What Makes Buyers to Stay Offline? Factors Influencing Online Purchase Behavior

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Abstract: Shopping has become inevitable activity of modern society. There are many ways of purchasing and they can be divided into two basic categories; traditional and online shopping. In this study it is discussed what are the factors that make buyers shop offline. It focuses on the single geographic area which is Bosnia and Herzegovina. It is clear that online shopping is not quite present among population of Bosnia and Herzegovina. Findings show that gender, income level, age and some other non-demographic factors are those which mainly affect customers' behavior while choosing between online and offline purchasing. Beside these factors which were proved as important in previous findings in some other countries, this project discovers whether there are different factors that make buyers stay offline in Bosnia and Herzegovina.
Keywords: online shopping, offline shopping, factors, concerns.

1. Introduction

Today, the online shopping industry has expended so much, and so many people buy products online. Customers are getting familiar with benefits of online shopping, but at the same time a lot of people still choose traditional way of purchasing and they have reasons for it. However, there is a growing trend toward online shopping and it is becoming more and more popular. Just to remind ourselves, online shopping, or sometimes called e-tail or e-shopping is a way of trade through which customers buy goods and services directly from a seller over the Internet.

The convenience is the most important thing today's customers care about when shopping online. People prefer staying at home and choose products by just clicking a button and in that way saving their times. This is why this kind of shopping is constantly thriving.

Another reason people prefer online purchasing over an offline one is a large selection of good and services, which means that chance of finding a high quality product is increased and which matches their expectations. Another thing is that buyers can easily compare product prices and features.

However, there are people who will still say that the offline or traditional way of shopping is better that online. One reason for that is that customer may find himself in the position where product does not match to his/her expectations. This issue could be easily solved in an offline store, because you can choose or replace another product at the time.

When buying online, each customer's information is captured in details and is constantly circulating. In other words, it grasps customer buying habits, behavior, what they often look for and what kind of products they buy. In this way, company may target repeated purchases based on personalized content of each consumer and in that way boost their sales and profit.

Although online way of purchasing is obviously more convenient, buyers still feel more comfortable to obtain goods and services from an actual retail store. There are many factors that influence the decision whether a person will go into the store or make his/her purchase online.

Many researches proved that most of the customers use offline or traditional shopping to avoid delivery fees. Another reason is that they can have their product or service instantly. Moreover, buyers like to feel, touch or try new product prior to purchasing it. Some of them are concerned with payment methods and frauds, security and privacy. On the other side, some buyers simply want to support local business and make their purchases from brick-and-mortar retailers. Social media presents an important part of customer shopping process through which customers have a "voice" and a chance to be heard as much or as little as they want. It is used to create discussions, engage with your customers, create media sharing and improve the relationship between the company and customers. This is creating two-way communication which is important if you want to have a successful social media campaign. The ultimate goal is to grab people attention with original and personal content. Once you get their attention you are supposed to nurture that by communicating and engaging with them.

One way companies may increase their online sales is to provide their buyers with credibility. Most of the customers evaluate company's credibility by looking at its website and its appearance. Moreover, consumers are even more concerned about having to pay the product or service and then wait for it days or weeks to receive it. This can easily be solved by offering customers free returns and explained it into details.

In this paper, readers will have a chance to see what shopping habits of population of Bosnia and Herzegovina are, how often they purchase and which payment methods they use. Further, as the main reason of this project, the main factors affecting their choice to stay offline and leave online shopping carts are explained.

1.1   Research Objectives

Defining research problem is the driving force of any scientific research and it is very important. So, in this paper, main problem is identification and understanding most effective factors that make people not to buy online. The next thing which should be considered is research objective which is aimed to:

Determine what are the factors which drive people away from online shopping?
In regard to that, primary research was conducted and focused on gathering and analyzing primary data.
Another thing which is very important is to set research questions, and these are the following:

1. *What are the most important factors which make buyers in Bosnia and Herzegovina avoid online shopping?*
2. *Are the factors, which make buyers in Bosnia and Herzegovina avoid online shopping, different from those in other countries?*

