

## Factors Effecting the During Online Shopping: Case Study of Hyderabad City

Liaquat Ali Rahoo

MS, Research Scholar, Mehran University Institute of Science, Technology and Development, MUISTD, Jamshoro, Sindh

Syed Ali Raza

MS, Research Scholar, Mehran University Institute of Science, Technology and Development, MUISTD, Jamshoro, Sindh

Muhammad Waqas Arain

MS, Research Scholar, Mehran University Institute of Science, Technology and Development, MUISTD, Jamshoro, Sindh

Prof. Muhammad Memon

Institute of Business Administration, University of Sindh

### Abstract

This research is involved to know the behavior or attitude of Hyderabad consumers concerning online shopping. In this research, researcher fined the behavior or attitude of consumer when they are using the online shopping at Hyderabad. This research helps us to find out the issues (product guarantee, servicer/product cost, and varieties of product, product / service value, suitability, social norms and website design) which are act as a factors of online shopping in Hyderabad and Hyderabad customer to accept online shopping as their primary mode of shopping. Results specify that high perceived risk is the most important and significant factor as compared to all other factors. Clients with lower level of education, trainings, income and who are female find it more difficult to accept online shopping. Barriers are also found complex for the clients without any prior online shopping experience. The study not only found the current online shopping trends, but also provided an insight into the future of online shopping in Hyderabad.

### INTRODUCTION

In the Pakistan the business of Ecommerce is growing day by day, according to SMEDA (Small and Medium Enterprise Development Authority) in the Pakistan, the commercial companies have the believe that the internet is a key factor to do business successfully, low cost of expenses on business processing and all the business activities on internet with dot com domain specially used for business. There are many other methods are used to familiar the business in the world, so they must be found on the e-world via the website of business organizations. The website of the business organizations must be according to internationals standards so that the business can grow more and more customer and allow them to penetrate in the international market.

Although the business of through the ecommerce is expanding vastly but the problem is that business websites are not much popular, in this study researcher finds primarily focuses to scrutinize the usability and accessibility of E-commerce sites in the Hyderabad.

This study comprises the three potions of research the usage of E-commerce sites, usability the e-commerce websites and their accessibility.

This has been done by a survey to determine the usage of Pakistan's E-Commerce sites, heuristic evaluation, accessibility estimation via accessibility evaluation tool, user testing based on task set to evaluate usability and accessibility of such sites and post study questionnaires following the testing. In both post study questionnaires, like scale has been used for scaling the responses in order to determine the level of usability and accessibility achieved by the specified sites. E-commerce is more powerful with internet rather than past trade patterns of business. Ecommerce plays very important role in the circulation of capital, merchandise and information.

Those companies which are adopting the e-commerce technology have a power the reduce the expenses cost of business process. So the new tradition of business with the help of technology can maximize their profit and improve the efficiency. In the future ecommerce will not change the way of doing the business in the human society with aspects with different activities like production, employment, education and government [1].

### Literature Review

Researchers are curious to inspect online selling and purchasing of goods and services by employing technologies such as web, electronic mail, electronic fund transfer and electronic data interchange. They have

conducted many studies on those factors that link consumers to online shopping.

Afifah, H. [4] investigated factors such as demographic profile, familiarity to internet, risk perception, convenience, design of website, product variety, product/service quality, product warrantee, product/service cost, social norms etc. that influence the willingness of consumers to involve in online buying. Identification of these factors is important because of their vital role in the success of online business.

Research studies on demographic profile examined that demographic profile have a link with online shopping. According to these studies the demographic profile of a consumer determines his attitude toward online shopping.

#### **Research Objectives**

- To identify factors to adoption of online shopping as their prime mode of shopping
- To investigate the scope of online shopping in Hyderabad
- To discuss the future intentions of consumers toward the adoption of online shopping.

#### **Research Significance**

Want to invest or have invested in e-commerce market in Hyderabad understand consumer behavior, and in order to attract and retain existing customers develop appropriate marketing and pricing strategies of the company. Pakistan who want to study consumer behavior online market research in the future.

