

# Consumers' Attitude towards Online Shopping

Factors influencing Gotland consumers to shop online



Online Shopping

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## **Abstract**

In the era of globalization electronic marketing is a great revolution. Over the last decade maximum business organizations are running with technological change. Online shopping or marketing is the use of technology (i.e., computer) for better marketing performance. And retailers are devising strategies to meet the demand of online shoppers; they are busy in studying consumer behavior in the field of online shopping, to see the consumer attitudes towards online shopping. Therefore we have also decided to study consumer's attitudes towards online shopping and specifically studying the factors influencing consumers to shop online.

The population selected for the research is Gotland, and narrowed down to Gotland University students, University cafeteria and Gotland Public library, the sample size selected for this research is 100 and we have used convenience sampling technique.

Our findings indicated that among the four factors selected for this research the most attractive and influencing factor for online shoppers in Gotland is Website Design/Features, following convenience the second most influencing and thirdly time saving. Results have also showed that security is of important concern among online shoppers in Gotland. The research has also found that there are some other factors which influence online shoppers including, less price, discount, feedback from previous customers and quality of product. For the second research question i.e. who are online shoppers in term of demography: the correlation results for the age and attitudes towards online shopping has showed that elderly people are not so keen to shop online. Whereas for education it is concluded that higher education makes online shopping less attractive, for the income the correlation results are so weak hence we could not conclude anything out of it. It is expected that this study will not only help retailers in Gotland to devise successful strategies for online shoppers but it will also provide a base for similar studies in the field of consumer attitudes towards online shopping.

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## **List of abbreviation**

|      |                                |
|------|--------------------------------|
| EC   | Electronic Commerce            |
| EU   | European Union                 |
| TPB  | Theory of Planned Behavior     |
| TRA  | Theory of Reasoned Action      |
| TAM  | Technology Acceptance Model    |
| PU   | Perceived usefulness           |
| PEOU | Perceived Ease of Use          |
| SET  | Secured Electronic Transaction |
| B2B  | Business-to-Business           |
| B2C  | Business-to-Consumer           |

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## **1. Introduction**

Generally speaking the trend of e-commerce has been increased rapidly in the recent years with the development of internet and due to the easy accessibility of internet usage. Easy access to internet has driven consumers to shop online in fact according to the University of California, Los Angeles (UCLA) communication policy (2001), online shopping is third most popular activity on the internet after email using and web browsing. Globally more than 627 million people have done online shopping so far, World's biggest online shoppers include Germans and British. Books, airline tickets/reservations, clothing/shoes videos/games and other electronic products are the most popular items purchased on the internet. (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2007).

Through electronic marketing and internet communication business firms are coordinating different marketing activities such as market research, product development, inform customers about product features, promotion, customer services, customer feedback and so on. Online shopping is used as a medium for communication and electronic commerce, it is to increase or improve in value, quality and attractiveness of delivering customer benefits and better satisfaction, that is why online shopping is more convenience and day by day increasing its popularity.

Not only benefits but also risk is associated with online shopping. Generally speaking internet users avert online shopping because of credit-card fraud, lack of privacy, non-delivery risk, lack of guarantee of quality of goods and services. Concerned authorities are devising policies to minimize the risk involved in e-business.

In Liao and Cheung (2000) words: "Fraud-free electronic shopping" was introduced by UK in the early 1995 and after two years Europe and Singapore introduced secured electronic transaction (SET).

On the other hand E-commerce has been grown very fast because of many advantages associated with buying on internet because of lower transaction and search cost as compared to other types of shopping. Through online shopping consumers can buy faster, more alternatives and can order product and services with comparative lowest price. (Cuneyt and Gautam 2004). Therefore Marketers have carefully analyzed the consumers' attitude and behavior towards the online shopping and spend billions of dollars to facilitate all the demographics of online shoppers.

Consumer's attitude towards online shopping refers to their psychological state in terms of making purchases over the Internet. Online buying behavior process refers to the products purchased online. The process of online buying behavior consists of five steps and it is similar to traditional shopping behavior (Liang and Lai 2000). For instance, consumer recognize the need for buying some product (book), they refers to the internet to buy online and start to search for the information and look for all the alternatives and finally make a purchase which best fits to their needs. Before making final purchase consumers are bombarded by several factors which limits or influence consumers for the final decision.

The main theme of the study is to know the factors that influence the consumer's attitudes and behaviors towards online shopping. Researchers will also focus on how consumers form such attitudes with the help of models and who are truly the online shoppers. According to the online survey within few American students, Case, Burns, and Dick, (2001, p.873) concluded that "Internet knowledge, income, and education level are especially powerful predictors of Internet purchases among university Students".

Our problem area that is Consumers attitude towards online shopping will determine the attractive factors that influence consumers to shop online and those factors will help marketers to formulate their strategies towards online marketing respectively. As our area of research will be on Sweden and specifically on Gotland so our research thesis will not only be helpful for the marketers in general but specifically will be helpful for the marketers in Sweden. Researchers will precede this work with primary data which will help them in covering the subject area in more diversified way.

### **1.1 Problem definition**

"An increasing number and variety of firms and organizations are exploiting and creating business opportunities on the Internet", Liao and Cheung (2000:299). Above mention statistics indicate the rapid growth in the field of virtual shopping. With this emerging field of shopping the interest of marketers is also increasing in studying what actually motivates consumers to shop online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping.

In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of online shopping. So it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers.



Other than the factors which influence consumers to shop online, online shopper's demography in terms of Age, gender, income and education is equally important to define their strategies accordingly.

As online shopping is a new medium so the consumer behavior in the field of online shopping is also pretty diverse in nature compare to traditional consumer behavior, so it is equally important for one to identify what factors influence consumers to shop online. In order to reach towards purchase decision, it consists of several factors which influence consumers to shop online. These factors are important for retailers to compete in the market and to make their product more compatible.

## **1.2 Purpose and research questions**

The prime purpose of the research is to identify and analyze the factors influencing Swedish consumers to shop online. Besides the factors influencing another purpose of the study is to analyze who are online shoppers in terms of demography. The findings of this research will not only help Swedish marketers to formulate their marketing strategies for online shoppers but will also increase the knowledge and research in field of online shopping.

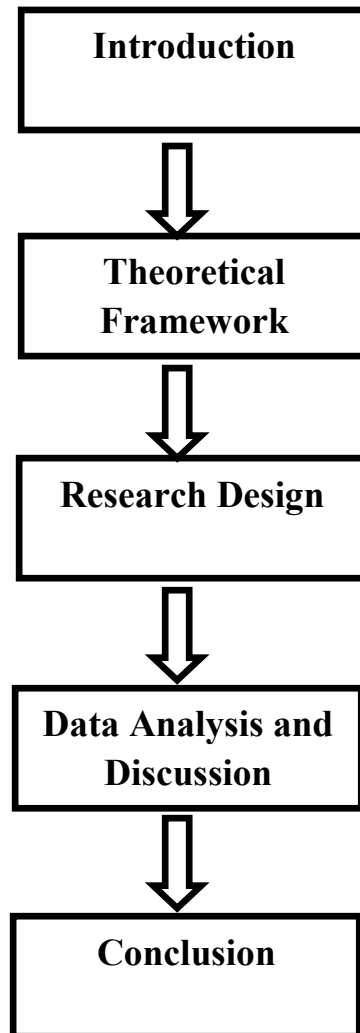
- i) What factors influence consumers to shop online?
- ii) Who are online shoppers in terms of demography?

One of our research objectives is to work on factors that influence consumers to shop online, researchers have decided to study four factors such as Convenience, Time Saving, Website Design/Features and Security. While it is important to investigate the motivation behind consumer purchasing but it is equally important to find as how the consumers form attitudes and behaviors towards online buying because consumer attitude towards purchasing online is a conspicuous factor affecting actual buying behavior. When marketers get to know the factors affecting online Gotland buyer's behavior then it create huge opportunity for the marketers to develop the marketing strategies accordingly and turn the potential customers into actual one and retain the exiting buyers. However, consumers willingness to purchase online could be affected by one's individual needs and these needs can be "Need for Cognition" and "Need to Evaluate." All the needs are strongly affected by different Situational factors i.e. can be cognitive involvement (indicates one's personal relevance with the Internet

as a medium of shopping. More cognitively involved persons usually believe that the Internet can also raise their shopping efficiency) and affective involvement (affective involvement include affective factors, such as hedonic and symbolic expectations, can also influence the personal relevance of a shopping medium.) (Zaichkowsky, 1994).

### 1.3 Research outline

Figure 1: Research outline



Researchers have divided the dissertation in five chapters. First chapter includes the introduction of the research which gives the overview regarding consumers attitudes towards online shopping, following future prospects in online shopping in Nordic countries, problem definition, research purpose and research questions. This chapter highlights the purpose and

overview of the study. Research design helps reader to understand what strategies are used to collect the data.

Second chapter which is research design describes the research design and data collection method that is being used by the writers. It includes sampling, sampling design, questionnaire design and last but not least validity and reliability of this research. Theoretical framework gives a read a clear picture as to what theories and models used by the researchers to support their study.

Theoretical framework is the third chapter of the research, as this chapter provides basis of theoretical framework that is used by the writers to discuss and analyze the whole area of interest. This chapter includes previous literature on consumer's attitudes towards online shopping, and theories and models used to discuss the problem analytically and this chapter also explains the reasons behind the choice of theories. Analyzing the empirical data and to reach towards conclusions is a challenging task for researchers.

In fourth chapter which is data analysis and discussion writers have critically analyze the data, by using tools, graphs and charts. In this chapter writers have answered the research questions after analyzing the empirical data collected through questionnaires. This chapter serves as the key to whole research. In last chapter presents the conclusion and the applicability of this research in the field of consumer behavior. Fifth chapter will include the conclusion.

#### **1.4 Limitations**

Almost every study has some limitations and so as in our study. One of the limitations in this study is time limit. At the same time cost is also another limitation in our study. In the beginning we had a plan to comparative analysis between Gotland and Mainland online shoppers. But later on considering time and budget we changed our mind, so we have made survey about online shoppers in Gotland specially the study is conducted in the Gotland University students, university cafeteria, and university library in Gotland. Another limitation in our study is the convenience sampling; due to unavailability of data on students of Gotland University we could not draw random sampling. And most of our respondents are students of Gotland University so generalization is also limited but this study provides a base for further extension in the field of online shopping in general in Sweden and specifically in Gotland.

Lastly the sample size is also not so much high as only sample of 100 online shoppers is taken.

