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## Research Paper

## FACTORS AFFECTING PRIVATE UNIVERSITIES STUDENTS' INTENTION TO SHOP ONLINE

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### ABSTRACT

**I**n the age of globalization, consumers tend to focus more on online retailer less on physical retailers. Due to its dynamic, user friendly and operational features, online shopping platform are getting much popularity among universities students in developed Asian countries such as China, India and Thailand. However, it has been observed that for various reasons students of private universities in Bangladesh are reluctant to shop online. This study, which is exploratory in nature, identifies the possible determinants affecting consumer intention to shop online. A total number of 100 students from four private universities were surveyed with the structured questionnaire. All collected data were encoded into SPSS for descriptive analyses such as mean, percentage. Study confirmed that some of the determinants such as return policy, variety, quality, features, privacy policy, and sales promotion are positively affecting students' intention to shop online in Bangladesh. Study also identified some obstacles to shop online, consumers' expectations toward online retailers, and various drivers influencing consumers' decision making process. This study may be extended further by incorporating inferential statistics such as PCA, or SEM.

**KEY WORDS AND PHRASES:** online shopping, consumer intention, e-commerce, e-shopping, shopping behavior.

## 1. INTRODUCTION

In today's world, online shopping in a form of e-commerce, plays a vital role in the people's daily life and getting much popularity among consumers, especially those who are unable to visit the physical store due to time constraints, are usually targeted by various online shopping platforms in Bangladesh. To meet the rising demand, retailers are expanding through online the market in order to grab more customers. In fact, online retailers are offering various benefits such as such as free home delivery, easy payment methods

and return policy. As a result, consumers are showing much interest in online shopping less in physical store.

The modern E-commerce cannot be imagined without the wide acceptance of Online shopping platform. If it's compared to the behavior the of private University students who are living in Dhaka city with other Asian countries such as China, Thailand and Indian, significance differences and gaps can be observed.



The University level students of the developed Asian countries such as China and Thailand mainly rely on online shopping and it can be observed that to meet the derived demand the world's largest online shopping companies such as eBay, Tmall, Taobao, Amazon are investing in those countries. The level of competition is also pretty high because of the initiatives taken by local small startups companies and by expanding its network in the neighboring countries. In India and China the students are buying the necessity product from online with enthusiasm. In spite of the fact that the product of those online shopping sites are priced quite high, consumers are showing steady interest in resolving their daily need. In our country, although the essence of online shopping are getting much popular among young crowd in Dhaka city, it is not widely accepted by people of others cities. As a result, most of its operations are limited and benefits are unidentified by the majority of the consumers. In order to boost retailers' profit, it is imperative to know the needs and wants of the potential consumers in Dhaka city. In another word, retailer needs to know the determinants affecting consumers intention to shop online. It has been observed that, a large number of students are still out of this online network as they still prefer to visit physical store nearby despite of the fact that students are completely aware of the online retailing activities. To know the answer, a study has been undertaken to know the possible determinants affecting private universities students' intention to shop online. Through this study we also wanted to identify the obstacles faced by consumers, preferences and expectation of the consumers while shopping online. The overall findings of the study are based on descriptive statistics generated by SPSS.

## 2. LITERATURES REVIEW

(Khan and Ali, 2012) examined the factors such as convenience, design, trust, security price, affecting consumers intention towards online shopping. In their study, questionnaires were distributed among the students of four private universities in Chittagong city. Study confirmed that trust, convenience and price had significant positive relationship with intention to shop online. Contrary, website design and security had no relationship with intention. (Jin et al., 2015) conducted a Study on "Attitude towards Online Shopping Activities in Malaysian Public University". The results demonstrated that the students have shown moderate level of attitude toward online shopping activities in the public university. Study confirmed that the

university students are shifting their purchase behavior more on online less on physical store.

(Hana et al., 2012) found that the expansion of online business into developing countries is more logical since there are potential growths in developing countries. The author further noted that among all developing countries, the market attractiveness score of China is 84.0 which led china ranked top of the global retail index calculated in 2013, compare to other developed countries such as Japan, US, UK, South Korea, Germany and France. (Seock and Bailey, 2008) conducted research on college students of two eastern US universities. Result revealed that two estimated variables, information about online and purchase of apparel item had direct influence on the participants' shopping orientation comprising seventh items such as shopping enjoyment, brand consciousness, price consciousness, shopping confidence, convenience, in-home shopping tendency and brand/store loyalty.

