



Daffodil
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INRENSHIP REPORT

ON

**Customers' Attitude towards Online Shopping: A
Descriptive Study**

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EXECUTIVE SUMMARY

During the past two decades, internet was growing its roles in affecting both the local and international organization to achieve its business success. Internet was appeared as an important tool for many purpose uses in this technology era. Business companies using internet for internal communication among the colleagues to link each department to optimize the efficiency and effectiveness for more quality works and also connect their business partners around the globe. Government use internet to provide information and services to the general public and internal communication between the government departments. School or university use internet to search more teaching materials to improve the studies among students while for general public, internet was used to search information, social networking, education and now they can even use internet to purchase goods. The main objective of this study is to know the attitudes of the students towards online shopping behavior. The population of this research consists of people who have the experience of online shopping. Responses have been gathered through a structured questionnaire survey with five point likert scale. The findings reveal that people prefer shopping online for convenience, time consciousness, trust, offers and variety of products. Based on the findings of the empirical data and the comments of the respondents, some recommendations have been given for the online stores.

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

During the past two decades, internet was growing its roles in affecting both the local and international organization to achieve its business success. Internet was appeared as an important tool for many purpose uses in this technology era. Business companies using internet for internal communication among the colleagues to link each department to optimize the efficiency and effectiveness for more quality works and also connect their business partners around the globe. Government use internet to provide information and services to the general public and internal communication between the government departments. School or university use internet to search more teaching materials to improve the studies among students while for general public, internet was used to search information, social networking, education and now they can even use internet to purchase goods.

Yet, the internet speeds in Bangladesh still need some improvement. According to ISP (2017), Bangladesh ranked in the top 10 slowest internet speeds in the world. Bangladesh itself has achieved rapid development in the adoption of broadband services within a short time period with the household broadband penetration rate of 6 percent in 2006 to 18.7 percent in 2016 surpassing the target of 50 percent penetration rate set in 2010 (MCMC, 2012).

In this globalization era, e-commerce has potential growth in recent year and thus many successful retailers are seeking for global penetration especially through e-commerce. According to Hana, Mike and Parvaneh (2013), global online retail sales were increased from US\$236 billion in year 2007 to US\$521 billion in year 2012 which accounted for 17 percent annually from year 2007 to year 2012. It had slightly increased compared to 13 percent annually from year 2006 to year 2011 (Hana, Mike & Parvaneh, 2012). E-commerce is the easier and faster ways to expand business in the low cost manner

and it provided opportunities for global retailers to build their brands and learn about the consumers in other countries before expanding their business or investing a company or store in particular countries. According to ISP (2016), the population penetration rate of the broadband subscriptions in Bangladesh is 38.1 percent. In order to promote Internet usage, government should setup Internet Centre, mini community broadband Centre, Community Broadband Library and Wireless Village to increase the use of internet among the citizens which indirectly boost the online shopping rates.

Online shopping is growing rapidly nowadays since consumers found it convenient because they can shop whenever, wherever and whatever they like. Online shopping is important and convenient particularly during a holiday season because the consumers do not have to stuck in a traffic jams, find a parking spot in a mall, queue up and wait in a long line or search from store to store to purchase a product or service. According to Wong (2014), there are 87 percent of the online store are operated by one to five full timers while the remaining 13 percent of the online store are operated by six to thirty full timers. Furthermore, there are 68 percent of the online retailers earned less than US 1000 a month while only 18 percent of the online retailers made profits more than US5000 a month (Wong, 2014).

Bangladesh government implemented various efforts to promote online shopping. Huge amount of capital have been invested by government in order to promote internet uses and use e-commerce to generate income among Bangladeshi citizens. Besides the government' roles, the private sectors also put many efforts to promote e-commerce and retain their customers.

This research work attempts to examine which factors are most important to the customers for online shopping in Bangladesh. In fact, a study by Nordin and Nik Kamariah (2011) found that there are few researches conducted on online shopping behaviours of consumers all over the world and a suggestion by Salehi (2012) that understanding towards online shopping is still lacking. Thus, it is important to study the attitudes of bangladeshi consumers towards online shopping.

1.2 Objectives of the Study

To know the attitudes of Bangladeshi customers towards online shopping.

1.3 Scope of the Study

The scope of the study focuses on the university students. The respondents are chosen from Daffodil International University. Students from University are chosen as the respondents because they are among the group that aged between 18 and 34 years that are active in internet usage.

1.4 Limitations of the Study

The present study was not out of limitations. Some restraints are disclosed bellow:

- a) The main constraint of the study is insufficiency of information, which was required for the study.
- b) Due to time limitations many of the aspects could not be discussed in the present report.
- c) I carried out such a study for the first time, so lack of experience is one of the main constraints of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Customer behavior in online shopping is the concerns to the online retailers especially for those who are currently new to the online business environment or planning to expand its current business from brick and mortar mode to brick and click mode. It was due to the complexity of the human beings that are different in their thinking and attitudes towards behavior. Moreover, the high customer expectations (Estep, 2011) from the retailers to provide better products and services brought new challenges to them since there are many more retailers outside that provide similar products and services. Thus, retailers need to put effort to differentiate them and stand out from other competitors. It was especially difficult for the retailers if their customers come from virtual and no physical interaction between the sellers and the buyers (Doherty & Chadwick, 2010).

