

Drivers and barriers of internet shopping

[Economics](#), [Trade](#)



Drivers and Barriers of Internet Shopping TABLE OF CONTENTS Executive Summary 3 Chapter 1: Introduction 4 Chapter 2: Literature Review 6 2. 1 Uses of The Internet..... 6 2. 1. 1 Electronic Mailing (e-mail) 6 2. 1. 2 Instant Messaging (IM) 6 2. 1. 3 Browsing 6 2. 1. 4 Internet Shopping 6 2. 2 Internet Shoppers..... 8 2. 3 Drivers and Barriers..... 11 2. 3. 1 Product/ Website Characteristics 12 2. 3. 2 Customer Satisfaction 13 2. 3. 3 Price 13 2. 3. 4 Convenience 14 2. 3. 5 Usefulness 14 2. 3. 6 Enjoyment 14 2. 3. 7 Trust 15 2. 3. 8 Risk 15 2. 3. 9 Security 15 2. 3. 10 Privacy 16 2. 4 Internet Users' Behavior in Egypt. 16 2. 5 Research Questions..... 18 Chapter 3: Research Methodology 20 3. 1 Research Design..... 20 3. 2 Study Sample..... 22 3. 3 Study Boundaries..... 22 3. 4 Data Analysis..... 23 Chapter 4: Results and Conclusion 24 4. 1 Descriptive..... 24 4. 2 Research Questions Testing Results 26 Chapter 5: Recommendation 34 5. 1 Managerial Implication..... 34 5. 2 Directions for future research..... 35 References 37 Appendix A: Questionnaire 40 Appendix B: Tables 44 Declaration 48 Executive Summary Electronic commerce is becoming very popular nowadays in shopping that some internet users prefer it over other shopping channels for the various advantages it holds for them. This paper will discuss the drivers and barriers of internet shopping. The aim of this paper is to study the case of Egypt with respect to internet shopping, and to investigate how the Egyptian consumers perceive it. The study examines the difference between shoppers and non-shoppers with respect to age, occupation, income level, education, gender and marital status. It also studies the important factors affecting internet users shopping

decision as well as the different activities performed online. The difficulties faced during the purchasing process will be discussed and the possible solutions will be proposed as well as the motives for non-shoppers to shop online. The study was conducted using a survey in the form of a questionnaire distributed among 131 participants. Using the suitable statistical analysis, the responses showed that there were 50 shoppers and 81 non-shoppers in the studied sample. The study revealed that the main problem for internet shoppers in Egypt was concerned with safety and security issues. The results did not show any demographical differences between shoppers and non-shoppers, which could be attributed to limited representation of the studied sample. The study provided useful information about the Egyptian internet users' perception of online shopping and paved the road for further studies in this regard.

Chapter 1: Introduction

In the recent decade, the internet is very widely-spreading all over the world. Heinen correctly indicates that " The Internet (the Net) will be more than simply a market place for conducting transactions; it is evolving into a new medium for communication and interacting with customers and thus will affect the roles that marketing professionals play in their businesses" (Heinen, 1996, p. 7). A new term introduced to the field of commerce, is electronic commerce. Wikipedia — an electronic encyclopedia — defines electronic commerce (EC, e-commerce) as consisting " primarily of the distributing, buying, selling, marketing, and servicing of products or services over electronic systems such as the Internet and other computer networks" (" Electronic Commerce", 2006, para. 1). " Electronic commerce has become one of the essential characteristics in the Internet era" (Li & Zhang, 2002, p.

508). The literature has provided outstanding statistics concerning the expansion of e-commerce. " There are an estimated 300 million world-wide Internet users, and nearly 120 million of them have already made an online transaction" (Shiu & Dawson, 2002, p. 147) " The online shopping population in the United States is around 66 million, a figure that is expected to double to 132 million by 2007" (Cho et al, 2006, p. 261). Similarly, Monsuwé (2004) claimed that the online transactions are expected to increase by \$45 billion from 2002 to 2006 by an annual growth rate of 20.9%. Cho et al. (2006) said that " According to eMarketer, despite the recent economic downturn, U. S. business-to-consumer e-commerce revenue in 2001 was estimated at 54.2 billion dollars and is projected to reach 126 billion dollars by 2004" (Cho et al, 2006, p. 261). This reflects the importance of the electronic commerce worldwide. As for the Visa international records, \$450 million were spent on online shopping in Europe, Middle East and Africa, with a 48% rise from year to year (Bakir, 2005). The facts stated above reflect how e-commerce is becoming extremely indispensable for marketers. " As e-commerce begins to mature, the possibility for synchronically addressing many consumers and the lower market entry barriers of the internet distribution channel are providing an attractive impetus to marketers" (Bauer et al, 2007, p. 71). In citing Donthu and Garcia (1999), it is now crucial for marketers to have a very good understanding of the characteristics of online shoppers (Bauer, 2007). Marketers should be ready to face the up coming challenges. They should know how consumers perceive internet shopping and accordingly develop their ways to grab their attention towards it (Monsuwé et al, 2004). The literature available in this field lacked the adequate information about

the internet shopping in Egypt. The importance of this study lies in its attempt to fill this gap, as the electronic commerce is becoming really important nowadays. The case of Egypt needs to be studied so as to know where Egypt stands — and what are the challenges facing Egyptian online retailers and marketers in order to benefit from online purchasing effectively. The objective of this study is to search for the factors contributing to the success and failure of internet shopping as a new method in the field of commerce in order to know why despite its importance; it is not common in Egypt. Thus, the drivers and barriers for internet shopping will be explored throughout this paper. This paper will be divided into four parts as follows. A review of the literature available, providing a background about internet shopping as well as the drivers and barriers of internet shopping in general. The research questions concerning the research gap of the literature are then identified. Chapter 3 focuses on the research methodology conducted for the sake of study. Chapter 4 will include the analysis and conclusion of the research questions' results. Finally, the last chapter will be a recommendation for the concerned and interested online retailers and marketers in order to improve the current situation in Egypt, in addition to direction for future research.