## **2. Research design and data collection method.**

### **2.1 Research method**

Our research regarding Consumer's attitude towards online shopping is a descriptive research because we just want to draw a picture of our topic as what are the factors that influence consumers to shop online. In general two types of research methods are being used quantitative and qualitative. We would like to go for quantitative method in our research as it is a precise way. According to Creswell (1994) time is vital attribute for decision making while selecting research method. Saunders, Lewis, and Thornhil (2000) suggests that quantitative research can be faster as compare to qualitative as it is possible to forecast the time schedule, whereas qualitative can be relatively long in duration. Research projects normally done for academic reasons are limited to time as our research is also being done for academic purpose and is time limited so that is why we are going to prefer quantitative approach.

### **2.2 Data collection**

When it comes to data collection there are two methods in general used by researchers to collect data, primary and secondary method. If we talk about primary data it includes observation method, Interview/ questionnaire method, case study method, projective techniques and sociometry. Whereas, secondary data is one which is already collected by some other researcher not for the reason for particular study or research.

We would like to go for primary data collection method that will include questionnaire from consumers as what are the factors that influence consumers to purchase online. As our study covers Gotland online shoppers so we feel it would be easy for us to distribute the questionnaire and then analyze the situation. As our respondents are geographically scattered and Kumar (1999) suggests that use of questionnaire may be the only choice of data collection as if respondents are geographically scattered.

### **2.3 Sampling**

In general there are two types of sampling techniques probability sampling and non probability sampling. In Probability sample there is a nonzero equal chance for each population element to be selected, Bryman and Bell (2007). There are four types of probability sampling as stated by Bryman and Bell (2007) simple random sample, systematic sample, stratified random sampling and multi stage cluster sampling. Whereas, in non-probability sampling there is no random sampling. As stated by Bryman and Bell (2007) there are three types of non probability sampling i.e. Convenience Sampling, snowball sampling and quota sampling. According to Bryman and Bell (2007) Convenience sample is one that is conveniently available to the researcher with its goodness of accessibility. The problematic facet of this type of non probability sampling as stated by Bryman and Bell (2007) is that it is impracticable to generalize the results but at the same time in Bryman and Bell (2007) words convenience sampling more remarkable role than supposed. And as Bryman and Bell (2007) explains in business and management field this technique is more worthy as compare to sample based on probability sampling. By keeping in view the limitations of time, resources and population writers have decided to apply convenience sampling technique for the purpose of collecting empirical material. As time and resources are one the constraints faced by the researchers convenience sampling is helpful, and it seemed suitable for our research purpose as we are unaware of the online shoppers in Gotland and besides this we could not get the list of online shoppers as it was difficult to get the list from administration of Gotland University so we decided not to draw a random sample. We have decided to distribute our questionnaire among Gotland University students, in general library and higher secondary school in Gotland so convenience sampling would be helpful for the writers to approach the respondents and collect the data on time and also to avoid low response rate, as we are expecting at least 100% response rate.

### **2.4 Sample design**

As mentioned by Kent (2007) In particular research a procedure that is being followed for selecting a sampling unit is called sample design. The procedure that is being followed by the writers to select a sampling unit is a mixed process. A mixed process means distributing survey online as well as in person to online shoppers. The population selected by the writers for the study is mainly students of Gotland University, and general public visiting university

cafeteria and library. As mentioned in above paragraph writers have selected convenience sampling technique so sample is designed accordingly by approaching the students both by online survey on [www.kwiksurveys.com](http://www.kwiksurveys.com) and distributing the questionnaire to students and general public in University cafeteria. The purpose of using the mixed process is to collect empirical data conveniently and on time, as time and resources are also kept in mind by writers at every step of this thesis.

## **2.5 Sample size**

The population for the research is Gotland University students and people visiting university cafeteria and library and keeping in view the limitation of time and resources writers have decided to take the sample of 100 students and people visiting university cafeteria and library. Questionnaires were distributed both by online and by hand to respondents and enough time given to respondents to fill the questionnaire to reduce sampling error. Questionnaire is constructed in simple language in order to reduce the risk of ambiguity.

## **2.6 Questionnaire design**

The questionnaire is carefully designed to meet the requirements of the research. The questions are taken from previous literature on Consumer's attitudes towards online shopping with a view to validate the research more and some of the questions are self structured to cover the diversity of research problems. The questionnaire consists of two main parts and one sub part, first part is mainly focused on questions pertaining to factors that influence consumers to shop online. Second part of the questionnaire will cover one of our research question that is who are online shoppers in terms of demography and to see are there any difference in relation to factors that influence Gotland consumers to shop online.

### **Part A: Factors influencing consumers to shop online**

First part of the questionnaire will cover the questions relating to factors influencing consumers to shop online, these factors are Convenience, Time Saving, Website Design/Features and Security. Convenience as one of the factor includes four questions, as mentioned above that questions are selected from previous literature and some of them are self structured. There are total of five questions pertaining to Website design/Features, three questions related to Time saving factor and three questions related to Security. All questions

in this section are constructed with 5 point Likert scale ranging from 1 (strongly disagree), 3 (Uncertain or not applicable) to 5 (strongly agree). There is also a subset of part A, this subset includes comments box that is left for the respondents to fill as if they feel that there are some other factors that influence consumers to shop online apart from the structured questionnaire.

#### Part B: Demographics

This is final section of questionnaire, as stated by Grossnickle (2001), “easy” questions must be at the end of the questionnaire. As the respondent can lose interest after answering 15 questions in the first section so that is why writers have decided to put easy questions at the end of the survey. As this section includes personal and sensitive question regarding income so as there is a risk that respondent can terminate the survey at early stage. This section includes questions pertaining to Gender, Age, Income and Education.

### **2.7 Validity and reliability**

Writer’s research questions will help to prove the validity of research. Validity is if the statements that are designed in real terms measure what is actually meant to measure (Fisher 2007). As most of the research questions are being extracted from previous literature done in the area of Consumer attitude towards online shopping which proves the validity. The questionnaire is closely linked with the research questions as part A of the questionnaire deals with questions pertaining to each of the factor that can influence consumer to shop online.

The questionnaire is constructed in a way that it does not alienate the respondent, as sensitive questions in nature such as income and age are asked at the later part of the questionnaire so to avoid from the risk that respondent can terminate the survey.

Questionnaires are not distributed in a particular setting or a place as writers have distributed the questionnaire in Gotland University, Gotland Library as to get the diversified population from different demography. Questionnaires are only distributed to respondents who have previous online shopping experience.

## **2.8 Data analysis**

The tool that we will use for our data analysis is a 5 Point Likert Scale (1=Strongly Disagree, 2=Disagree, 3=Uncertain / Not applicable, 4=agree, 5=Strongly Agree). The Likert scale is a scale that is commonly used for questionnaires, and is mostly used in survey research. Our research is also survey based research so it would be easy for us to interpret the analysis. The advantage of using likert scale can be to create interest among respondents as according to Robson (1993) as likert scale can be interesting for users and they often enjoy completing a scale like this. Another advantage can be simplicity as Neuman (2000) suggests the real strength of Likert scale is the simplicity and ease of use. As mentioned above those two methods are used to distribute questionnaire, out of total 100 questionnaires 40 were completed by respondents through online software [www.kwiksurveys.com](http://www.kwiksurveys.com) and rest 62 were distributed in person to respondents and collected from them after reasonable period of time. Out of 102 the response rate was 98 percent. After receiving the raw data the next step was to input the data in software to get the frequencies, the software used for input the data is online tool known as kwiksurveys. It took 5 hours to input the data.

## **3. Theoretical framework**

This section reviews the previous studies done in the area of online shopping following consumers attitude towards online shopping and highlighting the two main research questions as i) Factors affecting and influencing consumers to shop online and ii) Who are online shoppers in terms of demography.

### **3.1 Online shopping**

Online shopping is basically a process of selling and buying of goods and services on World Wide Web. As (Forsythe and Shi, 2003) explains” Internet shopping has become the fastest-growing use of the Internet; most online consumers, however, use information gathered online to make purchases off-line”.

According to a report (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2005) published on [www.acnielsen.com](http://www.acnielsen.com), one tenth of the world population is shopping online , till October 2005, 627 million people have done online shopping , and



according to the same report Germans and British are on the top of the list on Online Shopping. Additionally report (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2005) published on [www.acnielsen.com](http://www.acnielsen.com) confirms that Products most purchased online are Books on the top followed by DVD/Video/Games and Plane Reservations, the payment method that is being used mostly is Credit Card.

As above stats confirms internet activity as growing fast and Sweden has always been on high heels in Internet Usage and online Shopping in Europe. According to a report on (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2005) shows on the list of top 20 internet purchaser countries Sweden is on number nine following Japan and USA.

### **3.1.1 Types of internet users: Shoppers vs. browsers.**

As Forsythe and Shi (2003) mention internet users can be categorized in to two Internet Shoppers and Internet Browsers, Internet shoppers are the people who shop online whereas internet browsers are the people who just browse the internet other than shopping purpose.

## **3.2 Factors influencing consumer to shop online**

Though there are several factors that influence consumers to shop online, but as mentioned above researchers have selected four factors after reading literature in the field on consumer attitudes towards online shopping and these factors are discussed below in the light of previous literature.

### **3.2.1 Convenience**

Convenience factor refers that it is easy to browse or search the information through online is easier than the traditional retail shopping. Through online, consumers can easily search product catalog but if the consumer look generally for the same product or item in a traditional store manually it is difficult to visit physically and time consuming also. Convenience has always been a prime factor for consumers to shop online. Darian (1987) mention that online shoppers carry multiple benefits in terms of convenience, such as less time consuming, flexibility, very less physical effort etc. Bhatnagar and Ghose (2004) claims for convenience as one of the most important advantage for online shopping. According to the Robinson, Riley, Rettie and Wilsonz (2007) the major motivation for online purchasing is convince in terms of shop at any time and having bundles of items delivered at door step.

Rohm and Swaminathan's (2004) claims in "typology of online shoppers into": Convenience shoppers, balanced buyers, variety seekers and store-oriented shoppers, based upon their preset shopping motivation. Rohm and Swaminathan's (2004) findings about 'convenience and variety seeking' are major motivating factors of online shopping and this study is consistent with Morganosky and Cude's (2000) research findings. Webcheck's (1999) study shows that convenience factor is one of the biggest advantages of online shopping. Through online purchase consumers can easily compare the price than the traditional purchase. So price comparison is also another convenience factor of online shopping.

