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**Consumer Behavior towards online shopping of electronics in
Pakistan**

Thesis

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Thesis Abstract

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E-commerce has made life simple and innovative of individuals and groups; consumer Behavior in online shopping is different from the physical market where he has access to see the product.

The purpose of the research was to study the consumer behavior in online shopping of electronics especially in Pakistan. The main research question in thesis is how consumers behave while shopping online. Primary data was collected through the questionnaire survey and by emails from personal contacts in two major cities of Pakistan.

Price, time saving and convenience were identified as important factors which lead to certain buying behavior in online shopping. The www is rebuild around people where social circles influence and lead to online buying.

Keywords: Consumer behavior, online shopping in Pakistan, E-commerce

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1. INTRODUCTION

This section will provide all information regarding the thesis background, purpose, research questions, limitations of survey and theories. It presents the introduction of consumer behavior, online shopping, consumer behavior towards online shopping and online shopping of electronic goods in Pakistan.

1.1 Background

1.1.1 Consumer Behavior

“Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. “ (Kuester, 2012)

With the reference of above cite; Consumer behavior of every individual is different from other depending on buying choices which is influenced by buying habits and choices that are turn tampered by psychological and social drivers that affect purchase decision process. (Brassington, F. and Pettitt, S., 2000)

“We’re not aware of changing our minds even when we do change our minds. And most people, after they change their minds, reconstruct their past opinion — they believe they always thought that.” (KEYS, 2011)

As quoted above, consumer behavior about decision making is difficult to define and is a system of short cuts and rule of thumb which is unpredictable. The short cuts in decision making vary from person to person and focusing on the past experience of consumers; we can predict the future trends by bringing profitable products and services into the market. In this modern world, the popularity of interactive media like the World Wide Web is increasing day by day with rapid pace. With reference to marketing it is continuously realized that the main two factors observed due to WWW are 1) Most of the companies are doing their

business online and make their website as showroom of their product and services. 2)Fast increment of consumer segments due to increase needs and demand including online shopping as well. (Ha`ubl, 2000, p. 5).

1.1.2 E-Commerce / online shopping

Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast due to this. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market (Barry Silverstein, 2002, p. 3).

Total global E-commerce sale in 2011 have grown to Euro 690 billion (USD 961 billion) and recorded an increase of 20 % with an estimation of increase in the coming years and to cross the 1 trillion Euro mark in 2013. Asia pacific region is leading in terms of growth as compared to mature markets like US, UK, Japan and European countries. Asia Pacific recorded 130 % growth specially China in 2011. The online retailing is becoming an integral part of an economy and country and worldwide increasingly seeing trust and confidence in purchasing online. (AadWeening, 2012)

“E-commerce is benefiting from several positive trends, including the continued rollout of broadband, increasing user comfort shopping online and the decline of certain brick-and-mortar retailers,” (Imran Khan, 2011, P.416).

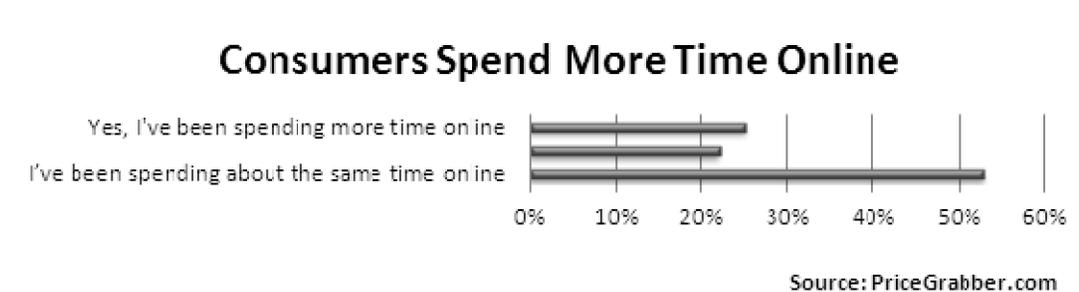
Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on. The recession has

so much impact on online consumer behavior (Rodriguez, 2009, p. 3). Online shopping behavior depends on four factors such as Shopping motives, personality variables, internet knowledge and experience and last factor is shopping incentives. These are key determinants to influence the behavior of online consumers. Online seekers are the main sources of online shopping. Online shoppers always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer word-of-mouth (Yuan Gao, 2005, p. 32).

1.1.3 Consumer Behavior over Internet

According to Consumer Behavior Report, “ One in four consumers indicated that they spend more time online because of the tough economy and 53 percent of consumers said they spend about the same amount of time online”.

Figure 1: Consumers Spend More Time online

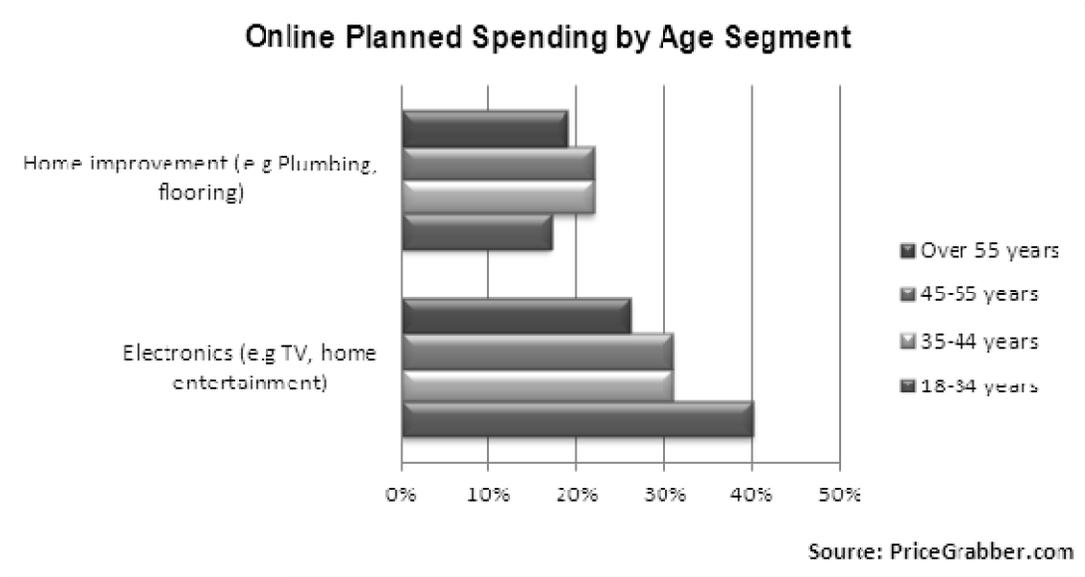


(Adapted from Price Grabber 2009 survey)

According to PriceGrabber survey, consumers are divided by age wise and then take into account the online shopping to analysis the scenario. After survey it is clearly shown that older aged online consumers are totally different from younger online consumers. Why is it that? The answer is that older online consumers have

the sense of saving and purchasing while younger online consumers have no experience and don't have enough maturity to buy goods with planned spending (Rodriguez, 2009). With the help of below table, it is clearly demonstrated.

Table 1: Online Planned Spending by Age Segments



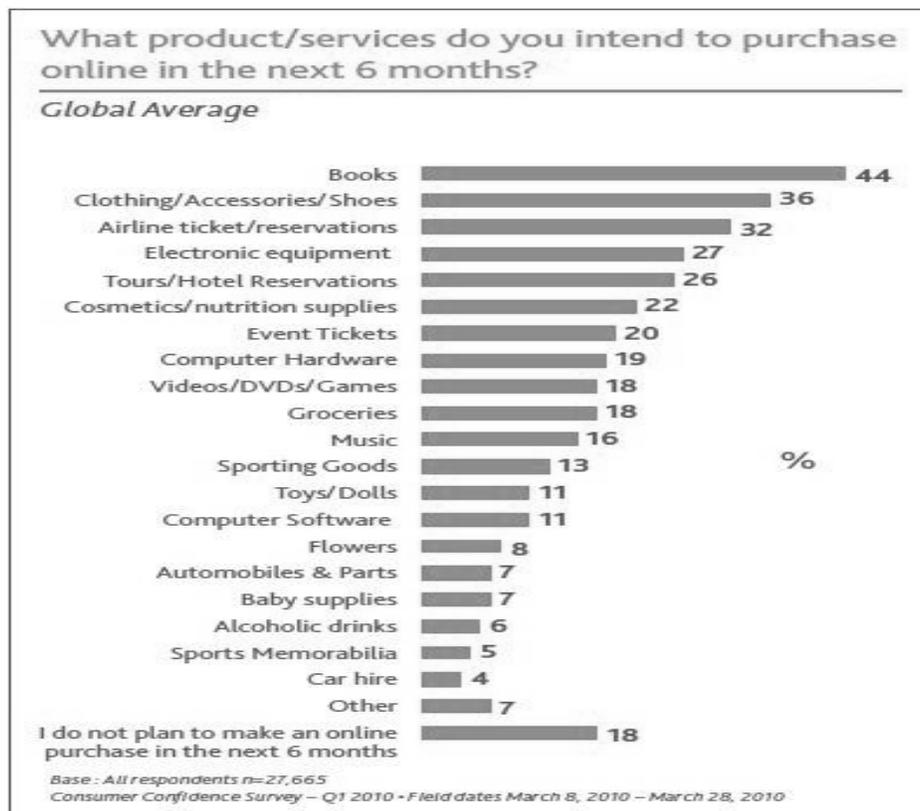
(Adapted from Price Grabber 2009 Survey)

The online shopping trend around the world spread very fast. “The Neilson Company conducted a survey in 2010 and polled over 27,000 internet users in 55 market from Asia Pacific, Europe, Middle East, North America and South America to look at how consumers shop online” (Neilson, 2010). Globally online shopping is made on books and cloths as per survey data. Most people are interested to purchase and bought usually books and cloths. Airline tickets, books, tours and hotel reservations are also commonly bought through internet which indicates the progress and stability of economy.

According to Neilson survey, 24 percent are concerned to purchased online ticket for airlines while 17 percent made hotel reservations due to which the globally impact is that travel arrangements increased online 7 percentage point and 9

percentage in 2010 respectively. Other goods such as electronic equipment, cosmetics/nutrition supplies, event tickets, computer hardware, video/ DVD's/ games and groceries are also tagged for online purchasing globally (Nielson, 2010).

