

# Online Purchasing Behavior among Bangladeshi Young Generation: Influencing Factors and Impact

Sayma Sadia Shawon<sup>1</sup>, Md Ali Hasan<sup>2</sup>, Abdur Rakib Nayeem<sup>3</sup>, Md. Bashir Uddin<sup>4\*</sup>

<sup>1</sup>Department of Business Administration, Shahjalal University of Science and Technology, Sylhet, BANGLADESH

<sup>2</sup>Department of Business Administration, Pundra University of Science and Technology Bogra, BANGLADESH

<sup>3</sup>Department of Business administration, Times University Bangladesh, Faridpur, BANGLADESH

<sup>4</sup>Department of Business Administration, Sylhet International University, Sylhet, BANGLADESH

\*E-mail for correspondence: [bashirsu@gmail.com](mailto:bashirsu@gmail.com)



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## ABSTRACT

Online shopping is a genius that is developing quickly these days. There is as yet an important piece of market potential for online based business in spite of the expansion of the primary players in this industry. Therefore, this investigation looks at the variables influencing on client's conduct of internet shopping that may be a pivotal part of online business and showcasing industry. However, this is a requesting social pattern and there are numerous reasons it was excessively troublesome, making it impossible to discover about online shopper conduct. The reason for this examination is to manage the shortcomings of internet shopping conduct that the past investigation did not assess yet. This goal is utilizing a model by looking at the effect of Financial Risk, Product Risk, Convenience Risk, Non-delivery Risk, and Return Policy on state of mind toward web based shopping conduct of purchasers as the speculations of study. Straightforward irregular examining polls were dispersed to 200 online stores of Bangladesh. At long last, every one of the information was gathered and relapse investigation was utilized to test the theories of the exploration. Additionally, the discoveries confirmed that both money related risk and non-conveyance chance have negative impacts in web based shopping, and the examination likewise connoted that specific framework advancement and individual standards have a constructive outcome web based shopping conduct. What's more, the demeanour has decidedly influenced client's online based shopping conduct.

**Key words:** Online shopping, Financial Risk, Product Risk, Convenience Risk, Non-delivery Risk, Return Policy, Bangladesh

## INTRODUCTION

These days, internet shopping administrations have been generally utilized by buyers. The online assumes an essential part in our life so individuals can chat with each other anyplace on the planet through the online based transaction, they can send the email whenever, they can search for data on the web, they can play amusement with individuals over the world, and they can even purchase things on the web. As indicated by the exploration of U.S. firm e-Marketer, Global B2C internet shopping deals added up to about \$1.25 trillion. The progress of online shopping administrations is supported by buyers, as well as retailers. Passey et al. (2010) Compared to the physical stores, the web based shopping retailers can spare offering expense, and it can likewise assist customers with saving

time for shopping trips by means of net, for instance scanning for item composes, costs of the items surveys from others, deciding for items or administrations by means of Internet, submitting the request, making installments, at that point taken after by conveyance of those items through Internet by Pratminingsih et al. (2013). The upgrade of the Internet and data innovation has definitely quickened the fame of web based shopping. Over the most recent couple of decades, Internet develops into a huge stage for the online exchange and administrations. In the most created nations, Internet has turned into a pivotal medium, giving different sorts of items inside 24 hours. In Bangladesh, for instance, there are sure confinements prompted the business-to-shopper (B2C), the level of web-based business is dependably beneath the retail business. Something else, E-promoting



has assumed an imperative part in online B2C exchanges by Vaidehi (2014). The internet shopping has turned into a vital divert in online business amid the previous decade. Web-based shopping conduct implies the way toward utilizing Internet to buy items or administrations. The run of the mill web-based shopping process is that the buyers go to Internet looking for what they require, either stock or administration. At that point they have to settle on beyond any doubt that the decision fits for their standard. Therefore, the exchange was handled and the post-deals were bolstered. In the light of client's web-based shopping conduct, it is as per the client's mental condition. The investigation of this exploration offers a broad research and comprehension of the client's internet shopping conduct and demonstrating different impact factors, as saw dangers, mentality, goals, social impact and some more. Particularly, it is to find out what the most important influence element is for online consumers and how to influence consumers and e-commerce supplier. In consideration with increase in the internet usage and online shopping among the college students, the purpose of this qualitative study was to explore the factors that influence the online buying behavior of the people in Bangladesh.

