ONLINE SHOPPING IN SAUDI ARABIA: OPPORTUNITIES AND CHALLENGES

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ABSTRACT

This paper examines the application of online shopping in Saudi Arabia, with a focus on opportunities and challenges. As few studies to date have investigated this topic, the current inquiry provides a valuable contribution. In investigating these opportunities and challenges, both quantitative and qualitative research methods have been used, as well as primary sources to collect more useful information and data. Results reveal that there is a lack of supervisory agencies in Saudi Arabia regarding online shopping. There is a lack of awareness among consumers, particularly concerning issues that relate to trust and privacy within the opportunities for online shopping. Internet technology presents an opportunity for growth and the establishment of SADAD, an online payment option, provides a more trusted environment and Saudi Post has established “E-Mall”, which is a service whereby electronic pages are provided for companies to sell their electronic products without the need to build websites. The diversity and multiplicity of logistics companies and the intention and vision of the Saudi Government have combined to develop an electronic and technology environment in the country.

KEYWORDS

Saudi Arabia, online shopping, Opportunities, Challenges

1. INTRODUCTION

Online shopping has been defined as an interaction in which a customer becomes engaged with an online commercial website. It is important to note as well that online shopping is not simply being able to browse commercial sites that sell products and services with the use of an online medium, but also with what occurs after the purchase. In addition, upon browsing the website of an online commerce store, as well as after placing an order and making the necessary payments, the online shopping experience is still not complete. It will be completed only once upon the product ordered has been delivered directly to the customer, on the address that has been specified after the order has been placed. In this case, apart from the online shopping experience, the customers are also looking forward for a variety of delivery options that will make then enjoy more the benefits of such mode of purchasing [20].

The opportunities and challenges that confront online shopping in Saudi Arabia require to first have an identification of the proliferation of online shopping as a business model, and as a way of purchasing by its customers. Since the adoption of online shopping, it has experienced continued growth and has been expected to do so in the years to follow. Furthermore, in the work of Qin [29], the proliferation of online shopping has been credited to the development and growth of the internet, which has been the primary driver of such a business model. Further, Qin mentioned that significant improvements have been demonstrated in the fields of computer science, communications science and significant credit for the proliferation of online shopping in a global context [29].
The adoption of an online shopping business strategy has been given consideration by businesses because of the belief that it has an inherent ability to allow the business to be engaged not only in the creation of a more favorable impression on the minds of the customers, but also because of the fact that it allows an organization to have better customer relationship management [21].

Regarding the challenges facing the online shopping, it is very significant that customer-perceived trust is firmly established so that customers will feel comfortable and confident in having transactions with an online entity. This has several underlying factors, such as security and privacy [23]. The complaints aired by the customers are mostly focused on how their expectations weren’t met by the services they have received. This explains why online retailers go to great efforts to identify the factors that can increase e-customer satisfaction and, at the same time, to strengthen their credibility as sellers [17].

2. LITERATURE REVIEW

2.1 Adoption of Online Shopping

Various literatures have dealt with the investigation of different factors that motivate businesses to adopt an e-commerce approach to offering their products and services to their market, or towards having an online shopping platform for their organization. Many authors have regarded the ability of e-commerce to influence business competitiveness as the major reason on why their management is deciding to offer an online shopping experience for their customers. In the work of Yasin et al. [39], the authors explain that the ability of e-commerce to increase the competitiveness of a business lies on the fact that it can be seen as an enabler of being able to pay more attention to the needs of their customers, and therefore, be able to establish an image that will be favorable in terms of the firm’s business performance.

The ongoing development of e-commerce per se is deemed to have a positive effect on online shopping, which creates more opportunities for this kind of application. One such opportunity is related to service quality. Despite being involved in virtual retailing, it is still important for online shopping businesses to provide a good service quality to its customers as this factor has a consequent impact on their customers’ perceptions towards online shopping in general. Improvement of service quality is the key to increasing e-customer satisfaction and to foster e-trust and e-loyalty. As expectations of customers increase, the need to improve the services has become more essential [41].

