. Another purpose of conducting this research is to identify who on-line shopper by demography. The outcomes of this study will not only help the Pakistani online marketer to identifying factors which influence the consumers but also it contribute the knowledge in the field of on-line shopping.

- (i) Which factors influence costumer towards on-line shopping?
- (ii) Who is the on-line shopper by demography?

1.3. Research patron



2. LITERATURE REVIEW

This area of study discuss the studies which is already done by researchers on consumers on-line shopping behaviour and draw attention to two main question i) Which factors influence costumer towards on-line shopping? ii) Who is the on-line shopper by demography?

On-line shopping is a way to minimize administration cost, cycle time and make strong relations among the business partners and consumers(Sultan and Uddin 2011). On-line shopping and internet are two most powerful advancement of information in 1990s. The huge increase in no. of consumers who use internet as on-line shopping tool and increase worldwide sale via E-commerce. Innovation and on-line shopping relationship shows wonderful transform in market competition of different industries (Khaniwale 2015). Consumer buying decisions are effected by awareness, inspiration, learning, behaviour and values. Awareness is being a sign of how consumer select, arrange and understand information from knowledge. Inspiration shows the costumer attention how to get own needs. Learning, behaviour and values shows customer feelings how they think about on-line shopping idea (Kotler and Armstrong 1991).

2.1.1. Factors influencing customers to buy things on-line

Though there are many factors which forced to customer to buy things by on-line. In this research only few factors going to be discuses regarding literature in field of on-line shopping.

2.1.2. Convenience

This factor shows that on-line shopping products are easy to search or browse as compared to traditional off line shopping. During online shopping consumer can check product cattalog and compare it with other sellers but it is not easy by manually to go for traditional retail shopping and time taking as well. The major factor of on-line shopping for customer is always convenience. (Darian 1987) says that on-line shopping have many benefits such as convenience, like less time taking, suppleness and without physical attempt. (Bhatnagar and Ghose 2004) also say that one of most significant factor of on-line shopping is convenience. The main motivational factor of on-line buying is convenience in the way that customer can shop any time and huge amount of goods delivered to given address (Hand, Dall'Olmo Riley et al. 2009). Webcheck's (1999) research also shows that convenience is the biggest motivational factor of on-line purchasing.

2.1.3. Time saving

The most important factor of manipulating toward online shopping is time saving. To explore and browse of on-line catalogue can save time & patience. Due to on-line purchasing people can save their time and reduced their effort as well. For explanation of time saving by doing shopping on-line just estimate travelling time to go out for shopping (Rohm and Swaminathan 2004). Other schools of thought think that it is also time taking to delivers goods to door step by on-line shopping.

Unpredictably time saving is not the motivational factor customer of on-line purchasing because on-line buying takes time for delivering goods to door step (Corbett, 2001). But

in on-line shopping time saving can be notice in different ways like someone living in Lahore and want product which is available in Karachi city departmental store if he give on-line order for product it will take less time as compare they visit to that store (Childers, Carr et al. 2002). So the significance of saving time factor cannot be abandoned as motivational factor of on-line shopping. There is discrimination among the on-line customer and offline customer highlight by (Goldsmith & Bridges, 2000).

2.1.4. website design/ Features

Website design and its good feature play important role towards on-line shopping. Website design, website customer service, website consistency and its security they are the most powerful factor to change perception of consumer towards on-line shopping Luo, Ba et al. 2012). If the website feature is higher than customer influence toward online buying are higher Kamariah and Salwani (2005). Website design characteristic influencing factor of customer satisfaction with precise website says by(Zhang, Small et al. 2000). There is vital relationship between on-line shoppers and website design a research conducted by Yasmin & Nik (2010). Website quality can judge as motivational factor that can create good or bad impact to customers (Zhang, et al 1999).