Figure 2: Product & services intent to purchase online globally



Nielson Company explains the top 10 Global sites by % Active reach in these ranking, Google is in first position then Windows then Facebook which is the social network website. According Neilson survey 47% online consumer in Middle East/ Africa/ Pakistan indicate that they have online purchasing experience. It is the lowest ranking among any other region in the world. According to this survey

report, purchasing of Electronic goods are in fourth position which is the highest ranking.

Table 2: Top global sites by % Active Reach

Top 10 Global Sites by % Active Reach		
1	Google	81.78%
2	MSN/Windows Live/Bing	61.82%
3	Facebook	54.48%
4	Yahoo!	52.91%
5	Microsoft	48.42%
6	YouTube	46.58%
7	Wikipedia	34.93%
8	AOL Media Network	27.16%
9	eBay	26.47%
10	Apple	26.11%
<small>Source: The Nielsen Company, April 2010 Countries include: U.K., France, Germany, Italy, Spain, Switzerland, Brazil, U.S., Australia</small>		

1.1.4 Online Shopping in Pakistan

Pakistan is considered to be world's 2nd slowest adopter in online shopping trends over internet. In Pakistan, online shoppers look into computer hardware 25% and clothing 18% and rest are saying that they are not willing to or plan to make online purchasing in the next six months 38%. In Pakistan, social media does not play an active part to influence online consumers. The other important factor is that the most of the people in this region have negative experience in online shopping (Nielsen, 2010).

Online shopping trend started in Pakistan by sending flowers, gifts cakes on valentine days, new years and in birthday occasion is now in the mature stage. The people of Pakistan do avoid putting their financial information such as bank information and credit cards information to avoid frauds and stealing identity. Therefore, in order to avoid this risk and hesitate to send money online before physical inspection. One more reason is that the bank support and other convenient system like PayPal that is not available. Due to this, entrepreneurs are losing 20% to 25% business (Pakistan Today, 2011). "Businesses need to do

more to shift consumers from shopping malls to virtual malls” (Pakistan Today, 2011).

Consumer behavior in electronics environment is critical as compared to physical world and crucial understanding can be examined if the factors that affect the purchase decisions are ignored and unambiguous. Online consumers fear the opportunity to physically examine the product which is specifically regarded as influential factor in purchase decision. Therefore, consumer behavioral pattern in online shopping can be fundamentally different from traditional environment. (Sajjad, May 2012)

1.2 Problem

There are billions of people online and each of them is potential online consumer for a company which providing online services and goods. Now a day, there are rapid and fast developments in information technologies industry. According to Keynote, “Online retail competition is heating up as consumer’s behavior savvier on the Web”. Competition increases day by day due to increase attention of consumers towards online shopping. The best retailer is based on their experiences on web. Online consumers also increase their expectations and they are set by their experience with online retailers across the Web. Brown says in his interview, “It is becoming increasingly imperative for retailers to provide a strongly positive online shopping experience”. It is very important to know that what kind of things and strategies help to increase sales in this fierce competition in market with high expectation of online consumers. “Our research shows that the sites that perform best in customer experience have a significant advantage in driving online sales.”

To enhance and attract online customer it is very important to know about their behavior and understand what they require and need. Since online shopping is the new medium of shopping with new demands of consumers. All customers have their own desires and demands for products so that it is very crucial for all online

retailers to identify and know about their online consumers (Hasslinger, 2007, p. 18).

Online shopping and online consumer behavior depend on these factors such as Website visibility, online shops credibility, information comparison, payment security, privacy, website interface, convenient time, education level and experience of network (Na Wang 1, 2008, p. 4). Culture, social, personal, psychological behavior also affects the consumer behavior in online shopping. Online shopping is based on individual to individual perceptions.

Consumer behavior in online shopping and in traditional shopping is very different. Both include social, cultural, personal and psychology etc. factors but traditional shopping is much more influenced by these factors as compared to online shopping. The reason is that online consumers are restricting with social cultural environment and psychological factors. Online shopping basically based on individual thinking point of view and his personal perceptions. Online shopping makes its own character for its development (Na Wang 1, 2008, p. 4).

The problem is that most of the online sellers don't know about the social and cultural norms about Pakistan and Pakistani consumer behavior as we have discussed above that consumer behavior is based on perceptions, its education, language, age, economic factor, income distribution, facility available in society and other factor as well which we will discuss in the light of the questionnaire. Therefore in this thesis, we will provide solution to online sellers in Pakistan to promote their goods and services in the light of consumer behavior theories with the help of survey.

1.3 Research Purpose

As said in the Introduction that due to increasing globalization; the importance of online business is increasing and making it more fast and convenient for consumers. So the research question of this study is *how consumers behave while shopping online?*

On the base of research question, the purpose of this research is to identify and get insight into consumer behavior towards online shopping of electronic goods with respect to Pakistan economy, Identify factors which influence online shopping and consumer behavior to buy the electronics goods in Pakistan; explore the reason behind of less attention of online consumer towards online shopping of electronics goods in Pakistan. Furthermore any segments can be established by identifying the consumers and how these segments relate to identified factors.

1.4 Research Questionnaire

In the research questionnaire (Appendix 1), four main segments categorized as general demographics variables, identified variables, Pakistani consumers concern in online purchasing and post purchase behavior are highlighted through following such as;

1. Which gender is the most rely on the online shopping in Pakistan?
2. Which income class in more inclined toward online shopping in this country?
3. What is majority of consumers' level of education?
4. What factor Pakistani consumer are preferring during online purchasing
5. How they get purchasing idea?
6. How consumers do research for the products

7. Which factors influence Pakistani consumer behaviors in the process of purchasing?
8. What are the major factors of Pakistani consumer concern towards online shopping?
9. Do Pakistani consumers have fear towards online shopping and why?
10. Why online shopping is still far behind as compare to other countries?

1.5 Limitation

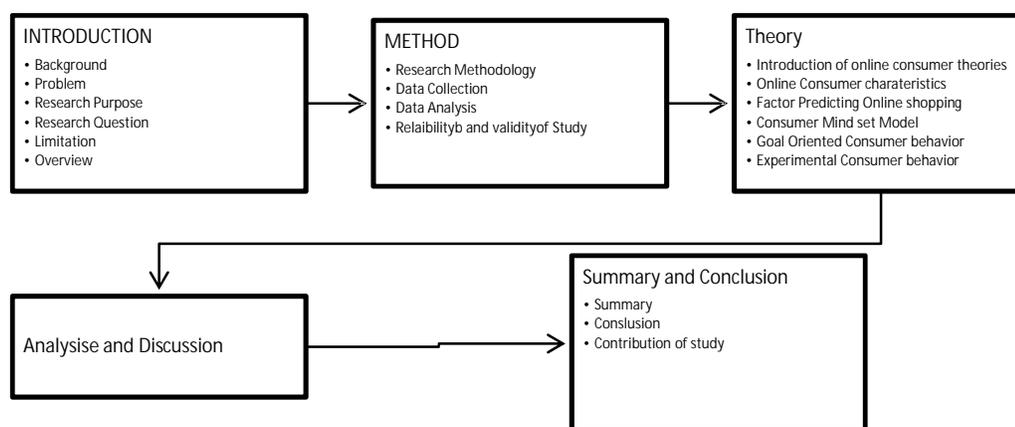
There are number of factors that affect the behavior of online consumers in Pakistan's market. But in this research, main focus is to study the behavior of the consumers in the process of purchasing from online stores. There are many theories and models that identify the consumer. This research is limiting itself on the scenario to identify consumer behavior variables in the buying process of electronic goods in Pakistan. Consumer behavior would be changed according kinds of goods and products. Therefore, different factors have different importance in the eye of consumer based on quality and kinds of electronic goods. Therefore, this research limits itself only to consumer behavior in online shopping of electronic goods in Pakistan.

1.6 Structure of thesis

The thesis has been discussed with following strategy, it is divided into four sections, named as Introduction, Method, and Theory, Analysis and Discussion and then summary with conclusion made from the survey results.

In introduction section, the overall subject background, the subject problem and research purpose is described. On the basis of the research purpose, research questions are customized and discussed which are used in survey and highlighted the limitation of this question and give overview of the subject matter. In Method section, research methodology, data collection strategy, data analysis process and discuss about the reliability and validity of the study. In section Theory, theories related to online consumer behavior, online consumer characteristics, factor predicting online shopping, and consumer mind set model and then further discuss goal oriented and experimental consumer behavior in detail. In section Analysis and discussion, implication of online consumer theories and discuss the survey afterwards, in last section; concluded result of the survey are presented.

Figure 3: Structure of the study



2. THEORY

In this section theories related to Consumer behavior towards online shopping of electronic goods, introduction of online consumer behavior theories including consumer characteristics, online consumer behavior, factors predicting online shopping, and consumer mind set are discussed. After introduction of these theories the factors involve in goal oriented online buyer, and in experimental motives of online shopping in details which will help to identify the main factors as why consumer behavior depend and how it depends on environments are explained. Also bring into light online consumer behavior, trust factor in ecommerce and Implication of online shopping of electronic goods in Pakistan.

2.1 Introduction of theories related to online consumer behavior

We have so many theories on online consumer behavior such as Expectation confirmation theory, Innovative diffusion theory, Technology acceptance model, theory of planned behavior, theory of reasoned action (Christy M. K. Cheung, 2003, p. 198).

Consumer behavior responds differently with offline and online elements. According to SubhasishDasgupta, based on their personality online consumers have two characteristics a) manifestation of offline consumer behavior b) unique behavioral mode. Virtual communities also play an important role on online consumer behavioral. Virtual communities are also known as “Venuses for consumptions” (Dasgupta, 2006, p. 340).

From the research, it is analyzed that with the passage of time online shopping of electronic goods increases day by day because retailers make new strategies and new design to facilitate online shopping and make ease to online consumer to do shopping at their home with hassles of physical appearance to huge malls and market in the busy life. With new era, the business environment has undergone a rapid innovation and inventions with the internet. Now consumer can easily access

many shopping websites and purchase goods according to selection with huge amount of alternatives without limitations (Yuan Gao, 2005, p. 10). Yuan gao explained a casual model of information research on the internet. He defines four types of antecedents including personal factors, product factors, media factors and situational factors.

