

## Customers' Attitude towards Online Shopping: The Case of Bangladesh

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*The main purpose of this study is to identify the nature and behavior of online shoppers in Chittagong City, Bangladesh. The data have been collected through a structured questionnaire from 83 respondents randomly from the different areas of Chittagong City, Bangladesh from the month of September to November, 2014. The study reveals that website advertising (45.78%), T.V. Advertisement (20.48%), friends and family members (15.66%) are the important media through which they became familiar about online shopping. The availability of varieties (31.33%), less time (30.12%) and low price (20.48%) are the important reasons for preferring online shopping. Yet the online shopping has tremendously changed the shopping behavior of people and due to modernization and fast paced life, dependence on e-shopping will increase.*

**Keyword:** Online Shopping, Customer attitude, Consumer behavior, Website, Internet.

**Field of Research:** Marketing

### 1. Introduction

Online shopping is defined as the process a customer takes to purchase a service or product over the internet. In other words, a consumer may at his or her leisure buy from the comfort of their own home products from an online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores provided links for extra information about their products. In 1990 T. Berners-Lee has created the first WWW server and browser and by 1995 Amazon expanded its online shopping experiences (Parker-Hall, 2009). With the advent of the internet, many aspects of life have changed and the world has transformed into a small but global village. The rapid and deep penetration of internet has brought a sea change in almost every sphere of life, be it in the field of communication, education, business, politics or society as a whole.

The internet has brought a large impact on our society and on the way we live our daily lives. Online shopping or online trading is a form of electronic commerce that allows consumers to directly buy goods or services from a seller over the internet using a web browser. It has facilitated the business world to flourish benefiting both the business houses and the consumers. It created new business opportunities with new business practices in a new environment. Online business or online shopping has brought big changes in the opportunities and challenges for the business houses. From the customers' perspective, the line of demarcation between local and global business firms and/or products has narrowed down where quality, value, time, convenience, style etc. matters a lot.

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From the buyer's perspective also e-commerce offers a lot of tangible advantages. For example, reduction in buyer's sorting out time, better buying decisions; less time in resolving invoice and order discrepancies and finally increased opportunities for buying alternative products. Moreover, consumers can enjoy online shopping for 24 hours per day. This is because e-commerce is open for 365 days and never close even for a minute. E-commerce also expanded geographic reach because consumers can purchase any goods and services anytime at everywhere. Hence, online shopping is more environmentally friendly compared to purchase in store because consumers can just fulfill his desires just with a click of mouse without going out of the house by taking any transportation.

The study seeks to investigate the factors that influence the customers for choosing online shopping. Thus, it addresses the following questions to be answered. Why are customers interested to do online shopping? What are the influencing factors? What are the reasons for choosing online shopping? What are their preferences for products or services of online shopping? What are the reasons for liking or disliking online shopping?

The main purpose of this study is to identify consumers' attitude towards online shopping in Chittagong City. In this study, the factors influencing consumers' nature and behavior of online purchasing will be examined. The objectives of this research are:

- To identify the factors that influence customers for choosing online shopping.
- To know the consumers' preferences regarding products/ services they mostly shop online.
- To identify and compare the attitude of male & female respondents for liking or disliking the online shopping.

The structure of this paper in what follows is: Through a literature review in section 2, definitions are made for focal concepts, and relevant body of knowledge in these discussed briefly. Methodological aspects are addressed in section 3, presenting the research design and the time period of the study. After a description of the methodology used in the research, the research results are presented. Finally, the author concludes by discussing results, limitations and providing further developments.

## 2. Literature Review

E-commerce is a tool for reducing administrative costs and cycle time, streamlining business processes, and improving relationships with both business partners and customers. Several researchers have carried out studies in their effort to examine the factors influencing consumers' attitude and perception to make e-commerce purchases through online shopping. Attitudes toward online shopping are defined as a consumer's positive or negative feelings related to accomplishing the purchasing behavior on the internet (Chiu et al., 2005; Schlosser, 2003).

More people than ever before in history are using the Web to shop for a wide variety of items, from houses to shoes or airplane tickets. However, this development needs some more understanding relating to the consumers' behavior. Christy and Cheung (2003) proposed a research framework emphasizing on intention, adoption and continue to analyze the online consumer behavior in a systematic way. In a study, Shergill and Chen (2005) investigated how different types of online buyers perceived websites differently. They found that website design,

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website reliability/ fulfillment, website customer service and website security/ privacy were the four dominant factors which influenced consumer perceptions of online purchasing.