Once the retailers understand the needs and wants of the consumers subsequently it leads to the intention to purchase and actual behavior of the customers. The business success and growth will generate business profit and improve the business performance. Therefore, the main challenge in the virtual commerce is to identify the online shopping behavior of the customers that always change from time to time. The retailers need to strive in and examine the drivers of intention and customer behavior to generate more profits while boosting the sales. This supported study by Wong (2014) and

Waters (2014) which indicated that the main concerns of online business are to boost the online sales and getting traffic to the e-store. The drivers of the intention and customer behavior can be ranging from the internal factor such as attitudes towards the behaviour to the external factors such as influence from the families, friends and social media, perceived usefulness of the website and also trust to the retailers or the quality of the goods purchased from the online store.

Trust is a concept closely related to perceived ethics and it must exist between trustor and a trustee and the trustor needed something from the trustee but the trustor must have reliance to make the trustee response in the positive way (Limbu *et al.*, 2012). Trust is a multidimensional concept because trust was based on the rational assessment of an individual's ability and integrity, and on feeling of concern and good intention (Roca, Garcia, & Vega, 2009). In the online environment, trust was built primarily in a person-to-website manner rather than person-to-person communication, mediated through technology (Corritore, Kracher, & Wiedenbeck, 2003; Limbu *et al.*, 2012; Winch & Joyce, 2006). According to Kim & Song (2010), trust is the most important dimension in online transactions and thus online retailers are putting many efforts to build and maintain trust.

Trust is important because both the online shoppers and the online retailers cannot physically see each other during transaction (Jiang *et al.*, 2008). Lack of trust was one of the main reasons for customers from not engaging in online purchase (Beatty, Reay, Dick, & Miller, 2011; Koufaris & Sosa, 2003; Limbu *et al.*, 2012; Safari, 2012; Wang & Emurian, 2005). Essential condition for trust in online retailing includes reliability of the website, performance and transaction between an online seller and the buyers (Limbu *et al.*, 2012). Besides that, Mukherjee and Nath (2007) found that five antecedents of trust; shared values, communication, opportunistic behavior, privacy and security are important elements in determining trust value.

E-retailing is promoted widely as a convenient avenue for shopping. Consumers do not have to leave their home nor travel to find and obtain merchandise online. They can

also browse for items by category or online store (Szymanski et al., 2000). The quotes in support of convenience are:

“Convenience”

“Internet shopping can be done from any place”

“Sitting at one place & visiting many online stores”

“I can buy products which are not easily available in nearby market”

“I can save myself from market crowd, chaos of traffic”

“New to the city hence buy from the online stores”

“Shop at home convenience”

“Shop from one place”

“Easy to shop”

“Accessibility”

“Flexible”

Convenience attitude is a vital factor for choosing online shopping platform. Hence, online stores should focus more on developing university students’ positive attitude toward online shopping rather than other variables. To develop positive attitude, online retailers should focus on all indicators in the attitude construct simultaneously by stressing that purchase online was better than purchased from traditional store. In order to satisfy young consumers especially university students and stimulated actual online purchases, online retailers should provide impressive experience in online shopping. Delivering a high quality and favorable products and services throughout the online shopping experience might be important as competitive positioning strategies for both traditional and online stores. Under this backdrop, the present study used convenience as an influencing factor of online shopping behavior.

Online business becomes popular since people are time conscious. People don’t want to waste their valuable time for shopping offline. Internet customers have higher expectations for the time it takes to resolve a problem than do offline consumers (Lee et al., 2003). The quotes favoring time consciousness are:

“Saves time”

“Requires less time hence prefer online shopping”

“24 hrs accessibility”

“Anytime shopping”

Therefore the present study tests time as an influencing factor of online shopping behavior.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

In the previous chapter, literature review has demonstrated various studies related to online shopping. The variables that have been identified for investigation are; convenience, time, trust, product, price, availability, services in relation to attitudes towards online shopping behavior. In this chapter, the methodology for this study will be highlighted. The research design, operational definition, measurement of variables or instrument, data collection method and procedures and techniques of data analysis will be described in the following section.

3.2 Sources of Data

Both primary and secondary data has been collected. I have gathered primary data by surveying the students. I also collected data from some online sources like Journals, brochures, manuals and several books on online shopping to prepare this report.

3.3 Data Collection

Quantitative research was conducted by distributing questionnaires on the importance of convenience, time, trust, product, price, availability, services in relation to

attitudes towards online shopping behavior. Questionnaires are the most suitable way to obtain the feedbacks and opinions from the consumers to quantify relationships among the variables in this study. Questionnaires are adopted from relevant sources and developed in an understandable way to ensure the consumers able to answer all the questions and provides accurate point of views regarding the most influential factors that lead to the actual purchases via online.

The questionnaires consist of close-ended questions that allow for easy selection. In a close-ended questionnaire, respondents are asked to choose from a list of pre-selected options (Penwarden, 2013) and in this study, check boxes and ranking are used. This option assists respondents in making their choice and time saving compared to the open-ended questionnaires which consume more time because the respondents need to think the answers themselves. The research questions are adapted questions from the previous researches because they are reliable compared to create the questionnaire by our own. According to Flick (2009), the rationale to employ questions from previous studies was due to the fact that they had been proven statistically. The questions were divided into several sections that included demographic profile and all variables in this study.

