Factors affecting the consumer’s attitudes on online shopping in Saudi Arabia

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Abstract- The invention of the internet has created a new pattern of the traditional way people shop. Today, online shopping is ideal for many of people with disabilities, people with children, people with hectic schedules, and others who just may not have the time or the energy to spend all day walking around the mall. The purpose of this paper is to review and study the factors affecting the consumer’s attitudes directly for online shopping in Saudi Arabia.

The survey was conducted and 210 questionnaires collected from students and staff of different universities and general public in Saudi Arabia.

The collected data have been analyzed by means of frequency distribution, average and chart analysis. The results of the survey has shown that most of people already shopping online and prefer to make their purchases online, also there are factors that make the buyer hesitant to come online purchasing. Where security and privacy top concern of the purchaser. Among the factors influencing the purchase online are the price, the trust, the convenience and the recommendations.

The growth of internet technology in Saudi Arabia has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together.

Factors such as price, trust in quality and brand or the availability of products images may all serve, to different degree, as important elements in customer decision making when purchasing products online.

The study achieved that the purchase online is easy, comfortable and better than conventional shopping due to various factors.

I. INTRODUCTION

Saudi Arabia has been linked to the Internet in 1993, but public access was not widely available until January 1999. Internet connectivity was launched in many Universities and some government agencies in February 1999 [5] and made available to the public through commercial ISPs.

Using internet has facilitated access a large range of collecting information, purchasing goods and services that were almost hard to obtain. With few mouse clicks, information about most topics can be found in seconds and keeping in touch with distant friends has never easier. Among the many information resources and services the internet provides is online shopping. Online shopping is the process of buying goods and services from merchants who sell on the Internet, which has grown dramatically in the last decade [1]. This incredible growth can be seen in the online population [2]. Whereas, the United States, followed by Europe, represents the largest share with about 79% of the global E-Commerce revenue, over 875 million consumers have shopped online [7]. The number of online shoppers has also increased up to 40% in the last two years. Among Internet users with Internet access shopping, the highest percentage for online shopping is found in South Korea (99%), UK (97%), Germany (97%), Japan (97%), and US (94%). African and Middle Eastern regions, on the other hand, have the smallest share with about 3% of the global E-Commerce revenue [8].

Furthermore, more recent statistics predicts [9] that online retail revenue will grow from $191.7 billion in 2011 to $248.7 billion in 2014, representing an 8 percent compound annual growth rate.

There is no doubt that in the 21st century Saudi Arabia has entered a new phase of globalization. The growth of internet usage in Saudi Arabia changes the behaviour of customers doing business and it has become one of the most significant communication channels. Furthermore, [3] conducted a recent study to identify the factors that encourage the adoption of online banking by customers in Saudi Arabia. But, the internet has not yet been fully exploited in the Saudi market, as it has been in the European, American and Asian countries. Recently, the internet has seen a great improvement in the number of Saudi internet users. That’s where merchants have sought to sell their products to people who surf the Internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer and buy a variety of items from online stores. In fact, people can purchase just about anything from companies that provide their products online. Books, clothing, household appliances, toys, hardware, software, and health insurance are just some of the hundreds of products consumers can buy from an online store. Many people prefer using shopping online because of the convenience.

In Saudi Arabia began using purchase online from other countries, where the trade process is completed and the money was transferred through a credit card to other country’s company. They found that individual attitudes toward e-shopping significantly and positively affect user acceptance. Also various motives of buyer online while taking into account the emotional behaviour with benefits related to the purchase of goods and services online.

Moreover, companies continue to establish a presence on the Internet, they find that some consumers are still hesitant to shift in the same direction.

Despite the convenience of online shopping, not everyone chooses to purchase items and services online. Some people like the idea of physically going to a store and experiencing the shopping process. They like to touch the merchandise, try on clothing, and be around other people. Online shopping doesn't
permit shoppers to touch products or have any social interaction. It also doesn’t allow them to take the merchandise home the same day they buy it.

