

## Exploring Factors Influencing The Adoption Of Online Shopping; A Qualitative Approach

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### ABSTRACT

The emergence of new technologies and changing market dynamics continually reshape the landscape of online shopping, presenting both opportunities and challenges for businesses and consumers alike. The integration of artificial intelligence and augmented reality into online shopping experiences introduce novel possibilities but also raise questions about privacy, security, and the overall user experience. Therefore, the statement of the problem revolves around understanding the multifaceted nature of barriers, challenges, and complexities that impede the widespread adoption of online shopping. By identifying and addressing these obstacles, businesses, policymakers, and researchers can facilitate a smoother transition towards embracing online shopping as a mainstream retail channel, thereby unlocking its full potential and maximizing its benefits for both consumers and businesses. However, despite the widespread popularity of online shopping, there remain various challenges and complexities associated with its adoption, particularly in certain regions or demographic segments. These barriers can manifest in various forms, including but not limited to technological concerns, perceived risks related to online transactions, lack of trust in e-commerce platforms, and logistical challenges such as delivery issues and returns processes.

**Keywords:** *Perceived Utility, perceived risk, trust, reputation, Price Sensitivity, Social Influence and Technological Factors*

### Introduction:

Kim and Ammeter (2021) [17] discussed that understanding the drivers behind consumer behavior in this realm is crucial for businesses and researchers alike. This study aims to provide insights into these factors through qualitative analysis. Nguyen and Rahman's (2021) [18] convenience and perceived utility to trust, price sensitivity, and social influence, various factors shape consumers' decisions to shop online. Additionally, the review underscores the importance of continued research in this area to stay abreast of evolving consumer preferences and market trends in the dynamic landscape of online shopping. Tran and Pham's (2021) [20] argued that e-commerce sector continues to grow; understanding the factors driving consumers' intentions to engage in online shopping becomes increasingly important for businesses and policymakers. Through a combination of survey data and qualitative analysis, the researchers explore the diverse socio-cultural and economic factors shaping consumers' intentions to adopt online shopping in Vietnam. Factors such as perceived convenience trust in online retailers, perceived risk, social influence, and technological factors are among those examined in the study. Their findings offer practical implications for businesses

seeking to navigate the Vietnamese e-commerce market effectively and tailor their strategies to meet the needs and preferences of local consumers.

### **Consumers' Intentions to Use Online Shopping Platforms**

Positive word-of-mouth and social proof contribute to the adoption of online shopping, while negative reviews or experiences can deter potential customers. Businesses can leverage social influence by actively engaging with customers, fostering positive relationships, and encouraging user-generated content and testimonials. Furthermore, technological factors influence consumers' online shopping experiences and behaviors. Factors such as website design, usability, mobile compatibility, and security features contribute to consumers' perceptions and opinions towards online shopping platforms. Demographic variables also play a role in shaping online shopping behavior. Different demographic groups exhibit varying levels of adoption and usage of online shopping platforms. Nguyen and Rahman's (2021) [18] literature review highlights the multifaceted nature of factors influencing online shopping behavior. From convenience and perceived utility to trust, price sensitivity, social influence, technological factors, and demographic variables, various factors intersect to shape consumers' decisions in the digital marketplace. Utilizing a combination of survey data and qualitative analysis, the researchers delve into the unique socio-cultural and economic factors that shape consumers' intentions to engage in online shopping in Vietnam. By exploring these factors, Tran and Pham contribute valuable insights into the evolving landscape of consumer behavior and e-commerce adoption in the Vietnamese market. Their findings offer practical implications for businesses aiming to effectively target and engage Vietnamese consumers in the online shopping sphere, thereby facilitating the continued growth and development of e-commerce in the country.

### **Systematic literature review**

Nguyen and Rahman (2021) [18] explored the factors influencing online shopping behavior. In a rapidly evolving digital landscape, understanding these factors is crucial for businesses seeking to thrive in the competitive e-commerce market. The review synthesizes findings from existing research to provide insights into the complex dynamics shaping consumers' decisions to engage in online shopping. One of the primary drivers of online shopping behavior identified in the literature is perceived convenience. However, alongside the perceived benefits of convenience and accessibility, consumers also grapple with perceived risks associated with online shopping. Concerns regarding security, privacy, product quality, and reliability act as significant barriers to adoption. Addressing these concerns and building trust and credibility are crucial for businesses aiming to attract and retain online customers. Positive experiences, reputable brands, and transparent communication can help mitigate perceived risks and foster trust among consumers. Price sensitivity is another important factor influencing online shopping behavior. Consumers are drawn to online platforms offering competitive pricing, discounts, and promotional offers. Price-conscious consumers actively seek out deals and savings opportunities when making purchasing decisions online. Businesses need to understand and respond to these price-sensitive preferences by implementing pricing strategies that resonate with their target audience.