There is a model of attitudes and shopping intention towards online shopping developed by Jarvenpaa and Todd (1997). This model includes numerous indicators that can be categorized into four classifications: the value of the product, the shopping experience, the quality of service provided by e-shop and the risk perceptions of online retail shopping. Vellido, Lisboa and Meehan (2000) summarized quite a few factors relating to consumers' perception of online shopping. The factors of risk perception of users, the convenience of online shopping, control over, affordability of goods, ease of use of the shopping site, and customer service were included.

Since much of literatures are not found related to customers' attitude towards online shopping in Bangladesh with the mentioned objectives of this research, this paper is an endeavor to mitigate the research gap in this regard. Thus, on the basis of the above literatures the paper aims at identifying the factors influencing the online shopping, their preferences, likings and disliking factors to both male and female respondents in Bangladesh.

### 3. Methodology

#### 3.1 Data Collection & Analysis

The research is based on primary data. Due to time and resource constraints, Chittagong city has been selected. Data have been collected through a structured questionnaire by the post-graduate marketing students from the month of September to November, 2014. The respondents are the customers who mostly use the online store like:

www.bikroy.com, www.kaymu.com.bd, www.ushop.com.bd, www.esheba.cnsbd.com, www.aponzone.com, www.bdgift.com, www.rokomari.com, www.biponee.com, www.shohoz.com, www.bangladeshbrands.com, www.bdhaat.com, www.priyoshop.com etc.

Based on above literature survey the following variables have been identified to carry on the study:

- i. Mode of payment- cash on delivery, credit card, mobile banking.
- ii. Reason for choosing online shopping based on comfort, brand/product comparison, varieties, time and price.
- iii. Preference of products based on apparels, online ticketing, accessories, health care products and books.
- iv. Factors for liking online shopping include easiness of order, available option, discount, return policy, payment procedure, product's price compare and home delivery facilities.
- v. Factors for disliking includes higher price compare to market, return policy, after sale services and intangibility of products before buying.

Primary data have been collected through self constructed questionnaire considering the objective of the study consisting of questions on multiple choice and close ended type. In conducting the analysis, sophisticated computer aided statistical software SPSS 20 has been used.

### 3.2 Sampling

The sampling design adopted for the study was (N=83). In the study, altogether 100 questionnaires were distributed out of which 83 were received and found to be usable. The sample satisfied the minimum condition required for the study like computer literate, access to a computer and internet connection and experience in online shopping. The sample selected belonged to different age groups with the different levels of income and experienced in both online and offline shopping. This was done to tap the views of students, young professionals, middle- aged and aged people engaged in online shopping. This research is a survey based research so it would be easy to interpret the analysis.

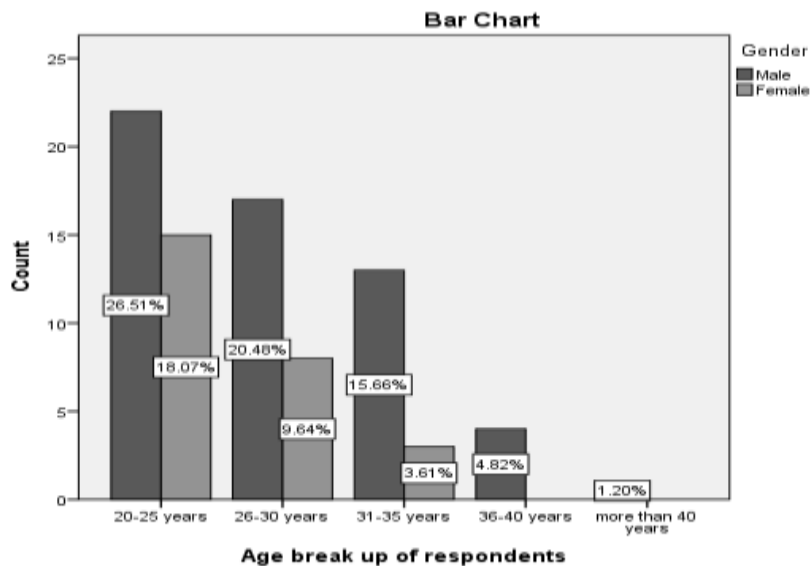
## 4. Findings

### 4.1 Respondent's Profile

The respondents were classified on the basis of demographic factors such as gender, age, and occupation.

#### 4.1.1 Gender and Age:

Figure 1: Gender and Age Group based Classification



From the above figure we see that about 68.47% of respondent were male, while 31.33% were female. We also find out that about 44.58 % respondents are from the age groups of 20-25 years and 30.12% belongs to the age group of 26-30 years, and these two groups are highly engaged in the online shopping.

