Issues Influencing Saudi Customers’ Decisions to Purchase from Online Retailers in the KSA: A Qualitative Analysis

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Abstract

This paper is part of a study researching the diffusion of the adoption of online retailing in Saudi Arabia. It seeks exploring the issues that influence the decision of Saudi customers to buy from online retailers in Saudi Arabia. As this study involves exploratory research, qualitative approach has been adopted. Initial qualitative exploration was executed by conducting interviews with 16 Saudi citizens. A content analysis was used to address the key issues. The study comes up with two lists: inhibitors and enablers to purchase online from retailers in Saudi Arabia. The results of this study will be used in a future study using a quantities approach to test them in a large sample.

Keywords: e-commerce, online retail, Saudi Arabia, qualitative analysis

1. Introduction

Many businesses around the world have introduced e-commerce models as part of their operations, seeking the many advantages that the online marketplace can provide (Laudon and Traver 2007). Basically, e-commerce is commerce enabled by Internet technologies, including pre-sale and post-sale activities (Whiteley 2000; Chaffey 2004). Since 2000, e-commerce's rapid growth is obvious in the developed world. Global e-commerce spending has currently reached US$10 trillion and was US$0.27 trillion in 2000 (Kamaruzaman, Handrich & Sullivan 2010). The United States, followed by Europe, constitutes the largest share with about 79% of the global e-commerce revenue (Kamaruzaman, Handrich & Sullivan 2010). However, the African and Middle East regions have the smallest share with about 3% of the global e-commerce revenue (Kamaruzaman, Handrich & Sullivan 2010).

Regarding Saudi Arabia, the world's largest oil producer (CIA 2009), e-commerce is still underdeveloped. Although Saudi Arabia has the largest and fastest growth of ICT marketplaces in the Arab region (Saudi Ministry of Commerce 2001; Alotaibi and Alzahrani 2003; U.S. Commercial Services 2008; Alfuraih 2008), e-commerce activities are not progressing at the same speed (Al-Otaibi and Al-Zahrani 2003; Albadr 2003; Aladwani 2003; CITC 2007; Agamdi 2008). and their volume in
Saudi Arabia is very low (U.S. Commercial Services 2008). By the end of 2007, the number of officially registered Saudi commercial organizations is 695,200; however, Saudi Arabia is still a late adopter of e-commerce (Agamdi 2008). Only 9% of Saudi commercial organizations, mostly medium and large companies from the manufacturing sector, are involved in e-commerce (CITC 2007). Several studies have been conducted to discover the reasons behind the slow e-commerce developments in the Arab world in general and Saudi Arabia specifically. The reasons were mainly due to ICT infrastructure, trust and privacy issues, cultural issues, and the absence of clear regulations, legislation, rules and procedures on how to protect the rights of all involved parties (Albadr 2003; Aladwani 2003; Al-Solbi and Mayhew 2005; CITC 2006; Alfuraih 2008; Agamdi 2008; Alrawi and Sabry 2009). However, no in-depth studies have been found investigating a model of e-commerce.

2. Literature Review

Information and Communication Technology (ICT) plays a significant role in the countries’ economies. Over the last decade, the Saudi government has concentrated on this field to become the largest and fastest growing ICT marketplace in the Arab region (Saudi Ministry of Commerce 2001; Alotaibi and Alzahrani 2003; U.S. Commercial Services 2008; Alfuraih 2008). The Saudi government has introduced policies to encourage public and private organizations to adopt ICTs (Al-Tawil, Sait and Hussain 2003).

Sait, Altawil, and Hussain (2004) stated that the extent of Internet access in Saudi Arabia indicates its e-commerce readiness. The Internet was introduced in Saudi Arabia in 1997 (Alzoman 2002). Only King Abdulaziz City for Science and Technology (KACST) provides Internet access; therefore, all Internet users in Saudi Arabia go through KACST (Algedhi 2002; Saudi Internet 2007b). The Internet users increased from one million (5% of the population) in 2001 to 11.2 million (41%) in 2010 (MCIT 2010). “Broadband subscriptions have grown from 64,000 in 2005 to over 3.2 million at the end of Q3 2010” (MCIT 2010).