The participation to answer the questionnaire is in volunteer basis with no force to answer the questionnaire. 150 questionnaires were distributed to the university students aged between 18 to 34 years in based on convenience sampling. Self-administered questionnaires were utilized in data collection. The researcher administered the questionnaires and distributed in the classes. 30 minutes were given to answer the questionnaires.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 Introduction

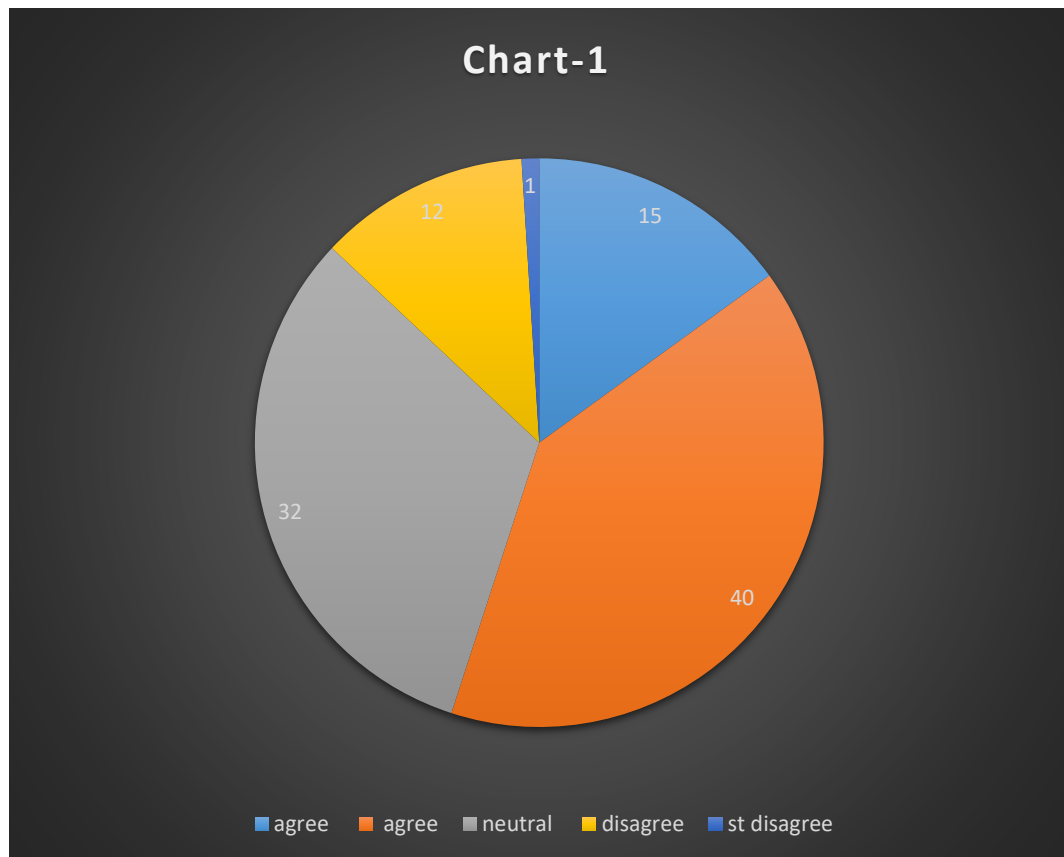
In this chapter, the data analysis findings have been documented. The collected data have been analyzed using statistical package for social sciences (SPSS) software version 25. After analyzing the data, the findings have been documented sequentially. The findings are discussed below.

4.2 Respondents' profile

It is vital to know the demographic profile of the people from whom responses have been gathered for achieving research objectives. Here, the present study's respondents' characteristics have been portrayed. It includes the gender of the respondents, age of the respondents, education level of the respondents and monthly income of the respondents. Table 4.2 shows that most of the respondents, (84.4%) are male and only 13.6% respondents are female. In terms of the age of the respondents, 78.4% are between 20-29 years; and 18.5% are between 30-39 years; 3.1% are above 40 years. Among the 100 respondents, 46.2% are at undergraduate level; 53.8% have bachelor degree.