### **RESEARCH METHODOLOGY**

In this research study, the data was collected from the credit card holder of different banks at Hyderabad city. To make it possible, a semi-structured questionnaire has been designed and administered. The population for this study was credit card holder of different banks at Hyderabad areas. After having collected the data, analysis was conducted and known findings was unfolded. The collected data was analyzed through using the computer software known as Statistical Package for Social Sciences (SPSS).

The purpose of the study is to identify factors that prevent Hyderabad consumers from using online shopping as their prime shopping mode and to know the behavior of Hyderabad consumers toward online shopping.

The objective of this study was to attract consumers from Hyderabad who has or does not have any previous experience of online shopping, but they all have this sense of respect sample population. A sample size of 350, which uses convenience sampling method.

There are five sections in the study questionnaire. The first part includes respondents such as gender, age, marital status and education. The second part, the problem is related to the respondent's Internet usage patterns, issues of population structure. Section III asked if any of their previous online shopping experience of the respondents. Section IV focuses on them in front of the online shopping experience problems. Finally, the fifth part consists of five point Likert-type scale assists to know about online shopping or who have no barriers to online shopping people's views. We allocate our survey, who is aged 18 years or older respondents.

#### **Relationship status**

Out of the total respondents 54% were married and 46% were unmarried/bachelors.

#### **Gender**

The frequency of the respondents comprised of about 48% males and 52% females.

#### **Age**

The age of the participants varied across the different age segments. Out of the 328 participants, 6 participants were between the age of 18-25 years of age, 172 participants were between the ages of 26-35 years, 48 participants were between the ages of 36-55 years, 06 contributors were above the age bracket of 55 years.

#### **Education**

The educational background of the respondents was very diverse in nature. Out of the total respondents a mere 0.1% users had received only Primary education. 3% had acquired education up to Matriculation. 4% have had education up to Intermediate level. 32% had attained education up to Bachelors. A sizeable 58% had acquired education up to Masters level. A mere 3% of the respondents had acquired education up to Diploma/Certification.

#### **Occupation** (plz check percentages)

The participants of the data collection process belonged to various occupational backgrounds. The participants of the research were identified as; 1% users were unemployed, 4% had some other source of earning, 6% of the users were housewives, 22% of the total respondents were found to be government servants, 17% respondents were employees of private concerns, 13% users were related to medicine, whereas \_\_% respondents were related to law enforcement.

#### **Income level**

The monthly income level of the respondents showed a very diverse pattern of earnings. 15% respondents did not respond about their income level. 18% of the respondents stated their income to be in range of 15,000 to 25,000. 20% stated their earnings to be in the relevant range of 26,000 to 35,000. 21% respondents declared their earning to be between 36,000 to 50,000. 15% declared their earning to be between 51,000 to 100,000. Mere 5%

respondents stated their monthly earnings to be more than 100,000. The earning levels of the respondents were requested in the denominations of Pakistani Rupees (PKR).

#### **Daily internet usage**

This segment inquired about the daily internet usage pattern of the respondents. A sizeable 59% responded by declaring their daily internet usage to be in between 1-2 hours. 20% stated their online pattern to be of 3-4 hours per day. 7% declared their internet usage to be between 5-6 hours daily, 14% respondents used internet greater than 6 hours a day

#### **Source of internet access**

This section inquired about the source internet access of the respondents. Staggering 71% respondents declared that they access internet from the comfort of their home. 24% declared that their access internet from their office. 4% of the respondents declared that they access internet from their campus. While a mere 1% declared that their access point of internet is the Internet café.

#### **Internet connection type available at home**

This section investigated about the type of internet connection that was available to the respondents at their homes. 15% of the respondents said that they had no internet access available at their home. 21% respondents declare that they use cable modem connection from their home to access the internet. 31% stated they use DSL/EVO USB. 19% declared that they use mobile internet. 14% of the respondents declared that they have some other method to use internet from their home.

#### **Use of internet for pre purchase information**

The segment explored about the use of internet for pre purchase information. 15% participants declared very often.

21% responded often. A collection of 31% participants that they “sometimes” us internet for pre purchase information. 19% declared that they “rarely” use internet for this purpose and 14% respondents said they never use internet for the aforementioned purpose.

