

# **An Explorative Analysis of Electronic Retailing Customer Adoptions in the Context of Saudi Arabia**

*by*

**Eman O. Basahih**

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*Electronic Business Department*

*University of Ottawa*

## **TABLE OF CONTENTS**

<b>TABLE OF CONTENTS .....</b>	<b>I</b>
<b>LIST OF APPENDICES .....</b>	<b>IV</b>
<b>LIST OF TABLES .....</b>	<b>V</b>
<b>LIST OF FIGURES .....</b>	<b>VII</b>
<b>ABSTRACT.....</b>	<b>IX</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>X</b>
<b>CHAPTER 1 INTRODUCTION .....</b>	<b>1</b>
<b>1.1 The Objective and Research Problem.....</b>	<b>1</b>
<b>1.2. Research Hypotheses .....</b>	<b>3</b>
<b>1.3. Organization of Thesis.....</b>	<b>7</b>
<b>CHAPTER 2 LITERATURE REVIEW .....</b>	<b>9</b>
<b>2.1. Review of the Literature.....</b>	<b>9</b>
<b>2.2. Differences between this study and those outlined above .....</b>	<b>13</b>
<b>CHAPTER 3 BACKGROUND INFORMATION AND MAJOR CONCEPTS.....</b>	<b>16</b>
<b>3.1 Background Information .....</b>	<b>16</b>
<b>3.2 Definitions.....</b>	<b>17</b>
<b>3.3 Factors Affecting the Intention to Buy Online.....</b>	<b>18</b>
<b>CHAPTER 4 RESEARCH METHODOLOGY.....</b>	<b>22</b>
<b>4.1 Research Methods.....</b>	<b>22</b>
<b>4.2 Recruiting, Sampling, and Data Collection .....</b>	<b>23</b>
4.2.1 Hardcopy Questionnaire Distribution.....	24
4.2.2 Online Questionnaire Distribution .....	28
4.2.3 Data Collection.....	29
4.2.4 Questionnaires .....	31
4.2.5 Study Variables .....	31
4.2.6 Conducting the Study .....	31
4.2.7 Participant Selection.....	32
4.2.8 Ethics Committee Approval of Study Approach and Data-Gathering Authorization.....	32
4.2.9 Statistical Analysis of the Data.....	33

<b>CHAPTER 5 RESULTS.....</b>	<b>34</b>
<b>5.1 Data Analysis.....</b>	<b>34</b>
5.1.1 Demographic Variables.....	34
5.1.2 Personal Driver and Housekeeper Availability.....	37
5.1.3 Internet Background Information.....	38
5.1.4 Participants' Opinions Regarding In-Store and Online Shopping.....	40
5.1.4.1 Influence of In-Store and Online Shopping on Socio-Emotional Need Satisfaction.....	41
5.1.4.2 Utility of In-Store and Online Shopping.....	44
5.1.4.3 Contrasting Data –Perceived Attributes of In-Store and Online Shopping.....	44
Wide choice of products.....	46
Inexpensive Products.....	48
Availability of Products.....	48
Product Information.....	49
5.1.4.4 Concern for Time.....	49
5.1.4.5 Concern for Privacy and Anonymity.....	51
5.1.4.6 Social Interaction with the Seller and Product as a Positive Motivator of In-Store Purchasing.....	52
5.1.4.7 Perceived Functionality of In-Store Shopping.....	53
5.1.5 Preference for Buying Certain Products In-Store or Online.....	53
Products Participants Preferred to Buy In-store.....	53
Products People Preferred to Buy Online.....	55
5.1.6 Product Research Prior to Purchasing.....	57
5.1.7 Overall Satisfaction with Shopping Online.....	59
5.1.8 Analysis of Motivation/Demotivation to Shop Online.....	60
5.1.9 Infrastructural and Technical Limitations to Online Shopping.....	61
<b>5.2 Statistical Analysis.....</b>	<b>65</b>
5.2.1. Relationship between In-store Shopping Experience and the Intention to Buy Online Shopping (H1).....	65
5.2.2 Online Shopping's Correlation with In-Store Shopping Experience (H2).....	72
5.2.3. Usefulness of Online Shopping vs. the Advantages of Physical Shopping (H3).....	73
5.2.4 Time Saving as a Factor for Perceiving Online Shopping as Useful (H4).....	76
5.2.5 House Workers and Daily Shopping (H5).....	81
5.2.6 Expectations about Online Shopping Usefulness (H6).....	86
5.2.7. Preferring Online Shopping for Privacy-Critical Products (H7).....	90
<b>5.3 Discussion.....</b>	<b>92</b>
5.3.1. Perception of Usefulness and Winning Customers.....	94
5.3.2. Effective Online Price Negotiation and Immersive Product Experience.....	94
5.3.3. The Right Products for Online Retailing.....	96

5.3.4. Eliminate Reasons Not to Buy Online.....	96
5.3.5. Start In-Store to Attract Online Consumers .....	99
<b>CHAPTER 6 CONCLUSION.....</b>	<b>100</b>
<b>6.1 Summary.....</b>	<b>100</b>
<b>6.2 Links to Relevant Literature.....</b>	<b>102</b>
<b>6.3 Study Limitations.....</b>	<b>104</b>
<b>6.4 Future Research .....</b>	<b>106</b>
<b>APPENDICES A - L .....</b>	<b>107</b>
<b>BIBLIOGRAPHY .....</b>	<b>156</b>

## LIST OF APPENDICES

<b>Appendix A:</b> Coding Key for Questionnaire Study Variables .....	(107)
<b>Appendix B:</b> Linear Regression Model with <i>R</i> .....	(113)
<b>Appendix C:</b> Consent Form (as Included with Ethics Application).....	(114)
<b>Appendix D:</b> Text for E-Mail Recruiting (as Included with Ethics Application) .....	(116)
<b>Appendix E:</b> Letter of Information for Online Stores (as Included with Ethics Application).....	(117)
<b>Appendix F:</b> Letter of Information for Face-to-Face – In store (as Included with Ethics Application).....	(119)
<b>Appendix G:</b> Questionnaire for Companies Who Do Electronic Business (as Included with Ethics Application) .....	(121)
<b>Appendix H:</b> Verbal Recruitment Script for Distributing Hardcopy and Online Questionnaires In-Store (as Included with Ethics Application) .....	(122)
<b>Appendix I:</b> Recruitment Script for Face-to-Face (as Included with Ethics Application) .....	(124)
<b>Appendix J:</b> Ethics Approval Certificate.....	(125)
<b>Appendix K:</b> Letter of Permission to Conduct Study in Saudi Arabia.....	(127)
<b>Appendix L:</b> English and Arabic Questionnaires .....	(128)
English V. Questionnaire .....	(128)
Arabic V. Questionnaire .....	(142)

## LIST OF TABLES

Table 1-1 Major Factors Affecting Online Shopping and the Related Hypotheses .....	6
Table 4-1 Research Agenda in Three Major Phases.....	22
Table 4-2 Recruiting Subjects in Locations in Three Different Cities in the KSA .....	25
Table 4-3 Category of Venue.....	25
Table 4-4 Plan for On-site Research in Riyadh, Jeddah and Medina .....	26
Table 4-5 Online Sampling.....	28
Table 4-6 Summary of Questionnaire Responses Broken Down by Source .....	29
Table 4-7 Summary of Deployed Data Collection Methods .....	30
Table 5-1 Total Participants Presented by Gender & Type of Questionnaire Distribution .....	35
Table 5-2 Online vs. Hard Copy Survey Completion According to Age Group.....	35
Table 5-3 Socio-Emotional Needs toward In-Store and Online Shopping.....	41
Table 5-4 Attributes of the In-Store & Online Shopping Experience .....	45
Table 5-5 On Respondents that Never Shopped Online .....	47
Table 5-6 Influences on the Decision Not to Buy Online.....	61
Table 5-7 Correlations between Variables Representing the Intention to Buy Online and the Shopping Experience .....	67
Table 5-8 Multiple Regression Analysis with All Explanatory Variables Regressed on O-BUYONLINE.....	68
Table 5-9 Final Multiple Regression on BUYONLINE after the Redundant Variable Test.....	69
Table 5-10 Multiple Regression Analysis on INTERNETBETTER after Redundant Variables Have Been Removed .....	71
Table 5-11 Correlations between Online Shopping and In-Store Shopping Experience.....	73
Table 5-12 Usefulness of Online Shopping vs. the Benefits of Physical Shopping.....	74
Table 5-13 Correlation of Attributes to INTERNETBETTER: In-Store Shopping vs. Online Shopping .....	76
Table 5-14 Correlation between Time Saving and the Usefulness of Online Shopping .....	77

Table 5-15 Regression on Online Shopping Usefulness (O_USEFUL) Without Removing the Redundant Variables or Controlling for Multicollinearity.....	78
Table 5-16 Elasticity of O_Usefulness: Major Factors for Perceiving Online Shopping as Useful.....	79
Table 5-17 Coefficient Confidence Intervals.....	80
Table 5-18 Wald test analyzing the combined effect of O_WIDERCHOICE and O_NOTAVAILABLE on O_SAVINGTIME.....	81
Table 5-19 Wald test to analyze the combined effect of Driver and HOUSKEEPER on PERCENTAGEONLINE.....	83
Table 5-20 Regression Analysis on PERCENTONLINE.....	84
Table 5-21 Regression Analysis with the new Combined Variable DRIVERHOUSEKEEPER on PERCENTONLINE.....	85
Table 5-22 Usefulness Comparison: Online Shopping vs. In-Stores Shopping.....	86
Table 5-23 t-Test analyzing the Equality of O_USEFUL and S_USEFUL Variable Series.....	87
Table 5-24 t-Test Analyzing whether In-store Shopping Attributes were Higher Valued than Online Shopping Attributes .....	88
Table 5-25 Online vs. In-store Shopping: Comparison based on Explanatory Variables NOPRESSURE, DETAILS, and RELAXING .....	89
Table 5-26 Comparing LIKEBUYINSTORE_PERSONAL and LIKEBUYO_PERSONAL .....	90
Table 5-27 t-Test Checking for Equality of Means between Series LIKEBUYINSTORE_PERSONAL and LIKEBUYO_PERSONAL.....	90
Table 5-28 Physical Shopping Preferred over Online Shopping by Category .....	91
Table 6-1 Hypothesis Result.....	101

## LIST OF FIGURES

Figure 3-1 Factors Affecting the Intention to Buy Online.....	19
Figure 4-1 Responses Over the Time Period.....	23
Figure 5-1 Total Participants in this Study (Q#1).....	35
Figure 5-2 Age (Q#2).....	36
Figure 5-3 Education Level (Q#5).....	36
Figure 5-4 Language (Q#6) .....	37
Figure 5-5 Personal Driver Availability at Home (Q#10) .....	37
Figure 5-6 Housekeeper Availability at Home (Q#11).....	38
Figure 5-7 Internet Familiarity (Q#12).....	38
Figure 5-8 Internet Availability at Home (Q#13).....	39
Figure 5-9 Type of Internet Available to Study Participants in Home (Q#13 Cont.).....	39
Figure 5-10 Internet Participants' Satisfaction (Q#14).....	40
Figure 5-11 Purchase via the Internet is Better than Buying in Person (Q#22) .....	41
Figure 5-12 Experience with Online Shopping (Q#23).....	44
Figure 5-13 Order Any Time with Online Shopping – Gendered Responses .....	51
Figure 5-14 Preferred Products for In-Store Shopping (Q#18) .....	54
Figure 5-15 Type of Products that People Like to Shop for Personally (Q#19).....	55
Figure 5-16 Privacy Concerns When Buying Certain Types of Products (Q#27).....	56
Figure 5-17 Products that are Never Bought Online (Q#26).....	57
Figure 5-18 Products People like to buy Online (Q#24) .....	57
Figure 5-19 Researching Products before Buying (Q#20) .....	58
Figure 5-20 Research Data Sought by Consumers' (Q#20 Cont.).....	58

Figure 5-21 Satisfaction with Online Shopping (Q#25).....	59
Figure 5-22 Influences on the Decision Not to Buy Online (Q#28).....	60
Figure 5-23 Usability of Website (Q#29).....	62
Figure 5-24 Participants Know about PayPal (Q#31).....	62
Figure 5-25 Have a Credit Card (Q#32).....	63
Figure 5-26 Monthly Use of Credit Card (Q#33).....	63
Figure 5-27 Participants Know About Online Banking (Q#31 Cont.).....	64
Figure 5-28 Knowledge of Online Stores (Q#34).....	65
Figure 5-29 How the Participant Knows About Online Shopping (Q#34 Cont.).....	65
Figure 5-30 Online Shopping Benefits vs. the Benefits of In-Store Shopping.....	75

## ABSTRACT

### **An Explorative Analysis Evaluation of Electronic Retailing Customer Adoptions In the Context of Saudi Arabia**

To learn more about what people in Saudi Arabia thought about online shopping, a survey was distributed throughout public locations in three major cities: Riyadh, Jeddah, and Medina. The questionnaires investigated consumers' intersecting views regarding online and in-store shopping, and attempted to learn more about the perceived usefulness and attractiveness of online shopping in Saudi Arabia, as well as privacy or trust issues related to online shopping that are relevant for Saudi customer.

The main findings of this study revealed several important tendencies. For one, the study found that males favoured shopping online more than females. Moreover, respondents appeared to find online shopping to be relaxing due to reduced sales pressure. Also, proficiency in the English language seemed to be a determining factor in the consumer's preference to shop online. In addition, people who seemed to dislike physical shopping favoured the idea of e-shopping. The findings above are exploratory in nature due to the limited sample size and sampling process. Additional study with expanded sample across a broader Saudi Arabian geographic base could be used to confirm the use initial exploratory findings.

*Keywords:* Electronic Retailing, Factors for Customer Adoption of E-Retailing, Saudi Arabia Online, Quantitative Evaluation

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# CHAPTER 1 INTRODUCTION

## 1.1 The Objective and Research Problem

Over the past few years, information and communication technologies have impacted the way the world shops. The Internet has allowed companies to sell their products anywhere in the world by removing geographical restrictions for their customers. Even though online shopping is popular worldwide, people in Saudi Arabia, have been slow to adopt this change and move from a traditional retail shopping experience to online shopping. In Saudi Arabia, the Internet is used mostly in major cities like Riyadh and Jeddah, and in oil-rich provinces, such as those in the east. Recently, companies have been making efforts to provide online shopping options to residents in these and in all areas of Saudi Arabia. This study will address some of the factors, such as the need for privacy or social interaction, that affect consumers' decisions to make online purchases across Saudi Arabia (Sait, Al-Tawil, & Hussain, 2004). More attention to such factors could help Saudi Arabian retail websites to promote and benefit from online shopping.

It is not only businesses who could benefit from increased opportunities for online shopping. As Chan & Al-Hawmdah (2002) have argued, both businesses and consumers using the Internet have several advantages. As businesses profit from a larger customer base, and improved productivity, consumers may gain the advantage of reduced prices. Consumers can also benefit from the convenience of a web-based shopping experience and the greater freedom to choose from the wide selection of items available online. A better understanding of the factors that prevent or facilitate online shopping can help to ensure that consumers' needs are being met.

Even those consumers with an interest in shopping online in Saudi Arabia face limitations. Statistics show that e-commerce has been implemented by only 9% of all private companies in Saudi Arabia, while implementation by governmental

organizations is limited to only 3% (CITC, 2007). Aleid, Rogerson & Fairweather (2009) concluded that, in comparison with other countries, online shopping is not popular in Saudi Arabia. After learning more about this lack of popularity, the objective of this thesis is to analyze barriers to consumer adoption of electronic retailing in the context of Saudi Arabia. This study will explore the dynamics of the electronic retailing market in Saudi Arabia, and explain major factors affecting customer decision-making in particular: how privacy, perceived usefulness, and the personal shopping experience affect a consumer's intention to buy (or not buy) online. The results of this research will assist retail organizations and online merchants to better shape their expectations of online retailing. This study will provide some insight into what Saudi consumers are looking for when they shop for products and services online, helping companies to understand customer concerns and improve online retailing.

Many researchers have investigated barriers to e-shopping adoption and the major factors that affect customer decision-making. For instance, Al-Maghrabi & Dennis, (2009) published a university report that measured gender differences in regards to the continuance of online shopping intentions in Saudi Arabia. These authors acknowledge that there is a lack of research conducted on internet shopping in Saudi Arabia. Elsewhere, Bigdeli, Afaghzadeh, Albadvi, & Abdolvand (2009) demonstrated that cultural norms, such as social observances and technical usability, were a significant barrier to online grocery shopping in the Iranian market. Kurnia, Leimstoll, & Schubert (2005) evaluated website usability and consumer attitude in regards to e-grocery purchases in Australia and Switzerland. Chan & Al-Hawmdeh (2002) analyzed the impact of government initiatives on e-commerce adoption in the Singaporean market. Limayem, Khalifa & Frini (2002) have considered consumer attitudes and intentions to buy online. In a study by Ogawara, Chen, & Zhang (2003), researchers compared internet grocery websites in Japan with those in the United States. Ramus & Nielson (2005) evaluated consumer attitudes and concerns towards e-retailing in the United Kingdom and Denmark. The next chapter will expand on these studies.

While these studies contain important data, there is a lack of research directly related to e-retailing in Saudi Arabia. In particular, the factors relevant to consumer adoption in Saudi Arabia have been underexplored, as the existing studies focus on other markets. Al-Maghrabi & Dennis (2009) were among those few that have focused on the Saudi Arabian market. However, they only focused on measuring the role of gender differences in regards to continuous intentions to shop online. The participants in Al-Maghrabi & Dennis' study were individuals who were active users of the Internet and who were engaged in regular online shopping in Saudi Arabia. In contrast to that study, this research will consider a random sample of subjects, including people who have never shopped online.

## 1.2. Research Hypotheses

Based on the research problem, and the related models and concepts discussed in the next chapters, the following hypotheses were formulated:

1. **In-store Shopping Experience:** Traditional shopping (in-store) is a major social activity in Saudi Arabia. This is especially true for women, since there are few alternative social activities available due to socio-cultural influences. Therefore, visiting an air-conditioned shopping mall is among the few activities available for socialization and relaxation. Although the personal shopping experience has been mentioned by other researchers, we expect this factor has a stronger effect on why online shopping is not preferred over traditional shopping.
  - **H1:** There is a negative relationship between the in-store shopping experience and the intention to buy online.
  - **H2:** Online shopping negatively correlates with the in-store shopping experience.
2. **Perceived Usefulness:** Another factor affecting the decision to buy online is perceived usefulness. Al-Maghrabi & Dennis considered this factor very generally, and hypothesized that due to the possibility of “product-related information prior to

purchase” people will perceive online shopping as more useful than traditional shopping (2002, pg. 905). Al-Maghrabi & Dennis also assert that customers will likely evaluate this factor as more important than the hedonic aspects of the shopping experience. However, it is vital to consider the importance customers place on seeing, feeling and trying a product when shopping in-store. Further, in-store employees have the knowledge and capacity to explain products well to customers. Certainly, e-retailing shops allow for more sophisticated and effective price comparison and may provide reviews about products. These are important factors for customers deciding whether or not to shop online. For rare products, or goods that are not available in the region, the possibility of comparing prices and virtually experiencing the product may be perceived as useful. However, most customers in Saudi Arabia still enjoy visiting different shops and negotiating prices on standard products or products available in different shops within the same mall. This part of the personal shopping experience is missing when shopping online.

Another factor of perceived usefulness is the time saving aspect of online shopping. This is may be different in Saudi Arabia, since the majority of Saudi Arabians employ drivers or housekeepers at home. This research uses a decision model as outlined by Fishbein and Ajzen (1972) (see Figure 3-1) in order to focus on factors particularly relevant to and driven by social norms within Saudi Arabia. Along these lines, the study will examine whether most of the daily shopping is performed by hired workers or not since such a practice is very common in Saudi Arabia. Therefore, perceived usefulness will be examined within the context of hired workers carrying out much of the in-store shopping. Other factors will be examined using the same socio-cultural lens.

- **H3:** The benefits of the in-store shopping experience are more important for people than the advantages of online shopping.
- **H4:** Time saving will not be a major factor for perceiving online shopping as useful.

- **H5:** Most of the daily shopping is performed by house workers and drivers.
  - **H6:** People do not expect online shopping to be more useful than shopping in-stores.
3. **Privacy:** When privacy is taken into consideration, the perceived usefulness of online shopping will change. Customer sensitivity to privacy will vary depending upon on the product being sought. In-store shopping (traditional shopping) is expected to be preferred for things like groceries, electronics and books. On the other hand, the personal shopping experience in malls and physical stores is different when purchasing products such as cosmetics or drugs, and consumers are expected to prefer online shopping due to the (perceived) anonymity of the Web.
- **H7:** For privacy-critical products, users prefer online shopping over in-store shopping.

A study by Kurnia, Leimstoll, & Schubert (2005) used the questionnaire method to collect information in order to evaluate consumers' perceptions of online shopping in countries like Switzerland and Australia. That study similarly investigated perceived usefulness, perceived ease of use and consumer trust in e-shops, and was used as model for this study.

Table 1-1 Major Factors Affecting Online Shopping and the Related Hypotheses

<b>VARIABLE</b>	<b>Hypothesis</b>	<b>Explanation</b>
<b>SHOPPING EXPERIENCE</b>	(Explanatory) H1: There is a negative relationship between the in-store shopping experience and the intention to buy online.	People that give a high rating for the in-store shopping experience are less likely to buy the same product online if they can shop for it in person.
<b>USEFULNESS</b>	(Explanatory) H2: Online shopping negatively correlates with the in-store shopping experience.	We will determine if participants will have a correlation between in-store shopping or online shopping.
	(Explorative) H3: The benefits of the in-store shopping experience are more important for people than the advantages of online shopping.	We seek to know how in-store and/or online shopping are most important or useful for participants.
	(Explorative) H4: Time saving will not be a major factor for perceiving online shopping as useful.	It is expected that time saving will not play a major role in consumer decisions between online or in-store shopping. Other factors may be more important.
	(Explorative) H5: Most of the daily shopping is performed by house workers and drivers.	Some people do not prefer the in-store shopping experience in Saudi Arabia for various reasons such as weather, traffic or time consumption and will pay house workers and personal drivers to perform most required shopping.
	(Explorative) H6: People do not expect online shopping to be more useful than shopping in-stores.	People who never, or rarely, go online shopping think that online shopping is not useful.
<b>PRIVACY</b>	(Explorative) H7: For privacy-critical products, users prefer online shopping over in-stores.	Being anonymous is important when buying certain types of products, and thus they purchase them online rather than from a traditional store.

The following tasks were undertaken to test these hypotheses:

- A literature review was conducted to analyze different findings, based on other research on the relationship between perceived usefulness, the personal shopping experience, privacy and intention to buy.

- Research was conducted to identify the most popular shopping malls in Riyadh, Jeddah and Medina (three of the major cities in Saudi Arabia).
- Geographical and demographical sampling was undertaken.
- A questionnaire was prepared to analyze the important parameters for the intention to buy online.
- Sampling and data collection, including the quantitative evaluation of the selected samples in Saudi Arabia, was undertaken.
- First-hand research on the relationship between perceived usefulness, the personal shopping experience, privacy and the attitudes/intentions of test users to making purchase decisions was carried out.
- For validating the results, statistical data analysis methods were used to check the reliability and significance of the data.
- A detailed discussion of the findings is provided.

### **1.3. Organization of Thesis**

The rest of the thesis is organized as follows:

#### **Chapter 2: Literature Analysis**

Chapter 2 reviews various research studies that have been carried out in different countries such as Singapore, Japan, Switzerland, Australia, Iran and Saudi Arabia. All studies address electronic commerce and the factors that affect customer intention to buy or not to buy online.

#### **Chapter 3: Background Information and Major Concepts**

Chapter 3 provides some background information about Saudi Arabia and defines the main factors in the current study and research model.

**Chapter 4: Research Methodology**

Chapter 4 explains the research methodology of this study, which will be classified as a quantitative approach. A questionnaire and statistical analysis of responses will be used to address the research hypotheses presented in section 1.2. Chapter 4 gives details on the research procedure, including which malls and stores were visited, which methods were used to distribute questionnaires and how data was collected.

**Chapter 5: Results**

Chapter 5 contains analysis of the data following from the questionnaire answers. This chapter will outline the findings related to our analysis of questionnaire data. As well, data will be analyzed in relation to the study hypotheses. The details of the hypothesis testing and a discussion of the findings will be provided in this chapter.

**Chapter 6: Conclusions**

This final chapter summarizes the research, examines the study limitations, and concludes the present work by outlining possible future research.

## CHAPTER 2 LITERATURE REVIEW

Many researchers have investigated barriers to e-retailing adoption and the major factors that affect customer decision-making. The following studies review the current associated literature on the topic of e-retailing from a scholarly perspective. The studies discussed in this review are those most pertinent to the introduction and use of e-retailing within non-Western cultural environments (like Saudi Arabia).

### 2.1. Review of the Literature

Chan & Al-Hawmdeh (2002) discussed e-commerce in Singapore and stated that the government understands and recognizes the importance of information technology and the impact it has on the economy. Their study found that the Singaporean government decided to invest in e-commerce with the hope of improving their economic standards. Singapore established a proper service hub called the “E-Commerce Infrastructure.” (Chan & Al-Hawmdeh, 2002, p. 279). This hub provided the public and private sectors with easier access to the Internet. The advantage of having this hub was that it could also be used for global orientation, meaning that it had the potential of establishing international connections with other companies on a global scale. The government in Singapore recognized that improved e-commerce could positively impact the economy, as online sales increased up to 50% (Chan & Al-Hawmdeh, 2002, p. 286). Chan & Al-Hawmdeh examined how Singapore was able to successfully plan a move from a traditional business design to a more internet-based infrastructure. With the use of an “e-commerce master-plan,” Singapore encouraged “businesses to use e-commerce strategically to enhance their productivity and competitiveness,” while also promoting the benefits of e-commerce to businesses and to the public (Chan & Al-Hawmdeh, 2002, p. 282). The Chan & Al-Hawmdeh study provides information that may help the Saudi government to increase the use and ease

of use of high speed Internet services in Saudi Arabia. Also relevant for this thesis, the study outlines how promoting online shopping can lead to increased business profits.

Another study, conducted by Ogawara, Chen & Zhang (2003), provides insight into different aspects of internet grocery sites in Japan. The study concludes that in order to increase the value for customers, Internet grocery sites must focus on solid business transactions and exceptional physical distribution of products. The study also examined e-grocery markets in the US, and Ogawara, Chen & Zhang found that the traditional grocery stores (such as supermarkets) were creating e-grocery shops. These stores were shown to be more successful than e-grocery shops that stored their products in warehouses and did not have a physical store where they sold products. The researchers demonstrated that the number of online purchases helped companies decide whether or not to sell directly from the store to their customers. Additionally, the study found that sales websites needed to be user friendly and target potential customers in order to prevent bounces from the website before people were finished shopping. Ogawara, Chen & Zhang concluded that businesses needed to be conscientious of the types of products sold on their websites, and that they should take heed of the traditional grocery-buying customers' needs in order to provide better customer service.

In order to understand other factors that led consumers to purchase goods online, we reviewed a study by Limayem, Khalifa, & Frini (2000). The study provided insight into the considerations that garnered customer attention. The researchers found that flexibility, low costs, and efficiency were among the main reasons consumers purchased goods online. However, they found that there were consumers who hesitated to make purchases online because of trust issues, privacy, and security concerns. The study examined factors such as consumer attitudes and intentions to purchase, as well as the perceived consequences of purchasing products online.

Ramus & Nielsen (2005) researched the factors that influenced consumers to use e-retailing in the United Kingdom and Denmark. Their focus was on consumer beliefs and concerns. The researchers found that some consumers appreciated online shopping because it was time-efficient and non-restrictive. These consumers did not

need to physically visit the stores and they could shop at any time they wanted. However, consumers had trust issues when it came to online transactions. They were constantly seeking further information concerning products before committing to a purchase. Some of them were skeptical that the product would turn out as expected. Certain consumers were not used to shopping in isolation and feared they would miss out on social interaction. Study participants were satisfied when they could compare several products in terms of price and quality. However, focus group participants were hesitant to buy online due to the possibility that shipping expenses for a small amount of goods might be too high. Furthermore, Ramus & Nielsen found that consumers preferred websites to be simple in design and easy to navigate, and that this ensured repeat customers to the website. The biggest noted concern of shoppers online was privacy. Shoppers were skeptical of the safety of online transactions. Ramus and Nielsen (2005) concluded their study by explaining that there might always be consumers on one side of the spectrum unwilling to take the risk of online shopping, while on the other side of the spectrum will be others willing to take a risk, as long as they can take heed of things like website authenticity.

Bigdeli, Afaghzadeh, Albadvi, & Abdolvand's study (2009) was based in Iran. The authors wanted to analyze online shopping behavior and the barriers to online shopping faced by a developing country like Iran. The study identified five main factors that affected online shopping in Iran. The first factor was the social factor. The authors found that business owners did not want to take the entertainment aspect out of shopping. Moreover, consumers that participated in the study tended to associate traditional shopping with socializing, especially among family and friends; thus, the use of Internet technology minimized the enjoyment of the social process of shopping.

Use of technology was the second factor explored in this study, and an essential factor as technology makes e-shopping possible. The study found that Internet connection speed in Iran was very slow, since most people used a dial-up connection. Consequently, purchase and payment transactions are typically slow, making the entire

process time consuming. The authors also reported that many Internet users in Iran are confused with webpage layout and were thus discouraged from e-shopping.

Factor three was confidence, meaning that some consumers might not feel confident enough to purchase products and goods online. Issues such as product quality and reliability might arise, and so some people may feel more comfortable in a traditional, face-to-face shopping environment, where they can physically touch the product. The authors found that people felt confident buying specific online products, such as books, CDs and DVDs, but not grocery items or cosmetics, as they preferred to sample the latter prior to making a purchase.

The fourth factor discussed in this study was the issue of trust. The authors found that this was a big concern for consumers, especially when the need arose to input sensitive information (i.e. credit card or banking information) on a website in order to make a purchase. However, the study findings showed that Iranian people do like online banking and consider it an advantage of the Internet technology.

The fifth and last factor explored in this study was privacy. This issue was sensitive, especially for the Iranian culture where privacy is deeply rooted in religious traditions. The consumers that took part in the survey revealed that they were cautious about providing personal information, such as name, gender, or credit card details, especially when shopping online, as they were worried about their data being misused. Bigdeli, Afaghzadeh, Albadvi, & Abdolvand (2009) found that these five factors were highly important for a culture like Iran when it came to online shopping. Social and technical issues are environmental factors that most companies planning to incorporate an online store in their line of business do not have the power to change. However, companies do have the ability to use a high quality IT interface in order to increase the trust factor.

An additional study reviewed for this research evaluated electronic grocery shops in Australia and Switzerland. Kurnia, Leimstoll, & Schubert (2005) based their research on the Electronic Web Assessment Model (EWAM), which allowed them to

analyze the effects of website usability based on consumer attitudes. The study consisted of evaluating online grocery websites from a consumer's perspective. The researchers found that a website's interface was an important factor for potential consumers, who appreciated a website that was easy to navigate. The consumers were also concerned with website security and privacy policies in terms of sensitive information. To conclude their study, Kurnia, Leimstoll, & Schubert pointed out that consumers were looking for websites that were trustworthy, convenient, easy to use, and secure. The researchers suggested that business owners should evaluate their business structure to see how willing consumers would be to use the website.

Finally, Al-Maghrabi & Dennis (2009) have the only study identified by this research that analyzes the Saudi Arabian market. Al-Maghrabi & Dennis (2009) measured the differences in gender in regards to the "continuance of online shopping intentions in Saudi Arabia." (p. 901). They found "that perceived enjoyment, perceived usefulness, and subjective norms are the main determinants of continuance intentions in Saudi Arabia" (p. 912). Although Al-Maghrabi & Dennis studied the determinants of intentions to buy online in Saudi Arabia, the focus of their research was on measuring the impact of gender on the likelihood of continuing with an online shopping experience. The subjects of their study were people who were actively pursuing online shopping. The authors stated that "men are more influenced by evaluations of the utilitarian usefulness of technology, whereas women tend to accept technology based on their hedonic experiences and the opinions of others" (Al-maghrabi & Dennis, 2009, p. 913). Knowing how gender differences factor into who likes to do online shopping is important for businesses, so they can promote online shopping effectively to both men and women.

