

# Effects of Online Shopping Trends on Consumer-Buying Behavior

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## Abstract

*This research paper examines the relationship between various factors that affect the consumer behavior towards online shopping. Online shopping refers to the recent trends of being able to buy everything from home. The focus of this research is to explain the influence of five major variables that were derived from literature. These variables are trust, time, product variety, convenience and privacy, which determine how consumer-buying behavior is reflecting online shopping trends. Data was collected through the use of a specified measuring instrument. This instrument was a completely self-developed and standardized questionnaire that comprised of two sections. The statistical analysis of the data reflects that trust and convenience will have great impact on the decision to buy online or not. Trust is been considered as the most relevant factor affecting the customer's buying behavior towards online shopping when it comes to younger generation.*

## Keywords:

Online shopping,

Trust, Convenience, Privacy, Time, Product variety

## INTRODUCTION

Online shopping is one of the commonly used mediums for convenient shopping. It is, in fact, a popular means of shopping among the Internet community (Bourlakis et al., 2008). No matter clothes, electronics, or pets, online shopping trend is becoming more popular with each passing day. Hundreds of websites and applications are being created and deployed every

year to cater this rising demand of comfortable shopping trends.

Online shopping is becoming a suitable way to make all your purchases, whether you're at home in office, or in a different country. This is especially true for developed countries, where every store has its website you can buy from. You can easily convey about the promotions like cash on delivery and special discounts on online purchases. This trend to shop online with the comfort of your own couch has recently been taken up in the Asian region as well, especially in Pakistan and India. India seems to have adopted the trend much faster as compared to Pakistan. They have multiple fashion, furniture and food websites, along with the commonly known companies, such as Amazon and Ebay.

For Pakistan, however, the adoption of such trends has been more difficult. People usually don't trust the products being displayed in front of them. As a result, we can't expect them to buy online and be satisfied with it. However, the youth of Pakistan is open-minded and has slowly embraced online shopping, even if it's ordering food online. People, in Pakistan, have been victims of scams both online and on mobile applications, so it's understandable why they look suspiciously at such an activity. This recent trends have led researchers to believe that age isn't the only factor causing the youth to turn towards online shopping. Other factors are also involved in making online shopping one of the fastest growing markets in Pakistan, which is greatly helping the IT industry in Pakistan to flourish. This research study will try to reveal such factors.

Social networking is a site-based source that provides opportunities for interacting with and interacting with users. With the help of these sites,

users can get more information about almost every aspect of life. It is important that social media can be used on a personal computer and a personal computer that is equally effective. In modern news sources, users can create their own group or join existing groups. So, users who take the opportunity to benefit from other people's ideas and knowledge, and the same, consumers share their ideas and knowledge with other colleagues from the team (Weber and Weinberg, 2009).

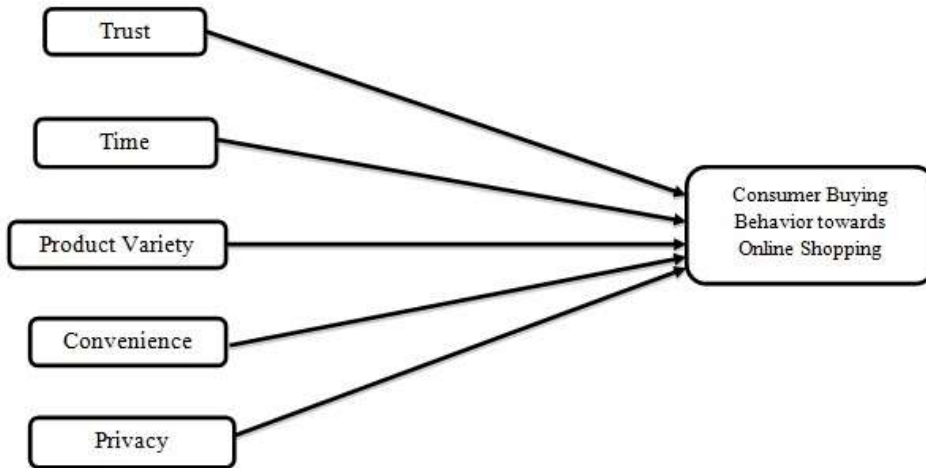
The Internet and social media make it easy for customers to respond and act together. Social media is currently being used by the company to promote its brand. Popular brands are looking for new customers to promote their business with the help of social media platforms. Social networking sites such as Facebook, MySpace and Twitter have a significant impact on customer retention and search for new customers. In this age of social media, this affects directly to the customer, how they speak, comment, update their profile and form an association with their relatives (Wellman and Barry, 2012).

