# A Study of Geographical Area's Affect on Virtual Purchase in Faisalabad

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**Abstract—** This is the era of technology and technologies reduce the distances and shrink the whole world. Shopping from the internet is also one example of technology. For online shopping consumer must have internet connection and he/she can buy everything in just some clicks. Geographical distance to the shopping mall is great problem especially when there consumer face lack of mobility and delivery of the heavy shopping becomes trouble. The study explores the customers' intention to online purchase when there is a great distance between residential area and traditional shopping place. People were chosen from Faisalabad city and two hundred and fifty respondents were selected as sample. Several data analyses methods were used to find out the Frequency, percentages, Chi −square Degree of freedom, P-value, Gamma, mean and standard deviation. Research has found that consumers move to online shopping when they face long distance issue.

**Keywords—** Geographical distance, intention to purchase, online shopping.

## I. INTRODUCTION

Online shopping is the buyers purchasing behavior to shop online. The people who find it casual to use, beneficial, and entertaining can adopt online shopping. The beginning of internet shopping has been started few years ago and now it is very compulsory part of our life as it facilitates us with more availability and ease and the products we need are now just one click away. Online shopping is the demand of current time as it is the way to buy in easy way and also venders are earning more money while providing the products on internet. Many offline companies are now setup their online store as well to increase their profit. It is very important for online sellers to make informational websites that provides full desired knowledge and easy of use.

*Rationales of study:*

The research will be beneficial for online companies to better understand and target the customers who face geographical distance issue.

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*a. Objectives:*

To evaluate the effect of geographical distance to online shopping.

*b. Hypothesis:*

**1.** $H1=$ There is an association between geographical area and online shopping.

*c. Conceptual Framework:*
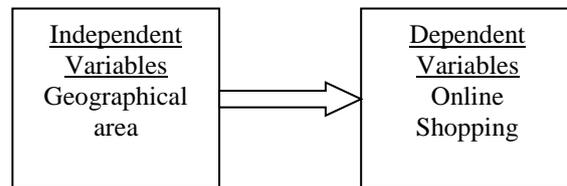


## II. LITERARURE REVIEW

*A. Geographical Area*

Situational factors affect the online consumers to purchase from internet like time shortage, no transport available and geographical area (Monsuwe et al. 2004) [1]. The consumers that have lack of mobility might be caused by their inability to reach the traditional store. Geographical distance is referred to as the far distance between the consumer's residential area and the shopping place. Need to special items could be the consumer's needs of customized products to suit their demand (Monsuwe, Delleart and Ruyter, 2004) [1].

Online shopping provides free home delivery of purchased product and consumers do not need to physically appear to the store to get the online purchased product.(Chen and Chang, 2003) [2]. In term of geographical location or residential area, when consumers have to travel long distances to reach the physical shop to get the needed product, online shopping is a good alternative way to overcome this "geographical distance (Monsuwe et al, 2004) [1]. Geographical location affects online shopping behavior and majority of people like to shop the desired product from traditional stores. However, some respondents while living in big cities prefer to shop from virtual markets.

Consumers who belong to rural areas are more entail of purchasing online as compared to their urban counterparts (Ping Wales, 2006) [3]. Research has concluded that distance from shopping malls have positive relationship with online

shopping (Lennon et al. 2009) [4]. The likelihood of rural customers to adopting online shopping is very high. The intention to connect and order products virtually may be more suitable for those customers who have to travel long distance to traditional shopping stores (Liu et al., 2011) [5]. Lack of transportability and long geographical distance has also been addressed as drivers of online shopping as online shopping offers a solution to overcome these barriers (Monsuwe et al, 2004) [1].

## III. METHODOLOGY

### A. Nature of the study

The research was designed to analyze the effect of geographical area to online shopping. how geographical area affect the consumers intention to purchase online. One hypothesis was proposed and tested by using statistical tools. Study has also identified the relationship of hypothesis and calculated level of significance of the hypothesis.

### B. Study setting

Research gathered primary data from Pakistani nationals live in Faisalabad city. Both male and female were selected as respondent. Different college and universities students, Government organizations and females stay at home were selected as respondents. Secondary data was gathered from research journals and research articles.

### C. Time horizon

The research study was based to resolve the current problem. The cross sectional study mode was selected to investigate the research problem. It is a kind of observational study includes the analysis of data collected from population at one particular point and time.

### D. Data collection instrument

Data is collected by using Questionnaire. The questionnaire mainly consists of five point Likert scale. The scale started from 1 and ended on 5. 1 means strongly disagreed, 2 disagreed, 3 neither agreed nor disagreed, 4 agreed and 5 mean strongly agreed. The questionnaire included eighty nine questions asked to the respondents. There were 3 sections of questionnaire. The first section consisted about demographic information of respondents. Second section included the questions about independent variable (information about online shopping, literacy level of respondents). The third section asked the questions about online shopping (dependent variable). Language was simple English that is easily understandable to the target customers. Total three hundred questionnaires were distributed among students, employees, business men, and house women. From them twenty eight questionnaire were incomplete. And twenty two questionnaires were lost by respondents. Total two hundred and fifty questionnaires were received.