## **2.2. Differences between this study and those outlined above**

Most of the studies conducted were based on a certain level of e-business activity in the country of focus. In studies surveying e-business activities, study participants were generally drawn from the population of active Internet purchasers.

The research by Al-Maghrabi & Dennis (2009) is a good example. In contrast, my study draws from a random sample that includes people who both have and have never shopped online - it is hoped that such a sampling will better represent a wider portion of the overall Saudi population. Another reason is that many people are potential Internet shoppers, although they might never have shopped online to date. Such users still can provide data about the potentials of e-shopping in Saudi Arabia.

As evident from the above literature review, people's education, availability of mobile devices, openness to the use of technology, and Internet speed support are among the key factors that affect online retailing adoption. Although these factors have already been studied by other researchers, none of the identified studies in this field known to me have addressed the dynamic nature of the Saudi Arabian market. First, the demographic makeup of the population of Saudi Arabia has rapidly changed in the last few years, with teenagers being one of the largest segments. Age and the acceptance of Internet technology is one aspect potentially impacting e-retailing in Saudi Arabia.

Second, Internet usage and mobile device adoption has rapidly changed in recent years in Saudi Arabia. This is particularly due to the market penetration of smart phones, such as the iPhone and Android devices, which is a trend for younger customers. Other advances have been made in terms of communication infrastructures, education, and the openness of the society in recent years. While only 4.7 million of 24.1 million Saudis were using the Internet in 2007, this grew to over 9.8 million of 25.7 million Saudis using it in 2010 (IUMR, 2010). In 2011, 57.8 of 100 inhabitants in Saudi Arabia had a broadband mobile subscription (ITU, 2011), which is equal to more than 15.4 million people. If we compare this number to the 4.7 million Internet users in 2007, it becomes clear that the Saudi Arabian Internet usage has rapidly changed. In fact, this is a huge change for the market, justifying an investigation of the consumer adoption of online retailing. It is expected that today's young customers, in particular individuals aged 18 to 24, are more open to purchasing products online compared to people in this age group only a few years ago. For example, Al-Maghrabi & Dennis (2009) gathered data for their research in 2008 or earlier. Unfortunately, there is not

much information available about younger users in the Al-Maghrabi work. In contrast, the data collection for this thesis took place at the end of 2012, and the sample included many young individuals in contrast to the sampling of Al-Maghrabi & Dennis. This thesis will consider this younger demographic (ages 18-25) with the goal of learning the impact of this group and the broadened exposure in Saudi Arabia more generally to an Internet-exposed environment.

## **CHAPTER 3    BACKGROUND**

### **INFORMATION AND MAJOR CONCEPTS**

#### **3.1 Background Information**

Saudi Arabia, with a population of about 27 million (Information Office of the Royal Embassy of Saudi Arabia, 2012), is among the largest countries in the Middle East. Saudi Arabia is located in Southwest Asia and also spreads onto the African and European continents (Map of Saudi Arabia, 1998-2012). Early use of the Internet in Saudi Arabia started in 1994 with limited access to the public. At that time, the Internet was used mainly for medical and academic research. Wider public access was granted in 1997. By 2000, the number of people using the Internet had grown to approximately 200 000, and by 2010 over 9 800 000 people were using the Internet in Saudi Arabia (CITC, 2012).

One demographic study indicated that in 2007 approximately 68% of the people that logged onto the Internet were teenagers, with 73% of 15 to 25 year olds owning computers (CITC, 2007). The same study showed that in the overall population, 43% of people who owned computers in Saudi Arabia were between the ages of 15 to 60 years. This group surfed the Internet for social networking purposes (i.e. Facebook and MySpace), leisure (i.e. YouTube and online gaming sites), or communication (i.e. MSN and Yahoo Messenger). Saudi Arabian people most commonly stated the reason for having a computer was for Internet use (general browsing, e-mailing, and for basic communication) (CITC, 2007). In addition, the CITC report showed that 64% of people between the ages 15 to 24 years old used the Internet for watching movies and listening to music, and 56% of them played computer games; people between 35 to 45 years old used it for personal productivity (word processing and other work-related activities).

Those who did not own computers lacked the ability use one, and this was especially true for those aged 55 or over (CITC, 2007).

Also according to the CITC study (2007), nearly 76% of companies or organizations used computers for a variety of purposes, depending on the size of the organization. The study revealed that 66% were small businesses, 94% were medium organizations, and only 97% were large organizations. Of these, only 39% owned a host website and only 9% of them used it for e-commerce (CITC, 2007). Approximately 25% of businesses that did not own a computer did not think it was important, since they assumed that computers were not related to their business, and thus unnecessary. This applied, for example, to grocery stores, where computers were not seen as beneficial, and to small businesses that did not employ trained or highly skilled employees (CITC, 2007). Furthermore, these small businesses lacked the funds and knowledge necessary to use technology (CITC, 2007). The same study showed that 22% of people aged 25 and over used the Internet for various online activities such as communication, the collection of information, and entertainment. Of this group, 91% used the Internet from home and 96% of home users were women (CITC, 2007). This thesis, carried out in 2012, shows a much higher up-take of Internet activity. This data will be examined in Chapter Five.

### **3.2 Definitions**

**Electronic Retailing:** Also called e-retailing, this is commerce carried out electronically (online) for the purpose of selling. Examples of e-retailing are grocery and online supermarket sites (Rosen & Howard, 2000), or e-retailing sites like eBay and Amazon.

**Usability:** According to Hollowgrass (2010), usability is defined as “the extent to which consumers can use specific products, goods, or services”.

When talking about usability, we mean the extent to which accessing the Internet via any device, browsing websites, finding products, and completing orders is

perceived to be easy to carry out and effective for the purpose of e-retailing. Usability also indicates the need for a basic ability of technology use in order to make purchases online (Selz & Schubert, 1997). Particularly for e-retailing, it is important to have knowledge of web-based applications that are used for retailing purposes at a business-to-consumer (B2C) level.

**Trust:** Oxford Dictionary defines trust as a “firm belief in the reliability, truth, or ability of someone or something” (2010). Trust is applied to online consumers and how much they trust electronic retailing, in general, and web-based applications in particular. Trust is an important factor when consumers need to decide whether or not to purchase particular goods or services (Mcknight, Carter, Thatcher, & Clay, 2011; Kim, Chung, & Lee, 2011; Chen & Barnes, 2007). For the purpose of this study, the arena of trust focuses on the relationship between business and consumer. In particular, it includes trust in the payment method, trust in receiving the purchased objects on time, and trust in the quality and authenticity of the goods.

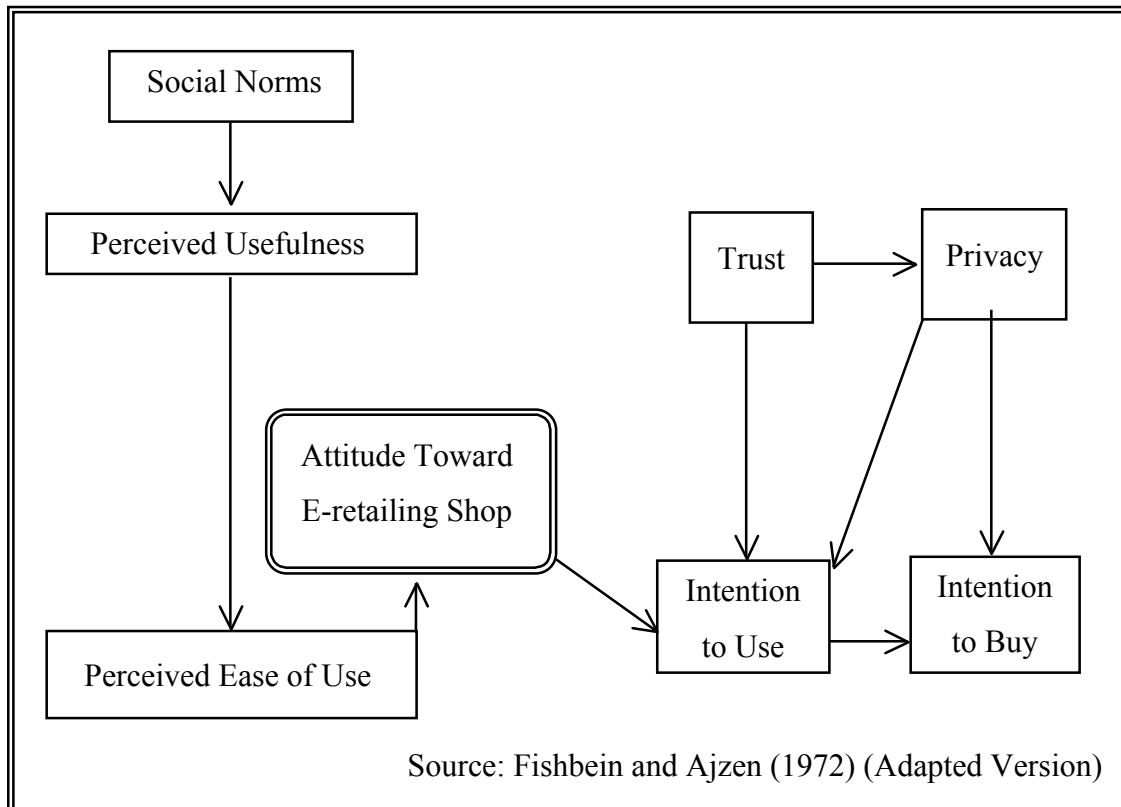
**Privacy:** Privacy occurs when something is concealed, secret, or confidential. Privacy applies to personal information. Consumers resist providing their names, ages, gender, and other personal information for cultural reasons when online shopping (Bigdeli, Afaghzadeh, Albadvi, & Abdolvand, 2009). For the purpose of this research, we would like to analyze the reasons why consumers in Saudi Arabia hesitate to disclose personal information and how this impacts the potential for e-retailing in Saudi Arabia.

### **3.3 Factors Affecting the Intention to Buy Online**

This section will talk about factors that affect people’s intention to buy online. According to Fishbein & Ajzen (1972), a person’s attitude, either positive or negative, will influence how he/she feels about engaging in a given behavior. This means that attitude plays a major role in a consumer’s intention to buy, with positive attitudes toward buying increasing the probability that he/she will make purchases. Attitude is one of several factors that affect the intention to buy online. Figure 3-1 illustrates the

links between these factors, which include social norms, perceived usefulness and ease of use, trust and privacy.

Figure 3-1 Factors Affecting the Intention to Buy Online



Electronic Business success depends, in part, on whether online buyers will trust sellers, especially when sellers are unknown to them (Hu, Lin, & Zhang, 2003). When a trustful relationship is not built between the consumer and the business, the possibility of maintaining a transactional relationship is impeded. There are a large number of online users concerned about their confidential information being misused (Acquisti & Grossklag, 2005; Hussain, 2007). This concern for privacy is an important factor affecting online consumers' decisions about purchasing. In order for trust to be developed and maintained between businesses and consumers, e-businesses must assure consumers that any information they disclose will not be misused. In order for this to

happen, e-retailing shops must implement methods through which consumer privacy will always be protected. Furthermore, the business must effectively communicate to the consumer the type of security that has been put in place, keeping consumers aware and at ease at all times. This will increase the probability that trust will be established, leading to an increase in consumers' intention to buy.

Another important factor affecting consumers' intentions to buy online is whether they can easily use e-retail sites for shopping. Perceived usefulness "is defined as the extent to which a technology is expected to improve a potential user's performance" (Davis, 1989, 1993, as quoted in Park et al, 2010). Perceived ease of use is the extent to which a person finds a particular technology to be simple and uncomplicated for completing a task. These two variables greatly influence whether a person will have a positive or negative attitude towards technology, and indirectly, toward e-retailing. Attitude towards the ease of use and usefulness of e-retailing tools are therefore linked to attitudes affecting intention to buy (Bellman, Lohse, & Johnson, 1999; Ramus & Nielsen, 2005).

Social norms also directly and indirectly affect attitudes toward shopping. Social norms consist of the beliefs and norms of a society, and the extent to which consumers rely on these norms influences whether or not a technology will be used (Dickinger, Arami, & Meyer, 2008). For example, in Saudi Arabia, the social norm is for women not to drive. This has a dramatic impact on the ability of women to shop in public shopping venues and may be a factor in encouraging women to shop online. The interaction of various factors, including social norms, will affect peoples' overall motivation to shop virtually.

As per the Fishbein and Ajzen model (1972), factors that affect the intention to buy online stem from social norms, perceived usefulness and perceived ease of use of e-commerce websites. Usability is related to peoples' need to know how to use a computer and the Internet in order to shop online. Privacy and trust also are factors that increase or decrease willingness to shop online. The result of the interaction of all of the above-noted factors is the final decision to buy or not buy online. Both the Fishbein and

Ajzen model and our literature review findings point to these factors as key for consumers deciding whether or not to shop online in Saudi Arabia. This study will focus on analyzing the effects of perceived usefulness and privacy on the intention to make online purchases in a Saudi Arabian context.

## CHAPTER 4 RESEARCH METHODOLOGY

This chapter will describe the approach taken in this study to gather and analyze research data related to e-retailing in Saudi Arabia. This section specifically describes the methods and procedures used in answering the research questions, including how data was obtained and description of the key research instruments. It also describes the recruitment processes used to gather study participants, the inclusion criteria and methods of sampling for the study. This research has been carried out in the following major phases, as shown in Table 4-1:

Table 4-1 Research Agenda in Three Major Phases

<b>PHASE I</b>
<ul style="list-style-type: none"> <li>• Developing research method</li> <li>• Construction of questionnaire</li> </ul>
<b>PHASE II</b>
<ul style="list-style-type: none"> <li>• Preparation of ethics board application</li> <li>• Obtaining necessary permits from authorities</li> <li>• Contacting collaborators</li> <li>• Preparing and distributing online forms</li> <li>• On-site research in Riyadh, Jeddah and Medina</li> </ul>
<b>PHASE III</b>
<ul style="list-style-type: none"> <li>• Data entry and first validations to clean up non-valid data</li> <li>• Visualization and interpretation of results</li> <li>• Statistical analysis and hypothesis testing</li> </ul>

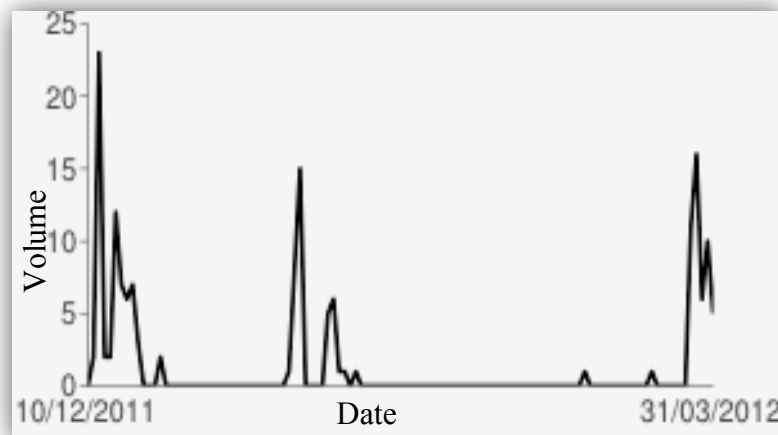
### 4.1 Research Methods

Barriers to e-commerce adoption have been studied in various countries (Bigdeli, Afaghzadeh, Albadvi, & Abdolvand, 2009; Kurnia, Leimstoll, & Schubert, 2005; Al-Maghrabi & Dennis, 2009). For this research, questionnaires were used to help study e-commerce adoption. Looking at the literature and a quantitative, cross-

sectional research method, an approach used in similar studies (noted above, in Chapter 2), seemed to be most appropriate for this study.

This study was approved by the ethics board of the University of Ottawa to be carried out from November 30th, 2011 to November 29th, 2012 (see *Appendix J – Ethics Approval Certificate*). The data collection started on December 1st, 2011, and continued until March 31, 2012 (see Figure 4-1). The research has been designed as a cross-sectional study that analyzes the e-retailing market in Saudi Arabia.

Figure 4-1 Responses Over the Time Period



## 4.2 Recruiting, Sampling, and Data Collection

The cultural and physical scope of this research focused on major metropolitan areas in Saudi Arabia, such as Jeddah, Riyadh, and Medina. The target population were potential customers for e-retailing including men and women over eighteen years of age, living in Saudi Arabia. Both natives and foreigners living inside the country were included in the study, as they could all provide important insights about the barriers to e-retail adoption in Saudi Arabia. This includes reasons for using e-retailing, as well as reasons why some people do not use it.

For data collection, questionnaires were distributed online, as well as in person; to reach subjects that never use the Internet, we chose to directly contact customers' in-

stores. Both the online and hardcopy questionnaires contained the same set of questions (see *Appendix L – English and Arabic Questionnaire*).

#### **4.2.1 Hardcopy Questionnaire Distribution**

The hardcopy questionnaires were distributed in Riyadh, Jeddah and Medina. Riyadh and Jeddah are the two largest and most important metropolitan areas in Saudi Arabia (American Library of Congress, 2006). Medina is a smaller city, but it has major significance for Muslims; pilgrims from across Saudi Arabia visit the city. Overall, these three cities are visited by many types of residents of Saudi Arabia. In these cities, questionnaires were distributed at shopping malls, stores and a university, as people from different demographics could usually be found in these locations. Selecting candidates for this research from these locations in Riyadh, Jeddah and Medina provided a large and diverse sample size of Saudi Arabians.

In Saudi Arabia, shopping malls are social hot-spots for women, offering them all kinds of necessary goods and services. In Riyadh, men cannot enter the larger malls without women because the shopping malls are only open to families (Fleming, 2010). A variety of malls were selected in order to capture the views of both men and women. For the purpose of sampling, shopping malls of different sizes, from different geographic locations were selected, based on random distribution – six malls in Riyadh, three in Jeddah, and one in Medina. Malls in Riyadh were visited from Jan 8 – Jan 18, 2012; the ones in Jeddah from Jan 24 - Jan 28, 2012; and the mall in Medina on Feb 7, 2012. In Riyadh, hardcopies of the questionnaires were distributed to people from Feb 9 – Feb 13, 2012, without the requirement to respond the same day. Respondents were told where they could submit their completed questionnaires at a later time (see Table 4-4).

Table 4-2 Recruiting Subjects in Locations in Three Different Cities in the KSA

<b>From</b>	<b>To</b>	<b>City</b>	<b># locations</b>	<b>Name and Type of Location</b>
Jan 8, 2012	Jan 18, 2012	Riyadh	6	Al-Riyadh Mall: Traditional mall: a variety of mini markets and stores that sell clothes, shoes, hair products, and cosmetics. Al-Shula Mall: Traditional mall: a variety of mini markets and stores that sell clothes, shoes, hair and salon products. Olaya Mall: Modern mall: a variety of different high-end stores and well-known brands like Guess, Coach, Nike. Saudi Pharmacy: Medical and health store. Al-Othaim Mall: Traditional mall: one of the largest grocery malls that also sells clothing items. Princess Noora Bint Abdulrahman University: Educational institution.
Jan 24, 2012	Jan 28, 2012	Jeddah	3	Extra Store: Electronic hard-ware store. Red Sea Mall: Modern mall: a variety of different high-end stores and well-known brands like Guess, Coach, Nike. Jarir Bookstore: Bookstore and electronic hard-ware store.
Feb 7, 2012	Feb 7, 2012	Medina	1	Al-Noor Mall: Modern mall: a variety of different high-end stores and well-known brands like Guess, Coach, Nike.

The choices of shopping malls and stores used for this study were based on geographic location, price range and the kinds of products sold (Table 4-3).

Table 4-3 Category of Venue

<b>City</b>	<b>Geographic Location</b>	<b>Price Range</b>	<b>Category</b>	<b>Selected Venue</b>
Riyadh	High-income neighbourhood	Upscale	Shopping Mall	Olaya Mall Princess Noora University
Jeddah				Red Sea Mall
Medina				Al-Noor Mall
Riyadh	Middle-income neighbourhood.	Middle class	Speciality stores	Al-Othaim Mall, Saudi Pharmacy & Extra
Jeddah				Jarir Bookstore
Riyadh	Lower income neighbourhood	Lower-middle class	Discount stores	Al-Riyadh Mall & Al-Shula Mall.

The time slots for questionnaire distribution were assigned randomly to the malls. The random assignment considered the different sizes and characteristics of the mall. For practical reasons, this research investigated the ten randomly selected malls, bookstores, pharmacies and electronic hard-ware stores in advance and identified the most crowded areas at all levels, which could serve as likely spots to contact many people. Medina was the exception to this rule, as it is a small city; it has only three large malls and we picked one of these based on where people like to go the most in Medina.

Table 4-4 Plan for On-site Research in Riyadh, Jeddah and Medina

<b>City: Riyadh, Central Region of the Kingdom of Saudi Arabia</b>					
<b>Date a /Time</b>	<b>Store Name</b>	<b>Type of venue</b>	<b>Location of subjects</b>	<b>Why this Location?</b>	<b>Why this time?</b>
Jan 08, 2012 10:30 am – 11:30 am	Al-Riyadh Mall	Traditional	By the main gate (Gate#1)	One of the main entrances where we could reach people entering or leaving the mall.	At this time it was possible to target people who are unemployed, retired, seniors, housewives and people who avoid peak periods.
Jan 10, 2012 8:30 am – 9:30 pm	Al-Shula Mall	Traditional	2nd floor, beside the escalator located in the middle of the mall.	It is in the middle of the mall. This location was very busy with people going up and down.	It was peak shopping hours. Also, it was not school or work hours, which meant that people who were present were of varying backgrounds.
Jan 12, 2012 4:30 pm – 5:45 pm	Olaya Mall	Modern	Middle of the mall, close by gate #1	This mall has one floor, with a big space in the middle where people wait for their partners.	It was a busy location at this time; Thursday was chosen as it is the beginning of the weekend in Saudi Arabia.
Jan 14, 2012 4:30 pm – 5:30 pm	Saudi Pharmacy	Medical and health store	By the cashier	Close to the cashier, the researcher could reach people waiting on the line.	Most people were on their way home from school or work and passing through to buy things they need.
Jan 16,	Al Othaim	Traditional	1st floor, waiting chairs	As this was around prayer time, people going in and out of the prayer room	

2012 5:30 pm – 7:30 pm	Mall		close to the prayer room.	could be reached, as well as those who did not pray.	
Jan 18, 2012 9:30 am – 10:30 am	Princess Noora Bint Abdurahman University	University	Administrative office	To reach employees who are familiar with the Internet	The administration office at the University is open from 8:00 am to 2:00 pm.
<b>City: Jeddah, Eastern Region in the Kingdom of Saudi Arabia</b>					
Jan 24, 2012 4:30 pm – 5:30 pm	Extra	Electronic hard-ware store	By the exit	I could catch people as they made their way out of the store.	Peak period.
Jan 26, 2012 7:30 pm – 9:00 pm	Red Sea Mall	Modern	By the entrance	I could reach people as they made their way in or out of the mall.	The mall is typically busy at this time since the weather is usually cooler.
Jan 28, 2012 4:30 pm – 5:00 pm	Jarir	Bookstore + Electronic hard-ware store	By the cashier	I could reach people who had just finished making a payment.	Peak period.
<b>City: Medina, Eastern Region in the Kingdom of Saudi Arabia</b>					
Feb 7, 2012 7:30 pm – 9:00 pm	Al Noor Mall	Modern	By the main gate	I could reach people as they made their way in or out of the mall.	The mall is typically busy at this time since the weather is usually cooler.
<b>In Riyadh only (Collecting Questionnaires)</b>					
Feb 9 – 13, 2012	Malekan Hair Salon	Salon and hair products	By Reception/ cashier	Some participants submitted their completed questionnaires at the drop box available in this location, at their convenience.	

Due to limited time, resources, social and cultural barriers in recruiting people in Saudi Arabia, we provided 28 stores in Riyadh, 15 in Jeddah, and 7 in Medina with 100 hardcopy questionnaires for people to fill out, in addition to conducting face-to-

face recruiting as shown in Table 4-2 and Table 4-4. We chose to include stores with different types of reputation, size, and in different sectors such as grocery, technology resale, clothing, books, and more. Store employees were asked to provide customers with questionnaires. The questionnaires were easily accessible on a table close to the cashier. People could decide to fill in the questionnaire on the spot and leave it in a box, or take it home and bring it back completed later. This way, subjects could choose to take their time to think clearly, providing higher quality answers. Questionnaires completed outside the stores were expected to be more complete. Participants were given the option of either completing the hardcopy of the questionnaire or filling out the online survey by following the URL provided.

#### 4.2.2 Online Questionnaire Distribution

The online questionnaire was expected to improve recruiting in terms of the number of participants and the quality of sampling. The online questionnaire was sent to a broad category of Saudi people via email; the email addresses were obtained from the Internet (social networks, general mailing list, blogs, etc.). It was hoped that this would create a snowball effect. Results of this recruitment strategy are outlined in Table 4-5 below.

Table 4-5 Online Sampling

#	Distribution Channel	Target group
1	Mailing lists, forums, and blogs	Saudi students, Saudi shop owners, Friends of friends
2	Social network contact list	Facebook users, Saudi Student association, Saudi Girls Club, Random e-mail selections
3	Posting to websites: Essoog.com, Soog.net, Saudi.souq.com, Suker.com	E-retailer consumer

The snowball sampling method has been used by researchers to reach hidden populations that are typically hard to access. Given the cultural background and sensitivity of people in Saudi Arabia to privacy, names, addresses and emails or any other contact data for the population is difficult to access. Thus, the snowball method allowed access to a further participants, and was considered as useful even though it is not a method of random sampling and is subject to bias. For recruiting subjects to fill out online questionnaires, we followed a combined approach, using snowball sampling and advertising at e-commerce stores.

Table 4-6 Summary of Questionnaire Responses Broken Down by Source

Source	Means of sending Questionnaire
E-mail lists	Students and employers from Princess Noora University. E-mail addresses obtained from mailing lists and forums.
Saudi blogs, chat rooms, local guest books	www.eq1a3.com www.hawaaworld.com www.maktoob.com www.top3rab.com
Networking sites	Linked-In Yahoo Messenger Skype Saudi forums and blogs
Personal contacts	Friend of friends email lists

### 4.2.3 Data Collection

Both hardcopy and online questionnaires had an introduction page that explained the objective and benefits of the research (see *Appendix L – English and Arabic Questionnaire*). The introduction further explained the privacy protection policy for this research and contained the necessary contact information, in case any clarification was required.

People were made aware of the surveys through posters that were displayed on entrance doors or at cashier desks. No personal guidance from our team (which consisted of me and employees working at cashier desks) or shop owners was available. Instead, the subjects had the option to contact the researcher via phone or email, to

request help or ask for clarification on any topic related to the questionnaire. A total of eight emails were received requesting further explanation. Most of the questions were technical questions regarding the saving and submission of the forms.

Table 4-7 Summary of Deployed Data Collection Methods

<b>Methods of Contact</b>	<b>Hardcopy</b>	<b>Electronic</b>
Stores visited	<ul style="list-style-type: none"> <li>• Filled in by subjects</li> <li>• Researcher present, but did not interfere</li> <li>• Help from researcher could be requested at any time</li> <li>• Researcher manually entered the data into the online system</li> </ul>	<ul style="list-style-type: none"> <li>• Subjects could decide to take home the questionnaire and respond via email. A URL was printed on the form.</li> </ul>
Stores where questionnaires were dropped	<ul style="list-style-type: none"> <li>• Questionnaires distributed in stores</li> <li>• Researcher was not present</li> <li>• Forms were filled out in stores and left in collection boxes</li> <li>• Forms were collected at the end of the day</li> <li>• Researcher manually entered the data into the online system</li> </ul>	<ul style="list-style-type: none"> <li>• Subjects could decide to take home the questionnaire and respond by filling in the online form. A URL was printed on the form.</li> </ul>
ONLINE		<ul style="list-style-type: none"> <li>• Subjects contacted via email.</li> <li>• Other subjects addressed by banners on e-commerce website.</li> <li>• Some subjects might have received a hardcopy questionnaire and accessed the URL to the online form.</li> <li>• Subjects were able to directly enter answers into the online form system.</li> </ul>

Other instruments of data collection were not explored for this research, for example interviews or phone surveys, as they were considered outside the scope of this research.

Data collection and entry was done manually and the forms were analyzed for validity. To this date, there have been no requests to avoid disclosing data from being processed or used in this research. All the data received were used for further analysis. However, some online questionnaires and hardcopies from the stores were incomplete. Thus, they were excluded from this research. Data from the hardcopy questionnaires were entered into the online system manually in a batch process.

#### **4.2.4 Questionnaires**

The questionnaire was designed to examine the dynamics of the online shopping market in the context of Saudi Arabia. It was created specifically to analyze how personal shopping experience, perceived usefulness and privacy each affect consumer intention to buy or not buy online.

There were thirty-seven questions in the questionnaire, including demographic questions on age, gender, marital status, number of children, education, and so on. After the demographics section, the questions were focused on learning more about shopping experiences, perceived usefulness, and privacy. The last part of the questionnaire addressed privacy issues for online transactions and whether respondents were willing to share their personal information as part of a payment process. Surveys were available to participants in both Arabic and English languages (see *Appendix L – English and Arabic Questionnaire*).

#### **4.2.5 Study Variables**

The variables that were used in this study are outlined in *Appendix A - Coding Key for Questionnaire Study Variables*. The first column provides a link between the variable and the corresponding question in the survey. The second column contains a name for the variable. The last column describes the type of the variable and gives an example of how the data coding were converted. This table clarifies the approach taken to analyze each element of each variable to enable hypotheses testing and analysis.

#### **4.2.6 Conducting the Study**

The questionnaire was built using a Google online document in a survey form. It contained a brief consent form and detailed instructions. The survey took about 10–15 minutes for each participant to complete. Participants could be invited via email by sending them a link to the online form. Google Documents provides an integrated functionality to send bulk emails to a list of potential subjects for recruiting purposes.

To create a snowball effect, we asked recipients to re-distribute the email among their peers and contacts.

The same questionnaire was printed for use, with some optical modifications. These hardcopy questionnaires were used for face-to-face recruiting in shopping malls and distributed in stores. In addition, a list of selected online stores were contacted to distribute the online form among their customers and to post a link on their website; follow-up phone calls were made asking these stores to kindly support the study.

Only individuals older than eighteen years of age were recruited for participation. Tourists and children were not included in the study. People that were contacted via email were asked not to participate if they were younger than 18 years old or non-residents of Saudi Arabia.

#### **4.2.7 Participant Selection**

- We generated a random number N between 1 and 6 (using a dice) then approached the Nth person that walked by.
- The objective of the research was explained to potential subjects, and they were then asked if they were willing to participate in the study. It was also carefully explained that no personal data would be collected and that all collected data would be kept anonymous.
- If people were not Saudi residents or were not adults (eighteen years of age), an apology was made and the next possible candidate was contacted.

#### **4.2.8 Ethics Committee Approval of Study Approach and Data-Gathering Authorization**

Prior to this study, we applied to the Ethics Committee of the University of Ottawa and obtained the necessary permission to conduct this study. A copy of this submission and the Ethics Committee's approval is attached (see *Appendices C-J: Consent Form, Text for E-mail Recruiting, Letter of Information for Online Stores, Letter of Information for Face-to-Face – In-store, Questionnaire for Companies who*

*do Electronic Business, Verbal Recruitment Script for Distributing Hardcopy and Online Questionnaires In-Store, and Recruitment Script for Face-to-Face).*

To obtain the necessary permission from the authorities of Saudi Arabia, we consulted the Embassy of the Kingdom of Saudi Arabia (KSA) in Ottawa, ON, Canada. A copy showing that permission for this study was granted is attached (see *Appendix K – Letter of Permission to Conduct Study in Saudi Arabia*).