Chapter 2: Literature Review

2.1 Uses of The Internet Being " a collection of interlinked computer networks, or a network of networks" (Rowley, 1996, p. 27) the internet unifies the world. Through linking more than a million computers in various ways, the internet allows users to communicate easily, quickly and frequently.

2.1.1 Electronic Mailing (e-mail)

The e-mail is a feature permitting files transfer and sharing, such as photos among users, as well as sending and receiving messages

(Rowley, 1996). 2. 1. 2 Instant Messaging (IM) These are programs designed to be a method of communication between two or more people, mainly through typing. Examples of these programs are: MSN messenger, ICQ, and Yahoo! IM. The results of a study done by Brown (2001) showed that 1/3 of the participants used instant messaging for the purpose of chatting and contacting people. 2. 1. 3 Browsing For most people, surfing the internet is for certain purposes, others just visit websites for fun. In his study, Brown (2001) concluded that the frequency of browsing differs from one to another depending on its importance. Some websites are visited daily (such as: checking bank accounts, news...etc.), others from time to time and there are websites that are visited only when there is a need to (Brown, 2001). 2. 1. 4 Internet Shopping What is internet shopping? Internet shopping is simply purchasing goods and services through the internet (Li and Zhang, 2002). It is a new evolving trend in the world of the internet which is becoming very common. Shopping is no more restricted to malls and catalogues (Ellison et al, 2001). " It is gaining in popularity for one of its most favorable attributes, the ability to shop in the comfort of one's home at any time of day" (McKinney, 2004, p. 268). There are many differences between e-shopping and other shopping channels, such as TV, telephone, mail ordering and regular stores. These differences could be: variety of goods and products, number of customers to be reached, methods of interaction...etc. (Cho et al, 2006). " According to UCLA Center for Communication Policy (2001), online shopping has become the third most popular Internet activity, immediately following e-mail using/instant messaging and web browsing" (Li & Zhang, 2002, p. 508). A study carried out in Canada, showed that in 1999, online

purchases reached 3.3 million orders with the cost of \$417 million (Ellison et al, 2001). According to McKinney (2004), consumers like this type of shopping because of the range of advantages they obtain like the ability of viewing many products at a time, comparing prices using the price comparison service and features among a wide variety. They can move around from one site to the other by only one mouse click rather than spending hours in the street or at the mall. All that is needed to perform an online purchase is just surfing the net for the product needed, adding it to the consumer's shopping cart, checking out (where personal and payment information are required), confirming the order and finally logging out ("Online Shop", 2006). Five easy steps to go through and the consumers get what they want. Different studies found that the most commonly purchased items over the internet were: books and magazines, hardware, software, CD's and music, and traveling tickets (Sorce et al, 2005; Vrechopoulos et al, 2001). Online shoppers have several ways to pay for their purchases, but it depends on those provided by the retailer. Examples of these payment methods are: credit cards, electronic money, delivery on payment, and cash on delivery...etc ("Online Shop", 2006).

2.2 Internet Shoppers Before moving to the drivers and barriers to internet shopping, a general profile for internet shoppers should be defined. The literature discussed the characteristics of online shoppers which differentiate them from the non-shoppers in several aspects. This part will present few descriptions of the internet shoppers, as well as different classifications of internet shoppers as discussed in the literature. Online shoppers are risk takers, demanding a wide variety of goods and satisfactory customer service (Card et al, 2003).

According to Allred et al, (2006), internet shoppers are young in age, rich, well-educated and spend a lot without feeling worried about losing their money as a result of internet dealings. Sorce et al, (2005) conducted a study to test the relationship between age and attitude towards internet shopping. They found that although younger people were more interested in online shopping, elder people tend to purchase more. Non-shoppers were found to be more concerned with time saving and price (Card et al, 2003). Regarding the gender difference and internet shopping attitude, Donthu and Garcia (1999) said that males' and females' internet shopping adoption was the same, while a study done by Nua Internet Survey (2000) revealed that almost 67% of internet shoppers now are women as they found also that females were those who take the buying decisions for the family (Dholakia & Chiang, 2003). Another investigation by Unilever (2001) claimed that men shop more online than women (Dholakia & Chiang, 2003). Dholakia and Chiang (2003) added that shopping is more associated with women, while technology is more masculine. They also concluded that the product type is an important factor (Dholakia & Chiang, 2003). " Men tend to shop for products that require less time, energy and emotional involvement (such as CD's and magazines) compared to women who tend to shop for more emotionally laden products (such as clothing and perfume)" (Sebastianelli et al, 2006, p. 3) . The more expensive the product is with higher technical specifications, the more likely a male will carry out the online purchase (Dholakia & Chiang, 2003). According to Vrechopoulos et al, (2001) who conducted a study in Greece, internet shoppers turned out to be innovators. " Innovators are those consumers who first adopt the new product or the