Sales are increased by the adoption of e-commerce by a business basically because it also allows the possibility of being able to reduce costs, especially those that are associated towards reaching customers from far-off locations, or those who have been initially limited because of geographical barriers. Costs are also reduced in such a way that sales procedures are already automated, and they do not need to be carried out manually by sales people who may be costly to maintain [1].

In the work of Molla and Licker [27], the authors explain that one of the many ways by which an e-commerce business model can reduce cost is with the fact that it leads into the elimination of the intermediaries which have been initially needed in the case of a traditional approach to doing business and reaching customers. With this, the business pays less while being able to have an assurance that they have an effective framework to conduct business. Furthermore, the costs are also reduced basically because of the opportunities provided by e-commerce to reduce the costs that are concerned about the search and acquisition of new customers, reduction in the use of paper in business transactions.
It is not only operational costs that are reduced through having an online shopping platform for a business organization, but also the entry costs, which is perceived to be low in such case [35]. Joseph adds that apart from the low entry costs, it also offers less complexity and more flexibility in doing business transactions [19].

Furthermore, e-commerce adoption is also being influenced by the willingness of an organization to enter the global market, with the belief that such will be an avenue for them to successfully do so, and that the e-commerce technology will allow them to defy the distance between the business and the market that they will serve [35]. This claim has been given support by the work of Roehl-Anderson [30], in which the author has expressed that because of the use of atechnologically-advanced medium, organizations are given the opportunity to remove geographical barriers and be able to penetrate a larger fraction of the global market without having to spend much.

Because of the electronic advances in the global marketplace, even small businesses are given the opportunity to compete in the international landscape with e-commerce. Therefore, those organizations that have expressed their willingness to cater to the needs of the global market [38].

Many customers have expressed willingness to patronize online businesses basically because of the convenience it offers them, offering possibilities not previously available, such as shopping without the need to leave home [33]. According to Song, Zhan & Guo [36], “People are getting more and more shopping online” (p 1), which has resulted in the immense growth in e-commerce applications. In addition, it has also been asserted that convenience lies in the fact that it offers customers easy and flexible payment options, especially those which they may not have enjoyed if shopping in actual stores. The convenience associated with product and service shopping has been positively related to customer experience and satisfaction, hence the ability to provide such to its market could mean achieving desirable outcomes by the business [18].

2.2 Hindrances to the Adoption of Online Shopping

In order to provide insights regarding the challenges in the adoption of an online shopping business platform, it is important to also look at the various literature that are directed towards the discussion of the challenges in e-commerce adoption. Although they are not specific in the case of Saudi Arabia, they can prove to be significant in having an understanding of the paper topic.

One of the reasons on why the management of organizations is doubtful about the adoption of an online shopping business strategy is the fact that there is a lack of knowledge from the part of the management, especially from those who will be involved in the direct implementation of the technology [35]. This has been regarded as being especially true in the case of small businesses that are not equipped with the right number of people who have the sufficient technical skills to deal with the implementation and integration of such technology in their business processes [22]. This lack of technical skills has been related by Stockdale and Standing [37] to the fact that there is also little appreciation from the management and members of the workforce to adopt such technology because they know little about how it will work and how it will bring significant benefits for the organization.

Aside from the lack of technical skills, the lack of resources within an organization is also another challenge in the implementation of online shopping business strategy, especially the technological needs for its successful execution[35]. This is especially true in the case of the financial resources that will be required to set up and maintain a website that can capture the
attention of the customers and that can give them an assurance that their needs will be provided by a company’s website. It is important to note that while e-commerce presents a cost-effective avenue of being able to reach a wide scope of the target market, there is a high initial set-up cost that will be needed [9].