#### **4.2.9 Statistical Analysis of the Data**

Upon collecting the data from the surveys, the information from the hardcopy questionnaires was manually entered into Google docs. Invalid entries were removed. A visual interpretation, in “Data Analysis” (see section 5.1), is provided that conveys the details of this process. Next, the dataset was analyzed through statistical analyses and hypothesis testing using the R program (R i386 2.15.2). These results are provided in Section 5.2, “Statistical Analysis”. Finally, an explanation of the results as well as a lengthy discussion on the findings of this research is available in the Section 5.3 titled “Discussion”.

## CHAPTER 5 RESULTS

This chapter presents the data obtained through the analyses conducted in this study, and discusses the key results. First, I will present information pertaining to the demographical distribution of the participants, as well as participants' familiarity with the technology; this background information was used to help interpret study findings. Moreover, specific results pertaining to individuals' gender, educational level, and more, will be relevant for interpretation of the findings by industry professionals who wish to target specific consumer groups. These results may also serve as a starting point for future studies in this field. In the final section of this chapter, the results are analyzed with respect to the hypotheses that guided this research.

### 5.1 Data Analysis

#### 5.1.1 Demographic Variables

Figure 5-1 indicates that around 80% of the participants in the study were female, while the remaining 20% were male. In the study, more females completed the questionnaire than males (online and hardcopy survey; see Table 5-1). There were a total of sixty-one participants (approximately 63% of the overall female subjects) that completed the survey online, of which forty-nine were females and twelve were males. On the other hand, thirty-six participants filled out the survey at the shopping malls. Of these participants, twenty-nine were female and seven were male. This pattern of results could be attributed to the stringent regulations at Saudi malls that prevent men from entering the malls without being accompanied by a female relative (Fleming, 2010). Furthermore, we hypothesize that men were less available to fill out the survey, even over the Internet, because traditionally and culturally men are the sole breadwinners of

the typical Saudi family and therefore are usually busy at work or committed to other familial responsibilities.

Table 5-1 Total Participants Presented by Gender & Type of Questionnaire Distribution

	<b>Hardcopy</b>	<b>Online</b>	<b>Total</b>
Female	29 (37%)-81%	49 (63%)-80%	78(80%)
Male	7 (37%)-19%	12 (63%)-20%	19(20%)
<b>Total</b>	<b>36</b>	<b>61</b>	97

Figure 5-1 Total Participants in this Study (Q#1)



As seen in Figure 5-2, almost half (48%) of the participants were between 18–29 years of age, while the second highest number of participants (24%) were over 50 years of age. Overall, the younger age groups (18-29 years of age) participated more than older age groups in the online questionnaire. Participants aged 50 and older preferred the hardcopy version of the questionnaire (Table 5-2).

Table 5-2 Online vs. Hard Copy Survey Completion According to Age Group

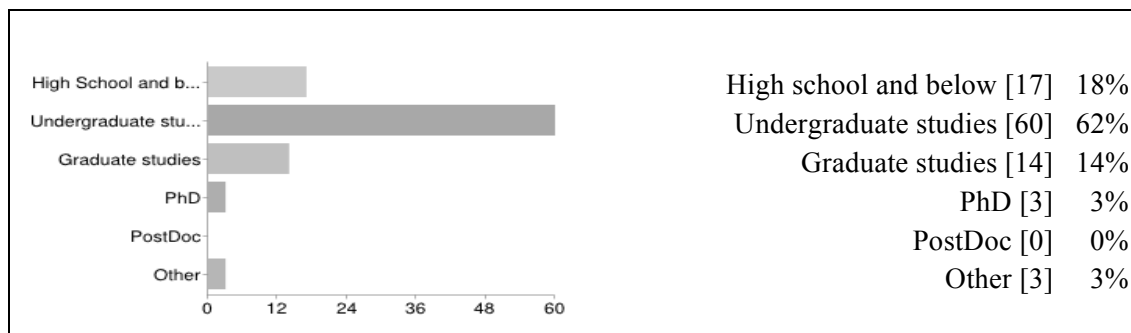
<b>Online</b>					
<b>Age</b>	<b>18-29</b>	<b>29-39</b>	<b>39-49</b>	<b>50+</b>	<b>Total</b>
<b>Number and percentage of participants</b>	<b>43 (70%)</b>	<b>10(17%)</b>	<b>2(3%)</b>	<b>6(10%)</b>	<b>61</b>
<b>Hardcopy</b>					
<b>Age</b>	<b>18-29</b>	<b>29-39</b>	<b>39-49</b>	<b>50+</b>	<b>Total</b>
<b>Number and percentage of participants</b>	<b>4(11%)</b>	<b>6(17%)</b>	<b>9(25%)</b>	<b>17(47%)</b>	<b>36</b>
<b>Total Participants</b>					<b>97</b>

Figure 5-2 Age (Q#2)



Figure 5-3 shows that most of the participants were educated, meaning that they had sufficient literacy to understand and answer the questions of the survey. In addition, as will be shown later (Section 5.2.1), education tends to be correlated with a likeliness to shop online.

Figure 5-3 Education Level (Q#5)



Arabic is the main language in Saudi Arabia. However, using the Internet often requires knowledge of the English language. More than half (56%) of websites used by the Saudi Arabian public mainly use English, one of the most common languages used by website owners (CITC, 2007).

Figure 5-4 shows that 44% of the participants spoke English, suggesting that for this percentage of the sampled population use of the Internet is not a challenge from a language perspective. It should also be noted that websites are increasingly available in Arabic, making language less of a limiting factor.

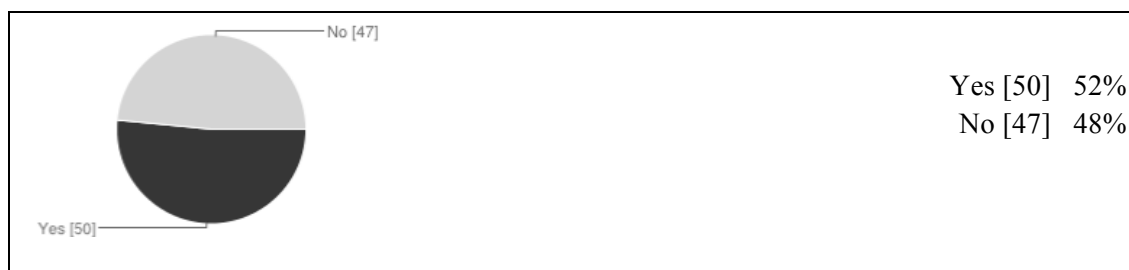
Figure 5-4 Language (Q#6)



### 5.1.2 Personal Driver and Housekeeper Availability

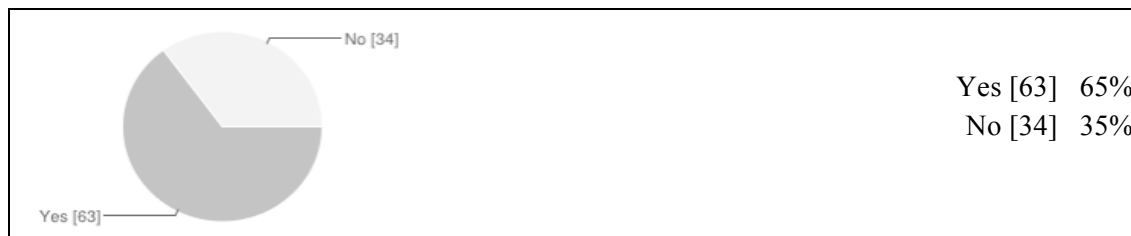
According to enforced social norms, women do not drive in Saudi Arabia. However, if a woman needs to go out for social outings, shopping, school or other purposes, her family may be able to hire a male as a private driver. This would apply particularly to women who do not have a male relative, such as a father, brother, uncle, or son, or whose relatives are busy (US State Department, 2011; Stacyx, 2011). Figure 5-5 shows that 52% of the participants had a driver at home. Of course, this does not mean that most personal drivers are used by a woman exclusively for shopping. Participants could choose to send their driver to do the shopping or to pick up deliveries. Drivers could also be used for businesses managed or owned by women, so there is not a perfect correlation between drivers available at home and the use of such drivers for shopping activities. The cultural reality of Saudi Arabia vis-à-vis women and travel outside the home strongly suggests, however, that shopping could represent a large percentage of the use of such drivers. Analysis of the questionnaire data supports this conclusion (see Section 5.2.5).

Figure 5-5 Personal Driver Availability at Home (Q#10)



The next figure shows 65% of the participants had a housekeeper, which meant that they could send the housekeeper shopping instead of doing it themselves. Data gathered from this study indicated that this was a frequent occurrence.

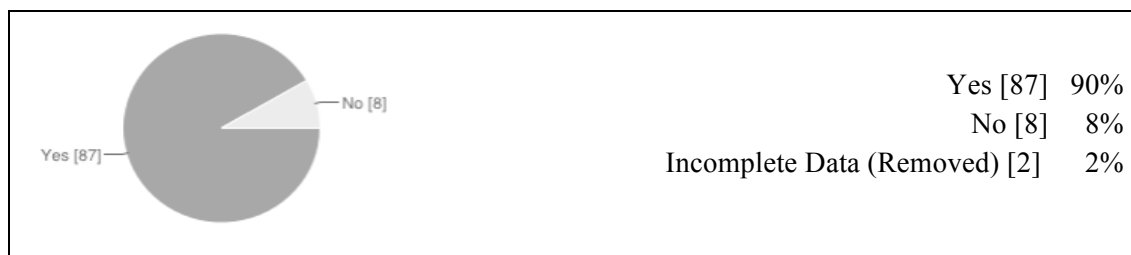
Figure 5-6 Housekeeper Availability at Home (Q#11)



### 5.1.3 Internet Background Information

Figure 5-7 shows that 90% of participants knew what the Internet was. This variable was used to validate the remaining responses that participants provided in the questionnaires. For example, if an individual responded that he/she was not familiar with the Internet, but later answered other questions pertaining to specific Internet usage, such as how frequently he/she is buying online, the earlier response was deemed invalid and excluded from the subsequent analysis where Internet familiarity was necessary.

Figure 5-7 Internet Familiarity (Q#12)



Without the Internet, people cannot shop online. The Figure 5-8 shows that 88% of the people had access to the Internet at home which provided the basic infrastructure for online shopping.

Figure 5-8 Internet Availability at Home (Q#13)

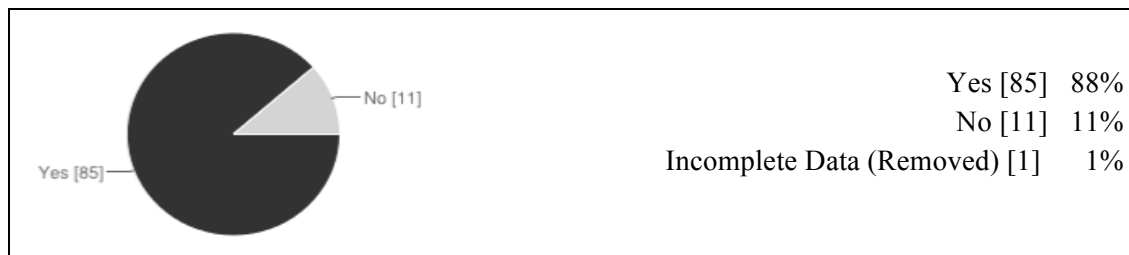
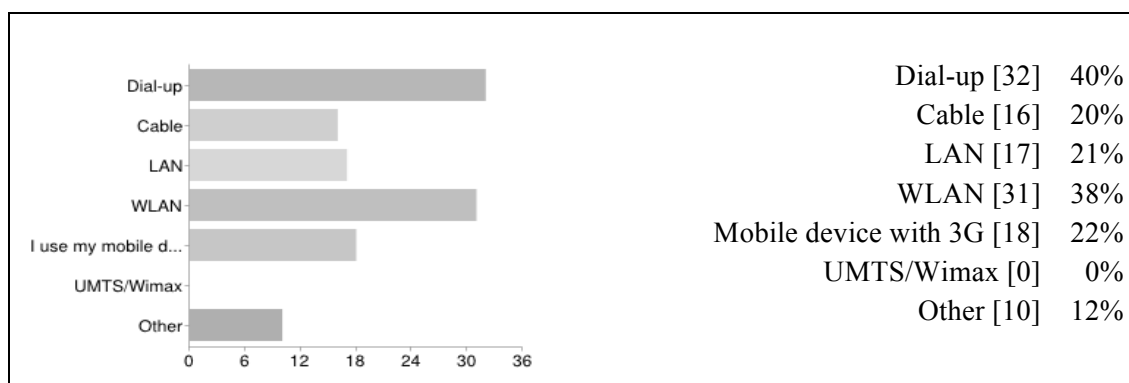


Figure 5-9 shows the type of Internet technology being used in Saudi Arabia. Wireless Local Area Connection (WLAN) and Dial-up connections were the most commonly used by the participants. The availability of such a broad range of technology provided the ease-of-use necessary to support and encourage consideration of Internet use by a broad range of users, including use for online purchasing. It should be noted that some individuals who participated in the study might not have known the difference between dial-up, cable and LAN. Moreover, some respondents might not have been able to distinguish between Mobile (e.g. WAP) and Wimax services. Consequently, Dial-up, cable and LAN were grouped in a new category referred to as “stationary”. Similarly, Mobile and Wimax were merged into “mobile Internet”.

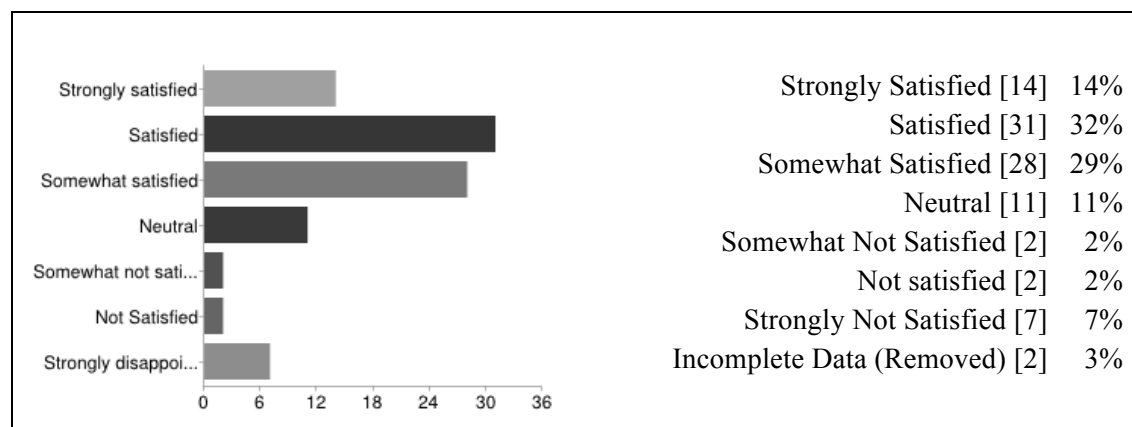
Figure 5-9 Type of Internet Available to Study Participants in Home (Q#13 Cont.)



According to this study, the majority of participants were satisfied with their use of the Internet. The data showed that many people in the sample population both had Internet services and were satisfied with using such services; this finding contradicts the

notion that a barrier to Internet purchases is an overall lack of Internet usage in the country (CITC, 2007). Still, there were people who were strongly dissatisfied with their Internet use (11% of respondents, as indicated in Figure 5-10). However, this number was significantly less than the number of responses in the broader sample group indicating relative satisfaction.

Figure 5-10 Internet Participants' Satisfaction (Q#14)



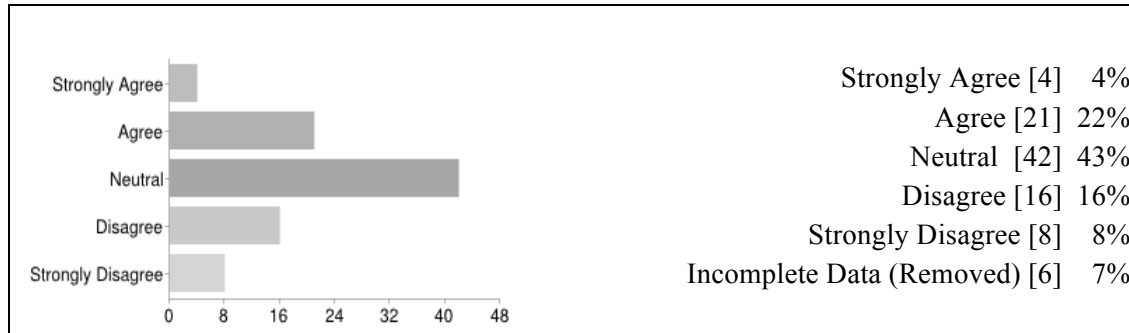
#### 5.1.4 Participants' Opinions Regarding In-Store and Online Shopping

This study evaluated barriers to online shopping in Saudi Arabia. However, in order to help interpret data regarding barriers, we asked participants for their opinions about in-store and online shopping experiences. Some responses indicated that people perceived shopping emotionally, as well as practically. The results are depicted below in Table 5-3.

As an alternative to shopping in person, there is online shopping. Figure 5-11 shows that 26% of the participants agreed that online shopping was better than in-store shopping, while 24% disagreed, indicating an almost equal balance between opposite perspectives. People who liked to shop online had successfully experienced shopping online. On the other hand, people who did not like online shopping had typically never tried it or had a negative incident with it. In Section 5.2.1 and Section 5.2.2, further explanation of the relationship between in-store shopping experience and online shopping will be provided, with a particular emphasis on findings that identify the

presence of a negative relationship between the two. An additional observation on this point is that 43% of the sample was neutral to the concept of online shopping in terms of their preference towards it. This represents a relatively large portion of the overall population that may be persuaded to shop online.

Figure 5-11 Purchase via the Internet is Better than Buying in Person (Q#22)



#### 5.1.4.1 Influence of In-Store and Online Shopping on Socio-Emotional Need Satisfaction

Table 5-3 shows that 71% of the participants did like to do in-store shopping, while only 8% did not. The 20% of participants who were neutral towards in-store shopping might be assumed to prefer online shopping. However, another interpretation of this could be that these people generally shop less, whether online or in-store. The effect of in-store shopping experience on intention to buy online is analyzed in Sections 5.2.1 and 5.2.2, by means of advanced statistics.

Table 5-3 Socio-Emotional Needs toward In-Store and Online Shopping

Emotional Responses to Shopping	In-store					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Incomplete Data
Like	[32] 33%	[37] 38%	[19] 20%	[5] 5%	[3] 3%	[1] 1%
	71%			8%		
Exciting	[23] 24%	[31] 32%	[28] 29%	[8] 8%	[3] 3%	[4] 4%
	56%			11%		
Relaxing	[13]	[22]	[39]	[13]	[6]	[4]

	13%	23%	40%	13%	6%	5%
	36%			19%		
Fun	[21] 22%	[29] 30%	[33] 34%	[4] 4%	[4] 4%	[6] 6%
	52%			8%		
A place for socializing	[16] 16%	[32] 33%	[21] 22%	[19] 20%	[5] 5%	[4] 4%
	49%			25%		
Boring	[3] 3%	[5] 5%	[36] 37%	[29] 30%	[18] 19%	[6] 6%
	8%			49%		
Comfortable buying the same products from the same store	[2] 2%	[14] 14%	[45] 46%	[12] 12%	[8] 8%	[16] 18%
	16%			20%		
Useful	[27] 28%	[51] 53%	[8] 8%	[0] 0%	[3] 3%	[8] 8%
	81%			3%		
<b>Online</b>						
Easy and relaxed when using the technology.	[21] 22%	[24] 25%	[22] 23%	[3] 3%	[5] 5%	[22] 22%
	47%			8%		
Comfortable with the overall experience.	[4] 4%	[4] 4%	[34] 35%	[19] 20%	[13] 13%	[23] 24%
	8%			33%		
Useful	[18] 19%	[30] 31%	[26] 27%	[2] 2%	[3] 3%	[18] 18%
	50%			5%		
[N]: N= number of participants; N%: N= number of total participants						

Table 5-3 also reveals that 56% of the participants found it exciting to do in-store shopping – potentially predisposing them not to be attracted to an online shopping experience. Conversely, 11% were not excited by or attracted to the in-store experience. This may be due to a variety of factors, including the cultural difficulties for females in travel between home and the shopping center. Such numbers imply that, regardless of the reason for a lack of excitement with the in-store experience, there is a market for the out-of-store (including online) shopping experience. Moreover, 29% of the study participants were not sure if in-store shopping was an exciting experience or not. This

finding could be interpreted as an indication that those individuals perceive in-store shopping as simply a necessity of life, making “usefulness” the key feature of such activity.

Nearly half of the participants had neutral to negative reactions to questions about shopping as fun, relaxing or a good way to socialize. This implies that there is a considerable number of people who fulfill socio-emotional needs (for fun, relaxation, and socializing) in other situations, like online shopping (according to this study, Table 5-3). The data generated by our research suggests that, for a substantial percentage of the population, the response to the in-store shopping experience is at best neutral and, for at least some of the population, negative. Our findings do not necessarily point to online shopping as the source of such socio-emotional need satisfaction, but the data does suggest that in-store shopping is not necessarily the sole source of such satisfaction for a considerable portion of the population.

Participants were asked a control question in order to ensure they were giving clear and valid responses, and taking the survey seriously. The control question allowed respondents to select an answer with an opposite meaning for one question (was shopping boring vs. was shopping enjoyable). As seen on Table 5-3, we asked if it was enjoyable to shop in-store and 52% of the participants responded with a yes answer. Similarly, 49% of the participants disagreed with the statement that in-store shopping was boring, which indicates that there was internal validity in the responses to the questionnaire.

About half of participants (47%) reflecting upon online shopping experiences agreed that online shopping was easy and relaxing because they could do it anytime and anywhere (see Table 5-3). Online shopping was perceived as eliminating barriers caused by work schedules (for men) or the driving prohibition (for women), and therefore useful.

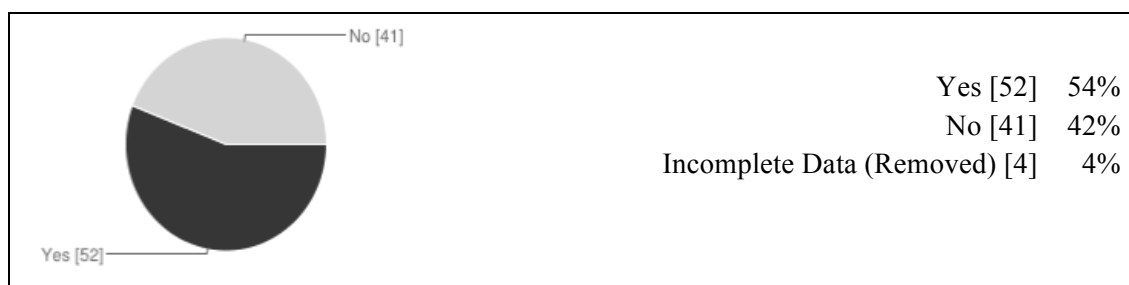
#### 5.1.4.2 Utility of In-Store and Online Shopping

The data gathered in relation to the overall utility of in-store shopping is summarized in Table 5-3, above. The participants (about 80%) agreed that in-store shopping was very useful, with around 53% agreeing to its usefulness and 28% strongly agreeing. Only 8% of the participants were neutral or disagreed. This data represents a strong statement in favour of the traditional in-store shopping experience and may represent an attitudinal hurdle for online shopping.

Table 5-3 further segments the sample in terms of participants' perceptions of the usefulness of the online shopping showing that half of the participants, about 50%, agreed that online shopping was useful. The degree to which participants found online shopping useful correlates to their past experiences and satisfaction with both the Internet (Figure 5-10) and online shopping experiences (Figure 5-12).

Figure 5-12 shows that half of the participants had prior experience with shopping online. The participants who lacked prior experience with online shopping may have provided preferences on the topic based on assumptions or on the opinions of others.

Figure 5-12 Experience with Online Shopping (Q#23)



#### 5.1.4.3 Contrasting Data – Perceived Attributes of In-Store and Online Shopping

This study looked for patterns in the data indicating preferences for in-store or online shopping. The relevant data is organized in Table 5-4 to provide an overview of participants' opinions related to the broad range of shopping possibilities including, but

not limited to, in-store shopping. This section explores the perceived attributes of both in-store and online shopping.

Table 5-4 Attributes of the In-Store & Online Shopping Experience

<b>In-store</b>						
<b>Attributes</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Incomplete Data</b>
Wide variety of choices	[17] 18%	[38] 39%	[21] 22%	[3] 3%	[4] 4%	[14] 14%
	<b>57%</b>			<b>7%</b>		
Cheap	[13] 13%	[24] 25%	[35] 36%	[7] 7%	[3] 3%	[15] 16%
	<b>38%</b>			<b>10%</b>		
Time consuming	[2] 2%	[10] 10%	[32] 33%	[26] 27%	[22] 23%	[5] 5%
	<b>12%</b>			<b>50%</b>		
Anonymous	[11] 11%	[11] 11%	[40] 41%	[16] 16%	[5] 5%	[14] 16%
	<b>22%</b>			<b>21%</b>		
Can negotiate with seller	[14] 14%	[33] 34%	[31] 32%	[8] 8%	[6] 6%	[5] 6%
	<b>48%</b>			<b>14%</b>		
Can experience the products	[49] 51%	[27] 28%	[11] 11%	[4] 4%	[2] 2%	[4] 4%
	<b>79%</b>			<b>6%</b>		
Multiple tasks during shopping	[15] 15%	[36] 37%	[23] 23%	[17] 18%	[3] 3%	[3] 4%
	<b>52%</b>			<b>21%</b>		
Family time	[30] 31%	[29] 30%	[12] 12%	[20] 21%	[2] 2%	[4] 4%
	<b>52%</b>			<b>23%</b>		
<b>Online</b>						
Wide variety of choices	[22] 23%	[27] 28%	[16] 16%	[3] 3%	[5] 5%	[24] 25%
	<b>51%</b>			<b>8%</b>		
Cheap	[15] 15%	[28] 29%	[19] 20%	[7] 7%	[6] 6%	[22] 23%
	<b>44%</b>			<b>13%</b>		
Time consuming	[15] 15%	[26] 27%	[23] 24%	[2] 2%	[8] 8%	[23] 24%

	43%			10%		
Anonymous	[11] 11%	[18] 18%	[29] 29%	[12] 12%	[6] 6%	[21] 24%
	29%			18%		
Order any time	[24] 25%	[30] 31%	[13] 13%	[5] 5%	[3] 3%	[22] 23%
	56%			8%		
Buying goods not available in the area	[42] 42%	[23] 24%	[8] 8%	[1] 1%	[3] 3%	[20] 22%
	66%			4%		
Products detailed information	[13] 13%	[28] 29%	[20] 21%	[10] 10%	[4] 4%	[22] 23%
	42%			14		
No sales pressure	[29] 30%	[25] 26%	[16] 16%	[3] 3%	[2] 2%	[22] 23%
	56%			5%		
[N]: N= number of participants; N%: N= number of total participants						

### *Wide choice of products*

Participants agreed that in-store shopping provided a wide choice of products, with 57% agreeing, 7% disagreeing and the rest remaining neutral towards this statement (see Table 5-4). Although this finding seems to contradict the data showing that participants supported the view that online shops provided a wide variety of products, these findings are not mutually exclusive. In fact, the results simply indicate that both in-store shopping centers and online retailing shops provided a wide choice of products. It also reinforces the finding, summarized in Table 5-4, that respondents preferred to purchase some items in-store (such as clothing), and were comfortable purchasing other items online.

Some respondents had no experience with online purchasing, and yet still had a perception as to the degree of product choice available online. In this study, 42% of study participants had no prior online shopping experience and 4% did not answer the question about whether they had ever shopped online or not (Figure 5-12). These 45 respondents, 46% of the total number of study participants, will be referred to as “non-eShoppers”. As summarized in Table 5-5, among all non-eShoppers, only 27 agreed or

strongly agreed with the statement that in-store shopping provided a wide choice. In order to determine if their views were opposite of those participants who did shop online, we further analyzed the responses of these 27 non-eShoppers. As shown below in Table 5-5, we found that eight of the non-eShoppers believed that online shops offered a wide choice, although they had never purchased online. The reason for offering such views could be that they have heard from other people that online shops offer a wide variety of products. Alternatively, they might have visited online shopping sites before, but might not have purchased products because they did not feel their transaction and details would be safe, or perhaps they did not have the means to complete the online payment.

The remaining 16 respondents in this group did not answer, or gave a neutral response to the question about whether online shops offered wide choice. As some of these respondents might have had no information about online shops, there could be an opportunity for online retailers to provide that information and expand the scope of their services in order to increase the customer base. This could be done in the physical store or by offering promotions or price reductions for online purchases.

Table 5-5 On Respondents that Never Shopped Online

		In-store shops provide a wide choice of products? Number of respondents:			Total
		Agreeing	Neutral or N/A	Disagreeing	
Online shops provide a wide choice of products? Number of respondents:	Agreeing	8	4	0	12
	Disagreeing	3	4	1	8
	Neutral or N/A	16	7	2	25
Total		27	15	3	45

Half of the participants agreed that the Internet offered a wide choice when searching for products of different quality and brands — a strong advantage to be

promoted to consumers (see Table 5-4). This number is particularly striking because, although 28% participants had no prior online shopping, only 3% of those respondents disagreed with the statement that Internet provides a wide choice. The rest of the responses provided by this group were neutral or indicated agreement with the above statement. This finding indicates that ensuring customers have a wide choice of products could attract a significant number of shoppers searching for variety and/or competitive pricing.

### ***Inexpensive Products***

Most of the respondents agreed that in-store shopping provided a variety of prices and would most likely be inexpensive. However, when interpreting the findings, it is important to remember that this question did not compare in-store prices with online prices. Rather, the item was included in the questionnaire in order to gain insight into respondents' perceptions of in-store prices. Thus, it is possible that participants perceived both in-store and online prices as acceptable and affordable. Table 5-4 shows that around 38% of participants agreed in-store shopping was cheap and only 10% disagreed with this statement. Moreover, 57% of the study participants agreed with the statement that in-store shopping offered a wide choice. Those who believed that in-store shopping was cheap may have been thinking of specialty shops, like the Two Riyal stores across Saudi Arabia (Hilali, Alriyadh.com, 2007), which are comparable to North American Dollarama stores. The study did not examine this data in depth.

Most of the participants also agreed that online shopping was inexpensive. The Internet has a variety of online shopping stores and retailers, allowing people a range of options in order to pick the best prices. People's understanding of online shopping as inexpensive bodes well for companies hoping to increase online sales.

### ***Availability of Products***

A further perceived advantage of online shopping is depicted in Table 5-4. In response to a question about the variety of goods available in the online marketplace, 66% of the participants agreed that shoppers might find products online that were not

available locally (i.e. international products). Only 4% disagreed, indicating that one of the perceived advantages of online shopping was that more options could be accessed through on-line shopping.

As the majority of the participants indicated that online shopping would allow them to buy products not available in physical stores in the area, the availability of a wide range of such hard to find items might increase the likelihood that customers would embrace online shopping. Consequently, companies should aim to provide online shopping service on their websites, as many companies in Saudi Arabia still only provide websites displaying the product range, without an option to buy online.

### ***Product Information***

For some, the perceived advantage of online shopping is the ability to shop online and find clear information about products without any pressure to purchase. This study found that while some participants preferred to get product information from in-store sales associates, a large number of other study participants (42%, see Table 5-4) felt they got clearer and more detailed product information from online sources. Additionally, as Table 5-4 shows, 56% of the participants agreed that another advantage of online shopping was the lack of sales pressure. On the other hand, 48% of participants indicated that they liked to go in-store to negotiate for purchases with sellers (see Table 5-4). This particular preference varies on an individual basis regardless of knowledge of and access to the Internet.