2.2 Online buying behavior

Online shopping consumer behavior is also called online buying behavior and internet shopping/ buying behavior. Online shopping behavior has direct relationship with these five elements such as e-stores, logistics support, product characteristics, websites' technological characteristics, information characteristic and home page presentation. According to studies, those people who have wired lifestyles and who have time constrained, they spend less time to buy things online (J.Johnson, 1999, p. 4).

Different authors define consumer behavior characteristics differently. Researches on online consumer behavior and characteristics have been done by so many market researchers and authors. The research on online consumer behavior is important because it helps to understand when and how online consumer prepares themselves for purchasing. Turban has defined a model on consumer behavior online. In this model, electronic environment consist of three variables such as independent variable (which is also called personal characteristics and environment characteristics), intervening or moderating variables (it is under vendor's control) and the decision making process (effected by independent and intervening variables) (Turban, 2010, p. 183).

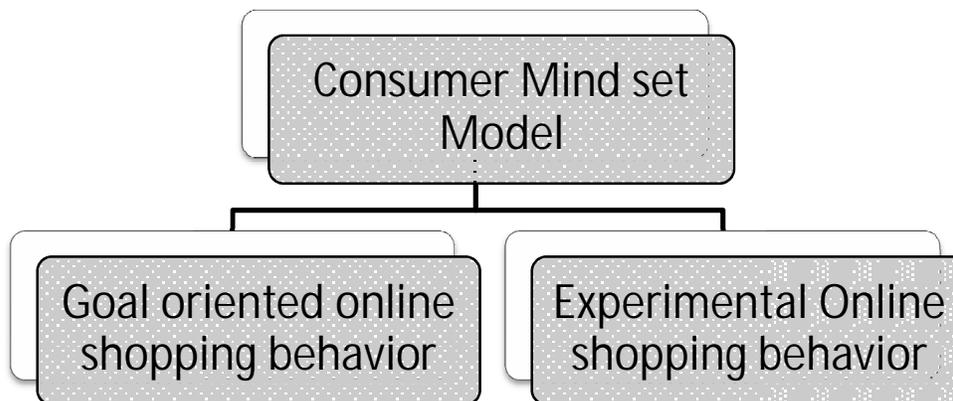
2.3 Consumer mind set model in online shopping

The concept of consumer mind set is introduced by Wurtzberg motivational psychologist. A mind set refers to a "specific cognitive orientation". According to this theory, every consumer mind set is composed of different thought, modes of

emotions and different information processing (Yoram Wind, Digital marketing: global strategies from the world's leading experts, 2001, p. 171).

Propensity to shopping is affected by consumer mind set. Online consumers are goal oriented rather than experimental if they chose online shopping. Consumer mind set two types of determinants one is goal oriented and second one is experimental (Robert W. Proctor, 2005, p. 597). According to Association of motivations with shopping outlet, Toy retailer found that experimental mind set consumer buy toys more as compare to goal oriented mind set consumer as they prefer buy through online channels (Bidgoli, 2004, p. 272). Dholakia and Bagozzi also contributed their efforts in mind set formation and influence (MSFI) model. They introduce most relevant factors contributing mind set on consumer. According to this MSFI model, consumer search behavior depends on website selection, length of website visit and information obtained has influence on one's minds (Daniel R. Fesenmaier, 2006, p. 12). Mindset has a string influence on key cognitive, effective and behavioral aspects of consumer's activities in online shopping. Mind set gives concepts to reach cognitive orientation through experimental and goal oriented. Mindset has ability to overcome external environment. This is the strong point of mind set to help managerial point of view since it provides actionable insight. Through mind set research in the consumer behaviors helps to increase more opportunity in market (Yoram Wind, Digital marketing, 2001, p. 171). Below are discussed about mind set categories such as goal oriented mind set and experimental mind set.

Figure 4: Mind set Consumer behavior model



Mind set consumer behavior model based on (Yoram Wind, Digital marketing, 2001, p. 171)

2.4 Factor predicting online shopping

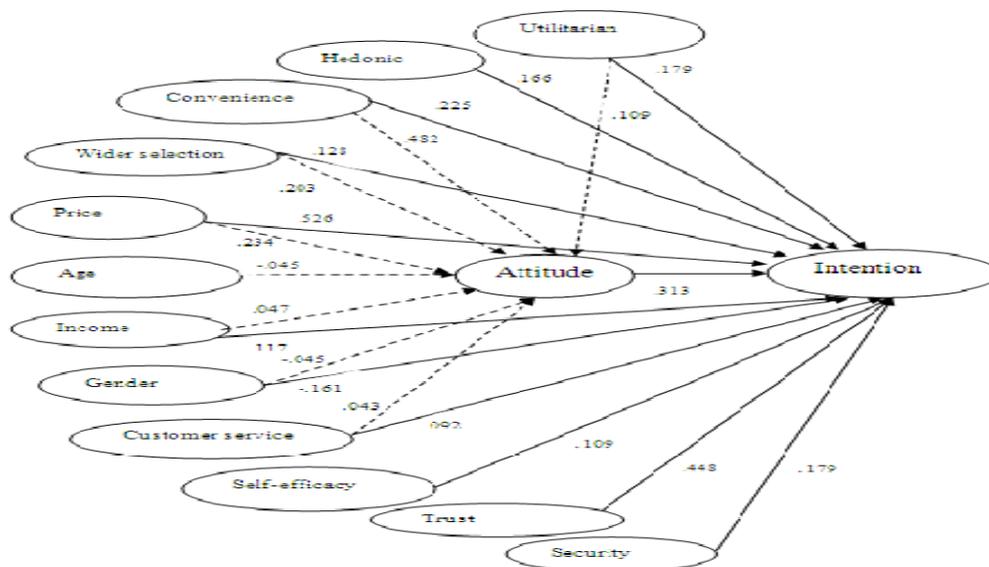
Researches tell us that online consumers have ability to bargain and purchasing power to buy goods. Consumer lifestyle plays a main role in the process of online purchasing on electronics goods. Consumer lifestyle should have compatibility which have effect with positive attitudes towards technology, have ability to accept multiple kinds of new technologies, online skills, knowledge and remain online experience. All these factors have a strong effect on consumer lifestyle. Online purchasing is very dependent on these factors (Bidgoli, 2004, p. 272).

Davis a well-known author introduces TAM; it stands for Technology Acceptance model which explains the impact of external factor on internal beliefs, attitudes and intentions as a result consumer behavior effects. TAM theory consists of two main factors; perceived usefulness and perceived ease of use. Another theory TRM (Theory of Reasoned Action) also defined factors that predicting online shopping introduce by Fishbein and Ajzen. TRM based on dispensaries and attitude (J. Johnson, 1999, p. 3). This theory demonstrates people willingness and its attributes. How they work and how they grow in a person (Deborah J. Terry, 1993,

p. 11). It is well established theory of social psychology applied to customer behavior. TRM includes intention proceed behavior, behavior towards individuals to individual and also bring light into social determinants and its influence. TRM helps to construct trust on online shopping through the extensive use of technology, impersonal nature of online business, the vulnerability of furnished by different parties and the uncertainty of using new business increase consumer easiness and attract more towards online shopping (Ayass, 2009, p. 15).

The formation of online consumer strongly influenced by its personal experience, influence of its social network, direct marketing, mass media and the Internet. From researches it is shown that direct experience (e.g. product usage) is more attractive towards online shopping rather than direct experience (e.g. reading a print ad) (Schiffman, 2009, p. 258). It's very important for a market manager to understand consumer behavior and its attribute which factors influence them to change. Consumer behavior understanding helps in online market to focus and make target to customer by segmentation and predict customer' purchasing behavior and generate more profit through online channels (Bidgoli, 2004, p. 272). From the analysis path, it is clearly shown that attitude makes attributes or factors predicting online shopping and afterwards, these factors influence consumer behavior towards online shopping of electronic goods. When independent variable gives high beta coefficient, it means that variable have highly important in contributing to the predicting factor for online shopping (Paim, 2011, p. 137)

Figure 4: Result of Path Analysis



Result of Path Analysis based on (Paim, 2011, p. 137).

2.5 Goal oriented online shopping behavior

Goal oriented consumer behavior is known as utilitarian shopping behavior. It is deliberately, efficiently and preplanned with decision making purpose (Bidgoli, 2004, p. 272).

Goal oriented online consumers are task oriented, specific directed, rational and efficient in decision making. They are always seeking to complete their task quickly without delay because they are focused and determinant about their purpose of shopping. As aspect to online consumer, they always are goal oriented. The reason behind is that easiness attract them to buy electronic goods online. It is shown by research that goal oriented online shoppers prefer online shopping because it is convenient. Goal oriented online consumers have characteristic that they have value convenience and they are likely to buy electronic goods over the internet (Yuan Gao, 2005, p. 56)

2.6 Experimental online shopping behavior

Experimental is the hedonic mindset where consumer reacts more on the basis of experiments rather than cognitions or sensory attraction, consumer deemphasize on external elements and more respond to their past experience (Robert W. Proctor, 2005, p. 597).

Experiential consumer behavior is characterized by non-direct search because they directly search online shopping particulars on their experience basis along with hedonic benefits (Pedersen, 2002, p. 3). This behavior is more focused on pleasure and by seeking information on the basis of consumer's experience with sensory elements, this mind set is refer as "search as recreation", it is by nature has experimental influence and consumer wants to have experience new things which pursue him to be as motivator (Saaksjarvi, 2007, p. 29) . This situation would be explained in e-Shopping context as a consumer is visiting website in order to buy a particular item because he had already purchased that item from this website. He would have all necessary things to start transaction, all steps he would do easily because he would had experience.

2.7 Factors influence online consumer behavior

There are so many factors involve that have influence on online consumer behavior while he would do online shopping, in simple word, it is a complex mixtures of so many factors such as social, culture, education, race, personality, environment and resources availability. It involve many variables some are controllable and some are uncontrollable such as environment and consumer personality are uncontrollable variable which always prevail in every online transaction but some are in our span of control such as medium of exchange, medium of goods information, products or services characteristics, merchant or inventory characteristics. There are other factors as well like building trust factor, confidence, appealing website, proper and full information about goods and services by this purchasing decision would be more encouraged.

