

An Empirical Research on Online Shopper Profiling & Online Shopper Motivations in Dubai

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ABSTRACT---This article aims to understand the online shopping market in the United Arab Emirates (UAE) and identify the emerging trends in this sector. A primary data survey questionnaire is prepared with an unrestricted control group and circulated by convenience sampling method which becomes the methodology of this research article. A comparative study of the existing secondary market data, based on the available research about on online and mobile shopping is also completed.

Based on the above, the study aims to identify the observations and key findings to shed light into unknown areas of this subject are explored. The primary data is analyzed using various statistical analysis methods. Furthermore, conceptual theory is considered as for the research design of the study. The observations include the detailed interactions of various demographics of consumers and how they shop online. In conclusion, a comparative study of online vs. brick and mortar shopping is also integrated using SWOT analysis. This becomes the basis for conclusion, recommendations and theory construction.

Index Terms: Online shopping, Shopper Behavior, Mobile Purchase, Millennial Vs. Others.

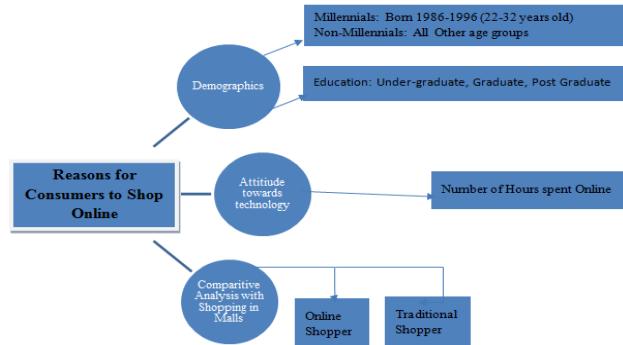
I. INTRODUCTION

Advancement of technology is helping to open up commerce opportunities for everyone - across borders, anywhere, anytime and via any device (Paypal, 2018). Brands are spending majority of their marketing budgets online. Hence, it is very important for brands to know who their online shoppers are. They have to profile the shoppers and the traditional/ non-shoppers in order to target the right customer segments. This study is expected to understand the motivations behind the various demographics for shopping online. We checked the reasons for consumers to shop online and did a detailed study on how demographics and attitude towards technology differ in Online Shopping and from shopping in retail malls. Consumers in the United Arab Emirates are also increasingly going online for their shopping needs (MasterCard, 2014). In e-commerce, customers seek utilitarian benefits, such as comparing prices and similarly, they also seek hedonic benefits, such as visually appealing website designs as they provide enjoyment of the online shopping experience (Bilgihan, 2015).

Online personalization offers retailers the opportunity to offer custom tailored messages and implement strategies based on customers' preferences, in an attempt to convince

the latter to select a certain product or service (Ho, 2014). Such strategies are more efficient than one-size-fits-all marketing strategies (Noar, 2007). Attitudes, evaluations and ultimately decisions of an individual can be based on cognitive and affective experiences (Chiu, 2014). Thus, in order to increase receptivity, retailers use messages that may be based on cognitive or affective qualities, depending on the needs of the individual (Haddock, 2008).

Figure 1: Reasons for consumers to shop online.



The articles structure is summarized as follows: initially, it reviews the available primary literature, and then introduces methodology of research. Then, the theoretical framework is developed and hypotheses is examined. This section is followed by a description of the research design and sample collection. Research findings are then discussed & presented. As a summary, the practical importance and the theoretical implications are noted, and future of the research and the limitations are studied.

II. DETERMINATION OF ANALYSIS

A. Objective

The study aims to understand and give clarity by deep diving into the world of internet shopping and respondents use the medium as a shopping platform. The purchase behavior is then studied and a detailed classification of age, gender and education Vs. the ways in which the respondents shopped online are compared using various statistical tests. Furthermore, the research also aims to better understand the types of categories purchased online and how varied demographics respond to shopping over the internet.

