

# Online Shopping: A Survey on Consumer Buying Behavior in Bangladesh

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#### **Abstract**

Consumer attitudes and behavior have shifted dramatically all across the world as a result of the internet. Online shopping has emerged as a result of this trend, and it has had a significant impact on the lives of regular young people. Even though online purchases have been around in Bangladesh for a long time, consumers, particularly senior individuals, are not very interested in doing so. A self-constructed online survey of 150 Bangladeshi respondents was used in this study to try to understand customer behavior regarding online buying. According to the report, the vast majority of customers order online and thus save time and access a wider range of services and products. Males, as well as females, have roughly similar attitudes on online shopping: they prefer home delivery and oppose inadequate return policies. Typically, they gather online shopping information via social media and cash-on-delivery is a popular method of purchasing apparel and accessories. Consumers are particularly concerned about the safety of the payment system, and they are not interested in using credit or debit cards to shop. This study also revealed

that consumers' favorable experiences with online shopping are uneven.

**Keywords:** Bangladesh, Customer, Attitudes, Consumer Behavior, Online Shopping

### Introduction

In today's hectic world, online buying is the most convenient option. Words, images, and media files are used to explain all products on shopping websites, and for further product information, many internet retailers include links too. So, in their spare time, a buyer can purchase a home product from an online marketplace (Rahman, M. T. 2016). There has been a significant shift in client shopping behavior in recent years, owing in part to the present pandemic crisis. Consumers are increasingly comfortable shopping online, even if they prefer to shop at a real store. For modern individuals, online purchasing saves valuable time while also assisting in the maintenance of social distances, which is critical in the current circumstances (Rahman, M. A., Islam, M. A., Esha, B. H., Sultana, N., & Chakravorty, S. (2018). Furthermore, as the notion of e-commerce has grown in popularity in Bangladesh, Bangladeshis are becoming increasingly concerned about the advantages and disadvantages of online buying.

Online purchasing has increased dramatically all over the world because of the diversity of trade and business in the 21st century (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001). Globally, approximately an estimated 2.29 trillion USD is generated from e-commerce (John, 2018), with at least 4 trillion USD expected to be reached by 2020 (eMarketer, 2016). In all sorts of e-commerce, including business-to-business, and business-toconsumer (Zuroni & Goh, 2012), a 15% rise in revenue and a 13% increase in orders (eMarketer, 2018) have been achieved. In comparison to the mature market, the Asia Pacific region, which includes the United States, the United Kingdom, Japan, and European countries, is driving the expansion of online shopping. The Asia Pacific region, particularly China, experienced tremendous growth. In 2016, the Asia Pacific area generated almost \$1 trillion in online sales, the majority of which came from China, responsible for \$899 billion (eMarketer, 2016). According to the e-Commerce Association of Bangladesh (e-CAB), official reports, and industry insiders, online sales rose about 70% in 2020 from the previous year, and market size of the industry stood at nearly \$2 billion as of August that year. E-CAB Vice President estimates that valuation of the sector in 2021 might have crossed Tk20,000 crore which is about \$2.32 billion. By 2023, the market is predicted to reach a size of \$3 billion. (Dhakatribune, 2021).

Consumer behavior toward online purchasing is usually driven by two elements; the elements are trust and perceived advantages (Hoque, Ali, &

Mahfuz, 2015). As a result, client behavior toward online orders appears to be affected by reputation and expectation of benefits (Al-Debei, Akroush, & Ashouri, 2015; Hajli, 2014). Furthermore, information quality, goods features, distribution, consciousness, way of thinking, customer service, and the consumer's perception of time are all major predictors of online consumer satisfaction (Katawetawaraks & Wang, 2011).

As more individuals can access the world wide web and its benefits, online shopping is becoming more acceptable and favored by a group of customers looking for better product offerings in terms of understanding, accessibility, price, and variety. Online shopping in Bangladesh is becoming more popular because of young people experimenting with new forms of purchasing like in other Asian countries such as India, Pakistan, Srilanka, etc.