## LITERATURE REVIEW

### Financial Risk

Risk more often than not makes the critical part in web-based acquiring choice. (Barnes et al., 2007) said that weakness is the primary indicators that leads the high negative viewpoint in web obtaining. Internet shopping comprises of numerous dangers, in which the hazard just makes a great deal of issues when the aftereffect of web based shopping isn't sure. There are likewise endorsed hazards when obtaining. Budgetary hazard in all likelihood happens at the plain starting phase of internet shopping soon after the clients are putting orders. Budgetary hazard is associated with the loss of cash in which there is a poor item or administration decision. To define, financial risk is the degree of uncertainty that a customer is willing to acknowledge when making a financial operation. According to Guseman, every product contains risks, though separately. Moreover, according to (Cunningham et al. 2005), these risks also include no standard of products and no warranties. Financial risk is the potential loss of money associated with the purchase or dangerous use of the credit card information. Online technology usually exposed to safety threats like viruses, worms, crackers, and password sniffing (Liu and Muse, 2005).

In short, there are many different views from different scholars on financial risks, but financial risks commonly influence customer's intention negatively to shop online.

**H<sub>1</sub>:** Financial risk has the negative impact on attitude toward online shopping behavior.

### Product Risk

The Product risk can also be referred as the performance risk. To define, performance risks are the chances of the failure of products to meet its user's requirements. There are many categories of the product failure among users, including the financial damage of a product and loss of goods from beginning to the end. According to Yeniçeri and Akin (2013), product risk is referring to the poor product performance particularly when it does not meet the desired expectations by consumers. They also explained that it is because of consumer's inadequacy to measure the quality of product in online store because of the non-availability of physical inspection. This includes the touching of the real product, brand colours, imprecise information about the features of the products which can cause the performance risk of the product.

Product risk also related to the probability of getting the product which is different from the description on the website. It is complicated for consumers to estimate the quality of products without inspection and material evidence, such as smell, taste, touch. According to Stoel (2005), in case of clothes purchasing, there are some problems related to fibre content, fit and colour as their inability to try on the garment physically.

**H<sub>2</sub>:** Product risk has the negative effect on attitude towards online shopping.

### Convenience Risk

Convenience risk can be characterized as the observation that time or exertion squandered when a bought item is being repaired or supplanted (Hansen, 2008). Agreeing (Forsythe et al., 2006), it additionally comprises of the issue occurred amid online exchanges, more often than not on account of route trouble or requests accommodation, or likewise delays after getting the items, or no legitimate strategy for item wiping out once it was requested. As indicated by (Dan and Kim, 2007), comfort risk can allude to the conceivable loss of conveyance identified with the loses of things, risk items sent to the wrong address in the wake of shopping. In web-based shopping, there is a much nonappearance of trust. There is additionally a measure of strains and dangers that exist in web-based acquiring site. Claudia (2012) said that purchasers are anxious about the possibility that that conveyance of the items requested will be deferred in light of different conditions, for instance, the conveyance organization would not convey the item amid the period concurred with clients, or they expect that the items may be broken while being transported, or the items are not appropriately bundled and taken care of while transporting the items to buyers.

**H<sub>3</sub>:** Convenience service has the positive influence on attitude towards shopping online behavior.

## Non-delivery Risk

Non-delivery risk is when there is the wrong delivery of products to people at wrong place. Non-delivery risk means that the product cannot be delivered to the consumer, or the delay of delivery of product from the period promised to consumers. According to Claudia (2012), during the delivery process the products might be damaged and its packing is not as proper as it should be. According to Noh et al. (2015), there is a positive aspect of product delivery risk if consumer ordered it from a trustworthy online dealer; therefore they find ways to deal with trustworthy online dealers to reduce the risk of product delivery. Meanwhile, Adnan (2014) specified that there is a negative impact of product delivery on consumer's shopping process. He even recommended that online dealers should provide insurance to online consumers if they do not receive the product in time. Yeniçeri and Akin (2013) said that the product delivery risk is high when consumers are not receiving the products in time or there is a delay in product delivery.

**H<sub>4</sub>:** Non-delivery risk has a negative influence on attitude towards shopping online behavior.

## Return Policy

Return policy exchange alludes to the simplest method to deal items is to guarantee buyers about the unconditional promise. This is to assure them that they can give back their objects whenever with no trouble in the event that they are not happy with the items they purchase. A positive effect is the point at which the clients are not happy with products requested; they can give that merchandise back. If the negative result is when on the off chance that they need to get back the item, the entire procedure may set aside a long opportunity to finish. Stock trade is tolerant in a way when the thing isn't likely as it has depicted and ought to be exchange or to markdown. To compensate the customers, in stock trade or stock trade is executed to compensate the primary portion for some organization, to some degree markdown. Shim et al. (2001) communicated that in shopping on the web, customers see the properties of the thing like esteem, straightforwardness of improvement, and stock trade as essential. Online associations regularly offer return conditions in perspective of various reasons. For instance they have to remain forceful with their enemies' landing methodologies or in light of the way that they assume that a champion among the most critical assets for business is purchaser reliability (Rogers and Tibben-Lembke, 1999). According to Foscht et al. (2013), when customers have low level of helplessness and the things from the particular online store are typical for them, they will by and large return back fewer things and they will orchestrate more things that will definitely raise more advantages for the association itself. The review of past examinations has exemplified different components that affect the mind-set towards customers' electronic

shopping conduct. Those components illuminated above are considered as the huge fragments that relate to perspective towards electronic shopping conduct. Accordingly, in this examination, we will see how all these five segments are impacting perspective of purchasers towards their electronic shopping conduct.

