



FACTORS THAT INFLUENCE ONLINE SHOPPING IN SERBIA

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Abstract

The aim of the study is to empirically investigate the effects that e-service quality, customer attitude, and customer trust have on online shopping in Serbia. The data for the study is obtained through a questionnaire with 231 respondents, living and working in Serbia. Once the data was collected, data analysis was conducted to assure validity and reliability through items' loadings and Cronbach's Alpha values. Regression analysis is used to test the research hypotheses. The results of the study showed that e-service quality, customer attitude, and customer trust have a positive and significant impact on online shopping in Serbia.

Keywords: Online shopping, e-service quality, customer attitude, customer trust

INTRODUCTION

In the last years, online shopping is in a tremendous increase in the world as well as in Serbia. People are more open for online channels of purchasing and trying to follow new trends and innovations. Furthermore, offers in the online stores are more diversified, meaning that they provide to the customers exactly what they need. Customers in Serbia, especially in smaller

cities, are still skeptical about online purchasing, and they are trying to avoid purchasing from the internet. Situation in larger cities is different and people are more often choosing online shopping as a primary way of purchasing. This way of shopping brings more advantages for the customers including avoidance of traffic jams, payments through credit cards and products delivery to their address. The main objective of the study is to find a way to understand the needs of customers who are buying online, to point out the shortcomings of online shopping, and the inconveniences faced by customers who use online shopping channels.

LITERATURE REVIEW

E-Service quality

According to Jarvenpaa & Todd, (1996), product quality is the expected and desire standard of product or service. Wolfenbarger and Gilly (2003) claim that quality is related to customer satisfaction, retention and loyalty in both product and services settings. Thus, quality is expected to be a determinant of online retailer success as well.

Cox and Dale (2001) give very important definition of quality management and emphasized importance of quality and suggesting that without a quality management approach that guarantees quality from its systems, staff and suppliers, a business will not be able to deliver the appropriate level of service quality to satisfy its customers. Service quality on the internet is especially important for the interface between customer and the Internet, namely the Website. Accuracy of information is concerned with the reliability of website content. Kateranttanakul (2002) argued that the reliability of website content facilitates consumers to perceive lower risks, better justifications for their decisions and ease in reaching the optimal decisions, and in turn affects customer satisfaction and intention to purchase online.

Customer's attitude

Customers buying intention, offline or online, is highly influenced by their attitude. Understanding customers' attitude is extremely important in marketing practices as attitude projects an actual behavior. A better understanding of customers' attitude will help the online marketers to develop their strategies to satisfy online customers.

According to Ariff et al. (2014), consumers' good and bad feelings can be known as attitudes in online shopping when they are about to make buying decisions.

Customer's trust

In a marketing context, trust is usually linked to consumer expectations concerning the firm's capacity to assume its obligations and keep its promises. (Moorman. Zaltman, 1992).

Consumers who trust a firm expect promises to be respected as advertised. They also expect the firm to act based upon their interests (Nguyen 2012).

Customer trust is defined as confidence that one party has on another because of honesty and reliability of the other partner (Morgan and Hunt, 1994).

Online shopping

Online shopping is defined as the process a customer takes to purchase a service or product over the internet. In other words, a consumer may, at his or her leisure, buy products from the comfort of their own home from an online store. (Zuroni Md Jusoh, Goh Hai Ling 2012)

E-commerce is expanding at a tremendous rate, and the related internet pages, referred to as an electronic services cape (e-services capes) now have a significant presence in the business world.

Today, business internet marketing is the fastest growing segment of online commerce. The major difference between traditional and online selling is the extent of interaction between the consumer and the seller. (Shanthi and Kannaiah, 2015)

Customer's attitude and online shopping

Attitudes toward online shopping are defined as a consumer's positive or negative feelings related to accomplishing the purchasing behavior on the internet (Chiu et al., 2005).

Consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior. (Shergill, Chen, 2005)

Wolfenbarger and Gilly (2003) noted that understanding customer attitude can help online retailers develop marketing strategy, technology of website, and website design.

E-Service quality and online shopping

According to Boyer et. al (2002), a unique opportunity was provided by e-service for businesses to offer new models for service design strategies and new services developments.

Understanding the determinants of service quality, customer satisfaction and purchase intentions for online shopping is important for both marketing researchers and online stores managers. Moreover, previous studies have revealed that service quality in online environments is an important determinant of the effectiveness of e-commerce (Yang, 2001).

Electronic service quality measures should integrate online shopping potential entertainment and emotional value in order to capture an online shopping activity fully (Babin et al., 1994).

Moreover, businesses with experience and success using e-commerce realize that the key determinants of success or failure are not only website presence and low price but also include electronic service quality. (Yang, 2001; Zeithaml, 2002, Wang, 2003).