2.2.Security

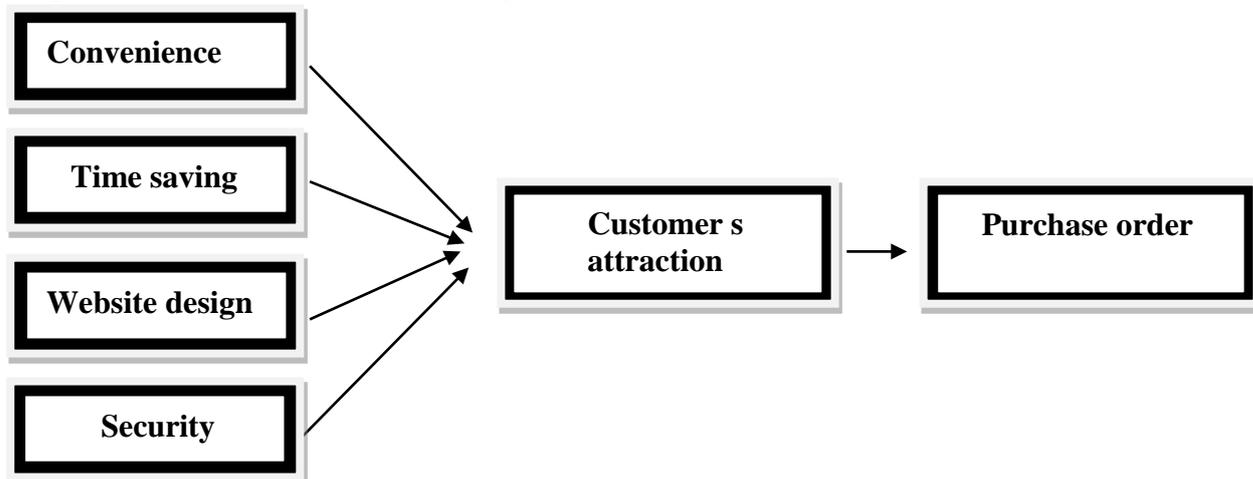
Security is also a great factor which influence to customer to buy on-line. Although a lot of internet user stay away from on-line shopping because of bank card fraud, privacy, not delivery on door step and many other. However transaction security of on-line purchasing gets more attention with passage of time. The transaction of money by bank cards increase online shopping if it becomes secure. During 1995 UK was the first country how introduced fraud free on-line transaction after that Europe and Singapore initiate step towards online shopping. (Bhatnagar & Ghose, 2004) claim that bank card security and personal information security are one of the main factor which influence consumer to shop on-line, people don't shop online because of threat of security of information system.

2.2.Online consumer in term of demography

On-line customer according to demography is also significant facet. We are going to study of demography in term of age, income, gender and qualification, as is there any difference among the age group, income group, gender and qualification like who attract more towards on-line shopping elder or younger and so on. This study shows that on-line shoppers are mainly educator and high income and middle class working people says by (Aad, Abbott et al. 2012). A article in business time show that on-line shopper are mostly male, age between 18 to 40 and their education is more than secondary school there belong to average middle family.

2.3. Research model

The following figure shows research model of my thesis on the basics of previous research in the field of consumer behavior towards on-line shopping. This diagram shows independent variable, mediators and dependent variables.



The above model reflect the connection between independent variable to mediator and mediator to dependent variable, the independent variables are convenience, security, website design and time saving. Mediators are customer satisfaction and dependent is purchase order.

2.4. Related literature

No.	Author	Research design/ data collection and sample frame	Size of sample	Finding of study
1.	Muhammad umar sultan and Md nasir uddin	Primary data and descriptive study	100 student and other	Connivance is important factor to influence consumer towards online shopping
2.	Sajjad nazir, aziz sajid, irum javed	Descriptive Study, Stratified Sampling	120 people of house hold	This research found that security issue is main reason to not shopping online.
3.	Arsalan S. Khan, faisal ahmed, Hassan yousuf	Descriptive study	180 people of business class	Website and product description has strong relationship with online shopping.
4.	Dr rizwana basher, irsa mehboob, waqas Khalid	Convenience sampling	150 student of different age	Trust factor effect the online shopping
5.	Paul TJ james, Saad Akbar	Primary data and descriptive study	130 online shopper selected as sample	Online shopping marketing is strategy to influence consumer