Other people may worry about shopping online because they fear their credit card information will be compromised. Since it's necessary to provide credit card information when purchasing products online, people worry they may become the victims of identity theft. This discourages some consumers from participating in online shopping.

Another reason some consumers avoid shopping online is the fact that they worry that the products they purchase are not accurately portrayed in the website's picture. They worry that the picture of the item may appear one way, but the actual item may look completely different — perhaps of lesser quality. It’s also impossible to try on apparel when conducting online shopping. A consumer has to rely on body measurements in order to make sure the clothing will fit properly. If the clothing arrives in the mail and it’s too small, the consumer has to return the item. This is a potential inconvenience that some shoppers may not wish to face.

On the other hand, [4] buying motives are related to emotional needs of individuals for enjoyable and interesting shopping experiences. The e-shopping tendency is increasing rapidly among buyers across the world [4]. In today's world of commerce, the Internet fills a need for busy consumers similar to those mail-order catalogs that were so popular a century ago.

Most of people have found that today's online shopping experience is much safer, more efficient, and immensely more convenient than a trip to the mall.

Online sales from the Kingdom alone amounted to 3 billion US dollars in 2010 and 39% of internet users engaged in e-commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. Market statistics indicate that we’re talking about a mature electronic commerce. 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Taking into consideration what online store attributes and the important in choosing an online store [29, 30, 32, 4, 31, 33] Website design significantly affects the user’s shopping attitudes and behaviour in term of purchasing decision and purchasing recurrence [34]

The usage of the Internet recently is no longer limited to the media networks, but exceeded to use it as a means of transaction for consumers in the global market [6].

The researchers explored several different aspects of the factors that affect the consumer adoption and acceptance of online shopping. [2] May be conducted a recent study to provide an understanding of the adoption of online shopping within Asian countries. Their investigation falls into three main categories: consumer attitudes towards online transaction management systems; the privacy and security of consumers’ personal information within vendor systems; and trust in the reliability of online sellers. Their findings show that security issues of the online transaction procedure and the reliability and trustworthiness of online merchants have a direct impact on consumers' confidence in adopting online shopping [2].

Furthermore, [3] conducted a study to investigate the factors that encourage the adoption of online banking by customers in Saudi Arabia. Also, [10] a study noted that, the Saudi Arabia E-Commerce spending is 12 billion Saudi Riyal (SR) in 2010; however, only 14.26% of the Saudi population were involved in E-Commerce activities.

In the United States many other studies have contributed to an understanding of E-Commerce adoption [11, 12, 13], and also throughout Europe [14, 15, 16]; and in Australia [17, 18, 19] and Asia [20, 2, 8].

III. RESEARCH METHODOLOGY

This study employed a survey research in order to find out how consumers shape their attitudes and make aim shopping across online. The random samples can be used where the population can be divided into sub units, and then randomly selected from all these groups. Various methods used such as questionnaires and observations. They have been used by investigation for the study in a different exit to online shopping between different gender, different demographic areas, and different types of age group of interest of expectance, interest, based on the study, the design of a questionnaire and are chosen by the public as a huge and professionally.

The survey was depending on examining the position of the 210 of the people to fill out the questionnaire online shopping based on the closed ended questions. The data were collected through different population of Teachers and students from various institutions and the general public from various professions. The questionnaires have been circulated among 140 teachers and students and 70 of the general public from different region in Saudi Arabia. They asked them to give the answer yes, do not and don’t know.
Result and analysis data in terms of demographical information

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<thead>
<tr>
<th></th>
<th>Description</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>150</td>
<td>71.43%</td>
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<tr>
<td></td>
<td>Female</td>
<td>60</td>
<td>28.57%</td>
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<td></td>
<td>Total</td>
<td>210</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td>18-28</td>
<td>102</td>
<td>48.57%</td>
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<td></td>
<td>29-39</td>
<td>90</td>
<td>42.86%</td>
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<td></td>
<td>Over 40</td>
<td>18</td>
<td>8.57%</td>
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Table 1. The results of the survey on demographical information

Figure 1: Illustrates gender purchase online

The results of the demographic profile analysis according to the result on Table 1, which showed in the figure 1, that 71.43% of the male and 28.57% of the female respondents participated in online shopping survey. The study revealed that, the online shoppers were deviated toward males, and showed that the gap between males and females was so big.

