



ONLINE PURCHASING BEHAVIOUR OF CONSUMER

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Abstract

The reason for this study is to investigate variables which are affecting online behaviour of consumer when they approach to purchasers that may be a standout amongst the most vital issues of web-based business and advertising field. There is very little information about online shopping because here most of factors are involved in this case. One of the goals of this review is covering the weaknesses of past reviews that didn't analyse fundamental components that impact on web-based shopping behaviour. The model consists of the factor such as loyalty, perceived risk and satisfaction affecting online shopping behaviour of consumer. The survey was carried out by 200 questionnaires which were collected randomly from almost youth of Peshawar in universities and local areas. To test the hypothesis regression analysis were used.

Introduction

This study investigates the loyalty of consumers, e-satisfaction and other influencing factors of consumer behaviour in online shopping markets of Peshawar, the most important factors taken from the past studies are specifically reconsidered for Peshawar customer's behaviour, with some other relevant demographic characteristics of the customers. This study has focused on customer loyalty when they are focusing on online shopping and to know about the factors which affect online shopping behaviour of consumer. According to Heskett et al. (1994) the consumers are more towards quality of products and service delivery after sale. Like some products of electric and engineering nature. Freezers, LEDs and other important household stuff, which are purchased sometimes in online markets. There are many products and many online stores in Peshawar, serving for the different needs of consumers. There are food panda and Daewoo services who provide food and some other services of home

delivery. There some other products available online in Peshawar for sale, like Junaid Jamshed online cloths purchasing store, imperial store and outfitters also the Engine, A store providing cloths jeans and other important products to the market of Peshawar. These all are just a small sample of this market, but this study investigates the idea in the market of Peshawar, in way to see the online shopping behaviour in response to many factors, collecting the data form both markets food as well as other commodities available online. However, this study investigates two dimensions, food items and non-food items.

Objectives of the study

1. To investigate the factors influencing consumer behaviour during online purchasing in Peshawar.
2. To determine the relation between perceived risk, trust, quality of product, the satisfaction and loyalty of consumer while doing online shopping.
3. To study to the buyer-sellers relationship.
4. To highlight consumer's online shopping behaviour
5. To examine the influencing factors impacted on the online shopping intentions of consumers.

Significance of the study

In contrast, one of the great concerned is trust and security. For instance, 30% of the people did not commit with the online shopping, while one of significant factors in electronic commerce is trust. To increase online shopping in Peshawar, understanding consumer online shopping behaviour and factors manipulating this behaviour when shopping online should be given priority. Researches indicate that majority of Peshawar (76%) especially young people were using internet for non-shopping activities such as seeking for information, entertainment, playing games and communication with others. There are some barriers which have contributed to the unwillingness of Peshawar people because they afraid that their personal information will be stolen by others. Despite the potential in citizens of Peshawar there is still lack of understanding towards online shopping. There are a lot of international studies in the same subject area, but specifically Peshawar is never being taken in such a way that shows the multi-dimensions of consumer behaviours in both the food and non-food online purchasing market. There is a need of study which could help businesses of such nature to capture their consumer's behaviour through responses gathered by the current research.

Hypotheses:

The hypothesis of the study is disaggregated to many sub hypotheses to specify the Factors and direction of influence and relationships between variables

H1: Customers are most probably satisfied with online shopping;

H2: Price positively affect online shopping behaviour of consumer;

H3: There is a relation between perceived risk and consumers 'online purchasing behaviour;

H4: Trust positively affects consumers 'online purchasing behaviour;