#### **Products purchased online**

The segment inquired about the buying preference of the participants. The information about the purchase of products bought online showed great variance. A brief list of the products bought by the consumers is as given below,

Out of total of 192 respondents, **21** bought Books

**5** prefer to buy their Groceries online

**39** bought Electronics online

**11** bought Cosmetics online

**17** bought Computer hardware online

**12** bought Fast food online

Only **1** of the total respondents bought Furniture online

**12** bought Software online

**4** bought Flower online

**9** bought Travel tickets online

**6** bought Jewelry online

**11** bought Home products online

**4** bought Sports goods online

**12** bought Shoes online

**8** respondent's bought Bags online

**20** bought Clothes online

**5** bought Toys online

And

**5** bought CD/DVD online

#### **Importance of online shopping**

The section inquired the respondents about the importance of online shopping. The answers collected do speak for themselves and are extremely easy to interpret. The answers are, 76% respondents did not respond to the query, 3% respondents declared online shopping to be extremely important, 9% declared online shopping to be important and 12% respondents said that online shopping is not important to them.

#### **Frequency of online shopping**

77% did not respond

1% once a week

3% once a month

10% once every 6 months

9% once a year

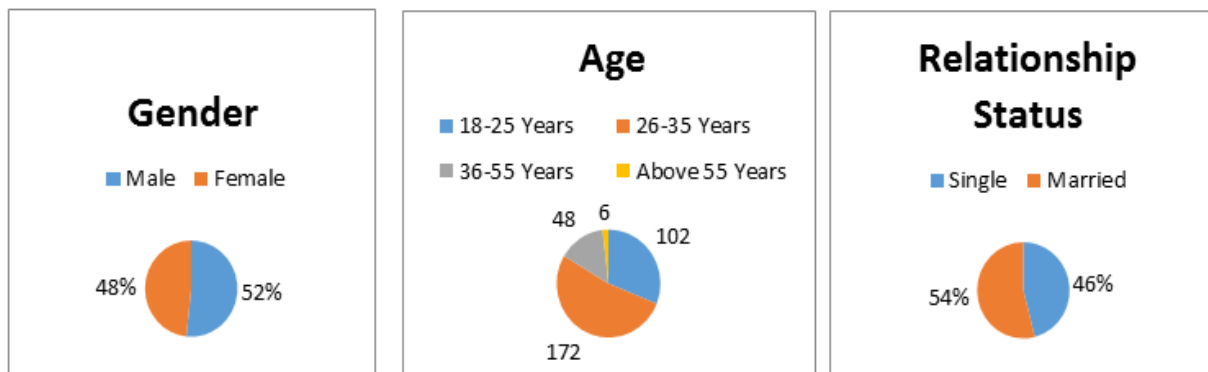
**Amount spent on online shopping (last 6 months)**

This portion questioned about the amount spent by the participants on online shopping. In order to avoid any miscalculations, only the amount spent in last 6 months was checked. 77% respondents did not responded the question, 4% of the respondents claimed to have spent 500-1,000 PKR in last 6 months, 2% responded with 1,001 – 1,999 PKR spending, 7% said to spend 2,000 – 5,000 PKR, 4% said they spend 5,001 – 10,000 PKR and a handful 6% claimed to have spent an amount greater than 10,000 PKR.

**Adopted payment method for online shopping**

- 77% did not respond
- 4% Bank transfer
- 11% Credit/debit card
- 7% Cash on delivery
- 0% Paypal
- 1% Mobile payment

