FACTORS AFFECTING ONLINE SHOPPING DECISION: CUSTOMERS IN TURKEY

Elif TÜRK

Galatasaray University İstanbul,Turkey

Abstract:

Online shopping is a critical subject for marketing academicians and corporations. To have a sustainable competitive advantage, companies try to have strong relationships with their customers and try to learn their customers better. In this research, factors affecting online shopping decision of customers are examined, strenghts, weaknesses and sevetal benefits of online shopping are defined. Based on the dimensions found in the research considering theoretical background about online shopping; a comprehensive conceptual framework of OSE is developed. For data collection, 13 focus groups have been performed. A content analysis is conducted to analyze the results about factors affecting online shopping decision of customers in Turkey. The analysis concluded that security and privacy concepts are main concerns of online shopping process. By developing the literature of OSE using a comprehensive framework, this paper improves the knowledge about online shopping and gives new insights to e-marketing and retailing literature.

1. Introduction

Online shopping is a kind of e-trade that links sellers and buyers via internet where buyers can buy goods or services they need from an online store other than traditional brick and mortar stores (Vos et al. 2014, p.418).

Online shopping is a widely important activity for customers and retailers. Because of the expansion of internet usage among customers and changes of customer preferences, online shopping is developing critically. Customers use internet for entertainment, communication and marketplace exchanges (Miyazaki and Fernandez, 2001). As customers get used to use internet and internet becomes a part of people's daily life, firms need to improve their e-trade activities and try to get attention of customers also in e-commerce world.

The purpose of our study is to identify factors affecting online shopping decisions of customers in Turkey. Because Turkey is a developing country, emergent business constitutions are attractive for customers. To have a competitive advantage against the competitors, firms need to create customer value also in online shopping.

To create customer value firms need to know the attitudes, behaviours, needs and wants of the customers and they need to structure their business operations parallel to their customers. The objectives of the research are identifying:

1. Strenghts and weakness of online shopping according to Turkish customers
2. Factors affecting online shopping decision of Turkish Customers
3. Benefits and risks associated with online shopping in Turkey

According to the results of our study, online retailers in Turkey can structure their operations, websites and transactions by seeing the market through customers' eyes. This research tries to reveal the reasons of shopping online and the challanges of online shopping.

2. Literature Review

In this section internet usage among Turkish customers will be discussed. General knowledge about online shopping market in Turkey will provide an insight to the importance of e-commerce in the country. Factors related with online shopping decision are examined. First, definition and drivers of online shopping are given. Second, shopping decision and online shopping decision are discussed. In methodology part, qualitative research which is designed to conceptualize factors affecting online shopping decision of customers in Turkey is represented.

2.1. General Information About Internet Usage In Turkey

Total number of internet users in world reached 4.021 billion with a ratio of 53%. Percentage of the total population in Turkey that uses internet is 72%. Internet users in Turkey increased by 9,3% according to the report of Hootsuite in January 2019. The ratio of world population above age 15 who make online purchases and/or pay bills online is equal to 29%. In Turkey, the percentage of population who bought something online in the past month is 67% which was 43% in previous year. M-commerce is an emergent subsection of e-trade which is expanding rapidly. Reports state that 50% of the population in Turkey used their smart phones to purchase goods or services in the past month. A customer spent an average of $152 to buy consumer goods via online channels. The ratio of e-commerce expense in total retail expense is %5. In 2019, 68% of Turkish population fulfills banking transactions via online channels and ratio of credit card users above age 15 is 42% (Global Digital Report, 2019). Annual growth rate of e-trade market increased from 42,2% to 59,9%. The growth rate of online retailers is 31,5%, online holiday and tourism operaters is 22,9% and online legal betting shops is 5,5%. (Tubisad, 2019). Researches show that 24,9% of internet users whose age are between 16-74 purchase goods or services via online channels for personal consumption (Perakende Sektörel Bakış, 2018). Half of online shopping is fulfilled by users living in the most important three cities of Turkey: 28,39% İstanbul, 13,62% Ankara and 7,45% İzmir. Turkey has the 11. place in the list of Worlds' Internet Usage Ranking. Between April 2015 and April 2016, 24,9% of customers who bought goods and services using online channels encountered problems with online sellers (TUIK, 2016.).