2.   Literature Review

2.1 Security

A number of studies have found trust to be very important for on-line commerce. Specifically, the present research shows empirically that on-line shopping behavior is indeed affected by interpersonal trust and the economic condition of the on-line shopper. Several past studies found that trust affected on-line commerce.[i],[ii],[iii] Another possible problem which can be characterized as important as lack of trust is the fact that consumers purchasing products over the Internet generally have incomplete information about the retailer's credibility.[iv]

When it comes to information security, the risk appears as product of possibility that web pages may contain some mistakes. Additional source of risk may be the fact that most online shopping pages require registration of visitors before the approach shopping. Purchasers also take the risk in the payment process because they usually need to provide personal information including their credit card number. Security issue does not end with purchasing process, it goes on in post shopping process, where the private information can be misused.[v]

Since the online payment is most likely made with credit card, so buyers usually pay attention to seller's information in order to protect themselves. Customers tend to buy product and service from the seller who they trust, or brand that they are familiar with[vi]. Online trust is one of the most critical 70 issues that affect the success or failure of online retailers.[vii] Security seems to be a big concern that prevent customers from shopping online[viii]. because they worried that the online store will cheat them or misuse their personal information, especially their credit card.[ix] For instance, report indicated that 70 percent of US web users are seriously worried about their personal information, transaction security, and misuse of private consumer data.[x]

Trustable and Securer website: Consumer willingness to buy and patronize online store are affected by consumer's trust in giving personal information and security for payment through credit card transaction.[xi] They also concern about transaction security and data safety when purchase online.[xii] Getting approved certificate from an organization such as eTrust is one of the ways to make a website more trustable.[xiii] By doing so, a website will be more secure and it will increase customer confidence and lead to sale increase. For example, Scribendi, English language editing and proofreading services, bought SSL Certificate from VeriSign—the most trusted mark on the internet; by than site visitors who saw the green address bar made the sale leapt by 27%. When the companies have this certificate, the address bar of their website will change to green color and the Web address will begin with https://; so customers know that the website is secure and trustable.[xiv]

2.2 Convenience

During the literature review it was find out that those who have tried online shopping state that that kind of purchasing is much more easier and enjoyable than the traditional one. As the main argument of this statement most of purchasers said that the fact that they can buy anything they need without leaving the home is the most extenuating thing. Other important thing which need to be mentioned is that people are likely to enjoy searching and exploring online shopping sites in their free time, like they do on social networks.

While this literature review was being conducted it was find out that not much of date required could be found about purchasers in Bosnia and Herzegovina. Either way, articles which were analyzed, even they were mostly written in United States, were characterized as useful. It was easy to conclude that no single factor has influence on buyers while choosing to purchase online or not. The findings significantly support the study's hypotheses that shopping orientations such as convenience and recreational shopper and demographic variables such as gender, education, and household income were significantly related to consumer's online purchase preference. The researchers, findings also confirm that the relationships of shopping orientation and demographic variables with purchase preference for shopping online significantly differ by product category.[xv]

However, based on the study conducted by Jupiter Media Metrix, women surpassed men in

numbers of online users in 2001. [xvi]A report on 2001 Holiday Shopping suggests that more females are shopping on the Internet. The review of the past published literature suggests that a person's shopping orientation plays an important role in his or her preference for shopping from different shopping venues. [xvii]

Based on another study which states that beside demographics, lifestyle characteristics also play an important role in customer buying habits. Most Internet studies agree that the on-line population is relatively younger, more educated, and wealthier than the general population. According to one study, on-line buyers typically have a "wired" lifestyle, meaning that they have been on the Internet for years, not months.[xviii] According to another study, the more experience on-line buyers have with the Internet, the more money they are likely to spend shopping on-line.[xix]

In fact price wasn't even as important as speed since 67% of online shoppers would pay more money to get same-day delivery if they needed the package by a deadline, such as an anniversary. Comparatively, 47% would pay more for same-day delivery simply because they wanted their package more quickly, demonstrating that consumers distinguish between a need and a want, yet desire fast shipping when available.