innovation. They are few in number and are eager to try new ideas and products, are well-educated and can afford any financial risk involved in adoption" (Vrechopoulos et al, 2001, p. 143). This type of consumers is highly involved with the shopping process and spends time and effort searching for information. Internet Shoppers are high-tech people who are technologically updated preferring home shopping instead of in-store shopping (Card et al, 2003). On the other hand, Sarrina Li (2004) found that 50% of early adopters in Taiwan already use internet shopping which predicts a good future for e-shopping. " The early adopters are more socially integrated in their local communities than innovators, and are more likely to be opinion leaders. They are typically younger, more educated, belong to a higher social class" (Vrechopoulos et al, 2001, p. 143). Another view that was introduced by Hirschman and Holbrook (1982), perceived Internet shoppers as " problem solvers" whom according to Babin et al. (1994) shop online in order to obtain the product taking shopping as a task to do (Monswé et al, 2004). " Their main concern is to purchase products in an efficient and timely manner to achieve their goals with a minimum of irritation" (Monswé et al, 2004, p. 106). People who are having a " wired" way of life, whose lives are attached to the internet where they do everything, are considered potential shoppers because this lifestyle automatically directs them towards online shopping (Li & Zhang, 2002). Kau et al. (2003) quoted Hamilton 2000 that Media Matrix and McKinsey categorized online customers into six groups. The first are the Simplifiers who are described as being intolerant, but beneficial. They do not waste much time online, but they constitute almost 50% of the online transactions. Expert browsers who spend a lot of their time

online checking a lot of pages are called the Surfers. The surfers " look at four times more pages than other users" (Kau et al, 2003, p. 142). Third are the Connectors, who probably buy from offline shops because they are new users of the internet. The fourth group is the Bargain Shoppers who are always looking for good offers on the internet. The Routine Followers represent the fifth group; they are called " information addicts" who use the internet for the purpose of getting information. The last group is the Sporters who usually follow the sports news and activities related to sports (Kau et al, 2003). In an attempt to define a typology for internet shoppers, Kau et al (2003) conducted a study by carrying out a survey which resulted in classifying the characteristics of shoppers into six groups as follows: 1. On-off shopper: they are considered offline shoppers because they just gather information about what they need from the internet, and search for good offers, but they tend to shop offline. They are usually single, younger in age ranging from 15 — 24 years old and gender does not make any difference. 2. Comparison shopper: are shoppers who search actively and contrast product characteristics, quality, prices and everything before choosing what to buy. They tend to be a bit older in age than the on-off shoppers (25-29). 3. Traditional shopper: are those who do all their shopping from regular stores. They are usually older people over 40 years old. 4. Dual shopper: are people who use online and offline shopping methods. They belong to the young age group of 15-24 and are single males. 5. e-Laggard: they are mostly females starting 35 years old who are not interested to search for information online. 6. Information surfer: they are interested in promotions and are familiar with online shopping. Barnes et al, (2007) classified the internet users differently.

They grouped them into three categories. The first are the "risk-averse doubters" who fear undertaking new experiences. They showed the greatest perceived risk and lowest trust in internet shopping. Results showed that almost half of them have never tried to shop online. The second group is the "open minded online shoppers". Unlike the risk-averse doubters, they like to try new things. They showed the lowest risk perception and highest trust in online dealers where more than half of them shop online frequently. The last one is the "reserved information seekers". This group uses the internet mainly to search for information before the buy and for product assessments. They have the willingness to buy online as they somehow can trust online sellers, but they also perceive high risk. Another study that was carried out by Allred et al (2006) divided the internet users into two groups, online shoppers and online non-shoppers and differentiated them clearly. It was stated that internet shoppers represent 63 percent of the internet users which contains other three sub-groups: 1. Socializers: are those who spend more in regular stores, but also spend a lot online. They are important for internet marketers because they can persuade others' opinions and convince them to shop online. 2. e-Shopping Lovers: they are considered the majority of internet shoppers who spend a lot online, more than in regular stores but they are not influencers like the socializers. 3. e-Value Leaders: consumers of this group are the most online spenders and the most influential with high computer skills; they can direct others' opinions, thus very important for online marketers. On the other hand, the online non-shoppers represented 37 percent of internet users. They were also sub-divided into three groups as follows: 1. Fearful Conservatives: they feel unconfident about online dealings

and their computers skills are low. 2. Shopping Averters: they can easily switch to online shopping when convinced by socializers or e-value leaders. 3. Tech-Muddlers: they neither do have the adequate computer skills nor significant effect on others' opinions. 2. 3 Drivers and Barriers There are numerous factors mentioned in the literature that either enhance or discourage the usage of online shopping. Some of them were proven to have significant effect and some of them did not. Most of the studies sorted these factors into different categories according to the purpose of the study itself. So this section of the paper, will be presenting some of these factors and their effect on consumer's online buying behavior. 2. 3. 1 Product/ Website Characteristics The characteristics of the seller were found to have considerable effect reflecting the quality of the internet store itself. Based on a literature review done by Li and Zhang (2002), they identified these characteristics as significant when it comes to the image of a website " real existence of the store/physical location, (2) store reputation, (3) store size, (4) reliability, (5) number of Internet store . entrances., (6) assurance-building mechanisms (e. g., seals, warranties, news clips), and (7) use of testimonials" (Li & Zhang, 2002, p. 511). Regarding information access over the internet, Sebastianelli et al, (2006) identified " the following twelve factors related to the quality of a consumer's experience as they encounter an online retailer's homepage. (1) Meta tags — website easily found by search engines. (2) Home page title — meaningful and easily recognizable. (3) Domain name — unique and memorable. (4) Speed of loading — time it takes to download. (5) Links — number of bad links. (6) Contact information — visible and easily accessible from homepage. (7) Timeliness of information