Framework of the study

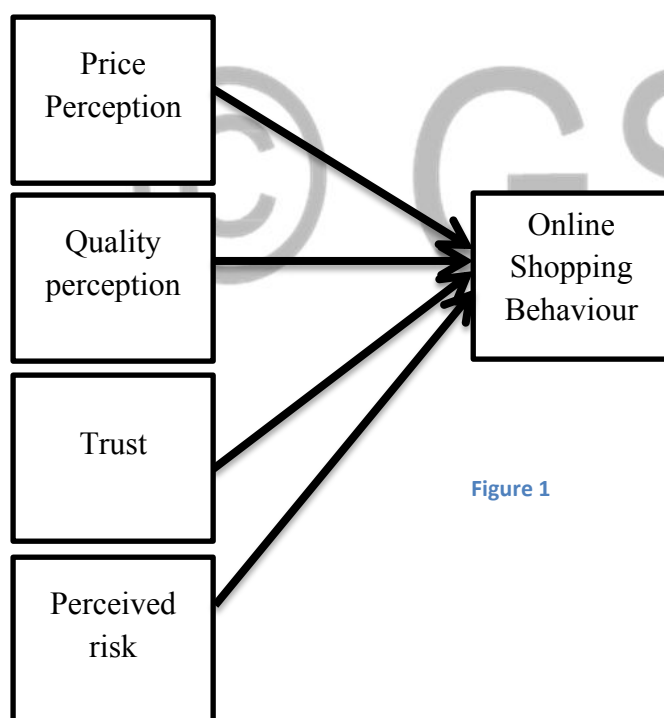


Figure 1

Trust, as expressed by Gommans et al. (2001) is another critical thing in customer purchasing behaviour through web, and in their loyalty related to online shopping. Trust is associated with security. Customer can't see the things face to face while he is requesting it, and can't investigate seller's eyes while doing that, so it is critical for every company to make trust among their buyers. Litfi and Gharbi (2012) stated that loyalty of a customer shows a very

strong relation among company and customer. Anderson and Srinivasan (2003) had a prediction that customers count perceived risk with the fear of losing some transactions while doing online.

The researchers (Teo, 2001; Wu, 2003; Chiu et al., 2005; Vijayasathy, 2003; Chang et al., 2008; Laohapesang, 2009) had widely adopted or based on the theory of planned behaviour (TRP) (Ajzen, 1985, 1991) and the technology acceptance model (TAM) (Davis, 1989) to explain or predict consumer online shopping attitude, and online shopping intention. Chang et al. (2005) observed six studies of insolvency toward online shopping and all studies showed attitude toward online shopping momentous positive impact on online shopping intention and behavior. Vijayasathy (2003) conducted a study to inspect consumer shopping intentions and augment technology acceptance model. The study results specified that positive associated with the consumers' online shopping consideration and online shopping attitude. Donthu and Garcia (1999) found that consumer innovativeness positively influenced online shopping behaviors and online shopping intention, the direct effects being arbitrated by attitude. Goldsmith (2002) study indicated that consumer innovativeness positively influenced on the online shopping attitude.

Literature Review

Electronic trade is the sharing of business data, maintaining trade relationships, and conducting trade transactions by method for broadcast communication networks. According to Mostaghel, 2006, supported by Tian & Stewart (2007) online trade represents not only the trade of goods & services, but also keeping buyers based on creating relationships with consumer and other companies creating businesses with them. Online trading has two fundamental sorts: business-to-business (B2B) and business-to-customer (B2C). Distinguished by Gröblichhoff (2002) business to business web-based business is electronic framework through which organizations are doing exchanges and sharing data before and the services after exchanges, with their clients and it is putting forth many number of utilizations for making and accomplishing less demanding associations with wholesalers, affiliates, providers and so on. Khiabani (2006) characterizes business to business as something that incorporates stream of products from vender to makers and retailers. B2B correspondence symbolizes the bigger portion of whole business movement. Business to buyer web-based business, as per Khiabani (2006) identify with any business which is putting forth merchandise and ventures to open, for this situation purchasers, over the Internet for their

own utilization. Considering his review improved meaning of B2C online business is that it speaks to the transmission merchandise or administrations from the vender to the end shopper. Khiabani (2006) states that Sinha (2010) in his review recognized that in this sort of web-based business, shoppers may utilize Internet for various purposes like infiltrating the item attributes, outlining the value charges, picking the item or administration, selecting the method for paying, settling on conveyance alternatives and toward the end offer of item or administration is finished.