(Howladar et al., 2012) conducted a Study on Developing Online Shopping Intention among People: Bangladesh Perspective. He suggested that in order to boost up online business, all stakeholders should take digital business and start doing digital transaction. This will be eventually adopted widely and efficient as all consumers have to be thrived in a more holistically supportive environment. The boost will not only be measured in terms of the number of computer, mobile phones, etc, but also be measured by the ability to utilize and skills necessary to adopt a system.

(Suhan, 2015) investigated the acceptance of online shopping in Bangladesh from consumer's perspective and recommended that, as a developing country, in Bangladesh, E-commerce is not growing significantly as it was projected earlier. A lot of online shops are being developed, but the amount of purchase is very low compare to other developing countries in South East and North East Asia.

## 3. METHODOLOGY

The study used exploratory research method by which we wanted to explore particular situations and, therefore, primary data were focused on summarizing the ultimate findings of the study. To conduct this study a structured questionnaire comprising several parts was designed by incorporating various scaling techniques. At first Nominal Scale questions were asked, to find out the background of the respondents. The interval scale questions were asked to know the income, credit completion, expense and so on. Two Likert questions were asked to measure their level of enthusiasm for online

shopping and finally the category scale questions were asked to find out our research objective. This study also used some secondary data by reviewing different websites, magazines, annual reports, journals, reference books, and newspapers and so on.

A total number of 100 students from five private universities such as BRAC University, Southeast University, Bangladesh University of Business and Technology (BUBT), Presidency University and Daffodil International University were surveyed randomly. From each university, a total 20 student were selected

randomly within the sample extent and frame.

All students were requested to fill up the questionnaire measuring their responses in various scales developed. Researcher conducted in-depth interviews prior to distributing the questionnaire.

The collected data were encoded into SPSS (Statistical package for Social Sciences) for descriptive analyses. To analyze nominal data "Frequency" option was used with Pie Charts and Bar charts for a Visual Representation. For category scale questions, Descriptive option was used to find out the Mean and Standard Deviation of each question.

#### 4. ANALYSIS AND INTERPRETATION OF THE DATA

##### 4.1 Respondents' profile

**Table 1: Gender**

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	66	66.0	66.0	66.0
Female	34	34.0	34.0	100.0
Total	100	100.0	100.0	

As we can see from the table 1, among the 100 respondents from the 5 different Private Universities in Dhaka, most of the respondents are male, and the rest

are female. Based on the data given it can be summarized that the male students are more interested in shopping online.

**Table 2 : Respondent's Residence**

Location	Frequency	Percent	Valid Percent	Cumulative Percent
Motijhil	7	7.0	7.0	7.0
Uttara	14	14.0	14.0	21.0
Dhanmondi	18	18.0	18.0	39.0
Gulshan-Banani	19	19.0	19.0	58.0
Others	42	42.0	42.0	100.0
Total	100	100.0	100.0	

From the data shown in table 2, it can be noticed that 19% of the consumers who shop online reside in

Gulshan and Banani. 18% of the consumers belong to Dhanmondi and the rest live in Motijhil and Uttara.

**Table 3: Academic Department**

	Frequency	Percent	Valid Percent	Cumulative Percent
BBA	57	57.0	57.0	57.0
CSE	8	8.0	8.0	65.0
EEE	2	2.0	2.0	67.0
ECO	7	7.0	7.0	74.0
ENG	12	12.0	12.0	86.0
OTHER	14	14.0	14.0	100.0
Total	100	100.0	100.0	

As we can see from the above table 3, BBA Students are representing the over half of the respondents. 8% of the consumers are from CSE

department, 7 % of the consumers are form ECO department, the rest of the consumers are from EEE and ENG, respectively.

**Table 4: Interest in Online Shopping-Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Interest Level	100	1	4	2.34	.934
Valid N (listwise)	100				

It is significant to know the level of interest in Online Shopping among the private university students of Dhaka before the STP (Segmenting, Targeting, and Positioning) activities takes place. As shown in table 4, the minimum value of the question is 1 which means the respondent is "Very Interested". On the other and

maximum value is 4, which means the respondent is "Not Interested". Interestingly, none of the respondent has scored 5 which clearly indicate "Strongly avoid Online Shopping". The Mean Value is 2.34 which clearly indicate that most of them are "Interested" in online shopping.

## 5. DETERMINANTS

### 5.1.1 Frequency of purchase

**Table 5 : How often want to purchase**

	Frequency	Percent	Valid Percent	Cumulative Percent
Daily	3	3.0	3.0	3.0
Weekly	14	14.0	14.0	17.0
Monthly	40	40.0	40.0	57.0
Yearly	31	31.0	31.0	88.0
Never	12	12.0	12.0	100.0
Total	100	100.0	100.0	

Buyers tend to show different behavior when shop online. It is important for the online retailers to know how frequently consumers shop online, and how frequently consumers are shopping online?

