

Online Purchasing Trend in the Retail Industry in Saudi



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Abstract: *The concept of online shopping is very popular in the present market scenario. The current trend is indicating the fact that people prefer to shop online because it is easier and convenient for them. Organizations can easily understand the buying behaviour of the customers by considering different theoretical approaches. The study has indicated that in Saudi Arabia the current trend of online purchasing is at the higher level. People frequently shop online and it is expected that the rate of online shopping in the retail industry in Saudi Arabia will grow further. This study was carried on by using the primary data, which was collected through survey. Survey was conducted with 100 customers in the retail industry in Malaysia. The study used the positivism philosophy for the investigation. The findings in this study are highly important for understanding the latest scenario in the retail industry in Saudi Arabia. The study showed the fact that the people in Saudi Arabia are fond of online shopping. The people are highly motivated for online shopping because of several reasons or benefits that they can enjoy. The findings will be used in the future researches for understanding how the online retail market in Saudi has been developed. This will help to understand the reasons for which the people in this country prefer to shop online. This will also indicate the growth opportunity in the online retailing in Saudi Arabia. The overall findings in this study are highly useful for getting a clear knowledge about the online retailing in Saudi Arabia.*

I. INTRODUCTION

Online purchasing is a current trend in the business world. In the context of retail industry, it can be stated that online purchasing trend among the customers has enhanced scope for business for the organizations in the international or domestic retail industry in the countries. At the same time, it is also true that online purchasing of the customers has been influenced by different factors. Here, in this study, focus has been made on the current trend of online purchasing in the market of Saudi Arabia.

Background

Saudi Arabia is considered as one of the growing e-commerce markets in the world. The trend line of online shopping is upward moving. There are several benefits that the customers can enjoy through online shopping, which are not available in the way of traditional or offline shopping.

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In studies, it has been identified that in the current scenario the traditional purchase methods are facing major challenge because of the introduction of online shopping (Bansal & Taylor, 2015).

On the other hand, the awareness among the customers regarding the availability of purchase options has increased, which has influenced the popularity of online shopping in the country. At the same time, it is also true that with the help of online shopping customers can complete purchasing within very short time and in the most convenient way. However, still there are many customers who prefer the traditional shopping over online shopping.

II. RESEARCH AIM AND OBJECTIVES

The aim of this research is to evaluate the current trend of online purchasing in the retail industry in Saudi Arabia. The objectives of the study are stated below:

- To evaluate the factors that influences the purchasing decisions of the customers
- To identify and analyse the factors that are influencing online purchasing in the Saudi Arabia's Retail industry

III. LITERATURE REVIEW

Theories of consumer buying behaviour

The term "buying behaviour" indicates the activities and attitudes of the individuals or firms in the context of buying a product or service of a particular brand or company. Buying behaviour of the customers or people is influenced by the emotional factors or mental process. Buying behaviour can also be termed as the inter-disciplinary science. However, there are several theories, which can help in understanding the buying behaviour of the customers in a better way. Here, two theories of customer buying behaviour are discussed below:

Expectation Disconfirmation theory – This particular theory states that the buying behaviour of the customers depends on their expectations from the company. In the context of online purchasing it can be stated that the inclusion of technology in the process of shopping has enhanced the expectations of the customers, which on the other hand influenced the customers to shop more through the online network (Calvo Porral & Lang, 2015). Inclusion of technology has helped the companies fulfilling the real time expectations of the customers, which has also contributed in increasing the rate of online shopping in the retail industry.

Oliver Theory of Planned Behaviour – This theory of customer buying behavior suggests that the buying behavior of the customers can be understood by considering their attitudes during the process of buying. The attitude of a customer is the combination of perceived control, norms and intention of the customers towards buying a particular product or service (Cha *et al.*, 2016).



