

A STUDY ON CONSUMERS' AWARENESS AND BUYING BEHAVIOUR TOWARDS ONLINE SHOPPING

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Abstract

Over the years, modern technology has changed the consumers' life by offering variety of resources and tools. Online shopping is a form of Ecommerce which allows a consumer to buy products directly from the seller through Internet. As a result, most of the people prefer online shopping due to impressive merits such as cheaper price, product comparison, commuting time savings, convenient etc. However, there are few disadvantages like delay in delivery, differed product description, damage, returning procedures, etc. which can be the causes of disloyalty towards the online shopping. Therefore, this study is to determine the level of awareness about online shopping and how it influences the buying behaviour of consumers in UAE.

Introduction

Online shopping is a phenomena which is growing exponentially due to huge reservoir of market potential.

Conventional business approach mainly relied on physical stores to promote and sell the products or services whereas modern time innovative business utilizes robust technological advancement, where the massive changes bring different perspective of marketing modality.

The massive success of prominent market player such as Amazon, Souq, Awok, Groupon etc have set as an example for corporates to shift their business model from brick-and-mortar to brick-and-click.

The UAE is home to a tech-savvy population with diverse and multinational society which has the region's highest internet penetration 98.4 per cent (internetworldstats.com) (<https://www.internetworldstats.com/me/ae.htm>) and high disposable income. The Majority urban population and high-tech infrastructures make the UAE maximum fit to online shopping.

However, all consumers do not participate in online transactions regardless of their Internet usage. Although, online shopping has numerous advantages such as cost and time saving, privacy, varieties, product information and comparison, convenience etc., some consumers are still hesitant to shift due to concerns with security and passing personal data over the Internet. Therefore, there is a disparity between the number of consumers who visit a site and the number of actual purchases being made (Shim et al., 2001; Changchit,2006).

Statement of the Problem

Purchase process confines five stages, namely Awareness, Interest, Evaluation, Trial, and Adoption. The first step consumer awareness about online shopping benefits in terms of scope of selection, live chatting, competitive prices, experts and users reviews, convenience etc., may lead to next stage to interest. Subsequently, evaluation of the benefits of shopping

online will go to 'Trying online shopping' and if satisfied will adopt online shopping for future shopping

Moreover, customer satisfaction and loyalty are two required things for long term growth of any business.

This study tries to figure out how the consumer's awareness level correlated with other factors such as demography, advertisements, mode of payment, delivery time, after sales service, terms and conditions etc.

Objectives

The following are the objectives of the study,

1. To understand the consumer awareness level about the online shopping.
2. To identify the factors influencing the purchase in online shopping.
3. To know the satisfaction level of the respondents towards online shopping.
4. To offer suitable suggestions based on the findings.

Methodology

The study is based on both primary and secondary data. The primary data were collected through well-structured questionnaire from the sample respondents of 200 in United Arab Emirates. The samples are selected by way of adopting convenient sampling technique. The required secondary data were collected from journals, books, magazines, websites which are highly relevant to the topic of the study.

Limitations of the study

The study was subject to the following limitation:

1. The study is confined only to UAE
2. Due to time constraints, the sample size is restricted only with 200.
3. The study is restricted only buying behavior and awareness about online shopping.

Demographic Profile of the Respondents

	No. of Respondents	Percentage (%)
Gender wise classification		
Male	108	54
Female	92	46
Age wise Classification		
Below 20	68	34
21 - 35 years	64	32
36 - 50 years	48	24
Above 51 years	20	10
Education Wise		
Secondary School	24	12
Diploma	44	22
Graduation	98	49
Master	38	19
Occupation wise		
Students	52	26
Private Sector Employees	64	32
Govt. Employees	32	16
Self-employed	52	26
Income wise		

Below 10,000	58	29
10,000 to 20,000	52	26
20,000 to 40,000	70	35
Above 40,000	20	10
Total	200	100.00

