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**Factors Influencing the Egyptians' Preference for Online Shopping
Websites and its Relationship with their Purchase Intentions: A
Comparative Study between Arab and Foreign Shopping Websites**

A thesis presented to the faculty of Mass communication of Cairo University in
partial fulfillment of the requirements for the degree of Master in Advertising &
Public Relations

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2017

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

﴿إِيَّاكَ نَعْبُدُ وَإِيَّاكَ نَسْتَعِينُ﴾

صَدَقَ اللَّهُ الْعَظِيمُ

{ سورة الفاتحة : الآية ٥ }

ACKNOWLEDGEMENT

I would like to thank all people who supported me since I started this master's program three years ago till I finished it. I can't end this chapter in my life without expressing my greatest gratitude to:

First and foremost, Professor Nermeen Khedr my supervisor, I wouldn't have been able to write this thesis without her motivation, patient guidance and her extensive professional support from the beginning. I am grateful for being one of her students and I am extremely lucky to have a supervisor who cared that much about my work and responded to my questions and queries promptly. This thesis wouldn't have been the way it is without her valuable comments.

Professor Talaat Asaad and Professor Salwa Al Awadly who agreed to read my thesis. It's such an honor to have them both for discussing this master's thesis to benefit from their long experience in the field of Marketing.

My Mother Mrs. Zeinab El A'assar, the greatest blessing of all, my great supporter, my role model and the one who believed in me and never stopped motivating and encouraging me throughout the thesis work. My Father Dr. Gamal Abd El Tawab and my brother Mohanad Gamal, whose love and guidance are with me whatever I pursue.

All my professors who have always helped and encouraged me to finish my thesis, I would like to thank Professor Inas Abou Youssef, Dr. Soheir Othman, Dr. Inas Abd Elhameed, Dr. Doaa El desouky and Dr. Dina Gad for their continuous motivation.

Ayat Salah, my friend and sister who kept pushing me to work on this thesis and helped me throughout the challenges I faced in my work. Thanks for your endless help.

Heba Huzien, Hala Maher, Amal Mounir, Heba Mostafa, Mona Abd El Sattar, Noran Montasser. Thanks for your moral support.

Finally, to all my friends who believed in me and showed continuous support; I am forever grateful for having you in my life. I couldn't have done it without your support. Thank you.

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Introduction

Online shopping is a form of electronic commerce which allows consumers to directly buy products or services from a seller over the internet using a web browser. English entrepreneur Michael Aldrich is the one who invented the first online shopping system in 1979 (Saravanan & Devi, 2015). Shopping over the internet has been widely accepted as a way of purchasing products and services and it has witnessed unprecedented growth during the last two decades. The popularity of online shopping among internet users all over the world has highly increased. According to the annual report of the market research firm “globalWebIndex” (2017), shopping online truly became a mainstream activity among online users. It also added that 3 in 4 online adults are actually purchasing products online each month, which means that a fast growing number of consumers shop online. Therefore, the internet has become an indispensable tool for many people and many organizations to market their products and services.

Many factors contribute to the prominence of purchasing from online shopping websites. Online shopping website is an alternative platform which is more convenient compared to the traditional shopping stores. There is no need to face daily traffic jam, limited parking space or even long counter queue (Eri, Islam & Daud, 2011). In addition, Purchasing from online shopping websites provides consumers with many other benefits such as low prices, saving time and effort, the ability to shop for variety of product categories in the same place with no need to search several stores for purchasing different products, the availability of detailed product information and online product reviews that can help and guide consumers to make the right purchasing decision. Consumers are no longer restricted by location or timing to make their purchases; it is just done by few clicks.

Along with the rapid development of internet technology, online shopping became a common phenomenon for many Egyptian consumers and it witnesses a steady growth in Egypt. According to the state of payment's report done by Payfort online payment gateway (2016), the ecommerce industry for Egypt reached \$2.43 billion. The report also stated that the number of online buyers in Egypt continued to grow reaching a total of 17.7 million users.

Many Egyptian consumers started using online shopping websites to purchase their desired products in the past decade for many reasons: 1) Easy access to the internet more than ever before, 2) The emergence of many local and Arab online shopping websites that deliver a variety of products with good price deals has encouraged many people to shop online for example: Souq.com, Jumia.com and Nefsak.com, 3) Many companies and brands also started to demonstrate their presence online by selling their products beside other traditional tools, 4) the availability of cash on delivery (COD) as a method of payment for the products in almost majority of the online shopping websites. It certainly decreased consumers' perceived risk of online shopping because many people fear of using credit cards online, and that was one of the main barriers to online shopping in the past. According to Payfort's state of payment report in 2015 and 2016, 70% of online buyers in Egypt prefer cash on delivery and it is the most popular payment method in Egypt, which means that it makes people feel safer and encourage them to purchase more online

Moreover, Egyptian consumers don't only purchase from local or Arab shopping websites, they also purchase from foreign shopping websites. With the emergence of some Egyptian companies such as "edfa3ly and Deal Gamed" that helps in purchasing from any shopping website in the world on behalf of the consumers, some people prefer to shop from foreign shopping website at the expense of local shopping websites or shop from both of them. Those companies deal with more than 80 thousand Egyptian customers, which mean

that many people prefer and go for purchasing from foreign shopping websites. Hence, online shopping became limitless and consumers now have easy access to local and foreign shopping websites and can purchase anything anytime from any shopping website in the world in just minutes.

