

An Analysis on Factors Influencing Customers Buying Attitude: A Study on Online Purchasing Practices of Bangladesh

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Abstract

The purpose of this study is to evaluate the factors which influence the Bangladeshi customer's attitude towards buying product from online shop. It has examined the impact on a number of factors such as socio-demographic factors (gender, income, education), customers' perception about product attributes (price, quality), customers' perception about service delivery (delivery speed), and technological factors on customers (privacy and internet security)' attitude towards purchasing product from online shop. To conduct the study, mixed method of quantitative and qualitative techniques is considered as suitable method as it relates to the adopted research philosophy. A questionnaire is used for collecting quantitative primary data from 100 customers who buy goods from online shops. Secondary data are collected from existing literatures, statistics and websites. From all over the study and analysis it is found that without the income and the delivery speed all of other factors have significant influence on customers' buying attitude.

Key Words: *Customer Buying Attitude, Online Shopping, Socio-Demographic Factors, Product Attribute, Service Delivery, Technological Factors.*

1. Introduction

Online shopping has now been very common in almost every society. Therefore, the attitude of the customers in purchasing consumer goods online has been interesting area of study.

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Different researchers have investigated customers' attitude and behavior from different perspectives. According to Amoroso & Hunsinger (2009), attitude of the customers in purchasing goods from online is affected by the trustworthiness of the seller, perception about the privacy and value, and the experience in the internet use. Zheng (2010) investigated customers' online purchasing behavior and identified a number of different factors which contribute to the customers' buying attitude. These factors include demographics, socio-economic factors, personal characteristics, product characteristics, website quality, and etc. Zheng (2010) also argued that concern for privacy and internet security works as a filtering element in influencing the customers' attitude in purchasing consumer goods online. Similarly, Elgarah & Falaleeva (2005) explained that the attitude of the customers' can be negatively affected by the privacy concern in online purchasing. There have been a number of classical researchers such as (Heide & John 1992; Lusch & Brown 1996; Kotler 2000) who have investigated customers' behavior and attitude in various contexts. Researchers including Fishbein & Ajzen (1975) and Ajzen & Fishbein (1980) have argued that it is necessary to investigate customer behavior because it helps the organizations in designing effective strategy for service delivery.

2. Rationale of the study

With the advances in ecommerce, the choices and attitudes of the customers have become fast changing. Thus, it has been essential to investigate the customer behavior in relation to the online purchasing of the consumer goods. Though there has been a good number of researches on customer behavior, a few of them focuses of the attitude of the customers in buying electronics goods online. Moreover, changing nature of customer demands and choices has reduced the usefulness of the past researches and created the need for new research to explore new findings. Undertaking this study will contribute to the existing literature with updated findings on the factors affecting attitude of the customers in purchasing customer products online.

3. Objectives of the Research

This study is aimed at evaluating the factors which influence the customer's attitude towards buying product from online shop. The objectives for this study are as follows:

- i. To investigate how socio-demographic factors affect consumers' attitude towards online purchasing.
- ii. To examine how customers' perception about product attributes, and customer service affect consumers' attitude towards purchasing product from online shop.

- iii. To evaluate how different technological factors affect the customer's attitude towards purchasing product from online shop.
- iv. To offer recommendation for online shop to improve understanding of the attitude of the customers in Bangladesh towards purchasing product from online shop.

4. Literature Review

Though behavior and attitude are not the same concept, they are closely related to each other. Key difference between attitude and behavior is that attitude is internal and behavior is external. Thus, behavior of the customers can easily be noticed by everyone while attitude of the customers are not likely to be immediately shown. Human mind keeps attitude shelled and cannot be observed from outside. However, studying attitude of the customers is important because behavior of the customers is shaped by their attitude towards a particular product, or brand (Leelayouthayotin 2004).

According to Schiffman (2014), customers' attitude refers what they think about a particular product or brand. On the other hand, customers' behavior refers what they do. The attitude is largely associated with the mind of the customers while behavior is mainly associated with the actions of the customers. As attitude and behavior are closely related, the way customers act can be shaped by the way they think. Thus, attitude of the customers can play an important role in deciding whether to buy a particular product from a particular source or not.

Wienholtz et al. (2003) also explained that attitude of the customers has the power to shape the actions of the customers. It is likely that the customers having positive attitude about a product or brand will act positively towards that product while making purchasing decision. However, the questions come about how to judge the attitude of the customer while it is not visible to others. The answer is that the actions of the customers are the reflections of their attitude. For example, a customer who usually refers his friends and family to buy products from a particular shop, it can be inferred that the customer has positive attitude towards the products of that shop (Fishbein & Ajzen 1975).