Purchase online by age

<table>
<thead>
<tr>
<th>Age</th>
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<td>Over 40 years old</td>
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<td>8.57%</td>
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Figure 2: Illustrates purchase online by age

In this survey, the respondents are categorized into 3 levels of age groups; 18 to 28 years old; 29 to 39 years old and over 40 years old. As stated in Table 1, and show in figure 2, a majority of the respondents (48.57%) fall in the age range between 18 to 28 years of age. This is followed by 42.86% of the respondents from the 29 to 39 years of age category. Finally, 8.57% of the respondents fall in the over 40 years of age category.

The results of the survey reveal that investigation on online shopping attracting mostly young population age group of 18 – 28 years old, has more potential to shop online because of their interest in using new technologies to search for product information and compare and evaluate alternatives.

Gender purchase online

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Figure 3: Shows people moving rapidly toward online shopping

Online shopping is a new thing for people in Saudi Arabia. According to the survey results figure 3, shows that people are rapidly moving towards online shopping. About 55% of the respondent replied that they have enjoyed online shopping and surfing the internet for pleasure, having access to a broader, deeper product selection, a greater variety of stores and having fun shopping experiences. Also 45% of the respondent declared that they have never experienced online shopping at all.
Expectedly, more people of Saudi Arabia will try to do online shopping in the future. Saudi Arabia is finally recognizing the various benefits of online shopping. The benefits of online shopping are endless and it is about time that our local businesses seize this opportunity and enter the 21st century digital age, because what’s better than enjoying a great shopping experience from the comfort of your own home? Unfortunately, some Saudi shoppers have yet to be convinced of this worldwide popular shopping method, as they still don’t fully trust websites with their credit card information. We need to take a leap of faith and persuade other shoppers to get into the digital frenzy.

A. Convenience

The online generation has witnessed a massive sea of innovative ideas that has changed the way we do anything, forever. The simple task of shopping has now been made much simpler by making it possible for you to shop in the middle of the night, on your couch, in your pajamas, from any country you desire and that’s the ultimate dream.

Also not having to deal with crowded lines at the register, the slow credit card machines or when it comes to Saudi women, the missing driver. It is also tremendously convenient for those of us with busy schedules who just don’t have the time to go skipping from store to store.

The absolute advantage of being able to choose from a wide range of different brands and sellers at one stop only. As well as landing the items that are sold-out or unavailable in store.

Through online shopping we can get the product easily by just typing the keywords of the product rather than physically finding the product in the market. Online shopping has facilitated the customers to get their required product from internet according to their needs and demands by just entering the details and needs about the product.

Most of the respondents consider that online shopping involves less effort than actual physical shopping. It seems that we never have the time to go look for the perfect gift for a special someone; online shopping now makes that almost effortless. It is now feasible to send your gift across the world on the exact date you want. Wrapped, signed and delivered.

Figure 4, results confirms that almost 48% people have opinion in accordance with this fact that online shopping is convenient and easy, being able to conduct a wider information search, being able to make a broader product selection, and buying at better prices, as compare to shopping in the market.

The consumers shop online because it is convenient in terms of being quick and easy to shop and to make product and price comparisons 24/7 from wherever they are. Consumers can order products twenty-four hours a day wherever they are, and do not have to walk through countless boardwalks to find and examine goods.

On the other side about 22% were in opposition to this perception that it is not very convenient and easy for everyone to find the right product easily through online shopping. About 30% were neutral in this regard that online shopping is neither convenient nor inconvenient. Overall respondents have a positive attitude towards online shopping is convenient.