2.3 The Case of Saudi Arabia

As it has been stated in the introduction, the major goal of this paper was to examine the opportunities and challenges on online shopping in the Saudi Arabia. With the gap in knowledge in such area of study, the earlier literature has dealt with online shopping and e-commerce in general, without specific emphasis on the case of Saudi Arabia, although it cannot be denied that they are applicable in a general context. In this section, various literatures will be presented in order to provide insights and background information regarding online shopping in Saudi Arabian context.

The proliferation of online shopping in the case of Saudi Arabia has been given emphasis in a variety of literatures. For instance, in the work of Assad [11], the author notes that the growth of consumerism in the country can be considered as a major influence on the prominence of online shopping, as well as other facets of business operations that are seen as being influenced by various local and global factors. According to Sait, Al-, and Hussain [32] in the case of Saudi Arabia, it cannot be denied that it enjoys a high level of technological prowess, which, as the author identifies, is a major reason on why more and more business organizations have been engaged in providing their customers with an online shopping experience. It has been noted as well by the said author that the online shopping industry has proliferated because of its capability to adapt to the societal structure of the Kingdom. The development of e-commerce in Saudi Arabia is marked by the growing number of users of social media and other online platforms. This alone is already an opportunity that online shopping businesses can venture into. As a matter of fact, the mobile usage in the country is identified to be very high, thus motivating the online retailers to improve their services and to propel the satisfaction of the customers by meeting their expectations [26].

One of the works that tackled online shopping in Saudi Arabia is that of Al-Hudhaif and Alkubeyyer [6], wherein the authors have noted that the adoption of an e-commerce strategy is largely influenced by internal and external factors that are carefully evaluated by an organization before it decides to utilize the internet as a selling platform for its products and services. Moreover, in the study that has been completed by Al-Somali, Gholami, and Clegg [10], the authors have identified the different factors that will influence the willingness of a bank to adopt an online business strategy. The study revealed that the quality of internet connection, trust, social influence, resistance to change, computer self-efficacy, and demographics are among the most important factors that should be taken into consideration when adopting an online business strategy. In another study to determine the success of an e-commerce, it has been asserted that people will continue online shopping with a specific organization through subjective norms, enjoyment, and perceived usefulness [7]. User interface and the adequacy of information provided about the products and services that are being offered by an organization have also been identified as important factors that will enable successful e-commerce business performance [15].

In order to provide opportunities for online businesses in Saudi Arabia so they can establish a high level of trust that will allow them to gain the confidence of their customers, the work of Al-Ghamdi, Drew and Al-Hussain [3] have focused on providing a framework of recommendations for the promotion of trust within an online retailing environment. In that work, the authors have suggested the following five necessary components: 1. offering customers secured and
trustworthy options to pay for the purchases they made, 2. consumer protection, 3. clarification of the rules of the market, 4. certification authority and 5. the strengthening of the systems for delivery. This is important to consider because it has been noted that many customers from the Saudi Arabian market, basically because of their cultural orientation, do not trust such a business platform. Some of the most common fears on being involved in online shopping include the possibility of having their credit card numbers stolen and receiving low quality products [4]. However, it has also been noted that even with the presence of secured systems for operating in an online environment, businesses should still expect reluctance from the Arabian market towards the acceptance of e-commerce technology [33].

Several literatures have dealt with the discussions on the challenges for the implementation of an online shopping business platform in the case of Saudi Arabia. In many works, it is the acceptance of this technology that has been identified as a common challenge for organizations in the adoption of an online business strategy [8], [6]. In this case, customers must first find it easy to use an online shopping website before they can finally accept this manner of doing business [2].

Additionally, in the work of Al-Magrhabi and Dennis [8], apart from the acceptance of technology as a major barrier in the acceptance of online shopping in the Kingdom, other barriers have been identified, including the assertion that legal restrictions play a key role in Saudi Arabia. Where there are few differences in the behaviours of men and women in electronic shopping, the outcomes for women are important because of the private role that e-commerce can play in Saudi Arabia where some activities for women, such as driving cars, have legal constraints placed upon them.