**Demographic Profile**



**Relationship status**

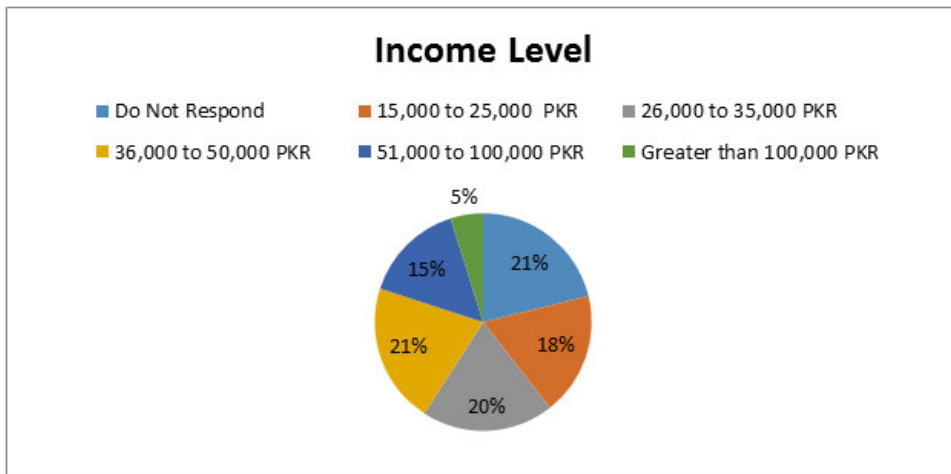
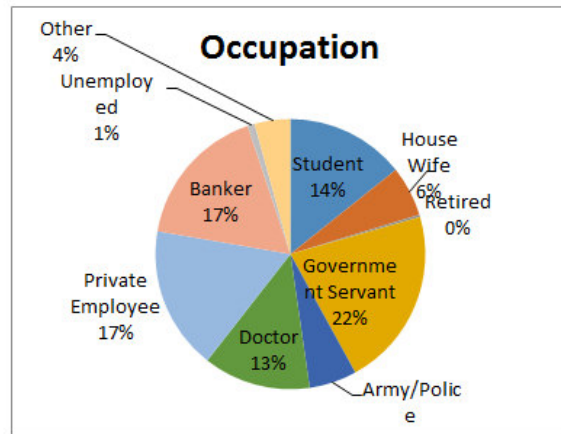
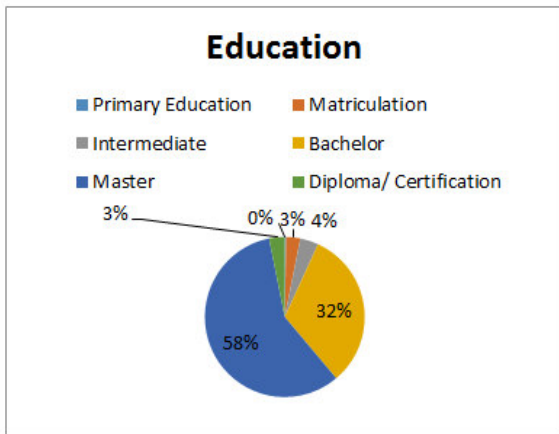
Out of the total respondents 54% were married and 46% were unmarried/bachelors.

**Gender**

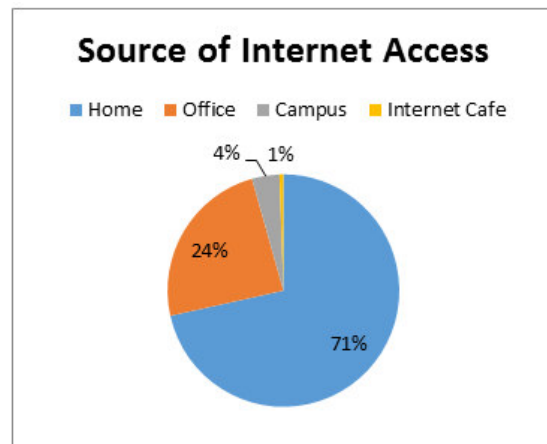
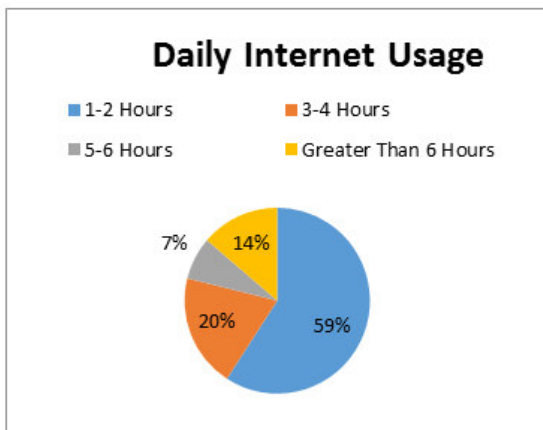
The frequency of the respondents comprised of about 48% males and 52% females.