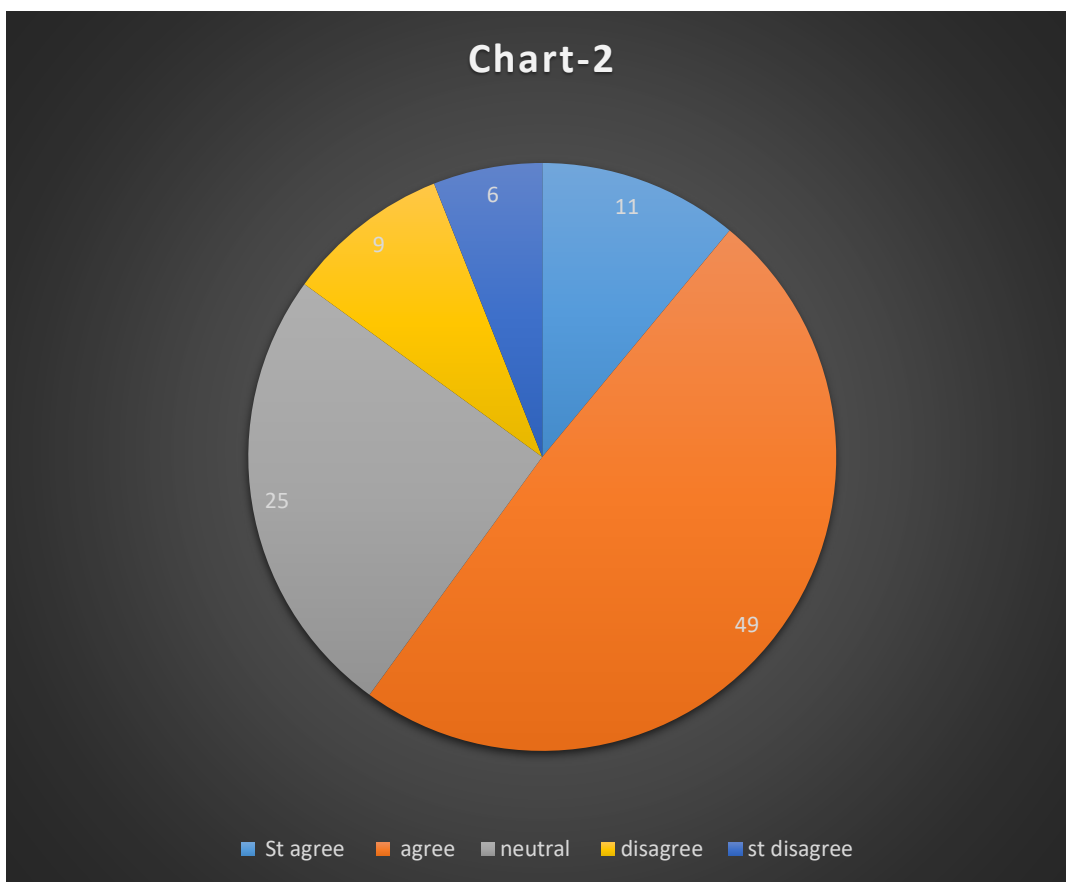
4.3 Descriptive Statistic Analysis

Question 1: I feel comfortable of buying products online



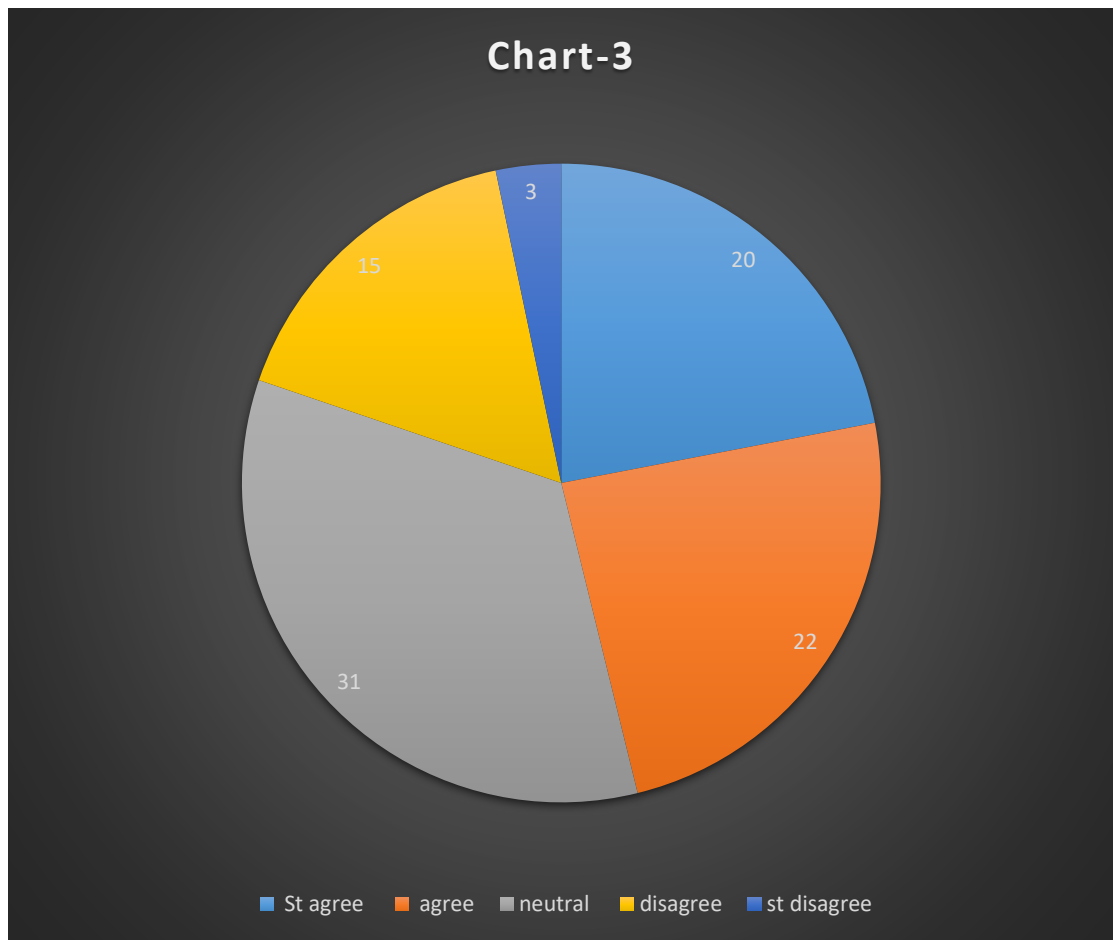
The above figure shows that 15 people strongly feel comfortable of buying products online. 40 people are comfortable with it, 32 people are neutral, 12 people disagreed and 1 person strongly disagreed to buy online products.