Social media at the highest level can be explained by the emergence of Internet technology, which can easily facilitate more users to communicate among themselves to share their knowledge and create a team through the miracle of a new era. No need to look into this big question is what the social market is, though it's important to know what's important and how it can be useful for both customers and businesses. When the social networking market has emerged as a modern tool

for subscribers to take part in a constructive competition between organizations, organizations are now trying to gain more benefits from this progressive approach when hunting for strategic strategies and more and more benefits from it. Gartner's study explains the huge increase in spending on social networks by major organizations (Nimetz, 2007).

Getting these social networks and growing trends allows businesses to actively participate in the supermarket market for their products. Social media provides organizations with a platform to promote their brands and services through a variety of advertising strategies. In this competitive and prosperous era, organizations struggle poorly for a place in the minds of consumers. The current organization is not just dependent on social media. Marketing through social networks has become a fashionable one. While the rise of social media trending sites such as YouTube, Facebook, Twitter and LinkedIn, has attracted over 5 million people every day. Organizations use social media to communicate with their customers to maintain strong relationships with them over the long term. Social networks and networks have created a platform for businesses to build connected relationships with consumers. As a social media user growing every day by the company as a modern tool for the FMCG marketplace, so far, researchers have worked and written research papers to explore the impact of social media on the market (Ellison, 2007).

## **Theoretical Framework**



## LITERATURE REVIEW

Through internet, you can conveniently buy products and services online. In Internet community, online shopping is very popular (Bourlakis et al., 2008). One advantage of Internet shopping is that it provides the consumers with detailed information and multiple choices, so they can compare products and price online. The more the choice and convenience, the easier it is to find online your desired product or service (Butler & Peppard, 1998). It has been observed that online shopping provides more satisfaction to the modern day consumers who are seeking convenience and pace (Yu & Wu, 2007).

“Consumer behavior can be described as the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society”. (Kuester, 2012; p. 110)

The emergence of new marketing tools has led to many positive changes in society over the past decade. In the past, there is no reliable source, such as to strengthen the relationship between brands and their customers that they remain connected (Slaney, et al., 2008). The emergence of new social

media platforms for customers who can communicate with everyone as well as with the company. Now customers using social media and comments on social media sites, which is called 'word of mouth. "Word is so powerful and positive impact on local partners and friends. Social media networks allow users to share, comment, give an idea about the product (positive or negative) and Stay Connected Affiliated with the company (Brown, 2008).

Studies have shown that consumers who use social media to gain access before buying a product have a positive impact on their intent to purchase. The primary form of media has evolved from past social features. He has strongly influenced customer travel until he decides to buy. In this age, most of the subscribers receive social media support in connection with and with the company. Comments posted in social media play an important role in social media and buyers' intentions. Social media sites offer more opportunities for companies to communicate with consumers and get feedback as compared to traditional markets (Bertrand et al., 2012). Studies have shown that effective groups are becoming an increasingly important network of users who have designed consumer behavior (Fotis, et al., 2012).

An effective social network has created a brand

new marketing network. The huge benefit of social media sites is to provide the best opportunity for companies to approve different marketing tools for different customers according to their needs and aspirations. Organizations can benefit greatly to increase sales and nurture customer relationships through the positive use of social media marketing. The main purpose of acquiring customers' needs and desires is to evaluate the potential of the brand to achieve Sustainable Competitive Benefit (SCA) in time and place - to protect itself from competition in social media networks. There is a positive relationship between the attitude toward brand identity and the brand network, but also the attitude of the brand in purchasing and offering brands (Hessler, et al., 2012).

Most companies use social media efficiently to bring their million-dollar prospects forward and make them more affordable. Many service providers constantly use social media to keep in touch with your customers and take advantage of the sources of modern communication for marketing and public relations. Gaurav talks about a change of customer expectations in terms of the number of social media channels that have influenced their purpose of purchasing and brand loyalty (Gabre and Kumar, 2012).

The explosion of technology and the Internet draws people to stay connected, share your knowledge with others, and create links and social networks to provide modern-day connectivity through social media because it allows people to communicate and share information with others. Social media provides a platform for companies to inspire buyers' intentions through social media marketing. This is a social commitment on the part of the use has a positive impact on market behavior as companies must be aware of factors affecting deliberate client purchases (Ramsunder, 2011).

Social media sites allow customers to create family groups around consumer products or brands. In today's social media era, there is the largest source of network presence for companies that have access to their corporate websites and e-mail

programs (Chou, 2011). Social media has changed so that the company's way interacts and maintains relationships with your customers, and how to create and maintain their strategies for customer interaction. Social Media Networks offer big company opportunities in the form of feedback or suggestion with verbal expressions (Bezouska et al., 2013).

