E-Commerce Innovations Customer Perceptions in Qatar

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Abstract

Over the past few years, the number of online retailers has gradually climbed in the region, with the country of Qatar making up a small but growing share in the region’s e-commerce market, but still selling online in Qatar has one of the lowest percentages of on-line purchase world-wide. This paper investigates the perception of the Qatari consumers on e-commerce purchasing process and how it varies among individuals due to several positive and negative characteristics of e-commerce. It is found that the demand for online marketing activities is increasing considerably; however, some individuals are anxious about the safety of online payment processing.

Keywords: Innovations; Marketing, Pricing decisions; Channel structures; Channel strategies; Standardized advertising; Localized advertising

Introduction

Business environment in Qatar is highly competitive, with increasing on-line internet transactions and a flood of all types of e-commerce by national and international companies. Electronic Commerce is the exchange of business information, goods and services, physical and digital, and all types of transactions using electronic methods. These contain internal and external computer-connected networks such as the internet, the transfer of purchase orders to suppliers via electronic data interchange (EDI), the use of telephone and fax to perform transactions, the usage of ATMs, wireless, networks and smart cards to enable payment and gain digital cash. E-commerce contains all means by which activities and transactions are conducted in a ‘cyber space environment’ as compared with physical-place environment [1].

Adoption and application of e-commerce business operation actions can benefit both the organizations and consumers. Organizations can reduce business operation expenses through the adoption and implementation of this approach. In addition to this, the organizations can bring efficiency in the overall business operation process as it aids to reduce the overall business process lead time. On the other hand, customers can save their valued consumption time and cost through online buying and payment process that are offered by the e-commerce organizations. Furthermore, some people try to avoid online purchasing and payment process due to some concerns. However, it is true that several organizations are trying to overcome these concerns in order to maintain their brand image and continuous business growth rate. The perception about e-commerce procurement is from individuals’ experiences and perceptions.

Recently, several organizations are started to shift from the traditional bricks-and-mortar physical stores to online e-commerce stores in order to meet current marketing preferences. GCC e-Commerce industry is projected to grow 35 per cent year-on-year to USD 15 billion in 2015 according to Visa International, making it the world’s fastest-growing market for e-Commerce [2]. The regional e-Commerce marketplace is currently valued at USD 8 billion. According to Internet World Stats, there are over 90 million internet users through the MENA area. Over the past few years, the number of online retailers has steadily climbed in the region, with Qatar making up a decent share of the region’s e-Commerce market, with the region lead by the UAE followed by Saudi Arabia.

E-Commerce Qatar is expected to reach $ 8 billion by 2018 [3]. Although selling online in Qatar has one of the lowest percentages of online purchase world-wide, e-Commerce will be growing as a main meagntrend for businesses across Qatar. Currently the total value of e-commerce in Qatar is estimated at $6 billion, but this is projected to accelerate and create new businesses and job opportunities. There are many benefits and conveniences of e-commerce or on-line transactions, as the economics of time and costs and a wide variety of choices. In this, Qatar, as a prosperous economic state and Business place with global outreach is falling in line with the global business trends. What is the consumer perception of e-commerce and its economics as a marketing instrument? The consumers with an average per capita income of $55K + are amongst the globally high income individuals and enjoy the benefit of a wide range of goods and services, many of which reputed global brands. Qatar is a comparatively young Arab nation founded in 1971, with one of the world’s highest incomes per capita, this has made it an interesting subject for this case study.

Literature Review

The Globalization, deregulation and information technology are clouding boundaries in an increasing range of industries. There are numerous benefits of e-commerce according to Hamel and Prahalad. It provides option to the consumers to select among a wide variety of products especially in circumstances when the product or service is not available in local markets. It also helps consumers save time and money.

The use of online shopping has developed a lot at the domestic level as compared to cross-border sales. Due to this fragmentation, consumers may fail to take advantage of e-commerce such as cheaper fees and a wide range of choices for products. The retail sector in Qatar needs a better understanding of these circumstances such as the experience of consumers with respect to online shopping and the related internet selling and marketing approaches. The main question to be answered in this regard by Qatar is whether e-commerce is delivering its full potential in respect of welfare of consumer such as choice, price, satisfactory protection and quality. If not, then Qatar has to look into the matter and find out the size of lost potential, the main barriers in this regard and the remedies. The lost potential could be the choices that are available online to consumers regarding their products.