— includes date of last update. (8) Privacy policies — explicit explanation on homepage. (9) Search engines — present on homepage for quickly finding relevant information. (10) Translation to multiple languages — ability to translate content of the website into multiple languages. (11) Navigational bars or site maps — present on homepage for ease of use. (12) Value added extra content — such as product reviews, free samples, contests, and/or online communities" (Sebastianelli et al, 2006, p. 3) Sebastianelli et al. (2006) added that online shoppers trade-off the ability to visualize and sense the product. Sometimes product type limits the tendency to shop online. For consumers to purchase certain types of products (e. g.: perfumes), they do not only need to see the product, but they also want to sense, touch or try the product (Monswé et al, 2004). Hence, the online catalogue should offer them something else, of the same value, instead. Customers should be able to visualize the product instead of seeing it physically in order to get the same feeling or perception of the product and prices should be stated next to the item searched. Attractive pictures of the product, specifications as well as promotional offers should be available. Presence of alternatives is also very important giving the shopper enough room to choose and compare between different brands and attributes (Sebastianelli et al, 2006). 2. 3. 2 Customer Satisfaction McKinney (2004) introduced the concept of consumer satisfaction in his study. Consumers are satisfied when their expectations are met or in other words, the benefits they get exceed or at least cover their needs. He studied satisfaction with respect to the surrounding atmosphere. His hypotheses showed positive results as variables like " special offers/coupons, description of the product, graphic/photos/images, price(s) of

merchandise, option to delete a previously selected item, and order confirmation via mail" were found to be directly related to consumer satisfaction (McKinney, 2004, p. 277). Another opinion by Sebastianelli et al, (2006) was customer satisfaction perceived through customer service and support. It was viewed in terms of factors like tracking of order, punctuality in delivery time, flexibility in changing the order and return policies, good customer online assistance, right and honest demonstration of the product, correct invoicing...etc. these features were found be positively affecting consumer's satisfaction about online shopping behavior. 2. 3. 3 Price "

Perhaps the most galvanized benefit of e-commerce is that it will bring down the price of goods and services" (Rutter & Southerton, 2000, p. 8). Prices on the internet may be lower due to the fact that internet retailers have lower overhead costs than those of regular stores. Also competition over the internet creates price competitive advantage which benefits the consumers at the end (Brown & Sellen, 2001). 2. 3. 4 Convenience Technology makes life easier. That's what Monsuwé et al. (2004) mentioned in their article introducing the ease of use as a contributing factor. The ease of use refers to consumers' " perceptions regarding the final online shopping" (Monsuwé et al, 2004, p. 108). Shopping is made easier as consumers can shop online twenty-four hours a day round the clock. This shows how convenient and accessible the internet shopping is. Based on a study conducted by Li (2000), Sarrina Li (2004) highlighted the contribution of the time consuming factor for online shopping. Rutter and Southerton (2000) also agreed that internet shopping reduces the time and effort spent when compared to regular shopping. People who work all day long have less time for personal

shopping; therefore internet shopping is very convenient for them (Monzuwé et al, 2004). Hence, time pressure was found to have a strong impact on consumer's online shopping behavior. However, Monzuwé et al, (2004) raised the argument that sometimes, online users find it inconvenient to shop online due to the need for personal/ human relations, so they prefer to go offline shopping.

2. 3. 5 Usefulness Monzuwé et al. (2004) considered the usefulness of internet shopping as an important factor. They formed two subdivisions of usefulness which are the " consumers' return on investment (CROI)" and the " service excellence". CROI reflects any form of return a consumer gets as a result of online shopping. "" Service excellence" is the consumer's appreciation of delivered promises and performed functions" (Monzuwé et al, 2004, p. 107). When both dimensions are met, consumers' perception of e-shopping will be appealing (Monzuwé et al, 2004).

2. 3. 6 Enjoyment Consumers do not only want to just do the purchase, they also want to enjoy the shopping. Shopping in general is fun for lots of people, especially when it comes to females; to them it is pleasure (Bigne et al, 2005). So as e-shopping becomes more enjoyable, consumers' tendency to internet shopping becomes more.

2. 3. 7 Trust " Internet shopping is generally still unfamiliar to most Internet users, and there exists a certain amount of uncertainty regarding the retailers' trustworthiness" (Phau & Meng, 2000, p. 110). In speaking about shopping in general, consumers base their trust upon the salesperson they deal with. When it comes to e-shopping, consumers' model of trust is not available, which forms a challenge for them, whether to shop online or not (Monzuwé et al, 2004). Brown and Sellen (2001) showed that many people had bad experiences with

e-shopping and reported for fraud. This shows that people lack trust in internet retailers. The level of familiarity with e-shopping is a contributing factor to trust, as other consumers despite of being deceived, they did not stop buying from the internet. In quoting Lynch et al, (2001), " trust level may therefore affect consumers' willingness to purchase and their propensity to return to the site" (Kau et al, 2003, p. 141). As cited in Li and Zhang (2002), Jarvenpaa, Tractinsky, and Vitale (2000) had a study that revealed that the more reputable and bigger the store is, the more likely a consumer will trust it and perceive it as less risky (Li & Zhang, 2002) 2. 3. 8 Risk Miyazaki and Fernandez (2001) claimed that as the consumers' level of experience with internet shopping increases, their view of high risk decreases and vice versa. According to Kau et al, (2003) " the risks to the Internet consumers are greatest when the product is technologically complex, ego-related or the price is high" (Kau et al, 2003, p. 141). 2. 3. 9 Security An interesting fact is that " it took more than two years for nearly half of internet purchasers (49. 3 percent) to make their first internet purchase in 2002. The reason why many waited to make a purchase, even after they had used the internet to browse for products, was that they were concerned about supplying their credit card number (33 percent)" (Johnson et al, 2006, p. 457). Research showed that almost 75% of internet shoppers change their minds at the last step of internet shopping, which is payment (Cho et al, 2006). People were concerned with their credit cards, they were uncertain of giving out their credit card numbers over the internet. Many people have fears concerning security; they do not trust online retailers although they have no previous experiences, which emphasize the