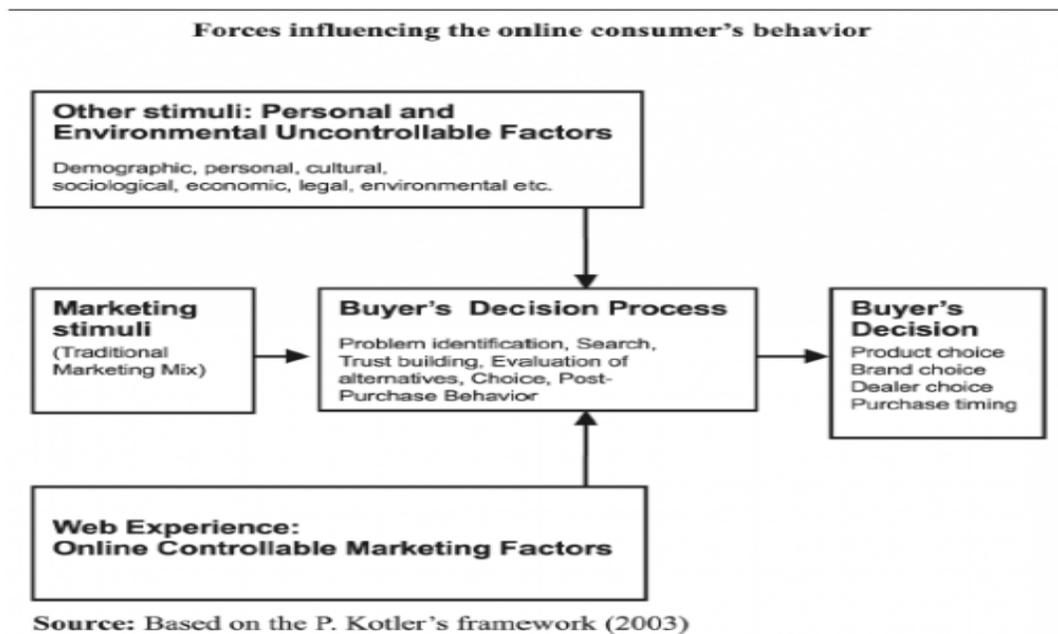


Figure 5: Forces influencing the online consumer's behavior

2.8 Online purchase intention

Online shopping reveals three main dimensions or studies in the process of online purchasing, those three studies are Human computer interaction (HCI), behavioral and consumerist orientations (Wan, 2009, p. 219).

2.8.1 Human Computer Interaction (HCI)

HCI is mainly concerned with website design, interaction, display, user's easiness to learn, efficient and pleasant that substantially effect consumer behavior. This investigated the website related characteristics such as information available on website, visual effects and attractiveness, quality of content, ease of navigation, less time consuming, not long and difficult form to fill to process transaction and overall presence of website with security assurance (Wan, 2009, p. 219).

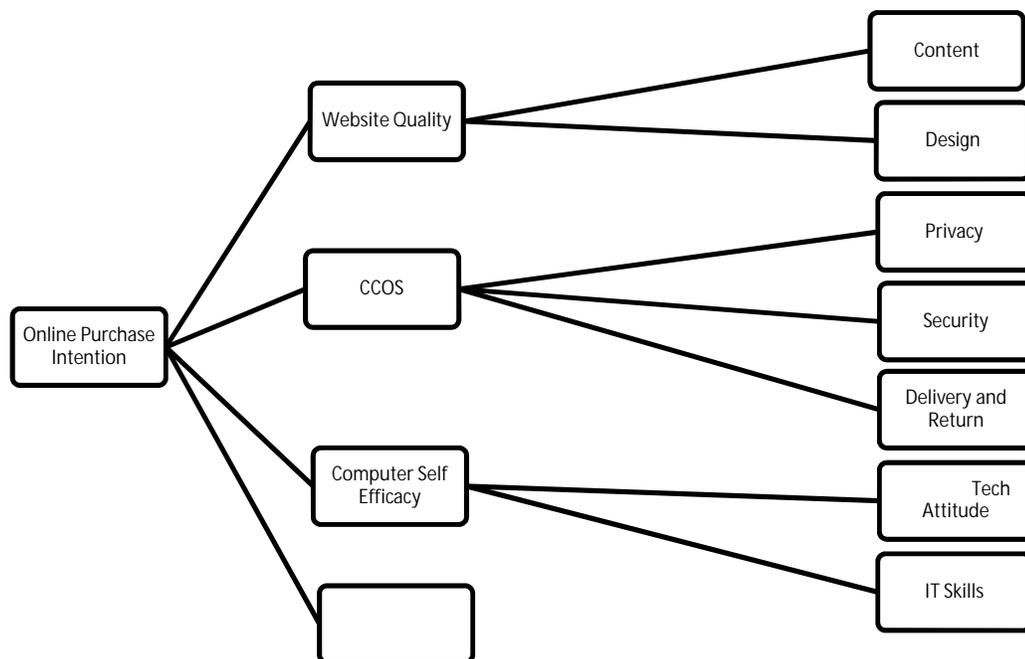
2.8.2 Customer concerns in online shopping (CCOS)

The second group of study is Customer concern in online shopping (CCOS), which investigate the human behavior and its attributes that influencing online shopping decision. The primary factor in online shopping is trust factor between consumer and online seller, it is the most important factor which motivate consumer to process the transaction for online shopping. To increase trust factor three elements includes Safety and privacy of information, security and delivery and return on time (Wan, 2009, p. 220)

2.8.3 Consumer characteristics

The third studies focused on consumer personal traits means this study investigate specifically individual characteristics such as demographics, personality, his tradition and culture and profile play a larger role in process of online shopping. Online consumer characteristic also depend on other variables as technology awareness, computer literacy, his comfort level in online shopping and past experience also effect on future online purchasing behavior (Wan, 2009, p. 219).

Figure 6: Online Purchase Intention Model



2.9 Issues from the theories influencing online consumer behavior

By first analysis online consumer behavior theories name as dependent, independent variable, online shopping decision making process, Technology acceptance model (TAM), Theory of reasoned action model (TRM), Path analysis, Goal and Experimental consumer mindset theories, Human computer interaction (HCI), Customer concern in online shopping theory and in last consumer characteristics. These studies have been applied to gain understanding of the online consumer behavior especially in purchasing of electronic goods in Pakistan.

In empirical study the theoretical background is mostly provided through: TRM, TAM, goal and experimental consumer mindset.

3. IMPLEMENTATION OF RESEARCH METHODS

In this chapter, I'll present how I conducted the research to collect the primary data and reach to the conclusion of the research and will also explain which different types of methodology that were used.

The research is of deductive in nature and primary motive is to collect data and analyze it. By doing it, factors which influence online consumer behavior such as website quality, consumer concern in online shopping (Privacy, trust factor, delivery and return quality of goods and services) and consumer characteristics (demographics, race, culture, technology awareness) will be derived. Then, we collect primary data with the help of survey. The main purpose of the survey was to collect data about online purchasing of electronic goods in Pakistan and find the main reason of low ratio of online purchasing of electronic goods in Pakistan.

3.1 Choice of Methodology

The main purpose of study was to study the consumer behavior who purchase electronic goods in Pakistan with the help of internet. Online consumer behavior is influenced by many factors when making online purchase. In order to provide good piece of work and build understanding in this subject we conducted initial research in literature on consumer behavior and e-commerce. We have reviewed those theories and related studies that had similar areas to focus and give particular attention to their consequences.

For this research it is decided to use questionnaire approach that would be filled by people in Pakistan especially those people who are in my circle and from the general public from two major cities and encourage them to respond on this questionnaire in order to increase the response rate, the questionnaire is limited to three sheet of A4 paper.

This study is based on exploratory study but developed through exploratory study that's why research starts out with gaining knowledge regarding consumer behavior and then move towards online consumer behavior. With the help of this knowledge and theories it will identify those factors that are of importance when online consumer is making purchasing especially in Pakistan. Then this data used in order to find relationships, means, standard deviation and correlation between these variables.

3.2 Research Approach

There are two types of research approaches commonly used, one is inductive approach and second one is deductive approach. In Inductive approach, the purpose of research would be to formulate a theory with the help of data while in deductive approach; the purpose of research would be to apply theory on gathered data (Saunders, 2003, p. 105). In inductive way theory would follow data vice versa as in deductive approach (Saunders, 2003, p. 106). In this research deductive approach was chosen for the study, research will find out online consumer behavior theories and factor affecting the online consumer's behavior in chapter 3 then in chapter 4 collected primary data is explained with questionnaire.

3.3 Research Philosophy

When starting a study, there must be an understanding in which way or approach the study will be carried. The established research philosophy helps to elaborate and explain this approach when gathering or collecting, analyzing and interpreting data. "Three types of philosophies dictate the research process; positivism, interpretivism and realism" (Kadhi, 2009, p. 63). The framework of positivism is to understand and studies human beings and their actions from environment and then outcomes or results are explained on the basis of theories and facts by the researchers (Kadhi, 2009, p. 64). Realism is placed between positivism and interpretivism; it is mixed of both philosophies (Grix, 2002, p. 14). Interpretivism is

based on anti-foundationalism ontology and give a view that world does not exist independently of the facts and theories (Grix, 2002, p. 15).

This research is based on positivistic approach perhaps will try to affect and interfere with the collected data little bit.

3.4 Research Strategy

There are two ways to collect data, when collecting data to approach the purpose of a research. Data collected from any sources that has been published already in any form is known as secondary data published research or printed material. Secondary Data already exists; it was gathered for previous purpose. It is not gathered for particular basis study; on the other hand, primary data is gathered for a particular research (Gilbert A Churchill, 2009, p. 142). Primary data can be collected through interviews, observations, experiments and questionnaire.

In research, the main concern is to collect primary data and analyze questionnaire and respondents in order to analyze factors involved in online shopping of electronic goods and how these are related to respondents. The primary data is conducted in a way that it will be able to approach the research and conclude answers to research questions. In Chapter 4, Questionnaire will be explained in more detail.

3.5 Sample

The factor that intended to examine can be applied to and investigated in Pakistan population that uses the internet and buys electronic goods. Since there are time and resource constraint that is why specific population had been approached in order to generalize the results includes 357 respondents. The questionnaire was mainly distributed in the two big cities Karachi and Lahore of Pakistan but the major reliance was on the distribution through email and through personal contacts. Initially total 357 people were approached to get response, out of 357, 117 were simply excluded from the research as the contacted persons have not

used the internet for shopping and they have no knowledge or access to the online shopping so 240 Respondents are studied for analysis and research.