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Technology advancement and online business

According to many scholars technological advancement has influenced online business in the retail industry in different countries. In detail, it can be stated that due to the technological advancement, the process of shopping is now more convenient and this encourages the people to shop more. In the case of traditional system of shopping or purchasing people need to visit the particular shop to buy a product or service; however, in the case of online purchasing, people can shop at their home or office or at the place where they are comfortable. The behaviour of the customers towards shopping has changed nowadays, which has influenced the organizations incorporating the system of online selling in their business (Calvo Porral & Lang, 2015). This has not only increased their sales level, but also helped them satisfying the customers in a better way. Therefore, it can be stated that technological advancement and online business are positively related to each other.

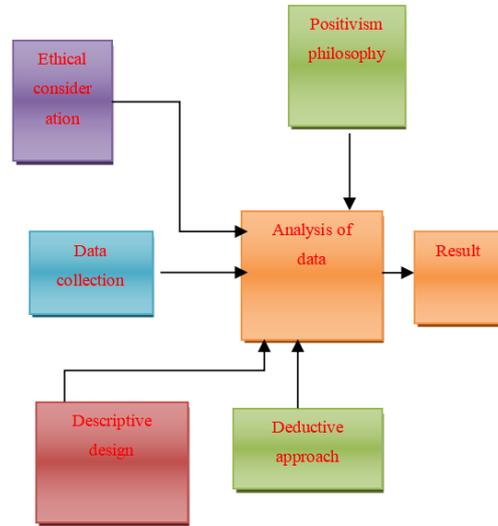
IV. METHODOLOGY

The study has been done by following proper methodology that has made the investigation easier. The particular methodology of this study has included positivism philosophy because this particular philosophy is very helpful in the context of statistical and graphical analysis of research data (Dang & Pheng, 2015). The study has used the deductive approach because with the help of deductive approach it was possible to develop strategies considering the aim and objectives of the study. On the other hand, the design of the investigation was based on the descriptive design because descriptive design helps in detailed

verification of the research data and information (Fletcher, 2017).

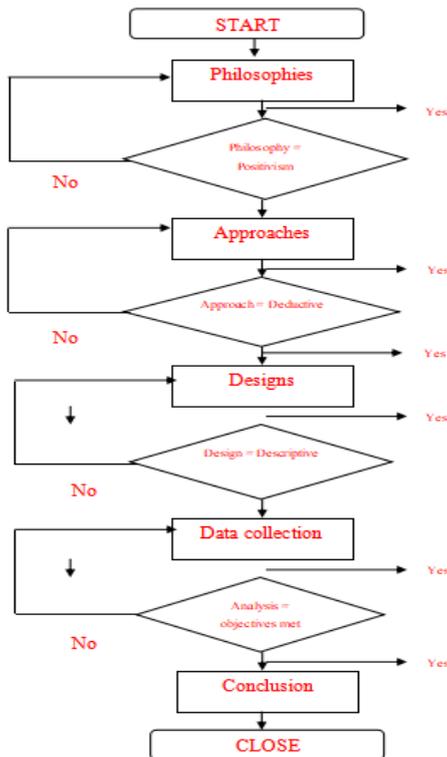
For the investigation, data has been collected through quantitative technique. Primary data has been used and survey has been conducted with 100 retail customers. For analyzing the research data, graphical technique has been used during this study.

Block diagram



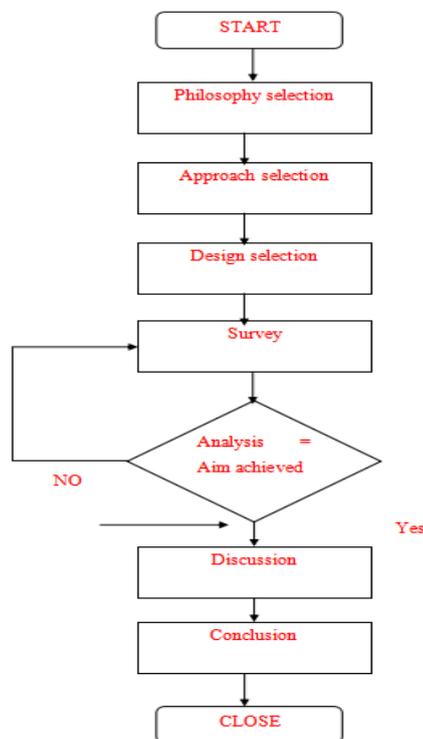
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Algorithm



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Flowchart



(Source: Created by author)

RESULT

Q1. What is your gender?

