CONSUMER PREFERENCE ON ONLINE PURCHASING: 
An Attitudinal Survey in Bangladesh

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Abstract

The paper aims to measure the attitude of the Bangladeshi people toward online shopping and to identify the factors that are critical to the preference to the online shopping. The findings from an extensive survey showed an overall positive reaction towards online shopping. Moreover, the study provides some interesting insights on consumer preferences towards online shopping in Bangladesh. The sample respondents have positive attitude towards online shopping which is mainly due to convenience in terms of less time consuming and hassle free shopping. Age, gender, income, profession/occupation, family structure and ICT familiarity are found as the critical factors for preferring online shopping. Findings also support that younger people who are frequent users of Internet are more inclined to online shopping. The findings contribute not only to existing literature by conducting an empirical survey on attitude of the people towards online shopping but also suggest the marketers that there is a high potential for target oriented online selling which is counter intuitive that Bangladeshi buyers are not ready for online shopping.

Keywords: Online Shopping, Online Shopping Behavior, Consumer Preference and ICT Familiarity.
INTRODUCTION
Online shopping has become an emerging alternative means of brick-and-mortar models for distributing products and services and its behavior has been one of the focused research issues in both information system and marketing disciplines with the rapidly growing e-business (Javadi et al., 2012; Lee & Chen, 2010). Online shopping behavior which is also known as online buying behavior refers to the process of buying products or services through the Internet. Similar to traditional buying process, online shopping also consists of five steps (Liang and Lai 2000). In the traditional online shopping process, when potential consumers identify a need for some goods or service, they go to the Internet and search for need-related information. In case of online buying, information appears as the most important factor since the product cannot be verified physically. Consequently, potential consumers become attracted by information about products or services which are related to the felt need; as a result they start to evaluate alternatives and choose the one that best fits their criteria for meeting the felt need. Finally, a transaction is conducted and post-sales services are provided to the consumers (Li & Zhang, 2002).
Several studies, both in developed countries and developing countries, have all made significant contributions to our understanding of the different aspects of online shopping field. However, there is a lack of study in this regard in Bangladesh which is considered as one of the next eleven emerging economy countries, along with the BRICs, among the world's largest economies in the 21st century. Among very few researches, Rahman (2014) studied trends, patterns and preferences of consumer to online buying were studied on a very small sample that limits the scope of generalization of the result. Zaman et al. (2013) studied with a specific focus on convenience and security on online consumer market in Bangladesh and Azam (2007) studied the effects of buying culture and e-infrastructure in case of implementation of B2Ce-commerce in Bangladesh.

The increasingly growing number of internet users and the developed world's evidence in successfully operating various internet dependent activities insist individual internet users, business institutions and retailers' of the developing countries and LDCs in general and Bangladesh in particular to be optimistic to transact B2C e-commerce as the volume of B2C e-commerce are growing every year in the United States and EU countries. We address this general matter in case of Bangladesh where internet users are increasing at an increasing rate (BTRC, 2014), number of wireless technology users in the area of M-commerce are growing (Islam et al. 2011), and B2C businesses are growing on online platform (Mohiuddin, 2014; Bhowmik, 2012). Hence, the objective of this paper is to measure the attitude of the Bangladeshi people toward online shopping and to identify the factors that are critical to the preference to the online shopping. In what follows, we first introduce the methodology of the study, and then we will report on a questionnaire based survey that involved a random sample of the urban Bangladesh population to assess the general attitude toward online shopping.

DATA COLLECTION METHODOLOGY
Questionnaires were used on a representative sample in the Chittagong Division among a sample size of 524 people in December 2014. The data were analyzed by using Statistical Package for Social Sciences (SPSS) software. In addition to descriptive statistics, Spearman Correlation was done to identify the relationship or association between the variables so that the impact of the indicators on the constructs can be measured. Details of sample selection, questionnaire development and data analysis, along with the questionnaire results may be obtained from the authors on request.

RESULTS
The descriptive statistics of the demographic information of the sample respondents showed that 56% of the total respondents are below 25 years, 40% are in between 26 to 64 years and 4% are above 65 years of age. Among the respondents, 34% are engaged with formal employment whereas 21% are engaged with informal employment and the remaining is not employed at all. Moreover, 27% of the total respondents have a monthly income of more than 30,000 taka. 76% respondents claimed to use Internet either for their personal use or for official use. Particularly, 44% declared to use mobile phone for Internet use. More than 55% respondents have a fast and reliable Internet connection for their needs, and in regard to the type of the connection almost 50% of them have a flat connection. We measure this dimension on an ordinal scale from 1(not fast and reliable)to 6 (very fast and reliable). With respect to the degree of familiarity with ICTs and services accessible
through the Internet, we evaluated this dimension also in subjective terms on an ordinal scale from 1 (no familiarity at all) to 6 (highest familiarity) and we found that 67% respondents declared a good familiarity (i.e., a value greater than 3) and in particular 33% chose the highest degree of familiarity. 35% of the respondents claimed to use different free use applications like Viber, Facebook, Skype, etc. Since an online purchasing behavior requires the prospective users to use Internet upon payment, we collected information regarding their regular expenses for Internet services; we found that 48% of the total respondents spend more than 500 Taka as their budget for Internet use per month. In regard to the readiness of the sample with online purchasing we detected their familiarity on such method. In this regard, we found that 83% people knew of it though few (26%) of them are familiar with using online services particularly for utility bill payment (Appendices for table 1-12).