3.6 Non Probability and Convenience Sampling

“Convenience sampling is the non-probability sampling techniques where subjects are selected because of their convenient accessibility and proximity to the research” (RESOURCES, 2012). It is the easiest way to analyze the data. In this method; specify number of sampled unit and don't concern with having numbers that matched the proportions in the population, this method is the nonprobability analogue of stratified random sampling in that it is important to assure that smaller group should accurately represented to sample taken (Base, 2006).

Data is collected from as many respondents as possible but since the study is about Pakistani people so it is assumed that there will be little variation in population making it more approved generalized to the response rate. The sampling method for Pakistani people took also place on a convenience basis since the people that agree to answer the questionnaire are those that were chosen.

3.7 Questionnaire format

In order to create questionnaire, the basis were built by deciding on the main variables that needed to be investigated. These were;

General Variable:

- Demographics
- Personal information
- Social characteristics
- Attitude towards online shopping for electronic goods

Identified Variables:

1. Consumer Behavior in Buying Process
 - Purchase Idea
 - Pre Purchase
 - Factors Influencing consumer behavior in purchase

2. Customer concern in online shopping
 - Pricing
 - Privacy & Security
 - Brand consciousness and trust
 - Delivery and Return Policy

3. Post Purchase Behavior and Experience

The questionnaire was distributed to 240 educated Pakistani who are at least use to English language and confirmed to be regular or experienced users of the Internet. Three types of mechanism were practiced to send the questionnaire to respondents: emails, online link at Google docs and hand delivery. Subjects were requested to e-mail the filled questionnaire back to the researcher, go through the provided link of Google docs and submit or provide the hard copy filled questionnaire.

According to WaiChingleung, questionnaire should fulfill two main objectives: to maximize the response rate and to obtain accurate relevant information for our research (Leung, 2001). Personalized cover letter was included in which it was explained why are asking these questions and the importance of the respondents' participation, who is responsible for the survey and was guaranteed of confidentiality. Questionnaire was designed in such a way that all questions are arranged in general to particular, easy to difficult, start with closed format questions, only relevant question are asked to maximize the response rate.

To make more ease to our respondent, closed format style questionnaire include checklist questions which included maximum extend asking respondents to tick one or multiple choice depending on the type of question. Ambiguous question are avoided such as many, few, good, bad, frequently etc. these kinds of answer make two problems; introduce response bias and make the statistical analysis of the data difficult. The following will represent and discuss the results of the survey based on the 240 active internet users who actually participated and filled the questionnaire.

4. RESULTS

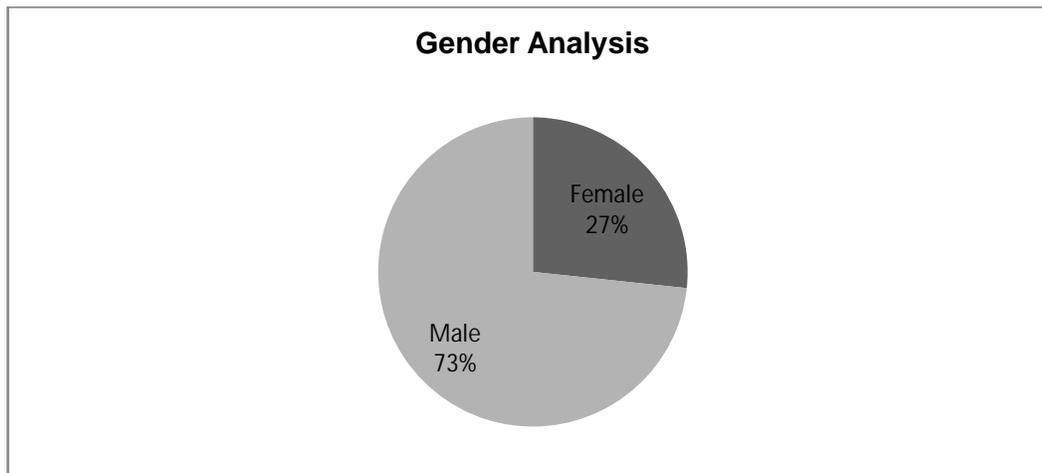
In this chapter the results from the questionnaire and the distribution of collected data among the respondents has been discussed and presented.

The questionnaire was designed to collect the primary data and further on to analyze the data and how consumers behave against the importance of price, convenience, trust, loyalty when they purchase online. The questionnaire was divided to, first, the demographics segmentation among the respondents and second to, collect the data about the factors like price, convenience, brand consciousness, safety, trust which effect directly or indirectly to the decision making process and ultimately highlight the typical behavior of consumer while shopping online.

The questionnaire as you know divided into four main segments such as general, Consumer Behavior in Buying Process, Customer concern in online shopping and Post Purchase Behavior and Experience. In general segmentation we have received following responses such as;

Table 3: Gender Analysis

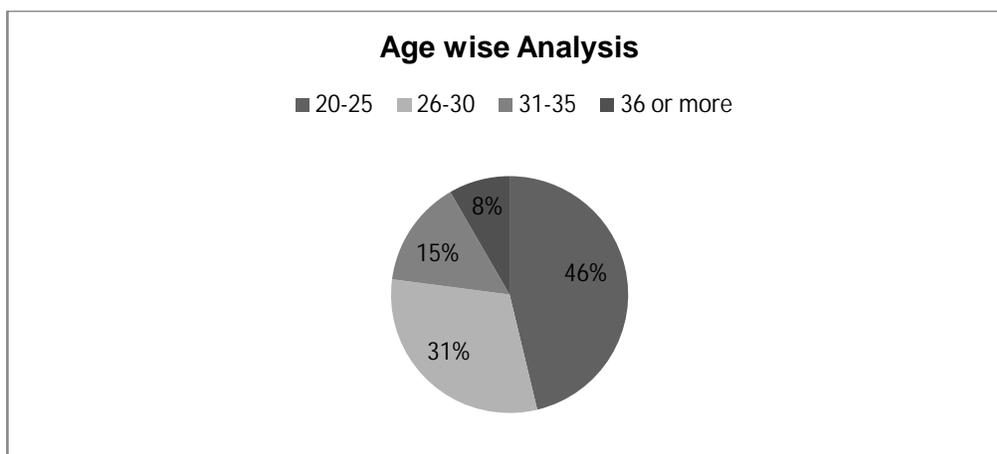
Gender	Frequency	Percentage
Female	64	26.67%
Male	176	73.33%
Grand Total	240	100.00%

Figure 7: Gender analysis

From the above table and figure, we can easily analyze that majority of the males are respondents of the survey as compared to females, we have 73% of males and 27% percentage of females have participated in this survey. The survey was conducted in the two major cities Karachi and Lahore of Pakistan.

Table 4: Age Analysis

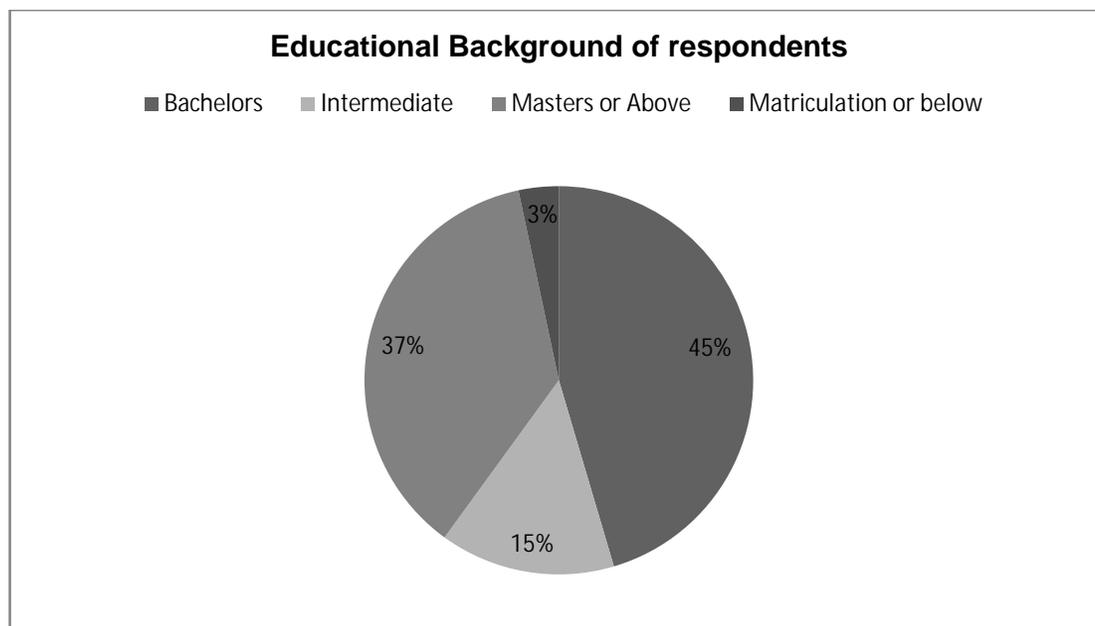
Age Distribution	Frequency	Percentage
20-25	111	46.25%
26-30	74	30.83%
31-35	35	14.58%
36 or more	20	8.33%
Grand Total	240	100.00%

Figure 7: Age wise Analysis

From the figure named as age wise analysis, it is clear that in this survey we have 111 frequencies in the age of 20-25 with percentage 46% which is the highest percentage among other age distribution. In age distribution of 26-30 we have 31% and 14% fall in 31-35 age and rest 8% fall in more than 36 years old respondents. The questionnaire responses mainly show the young generation which is actively part of the research.