4.1 Factors Affecting Customers' Attitude in Online Purchasing

4.1.1 Socio-demographic factors

One of the key factors that shape the attitude of the customers is their socio-demographic characteristics. A number of existing researches have explored that the attitude of the customers can be affected by their demographic and social characteristics. Richa (2012) investigated the impact of demographic factors on the online purchasing behavior of the customers. Richa (2012) worked on a large sample of 580 respondents from different cities. It was concluded that the customers' online purchasing behavior can be influenced by the

gender, marital status, family size and income of the customers. According to Yang (2005), men are more positive towards online purchasing while female are relatively less predisposed in adopting online shopping.

4.1.2 Perception about product attributes

The products attributes such as quality, price, and variety may have impact on the attitude of the customers who buy from online stores. Nazir et al. (2012) investigated the factors affecting the attitude of customers in purchasing goods from online stores. It was found that the customers' buy online because they perceive that they can save both time and money in online purchase. The sense of relatively lower price with consistent quality may attract the customers towards the online stores. Goldsmith et al. (2005) also recognized the impact of price on the attitude of the customers.

4.1.3 Perception about customer service

It is essential for the online stores to ensure timely delivery of the goods ordered by the customers. Javadi (2012) argued that perceived non delivery risk may adversely affect the customers' attitude towards online shopping. Coursaris & Hassanein (2002) explained that the success of the business depends on winning the trusts of the customers. Establishing an image of trustworthiness in the mind of customers is relatively more important in case of online stores.

4.1.4 Internet security concern

Breach of privacy and theft of private information from online sources is common in now days. Therefore, the concern about safety of the private information may affect the attitude of the customers in purchasing goods from online stores. Miyazaki & Fernandez (2011) investigated the consumers' perception about privacy and security risk in case of online shopping. It was found that the consumers who are concerned about their privacy and information security possess relatively less positive attitude towards online shopping. Bhatnagar & Ghose (2004) also recognized that the concern about internet security has always been one of the key concerns for the customers in online shopping.

5. Methodology and Research Design

This study relates to identifying the factors affecting the attitude of the customers towards online shop of Bangladesh. For the purpose of this study, a mixed method of quantitative and qualitative techniques is considered as suitable method as it relates to the adopted research philosophy. Questionnaire is used for collecting quantitative data from 100 customers who buy product from different online shop of Bangladesh. On the other hand, secondary data are collected from existing research findings, statistics and websites. This study involves hypothesis testing in relation to different factors affecting attitude of the customers in online

shopping. Thus, deductive approach is taken for this study. To test the hypothesis, Secondary data are critically evaluated, compared and contrasted to support the findings.

To analyse the data which are collected for this study, 'MS Excel' and 'SPSS' are used. Different types of statistical tools and techniques are used for analyzing the data. These include frequencies, means, cross tabulations, and etc. To test the hypothesis, Chi-square test is used. To present the findings of the study, graphs, charts, and tables are used. Secondary data are critically evaluated, compared and contrasted to support the findings. This point analyses and discusses the frequencies, means, and Chi-square test in relation to the questions. 7 hypotheses are developed. These hypotheses are tested in this chapter using Chi-square test for independence.

5.1. Hypotheses Development

To address the research aims and objectives more effectively, following hypothesis are developed:

H1₀: Gender of the customer has no impact on their attitude towards purchasing product from online shop.

H2₀: Income of the customer has no impact on their attitude towards purchasing product from online shop.

H3₀: Education of the customer has no impact on their attitude towards purchasing product from online shop.

H4₀: Customers' perception about quality of the product does not affect the attitude towards purchasing product from online shop.

H5₀: Customers' perception about reasonableness of price does not affect the attitude towards purchasing product from online shop.

H6₀: The delivery time does not affect the attitude of the Bangladesh customers towards purchasing product from online shop.

