

## Consumer Buying Behavior Towards Online Shopping: A Case Study of Daraz.pk

**Shahzad Khan**

Assistant Professor, University of Haripur Pakistan  
[Shahzadkhan@uoh.edu.pk](mailto:Shahzadkhan@uoh.edu.pk)

**Dr. M. Tariq Khan**

Assistant Professor, University of Haripur Pakistan  
[mtariqkhan@uoh.edu.pk](mailto:mtariqkhan@uoh.edu.pk)

**M. Atiq Rafique Khattak**

Lecturer, University of Haripur Pakistan  
[atiqkhattak@hotmail.com](mailto:atiqkhattak@hotmail.com)

### Abstract

Online shopping is most convenient way of purchasing now a days. This trend is getting more adoptable day by day. Consumer buying behavior towards online shopping is effected by many factors. These factors can affect each individual differently. The study has used non-probability sampling technique on convenient basis 110 questionnaire distributed among online shoppers and only 100 were considered for final analysis. Trust, convenience, time, product variety, privacy, product risk, return policy and non-delivery risk are the key variables we discussed in our research that can effect a consumer behavior. Time is the most important factor. Product risk and delivery risk have inverse effect on consumer buying behavior.

**Key Words:** Online shopping, Behavior, Risk, Daraz.pk and Pakistan.

### Introduction

Online purchasing has become the most convenient way of doing any kind of purchase despite of where you are. Market has adopted this way of purchasing to facilitate their consumers. This trend is spreading all over the world. It is the third most browsed internet activity (Rajeshwary & Sayed, 2014). According to Forbes (2010), China online business had a worth of \$36.6 billion in 2009. 2010 was a golden era for UK as it was the largest electronic business market according to Guardian. Pakistan is also working on this technology to facilitate the customers to shop anywhere without getting out of their home place. At first, it was just limited to the products of daily use, later it expands to online cash transfer within the country and to the other nations. Pakistan has various online shopping centers like Daraz.pk, homeshopping.pk, shophive.com, kaymu.pk etc. Daraz.pk was initiated in 2014, functioning with website of [www.daraz.pk](http://www.daraz.pk). It ranks at #1,917 in the world. It operates all over the country and deliver the product at your door. It deals in clothing and fashion. It contains over 300 brands (Pirzada, 2017). Some consumers believe that it is an over-priced online store (Rahman, Islam, Esha, Sultana, & Chakravorty, 2018).

People have their accounts on various social networking websites such as YouTube, Instagram.com, and Facebook etc. They use these websites to get info about fashion and trend. Research says that more people know about online shopping, more this knowledge

influence their purchase decision (Zhou, Zhang et al. 2013). Along with all the benefits in mind, consumers also have some doubts while shopping from these websites such as: Do they deliver the same products that they show on their websites? What if the product did not deliver to me on time? What if the product is defaulted? Purchasing from these websites can affect my privacy or not? These are the some of the questions that come to mind of consumer before clicking that “purchase click” button. There are some factors behind these questions that influence consumer buying behavior. At first, there is a literature review on the factors that influence consumer buying behavior towards online shopping.

### **Literature Review**

#### **Online shopping behavior of consumer**

Consumer buying behavior is a process through which consumer purchase a product to satisfy its need or want and the impact that product has on the consumer or the environment. (Khyzer, Dost, & Illyas, 2015). Behavior of every consumer is different from other. It involves various factors behind it that can be personal, demographic or psychological. Consumer search online for the products that lies in their purchasing power, without wasting their time (Khyzer et al., 2015). In online shopping behavior, a consumer look for the product, that he or she need, on various websites. In this process, consumer see various options. Online shopping satisfy consumer through speed and convenience (Yu & Wu, 2017). According to Magee (2003), there is an upward shift in consumers who buy products online, means more and more web users are satisfied with shopping online. On the ranking of online shopping adapter countries, Pakistan lies at second slowest country. Reason for this is given by Nielson (2010) is bad past experiences of people of Pakistan. Internet is not available in various areas, people are not well-aware of this facility, people are terrified with the concept of online procedures due to privacy concerns and payment through internet is difficult to understand. Because of all these issues many online business practice door payment method. Behavior of a consumer while purchasing any product online is different from purchasing a product directly from shop (Sajjad, 2012).