**H<sub>5</sub>:** Convenient product return policy will have a positive effect on attitude towards shopping online behavior.

## Attitude towards Online Shopping Behavior

The research about the attitude of consumers towards their purchasing behaviour has been previously investigated since the mid-1970s. Fishbein and Ajzen (1975) stated, according to the attitude change and behaviour model, that consumer's attitudes are most likely affected by intention. When the intention is used by consumers when they are shopping online, the effect of the purchase transaction can be investigated by researchers. According to Jahng et al. (2001), one aspect is the acceptance of consumers that Internet is used as a medium of shopping. Previous studies have also shown that attitude is one of the significant reasons of online shopping behaviors (Yang et al., 2007) and (George et al., 2007; Yang et al., 2007) purchasing behaviors among consumers. The results appear to prove the links between online influencing factors and attitude of shopping behaviour. In Bangladesh, however, no study has yet investigated these links. The purpose of this study is to fill this gap. A review of literature has been conducted to explore these relationships and then a research methodology has been proposed. A positive and as well as a negative correlation between each of the constructs has been confirmed by the review of literature and the primary analysis.

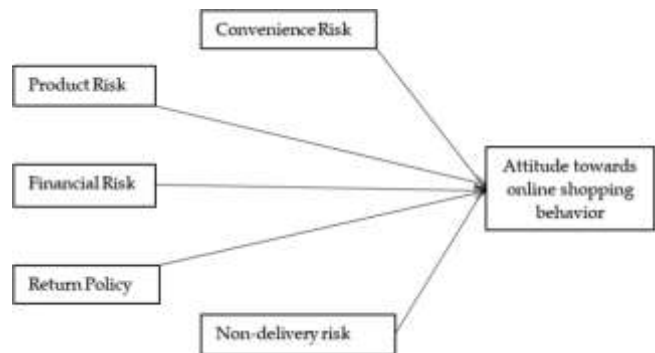


Figure 1: Conceptual framework

## RESEARCH DESIGN

This part initially shows the examination outline, reasonable model and hypothesis to be tried. At that point the examination procedure including the study plan and estimation of the investigation components (including convenience risk, product risk, financial risk, return policy, non-delivery risk and attitude to online behaviour of online shopping), assessing and data examination systems are

depicted. The investigation grasped in this review is a realistic review where the review is endeavored to depict the reactions to request of the segments in choosing customer satisfaction towards web based banking webpage in Bangladesh and, which of the components expect the most basic part to achieve customer satisfaction. Cross-sectional review was driven by methods for overview study to take a portrayal of the population at a point in time as the examination is focusing on in perspective of existing banking customer and not focusing on the impact of earlier and after that thereafter a customer getting the chance to be web managing an account attitude to online behaviour. Organized review was made to procure the responses from web based attitude to online behaviour about their feelings on various research components. A total number of 200 electronic based clients (students and professionals) have been arbitrarily browsed different cities in Bangladesh. A five Likart Scale were utilized as a part of the survey. Every one of the questionnaires was created in English. A pre-test instrument was thought to be important to valid its clarity and fulfilment before it was utilized on the example population. Accordingly the review had directed a legitimacy examination to distinguish whether or not; exact and exact outcome could be acquired from the estimation made of the review's variable from the instrument utilized.

A total number of 20 related questionnaires were taken as self-administrative elements and general customer satisfaction as the destitute variable. By then the data was assembled through review by using that overview. The gathered data was analysed by SPSS programming.

**RESULTS AND DISCUSSION**

The present examination utilized the inner consistency for the survey. Hair, et al. has proposed that an Alpha value of 0.70 is viewed as reliable; in any case, it might decrease to 0.60 exploratory researches (Hair et al. 2011). The aftereffect of the Cronbach's coefficient Alpha reliability test for the present review has been appears in Table 1, where the Reliability test acquired is (0. 787). Accordingly, the questionnaires are exceedingly solid. Consider the investigation was directed utilizing the important pivot figuring with varimax turn with a cut up value of 0.6. Calculate stacking was connected for basic structure of 20 items identified with influential factors towards utilizing web based shopping in Bangladesh. Total five elements were extricated which clarified 62.314% of the variance. The KMO value was 0.730 and the Bartlett's Test of Sphericity was 4.350E3 and significance at 0.000 (p 0.000) (Table 2) Finally, different relapses were directed consequently on shoppers' satisfaction towards utilizing web based shopping benefits as reliant variable with each of the five components that constituted the free factor to demonstrate the connections among these needy and autonomous factors. The model outline in Table 4 indicates the amount of the difference in the dependent variable is clarified by the

model. In this exploration, the esteem is .738 which implies this clarifies 73.8% of the variance.