3. Research design and methodology

3.1 Research method

The research of mine is consumer's behaviour toward on-line shopping descriptive study method because in our research is to find out the factors which influence consumer attitude toward online shopping. Basically there is two type of methodology one is qualitative and second one is quantitative. We will follow quantitative research method in my research because it is clear-cut method. Time is very important feature of decision making while you are selecting research methodology said by Creswell 1994. According to (Saunders Mark, Lewis et al. 2000) Quantitative research is much fast as compare to qualitative as it could be done with in time period but qualitative takes longer time. Basically research are done for academics purpose which have limited time to doing research and our research is for academics purpose have limited time that is why i selected quantitative method.

3.2 Data collection

When we need to collect data there are 2 methods for researchers to collect the data, primary and secondary method. The primary data means interview/ questionnaire method, case study method, projective technique method. If we talk about secondary data it means the data which already collected by researchers for study purposes. I am going to follow the primary data collection method which contain questionnaire to customers that which factor influence them to do on-line shopping.

3.3 Sampling and sample size

Basically there are 2 type of sampling techniques first probability sampling and non probability sampling. In the first technique probability sample selected units as random and should be cover whole population elements (Bryman, bell, 2007). According to (Buchanan and Bryman 2007) probability sampling have 4 types as follow simple random sample, systematic sample, stratified random sampling and multistage cluster sampling. Buchanan and Bryman said the there are three type of non probability sampling i.e. convenience sampling, snowball sampling and quota sampling. For researchers convenience sampling is helpful as time saving and resource. I used sample of 140 people who belong to different class some of the business man some of the employee and student as well and get 100% response rate.

3.4 questionnaire design

The questionnaire should be created carefully which can meet research's requirements. The questions in the questionnaire are getting from earlier literature and some of the self structured to find out the research problem. The questionnaire contain of two parts first part consist of basic information that who are online shopper and second factors influence the consumer to shop online.

4. Descriptive statistics

4.1 Demographic profile of respondent

The total 150 questionnaires which are distributed in different big cities of Punjab Pakistan and 149 people return the questionnaires with the 99% response rate. Table

1 shows the demographic profile of the people. This table have whole information of the people on the basis of age, gender, education, income, use of internet, frequency of buying online, spend money on online shopping.

Table 1 Demographic profile of respondents

Respondents Demographic	Frequency	%
Gender (N = 147)		
Male	87	58.4
Female	60	40.3
Age (N = 147)		
16-25	77	51.7
26-35	62	41.6
35-above	8	5.4
Education (N = 148)		
High school	10	6.7
Bachelor	53	35.6
Master	75	50.3
M Phil / PhD	9	6
Income (N = 147)		
20000-30000	15	10.1
30001-40000	70	47
40001-50000	56	37.6
50001-above	6	4
How many hour you use internet in a day (N = 146)		
Less than one hour	10	6.7
One hour- two hour	68	45.6
Two hour- three hour	60	40.3
More than three hour	7	4.7
How frequently you buying product/services by online (N = 146)		
Every day	73	49
Once a week	37	24.8
Once a month	16	10.7
Once in 6 month	9	6
Once a year	11	7.4
How much you spend on online shopping in one month (N = 146)		
Less than 1000	55	36.9
1000-3000	76	51
3000-5000	13	8.7
More than 5000	2	1.3

The table 1 tells that out of 149 respondent 87(58.4%) are male and 60(40.3%) are female, and 2 people did not reply about their gender. 147 people response about their age only two people didn't, 77(51.7%) are age between 16 – 25, 62(41.6%) are age 26-35 and

