

Understanding Online Shopping Scenario: Discussion on B2C Context in Dhaka City

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Abstract

The use of the Internet as communication and distribution channel has created an opportunity for a wide range of organization-customer interactions. Interactions with customers and organization's website create opportunities to buy and sell products and services through internet. In this study, I tried to find out how different types of attitudes towards shopping are formed when consumers are shopping online.

Keywords: Online Shopping, B2C, e-commerce, e-market, e-shop

1. Introduction

Internet is a new channel for retailing. As internet access is available in home and office even on the go an increasing number of consumers are using the Internet to buy products and services. Interactions with e-commerce sites create opportunities to search and purchase products and services. Web features are attracting consumers and the elements are satisfying consumer needs. In developing economy both Internet adoption and usage continues to rise (Goode and Harris, 2007; Hansen, 2008). A good number of retailers are engaged in e-commerce in Dhaka city and the consumers are getting competitive advantages through online marketplace. Online market is a form of in-home market place and has evolved as a popular shopping environment. One of the barrier of online marketplace is the shopping is done without face to face conversation and consumers have to deal with different sorts of threats if they want to use online shopping. One of the threats is the possibility of the fraud transaction as bogus or dishonest online vendors are growing up. For example, when consumers are buying products online they cannot physically examine them or cannot test whether these products actually work until they receive them. The success of e-market depends on consumer's technological awareness and fitting cyber law that will prevent consumer right. This study will explore why the consumers will continue e-shopping.

2. Literature review

Rapid technological developments in social media have radically altered the social diffusion process (Bandura, 2001). A number of studies have highlighted the importance of e-shopping rather than traditional shopping. Scholars have focused on the effects that consumer evaluations of website content elements have on satisfaction and online performance (Burke, 2002). It is important to note that the use of internet represents a platform for business and socioeconomic development. The speed, direction, and determinants of information technology infrastructure directly influence productivity, cost effectiveness, and competitiveness in industries (Antonelli, 1991). In particular, online social shopping communities are transforming the way customers communicate their opinions and exchange product knowledge (Olbrich & Holsing, 2011; Pagani & Mirabello, 2011). Online stores generally offer a broader array of product alternatives. Therefore, the probability of finding the needed product will be higher online than offline, providing a more efficient shopping experience (Kim & Larose, 2003). Online social shopping communities differ from traditional communities. Customer participation in online social shopping communities depends on interactions with, and information flows among, other customers. Earlier researcher also examined the perceived benefits and perceived costs of customer participation and contribution in online social shopping platforms (Cheung & Lee, 2012). Economic incentive may attract buyers to shop online. Consumers are generally concerned about the cost of purchasing a product or service (Atcharyachanvanich et al., 2008). The internet makes it easier to compare prices and therefore useful for buyers to get a product with a lower cost (Soscia et al., 2010). There are few reasons that encourage people to shop online. First, there is a reduction of time spent shopping. Second, there is the flexibility in the timing for shopping. Third, there is a reduction in the physical effort of visiting the stores (Thomson and Laing, 2003).

3. Objectives of the study

The purpose of this study is to know the online shopping experience in b2c context. However the specific objectives are as given below:

1. To understand the backgrounds and consequences of online shopping.
2. To focus on the shoppers attitudes towards online shopping.
3. To identify the factors that influence online shopping.

4. Study Design

4.1 Sampling Technique

This study is based on primary data. A total of 408 consumers were surveyed through the snowball sampling technique.

4.2 Questionnaire Design

To complete this study primary data were collected through personal interview with structured questionnaire. Here five points “Likert Scale” used to measure the variables where 5 stands for strongly agree and 1 stands for strongly disagree.

4.3 Data Collection

Data were collected from the consumers who usually visit ecommerce sites to purchase through online. The personal interview was conducted during November 2017 March 2018. In addition, some standard publications, journals of the relevant field have been also studied to complete this study.

4.4 Data Analysis

To analyze the data the descriptive statistics and factor analysis were made. The entire analysis was done by most familiar statistical package (SPSS 11.5 for windows) was used.

4.4.1 Factor Analysis

Factor analysis is a process concerned to reduce many individual items into a fewer number of dimensions. The underlying assumption of factor analysis is that there exist a number of unobservable latent variables (or “factors”) that account for the correlations among observed variables, such as, if the latent variables are partial led out or held constant, the partial correlations among observed variables all become zero. In other words, the latent factors determine the values of the observed variables (The University of Texas at Austin 1995).

Each observed variable (y_i) can be expressed as a weighted composite of a set of latent variables (f 's) such as $y_i = a_{i1}f_1 + a_{i2}f_2 + \dots + a_{ik}f_k + e_i$

Where, y_i is the i^{th} observed variable on the factors, and e_i is the residual of y_i on the factors.