4.1.2 Age and Online Shopping Frequency:

Table 1: Age and Online Shopping Frequency

Correlations			
		Age break up of respondents	Online shopping frequency
Age break up of respondents	Pearson Correlation	1	.273*
	Sig. (2-tailed)		.013
	N	83	83
Online shopping frequency	Pearson Correlation	.273*	1
	Sig. (2-tailed)	.013	
	N	83	83

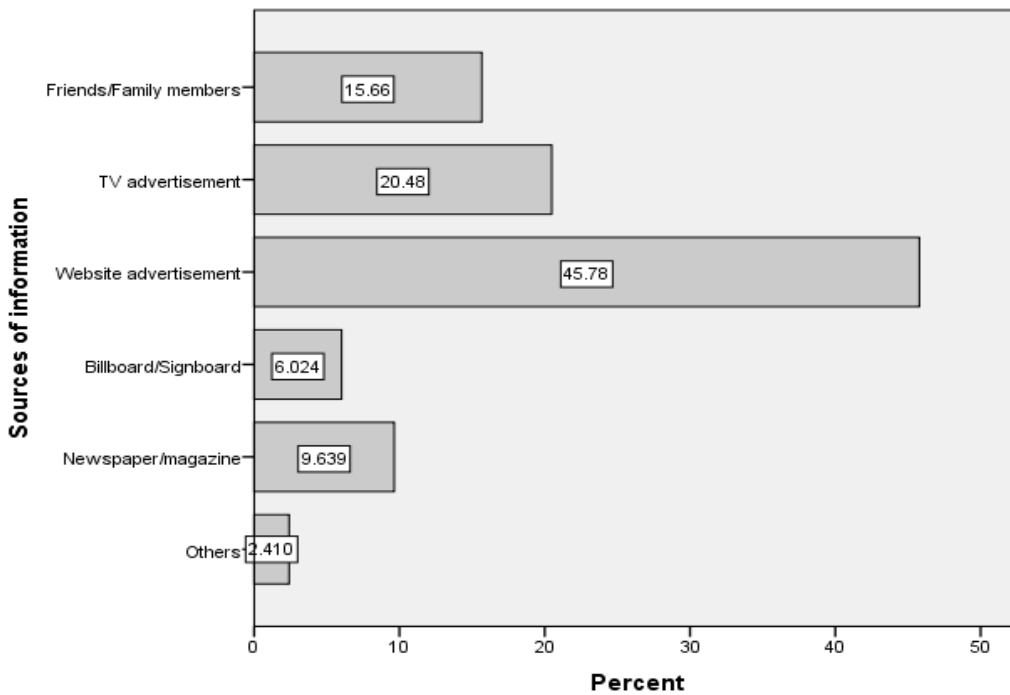
\*. Correlation is significant at the 0.05 level (2-tailed).

It has been found that there is a significant positive relationship between age and online shopping frequency. It indicates that with the change of age the online shopping is positively increasing.

4.2 Sources of Online Shopping Information

To sell and promote products, it is very important to inform the customers about online shopping, its advantages, disadvantages and the website address as well. The sources of online shopping information for the customers are presented in the following figure.

Figure 2: Sources of Online Shopping Information



From the figure 2, we see that the maximum number of respondents (45.78%) knows about internet shopping from the websites (especially from the different social media like Facebook,

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Twitter, Pinterest, LinkedIn, Instagram etc.), 20.48% from T.V. Advertisement and 15.66% of their friends and family members. Thus we can say that, website advertisement, and T.V. Advertisement are the main sources of information where the customers get to know regarding online shopping.

### 4.3 Experiences in Online Shopping Versus Online Shopping Frequencies

**Table 2: Correlation Analysis**

Correlations			
		Experience in online shopping	Online shopping frequency
Experience in online shopping	Pearson Correlation	1	-.039
	Sig. (2-tailed)		.726
	N	83	83
Online shopping frequency	Pearson Correlation	-.039	1
	Sig. (2-tailed)	.726	
	N	83	83

\*. Correlation is significant at the 0.05 level (2-tailed).

From the above table, we see that there is a negative correlation between experience in online shopping and online shopping frequency. By the analysis, we see that all online shoppers whether they shopped weekly, fortnightly, monthly or casually the frequency of shopping is reduced when they become more experienced in online shopping.