(5.4%) are above 35. This research shows that most of the online shoppers are age young people's age between 16 to 25. 148 people reply about their education only one person did not response 10(6.7%) respondent have high school degree, 53(35.6%) have bachelor, 75(50.3%) are master degree holder and 9(6%) are m Phil/ PhD. This study shows that most of online shoppers are master degree holder. 147 people response about their income, 15(10.1%) people have their income range Rs 20,000 - 30,000, 70(47%) people have their income between Rs 30,001 to 40,000, 56(37.6%) people have their income range Rs 40,001 to 50,000 and only 7(4.7%) have their income above Rs 50,000. 10(6.7%) people use internet less than a hour, 68(45.6%) people use internet one to two hours, 60(40.3%) people use internet two to three hours a day and only 7(4.7%) people use internet more than three hours. Out of 149 respondent 146 people give information about how frequently they do shopping online; 73(49%) people doing daily shopping by internet, 37(24.8%) people doing shopping once a week, 16(10.8%) people doing online shopping once a month, and 9(6%) people doing shopping once in six month. This study shows that most of the people doing shopping online on monthly basis. 146 people provide information about their spending on online shopping, 55(36.9%) are spent less than 1000 rupees, 76(51%) spent between 1000 to 3000 rupees, 13(8.7%) spend between 3000 - 5000 and only 2 people spend more than 5000 rupees.

4.2 Descriptive summary

This research is contain survey of 13 variables, 11 respondent are varies between 1 and 5 and only two varies 2 to 5 in 5 point scale. Means values are varies from 2.40 to 4.50 and standard deviation varies among 0.816 to 1.243 shows by table

Table 2 Descriptive statistics of survey items

Items	N	Min	Max	Mean	Std.D.
i received my delivery ontime by online order	147	1	5	3.22	1.175
all feature are available of any product on internet shopping	146	1	5	3.39	1.251
i can shop 24/7 by online shopping	144	2	5	4.51	.802
for comparison of product online shopping is best	146	1	5	3.14	1.213
online purchasing takes less time	145	1	5	3.72	1.005
online shopping dosnt wast time	146	1	5	3.53	.872
i think online shopping isbest for product comparison in short time	147	1	5	3.46	1.015
i belivethat online shopping is much save	145	1	5	2.73	.899
online shopping save my bank car detail	146	1	5	2.80	.819
i suggest do online shopping on secure wbsite	145	1	4	2.84	.887
good website help me for searching	147	1	5	3.22	1.175
i like those website which provide all feature of product	146	1	5	3.39	1.251
I prefer the website which feel me save in case of ordering	144	2	5	4.51	.802
i have attraction for online shopping if it is convenience	146	1	5	4.08	1.246
i feel attracted if goods are good in quality on online shopping	146	1	5	4.10	1.161
if the price is low than, I will shop online	146	1	5	3.95	1.261
Valid N (listwise)	133				

Table 3 shows that estimated value of cronbach's alpha to check the reliability & internal consistency of the measure. In this study the cronbach's alpha varies 0.811 to 0.904 except security which have cronbach's alpha is 0.689 and convenience have 0.904 and saving time have 0.899 and website feature have 0.867. Normally higher the value of cronbach's alpha higher the reliability of measuring the construct.

Table 3 Reliability of measurement

Constructs	Valid N	No. of items	Cronbach's alpha
Convenience	142	4	0.904
Saving time	144	3	0.899
Security	142	3	0.689
Website feature	143	3	0.867
Customer attraction	144	3	0.818