5. Results

Table-1: Mean Age of the Respondents

	N	Minimum	Maximum	Mean	Std. Deviation
Age	408	21.00	55.00	34.8162	9.36343
Valid N (listwise)	408				

Source: Author

Table-1 represents that the mean age of the respondents was 35.

Table-2: Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	195	47.8	47.8	47.8
Female	213	52.2	52.2	100.0
Total	408	100.0	100.0	

Source: Author

Table-2 demonstrates that 48 percent of the respondents were male and 52 percent of the respondents were female.

Table-3: Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	107	26.2	26.2	26.2
House Wife	77	18.9	18.9	45.1
Service Holder	111	27.2	27.2	72.3
Business Man	86	21.1	21.1	93.4
Others	27	6.6	6.6	100.0
Total	408	100.0	100.0	

Source: Author

Table-3 denotes that 27 percent of the respondents were service holders, 26 percent of the respondents were students, 21 percent of the respondents were business men, 19 percent of the respondents were housewife and 7 percent are from other professions.

Table-4: Scale Reliability (Cronbach Alpha Test)

RELIABILITY ANALYSIS - SCALE (ALPHA)				
Item-total Statistics				
	Scale	Scale	Corrected	
	Mean	Variance	Item-	Alpha
	if Item	if Item	Total	if Item
	Deleted	Deleted	Correlation	Deleted
VOA1	96.9044	139.7279	.5021	.8563
VOA2	96.8333	139.6036	.6118	.8532
VOA3	96.8358	139.9656	.6283	.8530
VOA4	96.5564	141.7413	.6090	.8542
VOA5	96.6691	138.3743	.5660	.8541
VSA1	96.6863	136.0979	.6819	.8503
VSA2	96.9730	135.5939	.7046	.8495
VSA3	96.9877	142.5723	.5842	.8550
VCT1	96.8775	136.8400	.7656	.8489
VCT2	96.8652	142.4216	.5248	.8561
VCT3	96.8431	143.0269	.4710	.8575
VCT4	96.8260	140.3800	.5843	.8541
VCT5	96.8701	140.0740	.5528	.8548
VC1	97.0711	142.8279	.5913	.8550
VC2	96.9461	150.4148	.1978	.8646
VC3	97.0515	149.2332	.3271	.8615
VC4	96.8260	145.0679	.4354	.8587
VC5	96.8676	145.6041	.4844	.8579
VF1	97.0000	145.0172	.4545	.8582
VF2	96.9240	145.4610	.3581	.8608
VF3	96.9583	150.3791	.2507	.8630
VF4	97.1078	149.7377	.1523	.8678
VPA1	97.3505	148.9800	.2261	.8644
VPA2	97.0956	151.2759	.0993	.8693
VPA3	97.2402	157.5490	-.1273	.8747
VPA4	97.2574	155.8722	-.0619	.8723
VPA5	97.1642	155.2678	-.0379	.8718
Reliability Coefficients				
N of Cases = 408.0		N of Items = 27		
Alpha = .8639				

Source: Author

Table-4 Demonstrate that all the independent variables exceeds 0.7 thus the scales are sufficiently reliable for data analysis.

Table-5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.680
Bartlett's Test of Sphericity	Approx. Chi-Square	11287.921
	Df	351
	Sig.	.000

Source: Author

The table-5 expressed that KMO value exceeds 0.60 which indicates sample size is adequate and Bartlett's Test of Sphericity is statistically significant.

Table-6: Communalities

	Initial	Extraction
Attractiveness	1.000	.818
Enjoy ability	1.000	.789
Navigation	1.000	.836
Order Confirmation	1.000	.879
Terms and Conditions	1.000	.828
Select without Hesitation	1.000	.862
Reputation	1.000	.813
Adequate Information	1.000	.772
Reliability	1.000	.798
Safe in Personal Details	1.000	.878
Secure in Financial Details	1.000	.796
E-payment Reliability	1.000	.831
Data Share and Store	1.000	.839
Internet Cost	1.000	.769
Time Cost	1.000	.817
Product Cost	1.000	.700
Easy to Access	1.000	.841
Serving Period	1.000	.764
Easy to Order	1.000	.791
Problem Facing	1.000	.807
Easy to Shopping	1.000	.833
Self Confidence	1.000	.830
Up-to-date	1.000	.826
Understandable Content	1.000	.743
Information Reliability	1.000	.758
Return Policy	1.000	.782
Exchange Policy	1.000	.739

Extraction Method: Principal Component Analysis.

Source: Author

In the table-6 higher Communalities indicates more importance of the variable. Order confirmation (**.879**), Safe in Personal Details (**.878**), Select without Hesitation (**.862**), Easy to Access (**.841**) and Data Share and Store (**.839**) are considered as more important variables that have impact on online shopping behavior.

