



AN INVESTIGATION OF FACTORS INFLUENCING ONLINE SHOPPING: AN EXPLANATORY STUDY IN THE KINGDOM OF BAHRAIN

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ABSTRACT

Introduction: Online shopping is becoming gradually more popular globally, particularly in the developing countries given the newly established infrastructure for marketing through the Internet. The kingdom of Bahrain has a young population that is well informed of Internet and its wide range of applications. The current study aims at investigating the factors that influence customers' intentions and attitudes towards online shopping in Bahrain.

Design/Methodology/Approach: A quantitative approach has been implemented to conduct the study using a questionnaire. Independent variables used are Perceived Ease of Use, Perceived Usefulness, Trust, Security, Website features, Culture and Attitude against one dependent factor that is Intention to online retail shopping. A total of 170 questionnaires have been distributed among five local institutes. Data analysis was done using Statistical Package for Social Science (SPSS) 18. Cronbach's alpha test revealed that all the tested variables are reliable.

Findings: Trust and Security are significantly correlated with customers' attitudes and that attitudes are significantly correlated to intention to online shopping.

Keywords: online shopping; customers; factors; retail; influence.

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INTRODUCTION

Online shopping is becoming gradually more popular globally, particularly in the developing countries given the newly established infrastructure for marketing through the internet (Kau et al., 2003). Hawkins et al. (2001) found that the proportion of retail shopping in under developed countries is small; however, it is expected to enlarge significantly in the near future.

The Kingdom of Bahrain has witnessed a vast increase in the population between 2011 and 2012 reaching 1.2 million, which is twice the population 10 years earlier. Moreover, there is a significant increase in the accessibility of Internet connections to individuals in Bahrain yet there is hardly any knowledge that is published regarding phenomenon of online shopping in Bahrain and factors that affect online shopping in the context of Bahrain.

The study aims at understanding the beliefs and behaviours of customers in Bahrain towards online retail business and identifying factors that could influence their decisions of online purchase and payments.

Owners and managers of online retail business have constantly wondered about the customers' perceptions, thoughts and beliefs about online shopping. They have a serious need for updates on the factors that affect online shopping in order to boost their online retail business.

RESEARCH QUESTIONS

The study developed various hypotheses that investigate the influences of various factors on online retail shopping. Figure 1 below presents the proposed model and factors affecting the intention to purchase from online retail business.

The hypotheses of the current study are:

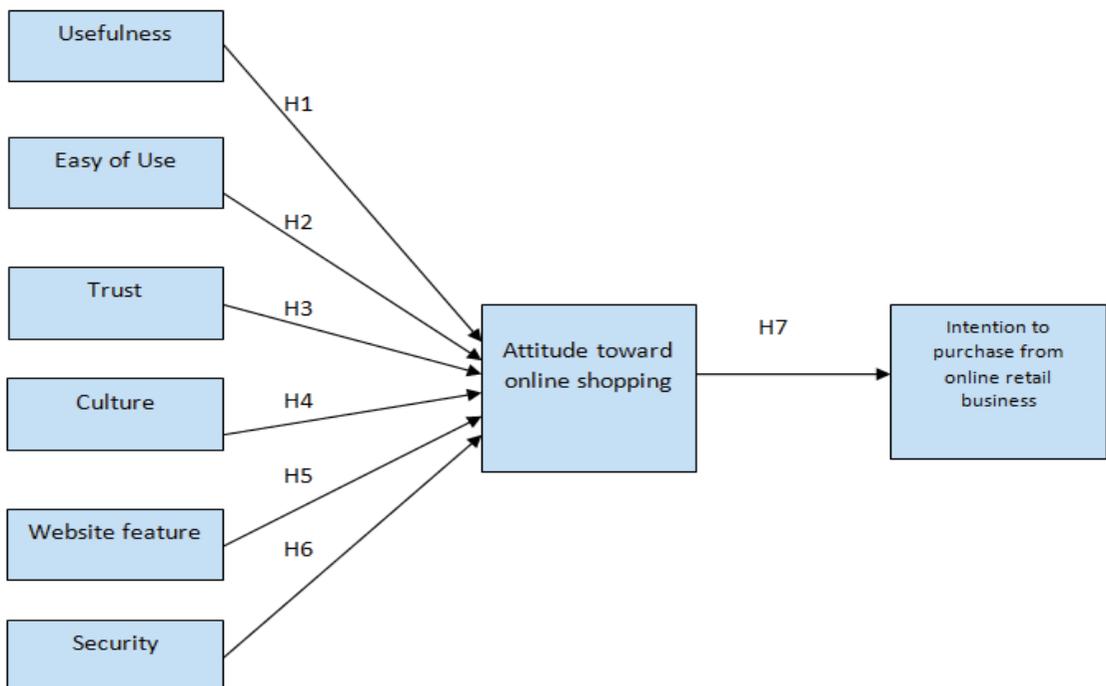


Figure 1 Proposed Model (Constructed by the Author)

- H1: There is a positive relationship between Perceived usefulness and attitude.
- H2: There is a positive relationship between Perceived ease of use and attitude.
- H3: There is a positive relationship between Trust and attitude.
- H4: There is a positive relationship between Culture and attitude.
- H5: There is a positive relationship between Website feature and attitude.
- H6: There is a positive relationship between Security and attitude.
- H7: There is a positive relationship between attitude and Intention to purchase from online retail shopping.

The Technology Acceptance Model (TAM) adopted in this study. Identification of such factors will shed light on the online retail behaviour in the Kingdom of Bahrain.

LITRETURE REVIEW

A comprehensive appraisal of the literature has been conducted regarding customers behaviour towards online shopping as well as potential factors like ease of use that covers a number of aspects related to online shopping behaviour of people of Bahrain.

The research was conducted in the kingdom of Bahrain. Bahrain is rapidly progressing as a country that adopts latest technology in every aspect of life including the induction of Internet-based technologies in many areas such as governance in both private and public sectors, commercial activities, industrial activities and social activities. One of the areas that is increasingly attracting buyers' attention in Bahrain is online shopping.

A growing body of evidence has shown that online retailing depends strongly on the uniqueness of the products offered online, the ease of online ordering and the originality of the allocation channel (Hui and Chau, 2002).

The major impact of the online tools on marketing and consumer satisfaction, developing a high-quality user-friendly website is likely to influence the online shopping behaviour and hence should be considered of paramount importance (Douqing, 2013; Thelwall, 2000).

Many studies emphasised also the importance of the intention variable during online shopping; Ha and Stoel (2009) found that browsing the Internet for information on products indirectly influences customers' intentions to actual shopping of products. However, Al Shourah (2014) revealed that perceived usefulness has significant relationship with customers' perceptions of online shopping. Similarly, Lait and Wuan (2014) emphasised that perceived usefulness is one of the most significant predictors of online shopping intention.

In addition, Al Shourah (2014) revealed that perceived ease of use has significant relationship with customers' perceptions of online shopping and Likewise, Yulhasri et al. (2011) explained that ease of use is an important predictor of intention towards online shopping.

Javadi et al. (2012) revealed that financial risks and possibility of failure of item delivery significantly influence customers' attitudes towards online shopping. On the other hand, Jusoh and Ling (2012) found that customers' perceived risks are not significantly related to their attitudes towards online shopping.

To sum up, voluminous amount of research has been invested on understanding the universal drives, which motivate customers to shop online. The current chapter has illustrated some of these research studies in order to better understand the online business.

RESEARCH METHODOLOGY

The current study aims at assessing the Bahrain population impressions and viewpoints towards online retail shopping, an exploratory type of research suits best to highlight the major factors influencing on online shopping and to confirm or refute the hypothesis of the study.

Furthermore, chief question of the present study is descriptive by some means; the research shall engage a descriptive style in some areas also the present study aims to investigate the association between multiple variables; the primary objective of this study is hence an explanatory research.

Research Design: in a quantitative study, the association between the numerous variables in the studied population is established and since the present study aims at recognising the influential factors in relation to online shopping

among the Bahrain population, it involves various variables and hence a quantitative approach is the most efficient design.

Noteworthy; the current study targets the population of online shopping customers in the Kingdom of Bahrain. A convenient sample of this population has been involved in the study.