From the table 5, shown above it can be seen that almost half of the respondents prefer to shop at

least once in a month. A large portion of the respondents prefer to shop at least once in a year. Nearly, 31% of the respondents are categorized as weekly shopper. There are also good number of respondents who "Never" shopped online.

### 5.1.2 Return Policy

**Table 6 : Return policy**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Day	12	12.0	12.0	12.0
	2 Days	23	23.0	23.0	35.0
	3 Days	33	33.0	33.0	68.0
	7 Days	32	32.0	32.0	100.0
	Total	100	100.0	100.0	

When the actual product does not match with the product visualized on the website after the delivery, some of the products may be returned to the seller, and in some cases the product fault can be found after few days of purchase.

As shown in table 6, 33% of the respondents think that there should be at least 3-day return policy. On the other hand, 32% of the respondents demanded at least 7-day return policy. A quite portion of respondents think that at least 2-Day return policy would be okay for them.

### 5.1.3 Amount of purchase

**Table 7: Amount of Purchase**

	N	Minimum	Maximum	Mean	Std. Deviation
Amount of Purchase	100	1	6	2.69	1.433
Valid N (listwise)	100				

The profit of online shopping companies is greatly dependent on how many items are being sold and how much money is being invested by the consumer in a particular product or product class. As we can see in table 7, the minimum value was set as 1 which means, among the respondents who prefer to spend at least 500

BDT in a particular product or product class. On the other hand, Maximum value was set as 6 which means, some respondents prefer to spend more than 2500 BDT in a shopping site. The calculated mean value is 2.69, which means, most respondents want to spend between 500 and 1500 BDT per month.

#### 5.1.4 Product category

**Table 8: Product categories or items**

	N	Minimum	Maximum	Mean	Std. Deviation
Electronics	100	1	5	3.10	1.439
Cloth Items	100	1	5	3.75	1.201
Personal Care	100	1	5	3.63	1.253
Home & Living	100	1	5	3.19	1.277
Food Items	100	1	5	3.80	1.333
Other Items	100	1	5	3.21	1.499
Valid N (listwise)	100				

To analyze this sort of question we simply used importance scale in which the initial weight was assigned as 1 for indicating very important as the answer and 5 for indicating least important for as the answer. From

the above table 8, it can be seen that all mean values are above 3 which means that all the items shown above are important for the consumers who shop online.

## 6. DRIVERS AND BARRIERS TO ONLINE SHOPPING

**Table 9: Barriers to online shopping**

Barriers	N	Minimum	Maximum	Mean	Std. Deviation
Price	100	1	5	2.71	1.533
Inconvenient Method	100	1	5	4.06	0.941
Lack of Security	100	1	5	4.10	0.990
Time	100	1	5	4.24	0.976
Valid N (listwise)	100				

All respondents were asked to prioritize few major problems of online shopping in Bangladesh. To analyze this sort of question we simply used rating scale in which the initial weight was assigned as 1 for indicating very important as the answer and 5 for indicating least important for as the answer. Out of 4 items as shown in table 9, "Time Consuming" Scored

the highest in Mean value which is 4.24 that is almost closer to 5 which represents "Very Important". "Lack of security" scored 4.10 and "Inconvenient Payment Method" scored almost close to 4 which represent "Important". Least scored options is "Price" (2.71) which is almost closer to 3 which represents "Moderate". So, as we can see, the Time is most important and Price is least important barrier to online shopping.

**Table 10: Drivers of online shopping**

Drivers	N	Minimum	Maximum	Mean	Std. Deviation
Quality	100	1	5	4.37	1.070
Features	100	1	5	4.32	.931
Discount	100	1	5	4.30	.937
Privacy of Info	100	1	5	4.14	1.005
Valid N (listwise)	100				

Each and every consumer has different preference toward online shopping. To know the consumers preference, a number of items were given and respondents were asked to prioritize those options. To analyze this sort of question we simply used rating scale in which the initial weight was assigned as 1 for indicating very important as the answer and 5 for indicating least important as the answer. From the table

10 it can be seen that, among all given options, the calculated mean value of product quality is the highest among all options. Nevertheless, the calculated mean value of Product Feature is 4.32, and Discount is 4.30. . Lastly, Privacy of Information scored 4.14 which is close to 4 (Important). From the above information it can be argued that people care less in privacy more on Product feature, Discount & Quality while shopping online.