Usually, internet stores use different resources to promote all of their products whether the conventional stores are not very much interested in promoting their goods and services. So, sometimes, without intending to buy anything or visit a certain store, passionate consumers start exploring which causes them to feel compelled to make impulsive purchases. However, as a result of their lack of knowledge and evaluation options for selecting the goods, people may have positive or bad repercussions after purchasing. Both internal and external influences impacted this conduct (Tinne, W. S. 2011). Satisfied consumers are more inclined to make repeat purchases if a company provides exceptional customer service. Besides, there is a positive chance of expansion of online commerce in the near future because the availability of the internet that increases rapidly in the rural areas in Bangladesh. On the other hand, our people are usually careful when it comes to purchasing; nevertheless, as a result of technological advancement and a quicker lifestyle, their dependence on shopping online will expand.

Because of the current situation, a growing number of academics are interested in studying consumer behavior in terms of understanding the aspects of online purchasing. As a result, our research focuses on understanding consumer attitudes toward online purchasing, and also their preferences, dislikes, and degrees of satisfaction.

### **Methods**

We designed a study through an online survey, producing a self-constructed questionnaire with the research purpose in mind, to understand the customer behavior of internet buying in Bangladesh. The preceding questions were asked to achieve the study's purpose of identifying customers' clothes purchasing behavior concerning online shopping: (Koca, E., & Koc, F. 2016)

- 1. What are the sources of online shopping information?
- 2. What are the reasons for choosing online shopping?
- 3. What are the factors for liking online shopping?

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- 4. What are the factors for disliking online shopping?
- 5. What kind of payment method do consumers prefer most?
- 6. How much is the satisfaction level for Online Shopping?

In this study, data was collected from respondents in Bangladesh using an online survey using a convenient non-probability sampling method. It is one of the most popular sources of data collection. Online surveys are becoming the most frequent approach for academics to conduct studies and gather data in the future, thanks to the availability of effective and readily available online survey technologies. A simple and cost-effective sampling strategy is more popular in IS analysis that receives a greater response rate. (Eze, Manyeki, Yaw, & Har, 2011).

### **Research Design**

In this survey, we directly collected information about online shopping from individual consumer responses through an online based survey and used that as a primary source of data. To collect a quick response from the respondents a google form was created and circulated online via different media such as email, website embedded, social media, etc. As secondary information, supporting information on consumer behavior in e-commerce in Bangladesh has been gathered from various journals and research articles.

# **Target Population and Sample Size**

For an online survey, we sought 180 respondents from diverse age groups, including students, employees, business owners, and homemakers with varying levels of internet buying experience, and 165 participated in the survey resulting in a 92% response rate.

# **Procedure for Data Investigation**

After sifting the 165 responses, 150 useful and legitimate responses were chosen for further investigation. Microsoft Excel was used to analyze the data that had accumulated. Individual customer information was studied and analyzed using standard computer software as well as represented as a bar diagram (Rahman, M. A., Islam, M. A., Esha, B. H., Sultana, N., & Chakravorty, S. 2018).

Formula: 100 (Frequency/Population)

#### **Limitations:**

Since the respondents do not have proper knowledge about the ecommerce policies so the online dealers can easily deceive them. Again, sometimes respondents do not feel at ease answering willingly because of the

lack of interest. So, the finding is associated with certain limitations. The limitations of this study are:

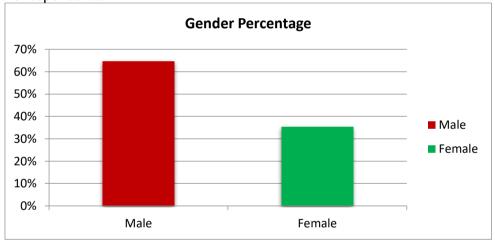
- 1. Users are bombarded with polls, discounts, and a variety of other online pranks, so respondent cooperation is always an issue.
- 2. Because internet surveys are done without a mediator or interviewer, data dependability is questionable.
- 3. Specific segments of the target demographic may be unable to use the internet, resulting in limited access to certain segments of the population.

#### **Results and Discussion**

Eleven parameters were taken to analyze and represent survey results using a bar diagram.

#### Gender

We observed that 64.67 % were men and 35.33 % were women among the respondents.



**Figure 1:** The respondents' gender

#### Age

The majority of respondents were under the age of 35. 12.67% of respondents were under the age of 19, 37.33% were between the ages of 20 and 24, 23.33% were between the ages of 25 and 29, and 18% were between the ages of 30 and 34, and 8.67% were 35 or older.