B. Trust & Security

Probably the most important thing consumer should research in an online merchant is their security level. Security indicates how safe consumer credit card information will be by using encryption and the SSL (secure socket layers) technology, the industry-standard method for protecting all Web communications.

Legitimate merchants will work hard to employ obvious measures that will earn consumer trust. Trust and security is the main factor that hinders people from purchasing online. This will investigate comprehensively the respondent attitude towards trust and security when shopping online. It has been ask from the respondent how much they felt secure when shopping online. The use of credit and debit cards and other account details while shopping online creates a risk of disclose of personal details due to which it could be misuse of personal and account information of the customer.

Security online is significantly an ongoing issue concerning online merchants for several reasons. Consumers have concerns about providing credit card numbers online due to unauthorised use thereof, hackers and viruses. They are also concerned that online vendors may not satisfactorily deliver the goods ordered or that the merchandise may be inferior, incorrectly selected, or may never arrive.

Figure 4: illustrates the convenience factor for online shopping

Figure 5: Illustrates security and trust factor for online shopping
According to survey results figure 5, show that majority of the respondents about 55% of the consumers felt secure for online shopping and saying shopping online was as safe as shopping in a store. It is very important for the people to feel secure when purchasing goods online. At the same time about 30% of the respondents not felt secure when doing online shopping. About 15% of the respondents were neutral in trust and security factor for online shopping. It is enlightening that majority of the respondents have positive attitude towards feeling secure when shopping online in Saudi.

C. Time Saving

One of the best reasons to shop online is the ability to save time. Modern lives have become very busy, with work and leisure activities quickly taking over all the hours of the day. While some lucky guys may love nothing more than to hit the high street and shop, others simply don’t have the time as they are too busy with their families or with work. This is where online shopping is becoming increasingly important as it saves valuable time which can be put to better use elsewhere.

Time is the major concern for the people, using shopping online their major desires to save time while shopping.

The results in figure 6, show that about 68% of the people positively believe that much time is saved while shopping online because it is the fact that when shopping online from home or office does not involve to leave that place, that could be consider as a time saving. On the other side about 28% of the people have neutral attitude about this and 4% of the people have negative attitude towards time saving factor through online shopping.

D. Price

The most important factor that shoppers around the world consider before making a purchase online is price, closely followed by reliability and choice.

Also Price is the major concern that people in Saudi takes in consideration before purchasing online and people have mixed fear that cost is usually high. Price factor involves checking the respondent’s attitude to save money when shopping online.

Figure 7 show whether the respondent felt that they are saving money when they are shopping online as compare to physical shopping. It shows that about 44% of the respondents believe that the Price is not high when shopping online and they had saved money and it is very necessary to save money when shopping online in Saudi. Prices for goods online may be relatively low for various reasons. Such as, the overhead cost of maintaining a web site is much less than that of a regular retail outlet, yielding a cost saving which may be passed on to the consumer. Prices are driven down by a larger number of competing stores, since the internet closes the geographical distance of physical stores.

About 32% of the respondents believe that the cost is usually high through online shopping and they have not saved money. At the same time about 24% people say either the cost is high or low. Their attitude towards price factor was neutral.

E. Language

Every one prefers the website for online shopping which is familiar with the language that a person knows so that he or she can easily understands the details about the product to shop online but if a consumers does not know the language he / she would not be able to purchase anything from that particular website and the consumer prefer to shop physically rather than online shopping.
Figure 8: Illustrates convenience toward website language of online shopping

Figure 8, show that overall respondents have positive attitude towards website language which is convenience for online buyers to shop online their products easily. About 47% of the respondents have agreed with this expression and 29% are neutral in this regard and 24% of the respondents weren’t agreed with this factor.

