

Consumer attitude towards the perception of online shopping: A study on Gulshan area of Dhaka

Sumaiya Alam Trisha¹

Abstract

Online shopping is a renowned substance around the world. Bangladesh is close to this phenomenon. Numerous online shopping sites or shops have already been established. This study explores the overall consumer attitude towards the perception of online shopping in Dhaka City. Online shopping is in a race with traditional shopping. The study reveals that the main favorable attitudes of consumers are searching online products, detailed descriptions of products, and time spent on online shopping, whereas unfavorable attitudes are delivery time of the products, price of shopping goods, trust and security, and quality products of shopping goods. The study suggests delivery time should be reduced, the price of shopping goods should be reasonable, trust and security should be enhanced, and quality products should be ensured.

Keywords: *Consumer's Attitude, Online Shopping, Online Shops, Online Products*

1. Introduction

The internet has significantly impacted our daily lives by enabling people to communicate with those on the other side of the globe, send emails continuously, search for information, play games with others, and even make purchases online. Commerce via the Internet, or e-commerce, has experienced rapid growth since the early years. It is well known to most internet researchers that the volume of online business-to-consumer (B2C) transactions is increasing annually at a very high rate. The internet is frequently used for online shopping. Online shopping refers to consumers' shopping behavior in an online store or website used for online purchasing purposes (Monzuwe et al. 2004). Online shopping has experienced rapid growth in recent years due to its unique advantages for both consumers and retailers, such as shopping at round-the-clock facilities, decreasing dependence on store visits, saving travel costs, increasing market area, decreasing overhead expenses, and offering a wide range of products. Over 85% of the world's online population has ordered goods over the internet recently (Todd and Jarvenpa, 1997).

As more businesses go online, some consumers are still hesitant to follow. For various consumers, there are still concerns about security and the passing of personal data over the internet. There is a disparity between the number of consumers who visit a site and the number of actual purchases being made (Shim et al., 2001; Changchit, 2006). According to internetlivestats.com, 40.4% of the overall population of this world was using the internet until July 2014. In 2013, the percentage was 37.9% (www.internetlivestats.com). So, it has been clear that internet users are increasing daily. There is no chance that the growth will decrease. Internet users are the ultimate target customers of online shops.

Bangladesh has not been left behind in internet use as a developing country. According to the Bangladesh Telecommunication Regulatory Commission (BTRC), the number of internet users in Bangladesh is 40832.387 thousand subscribers in August 2014 (<http://www.btrc.gov.bd>). Undoubtedly, Bangladesh has a massive target customer for online business. The potential business starts to emerge whenever a significant number of target customers are available. That's how the emergence of e-commerce was visible in the early 2000s. The online shopping scenario in Dhaka radically differs from that in previous times.

¹Assistant Manager, Friendship NGO and Department of Business Administration, Manarat International University, Dhaka-1212, Bangladesh

Top 15 Online Shopping Sites in Bangladesh (www.itseba.com): 1. AjkerDeal.com, 2. Daraz.com.bd, 3. Rokomari.com, 4. Priyoshop.com, 5. Bagdoom.com, 6. Kaymu.com.bd, 7. Othoba.com, 8. Chaldal.com, 9. Iferi.com, 10. Akhanei.com, 11. Buymobile.com.bd, 12. Branoo.com, 13. Coxsbazareshop.com, 14. Itbazar24.com, 15. Foodpanda.com

Consumers are reluctant to buy products online, and there are many reasons for this phenomenon because they consider; that they do not believe in the process of online purchases due to the insecurity of credit or debit cards, the passwords, the process of hacking information, less time to devote, unreliability, untrustworthiness, a breach of privacy, and social risks. Therefore, the present study can help consumers buy anything from online shops and their attitudes regarding different factors when shopping in Dhaka City.

2. Literature review

Online shopping is when a buyer orders a product or service online. The virtual world is showing its impact as the days pass by. We are literally living in the virtual world. According to Vesterby & Chabert, the internet can make it easier for businesses to have information on their products and services available to their potential customers. A company can meet the individual needs of the customer with information at a lower cost per report to the dispatch of the product catalog (Vesterby & Chabert, 2001). Asserts that businesses without physical presence must market themselves considerably, both online and offline, for the consumers to remember their name.

