

Investigating the Factors Affecting Consumer Preference for Online Shopping Over Traditional Shopping – A Case Study – Yemeni Residents in Istanbul – Turkey

Ameen Ali Saeed Al-Shaibani
ORCID: 0000-0001-8163-1194
Istanbul Aydin University-Turkey

Abstract:- With the advent of online shopping platforms, customers started to change their buying habits by adopting it. Yet, while many have adopted it, there are many who still hesitate or refuse to take one step into it. Due to the unavailability of online shopping in Yemen, this study was initiated to determine whether Yemeni nationals residing in Istanbul – Turkey have already used online shopping platforms or not yet. If not, what factors have affected their preferences for it? This study is a qualitative case study using interviews to amass data. Self-administered and pre-tested open-ended questions were made. 9 Yemeni participants were interviewed using an in-depth case study for each one. The research model was analyzed using narrative techniques. Findings showed that the factors affecting their preferences for online shopping were trust, risk, and convenience. Findings reported that the majority of interviewees still prefer traditional shopping to online shopping, for its safety, physicality and certainty etc.

Keywords:- Online Shopping, Consumer Preference, Perceived Trust, Perceived Risk, Perceived Convenience.

I. INTRODUCTION AND LITERATURE REVIEW

Background of Online Shopping:

The evolution of the Internet has definitely passed several stages since its inception. Dickey and Lewis (2011) think that the origin of the internet dates back to the year 1957 when the Soviet Union launched the Sputnik I satellite. During this period, President Eisenhower created the Defense Advanced Research Projects Agency (DARPA) to fund scientific research among the Department of Defense, universities, and research organizations across the United States. The emergence of the American Public Power Association Network (APPANET), an experimental project of computer networks, was milestone. This effort was an attack-proof electronic infrastructure for the sharing of research results by multiple users, on their own computers, at the same time. The linking of computers allowed scientific communities to interconnect and exchange ideas as well as cooperate on scientific projects. Since then, the contribution of the internet to science was incredible.

However, the internet was not known to ordinary people at that time. It was confined to the confidential academic and government research domains. According to Wallace, P. (2004), the internet was not virtually known in the 1970s, restricted to the confidential academic and government research fields. By the late 1980s, though, and especially in the 1990s after the worldwide web made its debut, the internet set off a wave of creative destruction that affected business around the world. The rise of online retailing companies such as Amazon and e-bay in the mid 1990 helped spread the technology of online shopping around the globe. By the 2005, the National Science Foundation (NSF) lifted the restrictions on the Internet. Since then, the internet was commercialized all over the world.

The impact of the internet on daily life activities has been so colossal that every single sector within a community and business has been unable to resist it. According to Shergill et al (2005), the internet as a global phenomenon is changing the way customers shop and purchase goods and services. So, many companies have begun to use the Internet to reduce marketing costs and as a result, lower the prices of their goods and services in order to remain competitive in highly competitive markets. Moreover, transactions running over the internet have increased exponentially. This is because online shopping platforms have no barriers; anyone can shop at any time, and anywhere with the click of a mouse. So, Dickey and Lewis (2011) stated that the use of electronic platforms is no longer a matter of innovation but a necessity. Yet, due to the unavailability of online shopping platforms in Yemen, this study takes place in Turkey where there are a number of online shopping platforms as well as a small Yemeni community living there. So, this study is initiated to understand how Yemeni residents in Istanbul - Turkey are dealing with it. Taking into consideration that Yemeni customers are only familiar with traditional shopping. In one hand, this study is going to investigate if Yemeni customers have started to use the online shopping platforms or not yet. On the other hand, the factors affecting their preferences for online shopping over the traditional shopping will be investigated as well.