Table 1: Online Shopping Product Category Ratios

Commodity of Goods	Online Shopping Ratios of Customers
Clothes	59,03%
Electronic Equipments	46,85%
Meal Orders	42,85%
Accomodation and Trips	38,92%
Books	36,61%
Cosmetics and Personal Care	28,71%

Number of online shopping customers in Turkey is increasing exponentially. This rapid growth should be taken in to consideration by e-commerce actors. Companies' interested in e-commerce need to structure their business activities and transactions according to the expectations of online customers for future growth. Therefore, online shopping customers must be examined detailly, shopping attitudes and habits must be determined to structure the online operations.

2.1.1 Online Shopping

Process of buying goods and services by using internet is called online shopping (Tsiakis, 2012). Proliferation of internet allowed consumers to communicate, entertain and collect information using e-channel. Developments related with internet, implemented e-commerce to our daily and business life. Purchasing of products and services online become a new phenomenon which is termed in different ways as: Online shopping, e-shopping, internet shopping, electronic shopping and web-based shopping (Clemes et al., 2014). Selling, buying and marketing of goods and services through online channels is called online shopping (Hamza and Saidalavi, 2014).

Online shopping improves efficiency and effectiveness of businesses, increases market share of companies, strenghtens brand awareness, enlarges distribution network of retailers and accelerates international e-trade operations (Ramachandran et al., 2011).

Each day, number of consumers in e-commerce operations is growing rapidly. Consumers prefers online shopping because:

1. Penetration of interne
2. Time management is easy
3. Decreasing of product research cost
4. Cheaper price than traditional brick and mortar stores (Renny et al. 2013).
5. Availability of information
6. Lack of sales people pressure
7. Gaining other customers' comments (Ramachandran et al. 2011).
8. Consumers search information in online world (Mosteller et al.2014).

Time constraint of working people is a major indicator of online shopping. To create and allocate time for personal activities individuals choose to shop online. In online shopping consumers do not need to carry goods, drive car and face with crowded traffic, walk around the shop to find the right product. Online shoppers can reach and search a product whenever and wherever they want. These advantages expand online shopping preference and improve online shopping transactions.

Reaching product information easily, a wide variety of product selection and chance of comparing products with other substitutes are not the only advantages of online shopping. Convenience and ease of shopping are other advantages that should be stated (Liu et al. 2011).

As online shopping has many advantages in theory, there are barriers which impede online shopping. One of the main concern of online shopping is perceived risk of customers. Customers are concerned about the delivery of the goods at the right time, at the right quality and having the right specifications. Security of money transaction is also a big uncertainty for customers.

Many of the studies define that the level of risk perception in online shopping is higher than a traditional shopping transaction. Financial risk, product risk and privacy risk constitute main risks in online shopping (LiU et al., 2011). Some researches mention security risk as a subdimension of perceived risk in online shopping. Especially research held by government organizations define that consumers' risk perception is a major obstacle to the growth of online shopping (Miyazaki and Fernandez, 2001).

3. Methodology

The aim of the study is to identify factors affecting online shopping decision of customers' in Turkey and barriers against online shopping decision. Because there is an identification process the research has a qualitative type.

3.1 Research Questions

1. Why do Turkish Customers prefer online shopping?
2. What are the barriers against online shopping?

Study also tries to determine the product categories which consumers buy the most.

3.2 Method

In this research, factors affecting online shopping decision are questioned. The purpose of the study is to examine online shopping measures of customers and factors affecting online shopping decision. Aim of the study needs an exploratory research design that will be conducted with qualitative methods. According to Bellenger et al., 2011: "Qualitative research involves finding out what people think and how they feel – or at any rate what they say they think and how they say they feel. This kind of information is subjective since it involves feelings and impressions rather than numbers" (Bellenger et al., 2011, 2)

In qualitative research process, data collected from the sample consists major subjective elements. In qualitative research, projective and intensive techniques are used. Depth and focus group interviews are intensive techniques which are used in qualitative research for data collection. In this research focus group interviews are performed. After data collection process, content analysis is executed to analyze the opinions and thoughts of the participants.

3.3 Data
Each focus group consisted between 8-10 people. Data collection process lasted in 35 days. First focus group interview took place on 4 th of February and the last focus group took place on 10 th of March. A total number of 11 focus groups were arranged throuhout the given period. During the data collection process, a number of 103 people were attended to interviews. Each focus group lasted about 2,5 to 3 hours.