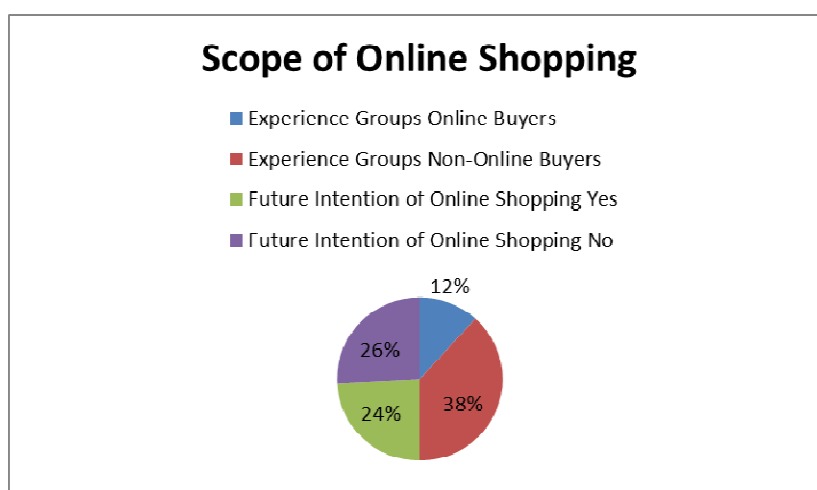
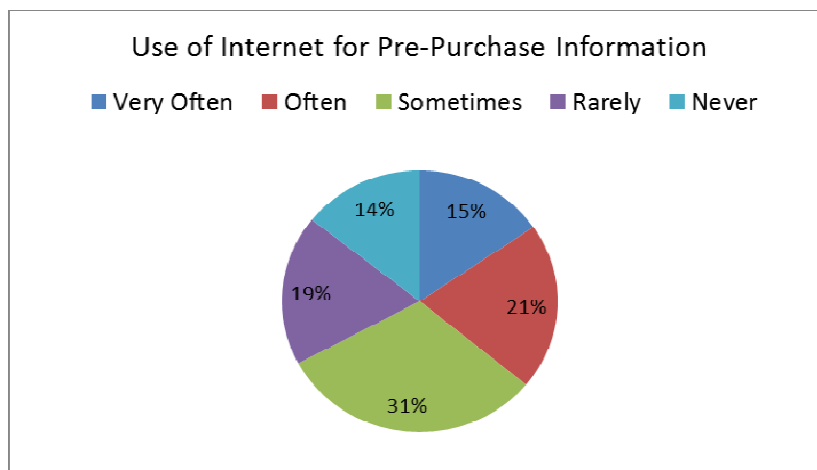
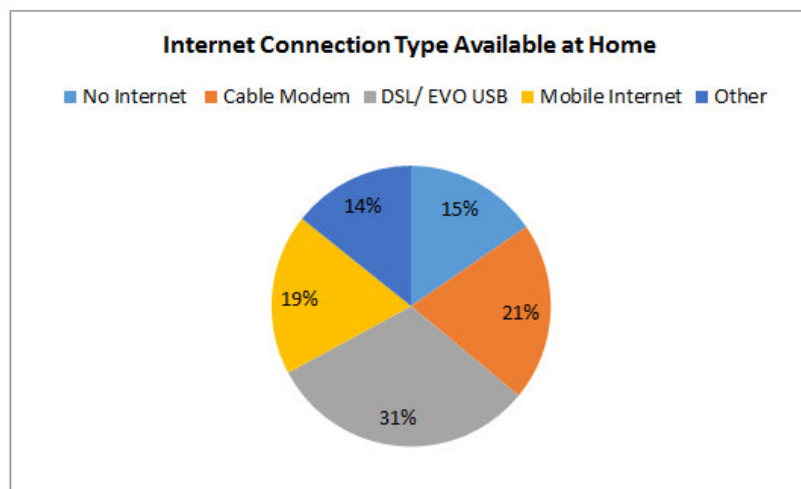
**Age**

The age of the participants varied across the different age segments. Out of the 328 participants, 6 participants were between the age of 18-25 years of age, 172 participants were between the ages of 26-35 years, 48 participants were between the ages of 36-55 years, 06 contributors were above the age bracket of 55 years.