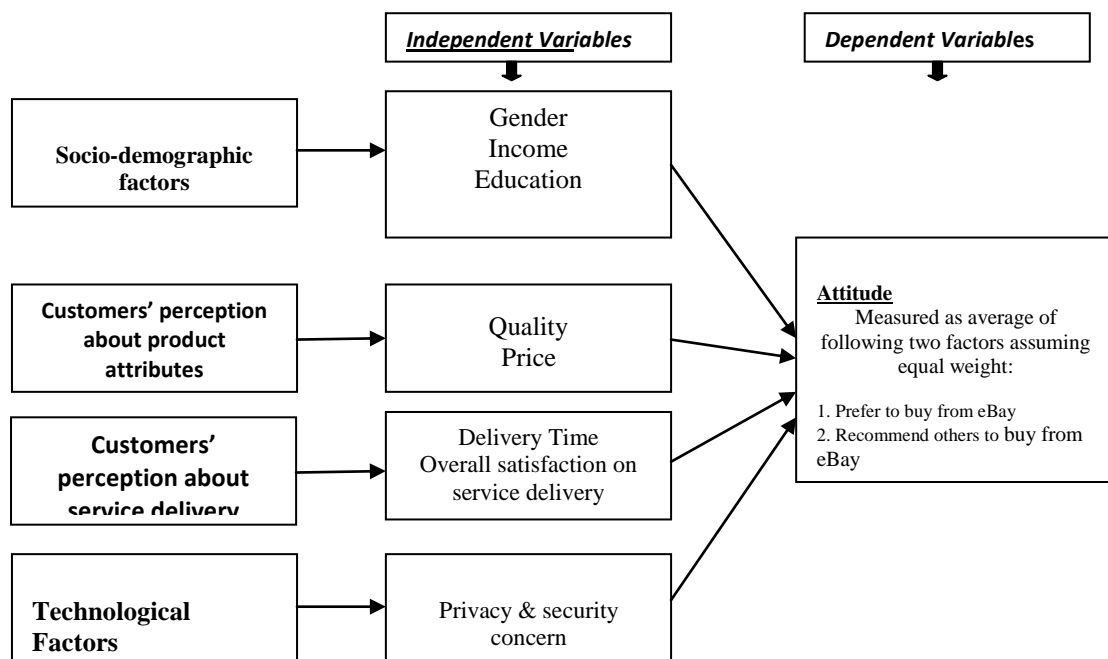
H7₀: Concern for breach of privacy and internet security does not affect customer's attitude towards purchasing product from online shop.

5.2 Framework of Data Analysis

This study will be aimed at evaluating the factors which influence the customer's attitude towards buying product from online shop. Therefore, a number of independent variables are identified for testing their influence on customers' attitude. Independent variables in this study are categorized in four classes. These include socio-demographic factors, customers' perception about product attributes, customers' perception about service delivery, technological factors. Socio-demographic factors which are considered for testing in this

study are gender, income, and education of the customers. Customers' perception about two types of product attributes including price and quality are tested in this study. Customers' perception about service attributes such as delivery time is also tested in this study. On the other hand, technological factors considered in this study include concern for privacy and internet security.

Figure 1: Framework of data analysis



(Source: Designed by the researcher)

On the other hand, dependent variable in this study is the attitude of the customers. Customers' attitude is measured using two factors including whether they prefer to buy from online shop or not, and whether they like to recommend others to buy from online shop or not. To determine attitude of the customers towards online purchasing, the responses obtained on these two factors are averaged assuming equal weight. Chi-square test for independence is used to test whether the independent variables has significant influence on the dependent variable 'attitude'. A scale of 5 is used for measuring attitude.

Significant level is considered in this study is 5%. Thus, null hypothesis is not rejected where P value of Chi-square test is greater than 0.05. On the other hand, alternative hypothesis is accepted where P value is less than 0.05. The SPSS outcomes on data analysis are attached in Appendix B in detail.

6.0 Research Analysis and Discussion

6.1 Impact of ‘gender’ on customers’ attitude

The 100 respondents of this study consist of 52 male and 48 female. The mean of attitude is 3.31 for male customers and 3.27 for female customers. It provides a preliminary finding that the attitude of both male customers towards purchasing product from online shop is not different from the attitude of the female customers.

Further, Chi-square test provides the basis for concluding whether gender can significantly influence the attitude of the customers towards purchasing electronics goods from online shop. In relation to gender, following hypothesis is tested:

H₁₀: Gender of the customer has no impact on their attitude towards purchasing product from online shop.

H₁₁: Gender of the customer has impact on their attitude towards purchasing product from online shop.

Figure 2: Chi-Square Tests: Gender-Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square | 2.228 ^a | 7 | .946 |
| Likelihood Ratio | 2.631 | 7 | .917 |
| Linear-by-Linear Association | .023 | 1 | .879 |
| N of Valid Cases | 100 | | |

a. 14 cells (87.5%) have expected count less than 5. The minimum expected count is .48.

