A Value Centric Study of Intention to use Internet as a Shopping Channel in an Introductory Online Market

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ABSTRACT

This study investigates the relationship between five consumer values (i.e., functional, social, hedonic, epistemic, and security) and their impact on the Intention to use Internet as a shopping channel within introductory Qatari online market. A modified version of Sheth et al.'s (1991) perceived value model was tested within an early stage Qatari online market and a questionnaire based survey was conducted. An e-mail containing a Survey Monkey link was sent to 500 respondents, with a total of 176 usable questionnaires were collected and SPSS 18 was used to perform multiple regression analysis on the data. Early stage Internet shoppers tend to pay more attention to functional, hedonic, and social values and place less emphasis on epistemic and security values. This implies that early stage online shoppers seek enjoyment (focus on hedonic value) and, at the same time, want to save time and energy (emphasis on functional value). This limited the scope of generalization to similar cultures and age groups. The focus of the study was the shopping experience and not the purchasing experience. This study presents testing of an extended value model within an early stage Internet shopping market. This should add to the understanding of values that early stage shoppers seek to shop online.

Keywords: Internet, Online Introductory Market, Shopping Channel, Shopping Intentions, Shopping Values

INTRODUCTION

The advent of Internet has opened up numerous virtual shopping opportunities where a variety of products are being sold using this unique and innovative technology. Customers are using Internet based online shopping facility to acquire an assortment of merchandise ranging from low to high involvement and value and, seek different values and experiences (e.g., surfing or roaming) when shopping on the Internet. According to Jarvenpaa and Todd (1997) this proliferation of online shopping has stimulated widespread research primarily aimed at attracting and retaining online customers. What attracts a majority of shoppers onto the Internet environment is a host of attributes that add different types of value to their shopping experience. For instance time and money savings, convenience of easy accessibility, wide choice of available
merchandise, readily available information to make purchasing decisions, are some of the value adding attributes. When shoppers perceive Internet as, a time and effort efficient channel, easy to shop in medium, offering variety of products with differing prices and quality (both high and low), provider of privacy and security, being an information rich and visually appealing shopping platform, they are attracted towards Internet as a useful shopping space (Supphellen & Nysveen, 2001; Szymanski & Hise, 2000). This mix of functional, social, security, hedonistic and epistemic values keeps customers interested in online shopping (Chiger, 2001).

To better understand the needs of online shoppers; research to date has been predominately conducted within the domains of online customer demographics (Korgaonkar et al., 2004; Park et al., 2004); cognitive disposition of online customers (Huang, 2003); online shopping risk perceptions (Bhatnagar & Ghose, 2004b, Park et al., 2004; Pires et al., 2004); and online shopping motivations (Childers et al., 2001; Johnson et al., 2004). Hence, a large part of online shopping research has been in the area of customer demographics and consumer behavior in relation to buying. There is a general scarcity of work within the domain of impact of different values on intention to shop within early or emerging online/Internet markets. Therefore, examining the values that are important to online shoppers and predicting which values correspond to their intention to shop, would be a useful investigation especially for an introductory and soon to be developed online market such as Qatar.

Online shopping is on the rise in the Middle East region (33.5 million Internet users in 2011) and particularly in the Gulf States. For instance in Kingdom of Saudi Arabia alone (the largest Gulf State) online users surpassed 12.5 million in 2011 (Source: Communications and Information Technology Commission, ICT Indicators in Kingdom of Saudi Arabia, Riyadh). Gulf State of Qatar is a fast developing electronic economy where tremendous efforts are being applied to establish a world-class digital infrastructure. This includes fast broadband internet access, e-government providing public and social services and online educational initiatives. As a result of these changes the number of online shoppers in Qatar is increasing. Parts of the Qatari population, especially the youth, are pursuing online shopping but the vendors (such as eBay, Amazon etc.) are located outside of Qatar. It is only a matter of time before online vendors start offering online shopping services within Qatar. 18 to 35 year olds form 60% of the Qatari population representing a future online market which is likely to grow. Many believe that the Internet is the medium of choice for young adults and it has become intertwined with their culture (Farris et al., 2002; Dotson & Hyatt, 2005). This has led to an increase in online transactions from young adult consumers (Devaraj et al., 2006). This growing trend may be attributed to the fact that digital media offers a variety of online channels through which young adults can socialize and communicate (e.g., email, blogging, Twitter and social networks such as Facebook, MySpace, YouTube and LinkedIn) and shop at the same time (Jordaan & Ehlers, 2009).

Due to this expected growth, it was considered timely to conduct a study that analyzed the behavior of online shoppers in terms of the value they expect from Internet-based online shopping. It should also be made clear that in many instances shopping experience does not culminate in purchasing. Therefore, in this study the research focus is shopping intention which may or may not lead to buying. With this scenario in mind, the research framework looked at five values that customers may seek within an Internet shopping environment and their relationship with the intention to shop online. The youth segment (18-35 years old) was chosen due to their active participation and high involvement with online shopping.

The rest of the paper is developed as follows. In the next section are the details of the literature review. Then the research model and proposed hypotheses are presented leading to research methodology. This is followed by the results section. The final part of the paper
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