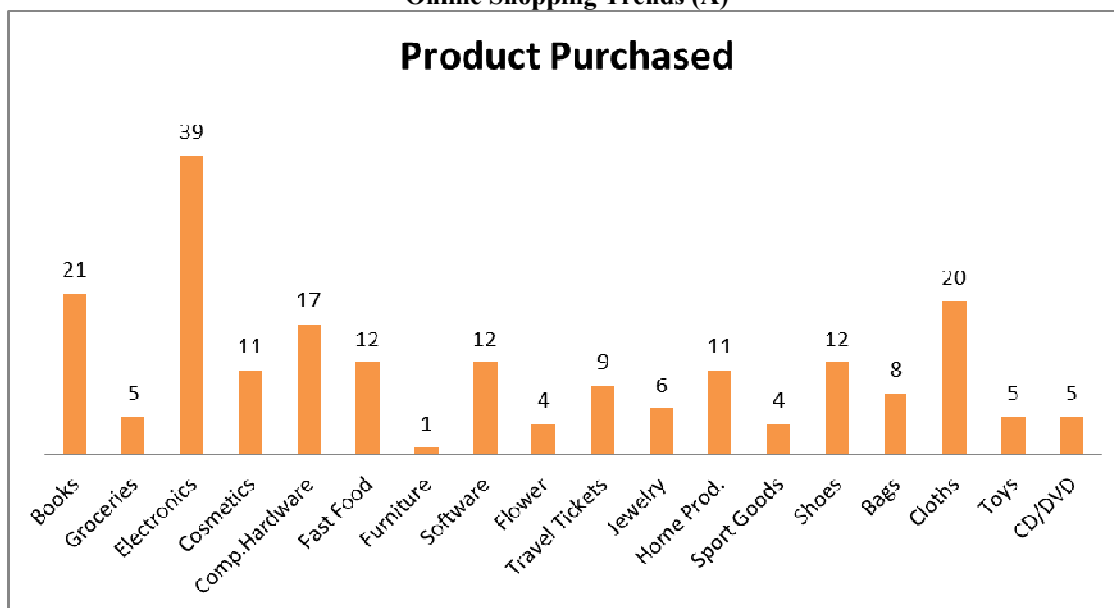


### Internet Usage Pattern

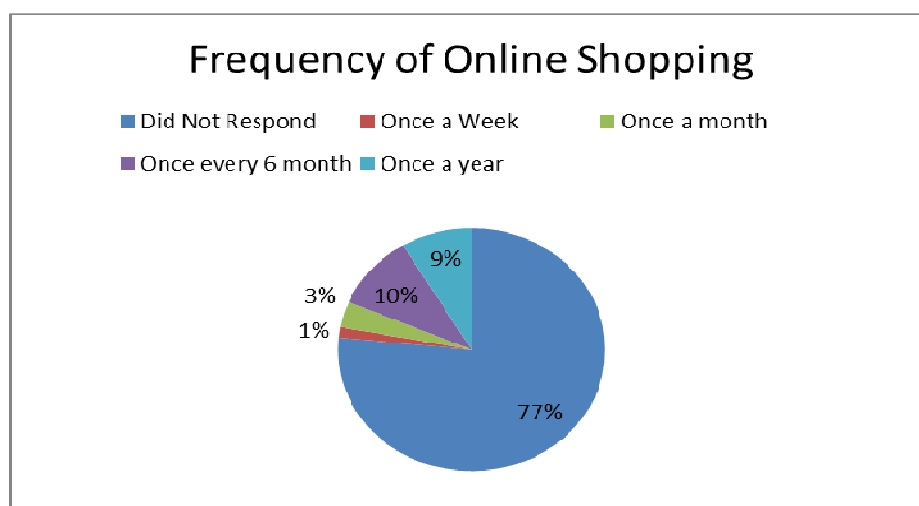
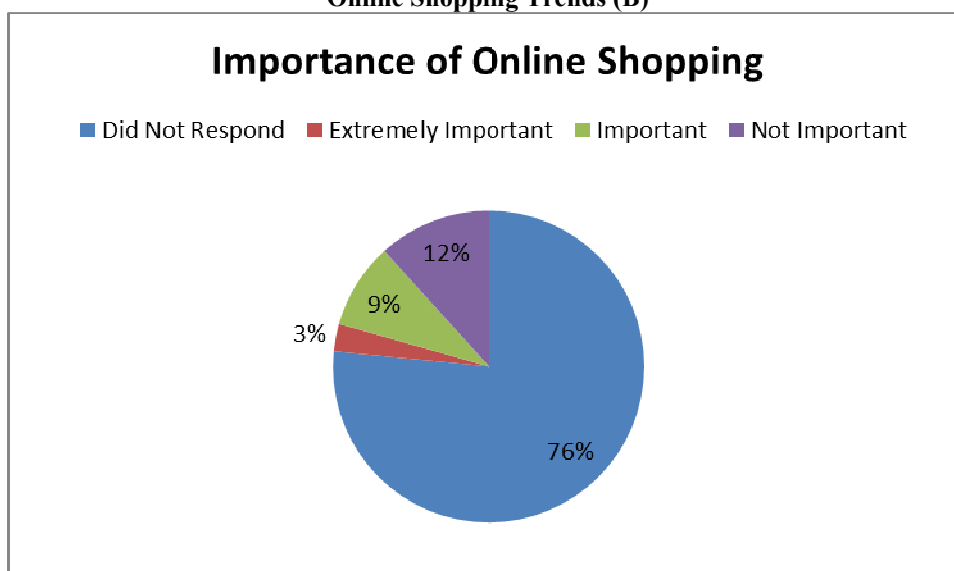