Table 5: Education Analysis

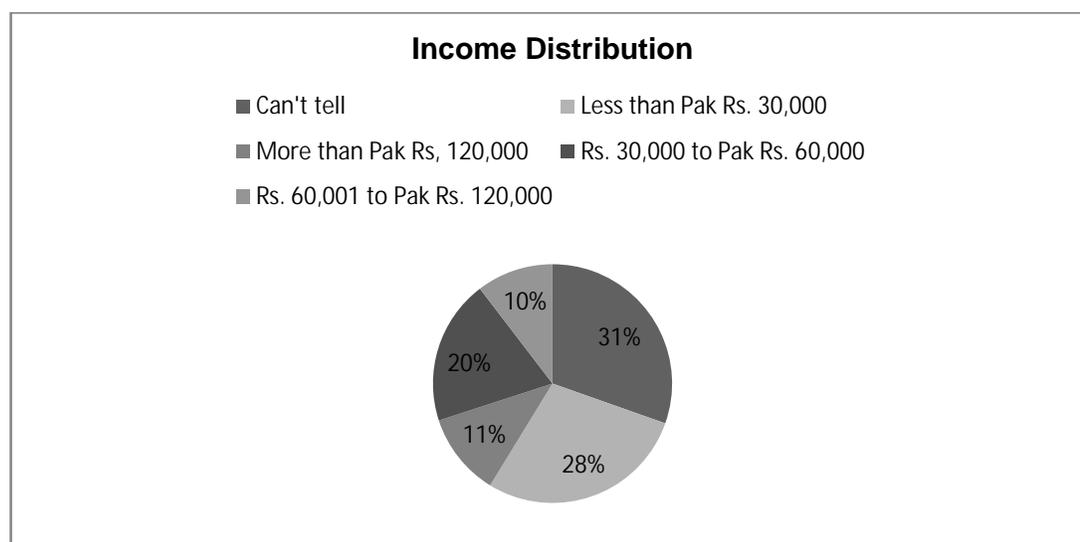
Education Background	Frequency	Percentage
Matriculation or below	8	3.33%
Intermediate	35	14.58%
Bachelors	109	45.42 %
Masters or Above	88	36.67%
Grand Total	240	100.00%

Figure 8: Educational Background of respondents

The highest frequency 45.42 % among the respondents falls under the category of bachelor's level of studies followed by the 36.67 % who has the Master's degree. A very nominal percentage of almost 20 % categorized in the matriculation and intermediate level of studies. For the reader's point of view, In Pakistan's education system; matriculation, intermediate and bachelors are categorized as 10, 12 and 14 years of academics education respectively.

Table 6: Income Distribution among respondents

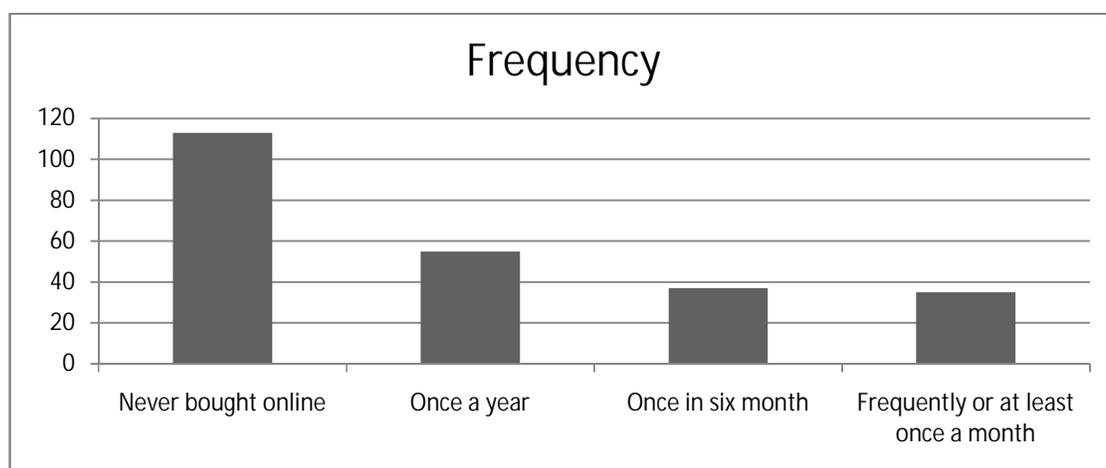
Income Distribution	Frequency	Percentage
Less than Pak Rs. 30,000 (Euro 250)	68	28.33 %
Rs. 30,000 to Pak Rs. 60,000 (Euro 250 to Euro 500)	47	19.58 %
Rs. 60,001 to Pak Rs. 120,000(Euro 500 to Euro 1000)	25	10.42 %
More than Pak Rs. 120,000 (Euro 1000+)	27	11.25%
Can't tell	73	30.42 %
Grand Total	240	100.00%

Figure 9: Income Distribution Among respondents

From the survey it was analyzed that the highest frequency in income distribution fall under Can't tell which is very strange thing but from the survey it is happening, may be males are reluctant to tell their income while we have majority of respondents are males and 28% fall under less than 30K.

Table 7: Frequently buy online

How frequently do you buy online?	Frequency	Percentage
Frequently or at least once a month	37	15%
Once in six month	35	15%
Once a year	55	23%
Never bought online	113	47%
Grand Total	240	100.00%

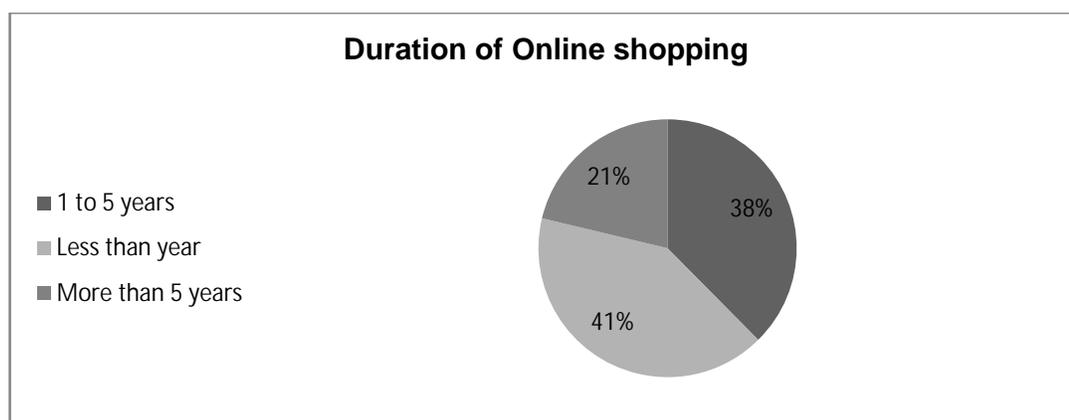
Figure 10: Analysis of frequently buy online

Majority of the respondents had never bought online anything. Total 113 frequencies which is the 47 % of total respondent; highest among others segmentation of frequently do purchasing online. 23% of respondents have bought things online once a year, 15% respondents bought online things once in a month and same percentage lies under the category of respondents who buy at least once in six months. It is clear from the data that majority of the people in Pakistan are not buying things online.

From the next question we can analyze that how long people have been buying online in Pakistan. We know that 44% people had not made online purchases.

Table 8: How long have been doing online shopping

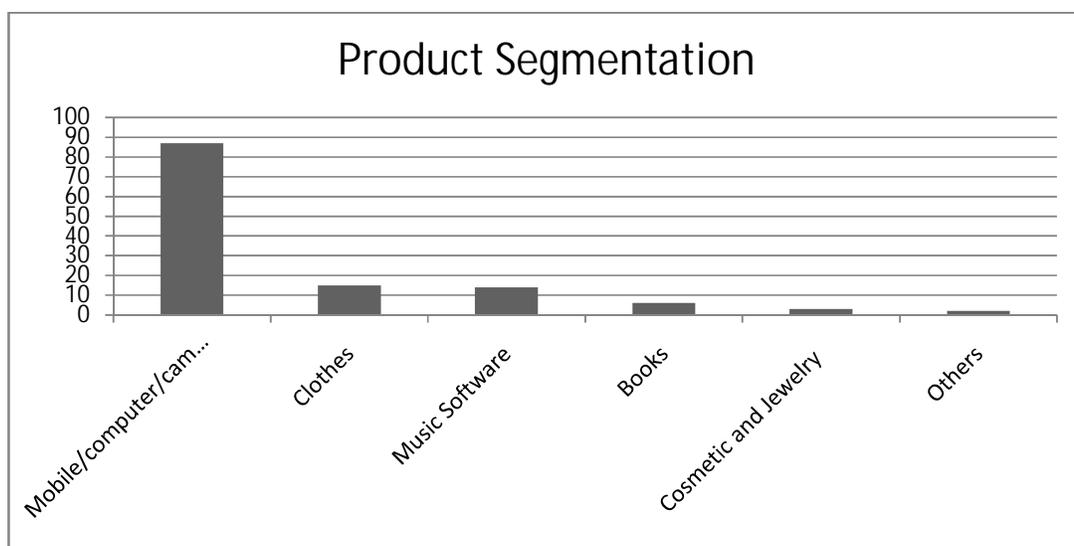
How Long have been doing online shopping	Frequency	Percentage
Less than year	60	47%
1 to 5 years	45	35%
More than 5 years	22	17%
Grand Total	127	100%

Figure 11: Analysis of Duration of online shopping

From the above question, it is clear that from 53% of respondents have been doing online shopping from which 41% of respondents have been doing online shopping for less than a year, it indicates that people in Pakistan are not addicted to online shopping and just currently involve in it. While 38% from 53% respondents have been doing online shopping since 1 to 5 years and 21% have been doing online shopping more than 5 years. In the next question survey it is analyzed that what things people in Pakistan are buying from online source.

Table 9: Buy online products segmentations

Product Segmentation	Frequency	Percentage
Mobile/computer/camera (Electronics Products)	87	69%
Clothes	15	12%
Music Software	14	11%
Books	6	5%
Cosmetic and Jewelry	3	2%
Others	2	2%
Grand Total	127	100.00%

Figure 12: Product Segmentation

From the above chart, total 127 respondents who had made online purchasing out of which 87 respondents bought electronic products. It is the highest frequency of 69% followed by clothes products of 12%. Music and software are bought by 11% of consumers who are buying online. Books, Cosmetics and jewelry are bought by 5%, 2% and 2% respectively.