Options	Percentage	Responses	Total respondents
Male	40%	40	100
Female	60%	60	100

Table 1: Gender of the respondents

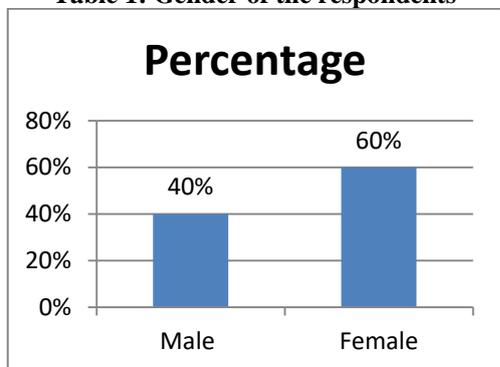


Figure 1: Gender of the respondents

Q2. Do you prefer to shop online?

Options	Percentage	Responses	Total respondents
Yes	91%	91	100
No	9%	9	100

Table 2: Preference of the respondents towards online shopping

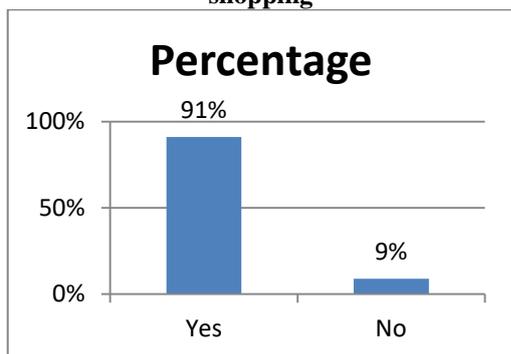


Figure 2: Preference of the respondents towards online shopping

Q3. Why do you prefer to shop online?

Options	Percentage	Responses	Total respondents
Time saving	60%	60	100
Convenient	40%	40	100

Table 3: Reasons for preferring online shopping

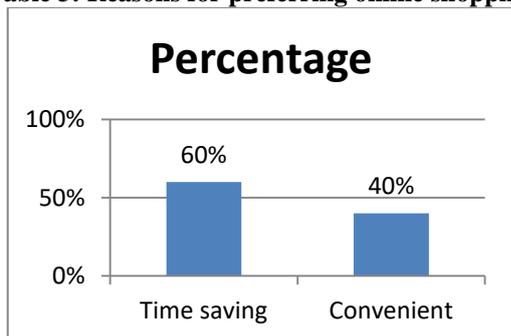


Figure 3: Reasons for preferring online shopping
Q4. How frequently you shop online?

Options	Percentage	Responses	Total respondents
Weekly	30%	30	100
Monthly	60%	60	100
Yearly	10%	10	100

Table 4: Frequency on online shopping in Saudi Arabia

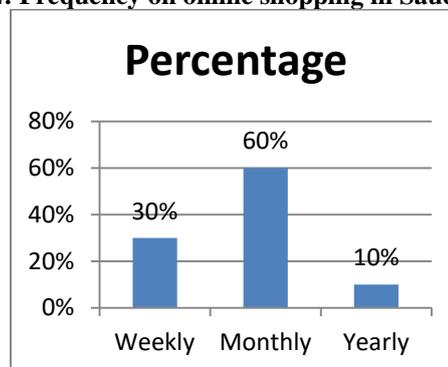


Figure 4: Frequency on online shopping in Saudi Arabia

V. ANALYSIS OF THE FINDINGS AND DISCUSSION

Considering the above findings, it can be stated that most of the research participants were female, which indicates that the number of female shoppers is more than male shoppers in Saudi Arabia. The findings are also indicating that most of the shoppers in the current era prefer to shop online. As reasons, the study has identified that online shopping is time saving and at the same time, it helps shop in the most convenient manner. In the context of the frequency of online shopping, it has been identified that most of the shoppers shop on monthly basis.