66% respondents from the sample expressed a feeling of necessity for online purchasing; this feeling was found to be positively correlated with the family where both husband and wife is service holder \(r=+.61, p<.001\) and in case of nuclear type family \(r=+.31, p<.001\); where number of family members are less than 5 \(r=+.58, p<.001\) and also in case of the people with business profession \(r=+.41, p<.001\). Moreover, we found a positive correlation between income and attitude \(r=+.70, p<.001\), and in the case of gender and attitude \(r=+.51, p<.001\).

Female respondents are more likely to prefer in-store purchasing to online shopping (Binomial test proportion: .27 vs .73, \(p=.000\)). The main three reasons were identified as: enjoy in-store shopping, more reliable, perceived discomfort in online buying. Moreover, the respondents expressed a significant interest towards online purchasing when the purchased commodities do not require physical verification or mostly for routine purchases (Binomial test proportions: .18 vs .82, \(p=.000\)).

In regard to prefer online purchasing, younger respondents showed a stronger preference to online purchasing (Mann Whitney Test \(U = 17303,500, p<.001\)). It is significant that respondents with a higher ICT usage (at least once a day) expressed a stronger willingness to purchase online (Mann Whitney test, \(U = 4654,000, p<.05\)).

**DISCUSSIONS**

The main objective of this study was to measure the attitude of Bangladesh consumer towards online purchasing and to identify the factors that are critical to such preference. The findings so far indicated that the sample respondents have positive attitude towards online shopping which is mainly due to convenience in terms of less time consuming and hassle free shopping. Age, gender, income, profession/occupation, family structure and ICT familiarity are found as the critical factors for preferring online shopping.

Usually, the younger are more familiar to ICT and more inclined to convenience in case of shopping (Hortmanet al., 1990). In regard to this, our findings also support that younger people who are frequent users of Internet are more inclined to online shopping. This evidence also support the past researches that the more frequently consumers use computers or other electronic devices that are connected to Internet, they are more willing to espouse online shopping (Shim & Drake, 1990). The reasons for ICT familiarity could be explained in terms of increasing trend in internet subscription in Bangladesh in last years. The total number of Internet subscribers has reached 42996,687 thousand at the end of November, 2014 which was 36128,592 thousand at the end of October 2013 in Bangladesh (BTRC, 2014). In addition, nowadays Smartphones have become available in Bangladesh and people are now switching from feature phones to smart phones, because they are no longer incredibly expensive devices either. Moreover, market for smartphone observed a rise in shipments during the period January-March 2013 over the October-December 2012, taking the overall contribution of smartphones to 3.1% for the period. And this growth clearly shows the propensity of the Bangladesh customers adopting smartphones (CMR, 2013). Consequently, within a very few years, ICT has turned out to be an effective way that helps to promote changes in different sectors in Bangladesh. This could be one reason for peoples’ preferences toward online shopping.

It was clear and reasonable that the more the people are affluent, the more they are familiar to ICT services. Our findings also support the fact that personal income is correlated with their ICT familiarity in terms of Internet usage time. We found that female respondents were less inclined to online shopping that supports the previous study that women have a higher level of web apprehensiveness and are more skeptical of e-business than man (Rodgers & Harris 2003); in our case we explored...
the reasons: available time for in-store shopping, which was more enjoyable and more reliable mode of shopping.

One of our significant findings was the relation between family structure and likeliness to prefer online shopping. We can infer that when people do not have free time for shopping, especially in case of nuclear family or when both husband wife are employed, they prefer online shopping more than the people in joint family. This could be explained in terms of the consequence of the findings of comply with the findings of Jesmin & Ingman (2011) that family structure is changing along with with other changes like urbanization, women participation in labor force, etc. Moreover, a number of websites, e.g. http://www.bdgift.com, http://bikroy.com/en, Ekhanei.com, etc. have been developed that facilitate purchasing products online or both purchasing and selling online at relatively low cost. In most cases, these kinds of online platforms encourage mobile users to browse via mobile phone through different offers. Consequently, people are getting more inclined to online shopping day by day.

In terms of e-readiness, we found that Bangladeshi consumers are "ready and willing or prepared to get benefits of Information Communication Technologies" (Dada, 2006) and mobile technologies has opened up an opportunities for the marketers for expanding their business thorough online selling. Our findings in relation to mobile internet users who are also very used to with free message application confirms that there is high potential of online selling and one to one personal marketing at a very low cost.

CONCLUSIONS

The goal of this paper was to study the attitude of Bangladeshi people towards online shopping and to identify the critical factors in this regard. The findings from an extensive survey showed an overall positive reaction towards online shopping. Moreover, our study provides some interesting insights on consumer preferences towards online shopping in Bangladesh. This study makes several important theoretical contributions. It has been shown empirically that in addition to age, gender, income, ICT familiarity and occupation, family structure plays an important role in case of preferring online buying. The findings add value not only to existing literature by conducting an empirical survey on attitude of the people towards online shopping, but also suggest the marketers that there is a high potential for target oriented online selling which is counter intuitive that Bangladesh buyers are not ready for online shopping. However, this research did not cover the area of consumer satisfaction in online shopping. To fill this gap, we aim our future work in addressing the levels of customer satisfaction and loyalty for purchasing the same products or services when they purchase them online.

References