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based	N of Items
.787	.747	20

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.730
Bartlett's Test of Sphericity Approx. Chi-Square	4.350E3
df	296
Sig.	0.000

Table 3: Rotated Component Matrixa

	Component				
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
FR1	0.839				
FR2	0.860				
FR3	0.697				
FR4	0.778				
PR1		0.823			
PR2		0.865			
PR3		0.788			
PR4		0.675			
CR1			0.675		
CR2			0.758		
CR3			0.524		
CR4			0.870		
NDR1				.632	
NDR2				.665	
NDR3				.712	
NDR4				.640	
RP1					.632
RP2					.665
RP3					.712
RP4					.640

Table 4: Model summaries

Model	R	R square	Adjusted R square	Std. Error of the Estimate	Durbin-Watson
1	.885 <sup>a</sup>	.745	.738	.612	1.948

Table 5: ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	762.025	6	131.338	340.390	.000 <sup>b</sup>
Residual	227.902	543	.375		
Total	989.927	549			

Table 6: Coefficientsa

Predictor	Unstandardized Coefficient B	p-value
Financial Risk	-0.181	0.027
Product Risk	-0.069	0.356
Convenience Risk	-.055	0.409
Non-delivery Risk	-0.244	0.019
Return Policy	-0.173	0.149

Dependent Variable: Financial Risk, Product Risk, Convenience Risk, Non-delivery Risk, Return Policy.



H<sub>1</sub>: Financial risk has the negative effect on attitude toward online shopping behavior.

Based on the result of Regression Analysis we found that Financial Risk has Negative influence ( $\beta = -0.181$ ,  $p = .027$ ) on attitude toward online shopping behavior and its influence is statistically significant. However, it can be confirmed that financial risk has negative effect on attitude toward online shopping behavior.

H<sub>2</sub>: Product risk has the negative effect on attitude towards online shopping.

Based on the result of Regression Analysis we found that Product Risk has Negative influence ( $\beta = -0.181$ ,  $p = .356$ ) on attitude toward online shopping behavior and its influence is not statistically significant. However, it can be confirmed that Product risk does not have statistically significant negative effect on attitude toward online shopping behavior.

H<sub>3</sub>: Convenience service has the positive influence on attitude towards shopping online behavior.

Based on the result of Regression Analysis we found that Convenience Risk has positive influence ( $\beta = -.055$ ,  $p = .409$ ) on attitude toward online shopping behavior but its influence is not statistically significant. However, it can be confirmed that Convenience risk does not have statistically significant positive effect on attitude toward online shopping behavior.

H<sub>4</sub>: Non-delivery risk has the negative influence on attitude towards shopping online behavior.

Based on the result of Regression Analysis we found that Non-delivery Risk has Negative influence ( $\beta = -0.244$ ,  $p = .019$ ) on attitude toward online shopping behavior and its influence is statistically significant. However, it can be confirmed that Non-delivery risk has negative effect on attitude toward online shopping behavior.

H<sub>5</sub>: Convenient the product return policy will have positive effect on attitude towards shopping online behavior.

Based on the result of Regression Analysis we found that return policy has positive influence ( $\beta = -0.173$ ,  $p = .149$ ) on attitude toward online shopping behavior and its influence is not statistically significant. However, it can be confirmed that return policy does not have statistically significant positive effect on attitude toward online shopping behavior.

## CONCLUSION

From the result, we can see that H<sub>1</sub> and H<sub>4</sub> are supported significantly. Thus, we can say that financial risk has the negative effect on attitude toward online shopping behavior. Fear regarding non-delivery of products also has the negative effect on attitude towards shopping online behavior. Other three hypotheses were not statistically significant to be related with our dependent

variable attitude towards online purchase intention. It means the result we got from H<sub>2</sub> and H<sub>3</sub> hypotheses testing shows that the effect of product risk and convenient risk is not significant on attitude towards online purchase behavior. In this study, we have tried relate to some factors that may influence the attitude on online purchase behavior. We also conceptualized a model so that we can determine the effects of the independent variables. The Result that we got from hypotheses testing shows that financial risk and non-delivery risk has negative impact on our dependent variable which is attitude towards online shopping behavior. So we can say that e marketers should make their website payment system more secure and put more emphasis on product delivery.

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