Customer's trust and online shopping

In the online shopping, companies with online sales services focus on the customer trust and online purchasing experience thorough their websites (Kim, Ferriand and Rao 2008).

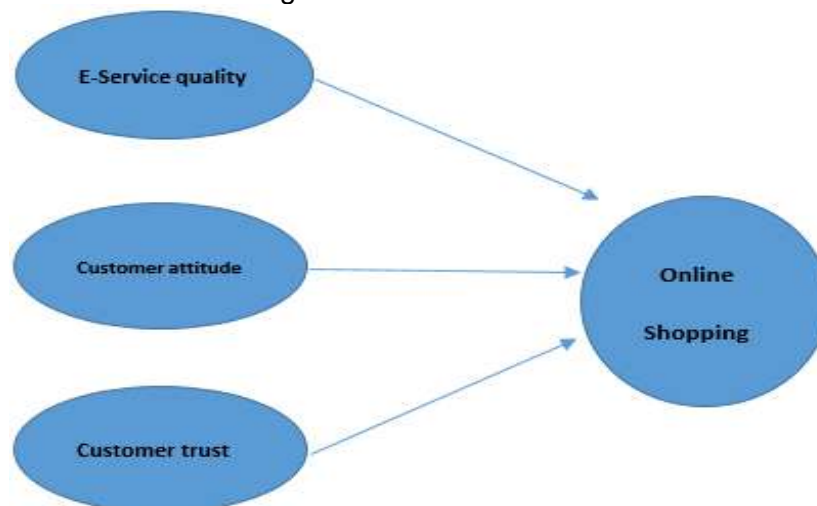
Trust of the consumer plays the main role in determining the willingness of the customers to purchase the product. Trust is an important antecedent for engaging in online business since it increases the simplicity with which online stores can act opportunistically (Reichheld & Schefter, 2000).

Online trust includes consumer perception of how the website would deliver on expectation, how believable the website's information is, and the level of confidence in site channel (S. G. Krauter Kaluschab 2003).

RESEARCH MODEL AND HYPOTHESES

The research hypotheses were structured and developed in accordance to the expected results provided by the relevant studies presented in the literature review. The study proposes the following hypotheses:

Figure 1: Research model



H1: E-service quality has an impact on Online shopping in Serbia

H2: Customer attitude has an impact on Online shopping in Serbia

H3: Customer trust has an impact on Online shopping in Serbia

METHODOLOGY

The study

Random sampling is conducted with help of social media as well as several companies. Reliable scales are used to develop the survey. An electronic survey is used as a method of collecting data for the research. The survey was composed of twenty-four topic-related questions and four demographic questions.

Population and Sample

A survey consisting of 24 questions was used to examine the respondents. The survey was divided randomly, and the final result was 231 respondents who completed the survey and answered the questions. For each question was used a scale of 1 to 7. Most of them interviewed are friends from social networks, colleagues from work, acquaintances, as well as, fellow students from other faculties in Serbia.

Validity and reliability

Factor analysis is a method for determining the number and nature of the variables that underlie large numbers of variables or measures. Factor loadings were observed for each item. Items with factor loadings greater than 0.5 on the factor with which they were hypothesized to correspond were considered adequate indicators of that factor (Hair, Black, Babin, & Anderson, 2010).

The numbers presented in Figure 1 indicate satisfactory loadings of items on the relevant factors. Below are validity tests for all six question categories, with a minimum validity scale of 0.5.

Table 1 Factors loadings results

<i>E-Service quality (code)</i>	<i>Value ESQ</i>	<i>Customer attitude (code)</i>	<i>Value CA</i>	<i>Customer Trust (code)</i>	<i>Value CT</i>	<i>Online shopping (code)</i>	<i>Value OS</i>
ESQ1	.886	CA1	.806	CT1	.879	OS1	.812
ESQ2	.878	CA2	.831	CT2	.816	OS2	.883
ESQ3	.857	CA3	.839	CT3	.831	OS3	.885
		CA4	.802	CT4	.794		
		CA5	.768				

Cronbach's (1951) coefficient alpha is widely used to determine the reliability of multi-item scales and assess the internal consistency of model constructs. Internal consistency describes the extent to which all the items in a test measure the same concept or construct and hence it is connected to the inter-relatedness of the items within the test (Dennick, 2011). Values above 0.9 are "very good", between 0.8 and 0.9 are "good", values between 0.7 and 0.8 are "acceptable", between 0.6 and 0.7 are "doubtful" and values between 0.5 and 0.6 are "bad" but still acceptable, all values below 0.5 are unacceptable. The reliability results of the factors used in this study are presented in Table 2.