### **3.2.2 Time saving**

Time savings is one of most influencing factors of online shopping. Browse or search an online catalogue can save time and patience. People can save time and can reduce effort by shopping online. According to Rohm and Swaminathan's (2004), one possible explanation that online shopping saves time during the purchasing of goods and it can eliminate the traveling time required to go to the traditional store. On the other side, some respondent think that it is also time taken for delivery of goods or services over online shopping.

Unexpectedly time saving is not the motivating factor for the consumers to shop online (Corbett, 2001) because it takes time receiving goods or delivery. But time saving factor can be seen through different dimensions i.e. "person living in Florida can shop at Harod's in London (*through the web*) in less time than it takes to visit the local Burdines department store" (Alba et al. 1997, p. 41,emphasis added). Morganosky and Cude (2000) have concluded that time saving factor was reported to be primary reason among those consumers who have already experienced the online grocery buying. So the importance of the time saving factor cannot be neglected as motivation behind online purchasing. Additionally Goldsmith and Bridges (2000) emphasize that there is a discrimination between online shopper and non online shoppers, online shoppers are more worried about convenience, time saving and selection whereas non online shoppers are worried about security, privacy and on time delivery. A study by Kamariah and Salwani (2005) shows higher website quality can highly influence customers to shop online.

### **3.2.3 Website design/features**

Website design and online shopping activity is one of the vital influencing factors of online shopping. Website design, website reliability/fulfillment, website customer service and website security/privacy are the most attractive features which influence the perception of the consumer of online buying Shergill & Chen (2005). Kamariah and Salwani (2005) claims the higher website quality, the higher consumer intends to shop from internet. Web design quality has important impacts on consumer choice of electronic stores, stated by Liang and Lai (2000). Website design one of the important factor motivating consumers for online shopping. Almost 100,000 on-line shopper's surveyed by (Reibstein, 2000) shows that web site design was rated as important factor for online shopping. Another study conducted by Zhang, Dran, Small, and Barcellos (1999, 2000), and Zhang and Dran (2000) indicated that website design features of the website are important and influencing factors that leads consumer's satisfaction and dissatisfaction with a specific website.

A study conducted by Yasmin and Nik (2010) shows a significant relationship between online shopping activity and website features. Website design features can be considered as a motivational factor that can create positive or negative feelings with a website (Zhang, et al 1999). A study by Li and Zhang (2002), if website is designed with quality features it can guide the customers for successful transactions and attract the customers to revisit the website again. However, worse quality website features can also hamper online shopping. According to Liang and Lai (2000), web design quality or website features has direct impact on user to shop online.

Moreover researchers such as Belanger, Hiller and Smith (2002) concluded that a large segment of internet users have serious concerns of security.

### **3.2.4 Security**

Security is another dominant factor which affects consumers to shop online. However many internet users avoid online shopping because of credit card fraud, privacy factors, non delivery risk, post purchase service and so on. But transaction security on the online shopping has received attention. Safe and secured transaction of money and credit card information increases trust and decreases transaction risk. In 1995, UK has introduced Fraud free electronic shopping and later on Europe and Singapore introduced secured electronic transaction (SET). According to Bhatnagar and Ghose (2004) Security is one of the attribute

which limits buying on the web as they claim that there is a large segment of internet shoppers who don't like to buy online because of their thinking about the security of their sensitive information.

Cuneyt and Gautam (2004) claims trust in the internet shopping with advanced technology, and frequent online shopping to the internet being secured as a trustworthy shopping channel.

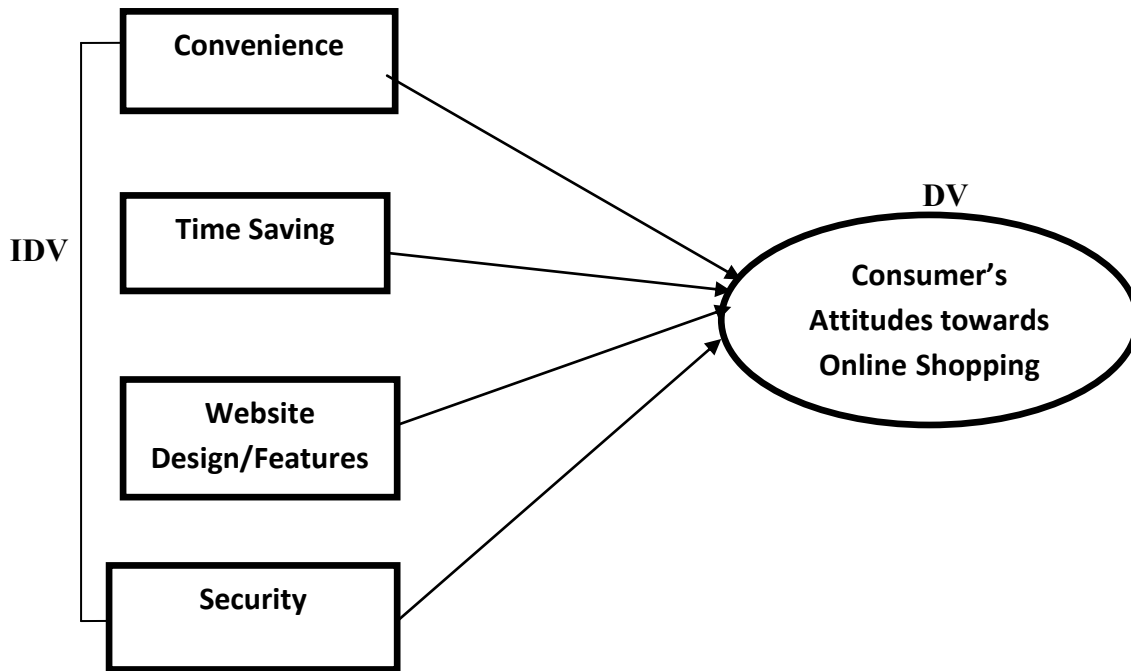
### **3.3 Online shoppers in terms of demography**

Online shoppers in terms of demography are another important aspect. We would like to study demography in terms of age, gender, income and education as are there any differences while consumers shop online, differences within the age groups such as does online shopping attracts elder people or younger people. Studies have shown that online shoppers mainly consist of people with Higher education and income and working in middle to senior management or professionals (Kehoe et al., 1998; Hoffman et al., 1996). Locally, a report in the Business Times and an online survey showed that demographically, a typical Net shopper is mainly male, aged between 18 and 40, had attended at least secondary school and belongs to a family with average income of at least \$5000. The online survey also showed that cyber-buyers were also mainly Chinese below 36 years old with diplomas or degrees and drawing a monthly salary of less than \$3500. Another study by Miller (1996) claims cyberspace is the domain of young people Bhatnagar and Ghose (2004).

Sim and Koi, (2002) states as main discriminating factors appeared to be gender and income. Customer segmentation is important for electronic commerce success, Berry (1999). Miller (1996) has focused on demographics to show the profile of Internet users, Bhatnagar and Ghose (2004).

### 3.4 Research model

The research model shown in Figure 1 is constructed by the writers on the basis of number of researches done in the area of consumer attitudes towards online shopping specifically and broadly on online shopping behavior. The diagram shown in figure 1 depicts the factors influencing consumer to shop online.



**Figure.1** A Schematic diagram of research model.

**Source:** Developed by the writers for the purpose of study.

The above model shows a relationship between dependent variable (DV) and independent variables (IDV). Consumer attitudes towards online shopping are perceived as dependent variable whereas convenience, time saving, website design/features and security are the independent variables that influence the consumers to shop online. The research model developed by the writers will serve as a basis for this research and it will help in analyzing and interpreting the empirical results.

### 3.5 Related literature

Table 1 .Brief detail Regarding Previous Literature on Online Shopping.

| No | Writers   | Research Design/<br>Data Collection<br>and Sample<br>frame. | Sample Size and<br>Response Rate   | Conclusion of the Research   |
|----|---|---|--|--|
| 1. | Shahriar Azizi and<br>Masoud Javidani<br>(2010)<br><br>Measuring e-shopping<br>intention: An Iranian<br>perspective | Descriptive Study,<br><br>Stratified Sampling               | Sample drawn from<br>120 people<br>households in<br>Tehran                             | - E-Shopping -- Intention is not<br>affected by perceived benefits.<br><br>-E-shopping intention has positive<br>impact on attitude towards online<br>shopping in Iran.<br><br>- The results showed that Iranian<br>users have not confronted any risky<br>situations while shopping online. |
| 2. | Shergill and Chen<br>(2005)<br><br>Consumers Attitudes<br>towards Online<br>Shopping In New<br>Zealand              | Non Probability<br>and convenience<br>sampling.             | 149 online shoppers<br>selected but only 102<br>usable<br>questionnaires<br>collected. | -The research found one of the<br>major reasons of not shopping<br>online is security issues.<br><br>- The study concluded that many<br>online shoppers are less satisfied<br>with website design.   |
| 3. | Osman, Yin-Fah and<br>Hooi-Choo (2010)<br><br>Undergraduates and<br>Online Purchasing<br>Behavior                   | Convenience<br>sampling                                     | 100 undergraduate<br>students were<br>selected.  | -Writers have concluded that<br>mostly students buy books, cloths,<br>travel bookings and computer<br>hardware's.<br><br>- Website quality and purchase<br>perception have significant<br>relationship with online shopping.   |

|    |  |                      |  |  |
|----|--|----------------------|--|--|
| 4. | Sami Alsmadi (2002)<br>Consumer Attitudes Towards Online Shopping In Jordan: Opportunities And Challenges  | Convenience sampling | 500 Self administered questionnaire distributed in Ibrid Jordan. | -Security of online users is important factor that stops the willingness of online purchasers.<br><br>- The study concluded that the higher the incomer the more attitude towards online shopping. |
| 5. | Sarigiannidis and Kesidou (2009)<br>Consumer characteristics and their effect on accepting online shopping, in context of different product types. | Descriptive study    | A total of 232 internet users are selected.                      | -Product involvement positively affects consumers to shop online.<br><br>- It is concluded that privacy have no effect over consumers intentions towards online shopping.                          |

### 3.6 Reasons behind the choice of theories

Selecting theories to support the research question is one of the vital and trivial parts in thesis writing. After reading previous publications and research papers in the field of consumer behavior and online shopping led researchers some important theories which will be discussed in later paragraphs.

One of them is Consumer buying behavior process which helps in understanding what influence consumer to purchase online. After studying online shopping the researchers have recognized that consumers start with some kind of need or a problem that arouse some or the other way which needs to be filled and then you move towards information search and finally you purchase. This buying process helps in explaining the steps one follows to reach to actual purchase.

