

## DETERMINANTS OF ONLINE SHOPPING HESITATION IN PAKISTAN

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Buying behaviour, online shopping, risk, cost, convenience, Peshawar, regression.

**ABSTRACT**

The paper has explored the concept of online shopping in Pakistani markets and its different factors which reduce this phenomenon. The major objective of the study was to evaluate the determinants of hesitation in online shopping in Pakistan. Due to the complex phenomena, the study has included students of Institute of Management Sciences to get understanding to the concept. The study has adopted quota sampling and included 200 students in the quota and then these numbers have been used for data collection randomly. The previous studies have been used to adopt questionnaire for the data collection. The literature recommends semi structure and five point likert scale for the data collection. The literature extracted different factors i.e. risk factor, cost factor and convenience factors as independent variables and online shopping behaviour as dependent variable. The correlation and regression has been adopted for the data analysis. The findings concluded that risk factor and cost factors are having negative correlation with the online shopping while convenience factors are having positive relationship with the online shopping in Pakistan. The regression exhibits that risk factor, cost factor and convenience factors are having significant effect on online shopping in Pakistan. The online shopping companies should introduce different price reduction schemes to attract new customers but they should make sure the quality of the product. The companies should deliver same product which has been shown in the ads.

### INTRODUCTION

With the developing interests in the Online shopping region, an ever increasing number of studies have been done to look at the changed parts of the Online shopping condition. The investigations have produced countless factors. Posting all the individual factors totally would be a generally outlandish assignment. Regardless of whether it were conceivable, the multifaceted nature and sheer number of factors would have minimal down to earth or scholarly utility. Along these lines, distinguishing and building up an arrangement of measurements or develops that characterize those factors into various gatherings is essential. This structures the main motivation behind this investigation.

Specifically, a literature initially in view of the articles talking about various factors and factors influencing the Online shopping condition barring those examinations concentrating on different parts of internet shopping, for example, how purchasers' disconnected shopping practices influence their Online shopping conduct, trailed by grouping every one of the factors considered already into various measurements. In light of the face legitimacy, four measurements were recognized: instruction, client

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administration, comfort, and experiential uniqueness. Every one of these measurements will be talked about thus in the accompanying segments. In spite of the fact that there could be different measurements that may impact online channel, a total appraisal of this zone is troublesome given that the region of research is still in its outset and consistently developing.

For Pakistan, be that as it may, the selection of such patterns has been more troublesome. Individuals as a rule don't believe the items being shown before them. Therefore, we can't anticipate that they will purchase on the Internet and be happy with it. Be that as it may, the young of Pakistan is liberal and has gradually grasped Online shopping, regardless of whether it's requesting sustenance on the Internet. Individuals, in Pakistan, have been casualties of tricks both on the Internet and on versatile applications, so it's justifiable why they take a gander at such an action. This current patterns have persuaded that age isn't the main factor making the adolescent turn towards online shopping. Different components are likewise engaged with making Online shopping one of the quickest developing markets in Pakistan, which is incredibly helping the IT business in Pakistan to prosper. This examination study will attempt to uncover such factors.

The estimation of general shopper mentalities and feeling has been important to scholarly and business scientists for a long time. The showcasing and shopper conduct literature contains depictions of various endeavors to create worldwide measures of buyer fulfillment with business when all is said in done. Gaski and Etzel (1986) proposed a 'file of buyer notion towards promoting', which is planned to be an approved, longitudinal total measure of shopper assessment towards advertising practice, to be accounted for at normal interims to the showcasing and customer inquire about groups.

The concept of consumer behavior and especially in online shopping trend has received a greater attention from the researchers which includes both empirical and conceptual works (Limbu et al., 2012 and Darley et al., 2010). The literature argued from 1993 to 2012, majority of marketing articles have been conducted on the online shopping trend but majority of the works have been conducted in Europe and US markets. Previous studies argued that the consumer behavior in online shopping has been examined after 2005. Now days, majority of the articles have been conducted on the interactive marketing and also focus is on the social network and psychological theories which can be significant for the measurement of behavior of consumers while doing online shopping around the world. The literature argued that rare works have been conducted in Pakistani especially in Peshawar markets for the estimation of factors which force consumer to buy or rejects the online shopping. The existing work has been conducted in checking the factors which can lead to hesitate while taking purchase decision by consumers.

## **Objective**

- To find out the effect of consumer complaint behavior in the online shopping in Pakistan.
- To check the role of buying behavior on online shopping.
- To understand the effect product quality on online shopping.

## **Hypothesis**

H<sub>0</sub>: Consumer complaint behavior has insignificant effect on online shopping.

H<sub>1</sub>: Consumer complaint behavior has significant effect on online shopping.

H<sub>0</sub>: Buying behavior has insignificant effect on online shopping.

H<sub>2</sub>: Buying behavior has significant effect on online shopping.

H<sub>0</sub>: Product quality has insignificant effect on online shopping.

H<sub>3</sub>: Product quality has significant effect on online shopping.