Source: Primary Data

From the table depicts the demographic and socio-economic status of the respondents. It clearly shows that, out of 200 samples majority of the respondents are belonged to male (108) and the rest were female (92). By the table shows, out of 200 samples, 34% of the respondents belonged to the age group of below 20, followed by 32% of the respondents belonged to the age group of 21 to 35 years and only 10% of the respondents belonged to above 50 years of age. 49% of the respondents are completed bachelor degree and only 12% of the samples are educational status is up to Secondary School level. Out of 200 samples, majority of the respondents were employed in private sector (32%), followed by 26% of the respondents were belonged to students category. It can be inferred that 58 respondents got income below 10,000, followed by 52 respondents belonged to the category of AED.10,000 to 20,000 and only 20 respondents are belonged to the category of more than AED. 40,000.

Sources of information

Particulars	No. of Respondents	Percentage
Advertisement	68	34
Friends & Relatives	96	48
SMS & E-mail	36	18
Total	200	100

Source: Primary Data

From the above table, illustrate the source of information from where they got information about the online shopping. 48% of the respondents said they got information from the friends and relatives, 34% got information through advertisement and rest 18% got information through SMS and E-mail.

Awareness about online shopping

	No. of Respondents	Percentage (%)
Yes	200	100
No	0	0
Total	200	100

Source: Primary Data

From the table clearly shows the awareness about online shopping, it clearly depicts 100% of the respondents are aware about the online shopping like product logistics, price, loyalty, etc.

Gadgets preferred for online shopping

	No. of Respondents	Percentage (%)
Mobile phone	102	51
IPad	12	06
PC/laptop	62	31
Tablets	24	12
Total	200	100

Source: Primary Data

From the table reveals that the gadgets which is convenient to shopping in online, out of 200 sample respondents, majority of the respondents preferred to use through

mobiles(102), followed by 62 respondents are preferred to use by computer or laptops, followed by 24 respondents are used through tablets and only 12 respondents are used through iPads.

Often for purchase of products in online shopping

	No. of Respondents	Percentage (%)
Frequently	124	62
Occasionally	68	34
Rarely	8	4
Total	200	100

Source: Primary Data

It is observed from the table, majority of the respondents (62%) have purchased product through online, 34 % respondents are frequent purchasers from online and only 4% of the respondents are rarely purchased products through online shopping.

Amount spent on online purchase

	No. of Respondents	Percentage (%)
Less than AED.2000	148	74
2,000 to 4,000	24	12
4,000 to 8,000	18	9
8,000 to 10,000	8	4
More than 10,000	2	1
Total	200	100

Source: Primary Data

It is evident from the table shows the amount spent while online purchase, out of 200 respondents, majority of the respondents spent below AED.2,000 (148) whereas only 2 respondents spent more than AED.10,000 for single purchase, 24 respondents and 18 respondents, have spent AED.2,000 to AED.4,000 and AED.4,000 to AED.8,000 respectively. Only 2 & 8 respondents have spent AED.8,000 to AED.10,000 for single purchase.

Factors influence to buy online

	No. of Respondents	Percentage (%)
Cheaper Price	50	25
Convenient	32	16
Time Savings	28	14
Offers & Cashbacks	20	10
Product comparison	24	12
Availability	46	23
Total	200	100

Source: Primary Data

The above table reveals the factors that motivate the buyer to buy product through online shopping. It can be inferred that majority (25%) of the respondents felt that price is the motivating factor to buy product from online shopping, followed by 23% of the respondents felt availability of the product is the influencing factor to buy through online, followed by 16% are convenient to shopping, 14% are influenced by time saving, 12% of the respondents are influenced by easy way to comparing the products and only 10% of the respondents are influence by offers and cashbacks given during festival times and off seasons.

It depicts from the table majority of the respondents influenced by price of the product.