#### **Trust**

Trust is a risk a person takes while doing an activity while having a perception in mind that all the parties involved in that activity will perform their part of duty honestly and as expected. (Khyzer et al., 2015). Risk can be related to the object that is purchase. It can be defaulted or different from the one that was actually desired by the consumer. There is also risk related to the privacy of consumer. Because of such risks, people avoid doing online purchases. (Lee & Turban, 2001). when a person do purchase on a shop, these is a sales man present there to explain the product and consumer can trust that person as he or she is an expert in that (Doney and canon, 1997) but in case of online shopping, there is absence of a trustworthy medium (Lohse and Spiller, 1998). Consumer trust is more influential in online purchase of consumer as compared to shop purchases. (Rajeshwary & Sayed, 2014). Trust is a major issue a consumer face while doing purchase online. (Adnan, 2014). Reference group can help to develop trust for online purchase. (“Factors\_Influencing\_Malaysian\_Consumers.pdf,” n.d.) Consumer have to trust website with respect of its privacy and quality of its ordered product. (Dachyar & Banjarnahor, 2017).

#### **Time**

Nowadays people are involved in more than one activity at a time and sometimes they feel the pressure of time on them. They could not complete their list of works that they were supposed to do in a day as they lack time with reference to the work they were supposed to do. (Khyzer et al., 2015). The people who are suffering from such routine find online shopping as an opportunity to save their time from going to some specific place to buy their required product. Online purchasing reduces or eliminates the risk of time wastage concerned with purchase of

products. (Rajeshwary & Sayed, 2014). People who do not have extra time for shopping, online shopping is so suitable for them (Sabel, 2018). According to a report, people shop online to get benefit from its advantage of time saving (Dachyar & Banjarnahor, 2017).

### **Privacy**

Privacy is the permission given to a seller to personal information of a consumer in order to make a purchase. (Khyzer et al., 2015). For security of consumer privacy, there are companies for the verification and audition of privacy terms of online shopping websites. (Ranganathan & Ganapathy, 2002). IBM Multinational Consumer Privacy done a survey in US, resulted that 80% of the respondents feel that online purchasing left them with no control on their personal info. (Belanger et al. 2002). Insecurity about privacy is the major factor because of which people of Pakistan do not purchases online (Adnan, 2014). Online purchasing websites have spam and consumer avoid them by avoiding online purchasing (Rahman et al., 2018). Online shopping websites leak personal information of their customers and lose their trust (Sabel, 2018). Because of privacy reasons, sometime consumers avoid online shopping and some time they provide wrong information (Gupta & Dubey, 2016).

### **Return policy**

If a customer do not like a product that he or she purchased online, he or she has a benefit of return policy. This policy is positive as product can be returned but it may take some time (Haider & Nasir, 2016). In Iran researcher consider return policy as perceived risk (Adnan, 2014). Cash back guarantee is another technique in which company ensures customer that if they are not satisfied with the product, they can return it and get their product back, a limited offer but it may take some time (Tariq & Bashir, 2016). These are strategies adopted by companies to keep and attract customers in such competitive time ("Faculty of Management exploring consumer online product returning behavior: chinese e-consumers' perspective Business Competence Master's Thesis Supervisor: Hannu Saarija" rvi Author: Yijun Zhu," n.d.). Return policy can have two dimensions: either it is between retailer and supplier or retailer and consumer (Wang & Qu, 2017). Companies, by offering return policy benefit, can add in loyalty of consumer (Wang & Qu, 2017).

### **Convenience**

The concept about convenience was introduced by Copeland in the year 1923, and defined: the products which are bought by the consumers more frequently and are easily available, in the stores on instant demand are convenience products. Convenience is the great positive element encouraging the consumers to buy product online (Ahmad, 2002; Jayawardhena et al., 2007) It has been found that the people who use to buy online shops are less experience directed but more convenience directed (Li & Colleagues 1999). Online shops are open in every hour. People can buy products at any time, from anywhere (Hermes, 2002).