2.3 Item Shipping

The importance of the speed of shipping to earning online customer loyalty was demonstrated by a recent report from Dotcom Distribution. The survey found 87% of online shoppers identified shipping speed as a key factor in the decision to shop with an e-commerce brand again.[xx]

"E-commerce is taking over the retail market, so brands must ensure they take advantage of the opportunity to deliver the packages that customers expect in the most personal way," says Maria Haggerty, CEO of Dotcom Distribution. "Fulfillment and a coveted unboxing experience is a huge part of that."[xxi]

According to the study, speed isn't the only factor that influences customer loyalty and brand perception. Consumers care about aesthetics, too. In fact, 40% of online shoppers said they would be somewhat more likely or much more likely to purchase from a retailer that offers premium packaging. The same percentage of shoppers said that branded or gift-like packaging affects their perception of the online retailer that shipped the item.[xxii]

2.4 Item description

Because of the nature of online purchasing, customers take the risk as they are not able to examine the product before purchasing. The fact they are not able to really see or try it is the biggest issue when it comes to item description. It must be stated again that this research has the aim to find out how much each of those four variables makes purchasers in Bosnia and Herzegovina stay offline. When "Item Description" is mentioned this means all subcategories, like color, sizes, material etc. [xxiii]

Online, or E-shopping, enables customers to make use of an online store to search for products and services, order the selected products and services, choose a delivery method, indicate an address and date, and pay for them. All the products and services of these online stores are described through text, with photographs and multimedia files. On receipt of an order, the online store sends an electronic confirmation to the customer. In recent research done by MasterCard, the products mostly purchased online by South African shoppers are products such as air tickets, travel, and accommodations[xxiv], followed by concert and event tickets and coupons from group-buying sites.

Offering a broad variety of products and providing sufficient information about these products will positively influence word of mouth references and it is thus imperative that online retailers do not simply stock and advertise a narrow range of products. Information, which online retailers can provide, includes product types and descriptions, instructions, demonstrations, and product reviews. A broad variety of products and adequate information will ensure positive word-of-mouth references.

3. Research Methodology

In this initial part of data collection (for pilot study), interviews with people were used for development and purification of measurement instruments that are future more used for carrying out the quantitative study. Further, survey was developed and delivered to a large number of respondents, as a method of data collection.

3.1 Target Population

As the country which takes place between Western and Eastern parts of the world, Bosnia and Herzegovina is very specific by many things. Shopping culture in this country is influenced by both, Western and Eastern cultures. It is clear that Bosnian people are not still very familiar with online purchasing so it can be said that Bosnia and Herzegovina is a perfect place to find out some of the factors an reasons why people avoid online shopping.

3.2 Instrumentation, Development of Survey and Measurement

Since this research can be characterized as a quantitative one, it was decided to conduct a proper survey with an enough large sample. Number of participants was 302, all Bosnians. Survey itself was created of five parts. First eight questions were all demographic, "Security" part included three, "Convenience" four, "Order Shipping" four and "Item Description" section four questions.

All questions included in the survey were carefully selected according to previous studies on the similar topic in other countries. It was decided that twenty six questions, including demographic section are enough for such a research goal.

When it comes to measurement, it was decided to use descriptive statistics. Results of the survey were entered in SPSS and analyzed properly.

A sample ranging from 500 respondents was chosen. In conducting this research, a quantitative approach was employed by using online questionnaire as a main method of data collection. This setting was chosen in regard to extensive internet presence of young and adults and high response rate as one of the main features of online questionnaires. Moreover, ethical dilemmas which occurred during this research process were lack of monitoring due to computer-administered survey and the possibility of respondents to answer in an untruthful manner. However, respondents were provided with response anonymity. Furthermore, 302 respondents took part in questionnaire. The survey was accepting responses from June 6th to June 8th in 2018.

3.3 Data Collection

Regarding this research study, quantitative research was conducted, that is, online questionnaire, as it is perceived to be the most convenient for this type of the research. The main advantage to use questionnaire is that they are quick and cheap to administer. It will enable us to collect data from a lot of respondents and to get certain reliability and suitability. Moreover, questionnaires avoid influences on the respondents' answers where they fill the questionnaire by themselves. The questionnaire consists of 26 questions designed in English. Questions are made as short and clear as possible, so they can be easily understood and answered. It will be provided in the appendix at the end of the paper.

4. Results

In this part of the report, the results of the above mentioned online survey will be presented, followed by the graphs representing the percentage rate depending on the answer chosen by the respondents. Questions and the response rate will be presented in the same order they were organized in the questionnaires. First part of the online questionnaire was focused on demographics of the respondents, as we previously explained, and the second part was more topic-oriented.