Question 2: I find variety of products from online



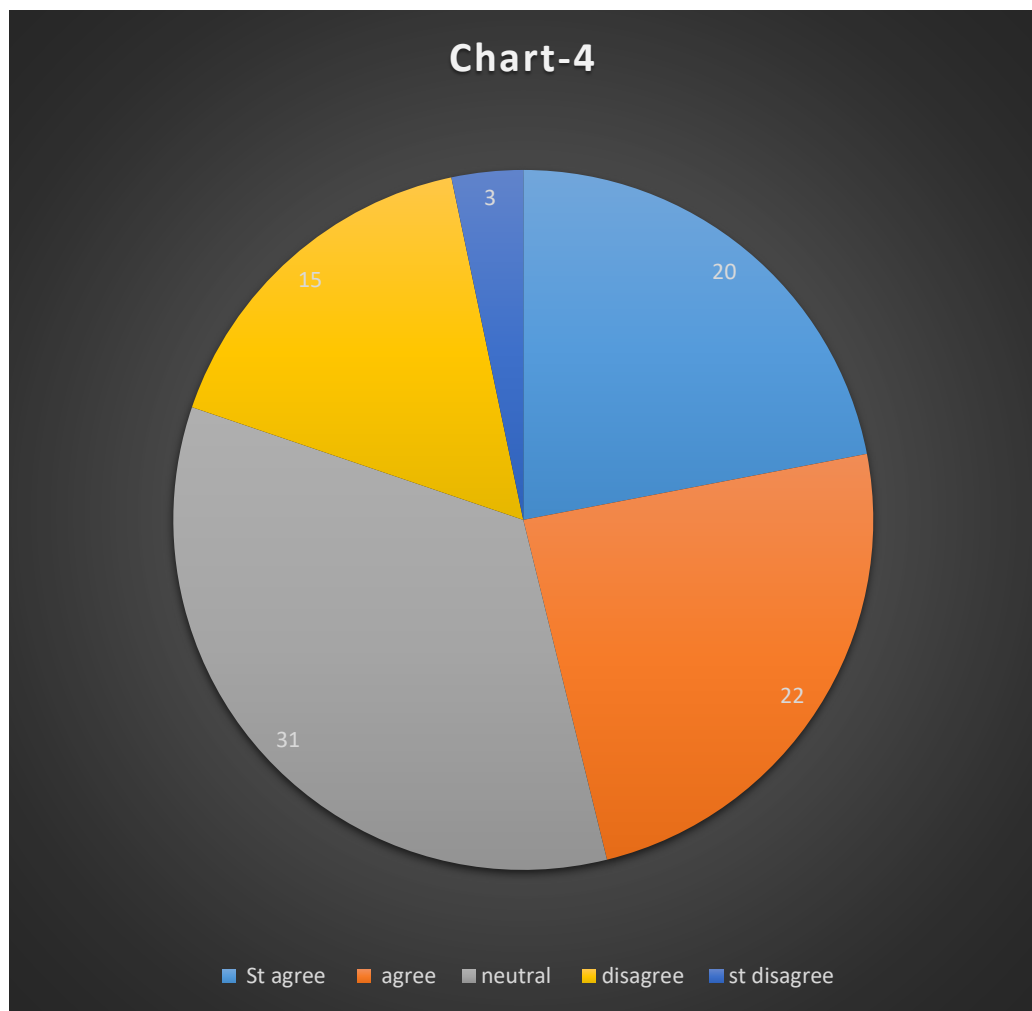
The above figure shows that 11 people strongly felt that they can get variety of products from online. 49 people agreed with it, 25 people are neutral, 9 people disagreed and 6 have strongly disagreed of getting variety of products from online.

Question 3: I can pay easily for online purchase.