Official/government information on e-commerce in Saudi Arabia is poor. Since 2006, the responsibility of e-commerce has transferred to the Ministry of Communications and Information Technology. This information was gained from a phone call made on 13 December 2010 to the Saudi Ministry of Commerce. He explained that the Ministry of ICT in Saudi Arabia is still in its early stages of studying e-commerce. Currently, they are conducting a survey on e-commerce in Saudi Arabia and a report may be published in May/June 2011.

The Arab Advisor Group carried out an extensive survey in mid-2006, targeting Internet users in four Arab countries (Saudi Arabia, UAE, Kuwait and Lebanon). The survey covered Internet usage and, e-commerce activities in these countries. While UAE ranked first in the rate of annual spending on e-commerce per capita, Saudi Arabia ranked first in the overall money spent on e-commerce activities. As for the prevalence of e-commerce activities among the population, UAE ranked first at 25.1%, Saudi Arabia second at 14.3%, Kuwait third at 10.7% and Lebanon last at 1.6% (AAG 2008). A recent survey of Saudi Arabia’s Internet users found that around 3.1 million Saudis have purchased online. Airline tickets and hotels bookings take the largest percentage of these purchases (ACG 2009, AAG 2011).

Although the youth are the majority population of the six Gulf countries (GCC: KSA, UAE, Kuwait, Oman, Qatar and Bahrain), increasingly using the latest technologies, online shopping remains under-developed, mainly because of “the relatively low levels of internet usage and low credit card penetration” (ACG 2009). Approximately 45% of GCC populations have purchased online.

Some studies have been conducted to investigate the challenges of e-commerce in Saudi Arabia. These challenges involve the absence of clear e-commerce regulations, legislation, and rules (Al-Solbi and Mayhew 2005; Agamdi 2008). Although Saudi Arabia contributes to the efforts of UNCITRAL (United Nations Commission into International Trade Laws) (Saudi Ministry of Commerce 2001), there is a need to have major development in terms of e-commerce regulations,
legislations and rules to protect the rights of all parties involved in e-commerce transactions (Albadr 2003; Al-Solbi and Mayhew 2005; Agamdi 2008).

Other challenges involve the mailing system (Alfuraih 2008). Before Saudi Post was established in 2005, individuals had no home addresses (Saudi Post 2008); therefore, to receive mail, individuals had to subscribe to have a mailbox in the post office (Alfuraih 2008). In 2005, the postal delivery to homes and buildings was approved by Saudi Post (Alfuraih 2008; Saudi Post 2008).

‘Wasel’ is a mail service enabling Saudi residents to receive mail at their residence free of charge. Another service called “Wasel Special” has charges for sending mail from a home mailbox, delivery with e-stamp, temporary safe-keeping, temporary forwarding, P.O. Box transfer and e-mail notification. However, this service does not cover all Saudi cities, only the main ones (Saudi Post 2010). More than half a million people subscribe to the ‘Wasel’ service (Alriyadh 2010) representing almost 2% of the population who own a mailbox. While this service is still relatively new, Saudi Arabia is very late in providing individual addresses. Problems with adopting this service might be the citizens’ lack of awareness of this service or the importance of mailboxes, their ignorance of the direct addresses for their houses with numbers and streets names, or their mistrust of receiving their mail in this way. Consequently, more efforts are needed to motivate the citizens owning house mailboxes and solve the problems that they face.

3. Research Methodology
This study initially involves exploratory research using a qualitative approach. By adopting a qualitative approach this study is able to gain an in-depth understanding of the online retail phenomena in KSA. A semi-structured interview was designed based on Diffusion of Innovation theory (DOI). The interview questions were driven from the variables determining the rate of adoption of innovation (Rogers 2003, 222).

Interviews were conducted with 16 Saudi participants (eight males and eight females) aged from 16 to 45 years. Five interviews were conducted face-to-face, and the rest were remote interviews, namely by telephone and e-mail. The telephone interviews were conducted with five participants because of the geographical distance from them. The e-mail interviews were conducted with six participants due to their preference. Interview questions, answers and discussions were all in Arabic, which the researcher translated into English.

4. Results and Data Analysis
Almost all the participants showed a clear understanding of online shopping in general. Most of them had a positive impression of online shopping in that it saves time and effort, offers more options and competitive prices. Almost all of them have either a relative or friend who has bought online. More than half of them have bought online. For those who have bought online, they claimed that the positive experiences of their relatives or friends motivated them to buy online.