importance of good reputation (Brown & Sellen, 2001). Cho et al (2006) said that marketers should find ways to reduce the consumers' hesitation when it comes to paying online. For example: offer certain guarantee that their personal information will not be used wrongly by any means as well as assuring them that they will be getting their money back in case of any dissatisfaction. The objective is to make the online shoppers feel safe while performing any online purchases. Thus, " establishing consumer trust or feeling of security is an integral part for successful online marketing" (Kau et al, 2003, p. 141)

2. 3. 10 Privacy People do not feel comfortable giving out their phone numbers, they are concerned about their information access and do not prefer leaving their personal information (Brown & Sellen, 2001). A study by Cho et al. (2006) revealed that university students hesitate to complete the online purchase at the final stage, which is paying money due to security and privacy concerns. To sum up, arguments in the literature found that privacy, security, risk and trust were interrelated to a great extent. " A high level of security and privacy in the online shopping experience has a positive effect on consumer trust, owing to the lowered risk involved with exchanging information". (Monswé et al, 2004, p. 115).

2. 4 Internet Users' Behavior in Egypt As a part of an economy expansion plan, the Egyptian government along with business people are willing to develop the Egyptian e-services. This is difficult for a country like Egypt - according to the UNDP statistics - with an illiteracy rate about 40% (Bakir, 2005). The number of the internet users in Egypt increased from 450, 000 in 2000, to 5, 100, 000 in 2007 representing 7% of the whole Egyptian population in 2007 (Anonymous, 2007). LinkdotNet is an Egyptian company providing wide

variety of electronic services like: Otlob. com — internet shopping — and Yallabina. com — online ticketing reservation. Regarding the security issue, Mohamed Soltan, chief product officer at LinkdotNet said that although a few people started to get convinced with the idea of using their credit cards over the internet, they would not trust an Egyptian website. He added that exactly as any new innovation, it will take its time for the people to get convinced with, and then becomes accepted (Bakir, 2005). Another evolution to the world of e-services in Egypt is the introduction of an e-government system through the creation of a website in an attempt to reduce the level of bureaucracy (Bakir, 2005). Although the system is there, using it is not common among people yet and it will still take time to develop and work efficiently. This website offers services such as: retrieving and paying phone bills, vehicle licenses renewal, issuing birth certificates, legal and taxation services...etc. (Bakir, 2005) Concerning the internet shopping behavior of consumers in the Egyptian society, resources about this issue are very few in the literature. Only two articles were reached that discussed the profile of internet users in Egypt, where one of them specifically focused on the young-adults. The results of these studies revealed the following: - 98. 3% of the young-adults use the internet from their homes, and (53. 9%) access the internet from schools (Abou Aish, 2005). According to Abou Aish (2005), the reason behind this result is due to the young-adults reliance on either their parents or schools. In addition, 47% of them stay less than 7 hours per week online because of the high costs of using the internet (Abou Aish, 2005). - El-Nawawy (...) stated that the most common internet activities were for entertainment, communication, software downloading and reading news

followed by the shopping and education purposes. He also pointed out the low usage rate of internet for business purposes as it ranked the last place (El-Nawawy ...). On the other hand, Abou Aish (2005) found that the participants mainly used internet for checking e-mails (100%), chatting was used by 74. 2% of the participants and 72. 8% needed the internet for school assignments. Egyptians do not use the internet for getting the daily news, they use the regular ways instead although they are aware of it. - Abou Aish's (2005) study showed that according to young adults, the most important criteria for choosing/ using a website for were: free services, recommendation by others, and internationality, while the least was being Arabic-enabled which reflect their good ability of using the English language. They were not very concerned about security because in fact, they do not purchase online (Abou Aish, 2005). El-Nawawy (...) discussed that the reason for the restriction of the Egyptian internet adoption is concerned with both, education and awareness. Therefore, the government has to carry out huge internet awareness campaigns as well as investing more on " internet infrastructure and technology especially in schools and public libraries" (Abou Aish, 2005, p. 11) for the purpose of education. El-Nawawy (...) claims that the rate of internet subscription would rise up to 20 times, if these two problems were overcome.

2. 5 Research Questions

Due to the limitation of information and unavailability of adequate studies provided by the literature about internet shopping behavior in Egypt, this study is important to fill this research gap. Hence, the next part will be a study to find suitable answers to the following research questions: RQ1: Are there any differences in the demographics of shoppers and non-shoppers in terms of: age, occupation,

income level, education, gender, and marital status? RQ2: What are the most important factors affecting the Egyptian consumers' attitude towards online shopping? - With respect to online shoppers - With respect to non-shoppers RQ3: Does the frequency of performing a certain activity online differ according to gender or age difference? RQ4: Do Egyptian internet shoppers face any difficulties or obstacles while shopping online? RQ5: What would motivate non-shoppers to shop online? RQ6: Is there a relationship between age, gender and card ownership? RQ7: Is there a relationship between owning a card and online purchasing?