## **RESEARCH METHODOLOGY**

Data was collected through the use of a specified measuring instrument. This instrument was a completely self-developed and standardized questionnaire that comprised of two sections. The first section was aimed at collection of general data from the respondents. The questions were nominally scaled and came with pre-established categories for options. The second section, which was aimed at collecting data directly pertinent to the research, was divided into six further sub-categories, the first one for dependent variable and the other five for independent variables. The scale used for measurement was the Likert Scale; with answers ranging from 1 to 5, or strongly disagree to strongly agree respectively. Respondents were asked to rate their levels of agreement as pertaining to various criteria, mainly trust, convenience, time, product variety and privacy. The higher the score that was chosen, the greater the importance that the respondents assigned to the criterion when they were shopping online.

250 questionnaires were distributed to students in the University of Punjab, mainly in the business departments such as Institute of Business Administration, Institute of Administrative Studies, Hailey College of Commerce and IBIT due to the researchers' convenience. All respondents were either enrolled in bachelors, masters, MPhil, Ph.D, or postgraduate degrees. An introduction as well as a set of instructions was



clearly given at the start of the questionnaire, and extra information and guidance was given where necessary. A legend to clearly explain the answer choices was also given. This was done to ensure that every respondent understood the scaling and the questions. Procedures were as standardized as possible and all respondents answered the questionnaires themselves. (A copy of the complete questionnaire is given at the end, in Appendix-I)

"A universe is the theoretical and hypothetical aggregation of all elements "of individuals from a large group of individuals, the selection being done with a view to drawing Universe is an important part of research (Babbie, 2010). The under investigation issue was conducted in local context of Punjab province Pakistan.

The population indicates the group of such people to whom we want to get response for our research, it includes all of those things or group of things which the researcher wants to investigate. It is the group of people events or things of interest for which researcher want to make inference that are simply based on sample statistics. The population for a study can be defined as is that group (usually of people) about whom researcher want to draw conclusions (Nachmias and Nachmias, 1992). It is almost difficult for researchers to study all the members of the population that interest them. Some, but not all, elements of population form the sample. In every case, then researcher select a One of the most visited websites, from a list that included well-known online shopping websites such as Daraz.pk, Just4girls.pk, Homeshopping.pk, OLX.com.pk, Shopdaily.pk, Symbios.pk, Dealtoday.com, Kaymu.pk, Facebook Pages, and Shophive.com, olx.com, closely followed by daraz.pk.

sample from among the data that might be collected and studied. For current study total population of ten selected stores was 598,500 including both males and females customers. Population was calculated by conducting interviews with the managers of stores. Convenience sampling technique was applied to draw the sample. 204 respondents were selected conveniently from the selected shopping malls of Faisalabad and Lahore.

It is a portion, piece, or segment that is representative of a whole. The sample of the present study was consisted of 204 at 7 % precision and 93 % confidence level which were taken by using the formula given by Israel, (1992).

## **RESULTS AND DISCUSSION**

Out of a total of 250 distributed questionnaires, 215 were returned completed and could be used in the data analysis. SPSS Software from IBM was used to analyze the data that had been collected. A rather mixed response was to be seen in the respondents. Some were very keen and interested in filling the questionnaire, taking personal interest and asking questions, while some did not seem as interested. Most of the respondents were very helpful and cooperative. The data pertaining to the particulars of the respondents is given below, while data pertaining to the variables is given further down

## Commonly Bought Item(s)

**Table 2: Products Bought**

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Electronics	40	18.6	19.7	19.7
	Makeup/Cosmetics	25	11.6	12.3	32.0
	Clothes & Footwear	57	26.5	28.1	60.1
	Auto Parts	6	2.8	3.0	63.1
	Books	16	7.4	7.9	70.9
	Software & Games	11	5.1	5.4	76.4
	Discount Coupons	8	3.7	3.9	80.3
	Jewelry & Hair Accessories	11	5.1	5.4	85.7
	Bags & Wallets	13	6.0	6.4	92.1
	Replicas	9	4.2	4.4	96.6
Other	7	3.3	3.4	100.0	
Total	203	94.4	100.0		
Missing System	12	5.6			
Total	215	100.0			

Another thing that was easily noticed was that among the product choices that were given, namely, Electronics (includes mobiles, computers and other electronics), Makeup and other cosmetics, Clothes and accessories (including footwear), Auto Parts (including LEDs and Speakers etc.), Books (Course or otherwise), Software, Coupons (for food or any other product), Jewelry & other accessories (including hair accessories), Bags, purses or wallets, Replicas of any designer item (includes clothes), the most purchased items were Clothes and Footwear.

These results enlighten us to the demographics of the youth buying online as well as tell us which websites are popular and which products are people most willing to purchase using online shopping.