In another work that has examined the challenges that area associated with a firm’s venture into an online shopping environment, the following were enumerated as the major factors that hinder an adoption of such technology: setup costs, inability to deliver the products to the customers, lack of trust of customers in online activities, perceived lack of usefulness and profitability, resistance to change, lack of laws and regulations to govern e-commerce activities, lack of experience, and poor ICT infrastructure, among others [5]. The same construct has been the objective in the work of Al-Ghamdi, Drew, and Al-Fhraj, it has been emphasized by the authors that the following are the factors that challenge e-commerce adoption in Saudi Arabia: problems with local banking and online payment systems, lack of clear legislations, weak ICT infrastructure, limited knowledge, issues with privacy, trust, and product quality[4]. Basahel and Khoualdi indicated that there has been insufficient government support regarding electronic selling, the lack of customer trust when purchasing items online and lack of laws and regulations that manage the electronic trade in the country. Nonetheless, there are already possible solutions to these constraints, one of which is the implementation and enforcement of laws governing the nation’s e-transactions in order to secure the rights of all parties. [12].

To be provided with a better understanding of online shopping in the case of Saudi Arabia, it is important to discuss a practical example of such form of selling and buying in the Kingdom. In this case, a good example would be the establishment of an online shopping E-Mall by Saudi Post. The establishment of the E-Mall can be considered as a milestone in the development of the online shopping in the industry. One of the reasons would be the fact that it is the first of such environment that is made available in two languages, in English and in Arabic. Saudi Post has expressed its commitment towards making sure that it is also highly reliable in terms of service to both the customers and buyers who are pooled at the E-Mall. For any organizational undertaking that has just been initiated, it is an accepted fact that starting the operations can prove to be very challenging. The company has demonstrated significant commitment in improving different facets of online shopping that are integrated in the E-Mall, especially those with regards to the convenience and security of the buyers. Because it is being operated by Saudi
Post, the company has given the market an assurance of an effective and efficient system for the delivery of the products to the buyers [13].

Lastly, in spite of the growing popularity of online shopping and e-commerce in different countries all over the world, in the case of Saudi Arabia, it is said to be undergoing a slow development, and such is also a challenge for businesses [4]. It is still considered as a new wave of information and communication technology revolution within the Kingdom. It is not enough that Saudi Arabia is the fastest growing country in the Middle East with regards to the adoption of Information and Communication Technology. Only a small number of organizations in the Kingdom, limited to large corporations, have successfully adopted e-commerce business strategies, and such proves that the technology is still in its infancy within the region [3].

3. METHODOLOGY

The proposed study made use of both quantitative and qualitative research methods in order to generate comprehensive and essential details about the opportunities and challenges of online shopping in Saudi Arabia. Quantitatively, a two-page internet survey was designed to collect questionnaire data from men and women separately. The goal of creating the separate surveys for both sexes was to reflect consumer behaviour and to gain a better understanding of how different behaviours are exhibited by men and women. A total of 187 responses were collected. Qualitatively, a total of five managers were interviewed, using a semi-structural interview method. According to Hancock, the semi-structured interview contains open-ended questions pertaining to the areas and subjects being explored by the researcher. This method is also open-ended in that potential discussions between the researcher and the participant are highlighted. In terms of interviews, for this study, interviews were conducted with five different officials from five formal institutions that deal with online shopping [16]. The mixed method, as stated by Creswell, is pragmatic and uses inquiry strategies that involve simultaneous and sequential data collection. This provides the researchers with the best opportunities to understand the research [14]. Meanwhile, according to Zhang and Wildemuth, interviews are essential tools for providing access to respondents’ feelings, attitudes and perceptions [40].

4.0 Findings

As stated, the paper comprises both quantitative and qualitative research methods. In this section, two categories are presented in order to provide an organized summary of results. The first section refers to the results collected through quantitative research methods. This study used survey questions in order to gather data from respondents residing in Saudi Arabia. In the second section, semi-structured interview responses from managers of online shopping stores will be presented.