### **Product variety**

More product variety in the stores leads to more sales. More products in the stores attract consumers toward itself and they find what they really in search of (Baumol & Ide, 1956). From person to person, time to time choices towards product brings changes. In most of the time, while purchasing consumer do not need variants of the products. Sometimes product variety is not good (Huffman & Kahn, 1998). In some products consumers need some different. In that case, consumers prefers online shopping, where they can get a variety of products easily and choose what they think is the best for them (Maraghy, Schuh, El Maraghy, Piller, Schonsleben, Tseng, Bermance). Consumer satisfaction is necessary while giving consumers product variety. There must be product quality, ease for consumers to find the differences (Arnold, Handleman, & Tiger, 1996). The products that are sold in Brick made stores and the products that are sold online has not much difference but the consumer

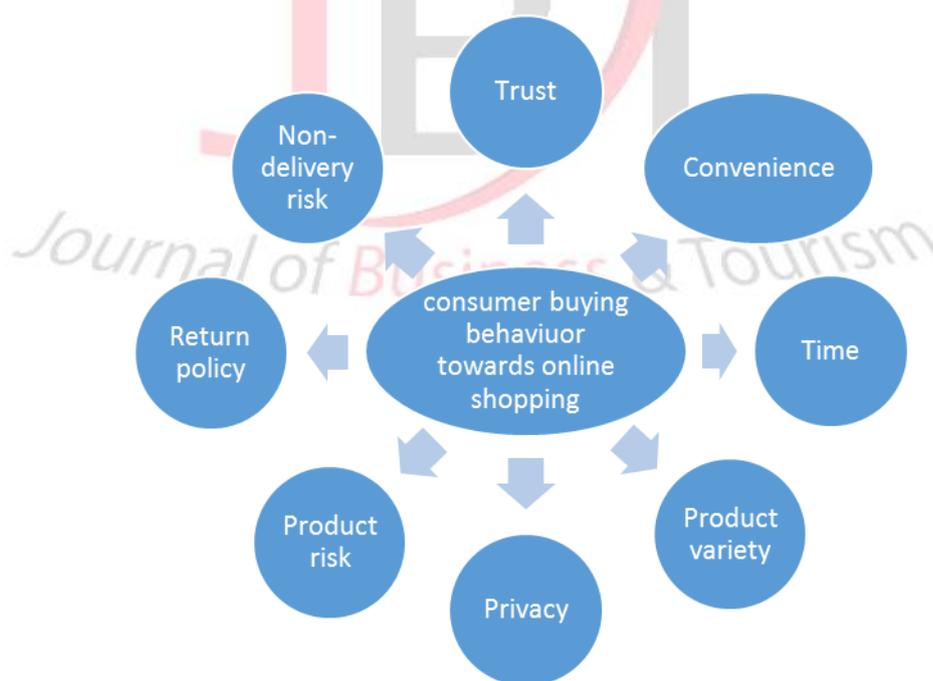
make their decisions while comparing the products that who is offering the reasonable value (Keeney, 1999).

### Product risk

Product risk is value, consumer perceive that product consumer are going to order may fail to work and is not exactly what it looks like on the screen (Kim et al., 2008). An internet shopping is risky also, while purchasing, the products are not present physically in front of the consumer but buying only by watching it on the computer screen. We must rely on what we are looking at and reading the features out (Jarvenpaa & Tracitinsky, 1999). Product risk can be the risk of Quality, Risk of brand, Operational risk, Demand risk, Price risk, Compliance and Regulations (Spacey, 2018).

### Delivery risk

Risks related to the delivery of the products and services after an order is Delivery risk. Online shopping is not reliable. Consumer can not totally rely upon the websites and the buying applications (CharuPanwar, 2018). Three elements are there, by which delivery risk has been developed are: 1.It is uncomplicated to misplace the products while delivering the products. 2. The products may be decomposable. 3. Delivery of the products on wrong addresses. (Zhang et al, 2012). Delivery risk occurs when the products do not delivered to the consumers on time and the products that has been ordered by the consumer but not get that exact product due to delivery service errors (Panwar, 2018).



**Figure 1**

On the base of above discussion, figure 1 is framed that shows the relationship between one dependent variable that is Consumer buying behavior towards online shopping and independent variables that are trust, convenience, time, product variety, privacy, product risk, return policy and non-delivery risk.

### **Hypothesis**

On the basis of above model, we assume that following relationship can exist between dependent and independent variables.

H1: A relationship between trust for online shopping and consumer buying behavior.

H2: A relation between convenience and consumer buying behavior in online shopping.

H3: A relation between time and consumer buying behavior towards online shopping.

H4: A relation between variety of product available online and consumer buying behavior towards buying them online.

H5: A relation between privacy of customers and consumer buying behavior.

H6: A relation between product risk and consumer behavior towards buying that product online.

H7: Product return policy will have an effect on consumer behavior towards online shopping.

H8: Non-delivery risk will have an effect on consumer behavior towards online shopping.

