

## **Consumers' attitude towards online shopping: Factors influencing employees of crazy domains to shop online**

Saad Akbar  
Bangkok University, Thailand

Paul TJ James  
Bangkok University, Thailand

### **ABSTRACT**

E-commerce offers many online marketing opportunities to companies worldwide and along with high rapid growth of online shopping; it has impressed many retailers to sell products and services through online channel to expand their market. Online shopping or marketing is the use of technology (i.e., computer, internet) for better marketing performance. And retailers are mixing strategies to meet the demand of online shoppers; they are busy in studying consumer in the field of online shopping, to see the consumer attitudes towards online shopping and specifically studying the factors influencing consumers to shop online. In this study, the multiple regression analysis was employed to measure the relationship between 9 independent variables and receptivity to online shopping. The score of Beta weight presented that all 9 independent variables had positive statistical significant effect to Internet users to accept online shopping. Among the 9 factors, the strongest influencers from highest to lowest were Price, Refund, Convenience, Auction websites, Security, Brand, Search engines, Promotion and Online shopping malls. According to independent t-test analysis for gender, there was significant different means between males and females for online shopping malls and Auctions websites factors to receptivity on online shopping. The means of female significant higher than male for these two factors. This study might contribute not only to a better understanding on what and how strongly the factors are involved in online consumer purchasing decisions but also this study provides e-retailer's standpoint such the effectively manage and recommendations. However, e-retailers should keep in mind that consumer behavior might change in time to time especially in online market so the e-retailer should investigate the consumer behavior in time to time and adapt the products and services to serve as the customer requirements.

Keywords: Online shopping, Consumer attitudes, E-retailer, Strongest influencers, 9 independent factors

Copyright statement: Authors retain the copyright to the manuscripts published in AABRI journals. Please see the AABRI Copyright Policy at <http://www.aabri.com/copyright.html>.

## **INTRODUCTION**

E-Commerce (electronic commerce or EC) is the buying and selling of goods and services on the internet, especially the World Wide Web (Tech target, 2007-2012). Online shopping is a form of E-commerce whereby consumers directly buy goods or services from a seller over the internet. Online shopping is done through an online shop, e-shop, e-store, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores will provide links for extra information about their products. They often make available, safety procedures, instructions, manufacture specification and demonstrations (Tech target, 2007-2012). Benefits of E-commerce have been grown very fast because of many advantages associated with buying on internet as the lower transaction and search cost as compared to other types of shopping. Online shopping allows consumers to buy faster, more alternatives and can order products and services with comparative lowest price (Cuneyt & Gautam, 2004). Consumer's attitude towards online shopping refers to their psychological state on terms of making purchases. The process of buying behavior process consists of five steps. For instance, customers first identify a need or want and then define the requirements necessary to satisfy that need. Secondly, gather information and evaluate the options that are available. Once they know their options, they will look to make a purchase which will include shopping for or negotiating the best price they can achieve. Lastly, consumers will go through several factors which limits or influence final decision and they will evaluate whether or not they made a good decision.

The main purpose of this study is to understand the factors that may influence consumer's attitude and behaviors towards online shopping. How consumers form such attitudes will be also focused on by researcher with the help of models and who are true online shoppers. "Internet knowledge, income, and education level are especially powerful predictors of Internet purchases among university Students" (online survey within few American students, Case, Burns and Dick, (2001, p.873).

## **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 (Charles, 1998). The Internet and electronic commerce were the two most significant development of information during 1990s. There has been a marked increase in the number of consumers who purchase over the Internet, as well as an increase in sales worldwide conducted via electronic commerce. Innovation and electronic commerce relationships have resulted in tremendous changes in market competition among various industries (Blosch, 2000; Hamid & Kassim, 2004). Customer purchasing decisions are influenced by perception, motivation, learning, attitudes and beliefs. The perception is reflected to on how the customers select, organize, and interpret information to form knowledge. The motivation is reflected to the customer's desire to meet their own needs. Learning is reflected to the customers' behavior experience arising. Attitudes are reflected to customers' steadily favorable or unfavorable assessments, feelings, and inclinations towards object or idea. Finally, Beliefs is reflected to customers' thoughts about a product or service (Kotler & Armstrong, 1997).