4.1 Profiles of Quantitative Respondents

Survey questionnaires were delivered to a total of 187 respondents (69 female and 118 male), who were categorized based on gender, age and educational attainment. Different results were obtained from each of these categories. First, the survey indicated that 50.7% of female respondents were between 21 to 30 years old, and generally, they comprised a large portion of the survey population of women. Following this, the number of females sampled between the ages of 31 to 40 was about 21.7%; about 19% of respondents were below 20 years old, and about 8.6% were between 41 to 50 years old. Regarding educational level, about 70.6% of respondents hold a diploma and bachelor’s degree; approximately 13.2% of respondents hold a master’s degree, and 13.2% have an associate’s degree; only 3% are PhD holders.
On the other side of the fence, the male respondents between 21 to 30 years old were 50.8%. This was followed by 33% between 31 to 40 years old; 7.6% between 41 to 50 years, and 6% below 20 years of age. Only 1.7% was between 50 to 60 years old, and even less, .9%, were above 60 years old. Most of the male respondents, 60.1%, hold a university diploma, and 22.1% are having a master’s degree. About 10.1% are high school degree holders, and only 7.6% are PhD graduates. Looking at these percentages, it is found that most shoppers, regardless of gender, belong to the 31 to 40 year old age group and hold a bachelor’s degree.

Figures 1 and 2 indicate the age demographics for both males and females.

**4.2 Online Shopping Preferences of Quantitative Respondents**

Basically, the female respondents in this research study do not shop online, which covers approximately 47.1% of the total sample. In one month, 35.3% of them shop online approximately one to three times; 13.2% shop online four to six times, and only 4.4% shop online for more than six times. Conversely, the research found that males shop online more than females, as represented by about 47.9% of the total population who shop online one to three times per month. This is accompanied by about 13.7% who shop online more than six times per month—a rate higher than females. Male respondents also garnered a total percentage of 31.6% who do not shop online, while 6.8% of them shop approximately four to six times per month.

Meanwhile, most of the female respondents shop online for clothes and accessories, which is about 64.3% of the total sample. Other product options include books and programs (7.1%) and electronics (9.6%), while 11.9% of female respondents chose other products. Males, on the other hand, more often purchase electronics online as represented by 33.6% of respondents, while 20.7% of them acquire clothes and accessories. Compared with females, 19.6% of males look out for programs and 14.9% for books, whereas, males garnered a total of 11.2% for other products.
When male respondents of this research were asked about the websites they prefer to shop online, 85% indicated their preference is for international (non-Saudi) websites. However, 15% favoured Saudi websites. In comparison, 29.3% of women prefer to shop on websites based in Saudi Arabia, and 70.7%, the highest percentage, prefer shopping from international websites.

4.4 Online Shopping Problems and Issues

The survey outlined questions pertaining to the problems or pitfalls of online shopping. One question asked for reasons why people do not shop online. According to the female respondents, their reasons for not shopping online include the following: 37.5% said they could not buy anything online without seeing the product first; 29.2% stated that it is not safe to purchase items online; 16.6% indicated other reasons, which include a lack of knowledge in online shopping; 10.4% referred to product quality issues, and 6.3% incited delayed arrival. In comparison, males generated the following results: 39.5% also stated they prefer to not buy anything without seeing it first; 22.2% recognized other reasons which include a lack of knowledge and skills in how to use the online shopping and ; 19.8% noted that online shopping is not safe; 13.6% referred to delayed arrival of goods, and 4.9% were concerned with issues of product quality as a reason for not shopping online.
Despite these figures, most of the respondents, both men and women, claimed they had not encountered problems with online shopping, specifically, 82% of females and 69.1% of males. Responses to additional questions support these survey results by seeking to identify the perceptions of the respondents.