### E. Research Population

The current study selected the all population form Faisalabad city of Pakistan. This population was selected on the basis of internet usage. Different segments of Faisalabad's population has been selected include students of colleges and universities, business persons, employees of middle level and lower level of organizations and house women. Total two hundred and fifty respondents were participated to provide their comments regarding the research related queries.

### F. Sampling method and sampling frame

Purposive sampling technique was used in the research study as it is consider the best method to collect data when specific purpose need to investigate. Purposive sampling techniques represent a group of different non probability sampling techniques. The purposive sampling do not to randomly select unit from a population to create a sample with the intention of making generalization from that sample to the population of interest.

SAMPLING FRAME

| Distribution of questionnaire among respondents | | | | |
|---|---|---|---|---|
| Total number of respondents | Respondents from universities and colleges | Respondents from private sectors | Respondents as business men | Female respondents stay at home |
| 300 | 150 | 60 | 60 | 30 |
| percentages | 50% | 20% | 20% | 10% |

### G. Measures and methods

Research data was analyzed with the help of univariate analysis and bivariate analysis. Chi square, degree of freedom, gamma, p value, frequencies, percentages, mean and slandered deviation were applied to measure the level of significance among dependent and independent variables. All computation was completed with SPSS software.

## IV. RESULTS AND DISCUSSIONS

*A. Univariate analysis*

TABLE 1: DISTRIBUTION OF THE RESPONDENTS ACCORDING TO THEIR OPINION ABOUT GEOGRAPHICAL AREA

| Geographical area | Strongly disagree | | Disagree | | Neither agreed nor disagreed | | Agree | | Strongly agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| | F. | % | F. | % | F. | % | F. | % | F. | % |
| a: Traditional shopping waste more time. | 18 | 7.2 | 70 | 28.0 | 82 | 32.8 | 48 | 19.2 | 32 | 12.8 |
| b: The product is delivered at the time promised by the company. | 26 | 10.4 | 48 | 19.2 | 74 | 29.6 | 62 | 24.8 | 40 | 16.0 |
| c: I do online shopping because physical markets are at great distance. | 31 | 12.4 | 39 | 15.6 | 116 | 46.4 | 44 | 17.6 | 20 | 8.0 |
| d: I do online shopping because traditional shopping make me tired. | 32 | 12.8 | 70 | 28.0 | 84 | 33.6 | 38 | 15.2 | 26 | 10.4 |
| e: I do online shopping because I can get branded products without my physical appearance there. | 56 | 22.4 | 116 | 46.4 | 22 | 8.8 | 34 | 13.6 | 22 | 8.8 |
| f: I can check the status of product anytime. | 28 | 11.2 | 54 | 21.6 | 40 | 16.0 | 88 | 35.2 | 40 | 16.0 |

In response of the statement "traditional shopping waste more time" majority of respondents were disagreed as they (28%) respondents. These respondents were brand loyal and they do not screen the whole market. They had some selected brands to shop that are why they did not waste their time to screen the whole market and straightly went to the selected shops to buy. Agreed respondents were (19.2%). These respondents were majority of job holder male/female that does not waste their time to go physical stores to buy so they login and buy the products online. Research has concluded that according to the majority of respondents traditional shopping does not waste more time. Our results matched with (Hansen and Jensen, 2009) who concluded that online shopping saves time. Respondents provided their opinions about online stores deliver the products in time. Respondents who were neither agreed nor disagreed were (29.6%). After that majority of respondents were agreed and they were (24.8%). Disagreed respondents were (19.2%). Research has proved that the product is delivered at the time promised by the company. Majority of respondents were neither agreed (46.4%) nor disagreed about people do online shopping because traditional markets are at great distance and respondents who were agreed as (17.6%). These respondents do online shopping because the physical markets are situated at great distance from their home and they have to bear extra cost of time and fuel to buy the products from physical stores. Respondents who were disagreed became (15.6%). These respondents do online shopping but they do not care about travel or distance to the physical markets. They enjoy online shopping process and like free delivery of products. Conclusion is that respondents do not do online shopping because physical markets are at great

distance. Different responses were obtained when asked to the respondents about traditional shopping make people tired. Majority of respondents were neither agreed nor (33.6%). After that majority of respondents were disagreed as they were (28%). These respondents do online shopping but the reason is not their tiredness from traditional shopping. Agreed respondents were (15.2%) and these respondents do online shopping because they become tired to go to physical markets for shopping purpose. These respondents have to travel long to reach the physical markets and they spend much time to find and evaluate the products. So they feel online shopping is more convenient. Research has found that people do online shopping not because of they feel tired to do traditional shopping. Majority of respondents were disagreed (46.4%) about the statement "I do online shopping because I can get brand products from online stores." These respondents do online shopping but they do not buy only branded products from online markets. These disagreed respondents try other brands in online markets except of the brand that they are loyal in traditional markets. Respondents who were agreed got (13.6%).These respondents do online shopping but they visit the famous brands in online markets as these respondents are quality conscious and they know that famous brands must have good quality products whether to buy online or offline. Research has concluded that people do not do online shopping just because they can get branded products without their physical appearance there.