## **The Factors of Consumer Purchasing Decision**

There are many factors influences and affect customers in related to how consumers make purchasing decision. The purchasing decision process starts long before actual purchase and continues long after. Usually in more routine purchases, consumers often reserve or skip some of purchase decision process (Kotler & Armstrong, 2004). The researcher used 9 independent factors in this study.

### **Search Engines**

Internet users basically used search engines to find out needed information. Since search engines mainly help users' judgment to rank Websites, electronic retailers should make sure Website quality can satisfy and serve the particular search engine's demands (Haig, 2001).

### **Auction Websites**

An auction website was a productive way to have more opportunity for e-retailers to sell the products or services. Generally auction websites provide cheap price to appeal to consumers (Haig, 2001). Lui, Wang and Fei (2003) stated that auction websites persuade and attract the interested shoppers together to evaluate product value. Online shoppers bid on the products with the compared and evaluated price and auctioneers sell the products to bidders who offer the highest price.

### **Online Shopping Malls**

Online shopping malls provided an unprecedented chance for e-retailers to reach a global customer base and selling various kinds of consumer products (Frendo, 1999). Many e-retailers joined with online shopping malls in order to have more customers visit their websites. The online shopping malls and Websites were sponsors by many e-retailers that utilized information generated in order to explore more marketing opportunities (Dignum, 2002).

### **Conveniences**

Convenience and saved time were offered by online shopping which were two motivating factors for online purchases (Lee, 2002). The main reason that motivated consumers to shop online was conveniences (Swaminathan et al., 1999). Convenient access to product information could facilitate and help shoppers' making an online purchases decision (Loshe & Spiller, 1999).

### **Price**

Price was a critical factor for customer on online shopping (Heim and Sinha, 2001). However, Li et al. (1999) argued that often online shoppers were not price-sensitive, cause of these consumers' price comparisons among different e-retailers on each product was time-consuming and the price difference was very small.

## **Brand**

Brand was defined as the quality related to the products or services. Often, brand was referred to the seller's reputation and consumer loyalty in associated with the seller (Haig, 2001). Brands and features increases as more information is obtained, knowledge of the available and consumer awareness (Kotler & Armstrong, 1997). E-retailers should strengthen shopper trust and believe by buying famous Website such as google.com to promote the online purchase rate (Wu, 2002).

## **Refund**

Online consumers demanded that e-retailers should provide an unconditional refund policy if the online costumer were not satisfied with the product (Lee, 2002). E-retailers should have refund policies to convince online consumers that they easily return products and get refunds if they are not satisfied, or exchange products for free within a reasonable timeframe (Bishop, 1998).

## **Promotion**

E-retailers might use promotions with time limits to encourage consumers to shop on Website (Haig, 2001). However, promotional activates for online products or services were not successful for e-retailers because there was not effective ways to inform consumers of promotional activities (Lohse & Spiller, 1999).

## **Security**

Security was a critical successful factor for e-commerce. Retail e-commerce would fail if Internet users feel on lacking a great degree of confidence (Kesh et al., 2002). The primary reason indicated of the most buyers who didn't shop online cause of afraid to reveal personal credit card information to retailers or over the internet (Rao, 2000).

## **RESEARCH METHODOLOGY**

### **Selection of Research Approach**

The choice of a research approach depends on the nature of the research study. Basically, all research approaches can be classified into three categories: exploratory, causal, and descriptive search (Aaker et al, 1999). This study is aimed to describe how online shoppers/customers behave influenced by various factors at 3 purchasing stages. Therefore, descriptive approach is chosen as the research approach during the research process. Under descriptive approach, there are four famous methods to collect data: secondary data, surveys, panels, and observational and other data (Malhotra, 2004). Here due to the limitation of time, the researcher will use secondary data to identify main factors to influence online consumers, and then use surveys to collect primary data for quantitative.

## **Data collection**

In this study, the conceptual model was set up in figure 1 (Appendix) which was based on the survey instruction of information search stage, alternatives evaluation stage and purchase decision stage. The researcher used personal interview of survey method to collect data. In order to access a larger amount of raw data, the researcher chooses the self-administered questionnaire among various personal interview methods. During the process of doing research, the researcher will hand out the questionnaire to ask the target respondent to help fill out. In the self-administered questionnaire method, no interview is involved, although this can reduce the cost of the interview process, there is no one present to explain things to the respondent and clarify responses to open-ended questions, which results in the answers to most of the open-ended questions being totally useless (Aaker et al, 1998). The researcher used stratified random sampling method to design questionnaire to study 240 current employees of “crazydomains” located in Nonthaburi, Thailand. 5-point Likert scale was used to ask the respondents to rate the items from “strongly disagree” (1) to “strongly agree” (5).