#### ***5.1.4.4 Concern for Time***

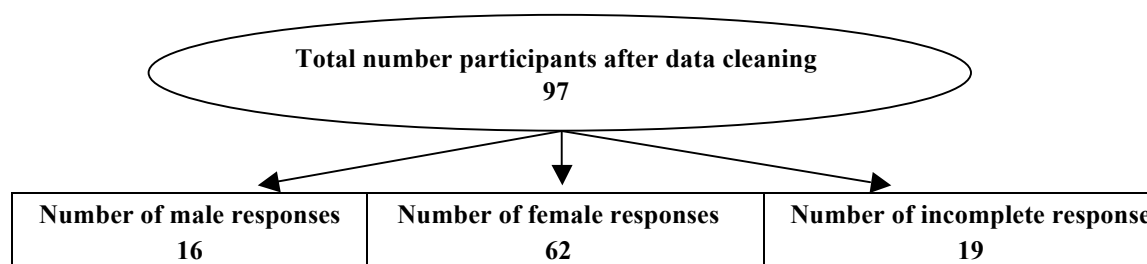
The data analysis revealed some concern for time. Time is an important factor for in-store shopping. Store hours may limit when people can shop in-store. Travelling to and from stores, and dealing with traffic, can be time consuming. However, 36% of participants still indicated that shopping in-store was relaxing (Table 5-3). This implies that 36% of participants can easily find transport to the mall, since this is one of the practical factors that can make shopping difficult in Saudi Arabia. Indeed, the data outlined in Figure 5-5 shows that half of participants had a driver at home. While more

study participants (47%, see Table 5-3) indicated that online shopping was easy and relaxing, most did not indicate that a concern for time prevented them from shopping in-store. In fact, 50% of the participants disagreed that time could be a problem, and 33% had a neutral feeling about the matter (see Table 5-4). Overall, the study found that participants were not overly concerned with time when making choices about shopping.

When asked about ease of use, 42% of the respondents agreed that online shopping was a fast way of ordering required products (see Table 5-4). However, further research into Saudi e-retailing stores revealed that product delivery could take three to six business days (for example, [essooge.com](http://essooge.com)). Saudi stores' online businesses would likely be more successful if products were delivered more quickly to customers in the region; this may be an important factor for clients. An additional concern is people's perception of shipping costs as an unreasonable burden (Radelet & Sachs, 1998). Some of the perceived benefits of online shopping, such the availability of products unavailable in local store, may outweigh negative feelings about shipping costs or time. This study showed that respondents did not consider delivery time to be a problem and did not mind waiting for a purchase to arrive (see Section 5.2.4).

And yet, one of the noted advantages of online shopping was that anyone could order products at any time. Table 5-4 shows that 56% of the participants agreed, and only 8% disagreed about the time convenience of online shopping. Further, 62 out of 97 female participants liked the idea of ordering any time and considered it to be an advantage of online shopping (see Table 5-4). This may be partly related to the fact that women's inability to drive in Saudi Arabia makes it hard for them to go shopping at any time (Figure 5-5). Within this cultural context, online shopping may well represent an approach that introduces a degree of freedom and access to markets that is currently not widely available.

Figure 5-13 Order Any Time with Online Shopping – Gendered Responses



#### ***5.1.4.5 Concern for Privacy and Anonymity***

In Saudi Arabia, privacy (and the associated element of anonymity) is a strongly held cultural value (Al-Saggaf, 2004; Zakaria & Stanton, 2003). In order to establish the impact of the in-store shopping experience on this aspect of shopping, respondents were asked to comment on their feelings of anonymity while shopping in-store. The question was posed to participants to find out whether they had a particular preference for anonymity while shopping. Women in Saudi Arabia must be covered from head to toe, making their identities already hidden when in public. When questioned, both women and men expressed neutrality on the subject of anonymity. Forty-one percent of the respondents indicated no preference of where they purchased their items with regard to the anonymity that the purchase setting provided (see Table 5-4). A smaller percentage of participants (22%) preferred to remain anonymous while shopping. As this aspect of culture is related to one of the study hypotheses, Section 5.2.7 will provide more detailed analysis of the specific types of products consumers prefer to buy in private.

In order to assess the importance of privacy while shopping, the respondents were asked whether they felt more comfortable buying a product from a seller in a physical store, or if they would rather purchase the same item online. Table 5-3 indicates that 16% of participants felt some level of discomfort with in-store purchasing of products related to anonymity. However, 46% of respondents did not indicate that they felt uncomfortable purchasing such goods in-store, indicating that this discomfort is only a problem for a relatively small percentage of the population.

Within the Saudi Arabian cultural context, anonymity is a strongly supported value. Table 5-4 shows that 29% of people answering the online questionnaire, and 22% of people answering the in-store questionnaire felt that online shopping was better for being anonymous. There is, however, some ambivalence about online anonymity. This could represent one of the challenges for online stores and merchants, since anonymity is a clearly declared cultural value for the customers.

#### ***5.1.4.6 Social Interaction with the Seller and Product as a Positive Motivator of In-Store Purchasing***

Table 5-4 details the significance of participants' in-store experiences with negotiating with sellers and experiencing products. About half of the participants (48%) agreed that shopping in person was a good opportunity to communicate with sellers and negotiate price, ask questions about products, or explore options. In contrast, 32% of respondents were neutral about this aspect of the shopping experience, while 14% disagreed totally. This implies that the need for face-to-face negotiation only satisfies the needs of about half of the sample population. On the other hand, many participants (approximately 80%) saw the benefit of the in-shop experience as a way to explore a wider variety of product choices. In this sense, the challenge for online shopping may be to allow for bargaining (like Taobao, the Chinese eBay) in ways that allow consumers to see the widest variety of products available on the market.

Yet, 79% of participants agreed that experiencing products was one of the biggest reasons to shop in person, so the shopper can touch, test the quality, and have a chance to try products before purchasing them (see Table 5-4). This aspect of shopping is difficult to duplicate online, although creative distribution and return policies for allowing people to test and try on items (such as Zappos does in the shoe industry (Michelli, 2011)) might be able to allow people to have a similar experience if modified for the Saudi cultural context.

#### ***5.1.4.7 Perceived Functionality of In-Store Shopping***

As shown Table 5-4, 52% of the participants thought that going to stores allowed them to perform multiple tasks, such as visiting the bank, having business meetings, and other personal errands. One personal task that could be completed at the same time was spending time with family while shopping for household or personal items; family members, including children, could enjoy their time as the family shops together. Within the sample, 61% of participants agreed that in-store shopping was a time to have all the family together, as shown in the same table. This clearly has an implication for the online shopping experience, unless stores and service providers can find a way to bring the family together around the on-line shopping experience. Experiences in the gaming world where parents interact with their children around action and educational games present the possibility for sociable online shopping, but such programs have not been developed yet for the Saudi online environment. Online stores could aim to apply attractive and dynamic site design elements that allow consumers to enjoy shopping online as much as in person (Kurnia, Leimstoll, & Schubert, 2005).

#### **5.1.5 Preference for Buying Certain Products In-Store or Online**

Sometimes, participants prefer to buy particular products online or in-store. This section will detail data around such preferences.

##### ***Products Participants Preferred to Buy In-store***

Various products are available for purchase within the market. While most are theoretically available electronically in a mature on-line system, questionnaire respondents indicated strong preferences for purchasing some types of products in-store. Figure 5-14 summarizes preferences for in-store purchasing for different product types. For example, most participants preferred to buy clothes in-store. People also preferred to buy tangible items such as clothes, groceries and furniture in a store setting. Figure 5-15 further summarizes respondent preferences for personal involvement in the actual purchase of the product itself. Participants strongly favoured personal

involvement when purchasing clothing (82%). The second highest preferred category was cosmetics (43% of the participants, 80% of whom were women (see Figure 5-1)). Only 4% of participants cared about personally purchasing newspapers or magazines.

The data also revealed that participants do not like to buy a variety of media products in store, such as books, movies, and tickets. For example, while 72% of people liked to buy clothing in-store, only 20% expressed a preference for purchasing tickets in-store. A more detailed analysis will be provided in Section 5.2.7, since this data is central to one of the study hypotheses.

Figure 5-14 Preferred Products for In-Store Shopping (Q#18)

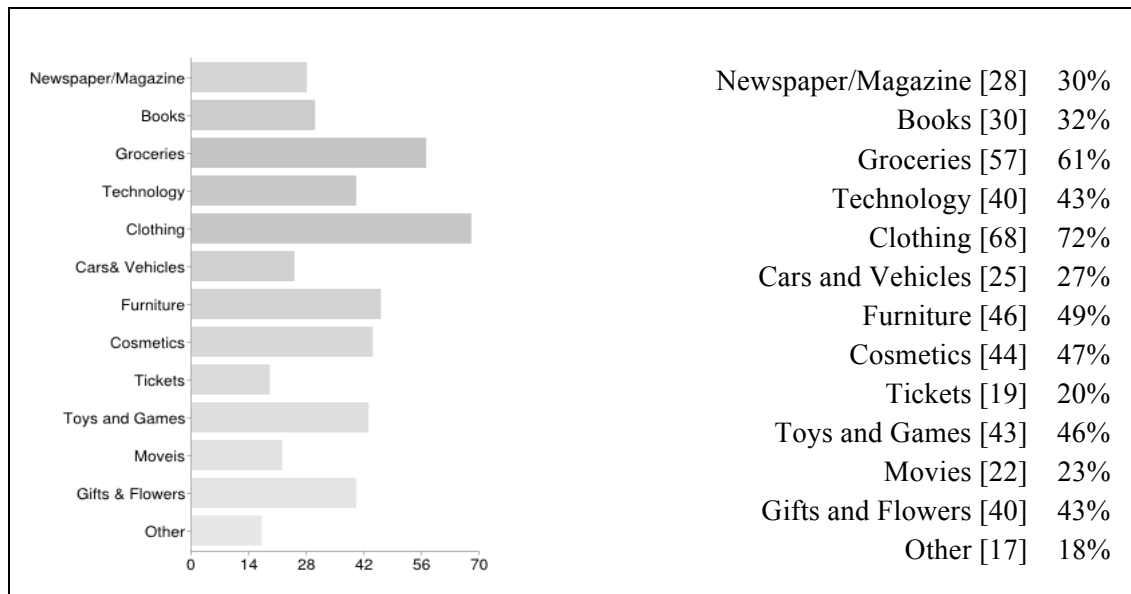
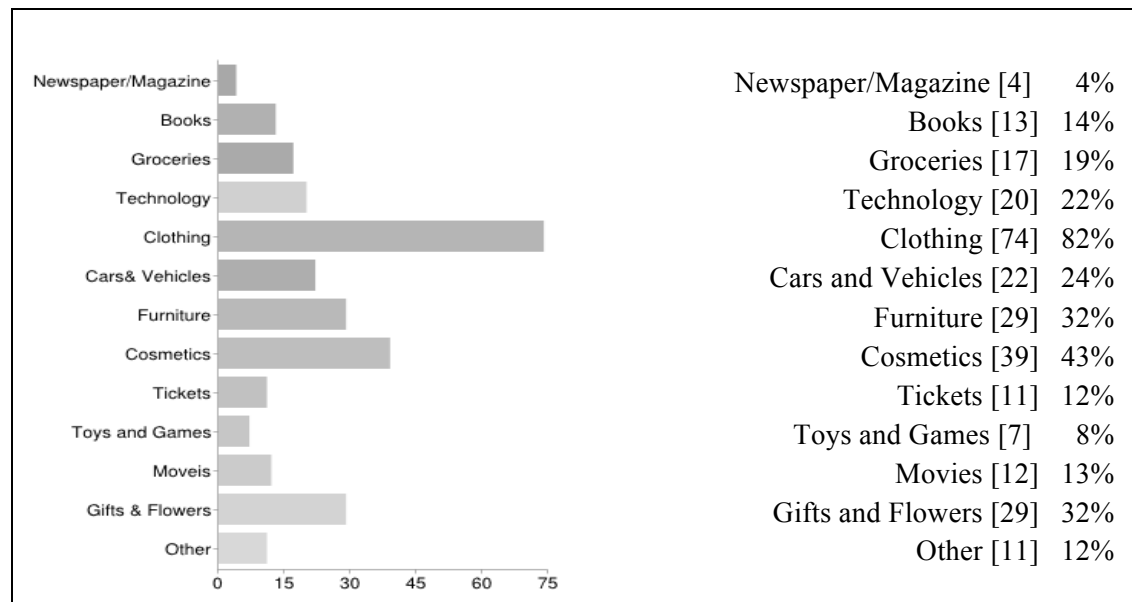


Figure 5-15 Type of Products that People Like to Shop for Personally (Q#19)



### ***Products People Preferred to Buy Online***

To further explore preferences for purchasing products in environments conducive to protecting privacy, respondents were asked to indicate which specific categories of products generated privacy concerns. The results are summarized in Figure 5-16. Around 70% of the participants were found to have privacy concerns when purchasing clothes online. This view is directly related to the Saudi culture, as women's clothing — except the black cover — is a matter of strict privacy and is never revealed in public. Such privacy restrictions apply to items individuals are wearing outside their home, but also to new clothing that did not arrive yet or old items that will be disposed. This does not imply that clothing purchases are not made online. Figure 5-18 indicates that 44% of respondents would consider clothing purchases online. It does indicate, however, that this may be an issue that stands in the way of the adoption of online purchasing for a percentage of the population.

An implication of this cultural mindset is that, in order for the Saudi population to embrace online shopping for clothing, people must be convinced that their privacy will be protected when shopping online. For example, their order information must be

strongly protected and their personal details safeguarded throughout the process of ordering, payment and delivery. Moreover, online retailers and all associated services must ensure that their customers will remain anonymous when they buy clothing. This is also important for physical stores, as it is common in Saudi Arabia for modest women not to purchase clothing when men (whether store workers or customers) are present in the shop. This was one of the key reasons for recently allowing women to work as cashiers in stores that sell intimate apparel for ladies, in order to allow female customers to shop amongst women only.

Figure 5-16 reviews the question concerning the aversion to making purchases of specific product categories. As shown, participants preferred to shop in-store only for certain products, particularly groceries. As Figure 5-18 shows, only 1% of the participants indicated that they have purchased groceries online and fully 99% of respondents indicated that they would not like to purchase groceries online. Participants might have been concerned with the freshness and quality of food products (Kurnia, Leimstoll, & Schubert, 2005). Books, clothes, technology, and tickets are products that respondents preferred to purchase in an online setting.

Figure 5-16 Privacy Concerns When Buying Certain Types of Products (Q#27)

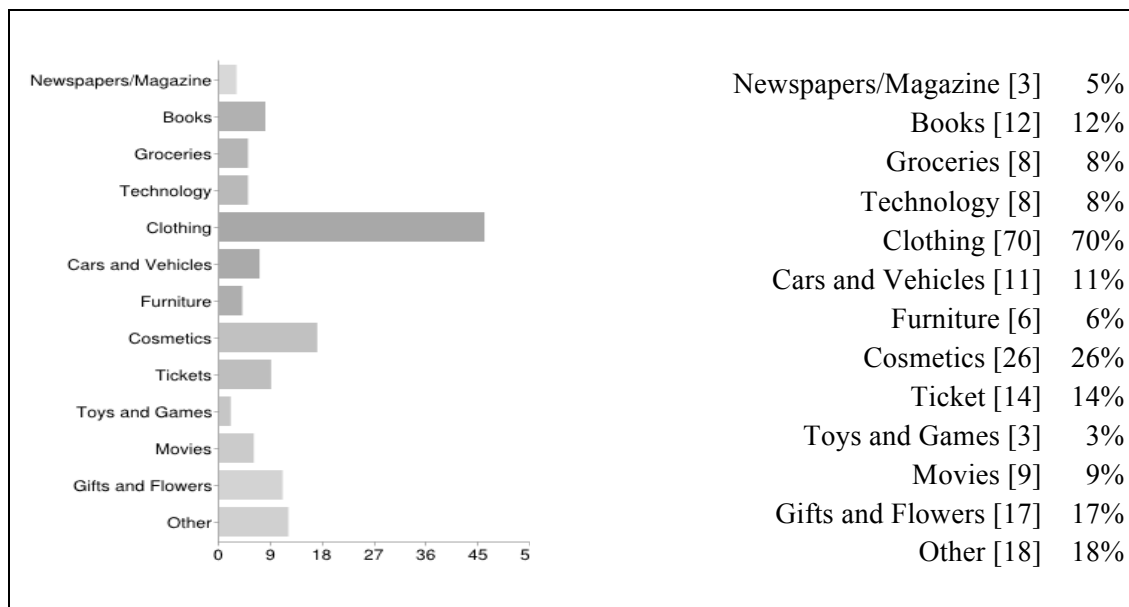


Figure 5-17 Products that are Never Bought Online (Q#26)

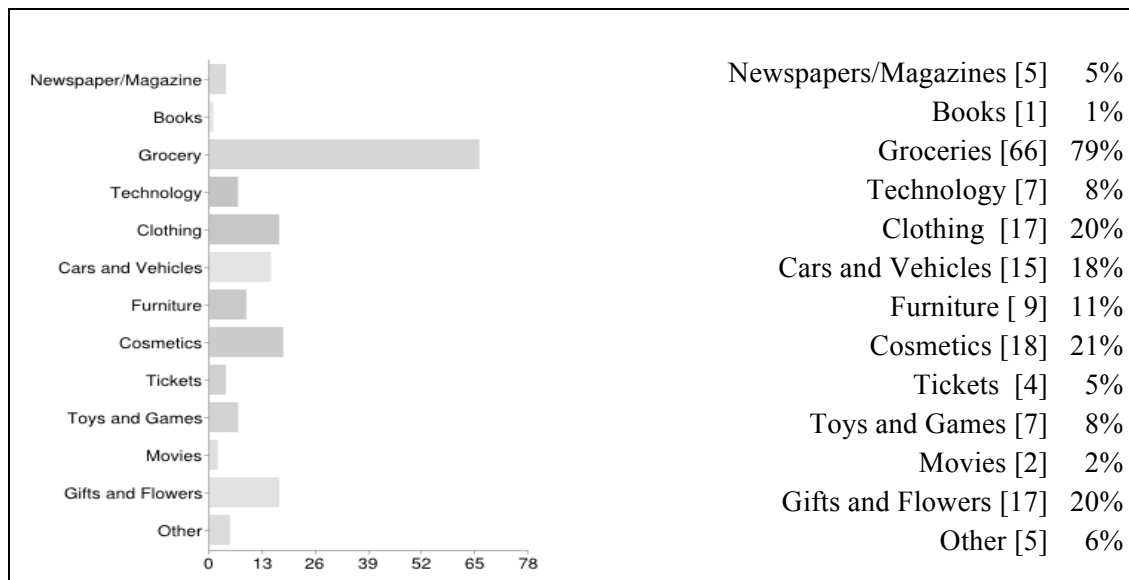
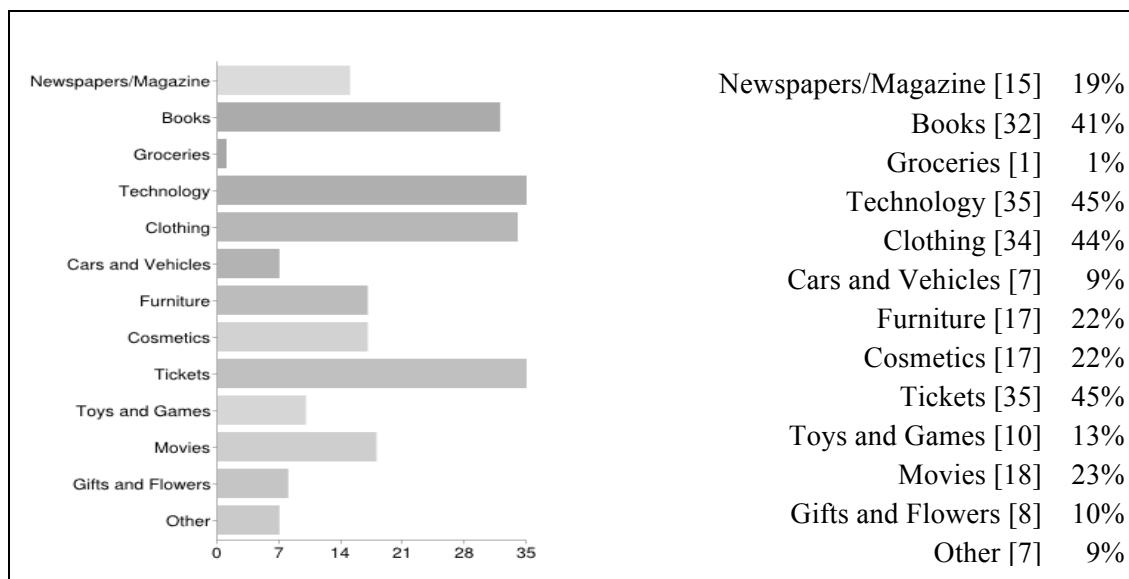


Figure 5-18 Products People like to buy Online (Q#24)

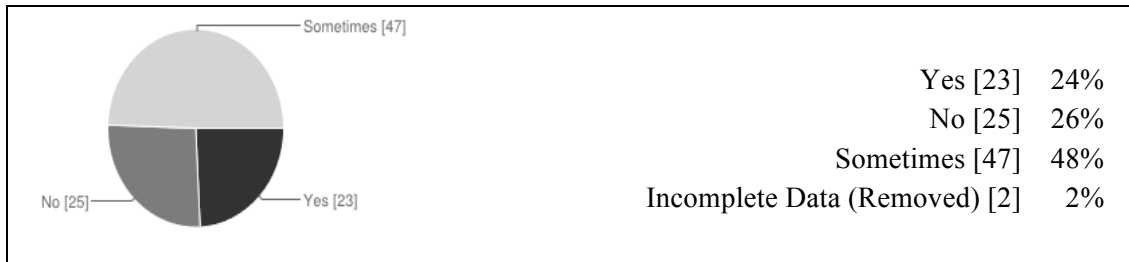


### 5.1.6 Product Research Prior to Purchasing

Some people like to research products before they buy. There are several ways to do this: they can visit stores and try products before purchasing, ask friends for information, or more commonly nowadays, people like to search online via search

engines like Google search. The figure below shows that a majority of participants did some kind of research on products before they experienced them or bought them.

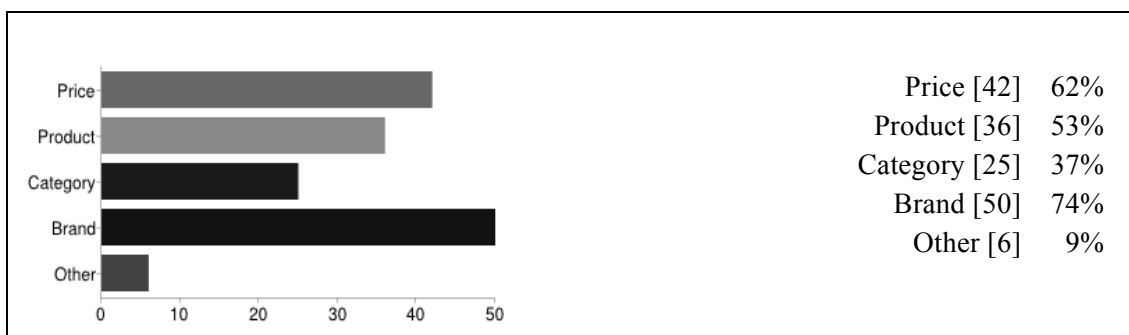
Figure 5-19 Researching Products before Buying (Q#20)



This research could involve price comparisons or customer reviews on different websites. Although customers could conduct price comparisons in physical stores, especially those carrying several brands, or in shopping malls containing multiple stores with similar products, such research would be time consuming and would require more physical effort than online shopping. Thus, online price comparisons might be perceived as more convenient. This relative advantage of the Internet might even encourage the customers to purchase the best item (in terms of cost to value ratio) online after completing the research.

Figure 5-20 shows that around 74% of the participants liked to search by brand name and 62% preferred to search for price, though price was a stronger deciding factor in the purchase than the brand name. This trend in the data might be helpful to online companies, as when designing their website they could ensure that the customers can sort the products of interest by brand and/or price range.

Figure 5-20 Research Data Sought by Consumers' (Q#20 Cont.)



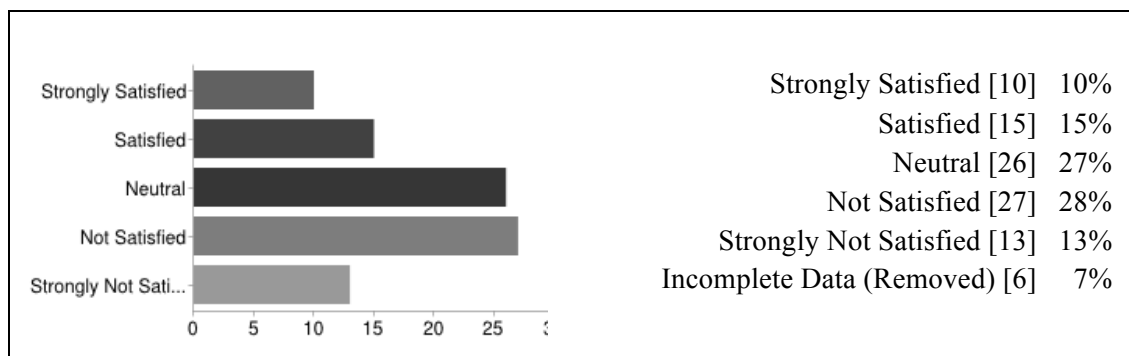
### 5.1.7 Overall Satisfaction with Shopping Online

The data shows that people perceive certain advantages to shopping in-store or online. This study is particularly concerned with consumers' decisions to make online purchases, so we sought further data in that direction.

As shown on Figure 5-12, 54% of participants had experience with online shopping. However, as

Figure 5-21 indicates, around 41% of the participants felt a lack of satisfaction with shopping online.

Figure 5-21 Satisfaction with Online Shopping (Q#25)



Only 25% of participants indicated that they were satisfied with online shopping. This finding indicates that some individuals are currently not motivated to partake in online shopping. The challenge for online merchants will be to help such potential customers learn how to shop online through provision of necessary tools and success experiences. Moreover, for any business, whether physical store or online retail service, it is very important to learn why customers or potential clients are not satisfied with the service provided. It could be that respondents' dissatisfaction was due to distrust in safety and security of online transaction processing or was based on negative attitudes towards online shopping or its usefulness. This issue needs further analysis in future research, as specific reasons for distrust in online shopping were outside the scope of this study.

### 5.1.8 Analysis of Motivation/Demotivation to Shop Online

In order to understand opinions concerning the online experience, data was gathered from respondents related to their relative willingness to shop online. The point of interest is to know why online shopping is not popular in Saudi Arabia. What influences participants to shop, or not shop, online?

Figure 5-22 and Table 5-6 both summarize participants' responses to a variety of elements of the online experience that might have influenced them not to purchase online. The largest detractors are related to issues of trust - with the payment system (59%), of the potential for fraud related to the advertisement of the product (59%), and similarly of unclear information being provided about the product itself (52%). Additional detractors include local availability of the product in-store (51%) and inability to experience the product directly prior to purchase (48%). These detracting factors represent a variety of challenges that online businesses in Saudi Arabia must address before consistent use of online purchasing will occur.

Figure 5-22 Influences on the Decision Not to Buy Online (Q#28)

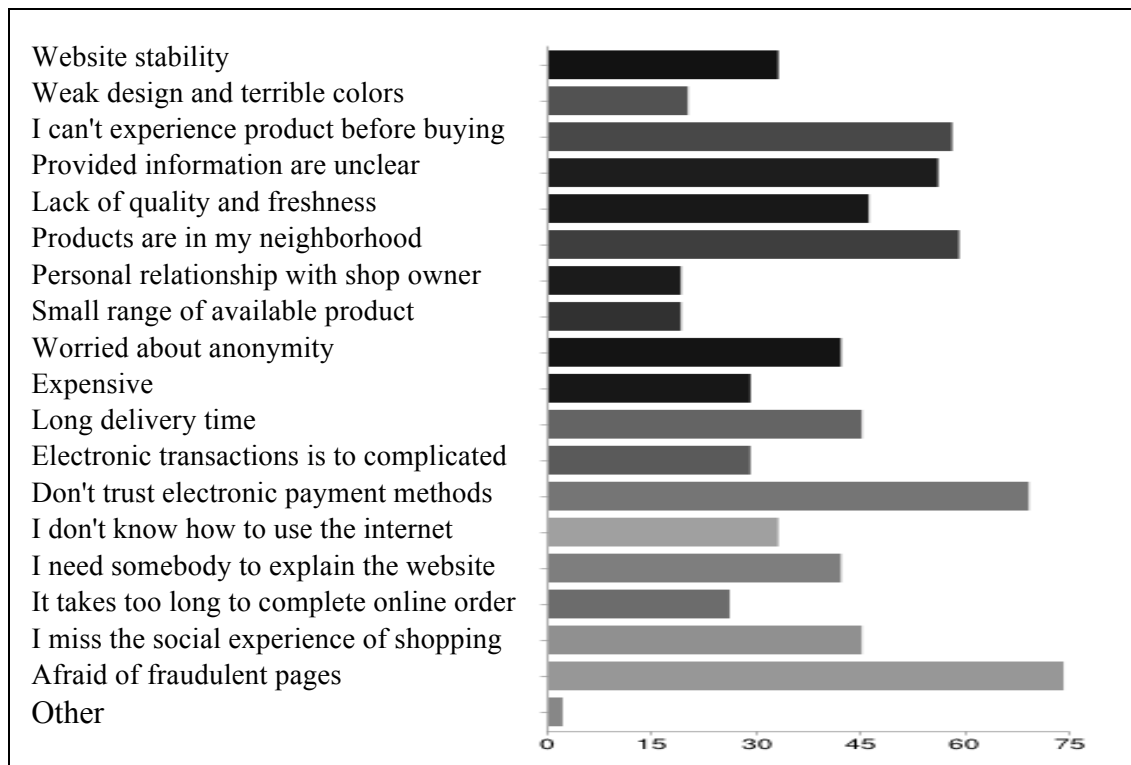


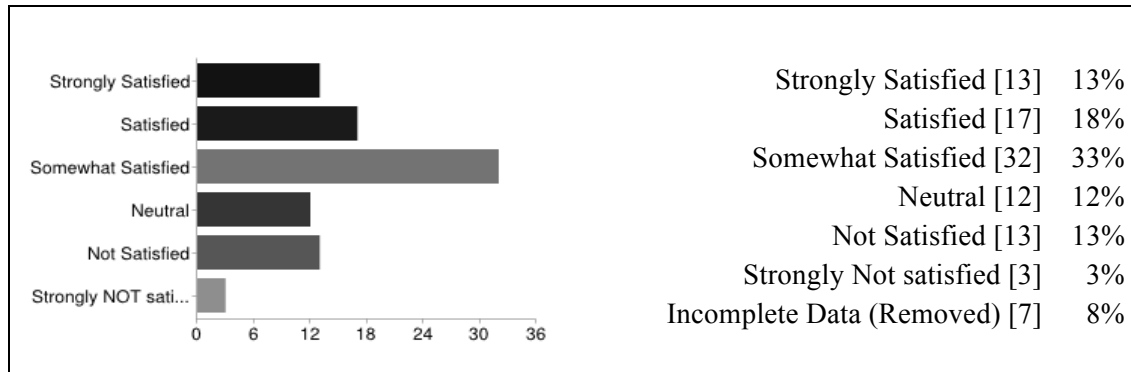
Table 5-6 Influences on the Decision Not to Buy Online

Motivation/Demotivation to Shop Online	# of participants	Total %
Website Stability	[33]	37%
Weak design and terrible colors	[19]	21%
I can't experience product before buying	[43]	48%
Provided information are unclear	[47]	52%
Lack of quality and freshness	[36]	40%
Personal relationship with shop owner	[15]	17%
Small range of available product	[17]	19%
Worried about anonymity	[36]	40%
Expensive	[24]	27%
Long delivery time	[33]	37%
Products are in my neighborhood	[46]	51%
Electronic transactions is too complicated	[19]	21%
Don't trust electronic payment methods	[53]	59%
I don't know how to use the Internet	[23]	26%
I need somebody to explain the website	[24]	27%
It takes too long to complete online orders	[18]	20%
I miss the social experience of shopping	[28]	31%
Afraid of fraudulent pages	[53]	59%
Other	[4]	4%

### 5.1.9 Infrastructural and Technical Limitations to Online Shopping

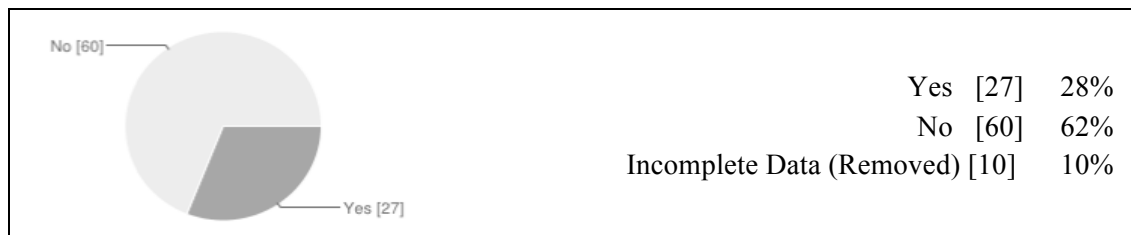
The online shopping experience is mediated through a number of critically technical and infrastructural tools and systems. First, there are the websites of online stores. Respondents were queried as to their impressions of the usability of existing online stores' websites. As shown in Figure 5-23, the highest percentage of participants, 33%, indicated that they were somewhat satisfied with their use of websites. An almost equal number of respondents, 31%, were either satisfied or strongly satisfied with their online shopping experience. Overall, this data indicates that the existing website experience of respondents is trending in a positive direction.