Theory of planned behavior (TPB) proposed by Icek Ajzen (1988, 1991) as an extension to Theory of Reasoned Action. This is also an important concept as it provides a link between attitudes and behavior. It helps one to understand how one can change the behavior of people. This theory will be helpful in understanding how consumer changes their behavior to shop online than physical store purchases.

Technology acceptance model (TAM) that is developed by (Fred Davis and Richard Bagozzi) (Davis 1989, Bagozzi & Warshaw 1992) is an information system theory that sets out to study the users acceptance towards particular system. Writers have selected this theory as it is commonly used theory while studying consumer’s attitudes towards online shopping. As online shopping is a modern technology and in our research we are going to study different factors that influence consumers attitudes towards online shopping, such as Website Design/ Features, convenience and Security. And TAM will help us understand how consumer form attitudes towards particular system and in our case it is online shopping. Last but not least it is an extension to the theory of Reasoned Action (TRA) (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975).

### 3.7 Theories and models

#### 3.7.1 Consumer buying behavior process

In the field of Consumer behavior research the classical model of consumer buying behavior is of utmost important. We as persons take actions in purchasing and using products and services and actions are derived by mental and social process. Behavioral science helps us to better understand why we go for a certain product and why not, why we set priorities while making decision.

Figure 2



Consumer decision process carries five stages, starting with Problem recognition and following Information search, Evaluation of alternatives Purchase decision and finally Post Purchase behavior. Problem recognition starts with the perception of need and moves towards information search where consumer uses internal and external sources to analyze given information and use that information in the next step of evaluation of alternatives. While



evaluating alternatives one assessing values of the products by giving weights. Once you have successfully evaluated alternatives you will move towards purchase decision where you may encounter three possibilities, from whom to buy, when to buy and do not buy. Once you have actually made the purchase now it comes to Post purchase behavior, whether you are satisfied or dissatisfied with your purchase, Solomon, bamossy, askegaard and hogg (2006).

### 3.7.2 Theories of planned behavior (TPB)

Theory of planned behavior proposed by Icek Ajzen (1988, 1991) actually provides a link between attitude and behavior. Consumer action is guided by three considerations.

- Behavioral Beliefs
- Normative Beliefs
- Control Beliefs

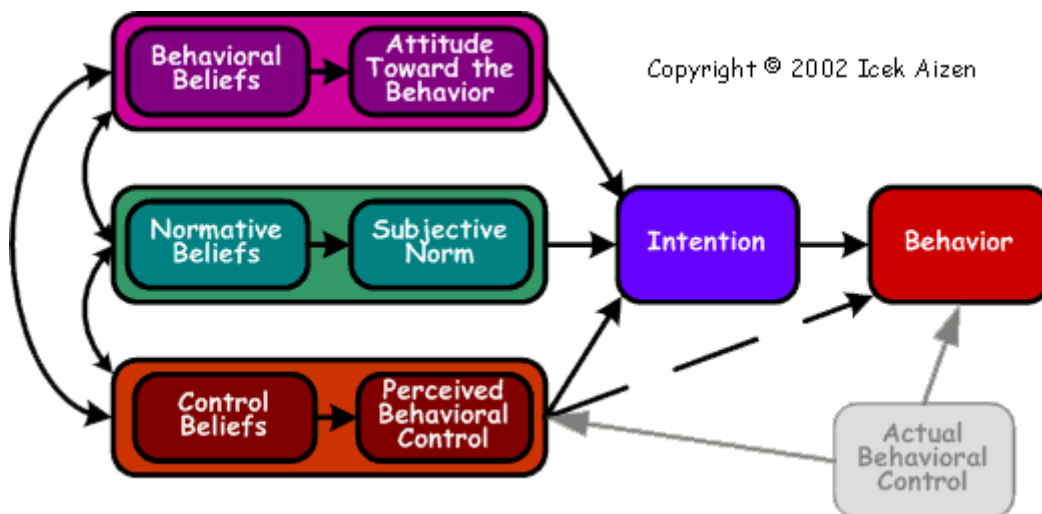
TPB is basically an extension of theory of reason action (TRA) proposed by (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). As you can see in the below figure and as suggested by Icek Ajzen (1988, 1991) intention serve as a central role to perform a behavior. Icek Ajzen (1988, 1991) also proposed that a given behavior is influenced by the certain factors and these factors are assumed to be captured by the intention. In Icek Ajzen (1988, 1991) words these intentions indicate as how one is willing to put the effort in order to perform a given behavior. As you can see in the below figure attitude towards behavior and subjective norm are basically the factors that influence intention and as discussed above intention serve as a central role to perform behavior. On the other side perceived behavioral control actually moves towards the actual behavioral by influencing the intention.

- **Behavioral belief:** It's about one's belief about the final outcome of particular behavior, Icek Ajzen (1988, 1991).
- **Attitude toward behavior:** It is about personal performance of individual's positive or negative evaluation Icek Ajzen (1988, 1991). It is considered as personal or

emotional factor that can affect in a positive or negative manner, Icek Ajzen (1988, 1991).

- **Normative belief:** It is about individual's particular behavior that can be influenced by other important actors, Icek Ajzen (1988, 1991). These actors can be your friends, family members, co-workers etc.
- **Subjective norm:** Its concerns with social normative pressures or other belief that can affect one's behavior whether a person should perform the behavior or not, Icek Ajzen (1988, 1991). Subjective influence is basically the social influence factor.
- **Perceived behavioral control:** An individual's perceived ease or difficulty of performing the particular behavior, Ajzen, (1988). A person's way of performing a particular behavior with some difficult or performing it easily, Ajzen, (1988).
- **Control beliefs:** Person's beliefs about the presence of circumstances that may help or prevent performance of the behavior, Ajzen (2001).

Figure 3. Schematic diagram of theory of planned behavior by Ajzen, I. (1991)



Source: Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, p. 179-211

### 3.7.3 Technology acceptance model (TAM)

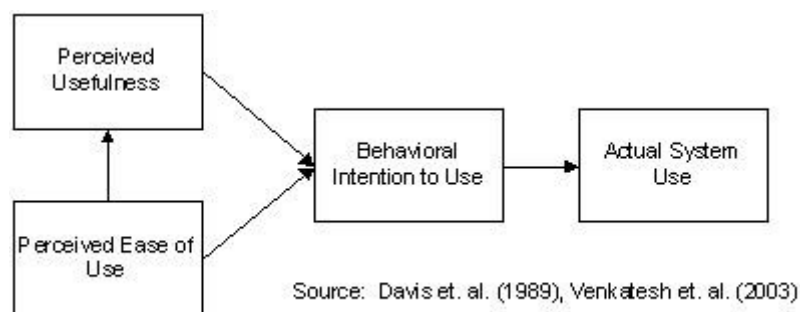
Technology acceptance model (TAM) is an extension to Theory of reasoned action proposed by (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975), TAM is developed by (Fred Davis and

Richard Bagozzi (Davis 1989, Bagozzi & Warshaw 1992). TAM is basically information system theory that covers how a user accepts and uses a technology, TAM outlines number of factors that influence a user's decision and at the same time it deals with the how and when users will use it. The model deals with the acceptance of information technology. The external factors that influence users to make a decision are:

- Perceived Usefulness (PU)
- Perceived Ease of Use (PEOU)

In Davis (1989) words Perceived Usefulness (PU) is the “the degree to which a person believes that using a particular system would enhance his or her job performance” and Perceived Ease of Use (PEOU) is the “degree to which a person believes that using a particular system would be free from effort”. The main purpose of the TAM is to explain how a user accepts a specific technology.

Figure 5: Technology Acceptance Model (TAM) by (Davis 1989, Bagozzi & Warshaw 1992).



As you can see in the above figure PU and PEOU are the external factors that influence the behavior intention to use and then finally it moves towards the actual system use, as you can see in the above figure author has explained that user will first consider that if he or she uses the particular system that would be free from effort and that is PEOU factor and then this factor leads to the one's thinking that particular system will increase one's job performance and that is PU factor, and then he or she will move forward to think about creating and intention to use that system and finally the will actually use the system.

#### 4. Data analysis and discussion

One of the important steps is to analyze the data and discuss the findings. In this chapter researchers will discuss the empirical findings from this study. The data analysis mainly concerns primary data collected in the form of questionnaires distributed among students of Gotland University and general public visiting university cafeteria and Gotland Library. Below table 2, shows the results of frequency for respondent's agreement with statements. Each statement is considered as one module.

**Table 2**

| <b>Modules</b>  | <b>Strongly Agree</b> | <b>Agree</b> | <b>Uncertain</b> | <b>Disagree</b> | <b>Strongly Disagree</b> |
|---|-----------------------|--------------|------------------|-----------------|--------------------------|
| <b>Convenience</b>  | <b>Frequency</b>      |              |                  |                 |                          |
| 1. I get on-time delivery by shopping on-line   | 15                    | 66           | 17               | 1               | 1                        |
| 2. Detail information is available while shopping online  | 19                    | 55           | 19               | 6               | 1                        |
| 3. I can buy the products anytime 24 hours a day while shopping online  | 56                    | 31           | 6                | 5               | 2                        |
| 4. It is easy to choose and make comparison with other products while shopping online.                              | 25                    | 42           | 16               | 15              | 2                        |
| <b>Website Design/Features</b>  |                       |              |                  |                 |                          |
| 5. The website design helps me in searching the products easily   | 25                    | 41           | 25               | 8               | 1                        |
| 6. While shopping online, I prefer to purchase from a website that provides safety and ease of navigation and order | 52                    | 30           | 13               | 3               | 2                        |
| 7. The website layout helps me in searching and selecting the right product while shopping online                   | 29                    | 48           | 12               | 9               | 2                        |
| 8. I believe that familiarity with the website before making actual purchase reduce the risk of shopping online     | 33                    | 45           | 15               | 6               | 1                        |

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| 9. I prefer to buy from website that provides me with quality of information                   | 43 | 45 | 10 | 1  | 1  |
| <b>Time Saving</b>   |    |    |    |    |    |
| 10. Online shopping takes less time to purchase.   | 17 | 39 | 24 | 18 | 2  |
| 11. Online shopping doesn't waste time   | 15 | 29 | 34 | 19 | 3  |
| 12. I feel that it takes less time in evaluating and selecting a product while shopping online | 6  | 31 | 24 | 34 | 5  |
| <b>Security</b>  |    |    |    |    |    |
| 13. I feel safe and secure while shopping online   | 4  | 36 | 25 | 26 | 9  |
| 14. Online Shopping protects my security.  | 1  | 17 | 46 | 24 | 12 |
| 15. I like to shop online from a trustworthy website.  | 46 | 47 | 4  | 1  | 2  |

*Source:* Empirical data, for research purposes only

Starting with the demography, data collected by the respondents in the form of age, gender, income and education, researchers will use tables and graph to see the demographic profile of online shoppers in Gotland, in the same step researchers will do correlation analysis of each demographic factor except gender, to see the relationship with demographic factors and attitudes towards online shopping. After finishing first step, researchers will analyze 1<sup>st</sup> part of the questionnaire regarding four factors.