### **Methodology**

#### **Data collection**

Primary data is collected through self-administered questionnaire and secondary data is collected from the work of other researchers on this same topic of online shopping.

#### **Sample**

The study population was University of Haripur. We used convenient sampling technique (non-probability sampling).

#### **Research method**

Study has collected data through self-created and self-administered questionnaire. Likert scale is used to measure the response, a scale ranging from 1 to 5 (strongly disagree to strongly agree). 110 questionnaires were distributed among the students, 100 questionnaires were returned completed and were used in research. Statistical package for the social sciences SPSS is used to analyze the data.

#### **Demographic Analysis**

Above figure shows the demographics of respondents. Out of 100 respondents, 43 (43%) were males and 57 (57%) were female. 10-20 are 42 (42%), age 21-30 are 57 (57%), age 31-40 is 1 (1%). 79 (79%) respondents are under graduate, 16 (16%) are graduated and 5 (5%) have qualification of masters. 97 (97%) respondents are students, 2 (2%) respondents are workers and 1 (1%) has some other occupation. All of the respondents have experience of online shopping.

**Result And Analysis****Table1: Descriptive Statistics**

	Frequency	Percentage
Gender:		
Male	43	43
female	57	57
Age:		
10-20	42	42
21-30	57	57
31-40	1	1
Education:		
Undergraduate	79	79
Graduate	16	16
Master	5	5
Occupation:		
Student	97	97
Other	2	2
Worker	1	1
Have you ever done online shopping?	100	100

**Reliability Analysis**

We checked the reliability of our questions through Cronbach's Alpha. The reliability of each variable is shown in figure 7. As we can see delivery risk has highest alpha value of .750.

Table2

Variables	Cronbach's Alpha
Online shopping	.563
Trust	.270
Time	.728
Privacy	.299
Return policy	.438
Convenience	.630
Product variety	.773
Product risk	.635
Delivery risk	.750

**Table 3: Regression Analysis**

Model	Variables Entered	Variables Removed	Method
1	DR, PV, Trust, privacy, PR, RP, Time, Convenience	.	Enter

We did regression analysis by using Online shopping as a dependent variable and Delivery risk, Product variety, trust, privacy, product variety, return policy, time and convenience as independent variables. We expect that online shopping behavior of consumer can be effected by delivery risk, product variety, trust, privacy, product risk, return policy, time and convenience.

**Table 4 Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.618 <sup>a</sup>	.681	.627	.47145

The above table of model summary shows that R square is .681 which means dependent variable(Online shopping) is 68% explained by independent variables(trust, time, privacy, return policy, convenience, product variety, product risk and delivery risk).

**Table 5 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.475	8	1.559	7.016	.000 <sup>b</sup>
	Residual	20.226	91	.222		
	Total	32.701	99			

a. Dependent Variable: OS

b. Predictors: (Constant), DR, PV, Trust, privacy, PR, RP, Time, Convenience

Above figure shows that value of significance is .000 which is less than .05 and F is 7.016 which is greater than .57 which means all the independent variables(trust, time, privacy, return policy, convenience, product variety, product risk and delivery risk) are related to dependent variable(online shopping).

**Figure 6 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.527	.405		3.767	.000
Trust	.095	.057	.147	1.653	.102
Time	.325	.069	.683	4.714	.000
privacy	-.081	.057	.427	-1.429	.056
RP	.104	.095	.408	1.098	.075
Convenience	-.003	.084	.204	-.035	.972
PV	.081	.095	.485	.847	.099
PR	-.027	.072	-.037	-.370	.012
DR	-.015	.065	-.021	-.234	.015

a. Dependent Variable: OS

In above figure, standard coefficient shows how much each variable contribute to the model. As we can see from the table that time has highest value of beta 68%, after that product variety(48%) and return policy(40%) also contribute to the model. Product risk and delivery risk has negative value of beta which shows that they do not contribute in the model.

### Conclusion

From the research we conclude that the most effective factor that effect the buying behavior of consumers when it comes to online shopping is time. Online shopping is a time saving way of purchasing. Product variety also seems an important factor as online shopping provide customers with more variety under one platform. Return policy is also another important factor. If return policies of websites are satisfying enough, consumers will do purchases freely. Product risk and delivery risk do not seem to effect consumer buying behavior.

### Future scope

We did this research only in university of Haripur, mostly from students. This can be conducted from students of other institutes and from working people. This would give us a better understanding that how consumer behaves towards online purchasing. There were only eight independent variables discussed. More variables can also be considered like price, shopping deals and discounts.