Therefore, considering the above analysis, it must be stated that the current trend of online shopping or online purchasing is high in the market of Saudi Arabia because people believe that online purchasing is easier for them. At the same time, it is also noticeable that most of the female shoppers prefer online shopping. It might have happened because female shoppers get the opportunity to buy the products at their home. They do not require saving their time for shopping after handling their daily life. Considering the frequency of purchasing it is very clear that after the introduction of online shopping, the shopping trend has increased or moved positively, which indicates clearly the popularity of this mode of business. Therefore, from the discussion, it can be stated that technology has influenced the business of the retail industry in the market of Saudi Arabia. Considering the current trend in the market, it can also be stated that in the coming financial years the frequency of online shopping or purchasing will grow further.

VI. CONCLUSION

The aim of this study was to evaluate the current trend of online purchasing in the market of Saudi Arabia. Buying behaviour of the people in Saudi Arabia is influenced by several factors like,

pricing, availability and quality of the products. Due to the higher level of technological advancement the growth of the online retail industry has been noticed. At the same time, it is also true that online shopping is more preferred by the women than the men in Saudi Arabia. The data analysis has also indicated two reasons for which the shoppers prefer to shop online and these two reasons are – convenience and time saving. The study has also indicated the fact that online shopping trend is increasing and it will grow further in the coming financial years in Saudi Arabia.

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AUTHORS PROFILE



Mohamad Kebah, is a Doctor of Philosophy of Management (PhD) student at Limkokwing University of Technology and Creative, Malaysia. He is holding a Master of Business Administration (MBA) from Limkokwing University of Technology and Creative, Malaysia, a Bachelor of Biomedical Engineering from The Hashemite University, Jordan and he is an associate member of The Chartered Institute of Marketing. Mohamad is highly ambitious Sales &

Marketing professional with solid hands on experience in expediting full cycle sales and marketing functions towards delivering set revenue targets in the healthcare industry, Saudi Arabia. Skilled in developing strong rapport with clients and delivering immaculate product presentations in closing deals coupled with strong problem solving acumen. Demonstrated excellent cross-cultural communication qualities and highly committed to go the extra mile towards professional excellence.



Dr. Valliappan Raju is a Senior Lecturer at the Centre of Postgraduate Studies at Limkokwing University, Malaysia. He has earned his Doctor of Philosophy degree (Ph.D.) in Accounting Business stream and Doctorate in Business Administration in Entrepreneurship stream. He was awarded Associate Professorship and subsequently got appointed as Adjunct Professor in Linton University.

His area of interest remains at Macroeconomics, Entrepreneurship and Artificial Intelligence. Among 20 researchers under his supervision, 11 scholars have been conferred Ph.D. award as on December 2018. He has published 112 research papers in International refereed journals as the main author, out of which more than 40 research papers have been published in SCOPUS/ISI-indexed journals. Vally has fetched grants under Innofund Scheme, FRGS and is a proud recipient of FULBRIGHT scholarship for US articulation. His recent Key Note Speech at ICCI-SEM Conference enabled him to serve as an editorial member of three SPRINGER journals followed by ESN journals, KPG journals, GRDS journals, etc. Assoc. Prof. Vally is an active member of the World Economics Association (USA) and was invited by Bernama Television of Malaysia to discuss National Budget. His entrepreneurial ventures include an educational institution in 2009 and a research foundation in 2017. Vally, an ardent researcher, thrives to calibrate the application of his researches to serve for a cause. Presently, he is affianced with his postdoctorate fellowship on AI research.

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