In the second step first section of the questionnaire will be analyzed regarding four factors influence consumers to shop online, it consist of 15 questions and each question represent one module, so in total there are 15 modules as it is evident from table 5. First factor that is convenience carries four modules, and each module will be analyzed and discussed separately with the help of table and graph of frequency and with results of likert scale. Writers have used five point likert scale from strongly agree with score of 5 to strongly disagree with score of 1. The score of each module (e.g. "I get on-time delivery by shopping on-line") in terms of frequency will be used to calculate the average for each module. For instance if we denote "Strongly agree" by "5", the others by "4, 3, 2, 1" then we can use the 100 input data as follows:  $5*15(\text{frequency}) + 4*66 + 3*17 + 2*1 + 1*1 = 395$ . Divided by 100 (sample size) we

will get 3,95 which is the average result for this module. In the same way we will calculate the total series for all the 15 modules. First factor that is Convenience consist of 4 modules, website design/features includes 5 modules, time saving with 3 and in the same way security as a factor consist of 3 modules. Firstly we will analyze each module separately and later on we will analyze in the form of groups (Convenience, Time saving, Website design/Features and Security). Once this part will be completed, researchers will take average of each group.

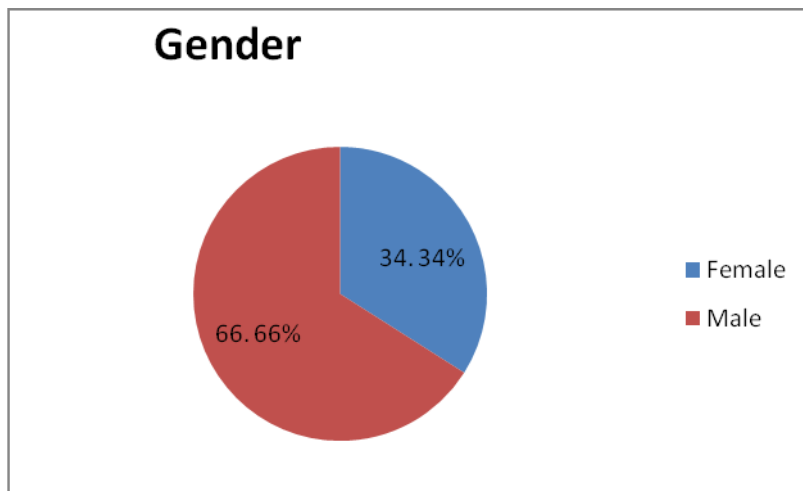
Average of each group will be calculated by taking the sum of averages of each module under each group and the dividing that sum by number of modules under each group to see trend of consumer attitudes towards online shopping. To make it more clear suppose the average score for first module (M1) is 2.5, second module (M2) is 3.5, third module (M3) is 4.5, fourth module (M5) is 3.7, so the average score for convenience will be calculated by adding up the average scores  $2.5+3.5+4.5+3.7= 14.2$ , then dividing the sum to total number of modules i.e.  $14.2/4= 3.55$ . Lastly researchers will analyze question number 16.

Question number 16 is a general question that is being asked to see if there are some other factors which affects consumers to shop online other than four factors chosen by the writers. Respondent's answers will be discussed in this section. The last section summary includes the summary about the factors that influence consumer and compare our findings with previous literature.

#### **4.1 Demography**

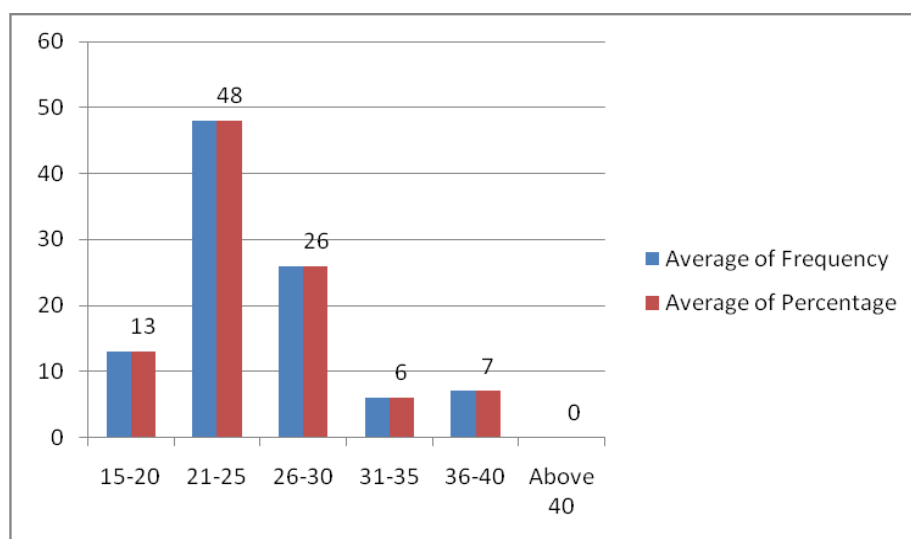
**Gender:** According to demography profile, 66.66% respondents are male and 34.34% respondents are female. As we mentioned before the study is conducted in the Gotland University students, university cafeteria, university library, and higher secondary school in Gotland. From these groups total respondents are 100. At the time of survey comparatively higher number of female said that they don't have shopping experience through online. So, according to the survey result it is clear that male respondents are more interested to shop online than female.

Figure 6.



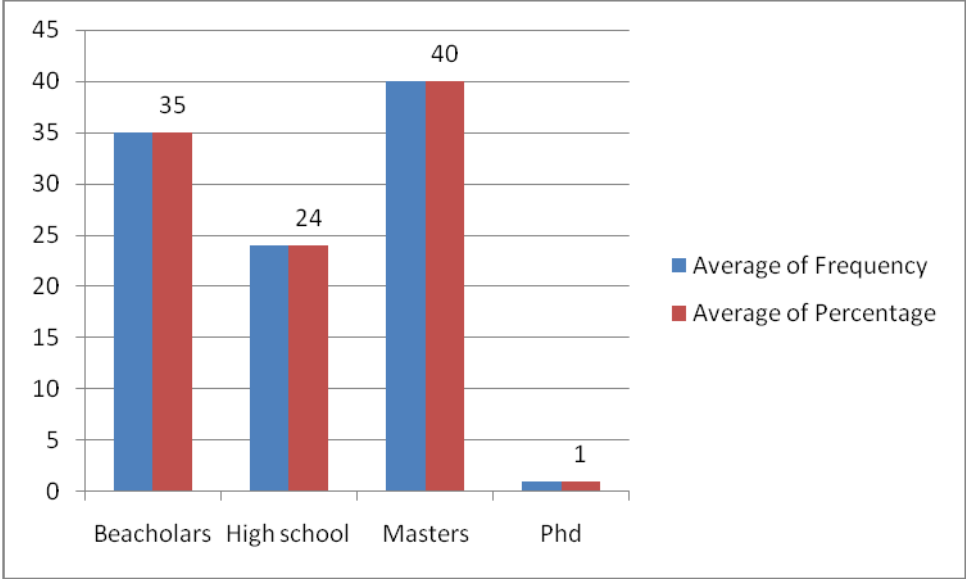
**Age:** Below figure shows that 13% respondents are between 15-20 years old, 48% respondents are between 21-25 years old, 26% respondents between 26-30 years old, 6% respondents are between 31-35 years old, and 7% respondents are between 36-40 years old. As we mentioned before the study is conducted in the Gotland University students, university cafeteria, and university library in Gotland. So according to the respondents group, maximum respondents are high school, bachelor and master student. Between them 48% respondent prefer to shop online that is the highest percentage who has age limit between 21 to 25 years. Overall result shows that between all of them the respondents who has age limit between 21 to 30 years (48%+26%= 74%) people are more familiar to shop online.

Figure 7. Age



**Education:** The study is conducted with 100 respondents, between them 35% respondents are bachelor student, 24% respondents are high school student, 40% respondents are master student and only 1% PhD student. From all of the respondents maximum number of respondents (40%) is master student. Survey results shows that 75% respondents are bachelor and master student because most of our respondents are study in Gotland University.

Figure 8. **Education**

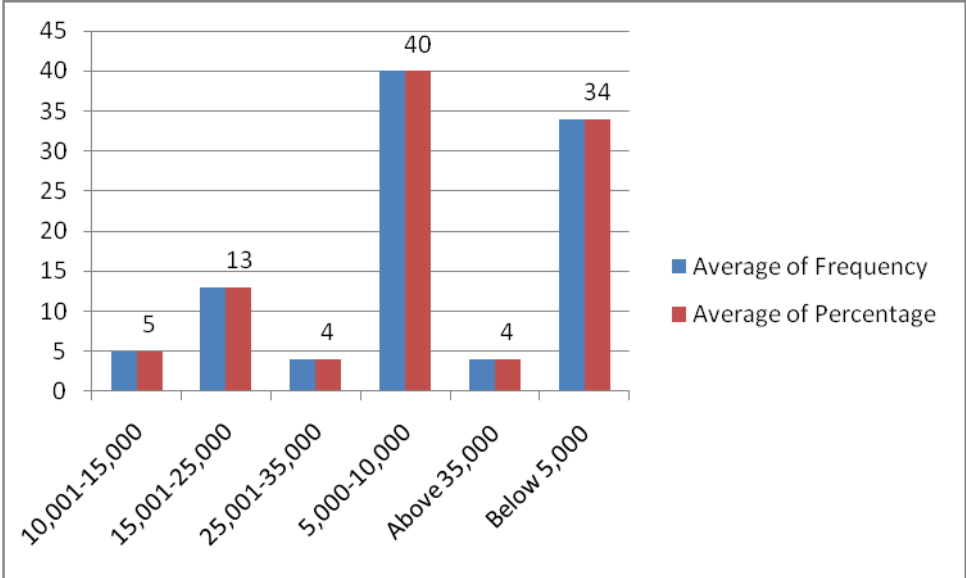


**Income:** is one of the important and sensitive demographic variables. This figure shows that 5% respondents monthly income 10001-15000SEK, 13% respondents monthly income 15001-25000 SEK, 4% respondents monthly income 25001-35000 SEK, 40% respondents monthly income 5000-10000 SEK, only 4% respondents monthly income more than 35000SEK, and 34% respondents monthly income less than 5000 SEK. As we mentioned before the study is conducted in the Gotland University students, university cafeteria, university library, and higher secondary school in Gotland. So, our most of the respondents are student. Between them international students also included, who don't have job opportunity like Swedish citizens due to language barriers and unavailability of job. Though maximum respondents are student, between them lowest number of people has good job, some students has part time job, some students get some money from government due to their social security system, and some foreign students they don't have income they bring money from their home country. That is why, only 26% respondents monthly income above



10000SEK, and 74% respondents monthly income 10000SEK or below, between them 34% are earning less than 5000SEK.