### **Significant shifts in consumer behavior: A qualitative and meta-analytic review**

Yaghoubi and Zarei (2021)[21] investigated the determinants of consumer intention to adopt online shopping. Recognizing the significant shifts in consumer behavior prompted by the pandemic, the researchers aim to identify the factors influencing individuals' decisions to embrace online shopping as a preferred mode of retail during this unprecedented time. Amid the COVID-19 pandemic, restrictions on in-person shopping, concerns about virus transmission, and the convenience of online shopping have led many consumers to explore or increase their reliance on e-commerce platforms. Yaghoubi and Zarei's (2021)[21] study seeks to shed light on the underlying drivers shaping consumers' intentions to adopt online shopping, considering factors such as perceived convenience, perceived risk, trust in online retailers, and the impact of the pandemic-induced environment. By examining these determinants, the research provides insights into the evolving landscape of consumer behavior and preferences amidst the COVID-19 pandemic. Ozturk, et al.(2021) discussed that services, delves into understanding consumers' intentions to use online shopping platforms. The study employs survey data to examine how perceived risk, trust, and other UTAUT constructs such as performance expectancy, effort expectancy, and social influence interact to shape consumers' intentions to use online shopping platforms during this challenging time. Ozturk et al. shed light on the complex interplay between technological acceptance, perceived risk, trust, and consumer behavior in the context of the COVID-19 pandemic.

### **Research Methodology:**

Kim and Ammeter (2021) [17] involves qualitative analysis, which allows for a deeper exploration of consumer behavior. The study utilizes semi-structured interviews with participants to gather rich and detailed data regarding their perceptions and experiences with online shopping. The interviews are conducted in a diverse sample to ensure a comprehensive understanding of the factors influencing online shopping adoption. Ra'ed Masa'deh (2018) [5] utilized a comprehensive approach to analyze the factors influencing online shopping adoption. Through a thorough examination of existing literature and empirical

research, the authors identify key factors. Consumers assess the extent to which online shopping platforms fulfill their needs and provide value-added benefits. The ease with which consumers can navigate and utilize online shopping platforms is another influential factor. User-friendly interfaces, simple navigation, and seamless transaction processes enhance the perceived ease of use, thereby facilitating adoption among consumers. Both studies offer valuable insights into the complex dynamics of online shopping adoption, taking into account various factors such as anxiety, technology acceptance, and cultural context. By examining these factors, the studies contribute to a deeper understanding of consumers' opinions and behaviors towards online shopping, thereby informing businesses and policymakers on strategies to enhance e-commerce adoption and engagement. Chiu, Hsu, Lai, and Chang (2012) examined the dynamics of trust in the context of online shopping behavior, considering how habitual purchasing patterns and related factors interact with trust to affect consumers' intentions to make repeat purchases online. Trust is considered essential for mitigating perceived risks and uncertainties associated with online transactions, thereby facilitating repeat purchases and promoting customer loyalty.

### Analysis, Presentation and Results

The research investigated various antecedents of habit, such as satisfaction and perceived ease of use, to further elucidate their effects on the trust-repeat purchase intention relationship. By re-examining the interplay between trust, habit, and its antecedents, Chiu et al. intentions to make repeat purchases online, offering implications for businesses seeking to cultivate trust, foster habitual purchasing patterns, and enhance customer retention in the digital marketplace

**Table 1 Experience and level of satisfaction**

Experience	No. of Respo	Mean	Std. Deviation	F	Sig.
Less	83	11.7856	4.54213	11.514	0.000
Moderate	87	13.4125	4.74586		
More	80	12.0054	3.10024		
Total	250	11.4560	4.74560		