Questionnaire Development: data collection was performed using a questionnaire. Prior to constructing the questionnaire, numerous literature reviews on online shopping have been studied to maintain a high reliability of the questionnaire. Five statements have been generated for each variable in the questionnaire; collected from multiple questionnaires found in previous literatures, as there was no standardised validated questionnaire that included all the variables investigated in the current study.

Data Collection: a total of 170 questionnaires have been distributed as soft and hard copies on different times and days of the week over the month of March 2014 and participants were offered the choice of returning the questionnaires at a later date and were provided with an address and contact details.

Pilot Study: the reliability and validity of the study has been assessed and a pilot study has been performed prior to the official study by distributing a sample of 30 questionnaires on a convenient sample of participants. Cronbach's alpha test has been employed to estimate reliability.

Data Analysis: the Statistical Package for Social Science (SPSS) version 18.0 has been used for statistical analysis of the data collected.

RESULT AND DISCUSSION

Descriptive Statistical Analysis: the descriptive analysis shows that the most influential factor for online shopping is usefulness (mean 3.77, SD 0.73). The next most significant factors are trust (mean 3.76, SD 0.84) and website features (mean 3.74, SD 0.72). The least significant factor is security (mean 3.65, SD 0.77).

These results highlight that usefulness of online shopping influences the customers likelihood to shop online which could be explained by the fact that online shopping saves time and effort of physical shopping and provides the desired product in few quick easy steps. In addition, the

study shows that customers stress on the trust aspect of online shopping. This could be attributed to the practice of selling unauthenticated products in online shops as well as perceptions of breaking customers' privacy during online shopping. Moreover, the study participants emphasise on the features of the website through which they would shop online hence their decision may be influenced by the website's interface, support, attractive presentation of products and simplicity of transaction completion. Also, the practicality of the website plays a major role in the participants' decisions; thus websites which are user friendly and offer guidance through the process are more favourable. Strikingly, the participants seem to be least concerned about security issues which could be attributed to the advent of highly secured payment systems and complex encryption code systems which significantly reduce electronic crimes and thus boost the customers' confidence in online shopping. Further more, the findings show that customers' culture, attitude, and ease of use have minimal effect on customers' decision to shop online.

Correlation Test: the correlation analysis of the five statements of each variable was done and revealed that all the statements of all variables are strongly correlated with each other except for few statements of usefulness and ease of use which showed medium correlation (Pearson correlation <0.5). However, all the correlation analyses were statistically significant with *P*-Values above 0.05. These findings indicate that the statements constructed for each variable are reliable and truly testing that particular variable.

Moreover, item to item ranges and item to total ranges have been calculated to reconfirm that the statements of the variables are acceptably correlated as shown in Table 1 below which shows that item to item ranges are all above 0.3 and item to total ranges are all above 0.5. These data mean that more than 70% of the statements for variable namely Trust, Attitude, Security, Culture, Website features and Intention are representing their respective factor variable except for Usefulness and ease of use where around 50% of their statements are representing these variables.

Linear Regression Test: two linear regression analyses have been done to investigate the variance among the proposed factors. Initially,

Table 1 Reliability test and correlation analysis (Constructed by the Author)

Factor	Cronbach's Alpha	Item to Item Range (>0.3)	Item to Total Range (>0.5)
A Usefulness	0.843	0.443–0.651	0.555–0.751
B Ease of use	0.844	0.422–0.614	0.537–0.713
C Trust	0.951	0.715–0.881	0.710–0.786
D Attitude	0.914	0.697–0.681	0.792–0.810
E Security	0.914	0.583–0.812	0.729–0.835
F Culture	0.929	0.619–0.805	0.760–0.875
G Website Features	0.916	0.553–0.769	0.716–0.824
H Intention to Online Shopping	0.934	0.634–0.819	0.761–0.859

regression analysis done to evaluate relationships between Trust, Security, Usefulness, Ease, Culture and Website features with Attitude which revealed that the model is significant ($p < 0.05$).