4.3 Correlation

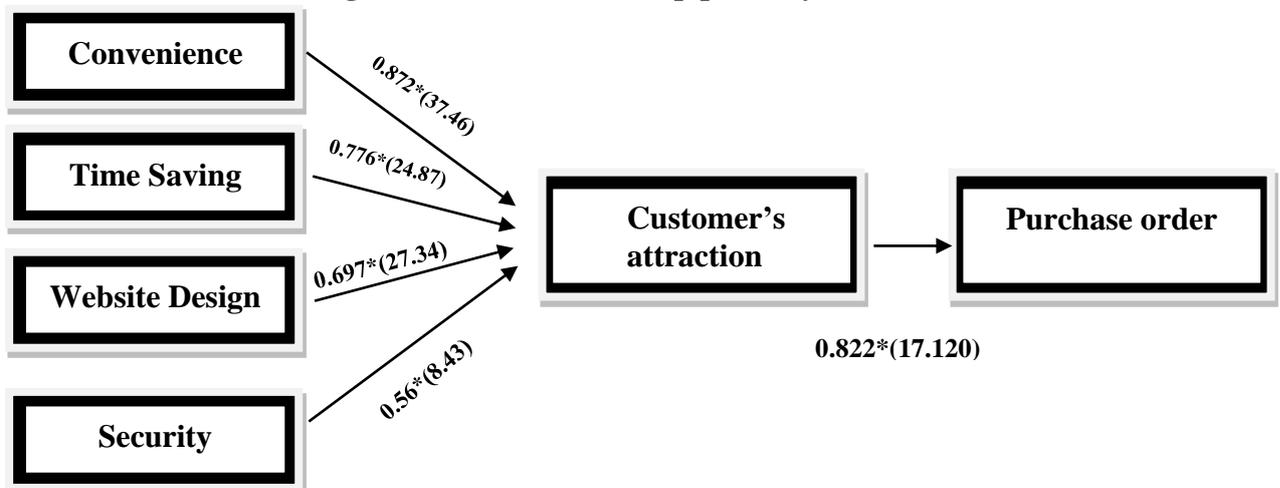
The correlation is used to find out mutual association between the variables of the construct. All of the constructs have positive association among the variables but security has negative correlation among the variable. The correlation of convenience varies from 0.87 to 0.904, for saving time varies from 0.877 to 0.899 and for website feature 0.706 but security varies from -0.5 to 0.57 which is insignificant.

4.4 Regression analysis

The regression analysis is used to check the effect of convenience on mediating variables like time saving; security and website feature and find out the effect of mediating variables on frequency of purchasing. The figure 1 shows a sig. effect of convenience on customer attraction (β : 0.872, $p < 0.005$), time saving (β : 0.776, $p < 0.005$), effect of security (β : 0.56, $p < 0.005$) and of website feature (β : 0.697, $p > 0.005$). This result shows that time saving captures more effect of convenience and website feature capture less effect.

The mediator have also effect on frequency of ordering as follows by customer attraction (β : 0.822, $p > 0.001$).

Figure 1 direct relationship pathway



4.5 Factor analysis

The factor analysis is run on data to check the construct validity; we use PCA method with varimax rotation methods. The finding of PCA is in the following table's no.4, 5, and 6 accordingly. I used the KMO measure of sampling adequacy test and Bartlett's test of sphericity to ensure is this data is fine to run factor analysis. The association between the variables checked by sampling adequacy test, the orthogonality of the variable checked by sphericity. So that these two tests tell us that weather it is fine to run factor analysis or not.

The factor analysis also reduced the large data in to one or two numbers. These uncorrelated factors contain whole information of the large data. It helps to understand the complex data for example if factor analysis reduced ten factor in to one factor it going to be easy to understand as one factor.

4.6 KMO measure of sampling adequacy test and Bartlett's test of sphericity

KMO test will tell us that factor analysis is useful to apply on data. The KMO values are fluctuating between 0 and 1. The value 0 shows huge spreading in the pattern of correlations, so that to apply factor analysis is not suitable. The value 1 show the proper correlation among the variables, so factor analysis is suitable for it. (Hinton et al., 2004) it is the basic rule that if the KMO value is 0.5 it mean poor, if the KMO value is 0.6 then its fine and near 1 is much reliable. According to (Hutcheison and Sofronioui, 1999) the value of KMO varies among 0.5 to 0.7 is medium and 0.7 to 0.8 is better and 0.8 to .0.9 are much better and 0.9 and more are superb. The table 5 shows KMO values acceptable except security which is less than 0.5. and other construct are convenience (KMO=0.832), for saving time (KMO=0.71) and for website (KMO=0.717). The security doesn't fall in any of them and website feature fall in medium in (Hutcheison and Sofronioui, 1999).