Here, P value is 0.946 which is greater than the significance level 0.05. Thus, null hypothesis that “Gender of the customer has no impact on their attitude towards purchasing product from online shop.” cannot be rejected.

6.2 Impact of ‘income’ on customers’ attitude

The income level of the respondents of this study is presented that the respondent whose monthly income less than Tk. 15, 000 is 17%, Tk. 15, 000 to Tk. 20, 000 are 22%, Tk. 25, 000 to Tk. 30, 000 are 37% and above Tk. 30, 000 are 24%.

The changes in mean value of attitude of the customers due to difference in income level are presented in the figure-13. It provides the preliminary finding that the attitude of the customer having higher income level is more positive to the online purchasing product from online shop.

H₂₀: Income of the customer has no impact on their attitude towards purchasing product from online shop.

H₂₁: Income of the customer has impact on their attitude towards purchasing product from online shop.

Figure3: Chi-Square Tests: Income-Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 36.263 ^a | 21 | .020 |
| Likelihood Ratio | 43.566 | 21 | .003 |
| Linear-by-Linear Association | 4.413 | 1 | .036 |
| N of Valid Cases | 100 | | |

a. 32 cells (100.0%) have expected count less than 5. The minimum expected count is .17.

Here, P value is 0.02 which is lower than the significance level 0.05. Thus null hypothesis is rejected. Therefore, alternative hypothesis that “Income of the customer has impact on their attitude towards purchasing product from online” is accepted.

6.3 Impact of ‘education’ on customers’ attitude

The respondents of this study have different levels of education as presented in the figure-15. The study shows that most of the respondents of this study either college level is 33 and university level education is 37. Some of the respondents have school level education is 20 while and 10 respondents have professional education. To evaluate the significance of the impact of the level of education on customers’ attitude, following hypothesis is tested:

H₃₀: Education of the customer has no impact on their attitude towards purchasing product from online shop.

H₃₁: Education of the customer has impact on their attitude towards purchasing product from online shop.

Figure 4: Chi-Square Tests: Education: Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 20.028 ^a | 21 | .520 |
| Likelihood Ratio | 19.890 | 21 | .528 |
| Linear-by-Linear Association | .003 | 1 | .959 |
| N of Valid Cases | 100 | | |

a. 32 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

Here, P value is 0.520 which is greater than significance level 0.05. Thus, null hypothesis that “Education of the customer has no impact on their attitude towards purchasing product from online shop” cannot be rejected.

6.4 Impact of ‘perception about quality’ on customers’ attitude:

Perception of the respondents about the product quality of online is presented 18.52% respondents think that online products have acceptable level of quality. 32% others perceived high quality of the online products. On the other hand, 16% respondents perceived poor quality. To test the significance of the impact of perceived quality on the customers’ attitude, following hypothesis is tested:

H4₀: Customers’ perception about quality of the product does not affect the attitude towards purchasing product from online shop.

H4₁: Customers’ perception about quality of the product affects the attitude towards purchasing product from online shop.

Figure 5: Chi-Square Tests- Quality: Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 25.278 ^a | 14 | .032 |
| Likelihood Ratio | 25.506 | 14 | .030 |
| Linear-by-Linear Association | 14.206 | 1 | .000 |
| N of Valid Cases | 100 | | |

a. 23 cells (95.8%) have expected count less than 5. The minimum expected count is .15.

Here, P value is 0.032 which is lower than the significance level 0.05. Thus, null hypothesis is rejected. Therefore, alternative the “customers’ perception about quality of the product affects their attitude towards purchasing product from online shop.” is accepted.

6.5 Impact of ‘perception about reasonableness of price’ on customers’ attitude:

From 100 respondents, 56.52% seems online purchasing price is reasonable, 23.08% seems this cheap and others 17.39% respondents think it as expensive. To test the significance of the impact of perceived reasonableness of price on the customers’ attitude, following hypothesis is tested:

H5₀: Customers’ perception about reasonableness of price does not affect the attitude towards purchasing product from online shop.

H5₁: Customers’ perception about reasonableness of price affects the attitude towards purchasing product from online shop.

Figure 6: Chi-Square Tests- Price: Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 24.976 ^a | 14 | .035 |
| Likelihood Ratio | 24.632 | 14 | .038 |
| Linear-by-Linear Association | 3.340 | 1 | .068 |
| N of Valid Cases | 100 | | |

a. 22 cells (91.7%) have expected count less than 5. The minimum expected count is .17.

Here, P value is 0.035 which is lower than the significance level 0.05. Thus, null hypothesis is rejected. Therefore, alternative hypothesis that “customers’ perception about reasonableness of price affects the attitude towards purchasing product from online shop.” is accepted.