Table 10: Visit retail store before purchasing online

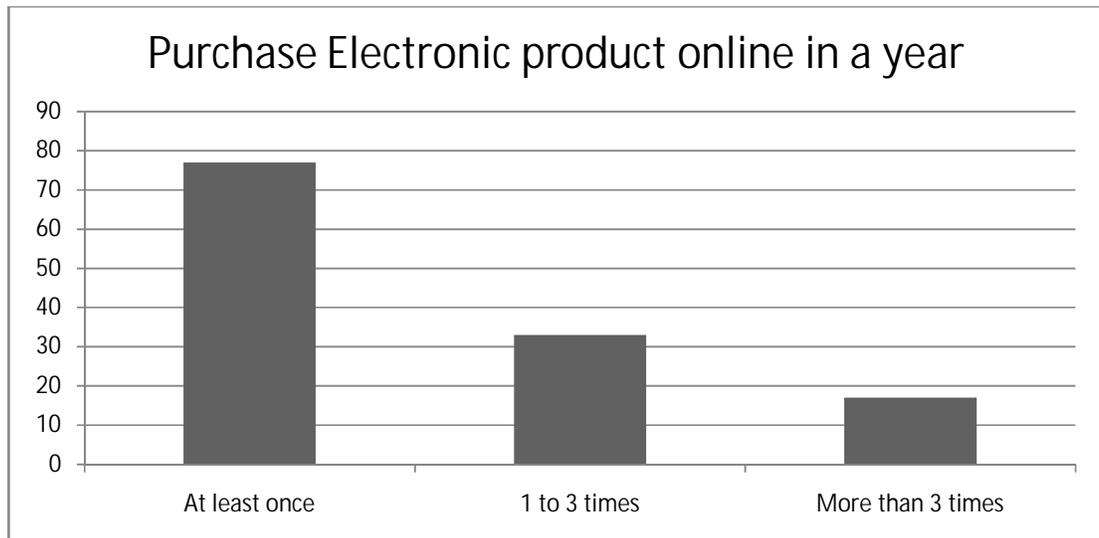
Do you go to retail store first before making your final purchase online?	Frequency	Percentage
Yes	67	53%
No	60	47%
Grand Total	127	100.00%

Figure 13: Visit retail store before making online purchasing

This question was asked to judge the consciousness of consumer and approach regarding the selection of product about offered online products. It is analyzed that 53 % of respondents do visit the retail store to see and check the actual product before actually buying from an online store while 47 % of them don't bother to see the actual product in offline store.

Table 11: How many times electronic products buy online in a year

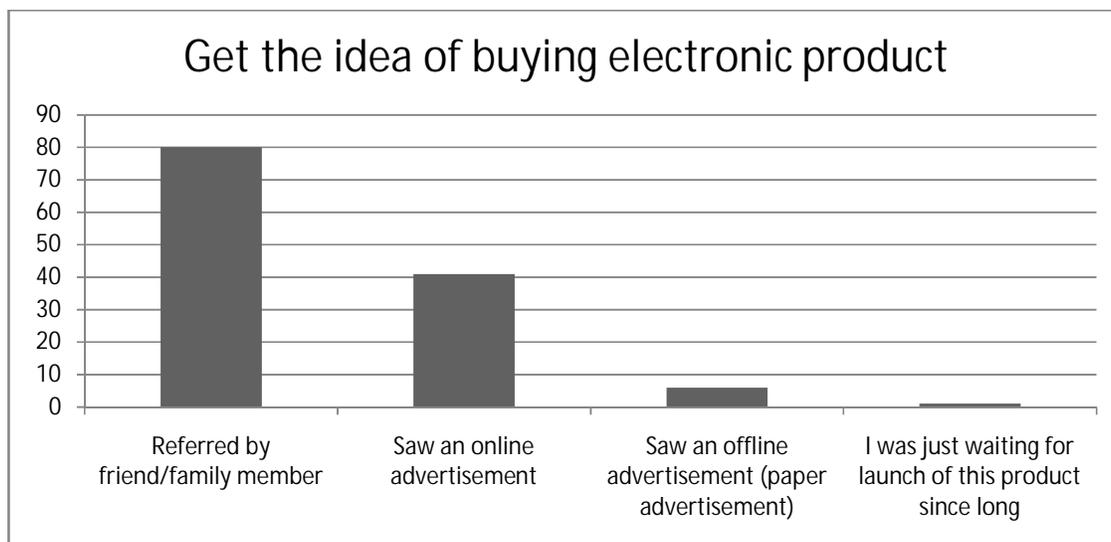
Approximately how many times did you shop electronics product over Internet during last year?	Frequency	Percentage
At least once	77	61%
1 to 3 times	33	26%
More than 3 times	17	13%
Grand Total	127	100.00%

Figure 14: Purchase electronic products online in a year

It was asked in survey questionnaire that how many times they bought electronic products over the internet during last year. As per response, 61% people say that they bought electronics products at least once in a year and 26% of respondents say 1 to 3 times in a year while 13% respondents say more than 3 times in a year, It can be easily analyzed from sample of data that majority of the people bought goods once a year means they are not addicted to online shopping.

Table 12: How get idea of buying online electronic product

How did you get the idea of buying specific electronics product though an online store?	Frequency
Referred by friend/family member	80
Saw an online advertisement	41
Saw an offline advertisement (paper advertisement)	6
I was just waiting for launch of this product since long	1
Grand Total	127

Figure 15: Get an idea to buy electronic products online

To find the motivation behind purchase and the factors that urge consumer for buying certain electronics product, following question was asked that how they got the idea of buying specific electronics product through an online store.

80 out of 127 respondents are influenced and referred by family and friends followed by 41 respondents saw an online advertisement on different websites and stores and are inclined to do online shopping in Pakistan's, so that in Pakistan, it would be better to do online and offline advertisements and increase customer satisfaction because majority of the people bought electronic good on the recommendations of family members and social life cycle.

Table 13: Visit different online stores before actual purchasing

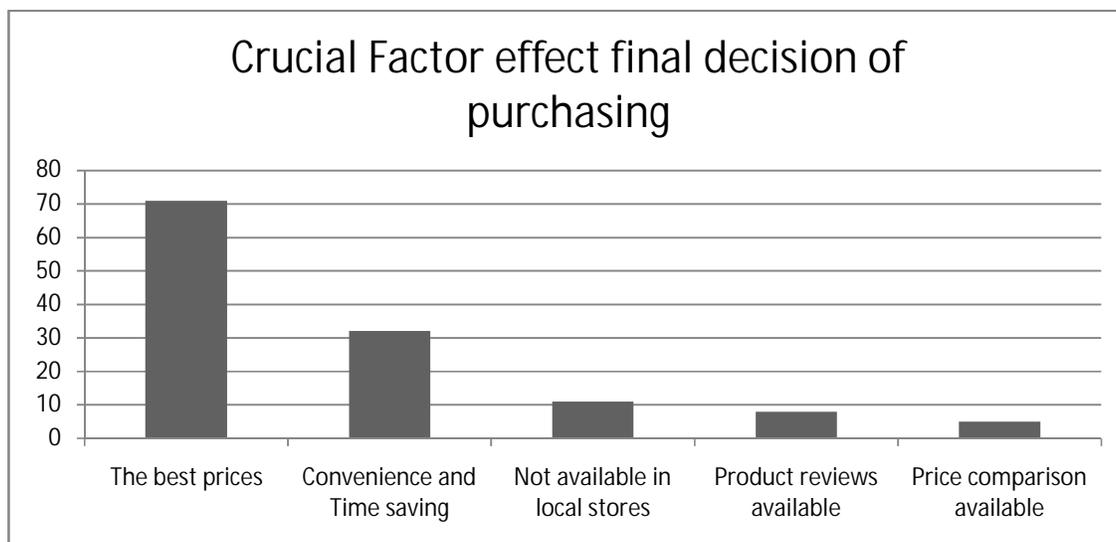
Do you visit different online electronics stores before the actual purchase, how many stores on average do you visit before purchasing a product?	Frequency	Percentage
One to Three Online stores	78	61%
3 to 5 Online stores	37	29%
More than 5 stores	12	9%
Grand Total	127	100.00%

Figure 16: Visit Online Store before purchasing

61 % of the people visit 1 to 3 stores before the actual purchase. 29% of people visit 3 to 5 stores and 9 % of the respondents even go beyond 5 stores to do research about the product respectively. Majority of the people of Pakistan do search and survey before online purchasing of electronic goods by going through different online stores. Therefore, the electronic products companies would require doing market research before launching the product and in market research they would do analysis of online stores and product delivery and return policies, reviews and rating of the products. It will increase sales of the electronic products in Pakistan ultimately.

Table 14: Crucial Factor affecting Consumer mind in Pakistan

What are the crucial factors which affect your decision making in the final selection of the product?	Frequency	Percentage
The best prices	71	56%
Convenience and Time saving	32	25%
Not available in local stores	11	9%
Product reviews available	8	6%
Price comparison available	5	4%
Grand Total	127	100%

Figure 17: Analysis of Critical Factors affecting consumer mind

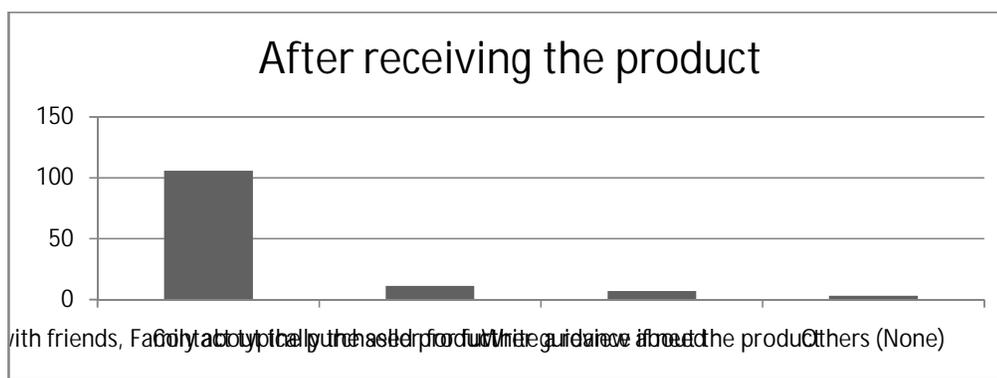
As analyzed from the result in online shopping in Pakistan, consumer concerns are price factor, convenience and time saving. 56 % of respondents consider price as the most important factor followed by 25 % people who consider convenience and time saving. The remaining percentage of 19 % falls under the category of those respondents for whom the particular product is not available in local stores, product reviews available and price comparisons available.

