Online Shopping adaptation by individuals in Pakistan

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Abstract

The Youth individuals are playing an important role in online shopping. The growing use of Internet by the younger age group in Pakistan provides a rising exposure for online retailers.

This study analyzes the responsive of individuals doing online shopping. This study examined the behavior of 150 Individuals who were asked to fill the questionnaire based on some close ended questions. The focus of this investigation was to discuss the effecting factors on online shopping adaptation in developing country like Pakistan. Today individuals choose and buy things while sitting at home through internet and buy things impulsively. Do individuals in Pakistan are using Internet for shopping online? Do they feel secure on the Internet while making payments? Does online shopping save time? Do online shopping is more attractive or individual feels lack of trust? Impacts of brand quality also discussed.

Key words: Shopping, Adaptation, Individuals

Research type: Research paper

1. Introduction:

Purchase of goods and services via the Internet refers to Internet shopping. Associated with traditional shopping methods (Liang & Lai 2000).Online shopping (E-commerce) is the buying and selling of goods and services online through internet (Nazir *et al,* 2012). Social media in Pakistan plays no active role to influence Users of online shopping. Other important factors in most online shopping experiences in the region are also negative (Nielson, 2010).

Adoption of e-commerce depends on the profile of potential consumers as not all consumers accept an innovation at a time (Rogers, 1962). Individual attitudes toward adopting new commercial channel are based on models of classical Individuals behavior (Ajzen & Fishbein, 1980).Pakistan sales trend of online shopping is very low compared to the U.S. or the UK, but in other countries also negative trend of online shopping, but better than Pakistan (Yousaf *et al*, 2012).Users can not touch or smell articles in both cases because of the buy online, the same as the paper is to present something on it (Spiller & Lohse, 1998).

Ernst & Young (2000) is stated that the delivery of Internet piracy fear cinch system and credit card to review products and competitive prices, the purchase price are the main concerns. Internet shopping over the Internet is for the procurement of goods and services. Internet both at work and at home has become a ubiquitous medium, the Internet as a channel for retail use has become a reality (Chen, 2008).Exhibition website for their services and products online is the essence of business. Internet brings together all the competitors and consumers. To promote the products and services advertised in the market to get the new lane (Barry Silverstein, 2002).

Consumers want to choose a product in online shopping by cyber appearance including, the size of the product image, product appearance, cost factors and how to assess a reliable company (Lohse & Spiller, 1998). Internet has enormous potential as a shopping channel has, as it allows interaction with consumers by offering a totally different experience to the traditional shopping (Sharma & Sheth, 2004). Impulse buying tendency as a personality trait varies among people and impulse buying behavior affect your grade (Chen, 2008). "Booming of online shopping will arise if it meets consumer, wants and needs" (Gammack & Hodkinson, 2003).In Last decade there is a dramatic increase in online shopping and impulse buying. Complete information may be increasing trend in online shopping over the Internet can provide (Novak *et al*, 2000).

2. Literature Review:

Electronic commerce is a tool to reduce costs and cycle time, that improve relationships with business partners and customers and streaming business processes (Charles, 1998). Buy online without a significant increase in the number of users as well as electronic commerce conducted through increased sales worldwide. Innovation and e-commerce's relationship between industries is due to changes in market competition (Blosch, 2000; Hamid & Kassim, 2004).

Dependent Variable:

1. Online shopping adaptation

Independent Variables:

1. Time
2. Brand Quality
3. Security & Privacy Risk
4. Price

2.1 Online shopping Adaptation

Adoption of e-commerce depends on the profile of potential consumers as not all consumers accept an innovation at a time (Rogers, 1962). Online shopping (E-commerce) is the buying and selling of goods and services online through internet (Nazir *et al,* 2012). Haubl & Trifts, (2000) says that Online shopping is a computer activity, by a consumer with a computer-based interface where the computer connects consumers are interacts with a retail store through a digital network. Online shopping adoption is a dependent variable which is influenced by the other independent variables such as Time, Brand Quality, Security/Privacy Risk, Price. These variables are discussed in our study are given below.

2.2 Time

Ease and saved time were accessible by online shopping which were two inspiring factors for online purchases. The major reason that motivated consumers to shop online was easiness. (Swaminathan *et al*., 1999). it Facilitate easy access to product information and buyers of online shopping can help you decide (Loshe & Spiller, 1997-8).