Figure 5-23 Usability of Website (Q#29)



The second significant system that has to be adequately functioning and readily available for online purchasing is a method for financial transactions to be completed. In the current online world, existing financial transaction systems are dominated by PayPal and ordinary credit card transactions. When queried about PayPal, only 28% of respondents indicated knowledge of this system. As Figure 5-24 indicates, 62% of the participants in the research did not know about PayPal. In addition, some PayPal functions cannot be used in all countries; only restricted service is currently available in Saudi Arabia (Paypal, 1999-2012). However, as an alternative option for online payment, SADAD offers a highly secure system that Saudi people trust (Orloff, 2012).

Figure 5-24 Participants Know about PayPal (Q#31)



For ordinary online shopping, credit cards are the most frequently used type of payment that most online shopping merchants accept. As Figure 5-25 shows, 54% of study participants did have a credit card, while 32% did not.

Figure 5-26 shows the monthly use of credit card within the participant group. Twenty eight percent of them do not use their cards, twenty five percent used cards 1-5 times a month, and twenty percent used it often. The frequency with which participants used credit cards is important information, as it may help companies to know if they should adopt credit cards as a payment option for online transactions or utilize a different method of payment such as PayPal or SADAD (Orloff, 2012).

Figure 5-25 Have a Credit Card (Q#32)

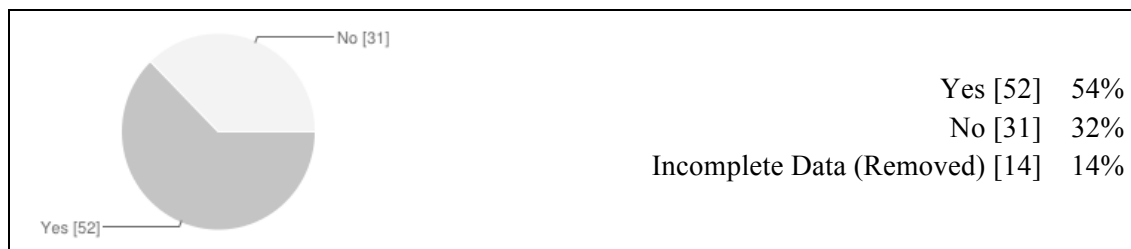
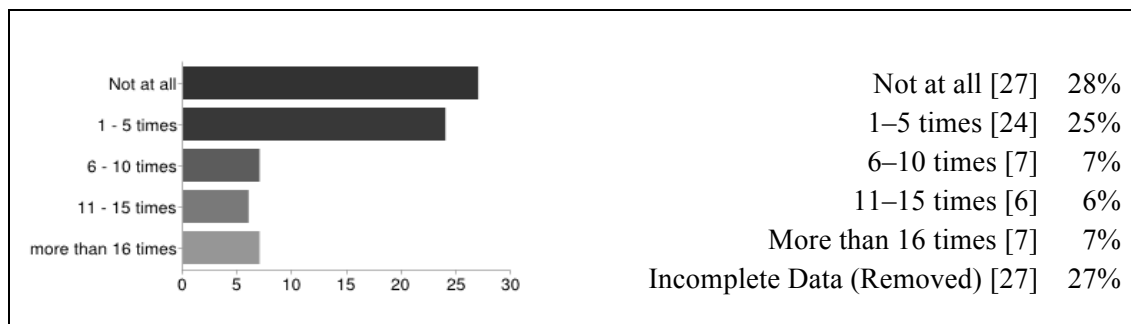


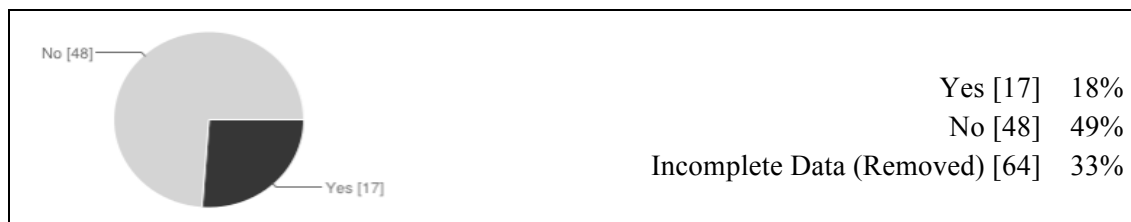
Figure 5-26 Monthly Use of Credit Card (Q#33)



In terms of the broader merchant system, online businesses must be in a position to identify credit card types and online banking services available in Saudi Arabia. Businesses must also make sure that these are accepted modes of payment in order to make it easy for the customers to shop online. As seen in Figure 5-27, around 49% of the study participants were not aware of online banking, although 54% possessed a credit card and used it for in-store purchases. Moreover, as the data in Figure 5-24 shows, 28% of the participants did know what PayPal was used for. Thus, it is strongly recommended that online retailers educate current and potential customers about the benefits and the security of online payments through such systems as PayPal or normal

credit card systems. For example, big merchants could provide prepaid credit cards to in-store customers to use to pay for purchases in-store *or* online. Another way to overcome the barriers arising from the online payment systems is to accept mobile payments. In cooperation with financial institutions, joint marketing initiatives could be started by retailers aiming to reach additional customers. Finally the fact that some PayPal functions cannot be used in Saudi Arabia needs to be addressed by the online retailing and e-commerce industry. However, SADAD is one of the online payment options widely used in Saudi Arabia, and it has a highly secure system that Saudi people trust (Orloff, 2012). Hence, the limitations imposed by the PayPal restrictions may not be key to expanding the customer base.

Figure 5-27 Participants Know About Online Banking (Q#31 Cont.)



Finally, Figure 5-28 indicates that only 20% of the participants know about Saudi-based online shopping websites. The majority of participants sought out the product information themselves by way of a search engine and another 40% received a “word-of-mouth” endorsement from a friend or business associate. Moreover, 28% of the respondents learned about online retail establishments through unsolicited ads, either from print or web-based sources. This finding indicates that a significant challenge for online shopping will be customer awareness of online shopping opportunities. While there are a variety of to this problem, it does remain as a critical problem to be addressed.

Figure 5-28 Knowledge of Online Stores (Q#34)

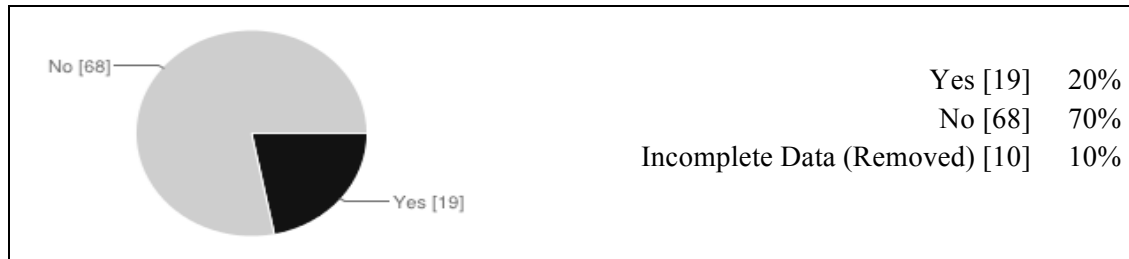
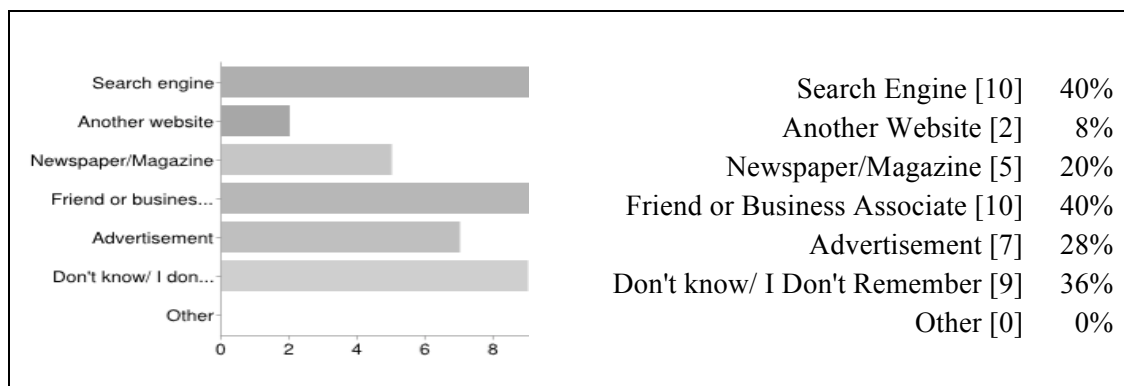


Figure 5-29 How the Participant Knows About Online Shopping (Q#34 Cont.)



## 5.2 Statistical Analysis

This section presents a statistical analysis and discussion of the study findings. In particular, the results pertaining to the original set of hypotheses will be discussed.

The variables used are defined in *Appendix A, Coding Key for Questionnaire Study Variables*.

### 5.2.1. Relationship between In-store Shopping Experience and the Intention to Buy Online Shopping (H1)

H1: There is a negative relationship between the in-store shopping experience and the intention to buy online. (Undecided)

The relevant variables for the “intention to buy online” were defined by the relationship between the personal shopping experience and the online shopping experience:

- INTERNETBETTER, contains user answers to the Question 22, “*Online shopping is more useful than buying in physical stores. What do you think?*”
- O\_BUYONLINE, contains user answers to the Question 21 “*How often do you buy online per month?*”

Hereby, INTERNETBETTER and O\_BUYONLINE were our dependent variables.

The relevant independent variables that represented “personal shopping experience (in-store shopping)” were:

- S\_LIKETOSHOP, S\_EXCITING, S\_RELAXING, S\_FUN, S\_SOCIALIZING, S\_NEGOTIATE, S\_SEEANDTRY, S\_DONTLIKE, S\_BORING.

SHOPPEDONLINE was a related variable for covering the “intention to buy online.” This variable was contains user answers to the Question 23, “*Have you ever shopped online?*” However, the variable was removed from this analysis because O\_BUYONLINE already sufficiently included the information about whether someone buys online or not.

In order to identify redundant variables, the correlation between INTERNETBETTER and O\_BUYONLINE was calculated with  $r = 0.3438$ . As expected, there was a positive correlation. However, it was not significantly high, and so we analyzed the relationship of shopping experiences with each of the two separately. Therefore, for the purpose of hypothesis testing, H1 has been broken down into two hypotheses:

- H1.1: The in-store shopping experience has a negative relationship with a preference for online shopping over physical shopping. This means that when people start shopping in stores and malls, they will experience shopping’s hedonic aspects, and will like physical shopping. Because of this, they will like online shopping less and prefer physical shopping to buying online.

- H1.2: The shopping experience has a negative relationship with the number of times people shop online in a month.

In order to have a first impression of possible correlations, and to identify redundant variables, we considered the correlation in Table 5-7:

Table 5-7 Correlations between Variables Representing the Intention to Buy Online and the Shopping Experience

	INTERNETBETTER	S_SOCIALIZING	S_SEEANDTRY	S_RELAXING	S_NEGOGIATE	S_LIKETOSHOP	S_FUN	S_EXCITING	S_DONTLIKE	S_BORING
BUYONLINE	0,34	0,10	-0,02	0,17	-0,19	0,09	-0,05	0,09	0,17	0,07
INTERNETBETTER		-0,02	0,12	0,01	-0,26	-0,07	-0,02	-0,11	0,16	0,00
S_SOCIALIZING			0,15	0,38	0,19	0,19	0,38	0,26	-0,19	-0,18
S_SEEANDTRY				0,25	0,14	0,53	0,36	0,32	-0,32	-0,36
S_RELAXING					0,12	0,64	0,66	0,64	-0,48	-0,50
S_NEGOGIATE						0,15	0,08	0,17	-0,05	-0,03
S_LIKETOSHOP							0,75	0,76	-0,65	-0,62
S_FUN								0,79	-0,55	-0,60
S_EXCITING									-0,55	-0,60
S_DONTLIKE										0,82

The correlation with the dependent variables O\_BUYONLINE and INTERNETBETTER appeared low, whereas some correlations between explanatory variables were high. This multicollinearity problem between explanatory variables would bias the multiple regression analysis. Therefore, we needed to eliminate redundant variables.

We performed a multiple regression with all explanatory variables regressed on O-BUYONLINE. We controlled for the following additional variables: AGE, EDUCATION, INTERNET, INCOME, DRIVER, ENGLISH, GENDER, INTERNETHOME, SINGLE, STUDENT, and UNEMPLOYED.

Table 5-8 Multiple Regression Analysis with All Explanatory Variables Regressed on O-BUYONLINE

Method: Least Squares				
Included observations: 51				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.45	1.92	-1.27	0.21
S_LIKETOSHOP	0.65	0.36	1.79	0.08
S_FUN	0.00	0.35	0.00	0.99
S_EXCITING	-0.29	0.33	-0.87	0.39
S_BORING	-0.33	0.41	-0.80	0.42
S_RELAXING	0.08	0.25	0.33	0.74
S_NEGOGIATE	-0.82	0.19	-4.22	0.00
S_SEEANDTRY	0.05	0.28	0.19	0.84
S_SOCIALIZING	-0.07	0.19	-0.39	0.69
S_DONTLIKE	0.26	0.33	0.77	0.44
AGE	0.01	0.03	0.55	0.58
EDUCATION	0.19	0.08	2.34	0.02
INTERNET	-2.35	1.64	-1.42	0.16
INCOME	-1.79	1.97	-0.90	0.37
DRIVER	0.46	0.46	1.00	0.32
ENGLISH	0.74	0.54	1.37	0.18
GENDER	-0.91	0.58	-1.56	0.12
INTERNETHOME	2.36	1.32	1.78	0.08
SINGLE	-0.21	0.43	-0.49	0.62
STUDENT	-0.41	0.52	-0.79	0.43
UNEMPLOYED	0.94	0.71	1.32	0.19
R-squared	0.63	Mean dependent var		0.96
Adjusted R-squared	0.38	S.D. dependent var		1.42
S.E. of regression	1.12	Akaike info criterion		3.35
Sum squared resid	37.70	Schwarz criterion		4.15
Log likelihood	-64.66	Hannan-Quinn criter.		3.66
F-statistic	2.55	Durbin-Watson stat		1.58
Prob(F-statistic)	0.00			

Only 51 observations were included; all others were dropped because of missing data. After the redundant variables were removed, the problem with multicollinearity had a reduced effect. The adjusted R-squared was at 0.63; so a solid 63% of the

variance was explained by the model. Some of the P-values (Prob. “probability”) were very high (way above 5%), and therefore insignificant. However, this could have been partially due to the detected multicollinearity. The model was reduced to non-redundant variables using a redundant variable test. The applied test statistic was the Log Likelihood Ratio ( $X^2$ -distributed). I removed variables when P-value >10%. The final multiple regressions after removing the redundant variables is presented in Table 5-9.

Table 5-9 Final Multiple Regression on BUYONLINE after the Redundant Variable Test

Dependent Variable: BUYONLINE				
Method: Least Squares				
Included observations: 61				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.34	0.92	1.46	0.14
S_LIKETOSHOP	1.84	0.50	3.64	0.00
S_BORING	1.27	0.44	2.87	0.00
S_RELAXING	0.68	0.34	2.01	0.04
S_NEGOGIATE	-0.97	0.30	-3.17	0.00
DRIVER	2.14	0.68	3.14	0.00
ENGLISH	1.09	0.65	1.68	0.09
GENDER	-2.19	0.83	-2.62	0.01
SINGLE	-1.30	0.66	-1.95	0.05
R-squared	0.45	Mean dependent var		1.18
Adjusted R-squared	0.36	S.D. dependent var		2.78
S.E. of regression	2.21	Akaike info criterion		4.56
Sum squared resid	256.21	Schwarz criterion		4.87
Log likelihood	-130.32	Hannan-Quinn criter.		4.69
F-statistic	5.34	Durbin-Watson stat		0.91
Prob(F-statistic)	0.00			

The R-squared was 0.45, so 45% of the variance was explained. S\_LIKETOSHOP had a positive relationship with BUYONLINE, and therefore our hypothesis (H12) was rejected. However, S\_LIKETOSHOP could be an indicator that people may like shopping in general, which would then include both online and

physical shopping. To check on this, we looked at the correlation between SHOPPINGMONTHLY and BUYONLINE. We wanted to see if people who bought more in general also did more online shopping. The correlation was  $R = -0.013$ , which was very low, close to zero. So we concluded that there was no correlation.

In looking at other dependent variables, S\_RELAXING had a positive relationship with BUYONLINE, which led us to reject hypotheses (H1). S\_BORING had the expected positive correlation to BUYONLINE, which supported hypotheses (H1). People who thought physical shopping was boring seemed to buy more online. The correlation was highly significant, with a P-value of 0.00.

Also, S\_NEGOTIATE had the expected negative relationship with BUYONLINE. From this analysis, we concluded that our hypothesis (H1) cannot be indisputably rejected or supported.

The GENDER variable was highly significant and its  $\beta$  - value is negative and extremely high at -2.19. This meant that women were shopping online much less than men (note that in this variable women were represented with the value 1). On average and controlled for the other variables in the regression, women shopped 2.19 times less online than men do monthly. Note that 2.19 times meant the absolute value of 2.19 units, and not 219%.

The variable ENGLISH was also significant, and had a positive relationship to O\_BUYONLINE. So people with English skills were more likely to shop online. Unexpectedly, having a driver positively influenced online shopping behavior. Singles tended to shop online less, although this finding was not significant due to the high P-value  $> 0.05$ .

The regression analysis was repeated using the variable INTERNETBETTER to describe the intention to buy online. For all further analysis, only the final regression models are shown, with all redundant variables removed. We performed a multiple regression with all explanatory variables regressed on INTERNETBETTER. We controlled for the following additional variables: AGE, EDUCATION, INTERNET,

INCOME, DRIVER, ENGLISH, GENDER, INTERNETHOME, SINGLE, STUDENT, and UNEMPLOYED.

Table 5-10 Multiple Regression Analysis on INTERNETBETTER after Redundant Variables Have Been Removed

Dependent Variable: INTERNETBETTER				
Method: Least Squares				
Included observations: 82				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.45	0.53	-0.85	0.39
EDUCATION	0.07	0.03	2.17	0.03
GENDER	-1.22	0.27	-4.52	0.00
S_FUN	0.24	0.10	2.28	0.02
S_NEGOGIATE	-0.22	0.08	-2.72	0.00
SINGLE	0.39	0.18	2.10	0.03
R-squared	0.31	Mean dependent var	-0.06	
Adjusted R-squared	0.27	S.D. dependent var	0.97	
S.E. of regression	0.83	Akaike info criterion	2.53	
Sum squared resid	52.36	Schwarz criterion	2.71	
Log likelihood	-97.96	Hannan-Quinn criter.	2.60	
F-statistic	7.06	Durbin-Watson stat	2.08	
Prob(F-statistic)	0.00			

S\_FUN had a positive relationship to INTERNETBETTER, leading us to reject our hypothesis (H1). The correlation was significant. However, it should be noted that this could be because subjects could not discern a difference between having fun due to shopping generally or via the physical shopping experience. S\_NEGOTIATE had a negative relationship, as expected, which supported our hypothesis (H1). The correlation was highly significant. As for the additional variables:

- EDUCATION: Educated people liked Internet shopping more than shopping in-store. The trend was very weak, but still significant.

- GENDER: Women liked Internet shopping less than men did. The finding was highly significant.
- SINGLE: Singles liked the Internet more.

Our results were inconclusive. Most likely, we must reject (H1.1) and (H1.2). But, about our study participants from Saudi Arabia, we can definitely say that:

- People who found in-store shopping boring tended to buy more online.
- People who liked to negotiate were less likely to buy online.
- Women liked Internet shopping less than men did.
- Singles liked Internet shopping more than others did.
- People with English skills were more likely to shop online.
- Having a driver positively influenced online shopping behavior

### **5.2.2 Online Shopping's Correlation with In-Store Shopping Experience (H2)**

H2: Online shopping negatively correlates with in-store shopping experience.  
(Supported)

We tested the effect of online shopping on the shopping experience. The relevant variables to cover “online shopping” were:

- INTERNETBETTER, contains user answers to the Question 22, “*Online shopping is more useful than buying in physical stores. What do you think?*”
- O\_BUYONLINE, contains user answers to the Question 21, “*How often do you buy online per month?*”

The relevant variables that represented “shopping experience” were:

- S\_SOCIALIZING, S\_SEEANDTRY, S\_RELAXING, S\_NEGOTIATE, S\_LIKETOSHOPE, S\_FUN, S\_EXCITING, S\_DONTLIKE, and S\_BORING.

Table 5-11 Correlations between Online Shopping and In-Store Shopping Experience

	<b>BUYONLINE</b>	<b>INTERNETBETTER</b>
<b>INTERNETBETTER</b>	0,34	
<b>S_SOCIALIZING</b>	0,10	-0,03
<b>S_SEEANDTRY</b>	-0,02	0,12
<b>S_RELAXING</b>	0,17	0,01
<b>S_NEGOGIATE</b>	-0,19	-0,26
<b>S_LIKETOSHOP</b>	0,09	-0,07
<b>S_FUN</b>	-0,05	-0,02
<b>S_EXCITING</b>	0,09	-0,11
<b>S_DONTLIKE</b>	0,17	0,16
<b>S_BORING</b>	0,07	0,00

As was shown in the case of (H1), some variables, such as S\_NEGOGIATE, did correlate with online shopping. However, most correlations were very weak. Although some correlations have been proven to be significant, we cannot definitively state that online shopping affected the way people perceived or valued the hedonic aspects of physical shopping. In (H1), the two variables with the strongest correlations toward BUYONLINE and INTERNETBETTER were S\_DONTLIKE and S\_NEGOGIATE. Both support our hypothesis (H2).

In conclusion, we have to support (H2). We can definitely say about our study population that:

- The more people shopped online, the less they valued the negotiation benefits of in-store shopping.
- The more people shopped online, the more they disliked in-store shopping.

### **5.2.3. Usefulness of Online Shopping vs. the Advantages of Physical Shopping (H3)**

H3: The benefits of the in-store shopping experience are more important for people than the advantages of online shopping (Rejected).

Let us describe the hypothesis differently. People may have stated that online shopping was useful, but when asked about the amount of monthly online shopping they did, or about their preferred mode of shopping (physical, online, TV, etc.), they did not indicate that they preferred online shopping, even while they admitted there were benefits to it. This is the assumption. This is because they value the in-store shopping experience benefits more than the benefits of online shopping.

The dependent variable to cover the attitude toward online shopping was INTERNETBETTER. In order to test (H3), we checked the correlation between INTERNETBETTER and the variables that represented the benefits of online shopping. Then, we compared this correlation to the correlation of INTERNETBETTER with the group of variables for the shopping experience benefits. This way we could compare the effects of the physical experience and the online experience in terms of peoples' attitude toward online shopping.

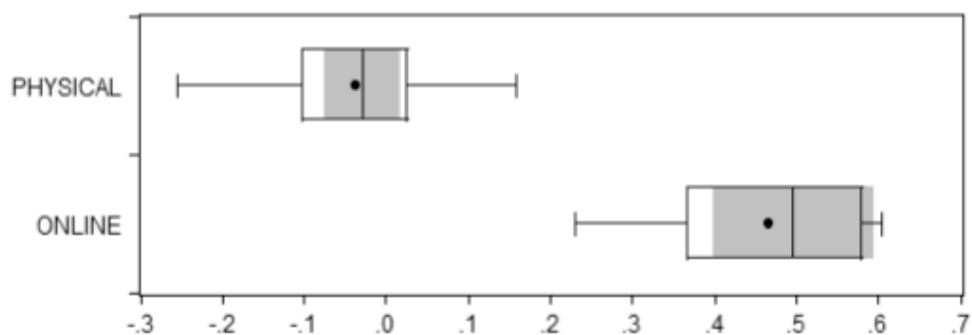
Table 5-12 Usefulness of Online Shopping vs. the Benefits of Physical Shopping

	<b>INTERNETBETTER</b>
<b>O ANONYMOUS</b>	0.23
<b>O CHEAPER</b>	0.32
<b>O COMFORTABLE</b>	0.54
<b>O DETAILS</b>	0.41
<b>O NOPRESSURE</b>	0.29
<b>O NOTAVAILABLE</b>	0.47
<b>O ORDERANYTIME</b>	0.58
<b>O SATISFIED</b>	0.58
<b>O SATISFIEDUSABILITY</b>	0.60
<b>O SAVINGTIME</b>	0.46
<b>O USEFUL</b>	0.58
<b>O WIDERCHOICE</b>	0.51
	<b>INTERNETBETTER</b>
<b>S ANONYMOUS</b>	-0.10
<b>S BORING</b>	0.00
<b>S CHEAPER</b>	-0.04

S CHILDRENINSIST	-0.06
S COMFORTABLE	-0.17
S DETAILS	-0.12
S DONTLIKE	0.16
S EXCITING	-0.11
S FUN	-0.02
S LIKETOSHOP	-0.07
S MANYTASKS	0.09
S NEGOTIATE	-0.26
S NOPRESSURE	-0.01
S ORDERANYTIME	-0.22
S RELAXING	0.01
S SEEANDTRY	0.12
S SOCIALIZING	-0.03
S TIMECONSUMING	0.04
S TIMESAVING	-0.04
S USEFUL	0.06
S WIDERCHOICE	0.01

We can clearly see in the following two box plots, using the above data in Table 5-12, that the effects of online properties (O\_VARIABLES) had significantly higher correlations with INTERNETBETTER than the physical properties (S\_VARIABLES). The in-store shopping experience had a very low effect on participants' attitudes toward online shopping, regardless of whether attitudes were negative or positive.

Figure 5-30 Online Shopping Benefits vs. the Benefits of In-Store Shopping



As shown in Figure 5-30, O\_VARIABLES had a very high median and mean, while the mean and median of S\_VARIABLES' correlation with INTERNETBETTER was close to zero:

- The benefits of online shopping had a greater influence on people's attitude toward online shopping than did the advantages of in-store shopping.
- All variables corresponding to the benefits of online shopping positively correlated with INTERNETBETTER.

Table 5-13 Correlation of Attributes to INTERNETBETTER: In-Store Shopping vs. Online Shopping

	<b>IN-STORE</b>	<b>ONLINE</b>
<b>Mean</b>	-0.03	0.46
<b>Median</b>	-0.03	0.49
<b>Maximum</b>	0.15	0.60
<b>Minimum</b>	-0.25	0.22
<b>Std. Dev.</b>	0.10	0.12
<b>Observations</b>	20	12

In conclusion, we had to reject H3. No further statistical tests were needed, as the results were very clear.

#### **5.2.4 Time Saving as a Factor for Perceiving Online Shopping as Useful (H4)**

H4: Time saving will not be a major factor for perceiving online shopping as useful.  
(Supported)

The dependent variable to cover online shopping usefulness was O\_USEFUL. This variable corresponds to the perceived overall usefulness of online shopping. The independent variable to cover time saving was O\_SAVINGTIME. We included additional explanatory variables for the regression:

O\_WIDERCHOICE, O\_ORDERANYTIME, O\_NOTAVAILABLE, O\_COMFORTABLE, O\_CHEAPER, ANONYMOUS, NOPRESSURE, O\_DETAILS.

First, we analyzed the correlations:

Table 5-14 Correlation between Time Saving and the Usefulness of Online Shopping

	<b>O_USEFUL</b>	<b>O_SAVINGTIME</b>
<b>O_USEFUL</b>	1,00	0,55
<b>O_SAVINGTIME</b>	0,55	1,00
<b>O_WIDERCHOICE</b>	0,70	0,30
<b>O_ORDERANYTIME</b>	0,61	0,50
<b>O_ANONYMOUS</b>	0,35	0,26
<b>O_CHEAPER</b>	0,57	0,45
<b>O_COMFORTABLE</b>	0,60	0,63
<b>O_DETAILS</b>	0,54	0,30
<b>O_NOPRESSURE</b>	0,47	0,34
<b>O_NOTAVAILABLE</b>	0,73	0,45

As shown in Table 5-14, O\_SAVINGTIME had quite a strong correlation (0.55) with O\_USEFUL. This was an indication of the need to reject our hypothesis H4. The effects of other factors could be even higher. For example, O\_ORDERANYTIME had a higher correlation with O\_USEFUL, with  $r = 0.61$ . However, as depicted Table 5-14 above, O\_SAVINGTIME and O\_ORDERANYTIME correlated quite highly. Also, O\_SAVINGTIME correlated quite highly with all other variables. The problem now was that the explanatory variables were not distinctive, but correlated, so we used the regression method to find the partial elasticity of the explanatory variables toward O\_USEFUL:

Table 5-15 Regression on Online Shopping Usefulness (O\_USEFUL) Without Removing the Redundant Variables or Controlling for Multicollinearity

Dependent Variable: O_USEFUL				
Method: Least Squares				
Included observations: 71				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
O_SAVINGTIME	0.18	0.07	2.41	0.01
O_WIDERCHOICE	0.33	0.09	3.43	0.00
O_ORDERANYTIME	-0.21	0.13	-1.51	0.13
O_ANONYMOUS	0.01	0.07	0.20	0.83
O_CHEAPER	0.13	0.08	1.46	0.14
O_COMFORTABLE	0.08	0.11	0.75	0.45
O_DETAILS	0.09	0.10	0.89	0.37
O_NOPRESSURE	-0.03	0.09	-0.34	0.72
O_NOTAVAILABLE	0.35	0.13	2.71	0.00
C	-0.03	0.12	-0.27	0.78
R-squared	0.70	Mean dependent var		0.73
Adjusted R-squared	0.66	S.D. dependent var		0.99
S.E. of regression	0.57	Akaike info criterion		1.86
Sum squared resid	20.30	Schwarz criterion		2.18
Log likelihood	-56.30	Hannan-Quinn criter.		1.99
F-statistic	16.56	Durbin-Watson stat		1.21
Prob(F-statistic)	0.00			

As we can see based on this regression, O\_SAVINGTIME was definitely significant, but the effects of O\_WIDERCHOICE and O\_NOTAVAILABLE on O\_USEFUL were higher.