In the regression model the concrete values for the b's could be filled in the equation model:

$$\begin{aligned} \text{Attitude} = & -0.156 + 0.153 \text{ Usefulness} \\ & - 0.091 \text{ Ease} + 0.367 \text{ Trust} + 0.413 \text{ Security} \\ & + 0.060 \text{ Culture} + 0.120 \text{ Website Features} \end{aligned}$$

The regression coefficient of the variables in this equation indicate an increase/decrease in the satisfaction regarding the variable with one-unit leads to an increase/decrease in the overall satisfaction with bi units. For example, the regression coefficient of the variable 'Trust' indicates an increase in the satisfaction regarding the 'Trust' with one unit leads to an increase in the overall satisfaction with 0.367 units. Although some variables have p -values >0.05 , they may still be part of the model: that is the null hypothesis is valid and that their corresponding b's do not differ significantly from zero. A preferable step can involve the repetition of the analysis by neglecting these variables. In our model, it is only b Usefulness (0.153), b Ease (-0.091), b Culture (0.060), b Website features (0.120) which do not differ significantly from 0 (p -value = 0.163, 0.445, 0.599, 0.292; all values are greater than 0.05). This can lead to the estimation of the following model:

$$\text{Attitude} = b_0 + b_1 \text{ Trust} + b_2 \text{ Security} + \varepsilon$$

The result of this study illustrates that security ($\beta = 0.393, p < 0.01$) and Trust ($\beta = 3.79, p < 0.01$)

have significant impact on customers' attitude towards online shopping. This is proved by the fact that 60 to 70% of the study sample felt that online retail shopping is trustworthy. These findings support studies done by George (2002), Heijden et al. (2001), Pavlou and Chai (2002) and Lynch et al. (2001); all of which concluded that trust has significant impact on customers' attitude towards online shopping.

Similarly, Oppenheim and Ward (2006) emphasised on the importance of security for e-business and its subsequent influence on customers' attitude, a finding that is reproduced by the current study as 66% of participants agreed/strongly agreed that they feel safe and secure during online shopping (Mean = 3.64, SD = 0.90) and transactions (Mean = 3.72, SD = 0.84). Strikingly, 60% of participants had the misperception that they might be overcharged during online shopping as retailer has their credit card information (Mean = 3.60, SD = 0.964). Alsmadi (2002) and Al-Madi et al. (2012) highlighted that customers in Jordan are likely to be worried about security of their personal and financial information while shopping online. Such finding could be attributed to the general misperception of Internet and its security and privacy in the Arabic culture especially that Yoon (2007) confirmed that cultural dimensions influence attitudes towards online shopping despite the current globalisation. Moreover, Alfian et al. (2009) revealed that trust in structure of Internet significantly affects willingness to purchase online.

Table 2 Research Hypothesis (Constructed by the Author)

<i>Research Hypothesis</i>	<i>Accept</i>
Hypothesis 1: Usefulness	×
Hypothesis 2: Ease of Use	×
Hypothesis 3: Trust	✓
Hypothesis 4: Culture	×
Hypothesis 5: Website feature	×
Hypothesis 6: Security	✓
Hypothesis 7: Attitude	×

The second linear regression illustrated in the study revealed that customers in Bahrain attitude significantly affects their intention to shop online ($\beta = 0.729, p < 0.01$) which supports the evidence of previous literatures.

The Table 2 below summarise the accepted and refuted hypotheses based on the first and second regression analyses done.

CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

The study aimed at investigating the customers in Bahrain perceptions and behaviours as well as the factors that influence their attitude towards online shopping. Such findings are crucial for owners of online retail business who aim at increasing their sales and revenues as well as for the customers to address their concerns, empower their understanding of online shopping and increase their satisfaction accordingly.

The results of the first linear regression analysis showed that security and trust are significantly related to customers' attitude towards online shopping as two thirds of the participants stated that online shopping is trustworthy and secure. On the other hand; 60% of participants thought that they may be overcharged during online transactions. Such misconceptions have been reported in similar studies conducted in Jordan by Alsmadi (2002) and Al-Madi et al. (2012); which could be attributed to the mentality among the Arab World about Internet insecurity and the fear of breach of confidential information. The findings propose that raising awareness and educating the customers in Bahrain and the Arabic society

about the security of the Internet and its privacy and complex encryption coding systems is worthwhile and is predicted to positively enhance their intentions for online shopping.

The second linear regression analysis investigated the relationship between customers' attitude and their intention, which revealed a statistically significant relationship.