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Copyright: © 2016 Haron AJ. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.
and the cheap prices. Research by Quelch and Klien [4] concluded that the internet will revolutionize the dynamics of global commerce and, in particular, lead to the more speedy internationalization of small to medium-sized enterprises (SMEs).

Hamill argued that the internet can prove SMEs with a low-cost entry to global markets by helping to overcome many of the barriers to internationalization normally experienced by small companies. Research by Poulsen indicated that majority of the users of the services browse for information but do not essentially complete their transactions in the similar electronic service channel, as there have been significant concerns about the security of financial transactions. The introduction of e-retail in Qatar emerged in 2009. It has been found that Qatar is one of the top countries in the world in respect of the purchasing power of consumers of luxury accessories and clothes. Qatar has a population which is estimated at 2.2 million, 10.3% of the population is Qatari, and 89% is non-Qatari. There are many companies such as Tejari.com, Souq.com, BurjMall.com, and Brownbag.ae, which have designed approaches so as to fit the needs of online consumers in the online market in Qatar. The purchase of products online by the consumers of Qatar rose to 42% in the year 2010 against 29% in the year 2009.

According to Siddiqui, ten factors that are interrelated which contribute to online shopping behaviors and approaches in Qatar. The factors are identified as exterior environment, individual characteristics, demographics, product features, quality of website, attitudes accepted towards shopping online, intention for online shopping, decision making, online purchasing, and customer satisfaction. External environment refers to the factors that are circumstantial and have a significant effect on the online shopping behavior and attitudes of consumers. It is a three-dimensional structure.

The legal framework is the first which defends the online buyers from any loss that may result on account of an online transaction. The second is the acknowledgment of third party which basically deals with the honesty of vendors that operate online. The third element refers to the number of organizations that are competing with each other. The factor demographics disclose that the online shopping market in Qatar is led by the 25 to 44 age group. Young women in Qatar are resorting to the internet to purchase goods. Personal characteristics element comprises internet knowledge of customers, their need stipulations, cultural climate, trust temperament, participation with the product, and the extent of sharing information and values with others. Product features provide information regarding the characteristics of online stores, the products that are sold by them and the support services delivered to support the transactions. Website quality refers to the content of information on the business website, its presentation, searching instrument, navigation, technical features of the site, security, and media richness. Online shopping attitudes reflect the attitudes of consumers which affect their intention to shop online and decide whether there is a transaction ultimately. The intent to shop online refers to the inclination of customers to make purchases online. It also refers to the fact whether the shopper is making repeated purchases over the net and so it is also a depiction of customer loyalty. The decision to shop online refers to the pursuing of information, comparison of substitutes, and making choices by the shoppers. Purchasing online refers to the activities of placing orders by the consumers and also paying for it. Customer satisfaction refers to the degree to which perceptions of consumers are established by a favorable experience of online shopping. When the anticipations of consumers are met, a high degree of satisfaction is attained by consumers and this influences their attitudes, decisions, objectives, and the decision to shop online.

Many people in Qatar are using their mobile phones more than their personal computers to shop online. 29% of the individuals who use internet in Qatar have purchased products using their smart phones compared to 26% individuals who have resorted to personal computers to do so. Moreover, to provide more security to shoppers while transacting online, Qatar based QNB bank has entered into a partnership with Visa to use the system of Certified Visa which will deliver added protection to online consumers of Qatar. This partnership has led to the launch of Double Secure service. Online bookings such as booking airline tickets over the net have proved to be very popular in Qatar. The e-banking concept has increased significant recognition in Qatar and this has resulted in increasing the trust of individuals while handling their money online. This has likewise opened up growth opportunities in the region.

The most popular product which is bought online in Qatar is clothing. According to Fernandes, Qatar has seen a continuous growth in sales after the introduction of ecommerce. As customers find a wide range of products to choose from and also save time and money, it is very advantageous for them to buy products online. There are many companies in Qatar which have designed their strategies to suit the needs of online shoppers. Every organization has to focus on e-commerce to attain more business [5]. The monitoring of the e-commerce system necessitates an organization or measuring present values against the values that are expected i.e., planned values. To realize efficiency in this regard, the subsystems of the e-commerce system must be proficient as well.