Table-7: Eigenvalues of individual factor

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
Aesthetic features	8.590	31.816	31.816
Security and privacy issues	3.435	12.724	44.539
Individual Personality	3.173	11.753	56.293
Quality of product and service information	2.162	8.006	64.298
Cost benefits	1.771	6.559	70.858
Difficulties in shopping	1.552	5.746	76.604
Shopping advantages	1.056	3.911	80.515

Extraction Method: Principal Component Analysis.

Source: Author

Table-7 proves that all the factors extractable from the analysis along with their eigenvalues, the percent of variance attributable to each factor, and the cumulative variance of the factor. The first factor accounts for 31.816 percent, the second is 12.724 percent, the third is 11.753 percent, the fourth is 8.006 percent, the fifth is

6.559 percent, the sixth is 5.746 percent and the seventh is 3.911 percent. The findings of this study noted that there are seven factors [Aesthetic features (8.590), Security and privacy issues (3.435), Individual Personality (3.173), Quality of product and service information (2.162), Cost benefits (1.771), Difficulties in shopping (1.552), Shopping advantages (1.056)] that are influencing to B2C online shopping.

The factors having eigenvalues greater than 1 are considered significant; all factors with eigenvalues less than 1 are considered insignificant and are disregarded (Hair et al, 2003). These factors cumulatively explain about 80.515 percent of the variance specifying higher level of importance of the factors (Table 7).

Table-8: Rotated Component Matrix (a)

	Component						
	Aesthetic features	Security and privacy issues	Individual Personality	Quality of product and service information	Cost benefits	Difficulties in shopping	Shopping advantages
Order Confirmation	.910						
Terms and Conditions	.894						
Navigation	.875						
Select without Hesitation	.843						
Reputation	.805						
Enjoy ability	.792						
Attractiveness	.769						
Adequate Information	.631						
Secure in Financial Details		.867					
Safe in Personal Details		.864					
E-payment Reliability		.837					
Data Share and Store Reliability		.830					
Up-to-date			.895				
Self Confidence			.866				
Understandable Content			.757				
Return Policy				.853			
Exchange Policy				.813			
Information Reliability				.771			
Time Cost					.871		
Product Cost					.754		
Internet Cost					.685		
Problem Facing						.866	
Easy to Shopping						.743	
Easy to Access							.787
Easy to Order							.657
Serving Period							.644

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Source: Author

Principal component factor analysis with rotated factor loadings was performed on the data surveyed shown on the table-8. Principal Component Analysis (PCA) is the commonly used method for grouping the variables under few unrelated factors. Variables with a factor loading of higher than 0.5 are grouped under a factor. A factor loading is the correlation between the original variable with the specific factor and the key to understanding the nature of that particular factor (Debasish, 2004). The table-8 provides the rotated factor loadings against the 27 observed variables.

Furthermore, Factor analysis using Varimax rotation finds seven derived factors. Factor 1 named as “Aesthetic features” consists of eight variables. The names of the variables are Order Confirmation (.910), Terms and Conditions (.894), Navigation (.875), Select without Hesitation (.843), Reputation (.805), Enjoy ability (.792), Attractiveness (.769) and Adequate Information (.631). Factor 2 named as “Security and privacy issues” constituted by five variables namely Secure in Financial Details (.867), Safe in Personal Details (.864), E-payment Reliability (.837), Data Share and Store (.830) and Reliability (.605). “Individual Personality”

identified as 3rd factor consisting with three variables: Up-to-date (.895), Self Confidence (.866) and Understandable Content (.757). Factor 4 named as “Quality of product and service information”. This factor constituted by three variables. These variables are Return Policy (.853), Exchange Policy (.813) and Information Reliability (.771). The “Cost benefits” 5th factor consisting three variables: Time Cost (.871), Product Cost (.754) and Internet Cost (.685). Factor 6 named as “Difficulties in shopping” consists two variables: Problem Facing (.866) and Easy to Shopping (.743). Factor 7 named as “Shopping advantages” consists of three variables. Three variables of this factor are Easy to Access (.787), Easy to Order (.657) and Serving Period (.644).

5. Conclusion and Recommendations

From the discussion above it's clear that Aesthetic features, Security and privacy issues, Individual Personality, Quality of product and service information, Cost benefits, Difficulties in shopping and shopping advantages are appeared as important factors for choosing online shopping platform in Dhaka city. The identified factors may be considered as the strong background for a successful B2C interaction. Aesthetic features are the most important factor among all factors to attract more customers by the shoppers where shopping advantages are least important to influence the consumers.

The sellers should understand various factors influencing for selecting e-commerce. The findings of this study may be consider as a guide for expand the e-shop including round the clock service improvement and wide acceptance of B2C e-commerce.

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