Before primary data collection, a pilot focus group interview was fullfilled. At the beginning of the pilot interview, important subjects which are determined from literature were designed as open-ended questions. According to key points taken from the literature 15 questions were assessed. After checking the legibility of pilot interview questions, adoptions were made and 5 more interview questions were added.

The context of the questions were:
a) Product variety during online shopping
b) Weakness and strengths of online shopping
c) Customer journey during an online shopping
d) Time spent on internet usage and online shopping
e) Information about interesting online shopping sites
f) Differences between online and traditional shopping
g) Importance of other people's comment before purchase decision

One moderator was directed the interviews. For voice recording permission of the participants were obtained before each session. The analysis was completed in 20 days.

Table 2: Participant Details

Focus Group Number	Number of Participants
1st, 3rd, 4th, 9th, 11th	9
2nd, 5th, 7th, 8th, 10th	10
6th	8
Total Participant	**103**

Participants were chosen from 3 private and 3 state universities located in İstanbul. Ages of participants differs between 30 to 42. People between age i 16-24 uses internet with the highest ratio. But people between these ages does not have a regular income in Turkey, as a result minimum age constraint was defined as 30. All of the sample unit has bachelor's degree, they are working as academicians or in private sector. Number of female interviewers are 56 while the number of male interviewers are 47. 8 of the participants are working in e-commerce companies. Major limitations of the study are time and money. If there had been enough time and a financial support, participants of focus groups would have classified acoording to their social classes and incomes. If there hadn't been any limitations, the geographic dispersion of the participants would have widened to different cities. At least participants from İzmir and Ankara would have been included in data collection. Because statistics defines that population in İstanbul, İzmir and Ankara are major cities who prefers online shopping the most.

3.4 Results
Because the purpose of the study is to determine factors affecting online shopping decision, a content analysis is performed. Content analysis is classification of themes and topics in a qualitative data. The aim is to find basic measures of a given subject (Lapan et. al., 2014). During the analysis, common themes and topics in the answers of

depth interviews were exhausted and general topics were identified. Focus group interview questions are classified according to their contents. The following part of research paper consists the analysis of answers.

3.4.1 Product Categories
Analysis showed that interviewers buy: 1. Shoes, 2. Clothes, 3. Books, 4. Electronics, 5. Flight tickets, 6. Holiday, 7. Small appliances 8. Toys.

According to answers female participants buy especially shoes and clothes at least every month. Male participants' favourite products for online shopping is electronics. %85 of participants said that because of discount rates of online bookstores instead of brick and mortar stores they choose to buy their books via online channels.

The percentage of married participants were %4. Only one married participant does not have a child. Participants that have children buy toys for their children using online channels. They emphasized that instead of going to a toy store and persuading their children to buy a proper and suitable toy, they buy the proper toy for their children from an online store. By online shopping, they can manage their spare times with their children more comfortably.

A small group of male participants defined that they buy clothes and shoes via online channels because they don't like trying on clothes. Instead of travelling in a shopping mall, those participants enter the sites of their favourite apparel brand and order the clothes to their address. If there is a problem about quality or size, they can reject the order without shipping cost. %10 of females told that they bought lingerie and cosmetics.

At the beginning of winter and summer holiday seasons, 89 of 103 participants emphasized that, planning of the holiday and deciding the place to travel begins with the journey on internet. And 72 of 89 participants defined that they purchase holidays via internet channel. Ten participants stated that they buy food and beverages from online supermarkets.

3.4.2 Weaknesses of Online Shopping
Major weakness of online shopping is precarious sellers in online channel. Twenty seventh of participants professed that if there is a chance to make the payment durin delivery, they shop online. If not, they do not shop online. They just search internet, collect the necessery information and read the comments of other users. Then they buy the product from a brick and mortar store. A number of 55 participants expounded that in online shopping, they use virtual credit cards.

Another weakness of online channel is hardness of information procuring. A limited number of e-retailers have real time communication with customers. If there is a question to ask, customers do not know what to do. As a result of this, especially for cosmetics and domestic appliance categories customers prefers traditional retailers.

Privacy is another fragility of online shopping. Participants defined that when they make a purchase from a brand of a group company, other subbrands of that company start to send promotion e-mails. Information sharing without permission is general in online shopping. Customer privacy is an important issue. Customers want retailers to keep their personal informations private.