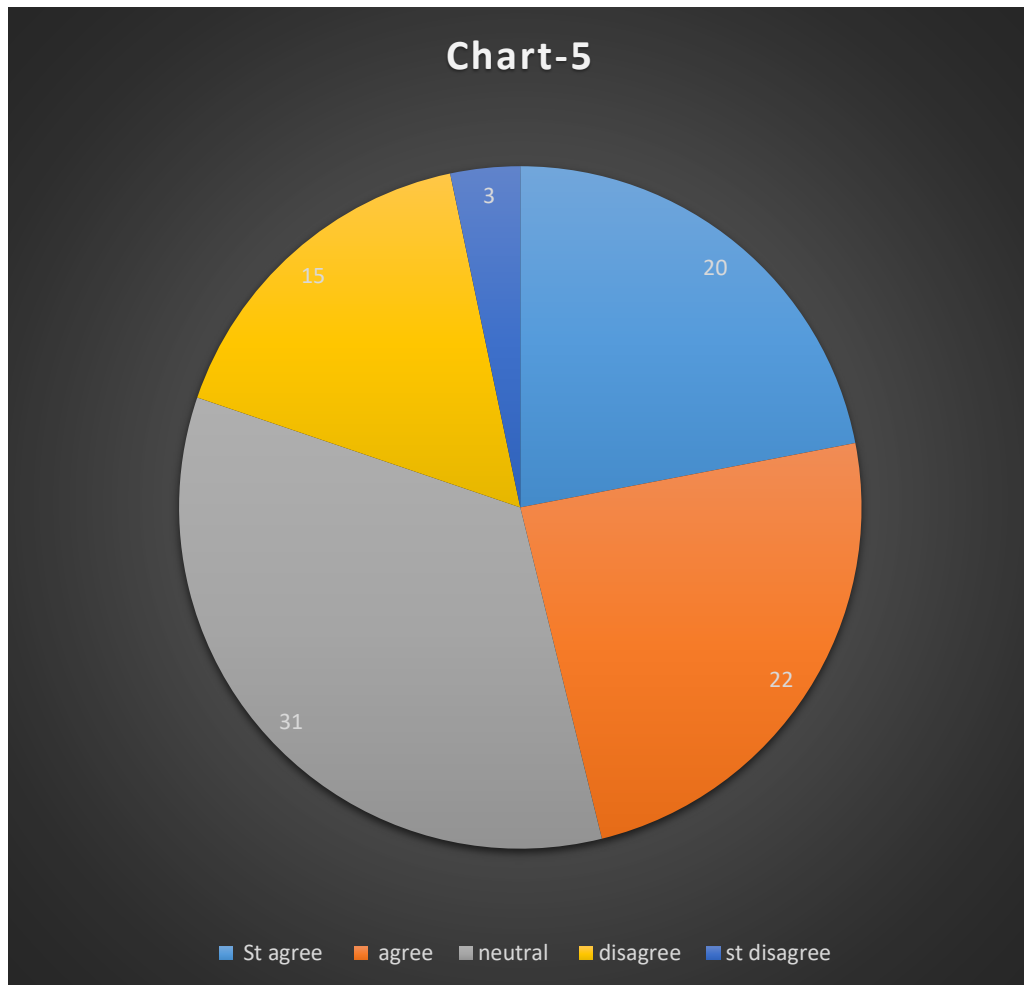
The above figure shows that 19 people strongly felt that they can pay easily for online purchase. 28 people agreed with it, 41 people are neutral, 8 people disagreed and 4 have strongly disagreed with the payment method of online purchase.

Question 4: I can buy products at cheaper rate from online



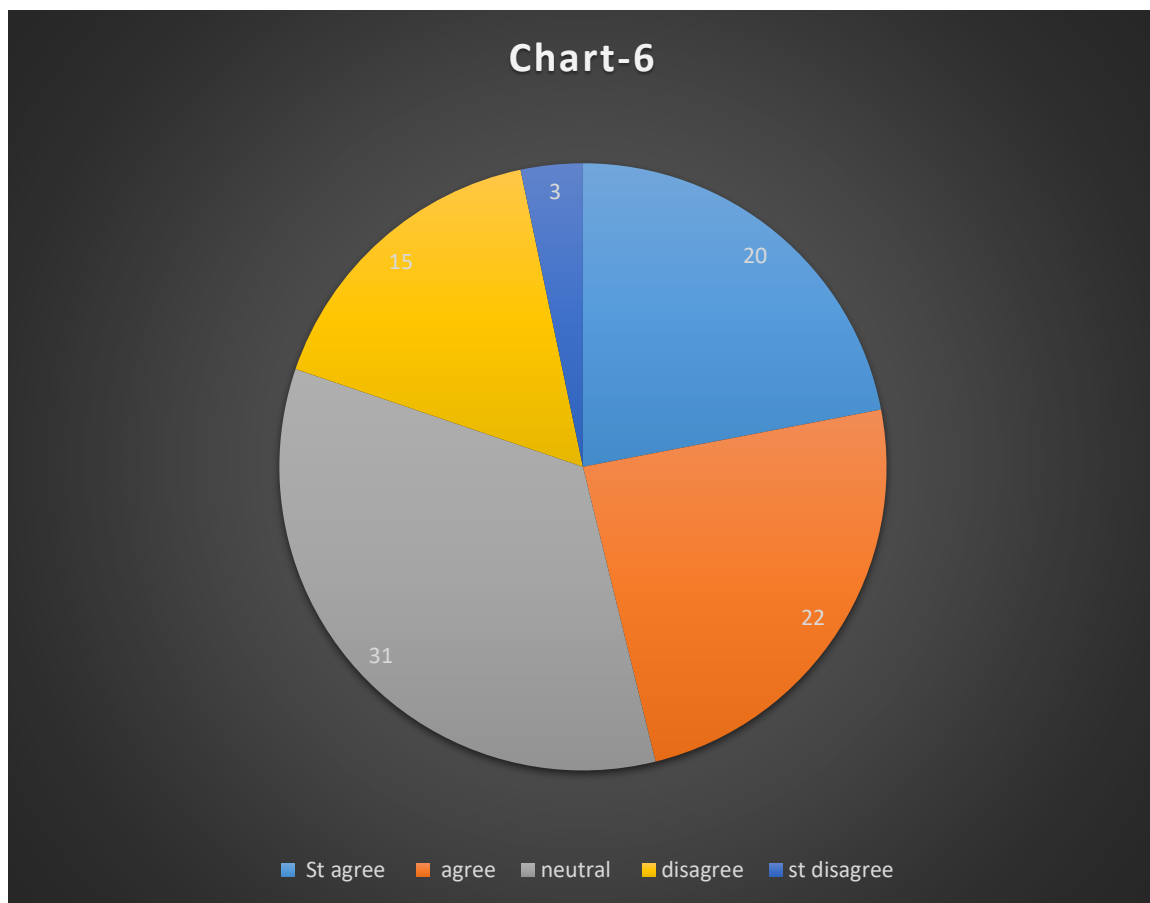
The above figure shows that 10 people strongly agreed of buying products at cheaper rate from online. 35 agreed with it, 45 are neutral, 9 disagreed and 1 person has strongly disagreed with others.