## **LITERATURE REVIEW**

Ankita, (2014) argued that the concept of advertising has been created to target the consumers and communicate with audience. The trend is not only the source of selling or buying products but also this concept enables us to get updated information regarding different trends happening around the world. The concept of advertising is responsible to communicate the targeted information and commercial message to the target population. The studies argued that the concept of advertising is the type of transmitting updated and relevant information for the audience and then the customers always trying to use this information to take the purchase decision related to different products.

Sadia and Khan, (2015) have analyzed the concept of advertising through social media and its impact on the purchase decision in female. The paper has evaluated the concept of traditional word of mouth in the advertising using in different social media sites and then the female population has been convenience to take purchase decisions. The findings of the study show that the word of mouth in advertising is more effective as compared to putting ad in the social media sties or other social networking sites. The study extended that traditional advertising style sometimes found more significant in involving the consumer for taking purchase decisions. The concept can be found more significant in business advertisements in which the mouth words are playing major role as compared to putting ad on the sites.

According to Asama et al., (2014) argued that the mouth word advertising is the old and traditional method of advertising and sometimes it can have negative effect on the consumer decision especially when the consumers are having less time to advertisement. The study argued that the online advertising cannot be ignored as in modern technology, the online advertising or putting ads on social media or other sites has been found significant as the users first view them on the sites. Priyanka, (2012) argued that the contribution of online or internet advertising reaches to 100 crore which makes about 60 percent of the

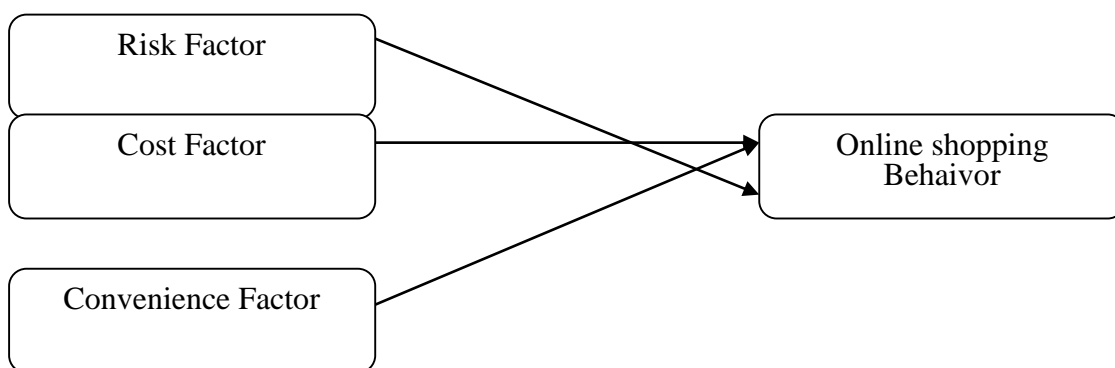
total advertising revenue. Studies argued that 70 percent of the ads are not putting online but they are reaching to the target consumers. The study of Ahmed and David, (2014) who stated that the behavior of online consumers and physical world are much different from each other. Consumers are now feeling that online shopping has been found more convenient and time saving as compared to the physical shopping in the market.

Sadia and Khan, (2015) argued that in current markets, the organization are spending huge amount of money on the online shopping and this is because of the larger number of consumers increasing on websites. Previous studies argued that TV advertising were found some times more effective to communicate the information to the target consumers. But due to the most of the technological updation, the consumers are now preferring to stay at home and doing all shopping and even on low cost as compared to go to market for physical shopping.

**Theoretical framework**

Previous studies argued that the theory of psychological and social network always be helpful in getting in-depth understanding for the online marketing along with their multiple dimensions. The theory states that internet is the only medium in online marketing in which the consumers respond and interact (Cho and Khang, 2006). This theory is significant in the sense that it provides theoretical link for the online marketing and its relationship with the consumers decision making (Bagozzi and Dholakia, 2002). The theory also states that internet is a complex phenomenon which needs the understanding of consumer’s presence, social interaction, beliefs and attitudes that are manifested and it is transmitted from physical store to online experience (Badrinarayanan et al., 2012). The important aspect of theory is that different shopping experience are affect-based, the factor of internet shows a combination of individual, visual and interpersonal stimuli (Im et al., 2010).

**Theoretical Framework**



**Fig. 1. Theoretical framework for factors in online shopping behavior**

**METHODOLOGY**

The study explored the determinants of factors lead to hesitation of online shopping in Pakistan. The

paper has included the young generation i.e. students of universities in Peshawar as they are using online shopping by the introduction of Android. For data collection, students of IM sciences were taken for the data and they were used for the distribution of questionnaire.

**Sample description**

The sample included the students of IM sciences and most of the students included were having knowledge of online shopping or they have used at least once for purchasing. The students were asked frequent questions in questionnaire regarding online shopping by using OLX, Daraz OR any other online shopping website. Quota sampling has been used for the selection of sample size. Initially 200 sample size has been allocated which can be conveniently approached for the data collection. The sample students have been contacted randomly and included for data collection.

**Data analysis**

The data in the current study collected with the help of closed ended questionnaire and the questionnaire will be adopted from the literature of the study. The closed ended questionnaire will be based on 5 point likert scale. The data for the variables were collected from 200 students of Institute of Management Sciences, Peshawar. The data collected have been analyzed by using SPSS. Pearson correlation model and regression model have been used for the data analysis.