4.5 Qualitative Research Results

This paper used qualitative research methods to help attain the research objectives and goals. There were five individuals interviewed, and some of them are managers or officials of retailing companies that sell products online. It is also important to note that participants were given the option of whether or not to reveal their identities in lieu of the ethical standards of this paper. The profile of each participant lists their job position and the number of years they have been working in the company.

Amongst these interviewees, with, one of the supervisors in E-Mall at the Saudi Post, most participants have worked for two to three years in their company and tend to be in a managerial position. The questions that asked related to the online status in Saudi Arabia, particularly, the current status of online shopping in the country, the significant challenges and problems, and their opinions and expectations on the future of online shopping in Saudi Arabia. Each of these components will be discussed in the following sections.

4.6 Current Status of Online Shopping in KSA

Generally, despite the number of negative cases and operational insufficiencies, the participants are hopeful on the promising future of online shopping in Saudi Arabia. For instance, Interviewee 1 (CHC), when asked about his opinion on the current state of electronic commerce in KSA, answered that “Online shopping has been a flop.” This was claimed to be due to rampant cases of unsatisfactory service to customers. Meanwhile, Interviewee 2 (Dur) referred to the low purchase rates, but was optimistic on the imminent growth of the industry. This notion was also supported by one of the supervisors in the E-Mall website, indicating that there is indeed a “promising future” for online shopping in Saudi Arabia. On the other hand, Interviewee 3 (Al-D) rated the online shopping industry as average, while Interviewee 4 (Sok) rated it as good.

4.7 Supporting factors for the opportunities and challenges of online shopping:

The supervisor of the E-Mall cited that the online shopping industry in KSA faces challenges, such as understanding of e-commerce from business people lead to slow evolution of e-commerce. Aside from this, he cited that most customers fear electronic modes of payment despite the presence of the so-called SADAD, an online payment at E-Mall, which is very safe
to use (What is SADAD? According to its website, “Launched by the Saudi Arabian Monetary Agency, SADAD Payment System first served as the national Electronic Bill Presentment and Payment (EBPP) service provider for the Kingdom of Saudi Arabia. Today, SADAD facilitates and streamlines a wide range of payment transactions for individuals, banks, businesses, and the government sector, while continuing to develop new payment products and services.”[31].Interviewee 4 (Sok) also noted some of the deficiencies of online shopping in the area—may it be in the “field experts, credibility and there is no clear supervisory authority.” Furthermore, Interviewee 3 (Al-D) noted the culture of the KSA consumers, particularly when it comes to the “know-how” of online shopping. According to Interviewee 1 (CHC):

The greatest challenges we face are customer credibility as well as shipping problems, including delays in delivery, title errors and loss of goods during the shipping process; right now, turnout for online shopping is poor.

Most participants cited the need for awareness and knowledge in regard to transactions made electronically and for the overall context of online shopping. Conclusively, these managers and supervisors have cited issues related to trust, security and credibility based on their provided aspirations for the online shopping industry in Saudi Arabia.

According to one of the supervisors in the E-Mall website, there are a variety of opportunities for traders working within E-Mall. There are many opportunities here because E-Mall website provides access to a new segment of customers with whom you have not previously dealt. Companies do not need to build a new website to show their products; we can provide pages to them on our website, which help to sell their products online. The online store offers you a ready-made direct link and custom categories for products, there is also an organized and variety of payment methods and a full logistical support of delivery and supply of products. In side of the customers, they have the opportunity to get a large numbers of products and commodities and compare prices and specifications without any trouble as well as the prices often be less than it is in the traditional market.