The study has emphasised on the factors that actually affect customers' intentions and behaviours towards online shopping. Such piece of information guides the owners of online retail shops on how to improve their services in order to attract more customers, nourish their business and increase their revenues. Also, the study played a remarkable role in identifying customers' perceptions of online shopping and hence provides room for education and correction of related misconceptions which is likely to encourage more customers to shop online.

The below Figure 2 illustrates the revised model of the factors that influence customers' intentions towards online shopping.

Limitation of the study: the study has multiple limitations. Firstly, the study sample is small and specific to certain type of persons that are educated and employed hence may not be representative of the concerned population which may have led to bias and as result the findings of the study cannot be generalised to the entire population in Bahrain.

Secondly, the study was based on a questionnaire thus the answers are subjective since they are based on participants perceptions and opinions which could result in reporting bias and hence affect the quality of the produced data.



Figure 2 Revised Model (Constructed by the Author)

Thirdly, the questionnaire used is self-structured and hence has not been tested or validated in previous studies.

Recommendation for further studies: I would recommend that the study is reproduced to investigate different potential factors which might have significant impact on intention to online shopping. For example, demographic factors like gender, age, education and employment. Moreover, the study sample should be larger to improve representation of the study population. In addition, the study could be reproduced within the gulf region in order to generate strong regional data, which would definitely guide the owners of online retail shops. Furthermore, a different study design could be adapted in future studies such as conducting two questionnaires, one based on the initial perceptions of customers, followed by an educational session that would address their concerns and misconceptions, after which a second questionnaire is completed to identify the difference in the customers' intentions towards online shopping.

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BIOGRAPHICAL NOTES

Mansoor Al-Alwan works as an Associate in Internal Risk Management Department in KPMG Fakhro – Bahrain, he has been working for KPMG Bahrain for the last five years. He has conducted this research for the MBA from Ahlia University in the Kingdom of Bahrain. He holds a Bachelor degree in Computer and Communication Engineering also from Ahlia University.

Abdulmonem M. Al-Shirawi is an Assistant Professor in Management and Marketing at Ahlia University. He has taught different courses in management and marketing for the last eight years. He embarked on an academic career after taking early retirement from the industry. He was a marketing and sales manager

at Bahrain Aluminium Extrusion Company and then the General Manager of that company for many years. He also worked in the capacity of CEO at Aluminium Bahrain. He ran his own marketing and management consultancy for a number of years after retiring and conducted several studies for various industries throughout the Gulf States. He has supervised MBA students in marketing and management discipline.

APPENDIX A

Linear Regression Tables (Constructed by the Author)

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	53.455	6	8.909	64.098	0.000 ^a
	Residual	12.926	93	0.139		
	Total	66.382	99			

Predictors: (Constant), Website features, Usefulness, Ease, Culture, Security, Trust.
 Dependent Variable: Attitude.

Model	R	R ²	Adjusted R ²	SE of the Estimate
1	0.897 ^a	0.805	0.793	0.37282

Predictors: (Constant), Website, Usefulness, Ease, Culture, Security, Trust.
 Dependent Variable: Attitude.

Regression 1: Coefficients

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	SE	Beta		
1	(Constant)	-0.156	0.210		-0.744	0.459
	Usefulness	0.153	0.109	0.137	1.405	0.163
	Ease	-0.091	0.118	-0.084	-0.768	0.445
	Trust	0.367	0.080	0.379	4.610	0.000
	Security	0.416	0.101	0.393	4.126	0.000
	Culture	0.060	0.114	0.059	0.528	0.599
	Website features	0.120	0.114	0.107	1.060	0.292

Dependent Variable: Attitude.

Regression 2: Model Summary

Model	R	R ²	Adjusted R ²	SE of the Estimate
1	0.729 ^a	0.531	0.526	0.56227

Predictors: (Constant), Attitude.

Regression 2: ANOVA^b

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	35.105	1	35.105	111.039	0.000 ^a
	Residual	30.983	98	0.316		
	Total	66.088	99			

Predictors: (Constant), Attitude.

Dependent Variable: Intention.

Regression 2: Coefficients^a

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	SE	Beta		
1	(Constant)	1.051	0.259		4.054	0.000
	Attitude	0.727	0.069	0.729	10.538	0.000

Dependent Variable: Intention.