Question 5: I get better offers from online



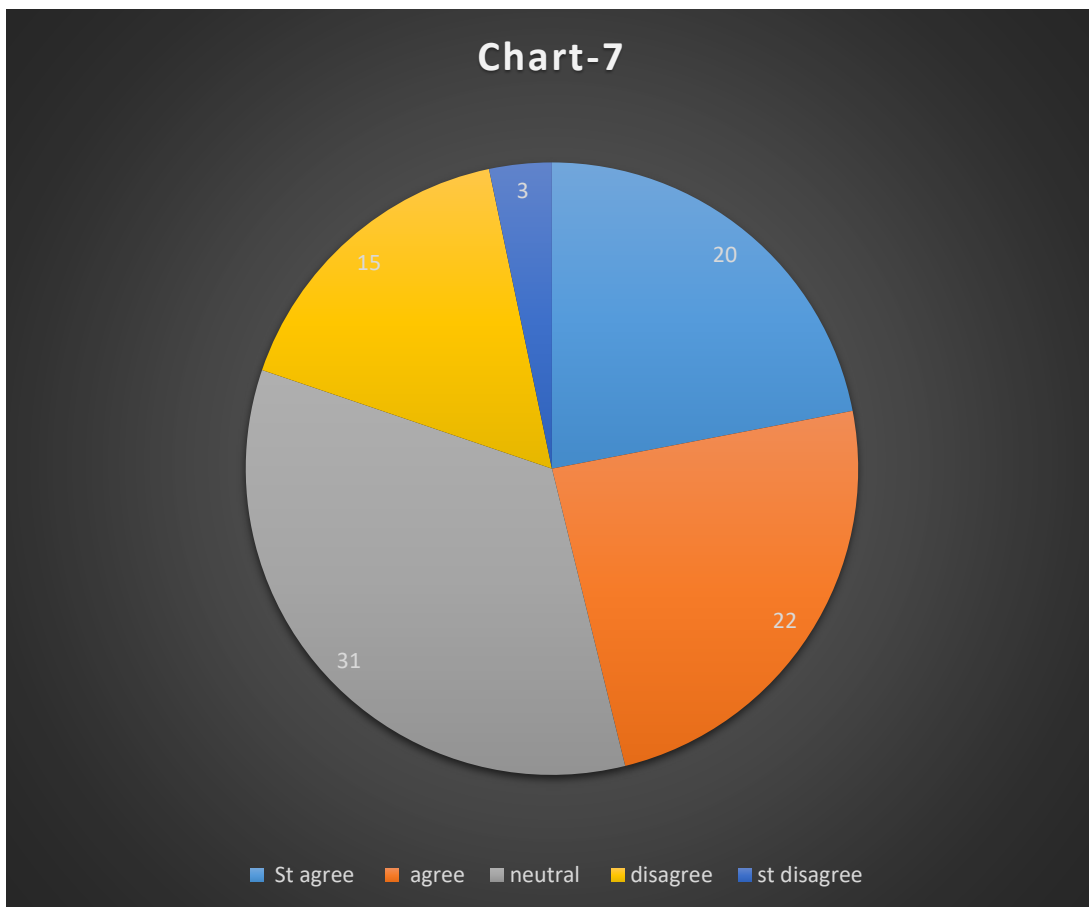
The above figure shows that 9 people strongly agreed of getting better offers from online. 32 agreed with it, majority about 39 are neutral, 11 people disagreed and 9 have strongly disagreed of getting better offers from online stores.

Question 6: Online shopping is convenient for me.