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B. Approach

The design of the research was carefully constructed in a logical manner to understand the core issues and to ascertain the possible outcomes and solution to common problems encountered by brands and organizations involving in the online medium for retail sales. Various sampling techniques have been used to collect and analyze the data. Data collection has been accomplished through a random non probabilistic sampling method which is compared with the total population. Selection of the sample makes it convenient to make a qualified approach towards make a generalized recommendation for the total population. For the purpose of this study, the population is infinite and finite sample is being taken for data collection. Shoppers from various locations around Dubai are considered in this study to understand the Omni-channel penetration and the attitude towards making purchases over the internet. The sample size is calculation based on Sampling Technique ($N=4LPQ/L^2$).

C. Data Collection

Primary Data: A well-designed questionnaire was used to collect the information from 400 online shoppers using convenience sampling method. The research was completed using percentage analysis and pictorial representations have been derived for better review the data by the help of pie and bar charts. Furthermore, the examiner has conducted many one on one interviews and studied the problem areas for this research.

Secondary Data: A vast collection of scientific journals have been reviewed from the existing literature and a questionnaire was generated to better understand the topics that have not been recorded in prior studies. The consumers faced many issues with the current virtual environment. Majority of the questions are multiple choice and open ended questions were avoided.

D. Sample Size Collection

Since the population of Dubai is around 2 to 3 million residents, we intent to do a sampling method to find out of the right sample size from the population. Furthermore, this subset will be used to derive inferential information about the general population using statistical methods. The sample expected is to mirror the general nature of the population. For the sample attribute to be a good indication of the population, sample size should be statistically calculated, and the number of samples should be arrived through statistical approach.

$$N = \frac{4PQ}{L^2} N = \frac{4PQ}{L^2}$$

We use the formula:

Where, P=present prevalence or proportion of interest.

We assume that 50% of the population in Dubai is interested in shopping online.

$$Q=(100\%-P)$$

$$L= 10\% \text{ of } p (0.05)$$

$$\text{Therefore, } N = \frac{4 \cdot 5 \cdot 5}{.05^2} N = \frac{4 \cdot 5 \cdot 5}{.05^2}$$

$$N = \frac{1}{.0025} = 400$$

With the above calculations, we find that the ideal size for this survey is 400 respondents.

It is very important for the right sample size calculation as it affects the attitude of the cross-sectional study.

III. HYPOTHESIS TESTING

H1: Consumers with more income tend to spend more online.

IPSOS has done a survey worldwide, the findings include that 39% of the population use the internet to shop from domestic sites only, 49% of the population shop from both domestic and international sites and 12% shop only from international sites only. With this secondary research in mind, we would furthermore, investigate the relationship between consumers spending more time Vs. income. In order for us to test this hypothesis, we use the spearman's co-efficient, a nonparametric calculation of rank correlation. It assesses how well the association amongst two variables can be labelled using a monotonic function. However, in this case the Correlation Co-efficient Value is .077 which means that there is no significant co-relation between the amount of time being spent online to the amount of money being used for purchase online. Therefore, it is not important to target people who spend longer hours online than their peers make.

The co-relation between Monthly income and Amount of money spend for Purchase Online

Correlation Coefficient	0.077
Sig. (2-tailed)	0.137
N	378

In order to delve deeper into our analysis, the first step of this article is to find out the differences between the online shopper and the traditional shopper. This differentiation is very important and people with different backgrounds have different tastes for shopping. We have classified this section into three kinds of sections: based on the demographics. i.e. Gender, Education and Age in order to find out the preferences of shopping online.

H2: Men will have more purchase intent online than Women.

We measure the quantitative relationship between the two variables- gender and shopping nature online here, using contingency tables. It has been noted after the below analysis that women (94.8%) tend to shop more online than men (86.3%).

Variable	Group	Made Purchase through Mobile				Total	P		
		Yes		No					
		No.	%	No.	%				
Gender	Male	120	66	62	34	182	>.291		
	Female	127	61	82	39	209			
	Total	247	63	144	37	391			

Since, 0 cells (0.0%) have expected count less than 5. The minimum expected count is 67.03. As per the Pearson Chi-Square there is no significance between the male and female genders purchase on mobile as the value is >.291 and higher than the significant value.