Tabel1. Respondents Demographic Information

		Frequency	Percent	Valid Percent	Cumulative Percent
Age	under 18	15	5	5	5
	18-25	223	73,8	73,8	78,8
	26-35	49	16,2	16,2	95
	56 and more	15	5	5	100
Gender	Female	134	44,4	44,8	44,8
	Male	165	54,6	55,2	100
Education Level	Elementary School	7	2,3	2,3	2,3
	High School	96	31,8	32,1	34,4
	Undergraduate degree	131	43,4	43,8	78,3
	Master degree	64	21,2	21,4	99,7
	PhD	1	0,3	0,3	100
	Total	299	99	100	
Total		302	100		

As far as respondent's age is concerned, respondents could choose among the following age categories: under 18 years old, 18-25 years old; 26-35 years old; 36-55 years old and 65 years old or above. With regard to the table shown above, one may conclude that the biggest part of our respondents consisted of those aged 18-25, that is, 73.8% (223 out of 302 respondents), followed by those aged 26-35, 16.2% (49 respondents.

The greatest number of our respondents consisted of males, who represented 165 out of 299 respondents, that is, 54.6%. Number of female respondents was 134, which makes 44.4 of total respondents.

The highest percentage regarding the educational level was 43.4% (131 out of 299 respondents), which represents respondents with Undergraduate Degree, followed by 31.8% (96 out of 299 respondents) enrolled High School.

Figure 1 Ranking of the factors importance

	N	Minimum	Maximum	Mean	Std. Deviation
Shopping_Quickness	299	1	5	3.7759	1.20679
Absence_of_trying_items	297	1	5	3.6162	1.157
Sizes_and_Colors	300	1	5	3.5467	1.10085
Cheaper_Prices	299	1	5	3.5217	1.15365
Description	300	1	5	3.48	1.15211
Shipping_Period	300	1	5	3.4433	1.10341
Description_of_Quality	298	1	5	3.4295	1.1207
Feeling_when_the_item_arriwes	296	1	5	3.4223	1.30736
Possible_Damages	298	1	5	3.3792	1.07332
Possibility_of_being_foxed	299	1	5	3.1806	1.20715
Personal_Information	302	1	5	3.1159	1.24017
Payment_Methods	301	1	5	3.0664	1.26843
Shipping_Companies	299	1	5	2.9599	1.09225
Non_arrival_of_item	297	1	5	2.8586	1.11813
Shopping_Enjoyment	299	1	5	2.5953	1.32101
Valid N (listwise)	287				

As it can be noticed in the figure above which shows survey questions sorted from those with biggest mean to those which are likely not to be the case when it comes to factors which influence the shopping behaviors. Among the scale questions survey participants mostly agreed that online shopping is quick and that online items are cheaper, but, in the other hand, they are very likely to be concerned about some issues related to item description, like sizes and colors, absence of trying items description itself and description of quality. According to this final table it can be stated that the description does play the most important role, among those four variables, which were included in this project, in keeping purchasers offline.

5. Conclusion

According to enough large number of survey participants it may be said that this project has achieved its goal. All four variables, which were included in in the project, were questioned well and precisely. Results this project got are likely to be conformation of the predictions of the author. Bosnia and Herzegovina still can be characterized as specific country when it comes to usage of internet for shopping habits. As its geographical position is, it can be noticed that this country seems to be in the some kind of beam scale between West and East. Either way, it is clear that population in Bosnia is at least familiar with some basic facts and elements of online purchasing. They are aware that items are cheaper online and that it is easier to shop online, sitting in own chair, then to go to shopping centers or traditional stores.

It can be stated that factors in Bosnia and Herzegovina that drive customer away from online shopping carts are quite similar to those in other countries. However, population of Bosnia and Herzegovina is still more like traditional oriented buyers, so in the end it can be said that buyers

in Bosnia and Herzegovina share the same concerns and fears with the most world population when it comes to online purchasing.

The key findings of this research consist of the following: Most of population in Bosnia and Herzegovina responds they never shop online, which was predictable due to country's shopping culture. Hence, large number of people who do not do online shopping is actually one of the biggest reasons why this topic was chosen. The interesting finding was the fact that approximately 35,1% of those who do online shopping spend less than 50BAM per week, which proves that they buy only cheap products online.

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