Ahn, Ryu, & Han (2004) categorized internet shopping activities in two ways. One is online (systems, information, and service quality), and the other is offline (product delivery). (Ahn, T. et al. 2004) Some costs of buying from an online store, such as shipping and handling charges or delayed consumption during the delivery period, exceed those costs associated with buying from a traditional store (Liang and Huang, 2011). It is always a big issue that the time of the product delivery and the charge of the product delivery should be less. Logistics, product delivery, and customer service have emerged as crucial factors in online shopping (Gurau C. et al., 2007), second only to the trust issue. Liu et al. (1997) have divided the activities of e-business into 'Pre,' 'Online,' and 'Aftersales' (Liu, C. & Arnett, K.P. 2000).

Online retailing is a more convenient shopping channel for consumers because online stores offer more significant time savings (Szymanski et al., 2000). This convenience is one of the main reasons people prefer online shopping. But there is another prime issue, which is 'Trust.' Lack of trust is one of the most frequently cited reasons for consumers not shopping online (Lee, MKO, and Turban, E. L. 2001). Consumers may not buy due to the risks associated with internet shopping, such as the possibility of credit card fraud and the inability to touch or feel something before buying it (Bhatnagar et al., 2000). Wee & Ramachandra have mentioned in their research that the reasons for not buying online are lack of security, lack of physical contact, uncertainty about product quality, and distrust of retailers (Wee & Ramachandra, 2010). These reasons are similar to the studies that were based on the trust issue. To solve this trust issue, Lee & Turban (2001) proposed a theoretical model for investigating the four main antecedent influences on consumer trust in Internet shopping, which are the trustworthiness of the internet merchant, the trustworthiness of the internet as a shopping medium, infrastructural factors, and other factors (Lee et al., 2001). They have considered contextual factors such as security third-party certification, company size, and demographic variables. Wang, Chen & Jiang (2009) mentioned in their study that online activities and knowledge are very much associated and linked with the trust of consumers (Wang et al., 2009). The more the consumer knows about the activities of online shopping, the more they will trust it (Wang et al., 2009).

Some costs of buying from an online store, such as shipping and handling charges or delayed consumption during the delivery period, exceed those costs associated with buying from a traditional store (Liang, T. P. & Huang, J. S.). It is always a big issue that the time of the product delivery and the charge of the product delivery should be less. Logistics, product delivery, and customer service have been some of the most important factors in online shopping (Gurau, C. 2007) after the trust issue. Liu & Arnett (1997) have divided the activities of e-business into 'Pre,' 'Online,' and 'Aftersales' (Liu, C. & Arnett, K.P. 2000).

According to Miyazaki and Fernandez (2001), perceived security is a "threat that creates an event with the potential to cause economic hardship to data or network resources in the form of destruction, disclosure, modification of data, denial of service, and/or fraud, waste, and abuse." Currently, the main issue in e-commerce is the security of online transactions (Littler & Melanthiou, 2006). Security is an important factor in e-commerce success, and security concerns influence consumer behavior (Miyazaki & Fernandez, 2001). Furthermore, security concerns are often the primary reason customers hesitate to purchase online (Lian & Lin, 2007).

Many studies have shown that online shoppers mainly consist of people with higher education and income who work in the middle to senior management or professionals (Koo et al., 2008). A lot of research has been done on online shopping from a Bangladeshi perspective. Chowdhury & Hossain (2013) proposed a model derived from the Technology Acceptance Model (TAM) to explain consumer acceptance of e-shopping in Bangladesh. (Laudon and Traver, 2009) also conducted a qualitative study on developing online shopping intentions among Bangladeshi people (Chowdhury et al., 2013).