## **RESULT AND DISCUSSION**

### **Reliability coefficient**

Coakes and Steel, (2007) defined that reliability analysis evaluates the properties of measurement scales and the items that make them up. The procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationship between individual items in the scale. To verify the reliability of the research constructs, the internal consistency analysis (Cronbach’s alpha) and item-to-total correlation are used to identify the internal consistency reliability of the proposed constructs. Cronbach’s alpha is a model of internal consistency based on the average inter-item correction. Cronbach’s alpha is suggested to be above 0.70. This study has overall construct Cronbach’s alpha ( $\alpha$ ) = 0.764 where is considered as acceptability and reliability.

### **Correlation**

#### **Information search stages**

The results indicated in Table 1 (Appendix) shows that all of the three independent variables had statistically significant correlations with receptivity to online shopping which shown below:

1. Search engines had a moderate relationship to receptivity to online shopping. The correlation score was  $r = 0.344$  and the relationship was statistically significant at the  $p = 0.000$
2. Online shopping malls had a moderation relationship to receptivity to online shopping. The correlation score was  $r = 0.239$  and the relationship was statistically significant at the  $p = 0.000$
3. Auction websites had a Strong relationship to receptivity to online shopping. The correlation score was  $r = 0.508$  and the relationship was statistically significant at the  $p = 0.000$

### **Alternative evaluation stages**

The result of Correlation analysis for the independent variables (Convenience, price and brand) and the dependent variable (Receptivity to online shopping): The result indicates in Table 2 (Appendix) shows that all of the three independent variables had strongly significant correlations with receptivity to online shopping which shown below:

1. Convenience had a strong relationship to receptivity to online shopping. The correlation score was  $r = 0.554$  and the relationship was statistically significant at the  $p = 0.000$ .
2. Price had a strong relationship to receptivity to online shopping. The correlation score was  $r = 0.454$  and the relationship was statistically significant at the  $p = 0.000$ .
3. Brand had a strong relationship to receptivity to online shopping. The correlation score was  $r = 0.419$  and the relationship was statistically significant at the  $p = 0.000$ .

### **Purchase decision stages**

The result of Correlation analysis for the independent variables (security, promotion and refund) and the dependent variable (Receptivity to online shopping).The result in Table 3 (Appendix) shows indicated that all of the three independent variables had a moderate significantly correlations with receptivity to online shopping which shown below:

1. Security had a moderate relationship to receptivity to online shopping. The correlation score was  $r = 0.308$  and the relationship was statistically significant at the  $p = 0.000$ .
2. Promotion had a weak relationship to receptivity to online shopping. The correlation score was  $r = 0.140$  and the relationship was statistically significant at the  $p = 0.012$ .
3. Refund had a moderate relationship to receptivity to online shopping. The correlation score was  $r = 0.364$  and the relationship was statistically significant at the  $p = 0.000$ .

### **Regression Analysis**

The score of Beta weight presented in Table 4 (appendix) shows that all 9 independent variables had positive statistical significant effect to internet users to accept online shopping. The Beta weight score and analysis on each independent variable were presented below.

1. Search engines, the Beta weight score was 0.246 at the 0.01 level of significant ( $p=0.000$ ), it means that search engines had a positive statistical significant effect to receptivity on online shopping.
2. Online shopping malls, the Beta weight score was 0.226 at the 0.01 level of significant ( $p=0.000$ ), it means that online shopping malls had a positive statistical significant effect to receptivity on online shopping.
3. Auction websites, the Beta weight score was 0.291 at the 0.01 level of significant ( $p=0.000$ ), it means that auction websites had a positive statistical significant effect to receptivity on online shopping.
4. Convenience, the Beta weight score was 0.301 at the 0.01 level of significant ( $p=0.000$ ), it means that convenience had a positive statistical significant effect to receptivity on online shopping.
5. Price, the Beta weight score was 0.371 at the 0.01 level of significant ( $p=0.000$ ), it means that price had a positive statistical significant effect to receptivity on online shopping.