Figure 9. **Income**



**4.2 Correlation analysis of demographic factors**

In this section writers will do the correlation analysis with demographic factors to see whether how much is the correlation between each demographic factor and attitudes towards online shopping.

**Age:** Starting with the age we have calculated the scores for the each age groups which gave average of 3,79 for age group (15-20), 3,75 for age group (21-25) and so on for other age groups 3,73/3,456/3,571 respectively, as you can see in table 3 in appendix, and each average score is calculated from the respondents agreement and disagreement with questions pertaining to consumers attitudes towards online shopping. And then we took the average of each age group and got for group 1,2,3,4 and 5 the following age averages: e.g. age group 15-20= (15+20)/2=17,5 and so on 22,5/27,5/35/50 respectively.

The correlation analysis between these ages group give -0,7381 which indicates that there is a quite strong negative correlation between age and attitude to on-line shopping, and it reflects

that as age increases interest of online shopping decreases among people, or one can say that elderly people are not so keen to shop on-line.

**Education:** For the education we have calculated the estimated the average study time for high school, bachelors, and masters i.e. Average 10 study years in total for high school,  $10+4=14$  for bachelor and  $14+2=16$  for master. The averages for each group are 3,84/3,75/3,62 respectively as you can see in table 4 in appendix. Correlation results gives -0,956 which is very high and indicates strong negative relation between age and attitudes towards online shopping and would indicate that higher education makes on-line shopping less attractive.

**Income:** For the income we have calculated the scores for the each income groups which gave averages of 3.84,/3.67,/3,65,/3,74,/3,1,/ 3,85. As it is visible in table 5 in appendix, then we have taken the average of income brackets one by one i.e. (income group between 5000 SEK-10000 SEK ,  $(5000+10000)/2 =7500$ ). The correlation results shows -0,1226 and it indicates that there is a weak negative correlation between income and attitudes towards online shopping so we are unable to conclude anything with this result.

### 4.3 Analysis of four factors

In this section writers will discuss the fifteen questions concerning four factors, as discussed earlier each question represent one module and we will discuss each module under their concerning factor.

#### 4.3.1 Convenience: Convenience factor carries first four modules.

1. **I get on time delivery by shopping online:** As you can see in the first module that is “I get on time delivery by shopping online” if we look at the results in table 6 in appendix, 66% of the respondents agreed with the statement that they get on time delivery by shopping online and only 1% respondents are disagree with the statement. Likert scale scores are calculated by multiplying each frequency by the likert scale score ranging from 5=strongly agree to 1=strongly disagree, and then total score is divided by the sample size that is 100 to get the average score. The higher the average scores the higher the respondents’ agreement with the module. In table 6 in appendix

the average score is 3.93 which shows on average online shoppers in Gotland get on time delivery by shopping online.

- 2. Detail information is available while shopping online:** Table 7 in appendix shows that 19% of the respondents are strongly agree with the statement that “detail information is available while shopping online” 55% agree, 19% uncertain, 6% disagree and only 1% strongly disagree with the statement. In the table 7 if you look at the average score for this module that is 3.85 which shows a Positive agreement of respondents towards the module and Gotland online shoppers perceive that detail information is available while shopping online.
- 3. I can buy the products anytime 24 hours a day while shopping online:** out of total 100 respondents 56% strongly agree with the statement that “they can buy the products anytime 24 hours a day while shopping online” where as 31% agree, 6% showed uncertain response, 5% disagree and 2% strongly disagree as shown in table 8 in appendix. So most of the respondents (56+31=87%) falls in agree and strongly agree with the statement which shows a positive agreement. The average score for this module is 4,34 as shown in table 8 in appendix, it shows strong positive agreement with the statement that they can buy the products anytime 24 hours a day while shopping online.
- 4. It is easy to choose and make comparison with other products while shopping online:** The percentage scores from the table 9, shows that 25% of the respondents strongly agree with the statement that “it is easy to choose and make comparison with other products while shopping online, whereas 42% Agree, 16% uncertain, 15% disagree and 2% strongly disagree with above statement. Majority of the respondent’s falls in strongly agree and agree. The average score i.e.3.73 show a positive agreement that Gotland online shoppers or one can say Swedish online shoppers believe that it is easy to choose and make comparison with other products while shopping online.

**4.3.2 Website design/features:** Website design/Features are divided into five modules, each module carries one question.

- 5. The website design helps me in searching the products easily:** Table 10 shows that 25% of the respondents strongly agree with the statement that “website design helps me in searching the products easily, 41% agree, 25% uncertain, 8% disagree with the statement and only 1% strongly disagree. If you look at the average score that is 3.81 which shows strong positive agreement with the statement that website design helps consumers in searching the products easily.
- 6. While shopping online, I prefer to purchase from a website that provides safety and ease of navigation and order:** The percentage figures depicted in table 11 in appendix, shows that out of 100 respondents 52% strongly agree with the statement that “while shopping online, they prefer to purchase from a website that provides safety and ease of navigation and order, in the same manner 30% agree, 13% were uncertain, 3% disagree and only 2% strongly disagree. Majority of the respondents agree with this statement. Even if you look at the average score i.e. 4.27 is the highest scoring so far, which shows very strong agreement of the respondents with one of the module of website design.
- 7. The website layout helps me in searching and selecting the right product while shopping online:** Website layout is the graphic user interface of a web page, it includes the options, search bars, tools and buttons which helps user to browse and shop easily. Results indicated that 29% of the respondents strongly agree with the statement that “website layout helps them in searching and selecting the right product while shopping online, where as 48% agree, 12% uncertain, 9% disagree and 2% have showed disagreement with the statement. The average score of the module as shown in table 12 in appendix i.e.3.93 shows strong agreement with the statement, which means website layout is important element for Swedish consumers while shopping online.
- 8. I believe that familiarity with the website before making actual purchase reduce the risk of shopping online:** Table 13 in appendix shows that 33% respondents strongly agree with the statement “we believe that familiarity with the website before making actual purchase reduce the risk of shopping online”, 45% agree with the statement. 15% uncertain, 6% disagree and only 1% respondents have shown strong disagreement with the statement. Average score for this module is 4.03 which again

show positive result as on average most of the respondents agree that past experience with website while shopping online reduces the risk of shopping online.

**9. I prefer to buy from website that provides me with quality of information:**

Swedish online shoppers perceive quality of information as important attribute while shopping online , as you can see from table 14 in appendix, 43% of the respondents strongly agree with this module, 45% have shown agreement, 10% uncertain and only 2% are agree and disagree with the statement. Average score i.e. 4.28 is high which also confirm that a website that provide quality of information can influence consumers more that a website with less quality information.

**4.3.3 Time saving:** Time saving is divided into three modules; we will analyze and discuss each module individually.

**10. Online shopping takes less time to purchase:**

Results on table 15 in appendix shows that 17% of the respondents strongly agree that “online shopping takes less time to purchase, 39% respondents agree with the statement, 24% uncertain, 18% disagree and 2% strongly disagree with the statement. The average score 3.51 shows that online shopping takes less time to purchase as compare to traditional shopping.

**11. Online shopping doesn't waste time:**

scores on table 16 in appendix shows that 15% respondents out of 100 sample size strongly agree with the statement that “online shopping doesn't waste time”, 29% agree, 34% uncertain, 19% disagree where as only 3% respondents have shown disagreement with the statement. The average score calculated from likert scores i.e. 3.34 shows positive agreement with the statement and it shows Swedish online shoppers believe that online shopping doesn't waste time.

**12. I feel that it takes less time in evaluating and selecting a product while shopping online:**

Only 6% respondents are agreed with the statement that “ it takes less time in evaluating and selecting a product while shopping online”, 31% agree, 24% uncertain, 34% disagree, and 5% strongly disagree with the Statement. The average score as you can see in table 17 in appendix i.e. 2.99 but if you look at the frequency and percentage of respondents 34% disagree and 24% uncertain which mean product evaluation takes less time but not so much less.

#### **4.3.4 Security:** Security is divided into three modules.

**13. I feel safe and secure while shopping online:** Table 18 in appendix indicates that 4% respondents strongly agree, 36% agree, 25% uncertain, 26% disagree and 9% respondents strongly disagree with the statement that “they feel that online shopping protects their security” The average score is 3.0, which shows that on average respondents are uncertain that they feel Safe and secure while shopping online. As 50% of the respondents fall between disagree and uncertain which also show that online shoppers in Sweden have security issues while shopping online.

**14. Online Shopping protects my security:** Table 19 in appendix indicates quite negative trend, only 18% respondents fall between strongly agree and agree, 46% are uncertain, 24% are disagree and 12% respondents strongly disagree with the statement that “online shopping protects their security”. Even the average score is less than 3.0 that is 2.71, which shows declining trend, by interpreting the statement and results one gets to know that online shopping security is important aspect which negatively influence consumers to shop online.

**15. I like to shop online from a trustworthy website:** Table 20 in appendix indicates 46% of the respondents strongly agree that “they like to shop online from trust worthy website”, 47 % agree with this statement which mean in total out of 100, 93% respondents believes that trustworthiness is important attribute while shopping online. If you look as the average score that is 4.34 which also proves that majority of the respondents would not like to take risk by shopping from a website that is not trustworthy.

#### **4.4 Comparative analysis of four factors**

In the comparative analysis of four factors we will take the averages of each factor by their corresponding modules, for instance “Convenience” as one of the four factors contains four modules, we will take the average of four modules under convenience and compare with other factors averages to see which factor is relatively more attractive, we will also discuss the each factor as well. In table 21 in appendix you can see Convenience contains 4 modules, Website design/ Features contains 5 modules, Time saving with 3 modules and Security contains 3 modules. The average score for convenience is 3,9625 which is high score and it indicates

convenience is the important factor for online shoppers in Gotland, and convenience as a factor influence consumers to shop online and it also attracts online shoppers, if we compare the convenience with the other factors it has second highest score and this also indicates as it is one of the important factor for online shoppers in Gotland, as it is an Island and there are not so many options for people in Gotland , so it is perhaps more convenient for people to shop online.