E-Marketing

Lin (2003) states that for associations which oversee online marketing apparatus, so as to be affirmed and acknowledged by the clients, they have to give the best conveyed esteem, so clients may consider it to be preferred standpoint and remain faithful to them. Organizations can measure this esteem by taking a consumer loyalty, and elements that influence this fulfilment are, client need, esteem & cost (Mostaghel ,2006). According to Heskett et al. (1994) that to gain the financial performance of a company customer satisfaction is the key factor, it comes as the most important thing in them, after picking up a benefit. Companies saw the quick advancement of innovation as an opportunity to accomplish consumer loyalty and dependability much simpler and with lower costs. Many researches think about demonstrated that online business has, altogether, changes the route in which organizational trade work. According to the, Gommans et al. (2001) which is another necessary point is customer's internet purchasing conduct, and in their online steadfastness. Security is led by trust. Buyer is requesting the items he can't see item face to face while he and can't investigate sales representative 's eyes while doing that, so it is critical for organizations to fabricate trust among their shoppers keeping in mind the end goal to stay away from vulnerabilities.

Brand trust and loyalty when all is said in done can help with overcoming and beating some Internet drawbacks. The researcher likewise recognized that purchaser fear of online extortion (misrepresentation of their debit and credit cards, non-conveyance of item) are the one of the significant causes why they are not utilizing web-based business, much of the time. Anderson and Srinivasan (2003) consumer is interlink with the factor perceived risk 'their transaction misplacing or loosing which are done on the web lso they relate risk with, they additionally relate risk with losing something while acquiring or using the services and products.

When consumer is buying something on internet (online) so the positive relation of perceived values is noticed and there is connection between them, and it is directly goes to the online purchasing loyalty, as compare to buy the product in store online shopping reduce the choices of customer as compare to the different alternatives when they avail. The dangers that are connected with web-based shopping incorporate money related risk, item chance, and non-conveyance chance. Litfi and Gharbi (2012) contend that dependability speaks to solid connection amongst brand and client. That solid connection is showed through enthusiastic connection that join buyer's congruity of buying and utilization. Gommans et al. (2001) said that e-reliability can be communicated as store loyalty, which implies that purchasers are ceaselessly going by stores and purchasing things from same brand. He likewise characterizes client reliability as a time when purchaser show and rehash purchasing conduct which have positive nature identified with item provider, and they are rehashing this activity always.

E loyalty

is about quality client bolster, on-time conveyance, convincing item presentations, helpful and sensibly valued dispatching and taking care of, and clear and reliable protection approaches. (Gommans et al., 2001) Reich held and Schefter (2000) showed three favourable circumstances of e-steadfastness. To start with of them which is most essential and extremely costly is to get steadfast client and to keep them faithful later. Second, steadfast clients expend more than switchers which signs that they will spend more cash later than the others. The last and yet critical one is steadfast clients usually propose and recommend non-faithful shoppers to purchase in a specific store or brand, so this is circumstance when steadfast clients are utilizing verbal correspondence. Anderson and Srinivasan (2003) contend that client administration is an extra vital thing for organizations doing e-organizations. To dodge a few challenges in planning sites, they need mindful client benefit framework. Online administration as expressed by Cheung and Lee (2005) in their review, instrument that is utilized for measuring customers 'desires and consciousness of administrations is called SERVQUAL, which contain five measurements: physical assets, unwavering quality, responsiveness, affirmation and sympathy. Physical assets and unwavering quality relates with data and administrations quality offered to client. Responsiveness identifies with reactions from stores, when costumers have issues or inquiries about items. Affirmation identifies with empowering trust and certainty to clients and demonstrates that each operation inside organization is finished by individuals who are experts in that field, and compassion identifies with making consideration, and giving specific individual regard for clients. As per

Zheng (2006) online shopping permits purchasers to access to the new data of items, to contrast item costs and different offerings, and to request items affectively. Every one of those stuffs are putting forth accommodation to customers. This sort of shopping may lessen expenses of items and administrations and dispersion costs to get more purchasers and to make them faithful. As said by Chung and Shin (2008) for what separate the Internet from customary stores is that costs are required to be much lower on the Internet. Kim and Park (2003) in a review "Recognizing key elements influencing customer buy conduct in an e-commerce" investigated the relationship between different qualities of web shopping buying behaviour of customers. Outcome of the survey about e-commerce show that loyalty, perceived risk and trust affect the purchase behaviour of consumer.