Chapter 3: Research Methodology

3. 1 Research Design

The research included both types, exploratory and descriptive research designs. The exploratory research was a review of the literature to obtain a general idea about the internet shopping and identify the characteristics of online shoppers. The descriptive research took the form of a survey, in which a questionnaire was designed for the purpose of testing the internet shopping behavior in Egypt, and finding answers to the previously mentioned research questions. Before the distribution of the questionnaire, it was pretested " on a small sample of respondents to identify and eliminate potential problems" (Malhotra, 2007, p. 319). The following is a detailed explanation of the questionnaire design: It consisted of 3 parts: (Part 1: The first was an introductory part, basic ice-breaking question about whether the participant uses the internet or not. (Part 2a: This part included the core questions that were needed to be tested and analyzed for the sake of the study. It included four questions. The first one was a list of the common activities performed on the internet. The participants were asked to check for the activities they use, stating how

often they use each one (regularly — often — sometimes — occasionally — never). Question number two requested the participants to mark the cards they own, if any (credit card — debit card — prepaid internet card). The aim of this question was to know: - If there is a relationship between the type of card, and internet purchasing - If any of the cards are used more than the others The third question was designed to test whether internet users feel safe to give out their card numbers over the internet or not, and find out the main reasons behind that fear. The last question of part 2a was a branching question guiding the respondents to different questions of the questionnaire according to whether they purchased online before or not (Malhotra, 2007). This question is also an indicator of the number/ percentage of online shoppers versus non-shoppers. (Part 2b (i): Shoppers This part included 5 questions. The first question was to know the payment method used by the shopper in order to investigate which method is used the most. The second question asked the participants to check the frequency of their online shopping. The aim of the third question was to know whether internet shoppers face any obstacles or difficulties during the online purchasing process. The fourth question included a list of the most commonly online purchased items. The participants were asked to check for the products they have purchased online before, and to mark the level of satisfaction from the purchasing experience, thus test the level for satisfaction of each product. Finally, the last question for the shoppers in this part included another list of some factors/ attributes of websites reflecting their quality and attractiveness, they were asked to identify the relative importance of each one of them on a five point scale from 1 (5 (where 1 = not at all important,

2 = not important, 3 = neutral, 4 = important, 5 = very important) when choosing a website to purchase from. (Part 2a (ii): Non-shoppers This part included only two questions. The first was a list of the reasons that discourage the participant to shop online. Participants were asked to identify the relative importance of each one of them on a five point scale from 1 (5 (where 1 = not at all important, 2 = not important, 3 = neutral, 4 = important, 5 = very important). The aim of this question was to find out the most important factors discouraging internet users from shopping online. The second question requested the participants to state whether they would ever consider shopping online and if yes what would motivate them. The answers to this question could assist online retailers/ marketers to improve their service and reduce the percentage of non-shoppers. (Part 3: The last part of the questionnaire was about the participant's demographical/ personal information. It asked the participants about their age (four different age brackets), occupation (employed — unemployed), the participant's perception of his/her income level (high — medium — low) as compared to the average, education level, gender, and finally the marital status. *A copy of the questionnaire is attached in appendix A. 3. 2 Study Sample The study sample was selected from the population of internet users in Egypt which was found to be 5, 100, 000 (Anonymous, 2007). The questionnaires were distributed according to a non-probability sampling technique called 'The Convenience Sampling Technique'. It was chosen due to the time and resources limitations of the study (Malhotra, 2007). The sampling units were mainly university students, some relatives and friends who were readily available and interested to answer the questionnaire. This method was

suitable for the study because " the sampling units are accessible, easy to measure, and cooperative" (Malhotra, 2007, p. 341). Out of the 140 given out questionnaire, 9 were rejected leading to a response rate of approximately 93.6%. Thus, 131 questionnaires were used in the study for the data analysis and testing the research questions.

3.3 Study Boundaries

Unfortunately, this study faced several limitations which may lead to inappropriate findings that do not reflect the real situation. For example, almost none of the respondents in the sample had a low income level. The presence of lower income and educational levels participants could have definitely led to different results, for instance it might have affected the percentage of credit card ownership. Also the study was limited to Cairo only; it did not include any respondents from other governorates. This is because the convenience sampling technique is not considered a representative sampling technique of the population; therefore its findings can not be generalized to the whole population. It was chosen due to the limited time frame, so as to save time and money (Malhotra, 2007). Perhaps if more time was given to this study with a larger and more representative sample, better and more accurate results could have been obtained.

3.4 Data Analysis

After collecting the questionnaires, they were classified and the 131 completed questionnaires were used, while the other 9 were disregarded. Since the data to be analyzed and needed information are quantitative, the SPSS computer software was used as an aid to analyze the data. The SPSS helped in interpreting the data and forming relationships between variables in the form of descriptive and frequency tables, charts, correlations, cross-tabulations, regression as well as One-Way ANOVA tests

and independent-samples T-tests leading to some useful results for the study. Chapter 4: Results and Conclusion

4. 1 Descriptive		Count		Gender	
Total	Male	Female	Yes	No	Total
50	29	21	29	21	50
131	70	61	131	81	131

Table 1 - Have you ever purchased any product/service online? * Gender

Crosstabulation Table 1 shows that out of the 131 respondents, there were 70 males and 61 females representing 53. 34% and 46. 56% of the sample respectively. Among the participants, 50 experienced online purchasing before (29 males — 21 females), who are considered online shoppers, while the other 81 were regarded as non-shoppers (41 males — 40 females). The percentage of shoppers (38. 2%) versus non-shoppers (61. 8%) as

determined by the study is represented in the pie chart below. [pic] Figure 1

— Pie chart representing shoppers and non-shoppers

Count		Age		Total	
(15 — under 25)	(25 - under 35)	(35 - under 45)	(over 45)	Yes	No
17	14	13	6	50	81