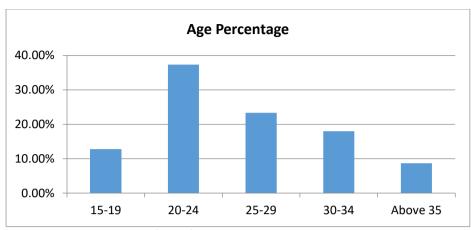


Figure 2: Respondents' age group

### **Occupation:**

According to research, students are more actively engaged in online shopping than in any other occupation. Almost 40.67% of the total respondents were students. 14% of them were homemakers, 34.67% of them were service holders and 10.67% of them were doing business.

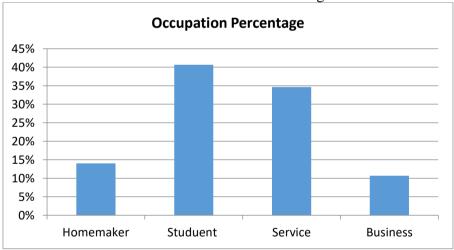


Figure 3: The respondent's occupation

### **Income range**

Almost 50.67 % earn between Tk. 0 and Tk. 15,000 per month, 22.67 % make between Tk. 15,001 and 30,000 per month, 15.33 % earn between Tk. 30,001-45,000 per month, and 11.33 % earn greater than Tk. 45,000 per month.

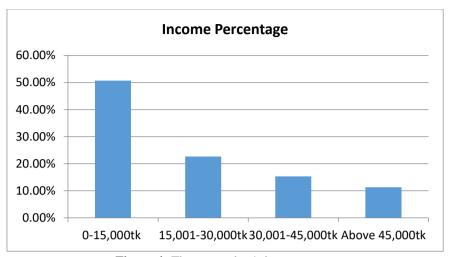


Figure 4: The respondent's income range

# Sources of Knowledge on Online Buying

In order to advertise and sell items online, it is important to educate people on online purchases, such as the advantages, limitations, and website addresses linked with it. Social media platforms such as Facebook, Twitter, Linkedin, and Instagram are being used by 52% of those surveyed to learn about online shopping and 16.67% of them receive information from friends and family. TV advertisements account for 10% of them, whereas websites like Pickaboo, eBay.com, Daraz, and Monarch mart account for 21.33%.

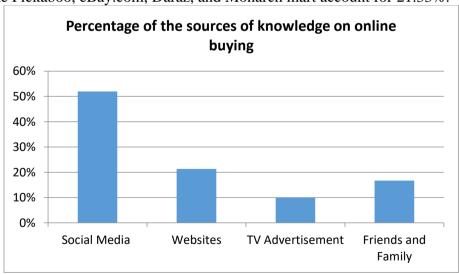


Figure 5: Details of the sources of knowledge on online buying

### **Reasons to Shop Online**

Online shopping is chosen by 54.67 % of male and female participants since it saves them time, while 27.33 % prefer it because of the variety of products available. Approximately 10% of respondents prefer online purchasing because it makes it easier to compare goods, and 8% favor it since the product is legitimate.

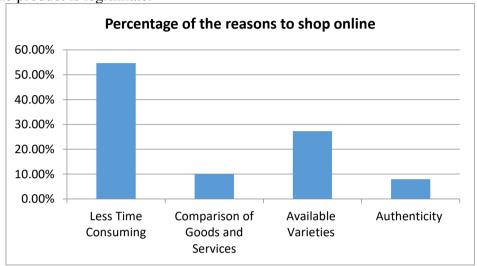


Figure 6: Details of the Reasons to Shop Online

#### **Choices for Goods/Services**

When questioned which one of the particular goods and services they desired, 51.33 % chose clothing, while 24.67 % preferred accessories. Electronic gadgets are preferred by 15.33 % of those surveyed, while books are been preferred by 8.67 %.

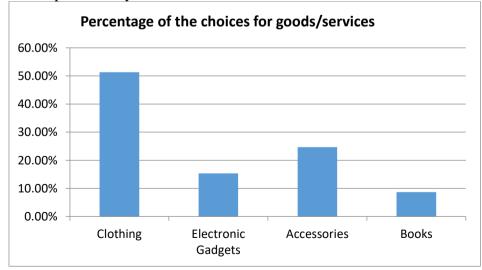


Figure 7: Details of the choices for goods/services

# **Reasons to Enjoy Online Shopping**

Both male and female participants enjoy the convenience and accessibility of online shopping. They prefer the facilities of home delivery. Because of the evident advantages of home delivery, 40.67 % preferred online purchasing and approximately 12.67 % said it is easier to buy what they want online. Discount offers are appreciated by 20% of respondents while shopping online, while available purchase options and payment channels are preferred by 25.33 %.