6. Brand, the Beta weight score was 0.278 at the 0.01 level of significant ( $p=0.000$ ), it means that brand had a positive statistical significant effect to receptivity on online shopping.
7. Security, the Beta weight score was 0.288 at the 0.01 level of significant ( $p=0.000$ ), it means that security had a positive statistical significant effect to receptivity on online shopping.
8. Promotion the Beta weight score was 0.233 at the 0.01 level of significant ( $p=0.000$ ), it means that promotion had a positive statistical significant effect to receptivity on online shopping.
9. Refund, the Beta weight score was 0.329 at the 0.01 level of significant ( $p=0.000$ ), it means that refund had a positive statistical significant effect to receptivity on online shopping.

## **IMPLICATIONS OF THE STUDY AND FUTURE RESEARCH**

The findings of this study offer implications for consumers who are making a strategic purchase, such as purchasing online. The implications for developers' marketers are to understand individual consumer decision making on purchasing online via internet, it can greatly contributed to improved explanations and predictions in the online shopping context. This knowledge enables the developers' companies to be able to better match their customers' desires with their offer. Given the high level of buyer involvement, e-retailers and marketers should focus on building confidence and satisfaction in their potential and existing customers. It's also helpful for government to understand consumers' attitudes and behaviors from this report so that it can draw up sound policy to protect consumers' interest and control the market. Quantitative research method has used to collect data which is better to analysis consumers' behavior from quantity so that the report will be more persuasive for future research. This research study deals with employees working at "Crazyomains". The limitation of this study is that the researcher is unable to deal with every employee directly by interview. However, with the assistance from the HR department, the searcher is able to distribute the questionnaire to 150 respondents. Time constrains is also a limitation in this research. As employees, researcher has to ensure that respondents filled the survey forms. Some respondents are not committed to answering the questions as reflected in the 5 rejected surveyed questionnaires.

## **CONCLUSION**

Along with high rapid growth of online shopping, this rapid growth is impressed to many retailers for selling products or services online which is the important channel to expand their market. The marketing manager should understand the customer behavior in order to make decision to purchase the online products or services that can create better marketing strategies (Schiffman & Kanuk, 1997).

For understanding online consumption-related consumer behavior has to lead to diversity theoretical approaches. For this study, the buyer decision factor proposed by Kotler and Armstrong (1997) was adopted. This study believes these 9 factors including Search engines, Online shopping malls, Auction websites, Convenience, Price, Brand, Security, Promotion and Refund might be suitable to explore and analyze consumer online behavior.

The findings of this study indicated that the 9 critical factors on B2C e-commerce can lead internet users to accept online shopping. The researcher suggests that e-retailers practice these 9 factors on their online business in order to have more Internet user become online shoppers. In this study, the multiple regression analysis was employed to measure the relationship between 9 independent variables and receptivity to online shopping. The score of Beta weight presented that all 9 independent variables had positive statistical significant effect to Internet users to accept online shopping. Among the 9 factors, the strongest predictors from highest to lowest were Price, Refund, Convenience, Auction websites, Promotion, Brand, Search engines, Security and Online shopping malls.

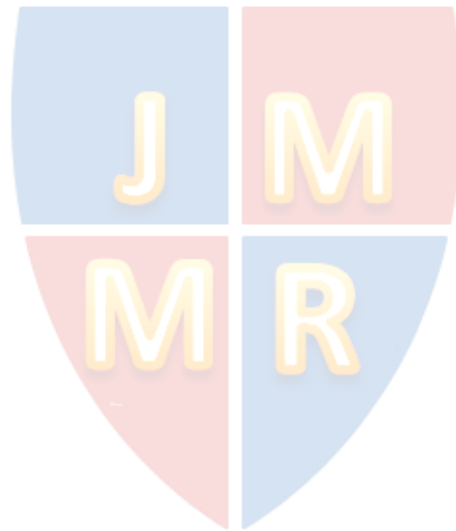
Finally, the researcher hopes the results and outcomes of this study might be significant helpful to e-retailers, online consumers and other researcher in B2C e-commerce. May r-retailers should be benefited greatly by understanding the most important factors to online consumer purchasing decisions and develop strategies to server as the online consumers' needs. May online consumer should benefit greatly by receiving better products and services as their expressing on their opinions in the survey to influence e-retailers' strategies, and may other researchers should be benefited by understanding or duplicating this research study as the information base in related to further study in identifying other critical factors. This study might contribute not only to a better understanding on what and how strongly the factors are involved in online consumer purchasing decisions but also this study provides e-retailer's standpoint such the effectively manage and recommendations. However, e-retailers should keep in mind that consumer behavior might change in time to time especially in online market so the e-retailer should investigate the consumer behavior in time to time and adapt the products and services to serve as the customer requirements.