The above table 1 indicates that the impact of the moderately experienced respondents is high (13.4125). The calculated F value (11.514) shows a significant difference in the means (0.000) at 1% level. It is clear that the moderately experienced employees have positive impact about the system than young and old age group respondents. Consumers' perceptions of risk associated with online shopping play a significant role in their adoption decisions. Concerns related to security, privacy, trustworthiness of online retailers, and the quality of products/services contribute to perceived risk and may act as barriers to adoption. The influence of peers, family members, and social networks also impacts consumers' decisions to adopt online shopping. Positive recommendations, reviews, and experiences shared by others can encourage adoption, while negative feedback may deter potential users. Cost considerations, including product prices, shipping fees, and overall affordability, influence consumers' adoption of online shopping. Competitive pricing, discounts, and promotions can attract consumers to online platforms and encourage adoption. By identifying and analyzing these determinants, businesses can develop strategies to enhance the adoption of online shopping platforms and effectively target and engage with consumers in the digital marketplace

**Table 2 Income and level of satisfaction**

Income	No of respondents	Mean	Std. Deviation	F	Sig.
Low	91	17.6429	5.59739	5.719	.004
Middle	78	19.6377	4.33245		
High	81	18.0600	3.81472		
Total	250	11.4560	4.89349		

The Table 2 exhibits that the respondents from the middle income group (19.6377) have more mean of impact toward the appraisal system than other income groups. The ANOVA result shows that the F value (5.719) is significantly high. The p value (0.004) is significant at 1% level. Hence, it is understood that the middle income employees are having good impact towards the appraisal system. As disposable incomes rise, consumers have more financial flexibility to allocate towards goods and services, including online purchases. Higher income levels often correlate with increased internet access and technological literacy, enabling individuals to explore and embrace the convenience and variety offered by online shopping platforms. Moreover, greater purchasing power allows consumers to afford premium products and services available online, further driving the growth. The impact of income extends beyond individual purchasing behavior, influencing broader economic trends and market dynamics.

### Age and opinion towards online shopping

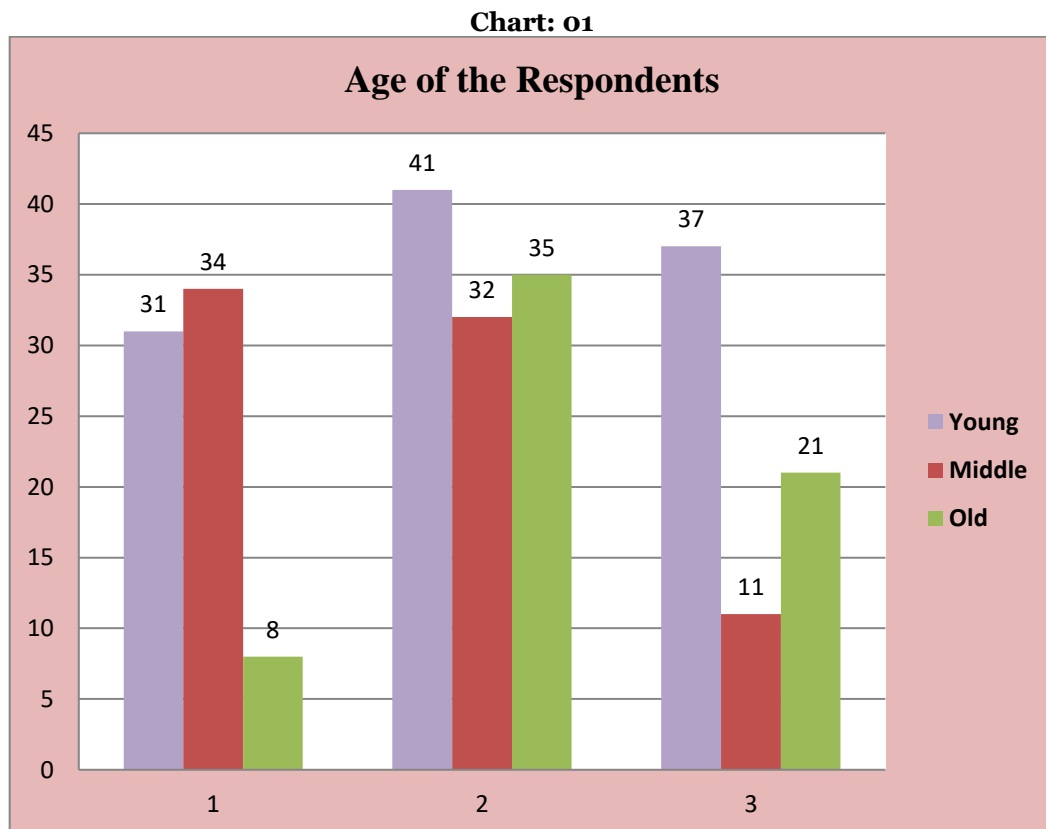
The adoption of online shopping has surged in recent years, fuelled by a variety of factors, among which income plays a significant role. Age is a significant factor influencing opinions towards online shopping, with distinct trends emerging across different demographic groups..