Table 5-16 Elasticity of O\_Usefulness: Major Factors for Perceiving Online Shopping as Useful

Method: Scaled Coefficients			
Included observations: 71			
Variable	Coefficient	Standardized Std. Err.	Elasticity at Means
O_SAVINGTIME	0.18	0.21	0.12
O_WIDERCHOICE	0.33	0.38	0.36
O_ORDERANYTIME	-0.21	-0.22	-0.25
O_ANONYMOUS	0.01	0.01	0.00
O_CHEAPER	0.13	0.15	0.09
O_COMFORTABLE	0.08	0.09	0.08
O_DETAILS	0.09	0.10	0.06
O_NOPRESSURE	-0.03	-0.03	-0.04
O_NOTAVAILABLE	0.35	0.35	0.61
C	-0.03	NA	-0.04

With the above analysis, the standardized coefficients could now be compared more validly. Or, even better, we could look at the elasticities. To interpret the Elasticity at Means values consider the following example based on the first row of the above table. There, the elasticity meant that a 1% change in O\_SAVINGTIME had a 0.12% effect on O\_USEFUL. But a 1% change in O\_WIDERCHOICE had a 0.37% effect on O\_USEFUL, and O\_NOTAVAILABLE was even higher, at 0.61. The relatively low elasticity value for O\_SAVINGTIME meant that time saving was not the major factor for perceiving online shopping as useful. We should accept our hypothesis. However, the above analysis should only be used as an indication because multicollinearity was not controlled for and the standard errors of the coefficients were too high for a statistically significant test that proves our hypothesis. Given the standard errors and the coefficients, the calculation of the upper and lower border of the 95%

interval (95% probability is the real coefficient between these two boundaries) is as follows:

Table 5-17 Coefficient Confidence Intervals

Included observations: 71			
Variable	Coefficient	95% CI	
		Low	High
O_SAVINGTIME	0.18	0.03	0.33
O_WIDERCHOICE	0.33	0.13	0.52
O_ORDERANYTIME	-0.21	-0.48	0.06
O_ANONYMOUS	0.01	-0.13	0.17
O_CHEAPER	0.13	-0.04	0.30
O_COMFORTABLE	0.08	-0.14	0.31
O_DETAILS	0.09	-0.11	0.31
O_NOPRESSURE	-0.03	-0.22	0.15
O_NOTAVAILABLE	0.35	0.09	0.61
C	-0.03	-0.28	0.21

As Table 5-17 shows, the upper boundary for O\_SAVINGTIME was higher than the lower boundaries of O\_NOTAVAILABLE and O\_WIDERCHOICE, so maybe the effects of O\_SAVINGTIME were still higher after all. Therefore, we did one last test to be sure. We used the Wald test to see whether the coefficient of O\_SAVINGTIME was smaller than the coefficients of O\_WIDERCHOICE and O\_NOTAVAILABLE at the same time:

Null-Hypothesis:

[1]  $\text{Beta}(\text{O\_SAVINGTIME}) > \text{beta}(\text{O\_WIDERCHOICE})$

And

[2]  $\text{Beta}(\text{O\_SAVINGTIME}) > \text{beta}(\text{O\_NOTAVAILABLE})$

Table 5-18 Wald test analyzing the combined effect of O\_WIDERCHOICE and O\_NOTAVAILABLE on O\_SAVINGTIME

Wald Test:			
Equation: Untitled			
Test Statistic	Value	Df	Probability
F-statistic	3.57	(2, 61)	0.03
Chi-square	7.15	2	0.02
Null Hypothesis Summary:			
Normalized Restriction ( =0)	Value	Std. Err.	
1	-0.14	0.11	
2	0.21	0.12	

The F-Test rejected this null hypothesis. We then rejected the idea O\_SAVINGTIME had the biggest effect on O\_USEFUL, and, therefore, we accepted our original hypothesis that O\_SAVINGTIME is not the major factor.

### 5.2.5 House Workers and Daily Shopping (H5)

H5: Most of the daily shopping is performed by house workers and drivers.  
(Undecided)

We wanted to test whether people who had a driver did less shopping for themselves. The assumption was that people send out their house workers to shop instead. To reject this hypothesis, we had to see whether the independent variable DRIVER had a positive correlation with the dependent variable SHOPPINGMONTHLY. In fact, there was a positive correlation  $r = 0.37$ , meaning that people who often sent their drivers also go shopping often themselves. However, this could have been due to the fact that only people with average to high income employed drivers and, therefore, had enough money to do more shopping. In addition, monthly shopping did not necessarily mean that people did their daily shopping

themselves. It could be that the daily shopping (i.e. groceries) was done by drivers and housekeepers, while people still went out shopping just for its hedonic aspects.

In order to know whether people with drivers did less shopping in person, we had to look at the variable PERCENTAGEONLINE. We first looked at the correlation of DRIVER and PERCENTAGEONLINE. The assumption behind this hypothesis was that people with drivers did less online shopping because the benefits of online shopping, such as saving time, were less important for them. They could save time by sending their drivers to perform the shopping, so they need not buy online. This is why the PERCENTAGEONLINE was expected to be lower compared with people without drivers.

We re-formulated the hypothesis as follows:

- We expect a negative relationship between having a private driver and the percentage of shopping that is done online (H5).

The correlation was -0.12, which seemed to support (H5). Next, we tested the significance of this correlation, running a t-test. The null-hypothesis was that the correlation  $r = > 0$ . The alternative hypothesis was  $r < 0$ . So, if we rejected the null-hypothesis, we assumed that the alternative hypothesis was correct, which would support (H5). Conducting the t-test showed the T-Statistic = 0.9 and a P-value of 0.31 > 5%, which was not significant. Therefore, (H5) cannot be supported. This, of course, does not mean that the null-hypothesis was true. We can still say that the negative correlation was an indicator supporting (H5), but our result was not significant.

We applied the same method of hypothesis testing to the variable HOUSEKEEPER. The correlation of HOUSEKEEPER and PERCENTAGEONLINE was -0.1518. Running the same t-test, we got a P-value of 0.23 > 5%, so the correlation was insignificant. Again, it still remained a small indication in favor of (H5) because the correlation was negative. The last chance to get a significant outcome was to test both variables, DRIVER ( $r_1$ ) and HOUSEKEEPER ( $r_2$ ), at the same time:

- Null-hypothesis:  $r_1 \geq 0$  and  $r_2 \geq 0$  (both correlations positive or zero at the same time)
- Alternative hypothesis: at least one is negatively correlated (supporting H5)

Table 5-19 Wald test to analyze the combined effect of Driver and HOUSKEEPER on PERCENTAGEONLINE

Test Statistic	Value	Probability
F-statistic	0.75	0.47
Chi-square	1.50	0.47

In this Wald-test, 64 people were included. We used the F-Statistic or Chi-square. Both gave us P-values that were too high ( $0.47 > 5\%$  and  $0.47 > 5\%$ , respectively). So we could not reject the null hypothesis. This means that we cannot support (H5), but there was an indication that (H5) was true due to the negative correlation.

In a final attempt to see how big the effect was, we did a regression analysis:  $\text{percentageonline}_i = \text{driver}_i + \text{housekeeper}_i + u_i$ . This allowed us to look at the beta-values.

Table 5-20 Regression Analysis on PERCENTONLINE

Dependent Variable: PERCENTONLINE				
Method: Least Squares				
Included observations: 64				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DRIVER	-2.00	8.06	-0.24	0.80
HOUSEKEEPER	-6.30	8.32	-0.75	0.45
C	22.37	5.07	4.40	0.00
R-squared	0.02			
Adjusted R-squared	-0.00			
Prob(F-statistic)	0.47			

As shown in Table 5-20, there were high beta-values, both insignificant. However, there was a strong correlation between the independent variables HOUSEKEEPER and DRIVER at 0.67. Due to this multicollinearity, we could not rely on the P-values of the t-tests. So we simply made a new variable, DRIVERHOUSEKEEPER, which is 0 if a person had neither a driver nor a housekeeper, and 1 if the person had one or both. Then we conducted a regression analysis, as shown below in Table 5-21:

Table 5-21 Regression Analysis with the new Combined Variable DRIVERHOUSEKEEPER on PERCENTONLINE

Dependent Variable: PERCENTONLINE				
Method: Least Squares				
Included observations: 64				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DRIVERHOUSEKEEPER	-7.50	6.44	-1.16	0.24
C	22.36	5.21	4.28	0.00
R-squared	0.02			
Adjusted R-squared	0.00			
Prob(F-statistic)	0.24			

The beta was -7.5, which would mean that people with at least one house-employee did 7.5% less of their total shopping online. However, the result was again not significant, with a probability (prob.) value of 0.2483 > 5%. This could have been because subjects in our study could not guess the proper percentages for their monthly shopping method. If this was the case, the variable PERCENTONLINE was possibly biased. We conducted a regression analysis with new variables:

- $\text{percentageonline2} = \text{BUYONLINE} / (\text{BUYONLINE} + \text{SHOPPINGMONTHLY})$
- $\text{percentageonline3} = \text{BUYONLINE} / (\text{BUYONLINE} + \text{SHOPPINGMONTHLY} + \text{DRIVERSHOPPING})$

We calculated the correlations of DRIVERHOUSEKEEPER with these new variables. However, the outcomes were still insignificant, although the correlations

were all negative. We performed the regression multiple times with other control variables, but we could not support (H5).

In conclusion, we were undecided about (H5). Our correlations and regressions indicated a negative relationship supporting (H5), but no result was sufficiently significant. We could therefore not reject the opposite, and were undecided.

### 5.2.6 Expectations about Online Shopping Usefulness (H6)

H6: People do not expect online shopping to be more useful than shopping in-stores. (Supported)

To test this hypothesis, we first directly compared the variables O\_USEFUL and S\_USEFUL before comparing the different aspects of usefulness separately:

Table 5-22 Usefulness Comparison: Online Shopping vs. In-Stores Shopping

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
O_USEFUL	79	0.73	0.97	0.10
S_USEFUL	89	1.11	0.83	0.08
All	168	0.93	0.91	0.07

Please note that the Standard Error of Mean was calculated as  $\frac{Std. Dev}{\sqrt{count}}$ . Indeed, the mean of S\_USEFUL was higher than the mean of O\_USEFUL. We used a t-test to compare the two series:

- Null-hypothesis:  $Mean(O\_USEFUL) = > Mean(S\_USEFUL)$

Table 5-23 t-Test analyzing the Equality of O\_USEFUL and S\_USEFUL Variable Series

Included observations: 97			
Method	Df	Value	Probability
t-test	166	-2.72	0.00

The result of the t-test, with the degree of freedom = 166 and the T-statistic = -2.72, showed a significant difference (P-value = 0.00 < 5%). Therefore, we could reject the null-hypothesis and assume that S\_USEFUL was on average higher than O\_USEFUL. This supported (H6).

We conducted similar tests for other aspects of usefulness. Please note that O\_USEFUL and S\_USEFUL referred to the overall and general usefulness of online shopping/physical shopping, while the following variables referred to related aspects of usefulness, such as saving time, lower prices, wider choice, or being able to order at any time:

- \_WIDERCHOCIE, \_SAVINGTIME, \_ORDERANYTIME, \_CHEAPER

For the variables O\_WIDERCHOICE and S\_WIDERCHOICE, we have the following mean values:

- Mean O\_WIDERCHOICE = 0.79
- Mean S\_WIDERCHOICE = 0.73

As shown, Mean (O\_WIDERCHOICE) was bigger than Mean (S\_WIDERCHOICE). Therefore, we could not reject the null hypothesis  $\text{Mean}(\text{O\_WIDERCHOICE}) \geq \text{Mean}(\text{S\_WIDERCHOICE})$ . This meant that we could not say that the shopping experience provided a wider choice than online shopping. We also tested the opposite. For this purpose, we tested a new null-hypothesis:

- $\text{Mean}(\text{O\_WIDERCHOICE}) \leq \text{Mean}(\text{S\_WIDERCHOICE})$

The test provided a P-value of 0.72, so we could not reject this null-hypothesis, meaning that we could not say that online shopping provided a wider choice than in-store shopping. In conclusion, the variable WIDERCHOICE did not lead to a decision in either direction. We could neither support nor reject (H6) decisively with this variable.

We proceeded with the remaining variables as above. Shown below are only the results of the test. In all four cases, the mean of the O\_VARIABLES was higher, so we could not reject the null hypothesis  $\text{Mean}(\text{O\_VARIABLE}) \geq \text{Mean}(\text{S\_VARIABLE})$ . We used another null-hypothesis to test if the opposite could be supported:

- $\text{Mean}(\text{S\_VARIABLE}) \geq \text{Mean}(\text{O\_VARIABLE})$

Table 5-24 t-Test Analyzing whether In-store Shopping Attributes were Higher Valued than Online Shopping Attributes

	Mean s	Mean o	P-value
<b>WIDERCHOICE</b>	0,73	0,79	0,72
<b>SAVINGTIME</b>	-0,10	0,51	0,00
<b>ORDERANYTIME</b>	-0,08	0,89	0,00
<b>CHEAPER</b>	0,45	0,52	0,68

For WIDERCHOICE and CHEAPER, the difference was not significant, so these variables did not lead us to reject any of the null-hypotheses and thus they remained undecided. In other words, it was not possible to accept or reject (H6). However, as for SAVINGTIME and ORDERANTIME, we could reject the new null-hypothesis, ruling out that S\_ORDERANYTIME and S\_SAVINGTIME had a lower mean than their online equivalents. This meant that neither of these variables supports (H6). Remind that (H6) hypothesized that people do not expect online shopping to be more useful than in-store shopping. However, this was not the case for ORDERANTIME and SAVINGTIME.

We also checked some other variables related to ease-of-use: `_RELAXING`, `_DETAILS`, `_NOPRESSURE`. Please note that for online shopping, the variable `_COMFORTABLE` corresponds to the variable `S_RELAXING`.

Table 5-25 Online vs. In-store Shopping: Comparison based on Explanatory Variables `NOPRESSURE`, `DETAILS`, and `RELAXING`

	Mean s	Mean o	P-value
<code>NOPRESSURE</code>	-0,18	1,01	0,00
<code>DATAILS</code>	0,60	0,48	0,43
<code>RELAXING</code>	0,24	0,70	0,00

There was no significant difference between the means for `S_DETAILS` and `O_DETAILS`. All the other significant mean differences actually did not support (H6) because they clearly indicated that  $\text{mean}(O\_VARIABLE) > \text{mean}(S\_VARIABLE)$ .

For `_DETAILS`, the  $\text{mean}(S\_DETAILS) > \text{mean}(O\_DETAILS)$ , but the difference was not significant, due to a very high standard deviation.

In conclusion, we summarize as follows:

- The results for the global variable `_USEFUL` were clear: Our research population thought in-store shopping was more useful than online shopping.
- These results were contradicted by most of the specific variables describing usefulness. This seemed to be paradoxical.
- A comparison of `O_ORDERANYTIME` and `O_SAVINGTIME` with `S_ORDERANYTIME` and `S_SAVINGTIME` indicated online shopping was more useful.
- People perceived online shopping as more relaxing. They perceived no sales pressure as related more to online shopping than to in-store shopping, which was an advantage of online shopping.

We speculated that the reason for the paradox was either the general subjectivity of surveys or that there were more variables for usefulness than were included in the

survey. We also speculated people liked shopping physically, in general, so perhaps a lot of people mixed up questions about usefulness with general shopping preferences.

It should be noted that the variable `_USEFUL` was the most important variable for measuring usefulness, and it clearly supported (H6).

### 5.2.7. Preferring Online Shopping for Privacy-Critical Products (H7)

H7: For privacy-critical products, users prefer online over in-store shopping. (Undecided)

To test this hypothesis, we started by comparing the two variables `LIKEBUYINSTORE_PERSONAL` and `LIKEBUYO_PERSONAL`

Table 5-26 Comparing `LIKEBUYINSTORE_PERSONAL` and `LIKEBUYO_PERSONAL`

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
<code>LIKEBUYINSTORE_PERSONAL</code>	95	1.55	0.90	0.09
<code>LIKEBUYO_PERSONAL</code>	85	0.63	0.79	0.08
All	180	1.12	0.97	0.07

We observed that  $\text{Mean}(\text{LIKEBUYINSTORE\_PERSONAL})$  was greater than  $\text{Mean}(\text{LIKEBUYO\_PERSONAL})$ . We conducted a t-test to look at the significance.

Table 5-27 t-Test Checking for Equality of Means between Series `LIKEBUYINSTORE_PERSONAL` and `LIKEBUYO_PERSONAL`

Included observations: 97			
Method	Df	Value	Probability
t-test	178	7.19	0.00

The results were highly significant, with a P-value of 0.00 (less than 5%). We had to reject (H7). This could have been due to the fact that people in Saudi Arabia generally liked to shop in stores rather than online.

We did not want to only compare the means of LIKEBUY\_PERSONAL, but compare also their relation with, for example, groceries, media, or other goods. For this purpose, we introduced new variables. We first calculated all the differences:

- DELTAPERSONAL =  
LIKEBUYINSTORE\_PERSONAL – LIKEBUYO\_PERSONAL
- DELTAGROCERY =  
LIKEBUYINSTORE\_GROCERY – LIKEBUYO\_GROCERY
- DELTAMEDIA = LIKEBUYINSTORE\_MEDIA – LIKEBUYO\_MEDIA
- DELTAGROCERY =  
LIKEBUYINSTORE\_GROCERY – LIKEBUYO\_GROCERY

The delta-variables showed us how much more people preferred physical shopping over online shopping by category. We analyzed the category “personal” compared to the other categories:

Table 5-28 Physical Shopping Preferred over Online Shopping by Category

	DELTAGROCERY	DELTAMEDIA	DELTAOTHER	DELTAPERSONAL
Mean	0.73	-0.41	0.81	0.86
Std. Dev.	0.58	1.66	1.48	1.25
Observations	84	77	77	83

As Table 5-28 shows, Mean(DELTAPERSONAL) is the highest. This meant that people preferred to buy personal goods in stores and not online. This was the opposite of what we speculated in (H7). Now, we tested the significance of this finding: was Mean(DELTAPERSONAL) really higher than the other means? So the null-hypothesis is:

- Mean(DELTAPERSONAL)  $\leq$  Mean(DELTAMEDIA), P-value is  $0.00 < 5\%$ , so we could reject this null-hypothesis. In fact, people's intention to buy products from the personal category in physical stores was higher than for the products in the media category.
- Mean(DELTAPERSONAL)  $\leq$  Mean(DELTAGROCERY), P-value is  $0.39 > 5\%$ , so we could not reject. This meant that people's preference for buying personal products in physical stores was not higher than for buying groceries in physical shops.
- Mean(DELTAPERSONAL)  $\leq$  Mean(DELTAOTHER), P-value is  $0.82 > 5\%$ , so we could not reject.

In conclusion, we had no support for (H7). We can add that, within our study population:

- 1) People clearly liked to buy personal goods in stores rather than online. Personal goods, like medicine, demanded personal consulting that the Internet did not sufficiently provide.
- 2) People liked buying media products online.

### **5.3 Discussion**

In section 5.3, the pre-study expectations, hypotheses, and the results of the research will be discussed in more detail. After defining the barriers to online shopping identified in studies based in other countries, potential factors that affected customer intention to buy or not to buy online in Saudi Arabia were identified. The focus was on defining the perceived usefulness of online shopping, privacy and trust involved in e-retailing in Saudi Arabia as potential motivators and/or de-motivators to online shopping.

The general finding of the present study is that users are less than satisfied with their online shopping experience. We suggest that this issue be further explored in future studies, using wider population samples, in order to better understand the reasons

behind this lack of satisfaction. Although users' lack of satisfaction ~~this matter~~ was outside the scope of the current study, it could be posited that the dissatisfaction stems from a distrust or negative attitude towards online shopping and its usefulness. The accuracy of this hypothesis would have to be researched in a further study.

The study participants' responses revealed that many individuals (75%) that use Internet services are satisfied with Internet availability and quality in Saudi Arabia (see Figure 5-10, p.40). This serves as an indication that, contrary to the view that the key barrier to online purchases is the lack of Internet usage in the country, people's decision to shop online or not is based on other factors.

In addition to some participants misgivings about Internet usage, and hence online shopping, Table 5-3 and Table 5-4 show that most participants agreed that in-store shopping was most useful when purchased items needed to be tested or tried on (such as clothing items, see Figure 5-14). Moreover, most respondents revealed that in-store shopping was exciting, fun, an opportunity for socializing, offered a chance to negotiate with sellers and be with the family, and provided a wider choice in one place (when shopping in a retail mall). Also, people simply preferred to buy certain products in-store; as Figure 5-15 indicates, clothing ranks the highest amongst items that respondents preferred to buy in-store. Clothing is considered by many in Saudi Arabia (women in particular) as a product that should be tried on and purchased in private (Al-Maghrabi & Dennis, 2009). Other products that people indicated they would never buy online are shown in Figure 5-17, with groceries taking the lead percentage at 79% due to quality and freshness concerns (Kurnia, Leimstoll, & Schubert, 2005). This implies that, in a variety of areas, online shopping may not successfully enter the market in a viable way. On the other hand, for another range of products such as electronic goods and ticketing needs, response to online availability was high (Figure 5-18). This study implies that certain uses of online shopping already have market acceptance in a Saudi Arabian context.

When questioned about the benefits of online shopping, 50% of the respondents agreed with the statement that online shopping was useful and had advantages (see

Table 5-3). In particular, 66% of the study participants indicated that one of the key advantages of online shopping was that it enabled them to acquire products that were not available nearby (see Table 5-4). The respondents also indicated that online shopping offered a wider choice of products, as they could shop on different websites anytime, from anywhere. Finally, the respondents valued the fact that they could find cheaper prices when shopping online and comparing costs on different websites. When shopping online, they also enjoyed the fact that product information was readily available and there was no pressure from a seller.

### **5.3.1. Perception of Usefulness and Winning Customers**

Perception of usefulness was important for consumers regardless of the purchase mode. A regression analysis revealed that being female and not having a driver significantly correlated with disliking in-store shopping (see *Appendix B, Linear Regression Model with R*). This target group would be ideal for online retailers to focus their marketing on, in order to reach this significant percentage of population and entice them to shop online. This is especially true for products that respondents do not feel comfortable buying in-store, or products they would prefer to buy online (e.g. clothing for women, drugs and medicines that customers may feel embarrassed to ask about in-store).

It should also be noted that only 20% of the participants knew about Saudi-based online shopping (see Figure 5-28). Consequently, retailers could strive to strengthen their advertising methods by marketing their products on the street, in TV advertisements, through flyer distribution, and by placing posters at prominent locations, and improve the appeal of advertisements. These strategies might attract more clients to online shops (McMillan, 2004).

### **5.3.2. Effective Online Price Negotiation and Immersive Product Experience**

Online retailers should target their advertising and promotion strategies at users who enjoy shopping in-store. When responding to the questionnaire, 71% study participants indicated that they liked to go to physical shops (in-store shopping) (see

Table 5-3). In order to motivate customers to purchase online products available in nearby physical stores, online shopping may need to be made more appealing. In the current study, participants were asked about the usefulness of online shopping in comparison with physical shopping. Study participants cited a wide variety of products, cheap prices and the ability to see and test items before buying as key aspects reflecting the usefulness of physical shopping. A successful online shop should offer the same benefits to customers, and study participants noted that online shopping allowed them to purchase a wide variety of products cheaply. However, experiencing the real product and the price negotiation that are present during physical shopping were not possible when buying online. If these factors could be simulated through the online experience, such as though the bargaining aspects of e-bay or the ability to try on products and return them as is the case with Zappos, then reluctance to do online shopping may go down. Moreover, in order to address delivery issues, online retailers could consider shortening their average delivery time, potentially through special arrangements with appropriate local couriers or delivery companies, and clearly indicating the date ordered items should reach the customers.

In addition, a closer analysis of the responses provided by individuals who have never purchased online revealed that these individuals did not know how to use the Internet to shop online, although they knew of the Internet. This study finding was important, as it indicated many people were unable to shop online because they lacked the necessary skills. Providing training and assistance to potential customers on how to do online shopping could be a factor in increasing the number of online purchases. Online retailers could address this issue by playing a more proactive role in combating the digital divide and by following a design philosophy that produces electronic shops that can be used by elderly, disabled and/or digitally illiterate individuals, among others. New interface technologies, such as those that offer natural spoken language interfaces, 3D user interfaces, or game-based interaction, could help in this effort. Another way to increase the percentage of population that uses Internet is to use iTV as a widely accessible medium for e-retailing. Some individuals currently not using the Internet might already have an interactive TV that they know how to use. For

conventional TVs, an additional setup box would be required to make it interactive. However, this could be provided by merchants. Such new immersive technologies could provide a better sensation of the product to the user.

### **5.3.3. The Right Products for Online Retailing**

Companies planning to start online retailing in Saudi Arabia might consider the study findings indicating that customers prefer to purchase specific products, such as books, technology, and tickets online. Other products, such as cosmetics, drugs and items unavailable in local stores were also noted by a number of study participants as suitable for online purchasing, although these were cited by fewer people. Thus, focusing on supplying products that Saudi people prefer buying online might prevent failure for new online retailing businesses.

On the other hand, study participants clearly stated that they would prefer to buy grocery articles, furniture and clothing in physical stores. Only 1% of respondents indicated that they would buy groceries online Figure 5-17. Similarly, only 22% would choose to purchase furniture online (see Figure 5-18). Online retailers could avoid offering these products, or remove the barriers preventing Saudi customers from buying groceries and furniture online. The participants of this study noted concern with the freshness and quality of food products, and this might be taken in consideration when planning online retail of perishable goods (Kurnia, Leimstoll, & Schubert, 2005).

### **5.3.4. Eliminate Reasons Not to Buy Online**

In addition to offering incentives to consumers, online retailers should also eliminate factors that study participants stated as reasons for not shopping online.

As shown in Table 5-6, 59% of the participants noted feeling distrustful of online transactions and anxiety over whether a website was authentic. In addition, 37% respondents stated that they did not trust websites in terms of stability, and 21% based their buying decision on the quality of the website design. Further, 27% of the participants needed help shopping online, and 21% said that the process for electronic

transactions was too complicated, reflecting a need to address technology literacy. Problems with technology literacy would be important to overcome in order for businesses to expand their online customer base.

The second important factor mentioned by participants was that they felt no need to buy a product online that they could find locally through in-store shopping. This indicates a need for online retailers to create a better awareness of the benefits of online shopping.

More than half of the respondents (52%) agreed that online information was not clear for product qualities, such as color, texture, material, and so on (Table 5-6). In addition, 36% thought that they were not guaranteed the quality of the products when they purchased them online. Similarly, 48% of the participants agreed that it was important to try and test products before making a purchase. Customers also mentioned that it would take more time to get the products from the company if they ordered online and the fact that they could not experience the product until after they had already paid for it was a deterrent. In contrast, purchasing in a physical store was considered fast and easy, and customers could feel products before making payment. In addition, 37% of the participants thought that delivery times for online purchases were excessive, and making them more inclined to shop in physical stores (Table 5-6).

These findings indicate that e-retailers ought to invest in high quality virtual product experiences for users, as this would eliminate some of the aforementioned barriers. Encouraging existing customers to provide evaluation feedback on company websites might allow for improved site designs, increased customer trust towards the product quality or delivery process, and might also serve as a useful marketing strategy. Moreover, in order to address delivery issues, online retailers should consider shortening their average delivery times, potentially through special arrangements with appropriate local couriers or delivery companies. Companies should clearly indicate the date when the ordered items should reach the customer. This might increase satisfaction or intention to buy online. Another measure that could address various issues would be to offer 100% guaranteed satisfaction for online purchasing. This way, customers might

be more willing to purchase products without physically experiencing them, because they could return the items with which they were not satisfied.

Another barrier to online shopping noted by 59% of the study participants was the issue online retailer identity, as there was no way to verify if companies were reputable and would thus not misuse personal data or take the payment without delivering products (afraid of fraudulent pages - see Table 5-6). These findings suggest that online retailers ought to display serious self-representation to customers and offer easy-to-find explanations about themselves on websites, so that their identities can be verified by customers. Creation of a certifying body for online merchants, such as those which exist in North America, would also serve to increase trust.

Missing out on the social experience was one of the major factors affecting the decision to buy online, as 31% of the participants really cared about shopping in-store for the opportunity to socialize. Also, shopping in person helped to build a relationship with the seller, and leading to discounts; 17% of the participants said this could affect their decision to buy online (see Table 5-6).

In general, both trust in the online retailer and protection of personal privacy were perceived as important by our subjects. This indicates that online retailers must make considerable effort to earn their customers' trust, in order to help customers feel comfortable enough to provide the personal information required to make a purchase. Use of a system of recommendation by other customers may have an impact on this (such a system is used by eBay and Amazon).

Although the data reported here does not allow for extensive analysis of the payment methods and different trust forms, online retailers should consider strong steps towards increasing customer trust in payment security, increasing the variety of online payment methods, offering payment upon delivery or later and making users aware of these services.

### **5.3.5. Start In-Store to Attract Online Consumers**

Each time a customer enters a physical store, the company has a chance to develop that customer's trust in the online transaction security and online product quality. A number of strategies might be used by merchants with shops to drive an increase in online traffic. First, a merchant that offers both online and physical shopping might find it easier to attract the existing physical store visitors to buy the same products online, in particular if they have an opportunity to see and purchase the same or similar products in the physical shop. The logic is that customers already familiar with merchants are more likely to trust their online operation, in contrast to websites whose origins cannot easily be identified; the latter may be seen as a means to conduct fraudulent transactions. When prices offered for similar products that can be purchased in stores are cheaper when sold online by the same merchant, the customers familiar with both the company and the product may be willing to shop online. In sum, online retailers should focus on improving the customers' perception of online shopping in order to increase the trust in their services and products.

## CHAPTER 6 CONCLUSION

### 6.1 Summary

Rapid implementation of technology and its presence in a wide range of sectors and industries allows businesses to create online shopping opportunities capable of increasing their profits by up to 50% (Stacyx, 2011). Existing literature pertaining to the research on online retail websites usage is focused mostly on habits of consumers in countries besides Saudi Arabia. This study explores perceived usefulness, the importance of personal shopping experience and privacy and trust in online retailers, as the main factors affecting the decision to purchase online specifically in Saudi Arabia.

The factors that were investigated first were the customers' perceptions of the usefulness of online shopping versus in-store shopping, as traditional shopping modes allowed the customers to feel, touch, and try the new products right away (Al-Maghrabi & Dennis, 2009). Preferences for negotiating and comparing prices, as well as the hedonic aspects of physical shopping were also investigated as a part of this study. Finally, the importance of time allocated to shopping was analyzed. Participants were asked whether or not drivers or housekeepers were utilized when physically visiting the stores, as this could counteract the time-consuming nature of in-person shopping. All these aspects are addressed in this study in order to establish whether online or in-store shopping was perceived as more useful. These issues were used to formulate the hypotheses (H1, H2, H3 and H4) that were tested as a part of the study. The hypotheses that guided the study are listed in Table 6-1, which also summarizes the key results pertaining to these hypotheses.

Table 6-1 Hypothesis Result

Hypothesis #	Hypothesis description	Result
<b>H1</b>	There is a negative relationship between the in-store shopping experience and the intention to buy online	<b>Undecided</b>
<b>H2</b>	Online shopping negatively correlates with in-store shopping experience.	<b>Supported</b>
<b>H3</b>	The benefits of the in-store shopping experience are more important for people than the advantages of online shopping	<b>Rejected</b>
<b>H4</b>	Time saving will not be a major factor for perceiving online shopping as useful	<b>Supported</b>
<b>H5</b>	Most of the daily shopping is performed by house workers and drivers	<b>Undecided</b>
<b>H6</b>	People do not expect online shopping to be more useful than shopping in-stores	<b>Supported</b>
<b>H7</b>	For privacy-critical products, users prefer online shopping over in-stores.	<b>Undecided</b>

The next factors addressed as part of this study included privacy offered by online retailers and customers' trust in retailers' services. The study participants were asked if they would hesitate to shop online for certain types of products due to lack of trust in product quality, online transaction security, and or concern about personal data protection. These findings reflect the key issues identified in prior studies of this type (Kurnia, Leimstoll, & Schubert, 2005). The findings of previous research conducted in Iran revealed that respondents were hesitant to provide personal information, such as name and address (Bigdeli, Afaghzadeh, Albadvi, & Abdolvand, 2009). As bank account information was also a sensitive matter identified in prior studies (Acquisti & Grossklag, 2005; Gopal, Pathak, Tripathi, & Yin, 2006; Hansen, 2005), the current study found that the same would hold true for the Saudi population.