### References

Adnan, H. (2014). An Analysis of the Factors Affecting Online Purchasing Behavior of

- Pakistani Consumers. *International Journal of Marketing Studies*, 6(5), 133–149. <https://doi.org/10.5539/ijms.v6n5p133>
- Tariq, A. & Bashir, B. M. A. S. (2016). Factors affecting online shopping behavior of consumers in Pakistan. *Journal of Marketing and Consumer Research*, 19(Chen 2009), 95–100.
- Dachyar, M., & Banjarnahor, L. (2017). Factors Influencing Purchase Intention towards a Retail Clothing Company.pdf. *Intangible Capital*, 13(5), 946–966. <https://doi.org/https://doi.org/10.3926/ic.1119>
- Hannu Saarijaarvi Author : Yijun Zhu. (n.d.). Faculty of Management Exploring Consumer Online Product Returning Behavior : Chinese E-Consumers ' Perspective Business Competence
- Gupta, M. P., & Dubey, A. (2016). E-Commerce- Study of Privacy , Trust and Security from Consumer ' s P erspective. *Computer Science and Mobile Computing*, 5(6), 224–232.
- Haider, A., & Nasir, N. (2016). Factors Affecting Online Shopping Behavior of Consumers in Lahore , Pakistan, 564(2015), 9–14.
- Khyzer, M., Dost, B., & Illyas, M. (2015). Online Shopping Trends And Its Effects On Consumer Buying Behavior : A Case Study Of Young Generation Of, 5(1), 1–22.
- Rahman, M. A., Islam, M. A., Esha, B. H., Sultana, N., & Chakravorty, S. (2018). Consumer buying behavior towards online shopping: An empirical study on Dhaka city, Bangladesh. *Cogent Business and Management*, 5(1), 1–22. <https://doi.org/10.1080/23311975.2018.1514940>
- Rajeshwary, G., & Sayed, M. S. (2014). Trust and risk in online shopping. *Tactical Management Research Journal*, 1632, 114–117.
- Sabel, T. (2018). Exploring the Influential Factors of Online Purchase Intention in Finland.
- Wang, M., & Qu, H. (2017). Review of the Research on the Impact of Online Shopping Return Policy on Consumer Behavior. *Journal of Business Administration Research*, 6(2), 15. <https://doi.org/10.5430/jbar.v6n2p15>
- Hsu, S. H. (2017). The Perception Risk of Online Shopping Impacted on the Consumer's Attitude and Purchase Intention in Hanoi, Vietnam., Ph.D, Pham Minh Luan MBA. Vol. 4, No. 4.
- Tsai, J., Egelman, S., & Cranor, L. (2007). The Effect of Online Privacy Information on Purchasing Behavior: An Experimental Study Alessandro Acquisti Carnegie Mellon University. 6th Workshop on the Economics of Information Security (WEIS).
- Ton, Z. & Raman, A. (2010). The Effect of Product Variety and Inventory Levels on Retail Store Sales: A Longitudinal Study Vol. 19, No. 5, September–October pp. 546–560. Research scholar, Amity School of Mass Communication (ASCO) Amity University, Noida, UP, India. *International Journal of Engineering & Technology*, 7 (4) (2018) 2485-2490. Impact Factor 3.582 Case Studies Journal ISSN (2305-509X) – Volume 6, Issue 3 March-2017 Customer Buying Behavior towards Online Shopping a Case Study of Hyderabad City <http://www.casestudiesjournal.com> Page 63.
- Proceedings Book of ICETSR, 2014, Malaysia Handbook on the Emerging Trends in Scientific Research ISBN: 978-969-9347-16-0 Influence of Online Shopping Enjoyment and Trust towards Purchase Intention in Social Commerce Sites HaoSuan Samuel, Lee Taylor's University, Malaysia Kok Wei, Khong Taylor's University, Malaysia Jer Lang, Hong Taylor's University, Malaysia 355.
- Arsalan S. K., Ahmed, F., Yousuf, H., Hassan, S. & Zia, S. A. (n.a). Online Shopping Behavior in Pakistan. Karachi School for Business & Leadership.
- Gerelbayar, Enkhbayar, Y. & Huang, F. (2018). The Impact of Perceived Risk on Online Purchase Behavior of Mongolian Consumers. Vol. 6, Issue 1, pp.