Table 2 - Have you ever purchased any product/service online? * Age

Crosstabulation Concerning the age groups, there was a variety in the age distribution in the sample. But as shown in Table 2, the majority was the youngest bracket ranging from (15 - under 25) years old. This may be due to the limitation of the convenience sampling technique mentioned earlier, as the questionnaire was not distributed to the participants evenly with respect to their ages. Figure 2 below shows the products/services commonly purchased by the shopping participants. It is clear that the most frequent purchased item was hotel booking where most of the participants were strongly satisfied with the service, and the least purchased were scientific

papers. 4. 2 Research Questions Testing Results Research Question 1: - Are there any differences in the demographics of shoppers and non-shoppers in terms of: A. Age? The One-Way ANOVA test was used to investigate if there is significance between different age brackets and online shopping, i. e. whether a certain age bracket shops online more or not. All the results were greater than 0. 05 which means there is no significant difference. B. Occupation? There was no significant difference found between employed and un-employed participants with respect to online shopping found when running the Independent-samples T-test. C. Income level? For the income level, the One-Way ANOVA test did not result in any difference between income levels and online purchasing as well. The reason could be the lack of low income level participants in the study sample. D. Education? The One-Way ANOVA test did not result in any significance between education levels and shopping online. This could be also due to the sample limitation, as the questionnaire was mainly distributed to participants of high education levels. E. Gender? The Independent-samples T-test was run and showed no significant difference between males and females with respect to online shopping. F. Marital Status? Computing the One-Way ANOVA test did not reach a result in any significant difference for marital status. Research Question 2: - What are the most important factors affecting the Egyptian consumers' attitude towards online shopping? A. With respect to online shoppers: [pic] Figure 3 — Means of importance of factors affecting shopper's decision As shown in Figure 3, after calculating the means all factors, the most important factor affecting a shopper's opinion about a website and his/her purchase decision turned out to be the ease of handling

returns and refunds followed by the ease of canceling orders and good customer service, while the least important one was the availability of entertainment on the website. This could be due to the problems online shoppers face, as there was a positive correlation found between the difficulties encountered by the shoppers and the importance of the easy handling of returns and refunds as exhibited in Table 3 found in appendix B. This means that the more difficulties the online shoppers face, the more the ease of returns and refunds handling becomes important. These factors were then matched against gender type using the T-test independent-sampling, as well as different age brackets using the One-Way ANOVA technique. The One-Way ANOVA found only one significant difference, as the value added extra content on the website, such as: (product reviews, free samples, contests, and/or online communities) was important to the (15 — under 25) age bracket (highest mean). The significant difference between first two age brackets: (15 — under 25) and (25 — under 35) was 0. 044 as shown in Table 4. [pic] Table 4 B. With respect to non-shoppers: [pic] Figure 4 — Means of importance of factors preventing non-shoppers to shop As illustrated in Figure 4, the outcome of the mean calculation of the most important reasons discouraging non-shoppers to shop online was the trust, privacy, security and risk issues, while the least important reason was the failure of the respondent to shop online based on a previous attempt. These results show the different perception of shoppers and non-shoppers regarding the privacy, risk and security issues. Although the trust, privacy, security and risk issue is considered the most important factor preventing non-shoppers in Egypt from shopping online, to shoppers this factor is ranked the 8th important one

when it comes to choosing a website to purchase through. It also shows that non-shoppers usually do not try online shopping in the first place. As for the non-shoppers, the same Independent-samples T-test and One-Way ANOVA test were computed with gender type and age difference to test for significant differences. The T-test did not result in any significance which means that the reasons for not shopping online for both males and females are the same. However, the ANOVA showed different perceptions of online shopping convenience between participants of age bracket (15 — under 25), and those of the age bracket (25 — under 35) where participants whose ages range between 15 to 25 years old, found it more convenient. The significant difference was 0.036, while the mean difference was 1.10639. Research Question 3: - Does the frequency of performing a certain activity online differ according to gender or age difference? Running the Independent-samples T-test resulted in a significant difference between males and females in performing certain activities on the internet. It was found that males browse, check the news, practice freelancing and trade stocks, bonds and mutual funds more than females. The results of the T-test can be found in appendix B, Table 5. In addition, the One-Way ANOVA also defined two significant differences between certain age groups. The first was "instant messaging" where the difference was between the age bracket (15 — under 25), and other two age brackets which are: (35 — under 45) and (over 45). The significant difference was 0.000 with a mean difference of 2.12500. The second significant difference was 0.005 between the youngest age bracket (15 — under 25), and the eldest (over 45) with regard to the "entertainment" activities such as listening to music, watching movies...etc.

Entertainment was more important for the youngest age bracket (15 — under 25) with a mean difference of 1.32292. Table 6 in appendix B presents the results of the ANOVA test. Research Question 4: - Do Egyptian internet shoppers face any difficulties or obstacles while shopping online? | | Difficulties/obstacles while shopping online | Total | | | Payment Problems | Shipping Problems | | Would you feel safe giving out your| Pearson Correlation | 1 | .506(**) | | card number over the internet? | | | | | Sig. (2-tailed) | | .000 | | | N | 131 | 131 | | Have you ever purchased any | Pearson Correlation | .506(**) | 1 | | product/service online? | | | | | Sig. (2-tailed) | .000 | | | N | 131 | 131 | Table 8 - Correlations ** Correlation is significant at the 0.01 level (2-tailed). The correlation tested between feeling safe using card numbers online and online purchasing as shown in Table 8, resulted in a positive relation between both conditions. This proves that the safer the user feels to use his/her own card online, the more likely he/she will purchase online. This evidence proves that safety encourages and motivates online shopping. Count | | Have you ever purchased any | Total | | | product/service online? | | | | Yes | No | | | Would you feel safe giving out your| Yes | 32 | 12 | 44 | | card number over the internet? | | | | | No | 18 | 69 | 87 | | Total | 50 | 81 | 131 | Table 9 - Would you feel safe giving out your card number over the internet? * Have you ever purchased any product/service online?