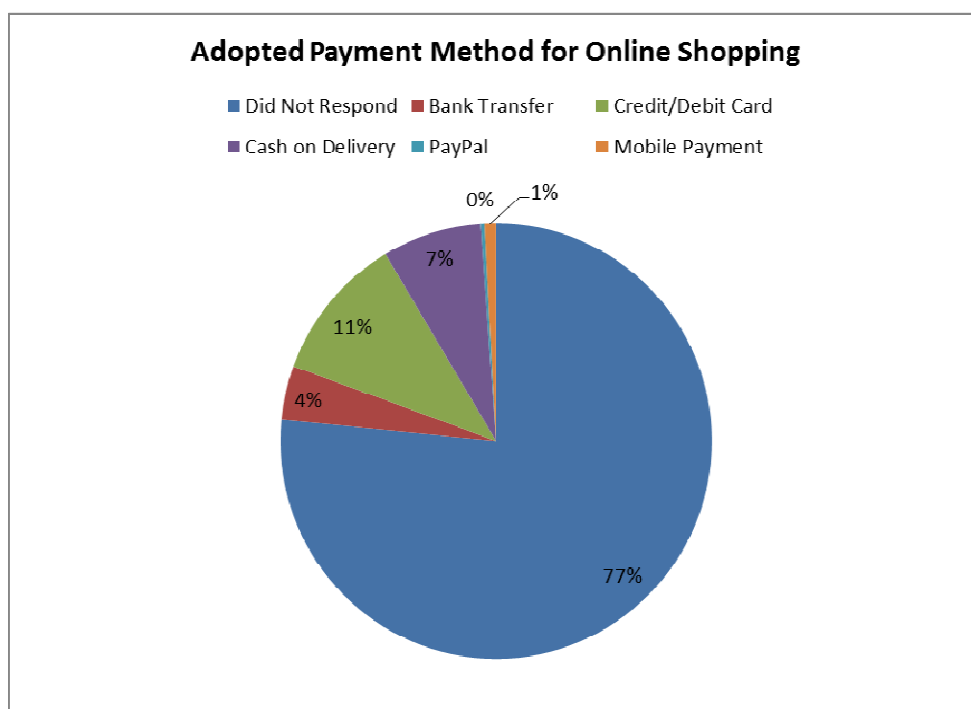
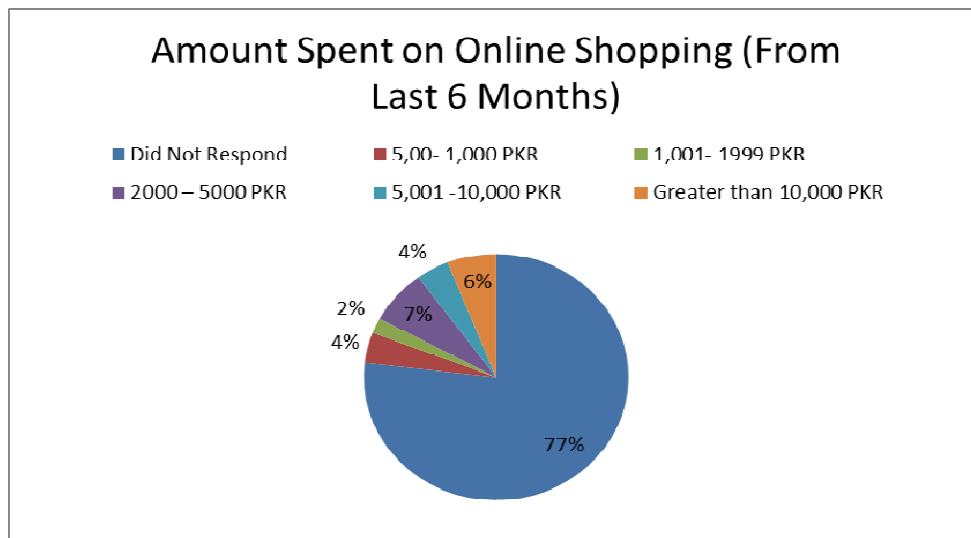