According to online shopping behavior study conducted by “MasterCard” in (2014), 54% of the surveyed people in Egypt prefer to shop from local websites, while 46% prefer to shop from foreign shopping websites; this concludes that many people prefer purchasing from foreign shopping websites to local websites. According to Abdallah (2008), majority of the Egyptian respondents purchase from foreign websites because they find more varieties with different prices than the local websites and this increases the importance of studying motives of purchasing from those websites in order to identify their points of strength and focus on them when creating an Egyptian shopping website.

Competition increases day by day, increasing number of firms and organizations are entering this business. Egyptian consumers have more choices of online shopping websites than ever before. Hence, a deeper understanding of Egyptian online buyers concerning their needs and their preferences is very crucial.

The growth of online shopping websites and its users has generated considerable interest among academic researchers and marketers all over the world. Many scholars studied consumers’ needs and preferences in the online shopping world in order to satisfy their needs and gain loyal customers. On the other hand, proper research has not been undertaken by Arab scholars concerning this topic.

For these reasons, this study is designed to examine the Egyptians’ preferences in the online environment and factors influencing them in order to provide practical suggestions to marketers and online shopping websites managers.

Pilot Study

The researcher conducted a pilot study in December 2015 on a convenience sample consists of 89 respondents of the Egyptian online shopping users to initially identify to what extent they use online shopping websites, the most used websites for purchasing products and the reasons for using these websites. The main results were as follows:

It was found that 68.54% of the sample use online shopping sites, while 31.46% of respondents do not use them. Among shopping websites' users, it was found that 32.78% use only Arab shopping websites, and 22.95% use foreign shopping websites only and 44.26% use both.

Percentages of using Arab shopping websites were in the following order: 64.71% for Souq.com, 44.12% for Jumia.com, 16.18% for Nefsak.com, 10.29% for Mezashop.com and 10.29% for Yashry.com. Percentages of using foreign shopping websites were in the following order: 65.15% for Amazon.com, 34.85% for Ebay.com, 18.18% for Forever21.com and 16.67% for Alibaba.com.

The study's sample use Arab shopping websites for the following reasons: 61.40% discounts and special offers, 47.37% appropriate Prices, 43.86% variety in the products offered, 33.33% ease of use of the site and 26.32% recommendations from friends and relatives. The lowest percentages were for the following reasons: the quality of products 8.77%, security and trust in the Arabic websites 3.51% and the design of the website 0%.

The study's sample use foreign shopping websites for the following reasons: 75.51% quality of products, 65.31% variety in the products offered, 53.06% good reputation, 48.98% security and trust in foreign shopping websites and 46.94% a wide variety of famous brands. The lowest percentages were for the following reasons: entertainment and enjoyment 10.20% and website design 6.12%.

Research Problem

This study seeks to examine the factors that influence Egyptians preference for online shopping websites and determine the correlation between the consumers' preferences and their purchase intentions from online shopping websites; by comparing between Arab and foreign shopping websites. This study also seeks to explore problems faced by Egyptian consumers when using Arab shopping websites to purchase products and put forward some recommendations in order to improve those websites, therefore attract more users and increase sales.

Significance of the Study

First: Theoretical significance

There is a gap in the literature on studies that examined the online shopping websites in a middle-eastern context. Also, few studies have been done to investigate why consumers prefer to shop across national borders. Therefore, this study will fill the gap in the online shopping websites related literature. This study also attempts to examine model of technology preference and provide an extension to it by adding more factors than can influence Egyptians' preferences.

Second: Practical significance

The results of this study provides Arab shopping websites' owners with important information and feedback that can help them improve their shopping websites, by focusing more on the factors that are perceived as most important to the Egyptian online buyers in preferring Arab or foreign online shopping websites and improving the major shortcomings which may hamper the business. As a result, this can stimulate sales volume and website traffic.

This study provides practical suggestions that marketers can take advantage of, since the results may help them to develop effective marketing strategies for selling their products

over the internet and online shopping websites. It also helps marketers in determining the most preferred Arab shopping websites where they can market their products in. The results of this study will be also considered as guideline for any organization who would like to establish an online shopping website in Egypt.

Third: Methodological significance

The researcher used online survey which is more accurate than traditional methods and is considered the most convenient method for achieving study objectives and reaching the study population who purchase from online shopping websites easily and quickly.

Research Objectives

First: Identify main factors that influence the Egyptians' preferences for both Arab and foreign online shopping websites.

Second: Determine the correlation between Egyptians' preferences for Arab and foreign online shopping websites and their purchase intention from them.

Third: Identify the most used Arab and foreign shopping websites for purchasing products by Egyptian respondents.

Fourth: Identify the purchased product categories from both Arab and foreign shopping websites.

Fifth: Identify the main problems facing Egyptians in purchasing from Arab online shopping websites in order to be avoided.

Sixth: Put forward recommendations and practical suggestions in order to improve and develop Arab online shopping websites.

Seventh: Develop the model of technology preference to make it more appealing to the Egyptian context.