**7. BENEFITS OF USING ONLINE SHOPPING PLATFORM**

**Table 11: benefits of online shopping**

	N	Minimum	Maximum	Mean	Std. Deviation
Product Info & Demonstration	100	1	5	3.86	1.005
Hassle Free	100	1	5	3.96	.852
Free delivery	100	1	5	4.46	.771
Easy Access	100	1	5	4.06	1.108
Valid N (listwise)	100				

Online shopping platforms offer some attractive features which is likable to the most of the consumers in Bangladesh. From the above table 11, that the benefits such as product info and demonstration,

hassle free, free delivery, and easy access offered by online shopping sites are highly appreciated by the consumers as each calculated mean value is above 3.

**8. What do consumers dislike about e-shopping?**

**Table 12: Dislikes about online shopping**

	N	Minimum	Maximum	Mean	Std. Deviation
Impossible to Bargain	100	1	5	4.32	.994
Difference between actual product and displayed product	100	1	5	4.36	1.010
Cannot be touched	100	1	5	4.19	.907
Valid N (listwise)	100				

Online Shopping has some features which may be disliked. From the above table, it can be seen that the

calculated mean values of all items shown in above table 12.

**9. CORRELATIONS ANALYSIS**

**Table 13: Correlations**

	Purchase intention
Return Policy	0.191
<b>Variety</b>	<b>0.212*</b>
<b>Discount</b>	<b>0.229*</b>
Payment Method	-0.052
<b>Product Intangibility</b>	<b>0.225*</b>
<b>Impossible to Bargain</b>	<b>0.255*</b>
Easy to navigate	0.152
<b>Product Info &amp; Demonstration</b>	<b>0.201*</b>
Privacy of Information	0.101
Product Quality	0.043
<b>Convenient</b>	<b>0.205*</b>
Price	-0.092

\*. Correlation is significant at the 0.05 level (2-tailed).

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



Pearson correlation analyses were used to examine the relationship between purchase intention and a set of manifest variables. Results are portrayed in table 13. From the table it can be seen that out of 12 variables, 6 manifest variables; Variety, Discount, Product Intangibility, Impossible to bargain, product info & demonstration, and convenient are positively correlated. Although the strengths of correlations are weak (PEARSON'S, 2011), all correlations are statistically significant at 0.05 level.

## 10. DISCUSSION

Most of the respondents think that online shopping is quite time consuming, because, in Bangladesh the products which are bought online are delivered within 24 to 72 hours, Whereas, consumers need to spend 2 to 3 hours to buy products from the stores nearby. Respondents of the study think that online shopping is not secured and trustworthy at all. In most cases consumers get confused by the visual display and need to rely on the retailers. As a result, many of the consumers often receive low quality products which are different than the product displayed online. The existing payment method is inconvenient for the majority of the consumers in Dhaka city. Unlike many international online shopping sites, some domestic online shops only accept the credit card or debit card which are not preferred by the respondents. Most of the respondents are positive about the price level set by the retailers. Some of them think that the price is the major barrier to online shopping compare to other factors such as time, Payment method and Security.

According to the respondents, Product Quality is the most important factors affecting their shopping behavior. There is less scope to judge the quality of product just by seeing the picture of the product on website. So, they think the quality should be ensured first. Product features is also important for the respondents because, the offered product on online should have the capacity to satisfy their need. Last of all, discount is quietly important for the respondents, but most of the respondents are quite satisfactory with the privacy system provided by the online shopping, since online shops do not disclose their customer database to any third-party.

The most expected offering among the respondents is "Special Discount Card". This representative thinks that online shopping companies should give special discount card to the private university students in Dhaka to encourage them to shop online. Because, as a student they always look for best

product at a cheaper price. Secondly, most of the respondents think the Appointing Campus Representatives would be another option for gaining the attention of Private university students in Dhaka. Because, there are lot of confusions and misconception about online shopping is present among this group. So, a well experienced representative in each university can be effective for them. Last of all, the respondents do not think, "More Outdoor Campaign" by the companies would be a good idea to encourage then in online shopping.

## 11. CONCLUSION

The aim of this research was to identify private universities students' intention to shop online in Dhaka city. Research data reveal that students' attitude towards various online shopping sites is quite positive, but they are reluctant to shop online because of various instrumental factors or causes. Some of the factors such as trust, security, payment method, quality, features, and various promotional campaigns are directly affecting students' intention to shop online. Furthermore, some of the factors such as bargaining activities, tangibility not affecting students' intention to shop online, but these factors are severely hated or disliked by the consumers.

Future study may be undertaken by engaging different approaches such as Confirmatory Factor Analysis (CFA), Structural Equation Modeling (SEM) in order to confirm to all factors identified by this study. Researcher may also incorporate Principle Component Analysis (PCA) to confirm or disprove all factors mentioned in the earlier part of this article.

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