6.6 Impact of ‘delivery time’ on customers’ attitude:

From 100 respondents, 50% respondent says this is so Quick 21.73 is acceptable and 28.26% seems lengthy. To test the significance of the impact of delivery time on the customers’ attitude, following hypothesis is tested:

H₀: The delivery time does not affect the attitude of the Bangladesh customers towards purchasing product from online shop.

H₁: The delivery time affects the attitude of the Bangladesh customers towards purchasing product from online shop.

Figure 7: Chi-Square Tests-Delivery Time: Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 14.659 ^a | 14 | .402 |
| Likelihood Ratio | 15.988 | 14 | .314 |
| Linear-by-Linear Association | 1.387 | 1 | .239 |
| N of Valid Cases | 100 | | |

a. 23 cells (95.8%) have expected count less than 5. The minimum expected count is .22.

Here, P value is 0.402 which is greater than significance level 0.05. Thus, null hypothesis that “The delivery time does not affect the attitude of the Bangladesh customers towards purchasing product from online shop” cannot be rejected.

6.7 Impact of ‘concern for privacy and internet security’ on customers’ attitude:

Respondents show their concern for breach of privacy and internet security in relation to purchasing product from online shop show their concerns as not so concerned 34.78%, 23.91% for somewhat concerned and other 41.30% as highly concerned customer. To test the significance of the impact of internet security concern on the customers’ attitude, following hypothesis is tested:

H7₀: Concern for breach of privacy and internet security does not affect customer’s attitude towards purchasing product from online shop.

H7₁: Concern for breach of privacy and internet security negatively affects customer’s attitude towards purchasing product from online shop.

Figure 8: Chi-Square Tests-Privacy: Attitude

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 24.707 ^a | 14 | .038 |
| Likelihood Ratio | 30.914 | 14 | .006 |
| Linear-by-Linear Association | 5.867 | 1 | .015 |
| N of Valid Cases | 100 | | |

a. 24 cells (100.0%) have expected count less than 5. The minimum expected count is .24.

Figure-8 presents the outcome of the Chi-square test. It shows that P value is 0.038 which is lower than the significance level 0.05. Thus, null hypothesis is rejected. Therefore, alternative hypothesis that “concern for breach of privacy and internet security negatively affects customer’s attitude towards purchasing product from online shop” is accepted.

7. Findings of the Study

Above discussion and analysis of primary data identifies a number of factors which have significant impact on the customers’ attitude towards purchasing product from online shop. Socio-demographic factors which are found to have significant impact on customers’ attitude include age, and income of the customers. Customers’ perception about two types of product attributes including price and quality are found to have significant impact on customers’ attitude. Overall satisfaction of the customers’ on service delivery is also identified to have significant impact on customers’ attitude. On the other hand, technological factors including time spent in internet, and concern for privacy and internet security are found to have significant impact on customers’ attitude.

8. Recommendations

Based on the findings of this study, following recommendations can be offered to the management of online shop:

- i. This study indicates that customers having satisfaction on service delivery are more likely to have more positive attitude toward online purchase. The management of online shop should focus on improving overall effectiveness of the service delivery to ensure customers' satisfaction on it.
- ii. The outcomes of this study indicate that the perceived quality and reasonableness of price have be important determinants for the customers' preference to buy from online shop. Therefore, online shop management should have continuous efforts to ensure that the customers are not cheated in terms of quality and price.
- iii. This study found that the concern for privacy and internet security have significant impact on customers' attitude. Therefore, online shop should have continuous efforts win the trust of the customers by preventing breach of privacy and internet security.

9. Conclusion

This study is aimed at evaluating the factors which influence the customer's attitude towards purchasing product from online shop. It examined the impact on a number of factors such as socio-demographic factors, customers' perception about product attributes, customers' perception about service delivery, and technological factors on customers' attitude towards purchasing product from online shop. The findings of this study identifies that the age, and income of the customers are the socio-demographic factors which have significant impact on customers' attitude. This outcome is further supported with the findings of Bigne, Ruiz & Sanz (2005) that the customers having young age, high level of income are more likely to buy product from online sources. The outcomes of this study also show that customers' perception about price and quality have significant impact on customers' attitude. Overall satisfaction of the customers' on service delivery is also identified to have significant impact on customers' attitude. Such outcomes can be linked with a number of existing researches including Nazir et al. (2012), Goldsmith et al. (2005), and Leung & Antypas (2011).

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