There are three measurement systems within the system of e-commerce like performance measurement, success measurement, and the testing of usability. Performance measurement refers to the technical parameters which are to be measured such as loading time of the web page, the time taken to process user commands, and the speed of reporting, etc. Success measurement should provide a link between the e-commerce system and the company objectives. Testing of usability is done in a laboratory. The companies in UAE that are focusing on e-commerce as a means to increase profitability must also understand that there are negative aspects of e-commerce. There is a lack in security while transacting online as well as the inability of consumers to test the product before buying it can be considered as drawbacks of the e-commerce system. According to Blythe, the organizations that are considering ecommerce as a basis for increasing their profitability must take note of the drawbacks of the ecommerce system and design their strategies accordingly. The consumers should feel free while purchasing products online. If this is achieved, the organizations will be in a much better position to take advantage of ecommerce.

According to researchers, Qatar’s e-commerce transaction need to be regulated, there is a need to bring in specific laws to administer e-commerce transactions taking place in Qatar, especially given the volumes being shipped into this country from online vendors abroad. Qatar is on the fast track in taking to e-commerce within the region. While the ranks of locally based online vendors continue to grow, a substantial portion of the transactions are still being done with overseas sites.

E-Commerce Customer Perceptions in Qatar

It is highly recommended for organizations or researchers to adopt an appropriate research method in a research work in order
to get an optimistic research outcome. Research methodology can be classified into two parts, such as qualitative research methodology and quantitative research methodology, has its particular advantages and disadvantages that needs to be considered by the researchers during the application of these methods in the research work [6]. Generally qualitative research approach used to deal with inner feelings, emotions, attitudes, gestures, thoughts and behaviors of people towards the research theme [7]. On the other hand, quantitative research method is used to dealing with the analysis and evaluation of sourced and gathered data and information. It can be considered by numerous organizations to adopt and implement an effective and appropriate research approach based on the nature of the study. This particular research work is investigative in nature in which the feelings, opinions, thoughts, behaviors and attitudes of people can be considered as the source of data and evidence. On the other hand, qualitative research deals with the feelings, sentiment, views and opinions of people. Therefore, it can be stated that the implementation of qualitative research will be effective in this research due to the exploratory nature of the study. It is true that the qualitative research approach is used to focus on describing the system or procedure of defining and measuring several significant variables.

Qualitative research methodology can be categorized into three major orientations, namely, theory construction approach, informative approach and language leaning approach. However, researchers generally implement language leaning approach in the research method in order to give language and meaning of the words. Explanatory approach can be considered as a throughout the description and interpretation of several important social phenomena that are centrally focused. Lastly, theory construction approach generally evaluates the connection between several essential social phenomena. Qualitative research methodology is applied in this study due to the interpretative nature of the exercise.

Data analysis is a significant aspect in any research work. Data collection process can be classified into two parts, such as primary data collection process and secondary data collection process. Primary data collection is the process of obtaining and the collection of raw and live data directly from the field work. On the other hand, secondary data collection is collection of data from numerous existing databases. There are numerous advantages and disadvantages of these two data collection procedures. Primary data collection process can be considered as most significant data collection process that helps the researchers to source current and up-to-date data and information that can aid the researchers to enhance effective and positive research outcome. In terms of disadvantages, primary data collection process is costly and time consuming that can increase the research cost and research time. It can affect overall research result. On the other hand, a researcher can source effective, large number of data and information in limited time and cost, this can bring efficiency to the overall research process. In terms of disadvantages, validity and correctness of the collected data through secondary data collection process cannot be determined. Observing the advantages and disadvantages of both the data collection process, it can be stated that the adoption of both primary and secondary data collection process can be effective and beneficial. Several academic text books and the views of several authors have been considered as the effective secondary data collection sources for this research.

After all these methodological points, the researchers had taken recourse to primary data collection by means of open-ended questionnaire directly from a sample of individuals (50). In terms of primary data collection process, the researcher has combined an open ended interview process to source and gather nominal data. In the present study, 37 respondents out of 50 are purchasing products online. They, thereby, save buying/advertising, and execution cost and time. Their daily busy work schedule forces them to purchase products and services online for which they have necessary devices and connectivity. On the other hand, the rest of the 13 respondents were not happy with the online consumption process and purchasing activities due to several related risks. For 36, 'Yes' respondents quite happy with the organization’s e-commerce business process giving them numerous products and services in a rapid period of time compared to the traditional shopping and consumption activities. On the other hand, for the 12 ‘No’ ones, online payment procedure is a problem due to the often systems breakdown. 2 respondents had negative observations on the e-commerce business activities. Each and every respondent has specified that the organizations should try to ensure effective quality control in the online marketing actions. 2 respondents have experienced insufficient service quality as the organizations failed to maintain efficiency in the online order processing and online payment process. Adequacy and efficiency are the major aspects that need to be combined in the e-commerce business operation process in order to augment effective business performance. All the 50 respondents have responded that the organizations should try to hire or appoint skilled technological professionals who can fix the issues and glitches and ensure effective online business operation process. Order processing, order distribution and online transaction are the major features of an e-commerce business operation. Therefore, it is highly imperative for the organizations to ensure the security of the personal information of the users or business shoppers during the online payment process to sustain its strong brand image in the competitive market place [8,9].