Crosstabulation The cross tabulation demonstrated in the above Table 9 shows that 81 respondents including 18 shoppers do not feel safe giving their card numbers over the internet. This illustrates that even though some people may shop online, they still do not feel safe, and fear theft, as 77 of these 81 respondents said the reason for feeling unsafe is the fear of theft

and robbery. When the non-shoppers were asked to state if they were ever to shop online what would motivate them, their answers were grouped into several reasons as presented in Table 10. The highest motive was found to be security and insurance of delivery of the purchased item followed by less prices or costs, while the least was an advantage that is not available in regular shopping. In addition, 35 out of the 81 non-shoppers said they will never consider shopping online.

Count | | Would you ever consider online shopping? If yes, what would motivate you? | Total | | | Urgency & | Less | Security & Insurance| Advantage | No | | | unavailabili| price/cost| of delivery | that's not | | | | ty in Egypt | | | available in | | | | | | regular | | | | | | shopping | | | | R | R Square | Adjusted R Square | Std. Error of the | R Square Change | | | | | Estimate | | | E-mailing | | | | | | Instant Messaging (e. g.: msn) | | | | | | Browsing | | | | | | Internet Shopping | | | | | | Playing Games | | | | | | Information Search | | | | | | Entertainment (listening to radio, watching | | | | | | movies...etc) | | | | | | Online Courses/ Education | | | | | | News | | | | | | Job Search | | | | | | Freelancing | | | | | | Internet Banking | | | | | | Trade Stock, Bonds, or Mutual Funds | | | | | | Other (please specify): _____ | | | | |

1. Please check which cards do you own, if any: - Credit card -Debit card - Prepaid Internet card -All - None 2. Would you feel safe giving out you card number over the internet? - Yes - No, because_____ 3. Have you ever purchased any product/service online? - Yes (Go to part II of the questionnaire — then part IV - No (Go to part III of the questionnaire- then part IV II- You have purchased a product/ service online before: a. What was your payment method? -Credit card -Debit card -Prepaid Internet card -Cash

on delivery b. How frequent: times/ year 1-2 3-5 more than 5 c. Did you encounter any of these difficulties or obstacles while shopping online? (You can check more than one option) - Payment problems - Shipping problems - Dishonest seller - Customs Problems - All - None - Other (please specify): _____ | Product Type | Did not | Strong| Satisfied| Normal | Dissatis| | buy it | y | | | fied | | | | Satisfi| | | | | ed | | | | | Recommended from a friend | | | | | You find it easily through a search engine | | | | | Meaningful and easily recognizable homepage title | | | | | Speed of loading | | | | | Translation to multiple languages | | | | | Entertainment - (e. g.: music) | | | | | Quick and easy payment procedure | | | | | Order tracking | | | | | Privacy policies — explicit explanation on homepage. | | | | | Domain name — unique and memorable. | | | | | Contact information — visible and easily accessible from homepage. | | | | | Timeliness of information — includes date of last update. | | | | | Value added extra content — such as product reviews, free samples, contests, and/or online communities | | | | | Search engines — present on homepage for quickly finding relevant information. | | | | | Low Prices | | | | | Variety of choices | | | | | Quality of information about purchase choices | | | | | Easy handling of returns or refunds | | | | | Ease of canceling orders | | | | | Ease of placing orders | | | | | Customer service and after-sales support | | | | | Internet vendor's reliability | | | | | Reviews and recommendations of experts | | | | | Getting orders/services in a timely manner | | | | | Navigational bars or site maps — present on homepage for ease of use. | | | | | Other (please specify): _____ | | | | | III- You have not purchased a product/ service online before: a. Please rank the relative

importance of the reasons you do not purchase online. 1 (Least Important - 5(Most Important | Reason | 1 | 2 | 3 | 4 | 5 | | You are not interested | | | | | | Trust, privacy, security and risk issues | | | | | | You have tried but you failed | | | | | | Poor service | | | | | | You find it inconvenient | | | | | | Late delivery | | | | | | Higher price (e. g. due to shipping costs) | | | | | | Low purchase involvement | | | | | | Country not registered on network | | | | | | Other (please specify): _____ | | | | | b. Would you ever consider shopping online? If yes, what would motivate you?

 IV-

Please tick the following: a. Age bracket: (15 — Under 25) (25 — Under 35) (35 — Under 45) (Over 45) b. Occupation: - Employed - Unemployed c. Do you perceive your family income level, compared to the average as? - Low - Medium - High d. Education: - High school - University degree - Masters - Doctorate - Other e. Gender: - Female - Male f. Marital Status: - Single - Engaged - Married - Married with kids - Divorced - Widowed Thank you for your time and effort! Appendix B: Tables I. Table 3 Correlations | | Easy handling of | Difficulties/obstacl| | | returns or refunds | es while shopping | | | online | | Easy handling of returns or | Pearson Correlation | 1 |. 113 | | refunds | | | | | Sig. (2-tailed) | |. 433 | | | N | 50 | 50 | | Difficulties/obstacles while |