**Online Shopping Trends (A)**



**Online Shopping Trends (B)**





#### Conclusion

- This research is very helpful and supportive in finding barriers involved in the adoption of online shopping in Pakistan.
- The study takes into account all previous related researches by different researchers and also uses quantitative data collection technique.
- Questionnaire is employed as a quantitative data collection technique and it identifies all the factors or aspects that play a substantial and crucial role as barriers to online shopping.
- The study also investigates prior online shopping experience of Pakistani consumers and find out their future intentions for shopping online.

#### References:

1. Parker-Hall, J. The history of online shopping. Retrieved September 1, 2010, from <http://ezinearticles.com/?The-History-of-Online-Shopping&id=2592183>(2009).
2. Afizah, H. Does Consumers' Demographic Profile Influence Online Shopping?. Canadian Social Science, 5(6), 19-31(2009).
3. Haque, A., Sadeghzadeh, J., & Khatibi, A. Identifying potentiality online sales in Malaysia: A study on



- customer relationships online shopping. *Journal of Applied Business Research*, 22(4), 119-130 (2006).
4. Kunz, M. On-Line Customers: Identifying Store, Product, and Customer Attributes Which Influences Shopping on the Internet. *The University of Tennessee. Knoxville.: Doctoral Dissertation*(1997).
  5. Sultan, F., & Henrichs, R. B. Consumer Preferences for Internet Services over Time: Initial Explorations. *Journal of Consumer Marketing*, 17(5), 386-402(2000).
  6. Chiu, Y. B., Lin, C. P., & Tang, L. L. Gender differs: assessing a model of online purchase intentions in e-tail service. *International Journal of Service Industry Management*, 16(5), 416-435(2005).
  7. Schlosser, A. E. Experiencing Products in the Virtual World: The Role of Goal and Imagery in Influencing Attitudes versus Purchase Intentions. *Journal of Consumer Research*, 30(2003).
  8. Richa, D. Impact of Demographic Factors of Consumer on Online Shopping Behavior: A Study of Consumers in India. *International Journal of Engineering Management Sciences*, 3(1), 43-52(2012).
  9. Hansen, T. Consumer adoption of Online Grocery Buying: A Discriminant Analysis. *International Journal of Retail & Distribution Management*, 33(2), 101-121(2005).
  10. Bellman, S., Lohse, G. L., & Johnson, E. J.. Predictors of Online Buying Behavior. *Communication of the ACM*, 42(12), 32-38(1999, December).
  11. Zhang, Ping and Li, Na, Consumer Online Shopping Attitudes and Behavior: An Assessment of Research (2002). *Proceedings of the Americas Conference on Information Systems (AMCIS'2002)*, Dallas, August 9-11(2002).