Consumer Preference for Online Shopping:

As for consumer preferences for online shopping versus traditional shopping, it is not easy to predict which of the two transactions is most preferred by consumers. Consumers' preferences for any good or mode of transaction depend on individual tastes. However, for customers who use online shopping platforms, Ernst and Young (2000) stated that internet users shop online because there is a wide selection of good products with competitive prices and ease of use. Nevertheless, the concept of consumer preference can be explained as when consumers decide to buy one product, they must allocate their scarce income across all possible goods to get the greatest satisfaction. This can be expressed utterly as consumers maximizing their utility subject to budget constraint. Utility is the consumer satisfaction derived from consuming products. According to Salvatore, D. (2009), because the consumers' wants are unlimited or exceed their abilities to satisfy them all, it is important they spend income so as to maximize their satisfactions. The determinants of utility can be decided by a large number of noneconomic factors, such as culture, religion, the role of family, class, tradition etc. this is to say that consumer preferences are independent of income and prices. The ability to buy goods does not determine a consumer's likes or dislikes. For further discussions on the theory of consumer's preferences, there are four assumptions explaining it in an ample manner, they are: decisiveness, consistency, non-satiation and convexity.

Online Consumer Decision-making Process:

Concerning the consumer decision-making, Laudon and Trever (2016) pointed out that customers will need first to find out the online firms as they search for their products. By comparing the offered products with other rivals' offerings, they will decide to purchase. So, if customers don't have sufficient information about those products, they will go search through online channels such as online catalogues, websites or search engines. Bigne-Alcaniz et al. (2008) stressed the importance of pre-purchase information provided by electronic sellers. The amount of information offered prior to purchase is of high importance for customer decision-making and becomes a significant competitive instrument. The pre-purchase stage helps customers compare different choices. During the purchasing stage, product assortments, sales services and information quality seem to be the most important points to help consumers decide what to select and eventually buy. The post-sales services become very important after customers made their online purchases. Customers might have problems and need to return purchases they made for any plausible reasons. According to Liang and Lai, (2002), supporting of product returns becomes a necessity at this stage; customers might change their minds any time after purchases being delivered.

Conceptual Model

The research model of this study as illustrated below (Figure 1:1) was drawn up on the basis of the existing literatures. In this study, there are three independent variables and one dependent variable. The independent variables are perceived trust, perceived risk, and perceived

convenience. The dependent variable is Yemeni consumer preference for online shopping over traditional shopping.

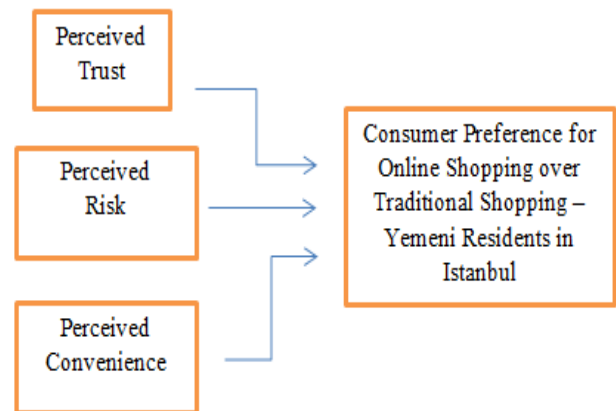


Figure 1:1 The Conceptual Model

Factors Affecting Consumer Preference:

Consumer preference might be affected by different factors that prevent customers to proceed to buy. For the factors that affect consumers' purchasing, Kotler and Armstrong (2009) think that consumer purchases are affected strongly by the cultural factors, the social factors, the personal factors, and the psychological factors. These factors cannot be controlled, so marketers must consider them. In this context, many studies suggested that trust, risk and convenience are the most influencing ones on consumer preference for online shopping. We are reviewing briefly some of the relevant studies in the following lines:

Perceived Trust:

Kräuter, G. (2008) study focused on trust in literature reviews and the requirements that should be done to make customers trust the online shopping platforms. Vosa et al., (2014) study focused on how trust affects the consumer engagement to electronic commerce. Chiu et al., (2012) study investigated how habit has a role on the relationship between trust and repeat purchase intention. Setiawan, R., & Achyar, A., (2013) study examined whether there was a difference on the strength of influence of trust to purchase intention in those groups. Li et al., (2007) investigated the effects of Chinese shoppers' trust on their purchasing intention in Internet shopping. Roca et al., (2009) study investigated how online investors are influenced by perceived trust, security, and privacy in tandem with traditional TAM constructs. Nguyen et al., (2013) study investigated the mediating role of customer trust on customer loyalty in presence of corporate social identity in the context of financial institutions.