Finally, the research presented here seeks to improve Saudi Arabia's online retailer ability to utilize existing technology for the growth of their business and profits. In this respect, the study sought to better understand Saudi Arabian consumers' decision-making processes around buying or not buying online by looking at a limited

sample of Saudi Arabians' perceptions of the usefulness, reliability, privacy and experience of online and in-store shopping. The study's findings may be useful to online retailers and businesses planning to expand their services by providing online shopping.

The key suggestion arising from the study results is for companies to increase the trust relationship between customers and business by enhancing online security. For online activity they should also be concerned about conveying product quality and could give customers an option to try and test products within a reasonable time (i.e. establish specific return policies). Companies should make sure that product information (brand name, size, material) is clearly and correctly displayed. Businesses with a physical store could advertise online shopping options and reassure customers that they can order anytime and return items, if necessary, either online or in store.

For businesses with only warehouses and no physical shopping outlets, a recommendation is to provide a reasonable return option and state the terms and conditions clearly on websites. In order to embrace online shopping, customers are looking for more trustworthy websites that have clear information about privacy policies and that promote trust in products and services. If more customers are attracted to try online shopping, businesses profits may increase. Cultural factors could affect some businesses, and good business practices involve considering the culture to which the customers belong. It is also essential to allow customers to write comments and reviews on websites, as this might not only attract new customers, but could also enable businesses to review responses and improve websites to better serve customers' needs. In Saudi Arabia, people speak Arabic as their first language. Hence, in order to expand customer base, retail websites should have Arabic and English options.

## **6.2 Links to Relevant Literature**

Chan & Al-Hawmdah (2002, p.286) show the importance of online shopping in Singapore, arguing it has impacted the country's economy and increased sales up to

50%, especially in the arena of International trade. The study also shows that high speed Internet helped to increase the ease of use. These points may be important for Saudi Arabia to consider, in order to augment online shopping success. Having high speed Internet service will help the government increase the use and ease of use of Internet service in Saudi Arabia, possibly leading to increased business profits.

In term of the personal shopping experience, Ogawara, Chen & Zhang (2003) and Ramus & Nielsen (2005), showed that businesses with a physical store along with an online store were more successful than online stores with a warehouse only. People like to see the products and check the quality, and they prefer to buy products in-store. This is especially true for grocery products, as Ogawara et al. show in their study into different aspect of Internet grocery sites in Japan. Also, their study shows that for online business, websites need to be user friendly and target potential customers in order to get the benefit of the online store. Our study found that 99% of participants did not want to purchase groceries online. Ogawara's research could help improve opinions about buying groceries online, if stores' used findings to improve websites, and made them clearer and easier for users to navigate. Ramus and Nielsen (2005) and Kurnia, Leimstoll, & Schubert (2005) also mentioned that easy and simplicity of websites led to repeat online customers.

In terms of what consumers are looking for in an online shopping experience, Limayem, Khalifa, & Frinin (2000) and Ramus and Nielsen (2005) cite flexibility, low costs, efficiency, time-efficiency, and the ability to compare several products in terms of price and quality as some of the main advantages participants looked for in online shopping. On the other hand, trust issues, privacy, security and shipping expenses were some of the main factors people considered as potential barriers to online shopping when they buy online. These studies suggested some of the main factors affecting customers' decision to buy online and these are factors we also found in our study in the Saudi Arabian context.

There were five main factors that affected online shopping in Iran according to Bigdeli, Afaghzadeh, Albadyi, & Abdolvand's study (2009). Social factors, use of technology (usability and Internet speed), confidence (customer not feeling confidence), and trust and privacy concerns were all factors affect online shopping in Iran. Compared with Saudi Arabia, Iran has similar cultural and social norms. As such, our study considered whether some of these factors, like privacy and social norms, were barriers for online shopping in Saudi Arabia.

Al-Maghrabi & Dennis' study (2009) was held in Saudi Arabia. These authors found that enjoyment, usefulness and subjective norms were factors affect Saudi customers in continuance intentions. Also, the study found that males were more influenced by the usefulness of the technology than females. On the other hand, females were used the technology more for enjoyment. However, Al-Maghrabi & Dennis' study of perceived enjoyment was not for online shopping; rather it was for social networking and communication. Our study shows that females were less likely to do online shopping because of the hedonic experience common with in-store shopping. Among limited activities in Saudi Arabia, females like to go in-store shopping to experience pleasure.

### **6.3 Study Limitations**

Although the research was carefully planned, some limitations are unavoidable, in particular because the research was conducted in Saudi Arabia. The first limitation pertains to geographical location of study participants. As the study schedule and funding was limited, access to a wider Saudi population was restricted. Hence, the scope of the study was restricted to Riyadh, Jeddah and Medina. Consequently, individuals outside of these larger urban areas without access to the Internet were largely excluded from the study. However, some online customers outside the aforementioned cities did respond to online questionnaire.

The questionnaire was used as a data collection instrument, in order to obtain a real sample of individuals who do shopping either online or in stores. As time and resources to gather data were limited, the study could not be expanded, for example, by using interviews with business owners to determine how many had online stores or had used data mining methods. Although other researchers (Limayem, Khalifa, and Frini, 2000; Kurnia, Leimstoll, and Schubert, 2005) used only a questionnaire method to collect data and have provided important findings in this field, it should also be noted that people in Saudi Arabia are very private and not many were willing to complete a survey, which is an inherent limitation of any study conducted in this region.

Clearly, due to the sampling method used, the study participants are unlikely to represent the Saudi Arabian population in general. Moreover, the sample is not random, as data were collected in shopping malls, thus excluding individuals that only buy in small stores around the corner. Given that some study participants were reached online, individuals without Internet access were excluded. In order to obtain a larger sample size, the snowball effect was used: the respondents were asked to forward the questionnaire to other people. To reduce bias, the researchers' direct friends and family members were not included in the study. However, friends of friends and family members of friends were considered a "perfectly legitimate" recruiting source, as mentioned by Goodman et al. (Goodman et al., 2012, p. 103). Nonetheless, having respondents related to the researchers in any way could bring some bias in to the data. This study also excluded teenagers, a large shopping population, due to ethics concerns.

Within the questionnaire, several control questions were included that basically rephrased questions that had already been asked. These questions were designed to measure for consistency in respondents' answers. But many of these control questions revealed inconsistent answers. For example, there was a question that asked if a participant had ever used PayPal or a credit card and the response was no, but then later on in another question, the participant indicated that they had shopped online before. Data from questionnaires that included such inconsistencies were not used in the hypothesis testing. All incomplete or inconsistent data was scrubbed from the results.

For future research, these problems would need to be addressed. Questionnaires would need to be improved in quality and shortened. Complementary qualitative instruments such as interviews would enrich this research by allowing deeper analysis of findings.

#### **6.4 Future Research**

We suggest that future research investigate the aforementioned limitations faced in the current study. This includes expanding the scope of the study to cover a broader range of locations in Saudi Arabia. Additionally, we highly recommend that future studies include more research participants. Furthermore, it may be beneficial to include participants younger than eighteen years old as it has been observed that younger generations are more capable with technology use. Research that includes younger people would need to be conducted ethically as approved by the Ethics Committee.

Studies in this field could also explore the use of other methods such as interviews to analyze why only 9% of Saudi companies make use of e-commerce opportunities, while 25% are not even aware of the benefits of e-commerce (CITC, 2007).

Finally, as distrust was one of the main factors this research identified as a barrier to online shopping, it is vital to further understand the characteristics of online security that are deemed trustworthy for Saudis. This information can be used in the development of security standards in the e-shopping context.

## APPENDICES A - L

### APPENDIX A: CODING KEY FOR QUESTIONNAIRE STUDY VARIABLES

Q #	Variable	Data of Variable	Description
1	GENDER	Male = 0 Female = 1	Value 1 for female and 0 for male.
2	AGE	0-18 = 15 19-29 = 25 29-39 = 35 49-50 = 45 50+ = 55	I picked an average in each age group. For people who are older than 50, I selected their age to be 55 because only 2.3% of Saudi Arabians are older than 65 and only 4.5% of Saudi Arabians are older than 60 years of age. UN World population (2002) Candidates below the age of 18 have assumingly not filled in forms, so $(12 + 18) / 2 = 15$ as the average.
3	SINGLE	Single = 1 Other = 0	A value of 1 for single participants and a value of 0 for others, such as married, divorced, or widowed.
4	CHILDREN	Yes = 1 No = 0	Value of 1 for people who have children and 0 for people who do not have children.
5	EDUCATION TIME	Graduate = 18 Undergraduate = 16 High school and below = 12 PhD = 23	The value is the numbers of year to complete the selected level of education as state is in U.S. Saudi Arabia Business Council(2009)
6	ENGLISH	English = 0 Both = 1	Everyone who filled out the questionnaire knew Arabic, as Arabic is the main language in the KSA. Both, meaning the person speaks English and Arabic. Person who picked solely Arabic, which means the person cannot speak English
7	UNEMPLOYED	Unemployed = 1 Other = 0	Value of 1 for people who picked Unemployed or Retired and 0 for those who selected other, which is employed (either government or private employee).
7.1	STUDENT	Student = 1 Other = 0	Value of 1 for people who selected student and 0 for those who selected other.
8	INCOME	I do not have one = 0 Less than 2000 SR = 1500 2000-5000 SR = 3500	Given values are the average amount of each value. However, for people who selected

8	INCOME	I do not have one = 0 Less than 2000 SR = 1500 2000–5000 SR = 3500 5000–10,000 SR = 7500 10,000–15,000 SR = 12,500 15,000–20,000 SR = 17500 More than 50,000 SR = 75,000	Given values are the average amount of each value. However, for people who selected less than 2000 SR, they received 1500 SR for unemployment benefit John et al. (2011).
10	DRIVER	Yes = 1 No = 0	Value of 1 for people who have a driver and 0 for people who do not have a driver.
11	HOUSEKEEPER	Yes = 1 No = 0	Value of 1 for people who have a housekeeper and 0 for people who do not have one.
12	INTERNET USER	Yes = 1 No = 0	Internet familiarity. Not familiar with the Internet.
13	INTERNET HOME	Yes = 1 No = 0	Derived from Internet availability at home.
15	SHOPPING MONTHLY	“NIL” if there was no entry. If there was a number, I took it.	Derived from ‘How many times per month do you go shopping in person?’
17	The following participants “like to shop” in person		
17.1	S_LIKTOSHOP	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who like to shop in general.
17.2	S_EXCITION	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that shopping is exciting.
17.3	S_RELAXING	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that shopping is a time for relaxing.
17.4	S_FUN	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that shopping is fun.
17.5	S_SOCIALIZING	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that shopping is the major place for socializing.
17.6	S_NEGOTIATE	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who like to negotiate with the seller.

17. 7	S_SEEANDTRY	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who like to see and try a product before they buy it.
17. 8	S_MANYTASKS	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think going shopping gives them an opportunity to multitask.
17. 9	S_CHILDRENISIST	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Family <u>insist</u> to go shopping: Different values for people who think that shopping is family time and taking their children is fun, as all malls include fun children's places.
17. 10	S_BORING	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that shopping is boring.
17. 11	S_TIMECONSUMING	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that shopping is time consuming.
17. 12	S_DONTLIKE	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who do not like shopping
20	S_SEARCHBEFORE	Yes = 1 Sometimes = 1 No = 0	Different values for people who like to search for information on products before they buy them.
21	BUYONLINE	"NIL" if there was no entry, If there was a number, I took it.	The value here is the number of times people shopped online per month.
22	INTERNETBETTER	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that Internet shopping is better than shopping in person.
23	SHOPPINGONLINE	Yes = 1 No = 0	Different values for people who could or could not try online shopping.
23	The following participants "like to shop" online		
23. a.1	O_ONLINEUSEFUL	Strongly Agree = 2 Agree = 1	Different values for people who think online shopping is useful.

23. a.1	O_ONLINEUSEFUL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think online shopping is useful.
23. a.2	O_WIDERCHOICE	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that online shopping has a wider choice of products.
23. a.3	O_SAVINGTIME	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who agree that online shopping saves time when compared with going out in traffic and standing in lines.
23. a.4	O_ORDERANYTIME	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that people can order anytime via online shopping.
23. a.5	O_NOTAVAILABLE	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that online shopping is a good chance to find products that are not available in the area.
23. a.6	O_COMFORTABLE	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that online shopping is comfortable and they can do it anywhere.
23. a.7	O_CHEAPER	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that online shopping gives them a chance to compare prices and find the best price.
23. a.8	O_DETAILS	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that online shopping provide in writing details about the products information.
23. a.9	NOPRESSURE	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that there is no pressure from the seller, who could change their thinking about the products.
23. a.1 0	ANONYMOUS	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think that online shopping allows more privacy than physical shopping by allowing anonymity from sellers and other consumers.
	Physical shopping		

23. b.1	USEFULPHYSICAL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person is useful.
23. b.2	WIDERCHOICEPHYICA	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person has wider choices in terms of products.
23. b.3	ORDERANYTIMEPHSIC	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person allows them to order anytime.
23. b.4	COMFORTABLEPHYSICAL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person is comfortable.
23. b.5	S_RELAXEASY	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person is easy to do compared with online shopping. The reason could be the lack of time spent using the technology.
23. b.6	CHEAPERPHYSICAL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person is cheaper.
23. b.7	DATAPHYSICAL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person helps them to check the value of the products and allows them to ask the seller about the information on the products.
23. b.8	ANONYMOUSEPHYSICAL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person is more anonymous because they do not need to provide personal information.
23. b.9	NOTCOMFORTABLEPHYSICAL	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who think shopping in person is not comfortable.

25	SATISFIED	Strongly Agree = 2 Agree = 1 Fair = 0 Disagree = -1 Strongly Disagree = -2	Different values for people who are satisfied with online shopping.
30	SHOPPINGMETHOD_STORE	%	Participants' entries are the values.
30.1	SHOPPINGMETHOD_ONLINE	%	Participants' entries are the values

## APPENDIX B: LINEAR REGRESSION MODEL WITH R

Linear Regression Model with R	„lm(formula = sliketoshop ~ gender + single + age + education + shoppingmonthly + driver, data = data[sliketoshop < 1, ])"			
Residuals				
Min	1Q	Median	3Q	Max
-1.1121	-0.3765	0.1835	0.4526	1.3906
Coefficients				
	„Estimate“	„Std. Error“	„t value“	„Pr(> t )“
(Intercept)	-0.375680	0.992774	-0.378	0.70981
Gender	1.472266	0.378549	3.889	0.00118 **
single	0.314088	0.415864	0.755	0.46043
Age	0.009386	0.021373	0.439	0.66606
Education	0.019825	0.058324	0.340	0.73809
shoppingmonthly	0.074104	0.097176	0.763	0.45617
driver	-1.113135	0.417352	-2.667	0.01625 *
Signif. Codes				
	0 ‘***’	0.001 ‘**’	0.01 ‘*’	
Residual standard error: 0.7952 on 17 degrees of freedom				
(4 observations deleted due to missingness)				
Multiple R-squared: 0.6012	Adjusted R-squared: 0.4605	F-statistic: 4.272 on 6 and 17 DF	p-value: 0.00836	

## APPENDIX C: CONSENT FORM (AS INCLUDED WITH ETHICS APPLICATION)

Consent Form

Evaluation of Electronic Retailing in the Context of Saudi Arabia

Researcher: Eman Basahih

*E-mail address:*

Professor/Supervisor: Dr. Michael Miles (Director Telfer School, University of Ottawa)

Telephone Number:

E-mail address:

**Participation in Research Study:** I am invited to participate in the above mentioned research study conducted by Eman Basahih, as supervised by Dr. Michael Miles, from the Telfer School at the University of Ottawa.

**Purpose of the Study:** The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia. Our findings will explain major factors that affect customers' decision-making related to making purchases on-line. In particular, it will investigate how personal shopping experience, perceived usefulness, and privacy affect consumers' intention to buy / not to buy online. Furthermore, the study aims to describe the dynamics of the electronic retailing market of Saudi Arabia from a consumer perspective. As an impact of this study, barriers to electronic retailing adoption in Saudi Arabia as identified by the study participants will be communicated to the companies participating in the study, with the intent to help them to understand potential customers' concerns and lead to better online retailing, with the potential to increase the companies' turnover and profit.

**Participation:** My participation will consist of answering questions from a questionnaire, which will last around 15-20 minutes on a one-time basis. I can fill out the questionnaire within the store or shopping mall if I want, or decide to fill out the questionnaire online. If I decide to do it online, I can do it whenever and wherever I want. The questionnaire asks a few general questions about the demography of people, income, shopping habits, Internet access, and education. After that, another part of the questions verifies the preferences of participants regarding shopping online compared to purchasing in physical stores.

I have been informed about the following points:

for the purpose of this study, subjects are recruited to answer questions from a questionnaire, which will last around 15-20 minutes on a one-time basis.

Subjects are randomly recruited (male and female adults) in shopping malls and they are provided with the hardcopies of the questionnaires.

People who are contacted via email are kindly requested NOT to complete the questionnaire if they are younger than 18 years old or are non-residents of Saudi Arabia.

The researcher expects to successfully recruit 60 persons from shopping malls. For this purpose, four major malls are being visited from which it is hoped that approximately 15 people will respond in each location.

Physical store owners may distribute questionnaire hardcopies to their customers. It is hoped that an additional 20 people will be recruited from this source. An online questionnaire is available through the website of some electronic shops in Saudi Arabia, and the URL to these Websites will be distributed to potential respondents via email. Around 100 participants are intended to be contacted through e-mail from which 30 are hoped to accept to participate.

Based on the above, the total size of the questionnaire respondent group will be approximately 110 participants.

**Risks:** All collected data are anonymous. No personal data will be collected. In participating in this study, I am aware that I will not be asked to disclose any personal information (e.g. name, phone number, etc.) and that any information collected will be used only for the purpose of this thesis research. It is intended that there be no risks or inconveniences attached to participating in this study.

**Benefits:** My participation in this study will provide businesses with information on what I am looking for in terms of an online shopping experience and will contribute to those businesses potentially improving my online shopping experiences. Furthermore, I am aware that by participating in this study I will assist online merchants to better understand consumer's expectations of online retailing. My participation in this study will assist the society to adopt to electronic retailing. This will, in turn, contribute to the economy of Saudi Arabia.

**Confidentiality and anonymity:** I have received assurance from the researcher that the information I will share will remain strictly confidential. I understand that the contents will be used only for the purpose of the research and that my confidentiality will be protected by securing all data when not in use as well as by a password protecting all the data. All data will be protected and anonymity will be guaranteed since personal information such as name and telephone number will not be asked for. I am aware that my individual information will not be disclosed, should this research be published at a later time. No data will be analyzed, processed, or published in a way that will allow me to be identified. All the answers and data will be kept confidential.

**Conservation of data:** The data collected (*both hard copy questionnaires and online questionnaires*) will be conserved in a secure and trusted manner. Once the questionnaires are filled out and posted, the data will be stored on the web-platform in a secure way. All the communication between the subject and the server is encrypted with SSL, which is the standard security technology of today. Only (Eman Basahih) will have access to the user answers, which will be stored on a document server. The access is protected by a strong password. The integrity, security and availability of data will be assured. A copy of the online questionnaires will be backed up on a DVD and encrypted using SHA-512 Algorithm and stored together with the hardcopies in my supervisors office. A locked filing cabinet will be used as a secure storage site. The password for encrypted data will be provided to the principal investigator (Prof. Miles). The data will be conserved until the publication of the thesis. This will take a minimum of 5 years from the end of data collection. All data will be securely deleted off my personal computer and online storage system after finishing the study. Other backups (DVD/hardcopies) will be securely deleted after the conservation period.

To prevent unauthorized access to hardcopy questionnaires, I will keep the questionnaires in a locked filing cabinet for the period that I am legally asked to conserve them.

**Voluntary Participation:** I am under no obligation to participate and if I choose to participate I can withdraw from the study at any time and/or refuse to answer any questions without suffering any negative consequences. If I choose to withdraw, all data gathered until the time of withdrawal will be deleted and/or destroyed with no consequence to me.

By completing and returning the questionnaire, I am providing my consent to participate in this study.

I have been informed that I have the right and am welcome to ask the researcher any question about any part of this research that is being conducted. Any kind of information requests or complaints about the ethical conduct of the project can be addressed to the Protocol officer for ethics in research:

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Participant Signature

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Date

## APPENDIX D: TEXT FOR E-MAIL RECRUITING (AS INCLUDED WITH ETHICS APPLICATION)

<p>To whom it may concern,</p> <p>My name is Eman Basahih, and I am a Masters student in the Electronic Business Program at the University of Ottawa in Canada. I appreciate your kindness and acceptance to help me work on my research. The questionnaire will take about 10-15 minutes to complete.</p> <p>The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia.</p> <p>For any further information please feel free to contact me via my or my email:</p> <p>Best Regards, Eman Basahih</p> <p>P.S.: I have attached a consent form to this email. It informs you about the study, your rights to withdraw anytime, not to participate, or not to answer questions. It explains how I assure the anonymity, privacy, security and integrity of your data. If you would like to participate, I need you please first to read this form and accept or reject to participator.</p>	<p>إلى من يهمه الأمر , إسمي إيـمان باصـحـيح . أنا طالبة ماجستير في تخصص التجارة الإلكترونية في جامعة أوتاوا بكندا . وأقدر لطفكم وقبول مساعدتي في بحثي . قد تـتـي 10 إلى 15 يسـتـغـرف مـدة بحـدقـيـقـه من وقتك لتكملتـه . هدف البحث هي تحليل الصعوبات التي تواجهها التجارة الإلكترونية في المملكة العربية السعودية . للحصول على معلومات إضافية أرجوا عدم والبتصال بي على الرقم التالي التردد او عن طريق الـإيميل : تحياتي , مع خالص إيـمان باصـحـيح ملاحظة: لقد ارفقت إستمارة الموافقة مع هذا الـإيميل . يوضح لك موضوع البحث والدراسة وحقوقك على الإنسحاب في أي عدم الإجابة على وقت , او عدم المشاركة , أو وكذلك يؤكد لك لعدم الكشف عن . الأسئلة هويتك او التدخل في خصوصيتك , وأمن ترغب في إذا كنت . الخاصة بك نانتوسلامة البيا , اود انك تقرأ النموذج ومن ثم المشاركة . المشاركة قبول أو رفض .</p>
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## APPENDIX E: LETTER OF INFORMATION FOR ONLINE STORES (AS INCLUDED WITH ETHICS APPLICATION)

Letter of Information  
(online store)

Evaluation of Electronic Retailing in the Context of Saudi Arabia

Researcher: Eman Basahih

*E-mail address:*

Professor/Supervisor: Dr. Michael Miles (Director Telfer School, University of Ottawa)

Telephone Number:

**Participation in Research Study:** I am invited to participate in the above mentioned research study conducted by Eman Basahih, as supervised by Dr. Michael Miles, from the Telfer School at the University of Ottawa.

**Purpose of the Study:** The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia. Our findings will explain major factors that affect customers' decision-making related to making purchases on-line. In particular, it will investigate how personal shopping experience, perceived usefulness, and privacy affect consumers' intention to buy / not to buy online. Furthermore, the study aims to describe the dynamics of the electronic retailing market of Saudi Arabia from a consumer perspective. As an impact of this study, barriers to electronic retailing adoption in Saudi Arabia as identified by the study participants will be communicated to the companies participating in the study, with the intent to help them to understand potential customers' concerns and lead to better online retailing, with the potential to increase the companies' turnover and profit.

**Participation:** My participation will consist of answering questions from a questionnaire, which will last around 15-20 minutes on a one-time basis. I can fill out the questionnaire within the store or shopping mall if I want, or decide to fill out the questionnaire online. If I decide to do it online, I can do it whenever and wherever I want. The questionnaire asks a few general questions about the demography of people, income, shopping habits, Internet access, and education. After that, another part of the questions verifies the preferences of participants regarding shopping online compared to purchasing in physical stores.

I have been informed about the following points:

for the purpose of this study, subjects are recruited to answer questions from a questionnaire, which will last around 15-20 minutes on a one-time basis.

Subjects are randomly recruited (male and female adults) in shopping malls and they are provided with the hardcopies of the questionnaires.

People who are contacted via email are kindly requested NOT to complete the questionnaire if they are younger than 18 years old or are non-residents of Saudi Arabia.

The researcher expects to successfully recruit 60 persons from shopping malls. For this purpose, four major malls are being visited from which it is hoped that approximately 15 people will respond in each location.

Physical store owners may distribute questionnaire hardcopies to their customers. It is hoped that an additional 20 people will be recruited from this source. An online questionnaire is available through the website of some electronic shops in Saudi Arabia, and the URL to these Websites will be distributed to potential respondents via email. Around 100 participants are intended to be contacted through e-mail from which 30 are hoped to accept to participate.

Based on the above, the total size of the questionnaire respondent group will be approximately 110 participants.

**Risks:** All collected data are anonymous. No personal data will be collected. In participating in this study, I am aware that I will not be asked to disclose any personal information (e.g. name, phone number, etc.) and that any information collected will be used only for the purpose of this thesis research. It is intended that there be no risks or inconveniences attached to participating in this study.

**Benefits:** My participation in this study will provide businesses with information on what I am looking for in terms of an online shopping experience and will contribute to those businesses potentially improving my online shopping experiences. Furthermore, I am aware that by participating in this study I will assist online merchants to better understand consumer's expectations of online retailing. My participation in this study will assist the society to adopt to electronic retailing. This will, in turn, contribute to the economy of Saudi Arabia.

**Confidentiality and anonymity:** I have received assurance from the researcher that the information I will share will remain strictly confidential. I understand that the contents will be used only for the purpose of the research and that my confidentiality will be protected by securing all data when not in use as well as by a password protecting all the data. All data will be protected and anonymity will be guaranteed since personal information such as name and telephone number will not be asked for. I am aware that my individual information will not be disclosed, should this research be published at a later time. No data will be analyzed, processed, or published in a way that will allow me to be identified. All the answers and data will be kept confidential.

**Conservation of data:** The data collected (*both hard copy questionnaires and online questionnaires*) will be conserved in a secure and trusted manner. Once the questionnaires are filled out and posted, the data will be stored on the web-platform in a secure way. All the communication between the subject and the server is encrypted with SSL, which is the standard security technology of today. Only (Eman Basahih) will have access to the user answers, which will be stored on a document server. The access is protected by a strong password. The integrity, security and availability of data will be assured. A copy of the online questionnaires will be backed up on a DVD and encrypted using SHA-512 Algorithm and stored together with the hardcopies in my supervisors office. A locked filing cabinet will be used as a secure storage site. The password for encrypted data will be provided to the principal investigator (Prof. Miles). The data will be conserved until the publication of the thesis. This will take a minimum of 5 years from the end of data collection. All data will be securely deleted off my personal computer and online storage system after finishing the study. Other backups (DVD/hardcopies) will be securely deleted after the conservation period.

To prevent unauthorized access to hardcopy questionnaires, I will keep the questionnaires in a locked filing cabinet for the period that I am legally asked to conserve them.

**Voluntary Participation:** I am under no obligation to participate and if I choose to participate I can withdraw from the study at any time and/or refuse to answer any questions without suffering any negative consequences. If I choose to withdraw, all data gathered until the time of withdrawal will be deleted and/or destroyed with no consequence to me.

By completing and returning the questionnaire, I am providing my consent to participate in this study.

I have been informed that I have the right and am welcome to ask the researcher any question about any part of this research that is being conducted. Any kind of information requests or complaints about the ethical conduct of the project can be addressed to the Protocol officer for ethics in research:

\_\_\_\_\_

Participant Signature

\_\_\_\_\_

Date

## Appendix F: Letter of Information for Face-to-Face – In store (as included with Ethics application)

Letter of Information

(face to face - in store )

Evaluation of Electronic Retailing in the Context of Saudi Arabia

Researcher: Eman Basahih

*E-mail address:*

Professor/Supervisor: Dr. Michael Miles (Director Telfer School, University of Ottawa)

Telephone Number:

**Participation in Research Study:** I am invited to participate in the above mentioned research study conducted by Eman Basahih, as supervised by Dr. Michael Miles, from the Telfer School at the University of Ottawa.

**Purpose of the Study:** The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia. Our findings will explain major factors that affect customers' decision-making related to making purchases on-line. In particular, it will investigate how personal shopping experience, perceived usefulness, and privacy affect consumers' intention to buy / not to buy online. Furthermore, the study aims to describe the dynamics of the electronic retailing market of Saudi Arabia from a consumer perspective. As an impact of this study, barriers to electronic retailing adoption in Saudi Arabia as identified by the study participants will be communicated to the companies participating in the study, with the intent to help them to understand potential customers' concerns and lead to better online retailing, with the potential to increase the companies' turnover and profit.

**Participation:** My participation will consist of answering questions from a questionnaire, which will last around 15-20 minutes on a one-time basis. I can fill out the questionnaire within the store or shopping mall if I want, or decide to fill out the questionnaire online. If I decide to do it online, I can do it whenever and wherever I want. The questionnaire asks a few general questions about the demography of people, income, shopping habits, Internet access, and education. After that, another part of the questions verifies the preferences of participants regarding shopping online compared to purchasing in physical stores.

I have been informed about the following points:

for the purpose of this study, subjects are recruited to answer questions from a questionnaire, which will last around 15-20 minutes on a one-time basis.

Subjects are randomly recruited (male and female adults) in shopping malls and they are provided with the hardcopies of the questionnaires.

People who are contacted via email are kindly requested NOT to complete the questionnaire if they are younger than 18 years old or are non-residents of Saudi Arabia.

The researcher expects to successfully recruit 60 persons from shopping malls. For this purpose, four major malls are being visited from which it is hoped that approximately 15 people will respond in each location.

Physical store owners may distribute questionnaire hardcopies to their customers. It is hoped that an additional 20 people will be recruited from this source. An online questionnaire is available through the website of some electronic shops in Saudi Arabia, and the URL to these Websites will be distributed to potential respondents via email. Around 100 participants are intended to be contacted through e-mail from which 30 are hoped to accept to participate.

Based on the above, the total size of the questionnaire respondent group will be approximately 110 participants.

**Risks:** All collected data are anonymous. No personal data will be collected. In participating in this study, I am aware that I will not be asked to disclose any personal information (e.g. name, phone

number, etc.) and that any information collected will be used only for the purpose of this thesis research. It is intended that there be no risks or inconveniences attached to participating in this study.

**Benefits:** My participation in this study will provide businesses with information on what I am looking for in terms of an online shopping experience and will contribute to those businesses potentially improving my online shopping experiences. Furthermore, I am aware that by participating in this study I will assist online merchants to better understand consumer's expectations of online retailing. My participation in this study will assist the society to adopt to electronic retailing. This will, in turn, contribute to the economy of Saudi Arabia.

**Confidentiality and anonymity:** I have received assurance from the researcher that the information I will share will remain strictly confidential. I understand that the contents will be used only for the purpose of the research and that my confidentiality will be protected by securing all data when not in use as well as by a password protecting all the data. All data will be protected and anonymity will be guaranteed since personal information such as name and telephone number will not be asked for. I am aware that my individual information will not be disclosed, should this research be published at a later time. No data will be analyzed, processed, or published in a way that will allow me to be identified. All the answers and data will be kept confidential.

**Conservation of data:** The data collected (*both hard copy questionnaires and online questionnaires*) will be conserved in a secure and trusted manner. Once the questionnaires are filled out and posted, the data will be stored on the web-platform in a secure way. All the communication between the subject and the server is encrypted with SSL, which is the standard security technology of today. Only (Eman Basahih) will have access to the user answers, which will be stored on a document server. The access is protected by a strong password. The integrity, security and availability of data will be assured. A copy of the online questionnaires will be backed up on a DVD and encrypted using SHA-512 Algorithm and stored together with the hardcopies in my supervisors office. A locked filing cabinet will be used as a secure storage site. The password for encrypted data will be provided to the principal investigator (Prof. Miles). The data will be conserved until the publication of the thesis. This will take a minimum of 5 years from the end of data collection. All data will be securely deleted off my personal computer and online storage system after finishing the study. Other backups (DVD/hardcopies) will be securely deleted after the conservation period.

To prevent unauthorized access to hardcopy questionnaires, I will keep the questionnaires in a locked filing cabinet for the period that I am legally asked to conserve them.