Table 2 Cronbach's Alpha test

Factors	Cronbach Alpha value
E-service quality	.844
Customer attitude	.868
Customer trust	.849
Online shopping	.824

RESULTS

Descriptive statistics

The table 3 shows the number of participations and percentage contributions for each age group. As per table 3, the highest percentage of respondents are from the age range between 19-30 years (63.8%). Also, table 4 shows a number of gender contributions. 54.98% respondents were male, and 45.02% of respondents were female.

Furthermore, as it is presented in Table 6 the percentage of respondents who answered that they never use online shopping is 2.6%, the percentage of respondents who answered that they use online shopping services once a year is 23.8%, while the percentage of respondents who answered that they use online shopping less than ten times a year is 50.2%. Finally, respondents' percentage that use online shopping more than ten times a year is 23.4%.

Furthermore, in Table 5 presented are the results of popular online retailers used in Serbia. Amazon.com is used by 11.3% of respondents, eBay is used by 0.9% respondents. Furthermore, domestic online sellers such as KupujemProdajem, Shoppster, Limundo were used by 48.5% of respondents. Finally, 39.4% of the total respondents used other online stores.

Table 3 Age group data

AGE	Number of respondents	%
>18	4	1.7%
19-30	145	62.8%
30-40	70	30.3%
40-50	11	4.8%
50-60	1	0.4%
Total	231	

Table 4 Gender data

Gender	Number of respondents	%
Male	127	54.98%
Female	104	45.02%
Total	231	

Table 5 Data on popular online shops

Online shops	Number of respondents	%
Amazon.com	26	11.3%
eBay	2	0.9%
Domestic online shops (KupujemProdajem, Limundo, Shoppster...)	112	48.5%
Other online shops	91	39.4%
Total	231	

Table 6 Frequency of use online shopping

Frequency of use online shopping	N	%
Never	6	2.6%
Once in a year	55	23.8%
Less than 10 times/per year	116	50.2%
More than 10 times/per year	54	23.4%
Total	231	

Inferential statistics

Based on the statistical analysis, in Table 7 presented are the main results of the study. As it can be seen,

Hypothesis 1 of the study “E-service quality has an impact on Online shopping in Serbia” has been supported by the fact of regression coefficient .257 and significance value of .001. The results indicate that E-service quality has a significant impact on Online shopping in Serbia. Furthermore, Hypothesis 2 of the study “Customer attitude has an impact on Online shopping in Serbia” has been supported by the fact of regression coefficient .240 and significance value of .001. The results indicate that Customer attitude has a significant impact on Online shopping in Serbia. Finally, Hypothesis 3 of the study “Customer trust has an impact on Online shopping in Serbia” has been supported by the fact of regression coefficient .326 and significance value of .001. The results indicate that Online trust has a significant impact on Online shopping in Serbia.

Table 7 Hypotheses testing results

Hypothesis	Model	Sig. value	Hypothesis status
H1	A=>ESQ	.001	Supported
H2	A=>CA	.005	Supported
H3	A=>OT	.001	Supported

DISCUSSION

According to the results, all three hypotheses are confirmed, which means that customer attitude, customer trust, and e-service quality have a significant impact on online shopping in Serbia.

According to the results, we can conclude that customer attitude, trust, and e-service quality should make a certain impact on customer decisions while conducting an online purchase. This suggests that those factors have really important roles in the customer decision-making process.

The results are beneficial for the online retailers, who can use that information and try to design their strategies in order to maintain and improve their online shops, in a way that would attract the customers. Online shop owners need to be aware of customers’ preferences and according to those details to establish and maintain their online business.

CONCLUSION

The main goal of this study is to show the relationship between e-service quality, customer attitude, customer trust, and online shopping. Sample for the study was taken from the population of Serbia. The survey of twenty-four questions was distributed to employees of different companies and public groups using social media, and a total of 231 respondents filled out the survey. The sample is well distributed under gender, age, and other characteristics categories. Prior to hypothesis testing, data analysis was conducted to assure validity and reliability through item loadings and Cronbach's Alpha values. The results of the regression analysis showed that the all three variables have a significant impact on online shopping in Serbia. To conclude, based on the results the impact of these variables on online businesses will be considered as important aspects that shape online shopping decisions.

As a result, this study will make a theoretical contribution to the already existing literature and topics in this area. It is also very important for online retailers, who can use that information and try to maintain and improve their online shops, and try to attract more customers. Online shop owners need to be aware of customers 'preferences and according to those details to establish and maintain their online business. Based on all the conclusions, people who are just starting in online shopping will benefit greatly from this study, and those who want to transfer their business to online platforms in every field.

For further studies, it is suggested to increase the sample of respondents who will participate and also finding respondents from several countries, not only from Serbia, thereby increasing the credibility of the results, and this would lead to a more accurate view of the impact of variables on online shopping.

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