Online shopping has been on the rise in Bangladesh. A lot of online shops are launching. TV commercials and newspaper ads are currently in circulation. In this research, the acceptance levels of online shopping in Bangladeshi people will be investigated. This paper will help the future researchers and e-commerce site owners to understand the fear and drawbacks of online shopping.

3. Objective of the study

- i. To measure consumers' attitudes towards the perception of online shopping at the Gulshan area in Dhaka City.
- ii. To identify the different online shopping goods and the factors consumers consider when purchasing.
- iii. To find out some drawbacks and provide possible solutions regarding online shopping at the Gulshan area in Dhaka City.

Hypotheses:

Hypothesis 1: (H_0) Consumers have no positive attitude toward online shopping.

Hypothesis 2: (H_0) Most consumers do not perceive ease of use for online shopping.

Hypothesis 3: (H_0) Most consumers do not enjoy online shopping.

4. Methodology of the study

A quantitative method was applied to the study to understand the research topic. Data were collected from both the primary and the secondary sources. Secondary data were collected from various published books, journals, and the internet.

4.1 Study population

Primary data were collected from 150 respondents who had usage experience at least three times (before the survey) of online shopping through a semi-structured questionnaire.

4.2 Sample size

150 respondents were selected from the Gulshan area of Dhaka city.

4.3 Sampling technique

The judgmental sampling procedure was used to select the sample units from the people of the chosen area willing to respond to the questionnaire.

4.4 Questions designed

Questions are designed on a five-point Likert scale to measure the customer attitudes toward online purchasing. The options of the questions are created based on the likert scale (1-5). '1' as the 'Highly Favorable' and '5' as the 'Highly Unfavorable.' '3' is considered as 'Neutral.'

4.5 Analysis of Data

Descriptive statistics was used to analyze the data. Tabulations, cross-tabulation, and statistical tools like mean, standard deviation, variance, and percentage were primarily used for the analysis of the data. Moreover, a hypothesis test was also conducted. If the calculated value (z) is greater than the critical value (z_c), it rejects the null hypothesis and accepts the alternative hypothesis.

5. Data analysis and findings

5.1 Profile of the respondents

150 respondents filled out the survey questionnaires. Their profiles are presented in the below.

Variable	Category	Frequency	Percentage
Gender	Male	72	48
	Female	78	52
Age	18-25 Years	99	66
	26-35 Years	39	26
	36-45 Years	12	8
	Above 45 Years	0	0
Education	Primary	0	0
	Secondary	15	10
	Graduate	84	56
	Post Graduate	48	32
	PHD	3	2
Profession	Student	54	36
	Employed	45	30
	Businessman	30	20
	Unemployed	0	0
	Housewife	21	14
Income	Below 15000	66	44
	15000-25000	36	24
	25000-35000	24	16
	35000-45000	15	10
	45000-55000	9	6
	Above 55000	0	0
Frequency of Internet Use	Less than 1 Hour	3	2

	1-2 Hours	24	16
	2-3 Hours	39	26
	3-4 Hours	30	20
	4-5 Hours	21	14
	More than 5 Hours	33	22
Online Shopping Goods	Books/Magazine	22	7
	Music CD/DVD	0	0
	Video CD/DVD	0	0
	Cloths/Garments	76	22
	Shoes	16	5
	Sports Equipment	0	0
	Airline Ticketing	18	6
	Games/Software	26	8
	Electronics	62	18
	Hotels Reservation	18	6
	Toys/Gifts	36	11
	Cosmetics	40	12
	Others	38	10

Source: Survey

Out of 150 respondents from online shopping users, 52% were male, and 48% were female. The respondents have been selected from only the Gulshan area. The age distribution of respondents was as follows: 66% were between 18–25 years, 26% between 26–35 years, and 8% between 36–45 years. The education level of the respondents was secondary 10%, graduate 56%, post-graduate 32%, and PhD 2%. The respondents' professions were 36% student, 30% employed, 20% business, and 14% housewife. The income level of the respondents ranging from below 15000 was 44%, ranging from 15000 to 25000 was 24%, ranging from 25000 to 35000 was 16%, ranging from 35000 to 45000 was 10%, and ranging from 45000 to 55000 was 6%. The frequency of internet use, according to most respondents, is 2-3 hours, which was 26%. Most of the online purchase products among all purchasing goods were 22% clothes/garments and 18% electronics goods.