2.3 Brand Quality

Brand is defined as quality or service of a product. Often, brand was associated with the seller's reputation and consumer loyalty (Haig, 2001). E-sellers should make stronger shopper faith and trust by trading famous Website such as google.Com to encourage the online acquire rate. Brands and properties increases as more information is attained the available knowledge and consumer awareness (Kotler & Armstrong, 1997).
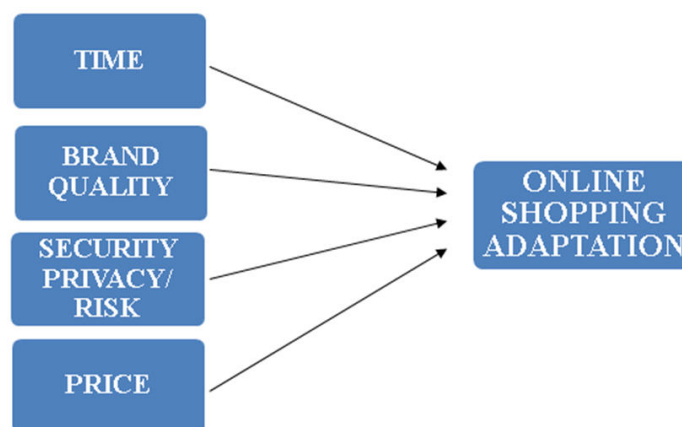
2.4 Security/Privacy

Individual via the Internet with a new kind of shopping are concerned about the potential risk. The perception of risk significantly affects the customer's intention(Lee and Clark, 1996). the buyer's consciousness of the anxiety and disparate importance of buying an invention or services. Online shopping includes more conditions that outdated shopping (Dowling & Staelin, 1994). Some studies intricate the security fears of the consumers like stealing of the individual's information and credit card manipulate the customer judgment to do online shopping (Malhotra et al. 2004 & Drennan et al. 2006) Observe the common threat observation of online shopping with the help of two essentials such as privacy and security risk.

2.5 Price

One of the main reason motives customers to shop online is the guarantee of larger savings.Price was a significant feature for consumer on online shopping. (Heim & Sinha, 2001). 85% of customers stare for price information when shopping online(Reed, 1999). Ziethaml (1982) says that customers predetermine and understand real price in ways that are important to them.

3. **Model**

4. Hypothesis

H1: there is a relationship between time and online shopping adaptation.

H2: there is a relationship between brand quality and online shopping adaptation.

H3: there is a relationship between security privacy/risk and online shopping adaptation.

H4: there is a relationship between price and online shopping adaptation.

5. Research Methodology

5.1 Data collection

The data of the study is collected from the individuals in Pakistan .The sample size of this study is 150. Simple random sampling was used to collect the data. Out of which 250 questionnaire, 150 questionnaires were received and were used for data analysis.

5.2 Research means

Data was collected by using questionnaire .The questionnaire consists of 25 questions related to our variables. The respondent of this study were asked to rate on five point Liker scale 1 being strongly agree and 5 being strongly disagree.

5.3 Data analysis

Data was entered, edited and analyze by using software Microsoft excel and software SPSS version 16 by applying the following techniques; Cronbach's alpha, correlation and Regression.

Table:1   **Reliability test**

Cronbach's Alpha	Cronbach's Alpha Based on standardized Items	No. of items
.933	.938	25

Cronbach's Alpha

To check the internal reliability of the instrument, Cronbach's alpha was run. The value of Cronbach's Alpha comes to 0.933 which is above the standard value of 0.60 which shows that our questionnaire data is reliable and we can apply different statistical tests and interpret the results.

Table:2   **Correlation**

	ONLINE SHOPPING	BRAND QUALITY	TIME	SECURITY RISK	PRICE
ONLINE SHOPPING	1	.927	.506	.351	.545
Sig(2 tailed)		.000	.000	.000	.000
N	150	150	150	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson correlation was run to check the relationship of variables with each other and whether any observed variable has perfect covariance with any other variables, which are observed in the study. From table 2 it is observed that all relationships were found significant. The correlation value of brand quality is .927 which shows that brand quality has large impact on online shopping. There is strong relationship between time and online shopping with the correlation value 0.506 which is above 0.5 it shows that time has great impact on online shopping as the time increases online shopping adoption decreases. Security risk has correlation value 0.351 which shows that there is less influence of security risk on online shopping. In the end price is also shows a great impact on online shopping.

Table: 3   **Regressions**

Mode I	R	R square	Adjusted R square	Std. Error of the estimate
1	.955	.913	.911	.08759

a. Predictors: (Constant), PRICE, BRAND QUALITY, TIME

Table shows the model summary of in which the value of R is .955 which shows that there is strong correlation between independent and dependent variable. The value of R square is 0.913 & adjusted R square is 0.911 which shows that model is good fit. Meanwhile all alternative hypotheses are accepted with the significance value less than 0.05 which shows that all independent variables have great influence on dependent variable.

Table:4 **ANOVA[b]**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.733	3	3.911	509.726	.000[a]
	Residual	1.120	146	.008		
	Total	12.853	149			

a. Predictors: (Constant), price, brand quality, time

b. dependent variable: online shopping

Table of ANOVA shows that F significance is 0.000 which is less than 0.05 which shows all independent variables do a good job in explaining the dependent variable.

Conclusion:

This study helps in considerate that how Time, Brand Quality, Security Risk & Price affect the customer adaptation towards online shopping. The data was collected from different places adopted by questionnaire.

Three tests were applied Cronbach's Alpha, correlation and regression. Cronbach's Alpha shows that questionnaire is reliable. From the regression analysis it indicates that model is a good fit. By applying correlation method all relationships were found significant. There is strong relationship between Online Shopping, Time, Brand Quality, Security & Privacy Risk, Price have less influence on customer adaptation towards online shopping.

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