Figure 8: Details of the reasons to enjoy online shopping

### **Reasons for Disliking Online Shopping**

The most common complaint about online purchasing is the lack of a positive return policy. Table 9 demonstrates that 36% of respondents detest online shopping because of the bad return policy, while roughly 28% dislike it because of the high cost of products or services. 20% of respondents reject internet shopping's after-sale services, and 16% dislike the unable to touch and feel or try things out.

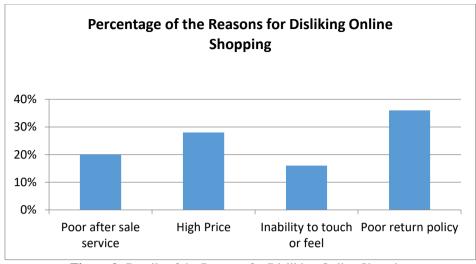


Figure 9: Details of the Reasons for Disliking Online Shopping

# **Payment Method**

A consumer's payment method is a critical component in purchasing an online product. When it comes to online buying, the majority of customers prefer the cash-on-delivery method. According to the case study, 81.33% of respondents prefer to pay with cash on delivery, while 11.33% prefer to pay with mobile banking. 5.33% of respondents pay with a credit card, while 2% pay with a debit card.

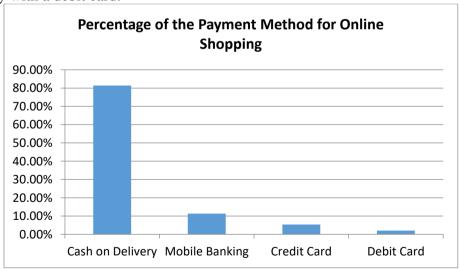


Figure 10: Details of the Payment Method for Online Shopping

# **Satisfaction level of Online Shopping**

Customer satisfaction is critical in online shopping. Customers who are satisfied are more inclined to shop online again. Following data analysis,

the total online purchasing experience was found satisfied by half of the participants. Just very few online buyers are very happy with the services indicating that there are already issues that prevent consumers from purchasing online regularly. Companies must take steps to move disappointed and indifferent internet buyers into the satisfied or entirely satisfied category. Regular online buyers are satisfied in 52% of cases, whereas 14% are unsatisfied. They are neutral in 27.33% of the cases and only 8% of the total regular internet consumers are extremely satisfied, compared to 1.33% who are really dissatisfied.

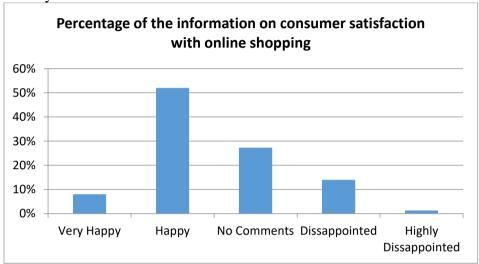


Figure 11: Details of the information on consumer satisfaction with online shopping

### Conclusion

The growth of digitalization, online payment methods, and internet access rates in Bangladesh are all driving an increase in online shopping. Unlike in-store shopping, online shopping behavior is affected by elements such as network access, webpage aesthetics (Constantinides, 2004), privacy, customer engagement, level of understanding, and so on. There is room for more study on this site, where the sample size may be raised and the rural population can be included to reflect the overall picture of Bangladeshi customers and their internet purchasing habits (Abir, T., Husain, T., Waliullah, S. S. A., Yazdani, D. M. N., Salahin, K. F., & Rahman, M. A. 2020). Studying these specific online shopping practices could help tech entrepreneurs and politicians in Bangladesh establish appropriate market strategies for online customers.

This study found that, like people in other parts of the world, young Bangladeshis under the age of 35 prefer to buy things online since it's less time-consuming and the diversity of goods offered, such as various types of clothing, electrical equipment, home delivery services, and so on. Cash-on-

delivery is the most preferred payment method among online buyers. When buying products online, they usually estimate the quality of items based on pricing and personal experiences. From Facebook advertisements, the majority of customers learn about goods and services which are then socialized with friends and family. On the other hand, online shoppers are dissatisfied with the lack of privacy and the unfavorable return policy.

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