In terms of economic stability, all the 50 respondents have responded that e-commerce purchasing action can help the people to maintain their economic stability. They have replied that organizations are implementing online business operation activities due to growing market demand. In addition to this, the organizations can decrease their overall business operation cost by the embracing and implementation of e-commerce business operation strategy. Therefore, it will aid the organizations to offer products at competitive and economic price. Apart from online hacking of personal details and security concerns, each and every respondent has replied that the cost reduction process will help the e-commerce organizations to offer goods at economic price to grab the market share of other existing organizations.

It has been argued earlier that some respondents are unhappy with the e-commerce services of some organizations. Those unhappy respondents have answered that the e-commerce organizations should consider the customer feedback concerning the online product delivery or payment services to improve proficiency in the business operation process. Last but not the least; each and every respondent has agreed the forthcoming social trend of e-commerce purchasing activity can reduce the demand of traditional shopping and consumption actions. Each and every respondent has replied that the number of internet users in Qatar is increasing at a rapid pace. Therefore, recent market demand and favorable external environment for e-commerce business can eliminate the demand for traditional bricks-and-mortar business operation process. In addition to this, low consumption effort can increase the request for online e-commerce buying activities.

In terms of answers it can be specified that several individuals among the respondents are highly concerned with the online transaction or online order delivery process. It is true that several organizations are
attempts to adopt and implement effective approaches in the business operation process in order to improve effective business performance. Nonetheless, it is clear from the responses from the respondents that the organizations need to improve the security feature of the websites during the online payment process to secure the individual information and account details of the buyers.

It is obvious from the analysis and findings that the trend of e-commerce purchasing has increased considerably among the people of Qatar, with Qatar gaining a positive economic growth, which makes the Qatari Government motivate several local MNCs to position shop in the global market place and also with the launch of the Qatari government World’s first store features over 100 applications and provides services to about 700 consumers in a single location. At present, several leading organizations are trying to adopt and implement cutting-edge technological processes in the business operation actions in order to enhance effective business performance and gain possible competitive advantages. In addition, the demand for online product or service consumption is significantly snowballing among the people of Qatar as it helps to decrease their consumption time and costs. It is clear from the data analysis part. However, 70 per cent of the respondents are used to purchasing products or services through online. Nevertheless, in terms of cyber-hacking and security of personal details, each and every respondent is worried. It is the responsibility of the organizations to use effective business operation assets in the business operation activities to guarantee high quality control. Therefore, it is true that several organizations need to ensure effective business operation activities to protect the data of customers and business clients to preserve their high brand images in the global market place. In addition, it is highly imperative to use advanced and high quality technological assets and tools in the business process to ensure effective e-commerce business operation activities. Notwithstanding the presence of several leading conglomerate organizations, the leading domestic firms are also trying to implement e-commerce business operation tactics in the business process in order to grab the market share of the leading multinational organizations. However, people are only apprehensive about the quality of service and security of personal details. Consequently, it is quite important for each and every organization to focus on issues and overcome them to gain effective customer following.

Conclusion

Qatar is still a fast developing country, young, active, visionary and global. This effective continuous economic growth rate is motivating several organizations to enter into the emergent Qatar market, brisk business and global reach. Demand for online marketing actions is significantly increasing among the people of Qatar. Therefore, several new competitors are also following the strategies of leading multinational organizations by presenting e-commerce business operation activities. Several individuals may have either negative or positive insight about e-commerce purchasing activities. Individuals generally prefer e-commerce purchasing process in order to decrease the consumption time and cost. On the other hand, some individuals usually have negative perceptions on e-commerce purchasing activities due to numerous problematic reasons and concerns. It is true that, in some cases several leading organizations also face issues regarding the stealing of personal information and account details of the customers and several business clients. It is highly important for the organizations to take care of the wants and demand of people. The business environment in Qatar is becoming highly competitive as several organizations are attempting to implement competitive strategies in the business operation processes in order to gain possible competitive advantages. Therefore, effective sustainability and assurance of high quality security can help the organization to uphold effective brand image among the target consumers.

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