F. Recommended

Massive and huge expansion of Internet from the past decade, the people of Saudi are taking high interest in online shopping. When people try to do online shopping while they are sitting in their homes or work place and find what they need without having to leave the house, or worry about a car park. So to help keep them even more protected when you shop online, after obtaining good service response, product quality, competitive price and on time delivery through online shopping, they always try to recommend their friends and family members for online shopping.

The majority of people prefer to purchase goods together with their family members to talk things over with them whether to purchase this or that thing or not. There is also on-line social commerce, Social shopping service covers all the areas of commerce and gives an opportunity to get necessary materials on shopping matters at the site. In this way you have an opportunity to talk about the items you're interested in, to exchange thoughts on numerous questions and to get assistance in selecting an item you are looking for.

G. Promotions

Online shopping companies have found opportunities to market their products in the whole world. Also they can easily increase the sale of their product by offering discount. While another factor is consumer enjoying promotion on online shopping. Sometimes different companies introduce different discounted deals for its customers but dealers do not sometimes let their consumers to enjoy those benefits but through online shopping consumers can get discounts directly from the company. That encourage consumer to shop online.

It is no surprise that you are able to find the same items that are in store for a much better price online, especially if you have a discount coupon. The reason for that is that your items get delivered to you directly from the manufacturer through the Internet, instead of going through a middle-man, which results in higher prices.

It’s amazing how much you can save with online discount coupons; you can get a good deal on almost anything from restaurant meals, hotel bookings to amusement park tickets.
The results of the survey in Figure 10, demonstrate that about 65% of the respondents have agreed with this contemplation that different organizations would be able to market their products or brands through online shopping via Internet and they can offer cash discount deals on online shopping instantly. About 17% of the respondents neither agree nor disagree on online marketing and get discounted deals directly. Only 18% of the respondents were in opposition to this stance and they had never get discounted deals through online shopping.

H. Buying behaviour

Consumers believe that moods influence buying behaviour. In Saudi Arabia culture, there are bounties of the factors which are affecting online shopping consumers buying behaviour. For instance psychological, social, emotional and privacy factors have major affects on consumer’s buying behaviour.

When consumers like to make purchases online to buy something, he or she is affected by a variety of factors. The main influencing factors were identified as, price, confidence, security, convenience, time, sale service and discounted deals. The price factor encourages consumers because the prices are often lower via online shopping compared with actual purchases in the market. Buying online can be of great benefit to the consumer in terms of convenience, saving time and money.

Also the promotion and discount deals encourage consumers to get positively involve and purchase online.

According to this study, one of the main obstacles in the way of online shopping is that trust and security factor influence Saudi consumers trust in shopping online.

To improve this business is somehow under control of internet vendor. So consumers must be provided with sufficient protection of internet shopping. People usually get petrified when the other computer demands the complete details of the customers. Due to which a customer gets anxious that his or her personal details may get revealed and their precious money and account details get damaged. Tranquillity is obviously necessary given that the consumer must share personal information (full name, delivery address and date of birth) and financial information (credit card detail) when shopping online. That makes trust and confidence an important factor.

IV. CONCLUSION

The study was identified the impact of consumers’ attitude and buying behaviour towards online shopping in Saudi Arabia. Online shopping is getting more and more fashionable in Saudi Arabia as well as in rest of the world, but the speed of online shopping in Saudi Arabia is slower compared to the entire world. According to our survey, online shopping is getting popular in the younger generation such as students and professionals. Students usually prefer to buy goods from its original source and often they prefer to shop online.

REFERENCES


Figure11: Illustrates buying behaviour in online shopping

Figure 11, results shows that 39% of the respondent had agreed on that Psychological factor is the main factor not to do online shopping and affecting consumer buying behaviour. About 23% of the respondents pointed out the privacy factor, 21% pointed out social factor and 17% pointed out emotional factor affecting Saudi consumers buying behaviour. It has been mentioned that adverse to democratic belief, the consumers will not have to pay for privacy, and consists of the elimination of the revelation of the identity of the Internet Services.


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