**Voluntary Participation:** I am under no obligation to participate and if I choose to participate I can withdraw from the study at any time and/or refuse to answer any questions without suffering any negative consequences. If I choose to withdraw, all data gathered until the time of withdrawal will be deleted and/or destroyed with no consequence to me.

By completing and returning the questionnaire, I am providing my consent to participate in this study.

I have been informed that I have the right and am welcome to ask the researcher any question about any part of this research that is being conducted. Any kind of information requests or complaints about the ethical conduct of the project can be addressed to the Protocol officer for ethics in research:

University of Ottawa, Tabaret Hall

\_\_\_\_\_

Participant Signature

\_\_\_\_\_

Date

## **APPENDIX G: QUESTIONNAIRE FOR COMPANIES WHO DO ELECTRONIC BUSINESS (AS INCLUDED WITH ETHICS APPLICATION)**

Verbal recruitment script for online questionnaire for companies who do electronic business

(I'll have this conversation by **phone**, in person with an employee or manager )

Hello. My name is Eman Basahih, and I am a Masters student in the Electronic Business Program at the University of Ottawa in Canada.

The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia. Our findings will explain crucial factors that affect customers' decision-making.

We would like to give you a questionnaire link, and if possible, to post that link on your web site, in order for your customers to answer the questionnaire. The questionnaire will take about 10-15 minutes to complete.

The questionnaire will basically identify, the demographical use of online shopping, and investigate why people choose online shopping and if they have any privacy issues pertaining to online retailing.

I appreciate your kindness and acceptance to help me work on my research paper.

For any further information please feel free to contact me via my phone or my email:

Note: I will have a questionnaire link in Arabic and English for an online questionnaire. Note: The first screen/window will show the consent form. Participants will need to both read and accept the consent form, or to close the online questionnaire (webpage).

## APPENDIX H: VERBAL RECRUITMENT SCRIPT FOR DISTRIBUTING HARDCOPY AND ONLINE QUESTIONNAIRES IN-STORE (AS INCLUDED WITH ETHICS APPLICATION)

Verbal recruitment script for distributing hardcopy and online questionnaires within physical stores who do or don't do electronic business:

(I'll have this conversation in **person** with an employee or manager in the store)

Hello. My name is Eman Basahih, and I am a Masters student in the Electronic Business Program at the University of Ottawa in Canada. The objective of this research is to analyze barriers of electronic retailing adoption in the context of Saudi Arabia. Our findings will explain major factors that affect customers' decision-making.

Does your company have a website?

IF YES:

I would like to give you a questionnaire link, and if possible, to post that link on your web site, in order for your customers to answer the questionnaire. The questionnaire will take about 10-15 minutes to complete.

The questionnaire will basically identify the demographical use of online shopping, and investigate why people choose online shopping and if they have any privacy issues pertaining to online retailing.

I would like to give you 25 hardcopy versions of these questionnaires as well, and I would greatly appreciate if you could provide the questionnaire to your customers. I will provide a locked filing box where the customers would drop their answers. You only need to place an empty desk at your entrance and place the box and the hardcopies there. After a week I will collect the locked filing box.

IF NO:

I would like to give you 25 hardcopy questionnaires, and I would greatly appreciate if you could provide the questionnaire to your customers. The questionnaire will take about 10-15 minutes to complete. I will provide a locked filing box where the customers would drop their answers. After a week I will collect the locked filing box. You only need to place an empty desk at your entrance and place the box and the hardcopies there.

The questionnaire will basically identify the demographical use of online shopping, and investigate why people choose online shopping and if they have any privacy issues pertaining to online retailing.

And for both replies I will end the conversation with:

Furthermore, these questionnaires will provide you with a great deal of insight into whether or not you would like to implement an online component for your business, in order for you to increase your clientele.

I appreciate your kindness and acceptance to help me work on my research paper.

For any further information please feel free to contact me via my phone or my email:

**Note:** I will have a questionnaire link in Arabic and English for an online questionnaire.

The consent form and the following text will be attached to the first page of the hard copy questionnaires. For online questionnaires, the first screen/window will show the following text and the consent form. Participants will need to either both read and accept the consent form, or to close the online questionnaire (webpage).

Hello. My name is Eman Basahih, and I am a Masters student in Electronic Business Program at the University of Ottawa in Canada. I appreciate your kindness and acceptance to help me work on my research. The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia. Our findings will explain major factors that affect customers' decision-making.

This is a form that informs you about the study, your rights to withdraw anytime, not to participate, or not to answer. It explains how I assure the anonymity, privacy, security and integrity of your data. If

you would like to participate, I need you please first to read this form and accept or reject participation. The questionnaire itself will take about 10-15 minutes to complete. The questionnaire will basically identify the demographical use of online shopping, and investigate why people choose online shopping and if they have any privacy issues pertaining to online retailing. For any further information please feel free to contact me via my phone

## APPENDIX I: RECRUITMENT SCRIPT FOR FACE-TO-FACE (AS INCLUDED WITH ETHICS APPLICATION)

Verbal recruitment script for filling in the hardcopy Questionnaire with customers:

(I'll have this conversation with **customers** within shopping malls).

Hello .

My name is Eman Basahih, and I am a Masters student in the Electronic Business Program at the University of Ottawa in Canada. I appreciate your kindness and acceptance to help me work on my research. The objective of this research is to analyze barriers to electronic retailing adoption in the context of Saudi Arabia. Our findings will explain major factors that affect customers' decision-making.

This is a form that informs you about the study, your rights to withdraw anytime, not to participate, or not to answer. It explains how I assure the anonymity, privacy, security and integrity of your data. If you would like to participate, I need you please first to read this form and accept or reject to participate.


The questionnaire itself will take about 10-15 minutes to complete

The questionnaire will basically identify the demographical use of online shopping, and investigate why people choose online shopping and if they have any privacy issues pertaining to online retailing.

For any farther information please feel free to contact me via my phone or my email:

**Note:** I will have the questionnaire in Arabic and English Version.

# APPENDIX J: ETHICS APPROVAL CERTIFICATE

<b>File Number:</b> 09-11-26		<b>Date (mm/dd/yyyy):</b> 11/30/2011	
			
<b>Université d'Ottawa</b> Bureau d'éthique et d'intégrité de la recherche		<b>University of Ottawa</b> Office of Research Ethics and Integrity	
<b>Ethics Approval Notice</b> <b>Social Science and Humanities REB</b>			
<b>Principal Investigator / Supervisor / Co-investigator(s) / Student(s)</b>			
<u><b>First Name</b></u>	<u><b>Last Name</b></u>	<u><b>Affiliation</b></u>	<u><b>Role</b></u>
Michael	Miles	School of Management / School of	Supervisor
Eman	Basahih	School of Management / School of	Student Researcher
<b>File Number:</b> 09-11-26			
<b>Type of Project:</b> Master's Thesis			
<b>Title:</b> Evaluation of Electronic Retailing Store in Context of Saudi Arabia			
<b>Approval Date (mm/dd/yyyy)</b>	<b>Expiry Date (mm/dd/yyyy)</b>	<b>Approval Type</b>	
11/30/2011	11/29/2012	Ia	
<b>(Ia: Approval, Ib: Approval for initial stage only)</b>			
<b>Special Conditions / Comments:</b>			
N/A			

File Number: 09-11-26

Date (mm/dd/yyyy): 11/30/2011



**Université d'Ottawa** **University of Ottawa**  
Bureau d'éthique et d'intégrité de la recherche Office of Research Ethics and Integrity

This is to confirm that the University of Ottawa Research Ethics Board identified above, which operates in accordance with the Tri-Council Policy Statement and other applicable laws and regulations in Ontario, has examined and approved the application for ethical approval for the above named research project as of the Ethics Approval Date indicated for the period above and subject to the conditions listed the section above entitled "Special Conditions / Comments".

During the course of the study the protocol may not be modified without prior written approval from the REB except when necessary to remove subjects from immediate endangerment or when the modification(s) pertain to only administrative or logistical components of the study (e.g. change of telephone number). Investigators must also promptly alert the REB of any changes which increase the risk to participant(s), any changes which considerably affect the conduct of the project, all unanticipated and harmful events that occur, and new information that may negatively affect the conduct of the project and safety of the participant(s). Modifications to the project, information/consent documentation, and/or recruitment documentation, should be submitted to this office for approval using the "Modification to research project" form available at: [http://www.rges.uottawa.ca/ethics/application\\_dwn.asp](http://www.rges.uottawa.ca/ethics/application_dwn.asp)

Please submit an annual status report to the Protocol Officer four weeks before the above-referenced expiry date to either close the file or request a renewal of ethics approval. This document can be found at: [http://www.rges.uottawa.ca/ethics/application\\_dwn.asp](http://www.rges.uottawa.ca/ethics/application_dwn.asp)

## APPENDIX K: LETTER OF PERMISSION TO STUDY IN SAUDI ARABIA

ROYAL EMBASSY OF SAUDI ARABIA  
CULTURAL BUREAU  
OTTAWA



سفارة المملكة العربية السعودية  
المحظية الثقافية  
أوتاوا

November 15, 2011

To whom it may concern

The bureau have accepted that Ms. Eman Basahih conducts an "Evaluation of Electronic Retailing Store in Context of Saudi Arabia". Ms. Basahih study for the master degree is sponsored by the Saudi Arabian government. Under the system of laws of Saudi Arabia, it is permitted and there are no concerns to conduct a user study to analyze the barriers of e-shopping adoptions and major factors that affect Saudi customer's decision making. For this purpose, Ms. Basahih may use online surveys, structured interviews, face-to-face questionnaires, or any other scientific instrument that she needs for her study.

The bureau kindly asks you to support Ms. Basahih by accepting her ethics application so she can conduct her study by the middle of this month.

# APPENDIX L: ENGLISH AND ARABIC QUESTIONNAIRES

## English V. questionnaire

Edit form - [ E-Retailing Store in Saudi Arabia -Questionnaire (English V.) ] - Google Docs 12-10-04 4:20 PM

**E-Retailing Store in Saudi Arabia -Questionnaire (English V.)**

For each field, please choose a random number between 1..49 and write down. Do not use a number more than once. Please take a note of these 6 numbers. It will be your identifier for future correspondence. If for example you should decide to let us drop you from the study, you will need to tell us this number and we will fulfill take out this form from the study and

**Please identify your six numbers in the following box. Pick numbers from ( 1 ..49 )**

Your first choice

Your second choice

Your third choice

Your fourth choice

Your fifth choice

Your six choice

**1. Gender**

Male

Female

**2. Age**

Less 18

18 - 29

29 - 39

39 - 49

50 +

<https://docs.google.com/spreadsheet/gform?key=0A1rGE7RAdqS9dCxQVjdxRDMYS1hc3ByTUw4VmtTLUE&gridId=0#edit> Page 1 of 14

**3. Marital status**

- Married  
 Single  
 Divorced  
 Widowe

**4. Do you have children?**

- Yes  
 No

If yes, how many?

**5. Education Level**

- High School and below  
 Undergraduate studies  
 Graduate studies  
 PhD  
 PostDoc,Prof  
 None  
 Other:

**6. Languages Spoken**

- Arabic  
 English  
 Both  
 Other:

**7. Employment status**

- Unemployed  
 Government employee  
 Private sector employee  
 Retired  
 Student

Other:

**8. Monthly Income**

- 2000 SR or below  
 2000 - 5000 SR  
 5000 - 10,000 SR  
 10,000 - 15,000 SR  
 15,000 - 20,000 SR  
 20,000 - 30,000 SR  
 30,000 - 50,000 SR  
 50,000 SR and more

Other:

**9. Living in**

- Metropolis  
 Villages  
 Small Cities  
 Tribes area

Other:

**10. Do you have a driver at home?**

- Yes  
 No

**11. Do you have a housekeeper at home?**

- Yes  
 No

**12. Internet familiarity**

- Yes  
 No

**13. Internet availability at home**

- Yes  
 No

**If yes, what type of technology do you use to access the Internet?**

(Select all that apply )

- Desktop Computer
- Laptop
- iPhone/Android
- iPad
- Smart phone
- Tablet
- Other:

**if yes, What type of Internet Connection you have?**

(select all that apply)

- Dial- up
- Cable
- LAN
- WLAN
- I use my mobile device with 3G
- UMTS/Wimax
- Other:

**14. How satisfied are you with Internet access in general?**

- Extremely satisfied
- Satisfied
- Fair
- Neutral
- Lacks
- Not Satisfied
- Extremely disappointed

**15. How many times per month do you go shopping in person?****16. How many times per month do you send your driver or housekeeper shopping?**

Approximately NR:

**17. What do you think about traditional shopping in physical stores like shopping malls?**

	Extremely Agree	Agree	Fair	Disagree	Extremely Disagree
I like to go to shops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is exciting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is relaxing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is fun	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is the major place for socializing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can negotiate with the seller	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can see and try what I want to buy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can perform many tasks and shopping together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My Children/ Family insist on going shopping together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is boring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is very time consuming to go shopping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do not like going to shops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**18. What type of in-store shopping do you like to do personally?**

( Select all that apply)

- Newspaper/Magazine
- Books
- Groceries
- Technology
- Clothing
- Cars & Vehicles
- Furniture
- Health and Special Needs
- Jewelry, Watches
- Cosmetics
- Toys and Games
- Movies
- Gifts & Flowers

Other:

**19. Are there any products that you would not allow others to buy for you ,and only you have to purchase it ( Whether online or in-store)?**

( Select all that apply)

- Newspaper/Magazine
- Books
- Groceries
- Technology
- Clothing
- Cars& Vehicles
- Furniture
- Health and Special Needs
- Jewelry, Watches
- Cosmetics
- Toys and Games
- Movies
- Gifts & Flowers
- Other:

**20. Do you search in the Internet for your product before you go to store?**

- Yes
- No
- Sometimes

**If yes, how do you search for your product?**

( Select all that apply)

- Price
- Product
- Category
- Brand
- Other:

**21. How often do you buy online per month?**

How often do you buy online per year?

22. Online shopping is more useful than buying in physical stores. what do you think?

- Extremely Agree  
 Agree  
 Fair  
 Disagree  
 Extremely Disagree

23. Have you ever shopped online?

- Yes  
 No

If yes, why do you think online shopping is useful?

	Extremely agree	Agree	Fair	Disagree	Extremely disagree
It is not useful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wider choice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Speed/saving time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Order any time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can buy goods that are not available in my area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comfortable to buy online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cheaper prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Detailed and clear information about what is being offered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No sales pressure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can stay anonym	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I don't feel comfortable buying the same procut in person	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What other concerns you may add to proof that online shopping is more useful than buying in physical stores.

**Why do you think physical shopping is useful?**

	Strongly agree	Agree	Somehow	Disagree	Strongly disagree
It is not useful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wider choice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Speed/saving time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Order any time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can buy goods that are not available in my area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comfortable to buy online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cheaper prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Detailed and clear information about what is being offered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No sales pressure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can stay anonym	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I don't feel comfortable buying the same procut in person	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**What other concerns you may add to proof that physical shopping is more useful than buying in online stores.**

**24. What type of products would you like to buy online?**

( select all that apply)

- Newspapers/Magazine
- Books
- Groceries
- Technology

- Clothing
- Cars and Vehicles
- Furniture
- Health and Special Needs
- Jewelry, Watches
- Cosmetics
- Tickets
- Toys and Games
- Movies
- Gifts and Flowers
- Other:

**25. How satisfied are you with online shopping in general?**

- Extremely Agree
- Satisfied
- Fair
- Neutral
- Lacks
- Not satisfied

**26. What type of products would you NEVER buy online?**

( select all that apply)

- Newspaper/ Magazine
- Books
- Grocery
- Technology
- Clothing
- Cars and Vehicles
- Furniture
- Health and Special Needs
- Jewelry, Watches
- Cosmetics
- Tickets
- Toys and Games
- Movies
- Gifts and Flowers
- Other:

**27. I have concerns about my privacy or other social values when purchasing the following products in physical stores**

( select all that apply)

- Newspapers/Magazine
- Books
- Groceries
- Technology
- Clothing
- Cars and Vehicles
- Furniture
- Health and Special Needs
- Jewelry, Watches
- Cosmetics
- Tickets
- Toys and Games
- Movies
- Gifts and Flowers
- Other:

**28. What influences your decision not to purchases online?**

Select all that apply

- Website Stability ( Not changing all the time)
- Weak design and terrible colors
- I can't experience the product before buying
- Provided information are unclear
- Lack of Quality and freshness of purchased products
- I don't buy online when I got the products in my neighborhood
- I have developed a personal relationship over the years to the shop owner
- Small range of available products
- Worried about anonymity
- Expensive
- Long delivery time
- Electronic transactions is too complicated
- Don't trust electronic payment methods
- I don't know how to use the internet
- I need somebody to explain me the shopping website
- It takes long time until I can buy through the website and complete the order
- I miss the social experience of shopping

I can't verify trusted websites from fraud pages

Other:

**29. How satisfied are you in average with the usability of website where you do online shopping?**

Extremely Satisfied

Satisfied

Fair

Neutral

Could be better

Not Satisfied

Extremely NOT satisfied

**30. What method do you use for daily shopping? ( Select all that apply )**

write in the box: What percentage?

Online

%

.

Stores

%

.

T.V

%

.

Sales Representative

%

.

 Phone/ Catalogue

%

.

 Other:

%

**31. Have you heard of PayPal?** Yes No**If yes, do you know other online account in Saudi Arabia?** Yes No**If yes, please name it ?****32. Do you have a credit card?** Yes No**If yes, is it your own credit card or another family member's?** My credit card My family member

Other:

**33. How often do you use your credit card for online transactions in month?**

- Not at all  
 1 - 5 times  
 6 - 10 times  
 11 - 15 times  
 more than 16 times

**34. Do you know any online stores in Saudi Arabia?**

- Yes  
 No

**If yes, name the ones you know**

**If yes, how did you hear about this ( these ) online stores?**

( select all that apply)

- Search engine  
 Another website  
 Newspaper/ Magazine article  
 Friend or business associate  
 Advertisement  
 Don't know/ I don't remember  
 Other:

**35. Would you use your realname when you do online shopping?**

- Yes  
 No  
 Maybe  
 Other:

**36. Would you provide your address ( home location) for the shipping?**

- Yes  
 No

Maybe

Other:

**37. Do you have any other suggestion?**

## Arabic V. Questionnaire

## إستمبيان - التجارة الإلكترونية في المملكة العربية السعودية - النسخة العربية

السلام عليكم ،  
أنا طالبة ماجستير تخصصت في التجارة الإلكترونية في جامعة أوتوا بكندا . بحثي عن تقييم التجارة الإلكترونية في المملكة العربية السعودية .. هذا الإستمبيان ليس له علاقة بأي معلومات شخصية . وكل شخص سيكون مبهم ومُعرف بالأرقام التي سيقوم باختيارها عند بدء الإستمبيان. فقط 10- 15 دقيقة هو الوقت الذي ستحتاجونه لتعبئة هذا الإستمبيان. في حال موافقتكم على تعبئة الإستمبيان ستقومون باختيار ستة أرقام عشوائية من 1 - 49 وتدوينها في أول ستة فراغات من الإستمبيان .. أرجوا عدم تكرار نفس الأرقام المختارة وحفظها في مكان آمن حيث ستعتبر الأرقام الستة هي المعرف الخاص بكم وقد تحتاجونها مستقبلاً .. على سبيل المثال إذا أردتم إلغاء مشاركتكم معنا ستكون هذه الأرقام دلالة لنا حتى نستطيع إيجاد مشاركتكم والتعامل معها. والآن تستطيعون البدء مشكورين في تعبئة الإستمبيان المرفق:

ملاحظة:

-1

Other : معناها أخرى .. أي إذا اردت إضافة ملاحظة أو تعليق عن نفس النقطة ضعها في خانة أخرى .

-2

في نهاية الإستمبيان ستلاحظون زر مكتوب عليها ( Submit ) معناه إرسال فعند الإنهاء من تعبئة الإستمبيان أرجوا الضغط على زر الإرسال والرد سيعود إلي تلقائياً.

-3

إن كنت سعودي وغير متواجد في المملكة العربية السعودية فارجوا وضع نفسك متخيلاً أنك في المملكة .. نظراً لان البحث يختص بالمملكة العربية السعودية وحسب .

شكرين مرة أخرى على مشاركتكم .

أرجوا اختيار ستة أرقام عشوائية من بين 1 - 49 وتدوينها في المربع التالي

أول اختيار لك

ثاني اختيار لك

ثالث اختيار لك

رابع اختيار لك

خامس اختيار لك

سادس اختيار لك

1. الجنس

ذكر

أنثى

2. العمر

أقل من 18 سنة

18 - 29

29 - 39

39 - 49

+50

3. الحالة الإجتماعية

متزوج

أعزب

مطلق

أرمل

4. هل لديك أطفال

نعم

لا

Other

إذا كانت إجابتك بنعم , فكم عددهم؟

5. المستوى التعليمي لك ؟

الثانوية العامة أو أقل

مرحلة البكالوريوس

مرحلة الماجستير

مرحلة الدكتوراة

مرحلة ما بعد الدكتوراة

Other

6. اللغة التي تجيدها ؟

العربية

الإنجليزية

كلاهما

:Other

**7. الحالة الوظيفية :**

غير موظف

موظف حكومي

موظف في القطاع الخاص

متقاعد

طالب

:Other

**المعاش الشهري**

أقل من 2000 ريال سعودي

2000 - 5000 ريال سعودي

5000 - 10,000 ريال سعودي

10,000 - 15,000 ريال سعودي

15,000 - 20,000 ريال سعودي

20,000 - 30,000 ريال سعودي

أكثر من 50,000 ريال سعودي

:Other

**9. بيئة المعيشة**

مدينة كبيرة ( مطورة )

قرية

بلدة صغيرة

منطقة قبلية

:Other

**10. هل يوجد لديك سائق خاص في المنزل ؟**

نعم

لا

**11. هل يوجد لديك خادمة خاصة في المنزل ؟**

نعم

لا

12. هل تعرف الإنترنت؟

- نعم  
 لا

13. هل يوجد لديك إنترنت في المنزل؟

- نعم  
 لا

إذا كانت اجابتهك بنعم , أي نوع من أنواع الأجهزة التالية التي تستخدمها في استخدامات الإنترنت في المنزل؟  
( اختر كل المتوفر )

- كمبيوتر مكتبي / سطحي  
 كمبيوتر محمول  
 جهاز تلفون محمول iPhone/Android  
 جهاز دفتر إلكتروني iPad  
 جهاز تلفون الذكي مثل بلاك بيري .. الخ  
 جهاز الدفتر المحمول ( تابلت - Tablet )  
 :Other

إذا كانت اجابتهك بنعم , ما نوع الإنترنت المستخدم في المنزل ؟  
أختر كل المتوفر

- عن طريق الهاتف المنزلي  
 عن طريق سلك الإيثر نت Ethernet  
 عن طريق الخط الأرضي LAN  
 عن طريق الخط الأرضي ولان WLAN  
 عن طريق جهاز الهاتف المحمول  
 UMTS/Wimax  
 :Other

14. ما مدى مهارتك في استخدام الإنترنت ؟

- ممتازة جدا  
 ممتازة  
 جيدة  
 عادية  
 غير جيدة  
 ضعيفة

ضعيفة جدا

15. كم مره في الشهر تذهب للتسوق بنفسك ؟

16. كم مره في الشهر ترسل رسائلك الخاص للتسوق بدلا منك ؟

17. ماهو رأيك الشخصي في الذهاب للسوق للتسوق ؟

موافق جدا	موافق	لا باس	غير موافق	غير موافق جدا	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أحب التسوق
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	مشوق
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	مريح
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ممتع
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	اعتبره مكان اجتماعي
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع مناقشة السعر مع البائع
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع أن أرى وألمس البضاعة / التأكّد بنفسي من البضاعة
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع أن اعمل أكثر من شغلة أثناء التسوق
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	يعتبر التسوق رحله إستتماعية مع العائلة
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ممل
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	مضبعة للوقت
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لا أحب التسوق

18. ماهي البضائع التي تفضل شرائها عن طريق الأسواق التقليدية؟  
أرجوا تحديد كل المطلوب

الجرائد والمجلات

الكتب

التموين الغذائي

التكنولوجيا

الملابس

السيارات

الأثاث

- الأدوات التجميلية
- التذاكر
- ألعاب الأطفال
- الأفلام
- الهدايا والورود

:Other

19. هل هناك بضائع خاصه او معينة لا تفضل أحداً غيرك أن يشتريها بالنيابة عنك ؟  
أرجوا تحديد كل المطلوب

- الجرائد والمجلات
- الكتب
- التموين الغذائي
- التكنولوجيا
- الملابس
- السيارات
- الأثاث
- الأدوات التجميلية
- التذاكر
- ألعاب الأطفال
- الأفلام
- الهدايا والورود

:Other

20. هل تعمل بحثاً عن البضاعة قبل شرائها ؟  
مثلا : ( الشركة المصنعة - المواد المكونة منها , إستخداماتها... الخ )

- نعم
- لا
- أحيانا

إذا كان جوابك بنعم , على أي أساس تبحث عن المعلومة؟  
( أختار كل المتوفر )

- القيمة
- البضاعة
- التصنيف
- الماركة

:Other

21. كم مره تقوم بالشراء عن طريق الأنترنت في الشهر؟

كم مره تقوم بالشراء عن طريق الأنترنت في السنة ؟

22. الشراء عن طريق الأنترنت أفضل من الشراء في المحلات ؟

- موافق جدا  
 موافق  
 عادي  
 غير موافق  
 غير موافق جدا

23. هل سبق لك الشراء عن طريق الأنترنت ؟

- نعم  
 لا

إذا كانت اجابتك بنعم , هل تعتقد ان فكرة الشراء عن طريق الإنترنت افضل ولها فائدة ؟

موافق جدا	موافق	لا بأس بها	غير موافق	غير موافق جدا	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لها فائدة بصفه عامه
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	متنوع ووسع في اختيار البضائع
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	سريع و يحافظ على الوقت بدلا من الذهاب في زحمة السير وزحمة طابور الشراء .. الخ
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع ان أشتري البضاعه في أي وقت أريد
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع شراء أشياء قد لا تكون متوفره في المنطقه
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	مريحه
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أرخص في السعر أو أستطيع مقارنة الأسعار
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أوضح من ناحية معلومات البضاعه
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لا يوجد ضغط من قبل البائع
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أكون مجهولة الهوية
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لا أشعر براحة عند شراء نفس البضاعه من نفس المكان

ما الفوائد الأخرى التي تجدها عند التسوق الإلكتروني؟

هل تعتقد ان فكرة الشراء عن طريق المحلات جسديا لها فائدة ؟

موافق جدا	موافق	لا بأس بها	غير موافق	غير موافق جدا	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لها فائدة بصفة عامة
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	متنوع في إختيار البضائع
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	سريع و يحافظ على الوقت بدلا من الذهاب في زحمة السير وزحمة طابور الشراء... الخ
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع ان أشتري البضاعة في أي وقت أريد
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أستطيع شراء أشياء قد لا تكون متوفرة في المنطقة
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	سهل ومريح
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أرخص في السعر أو أستطيع مقارنة الأسعار
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أوضح من ناحية معلومات البضاعة
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لا يوجد ضغط من قبل البائع
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	أكون مجهولة الهوية
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	لا أشعر براحة عند شراء نفس البضاعة من نفس المكان

ما الفوائد الأخرى التي تراها في التسوق التقليدي ؟

24. ماهي البضائع التي تفضل شراءها عن طريق الإنترنت ؟

أرجوا تحديد كل المطلوب

الجرائد والمجلات

الكتب

- التموين الغذائي
- التكنولوجيا
- الملابس
- السيارات
- الأثاث
- الأدوات التجميلية
- التذاكر
- ألعاب الأطفال
- الأفلام
- الهدايا والورود

:Other

25. ما مدى قدرتك على التسوق الإلكتروني بصفه عامة ؟

- متمكن جدا
- متمكن
- لا بأس
- غير متمكن
- غير متمكن جدا

26. ماهي البضائع التي من غير الممكن شرائها عن طريق الإنترنت؟

أرجوا تحديد كل المطلوب

- الجرائد والمجلات
- الكتب
- التموين الغذائي
- التكنولوجيا
- الملابس
- السيارات
- الأثاث
- الأدوات التجميلية
- التذاكر
- ألعاب الأطفال
- الأفلام
- الهدايا والورود

:Other

27. خصوصية معلوماتي الشخصية أمر أحب إخفائه عند الشراء بصفه عامة وخصوصا عند شراء البضائع التالية؟

أرجوا تحديد كل المطلوب

- الجرائد والمجلات
- الكتب
- التموين الغذائي
- التكنولوجيا
- الملابس
- السيارات
- الأثاث
- الأدوات التجميلية
- التذاكر
- ألعاب الأطفال
- الأفلام
- الهدايا والورود

:Other

28. ماهي العوامل التي قد تؤثر على إصدار قرارك عند الشراء عن طريق الإنترنت ؟  
أرجوا تحديد كل المطلوب

- ثبوتية الموقع ( أي عدم تغيير نمط وشكل الموقع من فترة لأخرى )
- عدم تناسق الألوان وضعف نمط وشكل الموقع
- لا أستطيع ان اشترى البضاعة قبل تجربتها
- معلومات البضاعة غير واضحة
- ضعف في عرض البضاعة
- لا اشترى عن طريق الإنترنت اذا كانت البضاعة متوفرة في المنطقة
- لي معرفه خاصه مع اصحاب المحلات التي اقوم بالشراء لديها
- قلّة المعروضات عن البضائع المتوفرة
- قلق من ناحية المجهول
- غالي
- طول وقت وصول البضاعة او عدم تحديد موعد وصولها
- الدفع عن طريق الإنترنت امر معقد
- لا أتق بالدفع عن طريق الإنترنت
- لا أستطيع استخدام الإنترنت
- أحتاج لشخص يساعدي في كيفية إستخدام الإنترنت
- عملية الشراء يأخذ من الوقت الطويل
- إشتياقي لملاذة التسوق في المحلات والحياة الإجتماعية في السوق
- عدم وضوح نقطه الحماية لدى الموقع خوفا من السرقة

:Other

29. ما مدى حماسك اتاجه التسوق الالكتروني؟

- متحمس جدا  
 متحمس  
 لا بأس به  
 عادي  
 غير متحمس  
 غير متحمس جدا

30. ماهي الطرق التي تستخدمها في التسوق ؟ اختر كل المتوفر  
اكتب كم بالمنه في المربع

الإنترنت

%

المحلات

%

التلفاز

%

مندوب المبيعات

%

التلفون / الكتلوج

%

.  اخرى

%

31. هل سبق لك وسمعت عن البي بال PayPal ؟

 نعم لا

إذا كانت اجابتك بنعم , هل تعرف اي بطاقة بنكية للانترنت مستخدمة في السعودية ؟

 نعم لا

إذا كانت اجابتك بنعم , فسمها ؟

32. هل يوجد لديك بطاقة ائتمان ؟

 نعم لا

إذا كانت اجابتك بنعم , هل بطاقة الائتمان خاصه بك ؟

 نعم خاص بي خاص لعائلتي Other: 

33. ما مدى استخدامك للبطاقة الائتمانية أثناء الشراء ؟

 لم أستخدمها من قبل 1-5 مرات شهريا 6-10 مرات بالشهر 11-15 مرة شهريا

أكثر من 16 مرة في الشهر

34. هل تعرف سوق الكتروني في السعودية ؟

نعم

لا

إذا كانت اجابتك بنعم , فسمها

إذا كانت اجابتك بنعم , فكيف سمعت بها ؟

اختر كل المتوفر

محرك البحث مثل جوجل

مواقع اخرى

الجرائد والمجلات

الأصدقاء او مندوبين

إعلانات

لا اعلم / لا انكر

Other:

35. هل تستخدم اسمك الحقيقي عندال شراء

نعم

لا

ربما

Other:

36. هل تقوم بوضع عنوان منزلك الشخصي كموقع لتوصيل البضاعة ؟

نعم

لا

ربما

Other:

37. هل يوجد لديك اقتراحات اخرى ؟

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