## REFERENCES

- Aaker, D.A., Kumar, V. & Day, G.S. (1998). Marketing Research 6<sup>th</sup> edition. John Wiley & Sons, Inc.
- Blosch, M. (2000). Customer knowledge, knowledge and Process Management
- Cuneyt, K. Gautam, B. (2004). The impacts of quickness, price, payment risk, and delivery issues on on-line shopping, *Journal of Socio-Economics*, Vol.33, PP.241–251
- Case, T., Burns, O. M., and Dick, G. N. Drivers of on-line purchasing among U.S. university students. Proceedings of the 7th Americas Conference on Information Systems, 2001, pp. 873-878
- Charles H. Trepper. (1998). E-commerce strategies, USA: Microsoft.
- Dignum, F. (2002). E-commerce in production some experiences
- Haig, M. (2001). The e-marketing handbook. Dover, NH: Kogan Page.
- Hamid, N. R. A., & Kassim, N. (2004). International technology as a tool in customer relationship management. *Journal of America Academy of Business*
- Heim, G. R, Sinha, K. K., "Operational Drivers of Customer Loyalty in Electronic Retailing: An Empirical Analysis of Electronic Food Retailers," *Manufacturing and Service Operations Management*, 3(3), 2001, 264-271. Heim, G. R
- Frendo, M. (1999). Legal aspects of e-commerce. Law technology.
- Kesh, S., Ramanujan, S. and Nerur, S. (2002) "A framework for analyzing ecommerce security", *Information Management & Computer Security*, 10 (4)pp. 149-458
- Kotler, P., & Armstrong, G (1997). Principles of marketing (9<sup>th</sup> ED.) Cliffs, NJ: Prentice Hall.