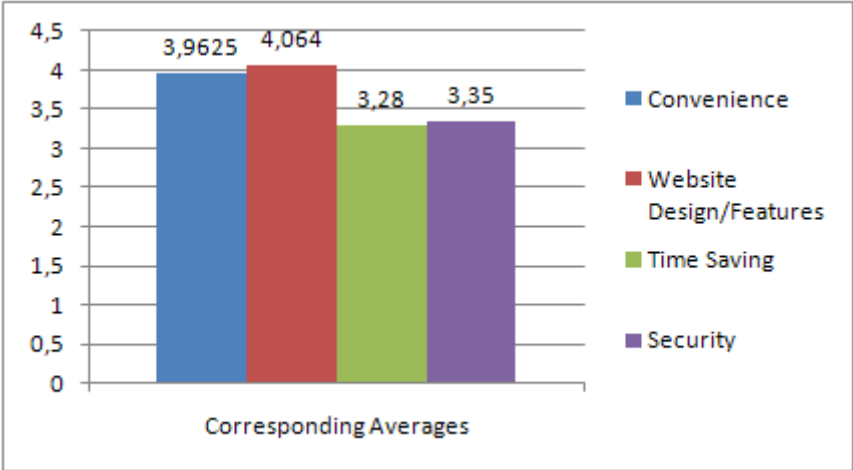


Figure 10.

The corresponding average scores of Website Design/Features is 4,064 which the highest score we have received as compare to other factors, so it is concluded that for online shoppers in Gotland website design/Features is the most attractive factor that influence consumers to shop online. Though time saving has the lowest score of all i.e. 3,28 but still the score is positive and it indicates that time saving is also an attractive factor for online shoppers in Gotland. Lastly the average score for the security i.e.3,35 is also positive and its above 2, which shows security is an important factor that online shoppers keep in mind while shopping online.

**4.5 Analysis of additional comments by respondents**

Question no.16 of the study was designed to check what other factors influence consumers to shop online, out of 100 respondents, 31 respondents opted to write additional comments, summary is available in appendix Table no 1. After analyzing the statements provided by respondents we have found another important attribute that is price of the product or services and discount, as they perceive while shopping online they get items in lower prices and the get better discounts while shopping online. As one of the respondent said “the main benefit for me is that prices are lower in on-line shops”, another said “I guess shopping online

depends on the price of product, otherwise I will go myself to the shop. If the shop is far away and the product is cheaper buying it online then I will shop online otherwise i will prefer to go to the shop, evaluate the product properly myself and make a decision to buy or not”. So by looking at these statements and some other similar statements shown in appendix 2, one can signify that price is another important factor which influences consumers to shop online. Convenience is also important factor as our study also indicated and one of the respondent said” Living on Gotland makes it sometimes hard to find certain things anywhere but by online Shopping is probably my strongest reason for shopping online”.

Feedback from previous buyers is also seen to influence online shoppers, as one of the respondent said “the feedback from previous users I found it very helpful to minimize the risk”. Online shoppers are also concerned about security issue and quality and reliability of information as one respondent claims “The biggest problem I have with online shopping trusts the product quality and delivery, especially since you rely totally on second hand information i.e. someone is giving you information about the product rather than you seeing it for yourself”. People are also concerned about the website design and we have also found from our study as to be the most attractive factor in our study and one respondent believes “The major influence is the display of the product. Prefer products with many pictures from different positions. So after analyzing the statements writers have found that other than four factors 1) Price and discount 2) feedback from previous users 3) Product quality and quality of information are also important factors which influence consumers to shop online.

## **5. Conclusion**

Online shopping is becoming more popular day by day with the increase in the usage of World Wide Web known as www. Understanding customer’s need for online selling has become challenge for marketers. Specially understanding the consumer’s attitudes towards online shopping , making improvement in the factors that influence consumers to shop online and working on factors that affect consumers to shop online will help marketers to gain the competitive edge over others. Therefore our study has focused mainly on two research questions, i) what are factors that influence consumers to shop online and to see what factors are most attractive for Gotland online shoppers. ii) Who are online shoppers in terms of demography? We foresee that our findings will give a clear and wide picture to online



retailers and will help them understand the specific factors that influence consumers to shop online, so they can build up their strategies to cater online shoppers in Gotland and in Sweden.

We have also worked on demographic factors of online shoppers in Gotland, to see a correlation within demography factors such as Age, Income and Education; this will also give an insight to online retailers to see the online shopping attitudes within these demographic factors.

The findings that we have gained in this research are as follows; starting from demography the results of correlation results of age shows  $-0,7381$  it indicated that there is a quite strong negative correlation between age and attitude to on-line shopping, i.e. elderly people are not so keen to shop on-line. This will help online retailers to make strategies according to different age brackets. Correlation is also done on Education to see the trend of online shoppers with different education level, the results showed  $-0,95688$  which is very high negative correlation between education and attitudes towards online shopping and would indicate that higher education makes on-line shopping less attractive. The correlation results between income and attitudes towards online shopping is very weak i.e.  $-0,1226$  , it shows very weak relationship so we cannot conclude anything out of it. The second part of the analysis is done on factors influencing consumers to shop online. From the results we have concluded that the most influencing and attractive factor among four factors is website design/features with average score of  $4,064$  , following convenience that is second most influencing factor with average score  $3,96$  , time saving with average score  $3,28$  and security with average score  $3,35$  is also important, particularly the security concerns are very important while shopping online. Last but not least after analyzing the additional comments made by 31 respondents out of total 100 sample size, we have found that low price, discount, feedback from previous shoppers, and quality of product and information are also considered to be important factors.

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## Appendix 1

Table 3

| Average score | Average Age |
|---------------|-------------|
| 3,79          | 17,5        |
| 3,75          | 22,5        |
| 3,73          | 27,5        |
| 3,456         | 35          |
| 3,571         | 50          |

| Correlation of Age |               |             |
|--------------------|---------------|-------------|
|                    | Average score | Average Age |
| Average score      | 1             |             |
| Average Age        | -0,738169144  | 1           |

Table 4

| Average score | Average study Time |
|---------------|--------------------|
| 3,84          | 10                 |
| 3,75          | 14                 |
| 3,62          | 16                 |

| Correlation of Education |               |                    |
|--------------------------|---------------|--------------------|
|                          | Average score | Average study Time |
| Average score            | 1             |                    |
| Average study Time       | 0,956884867   | 1                  |

Table 5

| Average Score | Average Income Bracket |
|---------------|------------------------|
| 3,84          | 3000                   |
| 3,67          | 7,5                    |
| 3,65          | 12,5                   |
| 3,74          | 20                     |
| 3,1           | 30                     |
| 3,85          | 50                     |

| Correlatin of Income   |                |                        |
|------------------------|----------------|------------------------|
|                        | Average Scores | Average Income Bracket |
| Average Scores         | 1              |                        |
| Average Income Bracket | 0,12269705     | 1                      |

Table 6

| I get on time delivery by shopping online |           |               |              |
|---|-----------|---------------|--------------|
| Likert Scale                              | Frequency | Likert Scores | Percentage % |
| Strongly Agree                            | 15        | 75            | 15           |
| Agree                                     | 66        | 264           | 66           |
| Uncertain                                 | 17        | 51            | 17           |
| Disagree                                  | 1         | 2             | 1            |
| Strongly Disagree                         | 1         | 1             | 1            |
| Total                                     | 100       | 393           | 100          |
| Average                                   |           | 3,93          |              |

Table 7

| Detail information is available while shopping online |           |               |              |
|---|-----------|---------------|--------------|
| Likert Scale  | Frequency | Likert Scores | Percentage % |
| Strongly Agree  | 19        | 95            | 19           |
| Agree   | 55        | 220           | 55           |
| Uncertain   | 19        | 57            | 19           |
| Disagree  | 6         | 12            | 6            |
| Strongly Disagree                                     | 1         | 1             | 1            |
| Total   | 100       | 385           | 100          |
| Average   |           | 3,85          |              |

Table 8

| I can buy the products anytime 24 hours a day while shopping online |           |               |              |
|---|-----------|---------------|--------------|
| Likert Scale  | Frequency | Likert Scores | Percentage % |
| Strongly Agree  | 56        | 280           | 56           |
| Agree   | 31        | 124           | 31           |
| Uncertain   | 6         | 18            | 6            |
| Disagree  | 5         | 10            | 5            |
| Strongly Disagree   | 2         | 2             | 2            |
| Total   | 100       | 434           | 100          |
| Average   |           | 4,34          |              |

Table 9

| It is easy to choose and make comparison with other products while shopping online |           |               |              |
|--|-----------|---------------|--------------|
| Likert Scale   | Frequency | Likert Scores | Percentage % |
| Strongly Agree   | 25        | 125           | 25           |
| Agree  | 42        | 168           | 42           |
| Uncertain  | 16        | 48            | 16           |
| Disagree   | 15        | 30            | 15           |
| Strongly Disagree  | 2         | 2             | 2            |
| Total  | 100       | 373           | 100          |
| Average  |           | 3,73          |              |

Table 10

| The website design helps me in searching the products easily |           |               |              |
|--|-----------|---------------|--------------|
| Likert Scale   | Frequency | Likert Scores | Percentage % |
| Strongly Agree   | 25        | 125           | 25           |
| Agree  | 41        | 164           | 41           |
| Uncertain  | 25        | 75            | 25           |
| Disagree   | 8         | 16            | 8            |
| Strongly Disagree  | 1         | 1             | 1            |
| Total  | 100       | 381           | 100          |
| Average  |           | 3,81          |              |



Table 11

| <b>While shopping online, I prefer to purchase from a website that provides safety and ease of navigation and order</b> |                  |                      |                     |
|---|------------------|----------------------|---------------------|
| <b>Likert Scale</b>   | <b>Frequency</b> | <b>Likert Scores</b> | <b>Percentage %</b> |
| Strongly Agree  | 52               | 260                  | 52                  |
| Agree   | 30               | 120                  | 30                  |
| Uncertain   | 13               | 39                   | 13                  |
| Disagree  | 3                | 6                    | 3                   |
| Strongly Disagree   | 2                | 2                    | 2                   |
| <b>Total</b>  | <b>100</b>       | <b>427</b>           | <b>100</b>          |
| <b>Average</b>  |                  | <b>4,27</b>          |                     |