### 4.4 Modes of Payment

**Figure 3: Modes of Payment in Online Shopping**

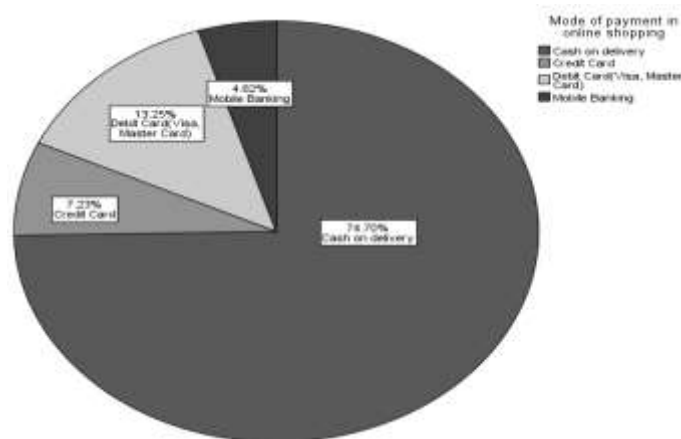


Figure 3 indicates that most of the respondents (74.70%) are doing transaction with cash on delivery facility, whereas 13.25% paying through a debit card. The rest of the respondents pay by Credit card (7.23%) and through Mobile banking (4.82%).

**4.5 Reasons for Choosing:**

**Table 3: Descriptive Statistics**

Descriptive Statistics							
	N	Mean	Std. Deviation	Minimum	Maximum	Chi-Square	Asymp. Sig.
Comfortable	83	4.0602	.95444	1.00	5.00	50.795 <sup>a</sup>	.000
Brand/ Product compares	83	4.0482	.96150	1.00	5.00	48.024 <sup>a</sup>	.000
Available variety	83	4.3614	5.59525	1.00	54.00	58.904 <sup>b</sup>	.000
Less Time Required	83	4.1084	.92410	1.00	5.00	55.494 <sup>a</sup>	.000
Low Price	83	4.0964	1.03139	1.00	5.00	51.880 <sup>a</sup>	.000

While the respondents are telling about the most important reason for which they are interested in online shopping, we see that “Availability of varieties”, “Less time” & “Low price” are the most important factors for shopping online.

**4.6 Preferences of Product/Service**

**Table 4: Descriptive Statistics**

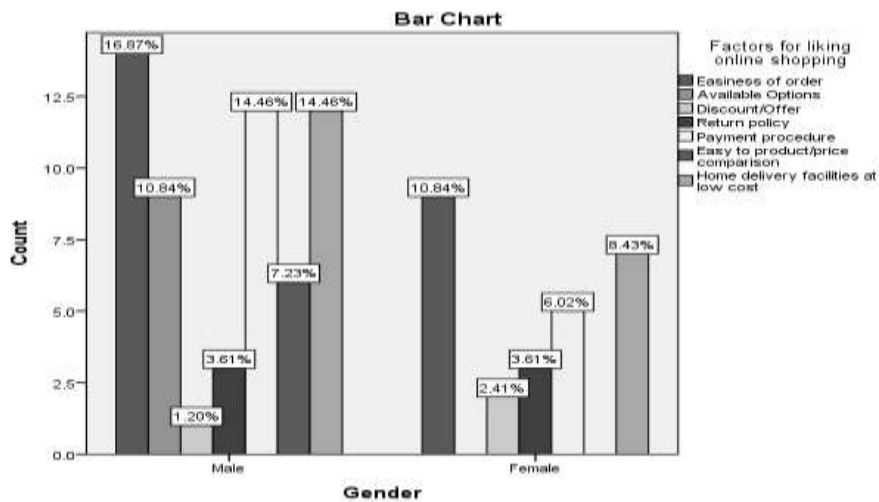
Descriptive Statistics							
	N	Mean	Std. Deviation	Minimum	Maximum	Chi-Square	Asymp. Sig.
Apparels	83	3.4940	1.15160	1.00	5.00	18.867 <sup>a</sup>	.001
Online Ticketing	83	3.6024	1.13632	1.00	5.00	22.843 <sup>a</sup>	.000
Accessories	83	3.4819	1.39127	1.00	5.00	11.759 <sup>a</sup>	.019
Health care products	83	3.4096	1.11570	1.00	5.00	24.289 <sup>a</sup>	.000
Books	83	2.8675	1.42085	1.00	5.00	2.000 <sup>a</sup>	.000

While respondents have been asked to tell the products or services they mostly shop online, it has seen that Maximum respondents’ preferred category is online ticketing (especially for train ticket) and then apparel & accessories shopping.