5.2 Consumers attitude toward online shopping

		HF	F	N	U	HU	Mean /WA	SD	Variance
a)	Time Spent for Online Shopping	40	66	35	9	0	3.92	0.86	0.7396
b)	Trust and security	12	75	51	6	6	3.54	0.85	0.7225
c)	Price of Shopping Goods	15	60	42	27	6	3.34	1.01	1.0201
d)	Quality of Products	24	66	39	18	3	3.6	0.95	0.9025
e)	Details Descriptions of Products	63	39	36	9	3	4	0.88	0.7744
f)	Online Transaction	51	39	36	6	18	3.66	0.66	0.4356

g)	On-time Delivery	8	42	50	24	26	2.88	1.15	1.3225
h)	Searching Online Product	54	69	15	6	6	4.06	0.78	0.6084
Average							3.63	0.90	

Source: Survey

The above table shows that the average level of feeling regarding online shopping is 3.63 (73%) with SD 0.90.

a) Time spent on online shopping:

The significant advantage of online shopping is that it can save time and money compared to going outside. Time is the primary concern for people while shopping online. Most people are time conscious when they are involved in shopping, whether physically or online shopping. 78% of the respondents have a positive attitude regarding this issue.

b) Trust and Security:

Trust is essential in buyer-seller relationships and online purchase intentions in electronic commerce. People make important buying decisions based on their confidence in the product, salesperson, and/or company (Flavián & Guinalíu, 2006). In a developing country like Bangladesh, people are cynical about the product's quality. Most of the shoppers try hard to scrutinize every product before buying them. Security issues are also known to be of topmost concern for shoppers. If the security will be high, the trust will also be high. About 71% of respondents felt favorable toward trust and security of online shopping, but that is below the average favorable attitude.

c) Price of Shopping Goods:

Price is the primary concern people in Bangladesh consider before purchasing online, and people have mixed fears that the cost is usually high. The price factor involves checking the respondents' attitudes toward saving money when shopping online. Every consumer wants to buy products at reasonable prices. 66% of respondents thought that the price of shopping goods was favorable, but 34% thought the opposite.

d) Quality of Products:

According to the survey, consumers from markets with higher rates of e-commerce engagement are more concerned about product and service quality than security when making online purchases. For the satisfaction of consumers, the product quality should be highly favorable because it is one of the main parts of satisfaction. About 71% of respondents felt favorable toward the quality of the online shopping product, but that is below the average favorable attitude.

e) Details Descriptions of Products:

Product descriptions are an essential part of the conversion process. They have to provide as much information as possible about the product. Don't leave the customer with questions. Some things to be sure to include depending on the product are weight, sizes, materials, dimensions, instructions, fabric type, care instructions, reviews, etc. 80% of the respondents have a positive attitude regarding the detailed description of the products.

f) Online Transaction:

Online transaction processes are information systems that facilitate and manage transaction-oriented applications, typically for data entry and retrieval transaction processing. 73% of the respondents have favorable feelings regarding online transactions.

g) On-time Delivery:

Internet shopping has advantages, and it reduces the effort of purchasing goods. However, on-time delivery is crucial for customer satisfaction (Pachauri M 2002). After placing the order, the delivery time of the product is vital. As we already know, most people believe that online shopping saves time. To make this belief strong, the delivery needs to be quick. Only 57% of respondents have a positive attitude regarding on-time delivery of products, which is the lowest favorable attitude to the customers of the Gulshan area of Dhaka city regarding online shopping.

h) Searching Online Product:

The way people find products and services has to be easy for consumers; people can easily find their required product by a simple search. Consumers find a product of interest by visiting the retailer's website or searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers (<https://en.m.wikipedia.org>). 81% of respondents have favorable feelings regarding searching online products because most of the consumers use smartphones to search for online goods.