Favourite online shopping site

	No. of Respondents	Percentage (%)
Amazon	46	23
Algiftz	30	15
Souq	54	27
Awok	28	14
Namshi	22	11
Crazydeals	12	06
Alshop	8	04
Total	200	100

Source: Primary Data

The above table portrays the favourite online shopping site of the respondents, it depicts that 27% respondents prefer Souq.com, the regional online shopping website, 23% of the respondents prefer to buy products from Amazon, followed by 15% are Algiftz, 14% are Awok, 11% are Namshi, 6% are Crazy deals and 4% are prefer to buy products from Alshop.

Type of products bought online

	No. of Respondents	Percentage (%)
Electronic /IT Gadgets	88	44
Fashions	22	11
Books	04	02
Cosmetics	48	23
Home Appliance	18	11
Health Products	12	06
Other Products	08	04
Total	200	100

Source: Primary Data

The table clearly depicts that out of 200 respondents, majority of the respondents opined to buy Electronic/IT Gadgets (88) because of online market provides cheaper price compared to the offline market, secondly the most respondents preferred to Cosmetics (48), followed by 22 respondents-preferred to buy fashions like Watches, belts etc. through online, 18 respondents bought home appliances, 12 respondents preferred to buy health products, 08 respondents purchased items like groceries and only 4 respondents bought Books.

Mode of payment

	No. of Respondents	Percentage (%)
Debit card	26	13
Credit card	32	16
Net banking	28	14
Cash on delivery	108	54
Wallets	06	03
Total	200	100

Source: Primary Data

The table depicts that majority of the respondents have preferred Cash on delivery (54%) , 13% of the respondents used Debit card, 16% purchased through Credit Card, 14%

are net banking and only 3% are use e-wallets like, Apple pay, Samsung pay, Paytm, Etisalat Wallet , etc.

Problems faced while online shopping

	No. of Respondents	Percentage (%)
Product damage	8	4
Delay in delivery	24	12
Lower quality	6	3
Product Return Practices	78	39
After Sales Service	84	42
Total	200	100

Source: Primary Data

The table clearly shows that, majority of the respondents (84) felt poor after sales services followed by 78 respondents problems with product return practices, 32 respondents noted delay in delivery, 08 respondents pointed out product damage and 06 respondents registered poor quality of the product.

Satisfaction about online shopping

	No. of Respondents	Percentage (%)
Satisfied	124	62
Neutral	64	32
Not satisfied	12	06
Total	200	100

Source: Primary Data

From the table, it clearly depicts that 62% of the respondents are satisfied with the online shopping, 32% of the consumer considered for the study viewed that they are neither satisfied nor dissatisfied with the online shopping and only 6% of the respondents opined that they are dissatisfied with the online market.

Findings

- Majority of the respondents are belonged to male (108)
- Majority of the respondents are belonged to the age group of below 20 years and only 10% of the respondents are above 51 years of age.
- Most of the respondents are employees from private sector.
- 48% of the respondents said that they got information from their friends and relatives.
- 100% of the respondents are aware about the online shopping.
- Majority of the respondents influenced by price and availability of the products.
- 51% of the respondents preferred to use through mobiles.
- 27% of the respondents prefer to buy products from Souq.com
- Majority of the respondents opined to buy Electronics/IT gadgets.
- 62% of the respondents are satisfied with the online shopping.

Suggestions

- ❖ Majority of the respondents felt that poor services after sales which may lead to constrict the consumers to buy from the online shopping. Hence, the vendors need to ensure good after sales services to retain existing customers and to attract more number of new consumers as well.
- ❖ Return policies and refund procedures should be made easier, user friendly feel consumers safe and protected’.
- ❖ The online sellers should take necessary actions to ensure on-time delivery. Prompt delivery is one of the prime factors to attract the consumers using online shopping.
- ❖ The cash back offers are limited to certain bank’s debit card and credit cards. If it is extended to all purchases, it will improve the sales volume.
- ❖ The online sellers should frame innovative marketing strategy to motivate the buyers to purchase other products like Groceries, Books and Medicine etc.
- ❖ The online selling firms should adopt high level of Information security to ensure hacking proof transaction for all consumer which the major concerned for everybody.

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