4.7 Factors for Liking and Disliking the Online Shopping

4.7.1 Factors for Liking:

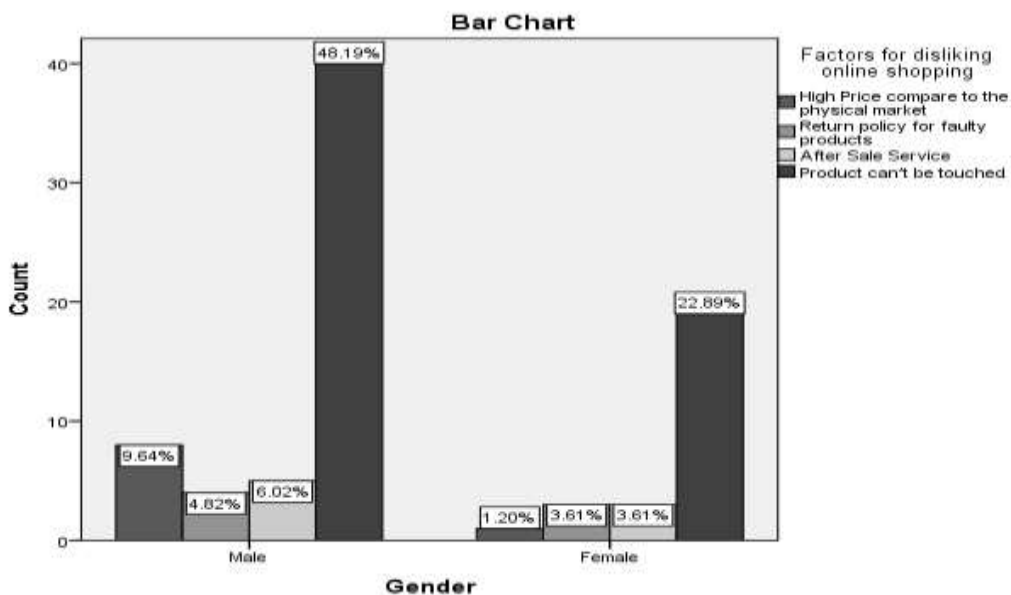
Figure 4: Factors for Liking Online Shopping



From the figure 4 we see that majority of the respondents (27.71%) like online shopping because of ease in ordering the products, while about 22.89% saying that it is the 'home delivery facility' for which they like to shop online and 20.48 % for easy payment procedures. More interestingly, we see that, both male and female respondents have the same attitude towards the linking factors of online shopping. Easiness of order (24.63%), payment process (21.11%), and home delivery facilities (21.11%) are the most liking factors from the 68.47% of male respondents and also the easiness of order (34.6%) and home delivery facilities (26.9%) are the major liking factors from the 31.33% of female respondents for shopping online.

4.7.2 Factors for Disliking:

Figure 5: Factors for Disliking Online Shopping





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On the other hand, at the same time respondents have been asked what they dislike the most about online shopping. The majority of the respondents both male and female (71.08%) stated that the products cannot be touched/ trialed before buying and this is the main reason for not preferring the online shopping. Rest of 28.92% respondents do not like the online shopping for high price, faulty return policy and after sale services.

### 5. Conclusion

High rapid growth of online shopping impressed too many companies for selling products or services through online which is the important channel to expand their market. The marketing managers should understand the customer behavior in making the decision to purchase the online products or services. The study reveals that Website advertising, T.V. Advertisements and friends, family members are the three important advertisement media through which business can reach the prospective online buyers. The study indicated that online shoppers are variety lovers, but at the same time they are also cautious about price and time that they spent for shopping. It is obvious that online shopping consumes less time as compared to shopping in other retail stores. Maximum respondents rely on price and their own experience as the basis of quality judgment of items in an online shop. The study indicated that ease in ordering the products; home delivery facility and easy payment procedure are the main factors for liking online shopping. However, the greatest disadvantage of online shopping, as indicated by the study is that products cannot be touched or trialed at the time of purchase. So far as payment options are concerned, online shopping offers different payment options like, cash on delivery or payment through internet banking or payment by debit card or credit card etc. But the majority of the buyers preferred cash on delivery facility.

However, companies should keep in mind that consumer behavior changes time to time, especially in the online market. So they should investigate the consumer behavior time to time and adapt the products and services to serve as per the customer requirements. Due to time and resource constraints, Chittagong city has been selected and since, the study is based on primary data, three months data collection period is thought to be enough to collect data through a questionnaire. As this is the new research findings in Chittagong city, it is expected that this information will help the business community and the researchers to identify the different aspects of online shopping to expand and improve their business in whole Bangladesh.

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