Security is another factor which eventuates in resistance to online shopping. Especially during payments stage, malicious third party actors try to seize credit cards and personal security informations of customers. Then, they use customers' personal information for illegal actions or they use credit cards to misappropriate money to their personal accounts.

Particularly, participants older than 35 years old do not like online shopping because of the absence of a traditional shop. As participants get older, ratio of online shopping preference is decreasing. They want to touch and feel the products. They want to examine the products detailly and try them. It is a major disadvantage of online shopping. Absence of physical evidence is threath for e-retailers.

3.4.3 Strenghts of Online Shopping
When participants were asked to share their comments about advantages of online shopping, they focused on subjects like: Traffic congestion, spending the time instead of shopping with more interesting and entertaining activities, getting rid of carrying heavy shopping bags, collecting informations and comments of other users before purchase decision.

Traffic congestion is a major problem in İstanbul. All of the participants are working and they want to manage their spare times more impressively. %70 of the participants believe that they dilute time during traditional shopping.

According to the theory, rest of %30 participants have features of hedonistic shoppers . They want to spend their time with relaxing, watching a movie, meeting with friends, outside activities and with social events instead of being a part of the traffic congestion.

Instead of spending time with product searching at shopping malls, participants use their idle times at work and at public transportation for searching products using online channels. Travelling around for finding the right product at brick and mortar stores is a strenuous work. Online shopping makes things easier for product search because participants click and reach the product they wish. So the surplus time from online shopping turns into weekend activities for relaxing, entertainment and for socializing.

Female participants emphasized that carrying shopping bags is a tiring work. Especially for food and beverage purchases, they shop online and they get rid of carrying bags.

Participants who do not like online shooping uses e-tailers for information collection. Comment function of e-retailers are alluring for them. By reading users' comments, people collect different informations from different people on different sites about different products and brands, as a result people can have a wide range of product variety in their decision funnel.

3.4.4 Customer Journey During an Online Shopping

Participants asked to reply a question about their online shopping process. This question was askes to define the general framework of a customer journey during online shopping. If e-retailers know the journey of potential customer, they create and design their online shops according to their customer's habits and purchase attributes. Participants explained that: Customer journey starts with searching process. After finding different types from different brands, they start to read users' comments. When participants decide which product to buy, they start searching to find the lowest price. If they trust e-retailer who provides the lowest price, they purchase the product. If they do not trust, they buy the product from a more confidential seller. If they can not find a confidential and low cost e-retailer, they purchase the product from a well known online seller or from a brick and mortar store.

Especially for electronics and holiday purchases, people explained that they watch videos on internet. For electronics and toys, participants watch box opening videos. Female participants define that buying shoes and clothes is a funny activity for them beccause of the wide range of product variety on internet channel.

Some of the participants explained that sometimes they fill the shopping basket and forgo purchasing the products. When they find the product at a brick and mortar store, they buy the product.

Customers listen music, watch videos or movies during an online shopping. Literature calls them as two-screened people. As it is understood from the participant comments, online shopping journey is a time saving, funny, comfortable and relaxing activitiy. During an online shopping, customers can do whatever they want. They can travel, work, look after their children, study or socialize.

3.4.5 Time Spent on Internet Usage and Online Shopping

Customer's spent minimum 3-4 hours, maximum 20 hours with internet except their working hours. Participants spend each day at least half an hour on internet. Female participants spend not more than 4 hours for online shopping. Participants who are working at online e-retailers spent more time on internet because they believe that online shopping is confidential and comfortable.

Participants explained that they purchase goods via online channnels at least one time every month. Male participants spend more time on internet but most of them play online computer games. Female participants buy cosmetics, clothes or shoes at least every month. They purposely follow up sale periods of their favourite brands' online shops. Unmarried males play online computer games with a percentage of %40. Female participants spend at least 1 hour on internet. Meanwhile female participants' existence on internet, if there is a new advertisement or a promotion, they enter the online website and start examining the product. Participants defined that during working hours if there is not much to do, they follow up the web sites of their fields of interests.

Participants stated that while using public transportation or having lunch participants they use their mobile devices for online shopping instead of computers. Except working hours, for online purchasing they use mobile devices and applications in IOS or Android.

Participants who buy food and beverage from online e-retailers do not spend time for searching. They stated that before purchase, they prepare a product list and buy the products from an online supermarket. Beverage and food

brands are definite and certain in online shoppers' mind as a consquence they do not spend to much time for purchasing. Participants search online stores especially while lulling their childen.