H3: Consumers with Higher Education purchase more online than others

Education does make a major impact of the people who are purchasing online. This may also be due to the fact that Post

Graduates have more access to internet and mobile, convenience of credit card facilities etc. These reasons make the post graduate group the maximum number of people who shop online (97.1%) Vs. undergraduates (83.9%) and graduates (86.8%).

H4: Millennial's spend more online than others

Gen Yers have been raised in a time where just about everything is branded and, therefore, they are more comfortable with brands than previous generations and respond to them differently. Consequently, they have a unique attitude towards brands. (Lazarevic, 2012)

Millennials are a major buzz word for the internet population. Hence we decided to group the age groups as millennials and non-millennials to understand the difference, between the shopping behaviors against age groups.

The table below shows the shopping attitudes by Gender, Education and Age. All the three demographics have been tested with Chi- Square Analysis to get the significance and P Values are also mentioned below on the tables.

Variable	Group	Frequently shop from online				Total	P		
		Never		Ever					
		No.	%	No.	%				
Gender	Male	26	13.7	164	86.3	190	<0.003		
	Female	11	5.2	200	94.8	211			
	Total	37	9.3	364	90.7	401			
Education	Undergrad	10	16.1	52	83.9	62	<0.001		
	Grad	22	13.2	145	86.8	167			
	Post Grad	5	2.9	167	97.1	172			
	Total	37	9.2	364	90.8	401			
Millennial	Millennial	26	11.9	193	88.1	219	<0.045		
	Non-Millennial	11	6	171	94	182			
	Total	37	9.2	364	90.8	401			

By reviewing the Pearson Chi- Square tests all the P Values above for Gender, Education and Age show are significant to the research and show that the values have a strong association with each other.

Since, 0 cells (0.0%) have expected count less than 5. The minimum expected count is 67.03. As per the Pearson Chi-Square there is no significance between the male and female genders purchase on mobile as the value is >.291 and higher than the significant value.

A. Frequency of Shopping

Although in the above table it is noticed that Millennials are not as much of online shoppers as non-millennials. This result is surprising and defies the norm that internet

shopping focuses on millennials. However, we have done one more research with the frequency of shopping online. This research gives us a clear understanding about why millennials are a very important community for the online shopping environment. 30% of Millennials shop more than 2 times in a month. Another notable change in frequency of shopping is for males, although women outnumber men as shoppers, 32% of the men are frequent shoppers (more than twice a month).

E-commerce plays and it will play a key role in the economy in the future, and more and more companies will have to change their business strategies (DONICI, 2012).



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Variable	Group	Frequently shop from online						Total	P		
		Rarely		1-2 Times in a Quarter		Once A Month					
		No.	%	No.	%	No.	%				
Gender	Male	56	30.9	38	21.0	28	15.5	59	32.6		
	Female	85	42.3	46	22.9	37	18.4	33	16.4		
	Total	141	36.9	84	22	65	17.0	92	24.1		
Education	Undergraduate	23	44.2	6	11.5	14	26.9	9	17.3		
	Graduate	47	29.2	41	25.5	27	16.8	46	28.6		
	Post Graduate	71	42.0	37	21.9	24	14.2	37	21.9		
	Total	141	36.9	84	22.0	65	17.0	92	24.1		
Millennial	Millennial	56	26.8	50	23.9	41	19.6	62	29.7		
	Non- Millennial	85	49.1	34	19.7	24	13.9	30	17.3		
	Total	141	9.2	84	22.0	65	17.0	92	24.0		

IV. FUTURE IMPLICATIONS AND LIMITATIONS OF STUDY

While shopping in malls, there are always a lot of customers who spend time enjoying their shopping experience by just window shopping or walking down the isles. In our study we do not understand the preferences of such customers to shop online for any products or services. The study targets the other half of the active shoppers and tries to understand their motivation for shopping online. Since online shopping does not have a country wise barrier, there are a few shoppers who also access and purchase from international sites as well. The most popular international websites are from China (26%), USA (21%), UK (14%), Germany (10%) and Japan (5%). People feel that international shopping always leads to better cost savings. Online shopping enjoyment is correlated with the higher intention of return to a website (Koufaris, 2004). Enhancing the experience and gaining consumer loyalty have been considered noteworthy marketing goals (Verhoef et al., 2009).

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