## Descriptive Statistics

**Table 3: Statistics of study**

	N	Minimum	Maximum	Mean	Std. Deviation
Consumer buying-behavior	215	1.25	6.83	3.3250	.76444
Trust	215	1.00	5.00	3.2415	.75029
Time	215	1.60	5.00	3.4412	.63468
Product variety	215	1.00	5.00	3.4206	.83031
Convenience	215	1.50	8.00	3.6027	.70793
Privacy	214	1.00	7.13	3.1323	.59551
Valid N (list wise)	214				

The above given table shows the mean and standard deviation scores of dependent variables as well as the independent variables that were adopted in this study. To answer the criteria questions, the respondents were asked to rate each of the five dimensions (variables) on a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

### Reliability Analysis

The reliability analysis was first carried out after logging in 30 responses, or the initial batch. The Cronbach Alpha was 0.73 at that time. The following table shows the most recent reliability analysis:

**Table 4: Statistics of Study**

Cronbach's Alpha	N of Items
.767	6

The Alpha's value for 215 respondents is .767. This value, being above 70% or 0.7, show that the questionnaire was reliable in collecting the

information, and that it collected the information it was designed for consistently over time and across people

## Regression Analysis

**Table 5: Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.645 <sup>a</sup>	.416	.402		.59265

a. Predictors: (Constant), trust, time, productvariety, convenience, privacy

The above shown model summary table shows that R, the multiple correlation coefficient using the predictors trust, convenience, time, product variety and privacy predictors simultaneously, is .645 while R Square is .416. These values show

that the variance in Consumer Buying-Behavior can be easily predicted from the combination of factors trust, convenience, time, product variety and privacy

## ANOVA

**Table 6**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.967	5	10.393	29.591	.000 <sup>b</sup>
	Residual	73.057	208	.351		
	Total	125.025	213			

a. Dependent Variable: consumer buying-behavior

b. Predictors: (Constant), trust, time, product variety, convenience, , privacy

In the above table 6,  $F = 29.951$  showing that the predictors or independent factors, namely trust, convenience, time, product variety and privacy, combine together to predict the consumer buying-behavior towards online shopping. Also, the value of significance lies between 0% and 5%, showing that the model is a good fit. As we can see from the table, the value of significance is

combine to predict the consumer buying-behavior very well. As the relationship between independent and dependent variables is highly significant, we can say that the model is a good fit.

0.000, showing that all the predictor variables



## Coefficients

Table 7

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
(Constant)		.645	.300		2.150	.033
Trust		.525	.061	.515	8.590	.000
Time		.049	.084	.041	.590	.556
Product variety		.002	.061	.003	.040	.968 convenience
.205	.074	.190	2.779	.006 privacy		.020 .071
.015	.278	.782				

a. Dependent Variable: consumer buying behavior

The table 7 shows as well as signifies that the regression coefficient, i.e.  $\beta$  of trust is .525 with significance value of 0.000, which shows that there is a significant relationship with trust and consumer buying-behavior. The  $\beta$  value of convenience is 0.205 with significance of .006 showing a positive and significant relationship between convenience and consumer buying-behavior. The  $\beta$  value of time is .049 with significance of .556, which shows that there is not a significant relationship between time and consumer buying-behavior. Regression coefficients i.e.  $\beta$  of product variety is 0.002 with significance of .968, which shows no significant relation between product variety and consumer buying-behavior. The  $\beta$  value of privacy is .020 with significance value of .782, which shows a negative and non-existent relationship between privacy and consumer buying behavior. So, if we were to show this in a regression equation, then:

## CONCLUSION

After conducting this research, certain results came to light. The most relevant factor(s) that seems to be affecting consumer buying-behavior towards online shopping when it comes to the younger generation seemed to be the trust factor. If they trust the website, they are prone to buy more from that website. Contrary to popular belief, however, the sense of privacy did not seem to affect the consumer behavior. Respondents did not seem very worried about giving their personal data online such as addresses, provided that they could buy using the Cash on Delivery (CoD) method for purchase. Convenience was another significant factor, when it comes to online shopping as people preferred to stay at home and shop as opposed to going out and browsing through stores.

This project was targeted for the youth in the business departments of Punjab University, Lahore only. It can be extended to include more

departments, more institutes as well as more age groups. More diversity would be able to get a more rounded viewpoint and a better understanding of youth's perception towards online shopping. Most of the randomly sampled people were female due to higher ratio of enrolled female students in the selected institutes. A higher male participation would be able to get a more well-rounded review of how people shop online. Also, the age groups can be tweaked quite easily to adjust more groups of people into the study. A total of five independent variables were taken for this research from the literature review. More variables can be added to the research such as pricing, discounts and other online deals. Then, it is possible to get a better response from the subjects.

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