The supervisor indicated that, there are approximately 85 stores from different companies, and this number varies according to the entry and exit of traders on the E-Mall platform. He also reported there is an increase in the number of shoppers and an increase in awareness of shoppers regarding online shopping. However, Saudi Arabia still needs many of the powerful and leading sites to continue in the online shopping field as well as to increase the means of marketing and educating customers to contribute to encourage customers to place more trust to make purchases via the Internet. That supervisor identified some of the challenges facing E-Mall:

1- Completion: the time required to effect delivery in some few cases.
2- High prices: some goods from some traders in E-Mall were not commercially competitive with non-E-Mall merchants, and there was frequently an absence of price differences provided when comparing the product with virtual retailers.
3- Lack of awareness towards online shopping options.
4- Lack of interaction from some shops with E-Mall and the allocation of sales online with them.
5- Preservation of commercial rights, where E-Mall is keen to retain the trader's and the customer's rights and to increase the quality of service provided for them.

A final comment by the supervisor was that Online shopping needs to be more organized and legislation to govern where there is no regulator to consider customers' problems or governing the work of traders and the relationship between the parties through the Internet.

Despite the significant decline in the international price of oil in 2015, on which Saudi Arabia relies in its budget, the Saudi economy remains strong: in its 2015 annual budget, it estimated
SR608 billion (IFY 1436/1437) (about $162.133 billion) with a high proportion of non-oil revenue to increase significantly by almost 29%, to SR163.5 billion ($43.6 billion), compared with SR126.8 billion ($33.81 billion) in 2014[25]. These figures, which were obtained from the Ministry of Finance website, give us a positive outlook regarding the current financial situation in Saudi Arabia. This is a clear indication of the remarkable development in the Saudi economy and the speed of its growth.

The factors that support opportunities in online shopping include the existence of local and international companies that provide logistics transportation services in Saudi Arabia, such as FedEx, DHL, UPS, Aramex, Alma Express and Zajil. Furthermore, E-Mall has a big logistics network which depends on Saudi Post. There are more than 6,000 contact points all over the country, which include transport and delivery operations. Moreover, it can ship abroad and is affordable [13]. These provide great opportunities to institutions and companies to deal online and to deliver their products and services to customers through these companies.

Recently Saudi Arabia has made significant progress in e-government in a number of sectors, such as employment programs, the services of e-learning, civil affairs, traffic, online job searches and passports, online payment services, an online version of business records. In addition, the Saudi government is seriously working to achieve Vision 2030, which aims at economic development so that it may become a global economic power. Vision 2030 has identified a number of future goals, one of which is be ranked as one of the top five in the E-Government Survey Index in the world. This will be reflected in increasing the awareness and culture of the people and traders in the concept and use of e-business and online shopping[34]. In addition, The Ministry of Commerce and Investment in Saudi Arabia has supported e-commerce effectively in recent years. It has launched a new application called "Maroof" to encourage online shopping via smartphones. Maroof has introduced more than 5,000 e-stores and contributes by helping them to market their goods and services completely free, and has also increased the degree of reliability of its service.[24]

5. DISCUSSION

This section will now attempt to seek connections between the provided and collected data from all of the research participants. Since the paper relied on using mixed methods, I will attempt to create in-depth connections prior to the respective analysis of each method. As stated by Creswell [14] for analysing mixed methods, concurrent procedures are to be used wherein the researcher will “converge both the quantitative and qualitative data, so that a comprehensive research analysis will be provided.” In addition, this design also brings in the collection of both data forms, wherein the information will be integrated and interpreted in order to generate results.

With this, integrating the results of this paper brings the idea that the gender of the research respondents tells something about the culture of online shopping in KSA. Males are more likely to shop online. Based on the product preferences of both males and females, we can see the types of products that they buy the most, which are electronics for males and clothing products and accessories for females. Apparently, consumers in KSA reflect the kinds of issues and challenges that the managers cited in their interviews. As mentioned, only a few consumers would trust performing transactions online, which indeed supports the issues of trust and security. These factors have been mentioned by Gholami and Clegg [10], namely “the quality of Internet connection, awareness, trust, social influence, resistance to change, computer self-efficacy, and demographics.” These aspects and factors are deemed as the most influential notions and concepts that must be noted in the analysis.
5.1 SWOT Analysis

In this section, the researcher presents a SWOT analysis based on the provided details and responses. The SWOT analysis reflects the overall and general components of the online shopping companies that participated in this paper. The SWOT analysis refers to the strengths, weaknesses, opportunities and threats.