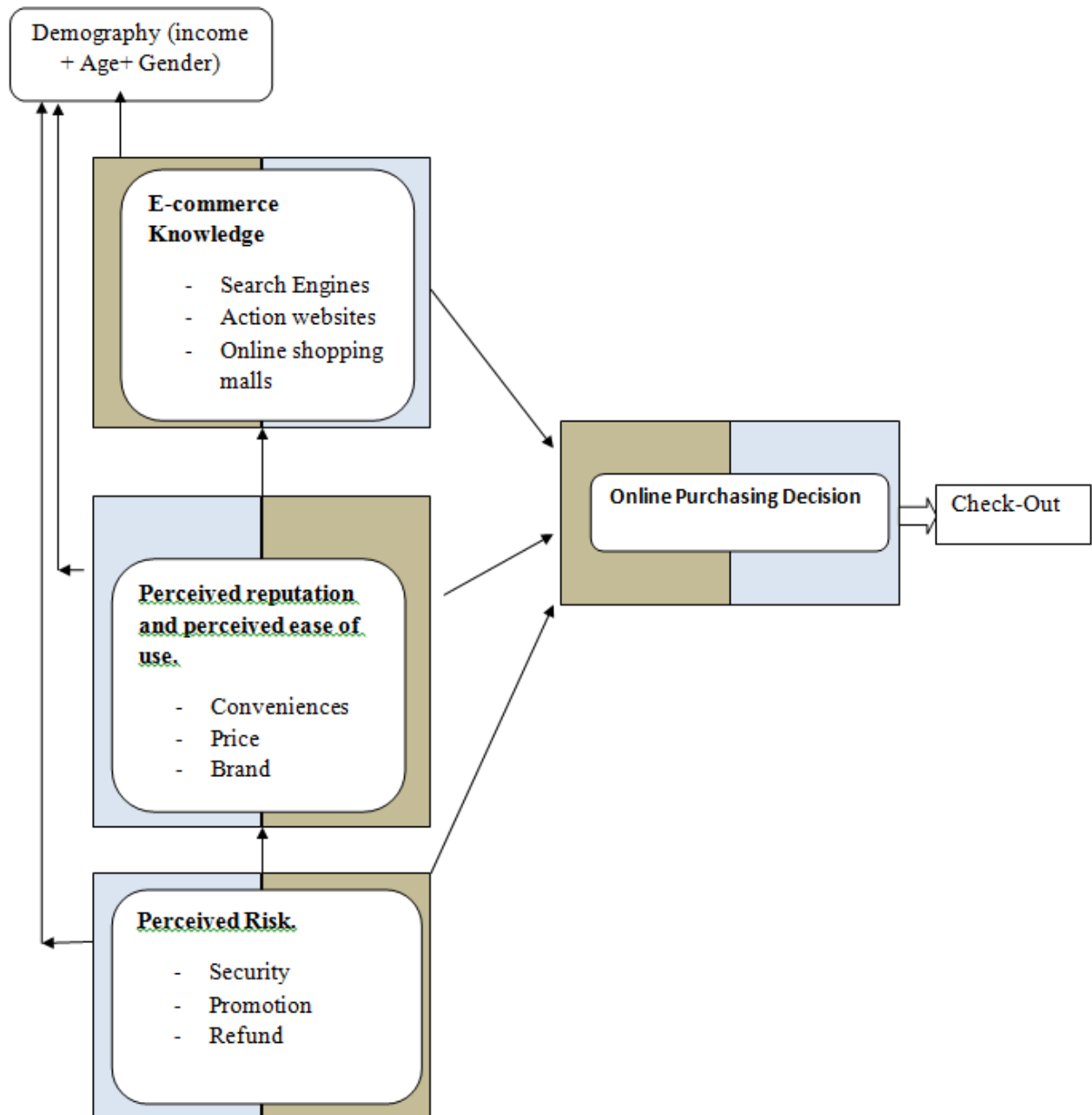


- Kotler, P., & Armstrong, G (2004). Principles of marketing (10<sup>th</sup> ED.) USA: Prentice Hall
- Spiller, P., and Lohse, G.L., 1997-8. A Classification of Internet Retail Stores. *International Journal of Electronic Commerce* 2(2), 29-56
- Swaminathan, V., Lepkowska-White, E. and Rao, B. P., "Browsers or Buyers in Cyberspace? An Investigation of Factors Influencing Electronic Exchange," *Journal of Computer-Mediated Communication*, Vol. 5, No. 2, 1999
- Schiffman, L.G., & Kanuk, L. L. (1997). Consumer behavior. Upper saddle river, NJ: Prentice Hall.
- Tech target: <http://searchcio.techtarget.com/definition/e-commerce>
- Wang, Y., & Tang, T. (2003). Assessing customer perceptions of website service quality in digital marketing environments. *Journal of end user computing*



## APPENDIX

Figure 1 Conceptual Model of the Research



**Table 1 Reliability and Correlation analysis of information search stages**

Factor	Relationship	Correlation Score	Cronbach's $\alpha$	Statistically significant rate
Search Engines	Moderate	0.344	0.764	P = 0.000
Online shopping malls	Moderate	0.239		P = 0.000
Auction websites	Strong	0.508		P = 0.000

**Table 2 Reliability and Correlation analysis of information search stages**

Factor	Relationship	Correlation Score	Cronbach's $\alpha$	Statistically significant rate
Convenience	Strong	0.554	0.727	P = 0.000
Price	Strong	0.454		P = 0.000
Brand	Strong	0.419		P = 0.000

**Table 3 Reliability and Correlation analysis of information search stages**

Factor	Relationship	Correlation Score	Cronbach's $\alpha$	Statistically significant rate
Security	Moderate	0.308	0.763	P = 0.000
Promotion	Weak	0.140		P = 0.012
Refund	Moderate	0.364		P = 0.000

**Table 4 the results of regression analysis for the 9 independent variable and the dependent variable**

Independent variable	Beta Weight	Sig
Search engines	0.246	.000**
Online shopping mall	0.226	.000**
Auction websites	0.291	.000**
Convenience	0.301	.000**
Price	0.371	.000**
Brand	0.278	.000**
Security	0.288	.000**
Promotion	0.233	.000**
Refund	0.329	.000**