**RESULTS AND DISCUSSIONS**

	Mean	Alpha		OS	RF	CF	CF
Online shopping behavior	4.21	0.78	R	1			
Risk Factor	4.01	0.98	R	-.849**	1		
Cost Factor	3.89	0.90	R	.711**	.737**	1	
Convenient Factors	3.59	0.81	R	.439**	.592**	.307**	1

Different studies have argued and proposed different models for the estimation of correlation among the independent and dependent variables. The present study used the Pearson Correlation test for the calculation of correlation among the risk factor, cost factor and convenient factors and online shopping. The value of correlation among the online shopping and risk factor is -.849. The value suggested that online shopping and risk factor are related about 84 percent and this relationship has been shown as negative which means that when the risk increasing in online marketing then the online shopping trend will be decreasing and it will have negative relationship. The value of correlation among the online shopping and cost factor is -.711. The value suggested that online shopping and cost factor are related about 71 percent and this relationship has been shown as negative which means that when the cost of the shopping is decreasing then online shopping trend will be higher. The value of correlation among the online shopping and convenient factor is .439. The value suggested that online shopping and convenient factor are related about 43 percent and this relationship has been shown as positive which means that

when the online shopping in Pakistani market are struggling to provide a good quality product conveniently.

### Regression

Factor	R	R-square	F-value	Beta	t-value	p-value
Risk factor				-.764	-13.061	.000
Cost factor	.860	.739	232.34	-.467	-3.378	.001
Convenience factor				.651	2.561	.002

The statistics of model summary for correlation coefficient shows in the table is .860 which exhibits that risk factor, cost factor and convenience factor has 86 percent relationship with the online shopping. The value of R-square in the table is .739 which suggests that risk factor, cost factor and convenience factor has 73 percent effects on the complain behavior of customer in Pakistan. The value of F-value in the table is 232.734 which is more than 4. The standard value of f-value in anova model is 4. The value suggested in the present model that the selected model is statistically significant. The value of coefficient for the risk factor is -.764 which means that the online shopping will be changed by -.764 units when the risk factor has been changed. The negative sign of beta shows that the change occurs in the online shopping will be in negative direction. The t-value of risk factor is -13.06 which shows that significant effect on the online shopping. Risk is that factor which is associated with the shopping and purchase decisions but in the case of online shopping, this risk increased manifold especially in Pakistan. according to Devi and Saini (2015) argued that there are many factors involved in online shopping which includes format of payment, service quality, privacy security are the type of risk which makes hesitation of online shopping in Pakistan. The major risk involved are lack of trust (Burke, 2002), not physical verification of the products by consumers (Lee and Turban, 2001). The value of coefficient for the cost factor is -.467 which means that the online shopping will be decreased by .464 units when the cost factor has been increased. The negative sign of beta shows that the change occurs in the online shopping will be in negative direction. The t-value of cost factor is 3.378 which show significant effect on the online shopping. Consumers always try to control the cost of products and majority of the consumers prefer to get product online as they are considering it low cost. According to Devi and Saini (2016) argued that online shopping is more convenient but sometimes shipping cost add to the product price and even return of the product makes it very expensive as compared to the physical market. So the study argued that they the consumer must take the purchase decision very careful as these costs can be added to the product price. The value of coefficient for the convenience factor is .651 which means that the online shopping will be changed by .65 units when the product quality has been changed. The t-value of product quality is

2.5611 which confirm significant effect on the online shopping. According to Jiang et al., (2013) who argued that convenience is the most important factor which can inclined consumers towards the purchases of product. Majority of the studies considered online shopping as the most convenient method of getting product from the market. The features of convenient factors include access to the product, access to the website, time flexibility. The convenience in online shopping is the prime motivation of the consumers which makes them to get product online (Beauchamp and Ponder, 2010), the consumer perception regarding online shopping is time saving, low level of physical hard work (Berry et al., 2002).

### **CONCLUSION**

The world is changing with changes in technology and so the nature of human being. The humans are trying to do their jobs without being going through hard work. The educated generations now prefer to get their necessities online. The changes in technology are having deep and positive while sometimes negative effects on the human life. Same effects can be seen in the online shopping. The consumers are having good and bad experiences while purchasing products online. The scope of online shopping in Pakistan is getting higher as the new generation is now more educated as compared to the past. The risk is always there in online shopping in Pakistan due to the fact that the sector of online shopping is not very much developed. The online companies are not following the ethical standards of online marketing i.e. the product quality shows in ads are not delivered, this is the most common problem facing by Pakistani consumers. But day by day, the new registered companies are entering in Pakistani market which increases the scope of online marketing in this market. It is the responsibility of consumers to control the risk associated to the purchase of product. The cost should be controlled by the companies while competing in the market but the consumers also should control the cost of their purchase transaction. The companies working online in Pakistan should introduce some special discounts and other prices reduction strategies to attract new customers. The companies should ensure the product of the quality and they should makes the correct visual of products and delivery of same featured products.

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