Table 12

| <b>The website layout helps me in searching and selecting the right product while shopping online</b> |                  |                      |                     |
|---|------------------|----------------------|---------------------|
| <b>Likert Scale</b>   | <b>Frequency</b> | <b>Likert Scores</b> | <b>Percentage %</b> |
| Strongly Agree  | 29               | 145                  | 29                  |
| Agree   | 48               | 192                  | 48                  |
| Uncertain   | 12               | 36                   | 12                  |
| Disagree  | 9                | 18                   | 9                   |
| Strongly Disagree   | 2                | 2                    | 2                   |
| <b>Total</b>  | <b>100</b>       | <b>393</b>           | <b>100</b>          |
| <b>Average</b>  |                  | <b>3,93</b>          |                     |

Table 13

| <b>I believe that familiarity with the website before making actual purchase reduce the risk of shopping online</b> |                  |                      |                     |
|---|------------------|----------------------|---------------------|
| <b>Likert Scale</b>   | <b>Frequency</b> | <b>Likert Scores</b> | <b>Percentage %</b> |
| Strongly Agree  | 33               | 165                  | 33                  |
| Agree   | 45               | 180                  | 45                  |
| Uncertain   | 15               | 45                   | 15                  |
| Disagree  | 6                | 12                   | 6                   |
| Strongly Disagree   | 1                | 1                    | 1                   |
| <b>Total</b>  | <b>100</b>       | <b>403</b>           | <b>100</b>          |
| <b>Average</b>  |                  | <b>4,03</b>          |                     |

Table 14

| <b>I prefer to buy from website that provides me with quality of information</b> |                  |                      |                     |
|--|------------------|----------------------|---------------------|
| <b>Likert Scale</b>  | <b>Frequency</b> | <b>Likert Scores</b> | <b>Percentage %</b> |
| Strongly Agree   | 43               | 215                  | 43                  |
| Agree  | 45               | 180                  | 45                  |
| Uncertain  | 10               | 30                   | 10                  |
| Disagree   | 1                | 2                    | 1                   |
| Strongly Disagree  | 1                | 1                    | 1                   |
| <b>Total</b>   | <b>100</b>       | <b>428</b>           | <b>100</b>          |
| <b>Average</b>   |                  | <b>4,28</b>          |                     |

Table 15

| Online shopping takes less time to purchase |           |               |              |
|---|-----------|---------------|--------------|
| Likert Scale                                | Frequency | Likert Scores | Percentage % |
| Strongly Agree                              | 17        | 85            | 17           |
| Agree                                       | 39        | 156           | 39           |
| Uncertain                                   | 24        | 72            | 24           |
| Disagree                                    | 18        | 36            | 18           |
| Strongly Disagree                           | 2         | 2             | 2            |
| Total                                       | 100       | 351           | 100          |
| Average                                     |           | 3,51          |              |

Table 16

| Online shopping doesn't waste time |           |               |              |
|------------------------------------|-----------|---------------|--------------|
| Likert Scale                       | Frequency | Likert Scores | Percentage % |
| Strongly Agree                     | 15        | 75            | 15           |
| Agree                              | 29        | 116           | 29           |
| Uncertain                          | 34        | 102           | 34           |
| Disagree                           | 19        | 38            | 19           |
| Strongly Disagree                  | 3         | 3             | 3            |
| Total                              | 100       | 334           | 100          |
| Average                            |           | 3,34          |              |

Table 17

| I feel that it takes less time in evaluating and selecting a product while shopping online |           |               |              |
|--|-----------|---------------|--------------|
| Likert Scale   | Frequency | Likert Scores | Percentage % |
| Strongly Agree   | 6         | 30            | 6            |
| Agree  | 31        | 124           | 31           |
| Uncertain  | 24        | 72            | 24           |
| Disagree   | 34        | 68            | 34           |
| Strongly Disagree  | 5         | 5             | 5            |
| Total  | 100       | 299           | 100          |
| Average  |           | 2,99          |              |

Table 18

| I feel safe and secure while shopping online |           |               |              |
|--|-----------|---------------|--------------|
| Likert Scale                                 | Frequency | Likert Scores | Percentage % |
| Strongly Agree                               | 4         | 20            | 4            |
| Agree  | 36        | 144           | 36           |
| Uncertain                                    | 25        | 75            | 25           |
| Disagree                                     | 26        | 52            | 26           |
| Strongly Disagree                            | 9         | 9             | 9            |
| Total  | 100       | 300           | 100          |
| Average                                      |           | 3             |              |

Table 19

| Online Shopping protects my security |           |               |              |
|--------------------------------------|-----------|---------------|--------------|
| Likert Scale                         | Frequency | Likert Scores | Percentage % |
| Strongly Agree                       | 1         | 5             | 1            |
| Agree                                | 17        | 68            | 17           |
| Uncertain                            | 46        | 138           | 46           |
| Disagree                             | 24        | 48            | 24           |
| Strongly Disagree                    | 12        | 12            | 12           |
| Total                                | 100       | 271           | 100          |
| Average                              |           | 2,71          |              |

Table 20

| I like to shop online from a trustworthy website |           |               |              |
|--|-----------|---------------|--------------|
| Likert Scale                                     | Frequency | Likert Scores | Percentage % |
| Strongly Agree                                   | 46        | 230           | 46           |
| Agree  | 47        | 188           | 47           |
| Uncertain  | 4         | 12            | 4            |
| Disagree   | 1         | 2             | 1            |
| Strongly Disagree                                | 2         | 2             | 2            |
| Total  | 100       | 434           | 100          |
| Average  |           | 4,34          |              |

Table 21 Comparative analysis of four factors

| Modules                | Convenience | Website Design/Feature | Time Saving | Security |
|------------------------|-------------|------------------------|-------------|----------|
| Module 1               | 3,93        | 3,81                   | 3,51        | 3        |
| Module 2               | 3,85        | 4,27                   | 3,34        | 2,71     |
| Module 3               | 4,34        | 3,93                   | 2,99        | 4,34     |
| Module 4               | 3,73        | 4,03                   |             |          |
| Module 5               |             | 4,28                   |             |          |
| Corresponding Averages | 3,9625      | 4,064                  | 3,28        | 3,35     |

## Appendix 2

| No. Of respondents | Additional Comments (additional comments by respondents on what other factors that influence them while they shop online)   |
|--------------------|---|
| 1                  | It's always easy to find good offers and even sometimes cheaper price on selected items.  |
| 2                  | When I shop online, I find it very important that I understand the language of the website. It is also good when the websites are easy to surf in and find what you need without problems.  |
| 3                  | Living on Gotland makes it sometimes hard to find certain things anywhere but by online shopping is probably my strongest reason for shopping online  |
| 4                  | good assortment , stuff that i can't buy in usual shops and so on.  |
| 5                  | the feedback from previous users I found it very helpful to minimize the risk   |
| 6                  | More choice of products.  |
| 7                  | Security  |
| 8                  | Security  |
| 9                  | the main benefit for me is that prices are lower in on-line shops   |
| 10                 | I guess shopping oline depends on the price of product, otherwise i will go myself to the shop. If the shop is far away and the product is cheaper buying it online then i will chop online otherwise i will prefer to go to the shop, evaluate the product properly myself and make a decision to buy or not |
| 11                 | The biggest problem I have with online shopping trusts the product quality and delivery, especially since you rely totally on second hand information i.e. someone is giving you information about the product rather than you seeing it for yourself.  |
| 12                 | Discount is obvious.  |
| 13                 | the customer contact information  |
| 14                 | Convenience is only the factor  |
| 15                 | Fast and reliable shopping  |
| 16                 | I always read reviews from other consumers before shopping online   |
| 17                 | I usually buy items unavaible in my own country online  |
| 18                 | safety and prices   |
| 19                 | I only use online shopping from sites , i have experienced with or have record is good  |
| 20                 | I mostly shop computers or other electronic stuff online  |
| 21                 | Price of products   |
| 22                 | I often check out the products in real stores before i look to see if there is a cheaper alternative online so i can save money , sometimes alot of money   |
| 23                 | ratings from previous customers concerning the liability of the company strongly affects me in my decesion to buy from them or not  |

|    |   |
|----|---|
| 24 | those things buy online that can only be bought online  |
| 25 | Discount  |
| 26 | i usually research the thing i am buying to get the lowest price  |
| 27 | Good website layout really helps.   |
| 28 | Comments by previous customers  |
| 29 | credibility of supplier prompt delivery , simple payment methods , quality of products.                         |
| 30 | The major influence is the display of the product. prefer products with many pictures from different positions. |
| 31 | price and product quality influence me more while shopping online   |

### Appendix 3

#### Questionnaire on Consumers Attitudes towards Online Shopping

Part A (1). (Respondents are requested to answer the following questions with answers from strongly agree to strongly disagree on a Likert five-point scale)

1. Strongly Disagree
2. Disagree
3. Neither Agree or Disagree
4. Agree
5. Strongly Agree.

| Questions  | strongly agree           | agree                    | uncertain/<br>not applicable | disagree                 | strongly disagree        |
|--|--------------------------|--------------------------|------------------------------|--------------------------|--------------------------|
| 1. I get on time delivery by shopping online   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Detail information is available while shopping online                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. I can buy the products anytime 24 hours a day while shopping online                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. It is easy to choose and make comparison with other products while shopping online. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. The website design helps me in searching the products easily                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/> | <input type="checkbox"/> |

6. While shopping online, I prefer to purchase from a website that provides safety and ease of navigation and order
7. The website layout helps me in searching and selecting the right product while shopping online
8. I believe that familiarity with the website before making actual purchase reduce the risk of shopping online
9. I prefer to buy from website that provides me with quality of information
10. Online shopping takes less time to purchase.
11. Online shopping doesn't waste time

|  |
|--|
|  |
|--|

| Questions  | strongly agree           | agree                    | uncertain not applicable | disagree                 | strongly disagree        |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 12. I feel that it takes less time in evaluating and selecting a product while shopping online | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. I feel safe and secure while shopping online   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Online Shopping protects my security.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. I like to shop online from a trustworthy website.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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Part A (2).

Additional Comments (In below box you can put some additional comments that influence you while you shop online)

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Part B. Respondents are requested to Tick the check boxes in order to complete required questions.

1. Gender

a) Male

b) Female

2. Age

a) 15-20 Years

b) 20-25 Years

c) 25-30 Years

d) 30-40 Years

e) Above 40 Years

### 3. Income in SEK

a) Below 5,000

b) Between 5,000-10,000

c) 10,001-15,000

d) 15,001-25,000

e) 25,001-35,000

f) Above 35,000

### 4. Education

a) High School

b) Bachelors

c) Masters

d) PhD