**Table 3 Distribution of the respondents according to the age and Level of Opinion: Chi-Square Test**

Age group	Level of Opinion			Total
	Low	Average	High	
Young	31 28.4%	41 37.6%	37 33.9%	109 100.0%
Middle	34 44.2%	32 41.6%	11 14.3%	77 100.0%
Old	8 12.5%	35 54.7%	21 32.8%	64 100.0%
Total	73 29.2%	108 43.2%	69 27.6%	250 100.0%

Figures in the parentheses denote percentage;  $\chi^2$ -15.110; CC-0.164; df-4; Sig-0.001

The Table 3 reveals that most of the young respondents (37.6%) are having high opinion and less percentage (28.4%) of the young respondents are in the low opinion group. Majority (44.2%) of the middle age respondents are having better opinion towards the online shopping and only (14.3%) of the middle age respondents are in the less opinion group. The Chi-square test is applied to find the relationship between the age group and the level of opinion. The calculated Chi-square value (15.110) is more than the table value for the degree of freedom 4. Hence, the significance value (0.001) is less than 0.01. It rejects the framed null hypothesis at 1% level of significance. It is concluded that there is a significant association between age and opinion. The Contingent coefficient value (0.164) shows the relationship between the age and opinion is significantly correlated. Hence, it is concluded that the positive opinion towards online shopping is found with young respondents than the old age employees. The relationship is also shown the following chart.



Retailers and businesses strategically adapt their strategies to cater to affluent online shoppers, investing in user-friendly interfaces, personalized experiences, and expedited delivery options to capture this lucrative segment of the market. Consequently, income disparities among consumers can shape the landscape of

online shopping, affecting everything from product offerings to competitive pricing strategies. In essence, income levels play a pivotal role in shaping the trajectory of online shopping adoption and its overarching impact on the retail landscape. For these age groups, online shopping offers convenience, variety, and the ability to compare prices easily, aligning with their fast-paced lifestyles and tech-savvy preferences. Conversely, older generations, such as Baby Boomers and the elderly, may harbor more skepticism or reluctance towards online shopping, often due to concerns about security, unfamiliarity with technology, or a preference for traditional brick-and-mortar retail experiences. However, as digital literacy improves across all age groups and online shopping becomes more ubiquitous, attitudes are gradually shifting. Older consumers are increasingly embracing online shopping for its convenience and accessibility, while younger generations continue to drive innovation and demand for seamless digital shopping experiences. Ultimately, age serves as a key determinant in shaping opinions towards online shopping, reflecting broader societal shifts in consumer behavior and technological adoption.

### Conclusion

Kim and Ammeter (2021) [11] provides valuable insights into convenience and variety to trust and security concerns, various aspects impact consumers' decisions regarding online shopping. By understanding these factors, businesses can tailor their strategies to meet consumers' needs and preferences, thereby enhancing the adoption of online shopping. The study highlights the importance of continued research in this area to stay abreast of evolving consumer behaviors and market dynamics in the realm of online shopping. Ozturk, (2021)[19] witnessed a surge in adoption due to safety concerns and restrictions on traditional retail. Building upon the UTAUT framework, the study incorporates perceived risk and trust variables, acknowledging the unique circumstances of the pandemic era. By doing so, the researchers aim to provide a more comprehensive understanding of consumers' intentions to use online shopping platforms in the context of heightened uncertainty and reliance on digital channels. This approach acknowledges the importance of trust and perceived risk, which have become particularly salient during the pandemic as consumers navigate unfamiliar online environments. The study offer valuable insights into the evolving landscape of online shopping behavior, shedding light on the intricate interplay between technology acceptance, perceived risk, trust, and consumer intentions amidst the backdrop of the COVID-19 pandemic.

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