3.4.6 Information About Interesting Online Shopping Sites

Hepsiburada.com and Migros are favourite e-retailers. Male participants who buy electronics especially chooses to purchase their equipments from e-bay, gittigidiyor.com and teknosa. Female participants follow up the sale seasons of brands like Network, Mango, Derimod, Desa, Sephora, Boyner and Silk&Cashmere.

Decathlon is an important brand for outdoor equipments between participants. The important factor about brand choice is: If customer finds a traditional store for solving potential problems about, the ratio of purchasing from that brand increases as a result of perceived trust.

3.4.7 Differences Between Online and Traditional Shopping

The basic difference between online and traditional shopping is the absence of a real store. If retailer has both a traditional and online store, this situation turns to an advantage. A physical store seems reliable according to the opinions of participants.

Ease of shopping is another difference between two shopping motives. In online shopping, participants say that you click and buy the products. But in traditional shopping, you spend too much time to reach the physical store, you have to communicate with sales person and wait for other customers to try on the products or for payment procedures.

Participants believe that product prices are lower and there is a wide range of product variety in online stores. If they want to buy interesting or creative products, they use internet channel to find and purchase the products.

Participants stated that: Time management is easy in online shopping. They told that during traditional shopping, there are too many activities to manage. They have to reach the traditional store in a traffic jam, they must find the suitable brand after coming and going too many stores. Participants explains that online shopping is easy because they do not need to endeavor unnecessery actions.

But participants emphasize that if they want to buy a special product or a product that they must try on, they prefer going to a traditional store. For example, five of female participants said that they buy flowers from traditional stores because they want to smell and see the bloomingness of flowers. Participants defined that for spesific product categories using five sense is important which is not suitable in online shopping.

3.4.8 Importance of Reading Comments

Social relevance is a determinant of purchase decision. All of the participants said that if they buy product for the first time, they will absolutely read other users' comments. If they purchase a product from an unknown online seller they read the comments of other buyers profoundly. More than 75 participants stated that they check users comments on facebook and twitter. Especially for female participants, comments of social contacts are important during the purchase decision of a product. Participants are also wondering about the accuracy of other users comments. Because they know that various e-retailers are writing fake comments about their online stores and products.

4. Conclusion

The analysis of the focus group interview states that: Online shopping journey of the customers starts with the searching stage. Because of this, e-tailers must improve their search engine optimization and search engine marketing activities. To become the first brand in Google searches, the quality ratings of the website should be increased. Also, e-tailers should overrate content marketing activities to have a better position when compared with their competitiors. If stages between order and payment takes too much time the possibility of declaring off increases. So, online retailers should arrange the stages carefully and they should get rid of unnecessery procedures. Some participants emphasized that they only search online e-tailers for specific products domestic appliances. E-retailers should create new websites including 3D images of products to attract this group of customers.

As it is understood from the opinions of participants, user comment is an important determinant of purchase decisions of online customers. So, complaint management is a sensitive subject for online retailers. Online retailers should improve their customer relations and avoid negative comments about their online stores.

Clothing, apparel and cosmetics e-retailer brands should overrate personel advertisements for women. Especially during their sales seasons, they should inform potential customers properly. Because women participants stated that sales seasons are important periods for them, brands should plan aggressive digital marketing activities to attract new customers and to increase share of wallet of existing customers.

Brands having only traditional stores should transform digitally and create their online stores. Because finding a physical store to communicate make the customer to feel comfortable, retailers should benefit from their traditional stores to manage their online activities. For an online retailer, having a physical store is a competitive advantage against the pure-play retailers for gaining customer trust.

Online stores should improve their privacy and security issues and they must inform online customers about renewals. Online shopping companies should diversify their payment methods.

Male participants spend to much time playing online computer games. E-retailers should profit by that opportunity and plan their online advertisements including computer games.

People buy goods and services via online channels by computers and mobile devices. More than half of the participants stated that they use mobile devices for online shopping. So, companies should desing reflexive end flexible web-sites for both computers and mobile devices. They should create user friendly web sites.

This research is limited to online shopping customers in İstanbul. A similar research including Ankara and İzmir for sample unit will be usefull to enlarge the scope of the subject. Online shopping is a new area of interest and should be examined carefully.

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