Strengths

• Online shopping growth in Saudi Arabia and the size of the budget of the country encourages investment, which indicates the presence of money circulation.
• Saudi Arabia is already known for its technological and economical stability and power.
• A serious vision and planning by the Saudi government for the development of the economy and the electronic environment in particular.
• The structure of Saudi Arabia has opened the gates for online shopping and transactions to materialize.

Weaknesses

• Some companies continue to lack understanding of the online shopping concept, which leads to slower development in the field of e-commerce in Saudi Arabia.
• The lack of knowledge and interaction of online shopping by some traders.

Opportunities

• The large turnout of young people using the Internet in Saudi Arabia provides opportunities for companies to study the desires and needs of young people when they are shopping online.
• E-Mall is following the Saudi Post for online shopping in Saudi Arabia and provides electronic pages for companies to sell their electronic products without the need to build websites.
• The presence of a small number of leader companies that sell their products through the Internet or the lack of efficacy of some companies in selling their products online gives an opportunity for companies to invest in this kind of shopping.
• Opportunity for companies to gain more customers by selling their products online.

Threats

• Weak legal and regulatory oversight for selling products online in the region could result in fraud and theft.
• The existence of competition from international companies providing goods and services at lower prices, which may hinder the entry of some companies to selling online.
• Dealing with unknown and smaller companies could raise doubts about the issues of information security and the privacy of buyers.
• There is a present fear among some people about using electronic shopping due to issues of security and trust.

5.2 Challenges Of Online Shopping In Saudi Arabia

• Many customers are sceptical about online shopping due to issues relating to trust and privacy, particularly as it involves the transfer of personal information, and particularly and specifically financial details.
• Online shopping in Saudi Arabia is generally considered an immature industry for some businesses.
• The lack of supervisory agencies makes it difficult for businesses and customers to have confidence in the online shopping environment.
• Customers who are not serious about purchases made online create problems for online businesses.
• It is challenging for businesses to convince customers of the quality of their products in the absence of a physical product.
• There is a lack of awareness among consumers about the benefits of online shopping.

5.3 Opportunities Of Online Shopping In Saudi Arabia

• Many of the younger population are more active in shopping through electronic communications, or in the use of Internet. This represents a huge percentage of the general population that can be exploited by online businesses.
• The establishment of SADAD, an online payment option, provides an opportunity to establish a more trusted environment.
• It is now easier for companies to establish their own shopping sites by taking part in the E-Mall website, which offers greater trusted capability in online shopping.
• Development of Saudi Post and participation in support of online shopping will facilitate and contribute to the recovery of e-commerce.
• Diversity of logistics companies which encourage a more acceptable and reliable process of delivery.
• The purchasing power of the individual gives an opportunity for investors to enter the marketplace.

6. Conclusion

In this paper, the opportunities and challenges experienced in the field of online shopping in Saudi Arabia have been discussed. Based on the data collected from respondents through qualitative and quantitative approaches, several challenges facing the online shopping industry in Saudi Arabia have been identified, such as a lack of interaction from some traders with e-commerce. In addition, there remain issues of trust, privacy, and security, the lack of supervisory agencies for online shopping and the need to have rules and regulations for issues of online shopping.

The paper also addressed potential opportunities for online shopping in the Kingdom. One that will perhaps prove to be most significant is the E-Mall, particularly for organisations that do not wish to create their own online shopping systems. The E-Mall will provide them with an opportunity to take advantage of the expertise of those who have established the system. There is an increasing number amongst the younger population who are using online technology, and this also presents an opportunity for businesses to adopt online shopping. Finally, the substantial number of different companies that provide national and international logistics services will also encourage to adopt more the online shopping in Saudi Arabia.
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