5.5: Test of Hypothesis

Independent Variables	Std. Dev	Calculated Z value	(5% level of significance) Critical z value	Result H ₀
Positive Attitude on Online Shopping	0.74	1.62	1.96	Rejected
Perceived Ease of Use	1.14	1.36	1.96	Rejected
Enjoy Online Shopping	0.98	1.40	1.96	Rejected

At a 5% significance level, the critical value of z for a two-tailed test is ± 1.96 . If the computed value of z is greater than +1.96 or less than -1.96, then reject H₀; otherwise, accept H₁. The calculated 'z' values in the above table are determined by using the following formula:

$$z = \frac{\bar{X} - \mu}{\sigma_{\bar{X}}}$$

Where,

Z = Calculated value

\bar{X} = The mean value of each online shopping factor

μ = The expected mean of each online shopping factor

$\sigma_{\bar{X}}$ = Standard deviation of each online shopping factor

Hypothesis 1: It predicts that consumers have a positive attitude on online shopping. The above table shows that the calculated value of Z (1.62) is less than the table value of Z at a 5% level of significance. So, the null hypothesis is rejected, and the alternative hypothesis is accepted.

That means consumers have a positive attitude toward online shopping in the Gulshan area in Dhaka City.

Hypothesis 2: Van der Heijden (2004) found that perceived ease of use is a hedonic-oriented factor. Perceived ease of use significantly affects online shopping intention. Consumers should feel at ease or comfortable using the online purchase system. (Wallace and Barkhi, 2007). Most consumers use smartphones, making it easy to buy things online. The result indicates that most consumers perceive online shopping as easy. The above table shows that the calculated value of Z (1.36) is less than the table value of Z at a 5% level of significance. So, the null hypothesis is rejected, and the alternative hypothesis is accepted (H2), or most consumers perceive ease of use for online shopping.

Hypothesis 3: Time and cost are required for any shopping, so the customers of the Gulshan area are more sophisticated for purchasing anything by avoiding cost and without spending time. It predicts that buying enjoyment positively influences consumers' attitude formation. The result indicates that most consumers enjoy online shopping. The above table shows that the calculated value of Z (1.40) is less than the table value of Z at a 5% level of significance. So, the null hypothesis is rejected, and the alternative hypothesis is accepted. That means most consumers enjoy online shopping in the Gulshan area in Dhaka City.

6. Recommendations and conclusion

The study was accomplished to discover consumers' overall attitudes towards online shopping in Bangladesh. The study suggests to online sellers that delivery time should be minimized because of the increasingly favorable attitude of consumers, and the price of shopping goods must be reasonable because prices are often higher through online shopping than physical purchases in the market. The study also suggests to the online seller that trust and security should be enhanced and quality shopping goods products must be the same as they look on their sites.

Consumers' perceptions of online shopping vary from individual to individual, and the perception is limited to a certain extent, with proper connectivity and exposure to online shopping (Chuleeporn Changchit, 2006). The perception of the consumer also has similarities and differences based on their characteristics (Grewal et al., 2002). The study reveals that youngsters are mostly attached to online shopping, and hence, older people don't use online shopping as often as younger ones. The study highlights that youngsters between 18 and 25 are mostly poised to use online shopping. When a consumer purchases online to buy something, they are affected by assorted factors. The main favorable attitudes have been identified as searching online for product details and descriptions and time spent on online shopping. Buying online can significantly benefit the consumer in terms of convenience, saving time, and saving money.

References

- Ahn, T., Ryu, S & Han, I, 'The impact of the online and offline features on the user acceptance of internet shopping malls', *Electronic commerce research and application*, 3, 405-420 (2004)
- Barkhi, R. and Wallace, L. (2007) "The impact of personality type on purchasing decision in virtual stores", *Information Technology Management*, Vol. 8 No. 4, pp. 313-30.
- Bhatnagar, A., Misra, S and Rao, RH (2000) 'On risk, convenience and internet shopping behavior', *Association for Computing Machinery. Communication of the ACM*; Nov 2000 43,ii,ABI/IN FORM Global pg.98.