In Pakistan, consumer mind is not different, consumer behavior is normal as other countries consumer behavior norms. They are very conscious about cost cutting and time saving; majority of the peoples' decision is affected by the best price offer, therefore, the sellers of the electronic product must take price into consideration in their online stores in order to increase their sales.

In fourth phase, the post purchase behavior and experience in online shopping is analyzed by following questions.

Table 15: After receiving the Product

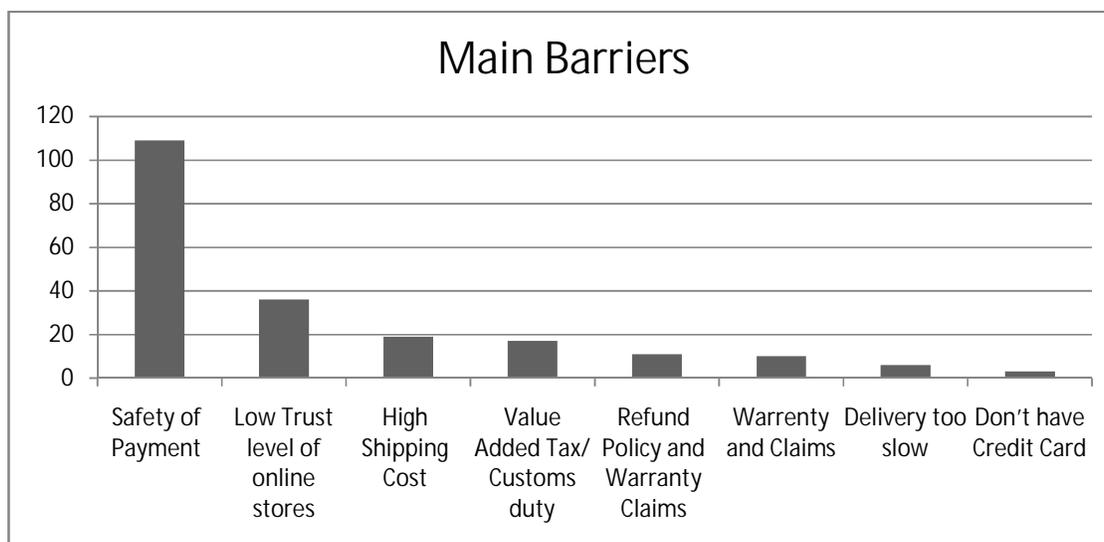
After receiving the product, Do you?	Frequency	Percentage
Discuss with friends, Family about the purchased product	106	83%
Contact typically the seller for further guidance if need	11	9%
Write a review about the product	7	6%
Others (None)	3	2%
Grand Total	127	100%

Figure 18: Analysis Consumer behavior after receiving the product

After purchasing of electronic product, people in Pakistan share their experience with their family members and friend. 83 % of the people share online shopping experience with friends and family and only 9 % of the consumer contact the seller for certain details of the purchased product. It is evident from the research that in Pakistan, the family system and the social networking is strong. People go for face to face conversation as compared to online social networks. Therefore, the sellers of the electronic products who are providing their product online must consider this norm in this country and provide the best quality as referrals based on consumer experience.

Table 16: Main barriers in online shopping

What are the main barriers which keep you away from shopping Online?	Frequency	Percentage
Safety of Payment	109	52%
Low Trust level of online stores	36	17%
High Shipping Cost	19	9%
Value Added Tax/ Customs duty	17	8%
Refund Policy and Warranty Claims	11	5%
Warranty and Claims	10	5%
Delivery too slow	6	3%
Others (Don't have Credit Card)	3	1%
Grand Total	211	100%

Figure 19: Main barriers in online shopping

And in the survey questionnaire it was asked, what is the main barrier which keeps consumers away from shopping online. The particular questions was asked from both the consumer who has been doing online shopping as well as from those who even don't go for online shopping to judge their concerns regarding shopping over internet. For reader's point of view, it is to be clear that since this question was asked from all those 240 respondents who actually filled the questionnaire but it is

important to mention here that only 211 people filled this one. After question No. 5, it was asked if you have not shopped online then directly skip to this question but 29 people out of 113 people who have not shopped online did not respond to this question.

From the survey it is revealed that safety of payment is the biggest barrier in online shopping in Pakistan. 52% of the respondents ranked safety of payment as the main concern and 17% do not trust much on online stores.

9 % of people reject the idea of online shopping due to high international shipping cost involved and 8 % do prefer local stores due to value added tax and custom duties in Pakistan. A nominal combined percentage of 14 % do not shop online due to refund policy, claims, slow delivery and lack of availability of credit card.

This particular question was asked from seller's point of view so that they will consider this point and try to reduce this barrier for consumers and increase the mind set of consumer for online purchasing of electronic goods. Therefore, the online seller of electronic goods must consider the main barriers and provide secure and safety payment solutions to their customer or they can also introduce their online store plastic cards as well in Pakistan and have to increase trust level of people of Pakistan by providing them money back guarantee facilities, on time delivery, online marketing and provide retail stores in Pakistan.

5. CONCLUSION

This study was accomplished to determine the consumer behavior in Pakistan towards online shopping for electronic products. Online shopping is increasing in Pakistan but acceleration of online shopping is not as rapid as compared to other developed countries like USA and UK. In research, online consumer behavior theories applied named as goal oriented online buyer and experimental motives of online shopping and highlighted into consumer characteristics, online consumer behavior, factor predicting online shopping and consumer mindset in online shopping.

TAM (Technology Acceptance Model) and TRM (Theory of Reasoned Action) identifies factors such as internal beliefs, attitudes, and intention for online shopping; study revealed that online shopping is mostly influenced by social network/circles and personal experience. Consumers are doing online shopping because of convenience and time saving. "Search as recreation" mind set in is studied under experimental online shopping behavior.

The survey questionnaire was prepared and distributed among personal contacts and received 240 responses. The questionnaire format have three main segments such as general, identified variables then in last customer concern in online shopping. From the survey it is accessed that Online shopping is more popular among the males as in Pakistan most online shopping was made by males with 73% and majority of the respondents were young; aged between 20 to 25 years old with 46% weightage and income distribution fell into less than 30k as lower middle class while majority of the respondent are educated and have done graduation.

But the majority of Pakistanis' are not doing online shopping with 44% and those who are doing online shopping falls under the category of doing less than one year so it is evident that the trend of online shopping is not as much popular in the economy as whole and mostly people do visit retail store before online shopping.

The online shopping is getting popular among the young generation as they feel it more comfortable, time saving and convenient. It is analyzed from the survey that when a consumer makes a mind to purchase online electronic goods he or she is affected by multiple factors. The main crucial identified factors are time saving, the best price and convenience. The best price factor is popular among Pakistani people because generally in online markets prices are lower as against the physical markets. People compare prices in online stores and then review all feedbacks and rating about product before making the final selection of product and decision. To purchase online things the electronic goods are in demand because of the best price, convenience and time saving.

The main barrier in the process of online shopping is the safety issue. People of Pakistan are afraid to share their personal information and financial information on internet. Credit cards are also not available to all in general as majority of the consumers are young generation and in Pakistan to avail credit cards is not a simple process. Due to which consumers are reluctant to make online purchasing, then second the most familiar barrier is the low level of trust on online stores therefore, sellers have to make proper strategies to increase the consumer's level of trust on them.

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APPENDIX 1

1. Questionnaire

1. What is your gender?
 - a. Male
 - b. Female

2. Your age?
 - a. 20-25
 - b. 26-30
 - c. 31-35
 - d. 35 or more

3. What is your level of education?
 - a. Matriculation or below
 - b. Intermediate
 - c. Bachelors
 - d. Masters or Above

4. What is your monthly income?
 - a. Less than Pak Rs. 30,000 (Euro 250)
 - b. Rs. 30,000 to Rs. 60,000 (Euro 250-600)
 - c. Rs. 60,000 to Rs. 120,000 (Euro 500 to 1,000)
 - d. More than 120,000 (Euro 1000)
 - e. Can't tell

5. How frequently do you buy online?
 - a. Frequently or at least once a month
 - b. Once in six month
 - c. Once a year
 - d. Never bought online (If you never bought online, then skip Question No. 17)

6. For how long have you been shopping online?
 - a. Less than a year

- b. 1 to 5 years
- c. More than 5 years

7. What have you bought online?

8. What products do you normally online? (You can select more than 1)

- a. Books
- b. Mobile / computer / Camera (Electronics Products)
- c. Clothes
- d. Music, Software
- e. Other (Please Specify) _____

9. Main Reason for online Shopping?

- a. Price
- b. Convenience & time saving
- c. Fast Shipping
- d. Trust
- e. Brand conscious
- f. Friend Referral

10. Do you go to a retail store first before making your final purchase online?

- a. Yes
- b. No

11. Approximately how many times did you shop electronics product over internet during the last year?

- a. At least once
- b. 1 to 3 times
- c. More than 3 times

12. How did you get the idea of buying specific electronics product through an online store?

- a. Referred by friend/family
- b. Saw an online advertisement
- c. Saw an offline advertisement (Local Electronics store)
- d. I was just waiting for launch of this product since long

13. How do you find the specific electronics product fitting to you own needs?

- a. Product Ratings
 - b. Product reviews
 - c. Advice from offline store
 - d. Referred by colleague / Friend / Family member
 - e. Compare description and prices
 - f. New technology/ product in market
14. Do you visit different online electronics stores before the actual purchase, how many stores on average do you visit before purchasing a product?
- a. One to three online stores
 - b. 3 to 5 online stores
 - c. More than 5 stores
15. What are the crucial factors which affect your decision making in the final selection of the product (Select all which apply)
- a. The Best prices
 - b. Convenience & Time saving
 - c. Not available in local stores
 - d. Price comparison available
 - e. Product reviews available
16. After receiving the product, do you?
- a. Discuss with Friends / Family about the purchased product
 - b. Write a review about the product
 - c. Contact typically the seller for further guidance if needed
 - d. Others specify _____
17. What are the main barriers which keep you away from shopping online?
- a. Safety of payment
 - b. Low trust level of online store / Brand
 - c. Value added tax / customs duty
 - d. High Shipping Cost
 - e. Refund Policy
 - f. Warranty and claims
 - g. Delivery too slow
 - h. Others reasons (please specify) _____