Methodology

This chapter gives a detailed overview of the research methodology adopted to carry out this research. The research under discussion is both qualitative and quantitative in nature. The selection of research methods adopted for this research depends on the nature, objectives, scope, resource availability and time limitations. This research study employed different data collection methods and techniques to achieve maximum precision in results. The selected research approach helped to make a strong analysis of data collected, strengthens the justification of research, helps in accomplishing the main objectives of the research and strongly addresses the research problem.

Data

The data from the respondent was collected through questionnaires. The data was collected only from those who have experience of online shopping.

Sampling technique

This data is collected through random sample technique, the questionnaires were given to the students in universities and community who were using online shopping technique. The research follows Simple Random sampling technique, 200 samples from Peshawar were collected based population of customers purchasing online commodities in Peshawar

Variables of the study

Perceived risk

This variable is taken in binary form if there associated risk to products purchasing online, will be equal to 1 otherwise zero

Trust

If the costumers trust the product purchasing online, take the value 1 otherwise zero

Quality

If the customers consider the quality acceptable on given price range, will take value one otherwise zero.

Prices of products

If the consumer care about price of products for e-satisfaction take the value 1 otherwise 0

Income of consumers

The income of the customers is taken as monthly income per month in Pakistani rupees.

Education

If the customer is educated take the value 1 otherwise zero

E-satisfaction

If the customer is satisfied from the services and products take the value one otherwise zero

Loyalty of customers

If the customers purchase the product more than one time from the same store will be taken as the loyal customers otherwise zero

Estimation techniques

This study has used multiple regression analysis to analyse the collected data and to find out the effect of independent variables on dependent variable.

Data Analysis

Once the questionnaire was finalized, a pilot test was conducted among select number of respondents before the final distribution. This was a way to provide initial suggestions from the respondents on the questionnaire. During the final distribution of the questionnaires, research assistants were sourced in the interest of collecting data from the respondents within limited period. This next step involved the analysis of data to highlight the critical attributes to establish the outcomes. The instruments used to collect data were thoroughly checked for

coherence and uniformity before processing. The quantitative data was to be analysed using descriptive statistics where measures like frequency and percentages and the relevant implication of these values are noted. The results were then categorized into tables and charts to present the frequency distribution tables to indicate variable values and number of instances in percentage and frequency form. To measure the SEM model, Partial Least Square (PLS) technique was used. PLS regression is a common method in studying behavioural research since it uses multiple regression analysis. It is very helpful when one is trying to study the impact of huge set of independent variables on a group of dependent variables. It is increasingly becoming popular for multivariate regression in non-experimental research (Abdi 2013). Test statistics (T-values) was collected to measure how far the observed data are from the expected hypothesis. The t-value was referenced to determine if the hypothesized relationships were statistically supported. The researcher also analysed the data using a computer package; SPSS (Statistical Package for Social Scientists). Tables were to be used to present the research findings.



Outcome and Discussion of the research

This part of the research presents the results where the first section provides the demographic information of the respondents and the section second shows empirical results of this research through model and explanations of the coefficients of the models.

Descriptive statistics of the variables

The study sought to collect information from the respondents on various aspects such as age group bracket, gender, and marriage status and education levels attained. This information was useful in determining the viability of the respondent in answering questions



Table1:

Statistics						
	Gender	Age	Education	Family size	household income (thousand)	Satisfaction
Mean	.24	33.06	12.18	4.00	1000.28	.144
Median	.00	30.00	10.00	3.00	9000.00	1.00
Mode	0	22	8	2	3	1
Std. Deviation	.428	12.670	.992	.715	.940	.482
Variance	.183	160.539	.984	.512	.884	.233

Skewness	1.242	1.215	.217	.387	.100	-.583
Std. Error of Skewness	.212	.212	.212	.212	.212	.212
Kurtosis	-.465	1.685	-1.125	.093	-.960	-1.686
Std. Error of Kurtosis	.422	.422	.422	.422	.422	.422
Minimum	0	18	4	3	15000	0
Maximum	1	82	18	9	70000	1

The table above explains the demographic classification of the respondents with respect to gender, age, education, family size, household income and satisfaction level. These demographic representations of the data will help the researcher in cross tabulation.