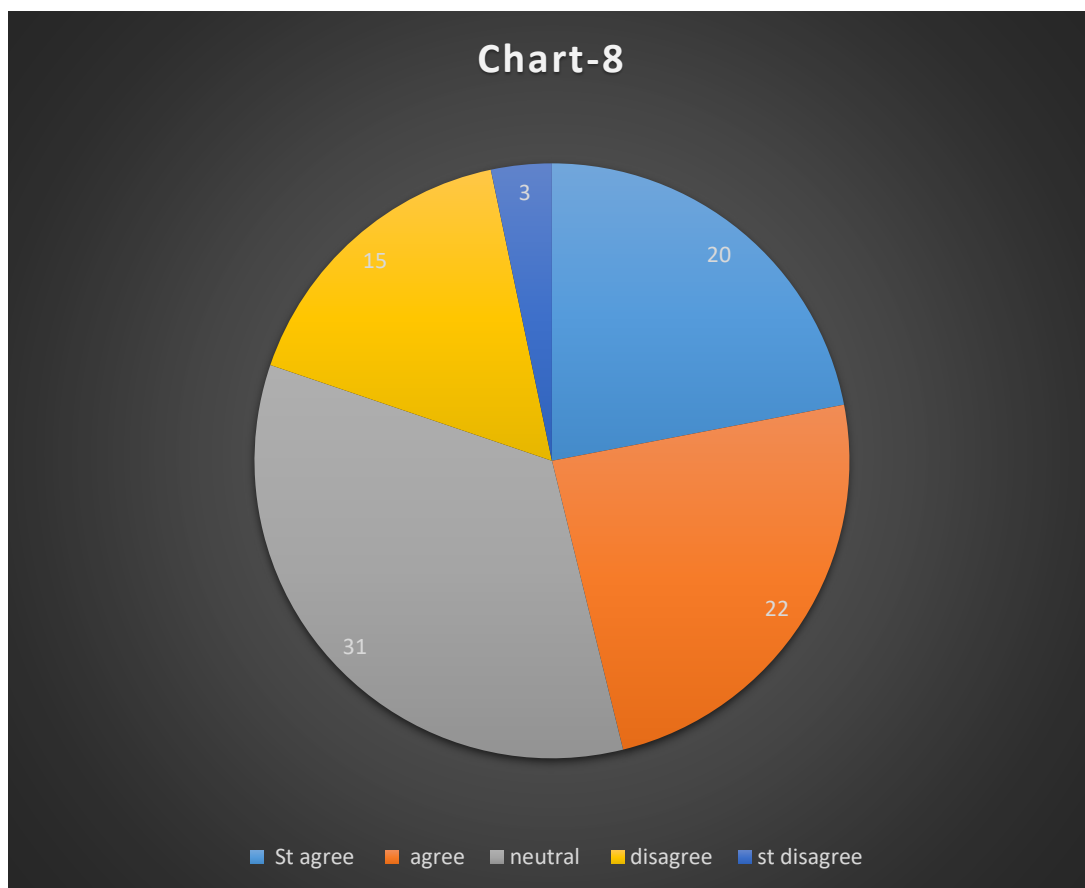
This above figure shows that 29 people strongly agreed that online shopping is convenient. 31 agreed with it, 32 remain neutral, 7 people disagreed and 1 person finds strongly inconvenient of online shopping.

Question 7: I get better services from online.



The above figure shows that 19 respondents strongly agreed of getting better service from online.12 agreed with it, majority about 35 are neutral, 25 disagreed and 9 have strongly disagreed of getting better services from online shopping.

Question 8: I enjoy shopping online



The above figure shows that 20 respondents strongly agreed to enjoy shopping on internet. 22 agreed with it, majority about 31 remain neutral, 15 disagreed and 3 persons have strongly disagreed to enjoy shopping on internet.

CHAPTER 5

RECOMMADATIONS AND CONCLUSION

5.1 Recommendations for the Online Stores

1. It was found in the study that trust is a vital factor for choosing online stores. Online stores should build trust among customers so that they buy more and do positive word of mouth.

2. One of the most effective ways to inform, pursue, remind and reinforce the customers is the application of promotional tools. Online platforms can use those promotional tools like advertising, personal selling, sales promotion, public relation and publicity for promoting and persuading the customers to buy their products.

3. Many consumers respond positively to incentives that create a sense of urgency, from time-sensitive special offers to limited-edition products. Moreover, samples,

coupons, free gifts, tie in promotion, price packs, and premiums can be used for increasing sales.

4. Some customers expressed concerns regarding the existing payment system. So make payment systems easier by debit/credit cards/bkash or many more options.

5. Some customers complained that the products images are not always clear and sometimes mismatch with what is in web and the actual products. So focus on investing more on quality image. Moreover, the statistical finding revealed that customers want fast and clear images of products.

5.2 Conclusion

The purpose of this chapter was to provide an overview of the research study and discuss the results and findings of this study. Implications of the study were also highlighted and lastly, the limitation and recommendations for future studies had been included. From the findings of this study, it can be concluded that convenience attitude, trust, time consciousness, products variety and reasonable price are the most important for online shopping for the customers. Therefore, online retailers should focus on how to cultivate positive attitude among the university students. Online retailers could provide quality products associated with good customer services to the customers. The researcher looks forward to provide Bangladesh government, retailers both operated online business and traditional business as well as the consumers that consisted of university students some informative findings concerning online shopping to exploit marketing strategies and obtain possible benefit from online shopping.

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