Perceived Risk:

Benazic, D., & Tanković, A.Č. (2015) study focused on the effect of perceived risk on trust in online shopping. Bianchi, C., & Andrews, L. (2012) study investigated the attitudes towards purchasing online. Tandon et al., (2018) study focused on the perceived risk relationship with customer satisfaction. Yaraş et al., (2017) study investigated the effects of financial risk on consumers' intention to purchase from the Internet.

Perceived Convenience:

Jiang et al., (2013) conducted a research to identify the key convenience parameters of online shopping. Pham et al., (2018) study examined the direct and indirect impact of the dimensions of online shopping convenience on repurchase intention through customer-perceived value. Yaraş et al., (2017) conducted a study in the effects of convenience on consumers' intention to purchase from the Internet. Rudansky-Kloppers, S. (2014) study investigated the factors affecting customer online buying satisfaction in the Gauteng province of South Africa.

II. METHODOLOGY AND DATA ANALYSIS

This study is a qualitative case study using interviews to amass data. Self-administered and pre-tested open-ended questions were made. Nine main questions were posed to amass data. Nine Yemeni participants, who live in Istanbul, were interviewed using an in-depth case study for each one. The research model was analyzed using narrative techniques. The subject matter of this study was to investigate the factors affecting consumers' preferences for online shopping over traditional shopping as well as which mode of transaction they prefer most, online shopping or traditional shopping.

Research Findings:

The first question was about how familiar Yemeni participants were with online shopping before arriving in Istanbul. Responses suggested that the majority of Yemeni participants were not familiar with online shopping before arriving in Istanbul. Just one of the nine participants was familiar with online shopping.

Familiar	Unfamiliar
11%	89%

Table 5:1 Familiarity of Yemeni Participants with Online Shopping Platforms

The second question was about how many times they use online shopping platforms. Their responses ranged from once a week to once every other month.

Always	Very Often	Sometimes	Rarely	Never
0%	11%	56%	22%	11%

Table 5:2 Frequency of Using Online Shopping Platforms by Yemeni Participants

The third question was about how they find online shopping. The overall responses suggested that they were easy and handy.

Very Diff.	Difficult	Neutral	Easy	Very Easy
0%	0%	0%	100%	0%

Table 5:3 Experiences of Using Online Shopping Platforms by Yemeni Participants

The fourth and fifth questions were about the difficulties and potential risks in using online shopping platforms. Responses suggested a number of difficulties such as webpage interface, insufficient details of products advertised, rejection of credit cards' information etc.

Very Risky	Risky	Neither/Nor	Secure	Very Secure
0%	11%	0%	89%	0%

Table 5:4 Yemeni Participants' Perception of Online Risks

The sixth question was about the mode of transaction they trust most, either online shopping mode or traditional shopping mode. Responses suggested that the majority of participants trust traditional shopping most because they are accustomed to it. As some responded, in traditional shopping, you don't need to share your personal information, you just pay and get your purchases on the spot. Moreover, you can touch, examine and select items intended to buy in the setting and you can return your purchases and get refunded as well.

Very Trustworthy	Trustworthy	Neutral	Untrustworthy	Very untrustworthy
11%	11%	67%	11%	0%

Table 5:5 Mode of Shopping Trusted by Yemeni Participants in Istanbul

The seventh question was about the mode of transaction they prefer most, either online shopping mode or traditional shopping mode. Responses suggested that they prefer online shopping to traditional shopping, especially in the times where there are outbreaks and/or lockdowns etc.

Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
11%	0%	67%	22%	0%

Table 5:6 Mode of Shopping Preferred by Yemeni Participants in Istanbul

The eighth question was about the reasons that might defer their decisions or rather make them stop using online shopping platforms. According to most of them, they would stop shopping online if they order something and receive something else. Further, they would stop shopping if they receive broken orders and so on. The last question was about the factors that incentivize them to shop online. Participants mentioned a number of factors that would motivate them to shop online such as the manifestation of trust, accuracy, transparency etc.

III. DISCUSSION, CONCLUSION AND LIMITATIONS

Discussion of the Findings:

Throughout this study, we noticed hesitancy and sometimes skepticism about online shopping platforms amongst interviewees. However, some of the interviewees find online shopping very good while others still prefer traditional shopping to online shopping. Some of the interviewees believe that online shopping is easy to use. Yet, they might experience issues such as loss of purchases and thus loss of money. We investigated different aspects of online shopping issues such as perceived trust, perceived risk and perceived convenience. We posed questions on each online issue thereof. Interviewees' responses varied due to the passive knowledge and experiences of each one. Some of them have been using online shopping very frequently, some just use them occasionally and just one participant complained of a couple of bad occurrences and he seemed not to shop online anymore. Unarguably, online shopping has its pros and cons as other things in life. However, interviewees, who stress that they would keep using online shopping platforms, have taken more or less one step into adopting it. The majority of participants are convinced enough that traditional shopping is still the best choice. According to them, traditional shopping has physical interaction that occurs between the seller, the buyer and the products offered. Further, the instant service in traditional shopping is one of the important factors that help them decide and afterwards shape their loyalty.

The reasons that might make interviewees defer or refrain from buying online were investigated. Besides, we investigated what motivates them to shop online. Interviewees' suggestions and remarks were simply summarized in the following few lines:

- There was a consensus amongst interviewees that they would not use online shopping platforms if trust is not there.
- For convenience, interviewees suggested having or adding an English or Arabic interface to the webpage to increase online shopping platform traffic
- Site host and bank should work together on certain privileges or bonuses in order to encourage customers to buy online
- E. retailers must manifest some standards and product details. They should give full details about their products and keep the brand promises.
- E. retailers must rethink of their policies of return and refund, especially when it is not the fault of the customers. In any case, a compensation or alike must be granted at no delay to gain credibility.

Conclusion

The purpose of the current fieldwork was to determine the factors that influence the preferences of Yemeni citizens living in Istanbul in Turkey for online shopping versus traditional shopping. Furthermore, this fieldwork aimed to determine whether they have already used the online shopping platforms abroad or not yet. The core of this study was to find out which transaction mode they would prefer

most, online shopping mode or traditional shopping mode. This fieldwork is qualitative and uses an in-depth case study. Interviews were conducted with nine Yemeni participants. The interviews took place online on the Zoom platform. The research questions were varied and to the point. Three demographic questions and nine main questions were asked. The results of this fieldwork reported that the majority of Yemeni citizens interviewed were not familiar with online shopping before they arrived in Istanbul. It was also found that all of them still trust and prefer traditional shopping to online shopping for a number of reasons such as the possibility of return, exchange or even money refund. Contrary to the fact or reality, almost everyone prefers to use online shopping platforms in some cases where visiting traditional shopping is impossible, as is the case at the time of the Covid 19. Although some of the interviewees might show some changes to online shopping, they still do not choose to shop online at their own discretion. As said before, this is because they just shop online when it is impossible to shop in physical stores.

Limitations and Future Researches

This study lacks of the role of Yemeni women. Yemeni women could enrich this fieldwork in some way or another, as it is believed that women are more likely to shop than men. In any future studies, this type of fieldwork should include women to benefit from their shopping experiences, either offline or online, and to understand their preferences for online versus traditional shopping.

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