Dependent variable E satisfaction

Table2:

Model Summary			
Step	-2 Log likelihoods	Cox & Snell R Square	R Square
1	60.713 ^a	.579	.787

Interpretation

The study results show that increasing income is negatively significance with e satisfaction of consumers in Peshawar, the increase in income level can lead to significant amount of chance of reducing satisfaction from the product as the consumers are now more able to pay higher amount for the better services and product's quality, so the preferences are linked to income increase and satisfaction of customers from the services and quality of products as well. The education of customers/consumers is positively associated but not significant statistically, which indicate no effects on satisfaction consumers. Quality of the products is positively and significantly associated to the e-satisfaction of consumers in online purchasing in

Peshawar. The model is good fit by indicating the explained variation of 57% in dependent variable of the study

Table 2.1

Variables in the Equation							
		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1 ^a	Income	-1.797	.731	6.042	1	.014	.166
	Education	0.613	.735	4.820	1	.068	.199
	Service delivery	1.634	.711	5.285	1	.022	.195
	Quality	3.871	.715	29.329	1	.000	48.013
	Constant	1.094	.713	2.354	1	.125	2.986

Dependent variable, Loyalty of consumers in online shopping in Peshawar

Table 3:

Model Summary			
Step	-2 Log likelihoods	Cox & Snell R Square	R Square
1	59.023 ^a	.585	.794

Interpretations

The results of this model demonstrate that the income and perceived risk are negatively associated with the loyalty of costumers in Peshawar online purchasing markets, but income is not significant. However, the perceived risk is negatively significant at 77% confidence of interval. The model is good fir with explaining the 58% variation in dependent variable due to independent variable of the model.

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1 ^a	Education	1.922	.756	6.472	1	.011	.146
	Perceived risk	-1.690	.741	5.203	1	.023	.184
	Time delivery	1.851	.756	5.988	1	.014	.157
	Quality	3.958	.756	27.393	1	.000	52.349
	Income	-.506	.402	1.583	1	.208	1.658
	Age	.047	.898	.003	1	.958	1.048
	Constant	.144	1.011	.020	1	.887	1.154

Table 4

Conclusion

The overall study indicates that when consumer shop something online rather than from the store directly so there are factors which are affecting online shopping behaviour of consumer and according to this study only perceived risk an independent variable is negatively related to the dependent variable other have a positive relation with dependent variable. When a customer has high income so obviously he will not accept the risk and he will go for the product which can satisfied them. Other factors which are studied in this study is positively related with the dependent variable such as time delivery, education, quality, price, and age.

The second thing which is the most important factor such as price & quality comparison so according to the study customer are completely satisfied from the quality because of their low prices which they are paying. Another linkage of perceived risk with the dependent variable is that due to cheating and fraud most of the customer are not focusing on online shopping because they want their privacy and want to keep their data confidential. Likewise, as per outcome, if there is a decent customer past purchase experience, purchaser is happy with items and services, and if risk at least level then he will purchase more later on, which implies he will be loyal. Website composition and conveyance time are imperative for buyers while doing internet shopping buys.

This study can help numerous buyers to see all favourable circumstances that web-based shopping is putting forth, to see that there are different alternatives for doing shopping as opposed to going to conventional stores and may turn into an initiator for

utilizing online business, also. Along these lines, upon this we can reason that there is a positive and noteworthy connection amongst dependability and fulfilment with online shopping behaviour and negative relation of perceived risk with online shopping behaviour of consumer. This study may be maximizing the knowledge about online shopping behaviour of consumer.

Recommendation

This study can be used for the big online networks like amazon.com internationally and at national wise this will a beneficiary step for all the stores which are dealing in the online shopping throughout the country. This study can easily tell them about the interest of Peshawar people in online shopping behaviour and their satisfaction level. Accordingly using this study every online store in Pakistan can easily know about the respond of customer of Peshawar. The main purpose of this research was to find out the factors which are affecting online shopping behaviour of consumers and all the data was supported by the literature review. The frameworks of this study recommend that, to understand the current study and highlight the future under researched areas. Our outcomes show that most of the literature and specifically this one rather fragmented. Mostly the analysis is very fruitful to give us the direction for future research. Most of the area in online shopping is under researched and researchers cordially invited to work for this under researched areas through their analysis

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