- Chowdhury, M.F.E & Hossain, M.S (2013), 'A Theory-based Model for explaining consumer shopping acceptance of the e-stores in Bangladesh', *International Journal of Economics & Social Science*. (2013).
- Chuleeporn Changchit, (2006) "Consumer Perceptions Of Online Shopping", *Issues in Information Systems*, Volume VII, No. 2, pp.177-181.
- Flavian, C., & Guinalíu, M. (2006). Consumer trust, perceived security and privacy policy. *Industrial Management and Data Systems*, 106, 601–620.
- Gaski, John E. and Michael J. Etzel (1986), "The Index of Consumer Sentiment Toward Marketing," *Journal of Marketing*, 50, 71–81
- Gurau, C., Ranchod, A & Hackney R, 'Internet transactions and physical logistics: Conflict or Koo, D.M., Kim, J.J. and Lee, S.H., (2008), "Personal values as underlying motives of shopping online", *Asia Pacific Journal of Marketing and Logistics*, vol. 20, no. 2, pp. 156-173.
- Laudon, K.C. and Traver, C.G., (2009), *E-Commerce Business. Technology. Society*, 5th edition, Prentice Hall, New Jersey.
- Lee, MKO and Turban E L (2001), 'A trust model for consumer internet shopping', *International Journal of Electronic Commerce* 6, pp 75-91, 2001.
- Lian, J. W., & Lin, T. M. (2007). Effects of consumer characteristics on their acceptance of online shopping: Comparisons among different product types. *Computers in Human Behavior*, 24, 48–65.
- Liang, T P. & Huang, J S, (2011) An empirical study on Consumer Acceptance of Products in Electronic Markets: A transaction cost model', *Decision Support Systems*, 24, 29-45.
- Littler, D., & Melanthiou, D. (2006). Consumer perceptions of risk and uncertainty and the implications for behavior towards innovative retail services: The case of Internet banking. *Journal of Retailing and Consumer Services*, 13, 431–443.
- Liu, C., Arnett, K., Capella, L., and R Beatty (1997). Websites of the Fortune 500 companies: facing customers through home pages, *Information & Management* 31, 335-345.
- Miyazaki, A. D., & Fernandez, A. (2001). Consumer perceptions of privacy and security risks for online shopping. *Journal of Consumer Affairs*, 35, 27–44.
- Monuwe, T.P.Y., Dellaert, B.G.C. and Ruyter, K.D (2004) "What drives consumers to shop online? A literature review", *International journal of Service Industry Management*, Vol. 15, No.1, pp. 102-21.
- Pachauri M (2002), 'Researching online consumer behavior: Current position and future perspectives', *Journal of Customer Behavior* (2002)1, pp 269-300.
- Shim, S., Eastlick, M. E., Lotz, S. L., & Warrington, P. (2001). An online pre-purchase intentions model: The role of intention to search. *Journal of Retailing*, 77(3), 397-216.
- Szymanski, David M and Hise, Richard T (2000), 'E-satisfaction: An initial examination', *Journal of retailing*, 76 (3), 309-322.
- Todd, P.A. and Jarvenpaa, S.L (1997) "Consumer reaction to electronic shopping on the world wide web," *Journal of Electronic commerce*, Vol. 1 No.2 pp. 59-88.
- Van, der, Heijden, H. (2004) "User acceptance of hedonic information system". *MIS Quarterly*, Vol. 28 No. 4, pp. 695-704.
- Vesterby, T. and Chabert, M. (2001) E-marketing, Viby J, Jyllands-Posten Erhvervsbogklub
- Wang, CC., Cheng CA & Jiang JC, 'the impact of knowledge and trust on E-Consumer's Online Shopping Activities: An empirical study' *Journal of Computers*, Vol 4, No.1, January 2009.
- Wee, K.N.L. & Ramachandra, R, (2010) 'Cyber buying in china, Hongkong and Singapore: tracking the who, where, why and what of online buying', *International Journal of Retail & Distribution Management*, vol-28, no.7, pp 307-16.