| Geographical area | Mean | Std. Dev. | Rank |
|---|---|---|---|
| I can check the status of product anytime. | 3.23 | 1.268 | 1 |
| The product is delivered at the time promised by the company. | 3.17 | 1.214 | 2 |
| Traditional shopping waste more time. | 3.02 | 1.130 | 3 |
| I do online shopping because physical markets are at great distance. | 2.93 | 1.071 | 4 |
| I do online shopping because traditional shopping make me tired. | 2.82 | 1.155 | 5 |
| I do online shopping because I can get branded products without my physical appearance there. | 2.40 | 1.222 | 6 |

Table 21 represents the respondents' opinion about geographical area. I can check the status of product anytime (mean=3.23) was ranked as 1st on the basis of geographical area. The product is delivered at the time promised by the company. (mean = 3.17), Traditional shopping waste more time (mean= 3.02), I do online shopping because physical markets are at great distance (mean=2.93), and I do online shopping because traditional shopping make me tired (mean=2.82) were ranked 2nd to 5th, respectively. I do online shopping because I can get branded products without my physical appearance there (mean = 2.40) fell in low category and ranked as 6th.

*B. Bivariate analysis*

Hypothesis 1:There is an association between geographical area and online shopping

TABLE 3:RELATIONSHIP BETWEEN GEOGRAPHICAL AREA AND ONLINE
SHOPPING

| Geographical area | Online shopping | | | Total |
|---|---|---|---|---|
| | Low | Medium | High | |
| Low | 58 | 65 | 9 | 132 |
| | 43.9% | 49.2% | 6.8% | 100.0% |
| Medium | 5 | 39 | 8 | 52 |
| | 9.6% | 75.0% | 15.4% | 100.0% |
| High | 5 | 16 | 45 | 66 |
| | 7.6% | 24.2% | 68.2% | 100.0% |
| Total | 68 | 120 | 62 | 250 |
| | 27.2% | 48.0% | 24.8% | 100.0% |

Chi-square = 160.23    d.f. = 4    P-value    =    .000**
Gamma = .810    ** = Highly significant

Bi-variate analysis calculated the impact of geographical area towards online shopping. Respondents who have low geographical area distance to the traditional markets do online

shopping at low level (43.9%), medium level (49.2%), and high level (6.8%). Respondents of medium geographical area distance do online shopping at low level (9.6%), medium level (75.0%), and high level (15.4%). Respondents of high geographical area participate in online shopping at low level (7.6%), medium level (24.2%), and high level (68.2%). Chi-square value (160.23) shows a highly significant association between geographical area and online shopping. Gamma value describes a strong positive association between the variables. It means geographical area has positive impact on online shopping. So the hypothesis "There is an association between geographical area and online shopping" is accepted. Results of the study are aligned with the following researchers. (Monsuwe et al. 2004) explained that situational factors affect the online consumers to purchase from internet like time shortage, no transport available and geographical area. Online shopping provides free home delivery of purchased product and consumers do not need to physically appear to the store to get the online purchased product (Chen and Chang, 2003) [2].

V.    CONCLUSIONS AND RECOMMENDATIONS

*B. Conclusions and discussion about results.*

Results have concluded that geographical area distance has positive effect on internet purchasing. More the distance more involvement towards online shopping and people who live near the physical shopping malls are less involve to purchase from virtual stores. It is concluded that distance from shopping stores is positively related to online shopping (Lennon et al, 2009) [4]. Consumers also feel difficult to bring the heavy product to the home if they have lack of transport facility or have to travel long distance. According to Chen and Chang, (2003) [2] Online shopping provides free home delivery of purchased product and consumers do not need to physically appear to the store to get the online purchased product. Lack of mobility and long geographical distance has also been addressed as drivers of online shopping as online shopping offers a solution to overcome these barriers.

*C. Limitation of the study*

The research was conducted from only Faisalabad city of Pakistan. Study could be excellent if multiple cities were considered.

*D. Recommendations*

Research study provides detailed information about geographical area's affect on the consumer's intention to shop online. Online stores should deliver the accurate product to the consumers that will make them repetitive customers. In time delivery of product to the long distance area will also build good trust to the online seller.

*E. Scope for future*

On the basis of results of the study, it is recommended to explore the categories of products needed by rural customers. That will increase the online selling to the consumers who do not have shopping mall in their near area.

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