The Bartlett's test of sphericity runs to check the significance among the variable of construct. It is pointless to run further factor analysis if there is no significance among the variable. If the value of p is less then ($p < 0.05$) it shows there is significance in variables. Table 4 shows that that the P's values are significant except security.

Table 4 KMO and Bartlett's test

Constructs	No. of items	KMO measure of sample adequacy	Bartlett's test of spheicity Chi-square	Bartlett's Test of sphericity Sig
Convenience	4	0.832	392.331	0.000
Saving time	3	0.754	264.279	0.000
Security	3	0.663	75.893	0.000
Website feature	3	0.717	236.497	0.000
Customer attraction	3	0.682	159.047	0.000

4.7 Eigenvalues

In general the component which have eigenvalue more than 1 are considered as principal component and that component can be use for further factor analysis. The following table

5 shows all eigenvalue and percentage of variance explained for all items. In the following constructs all of them give one component convenience contain four variables explaining 78.582% variance, saving time have three variable explaining 83.465 variance and website feature consist of thee items explaining 80.649% variance, security have three variables explaining 61.689% variance, customer attraction have three variables explaining 73.337% variance

Table 5 Eigenvalues and total variance explained

Construct	components	Initial eigenvalues		
		total	% of variance explained	Cumulative % of variance explained
Convenience	Component1	3.134	78.582	78.582
Saving time	component1	2.504	83.465	83.465
Security	Component1	1.851	61.689	61.689
Website feature	Component1	2.419	80.649	80.649
Customer attraction	Component1	2.200	73.337	73.337

4.8 Factor loading

Straub et al. (2004) said that the minimum value to loading factor of all variable must be more than 0.4 and for cross loading less than 0.04. Table 6 shows all result of loading factor and that entire load one factor. Convenience varies 0.819 to 0.932 and saving time varies 0.849 to 0.910 and website feature varies 0.911 to 0.917, security varies 0.690 to 0.830 and customer attraction varies 0.807 to 0.900. The all item have loading factor greater than 0.40 it means that data which is collected by instrument are valid.

Table 6 component matrix

ITEMS	COMPONENT
CONVENIENCE	
1.I receive my delivery on time by on-line order	.900
2. All feature are available of any product on internet shopping	.932
3. I can shop 24/7 by on-line shopping	.819
4. For comparisons of product on-line shopping is best.	.892
SAVING TIME	
1.On-line purchasing takes less time	.917
2. On-line shopping doesn't waste the time	.911
3. I think on-line shopping is best for product comparison in shot time	.913
SECURITY	
1.I believe that on-line shopping is much save	.830
2. On-line shopping save my bank detail	.690
3.I suggest do online shopping on secure website	.828
WEBSITE FEATURE	
1.Good website help me for searching	.904
2. I like those website which provides all feature of products	.927
3. I prefer the website which feel me save in case of ordering	.862
Customer s attraction	
1.I have attraction for online shopping if it is convenience	.900
2.I feel attracted if goods are good in quality on online shopping	.807
3.If the price is low than, I will shop online	.859

5. Conclusion

With the passage of time online shopping became accepted due to use of World Wide Web (www.). It is a big challenge for online stores, marketers to understand consumer's attitude toward online shopping. Specially enhancement the factors which are influence the consumer to do online shopping. So that's why our research has focused on two main questions i) the factors which are affected online shopper of Punjab, Pakistan and ii) who are the online shopper according to demography.

When consumers buy anything through online shopping channels following factors are effected convenience, time saving, security and website feature. Our study shows that people are buying things due to convenience, time saving and website feature but result shows security is the main reason to stop people to shop online. Consumers are not feel save on security, they afraid about bank detail and their personal information.

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