Almost all the participants said that the most effective marketing tool for them is “word of mouth”. One participant commented, “the most important for me is people’s recommendations and their comments regarding a particular product or a specific retailer”. Mr Muhammad mentioned “the most important and influencing marketing channel are people's advice and recommendations. People who have tried a particular product are the best to ask and get their feedback before buying the same product. And in general, word of mouth is the most effective marketing channel for me”. This is a clear message that successful e-retailing business uses the word-of-mouth marketing tool.

Most of the participants see progress in terms of the technologies available in the Saudi market. Mr. Abdullah commented that “the Saudi marketplace is a thriving in new technologies trading. The latest technological products are imported into the Saudi market quickly. However, ICT infrastructure is still below the expectations compared to this notable progress in importing technologies”. Mr Ayath noted that the education in public schools does not keep pace with the technological progress in the Saudi market, claiming that “our educational system is falling short in this area. It still needs to catch
up to development of technologies... imagine that some elementary schools do not have computer labs to teach kids, and if some schools do, you will find small labs and only one session a week!” Mr Abdullah, a high school student in Jeddah, on being asked if there are Internet and e-commerce educational programs in his school, replied “we have studied how to use the computer but there are no subjects/topics on the Internet or e-commerce. How are we to learn about the Internet and e-commerce activities and their applications while there is no Internet connection in the school?!! We study things about operating systems, MS-programs (Word, PowerPoint, and Excel) and Photoshop and that’s it.”

The participants’ opinions varied in terms of the impact of the environment that they live in, that is, their relatives, friends and the people they interact with every day. Some of them live in a positive and encouraging environment for online shopping, while others live in negative ones. Some classify people in their environment into groups regarding age and familiarity with technology. Older people and those unfamiliar with technologies tend to have negative impressions, while others tend to have positive ones.

After analysing the collected data, a number of factors were identified and classified into two groups: inhibitors and enablers for customers to buy from online retailers in the KSA. These factors discussed below.

4.1. Inhibitors to Buying Online from an Online Retailer in Saudi Arabia:

4.1.1. Failure of the Postal System

The Saudi postal system was stressed by the participants. When asked why they do not buy online, the expected answer is, “I do not have a home mailbox”. Almost all the participants said that they do not have direct mailing addresses for their homes. Mr Osama explained, “in Saudi Arabia there is no problem to buy online from any place in the world, but our problem is how to get the product delivered to your home?!” Mr Muhammad remarked, “currently when I want to explain to someone where I live, there is no direct address with a house number and street name etc. When you want to explain to someone your address, you say the name of a suburb and then try to describe where your house is located according to a landmark or you meet the delivery person in an area that you both know! In this case, what is the benefit of buying from the Internet when it is difficult to describe your address or meet a delivery man somewhere. It’s better to do normal shopping!” Miss Alshahrani commented, “it is really frustrating to buy online in the absence of home mailboxes”.

Those participants who have bought online have mailboxes with postal agencies or use a relative or friend who has arranged an international shipment company to send the goods to their relatives’ or friends’ workplace. Mrs Afnan reported that “when I buy here in Australia from the Internet, it takes a maximum one week to deliver your order to your home mailbox. This doesn't exist in Saudi Arabia. The order takes a long time to receive, because you don't have a home mail address. Instead, when you want to order from the Internet, you need to organize with a postal agent to deliver your order to your friend's mailbox or to their workplace address. This is ok once or twice, but we want online shopping to become a habit and so it's annoying to always send your orders to your friends’ mailboxes or work addresses etc. Each individual house has to have its own mail address like here in Australia.”

Mr Ayeth has purchased online some books from the US that are not available in the local market. When asked how he received his order, he replied “actually, it was not directly delivered to my house but to a shipment company’s office (Aramex). When my order arrived, they phoned me to come to their office to pick up my order. If I had a clear house address, they could deliver it there, but they may charge more”. Mr. Adel said, “currently, when you have a delivery order, the shipment companies like DHL or Fedex ring and tell you to come to the office to pick up your order. They do not deliver to homes in Saudi Arabia. This is not good and disappointing to buy online, because if you travel to the shipment company, there is no benefit from online shopping. Then it is better to do normal shopping!”
4.1.2. Issues with Online Payment and Local Banking Systems

Online payments received high emphasis by the participants. They are mainly concerned with credit cards, such as the difficulty to get a credit card, fear of credit card misuse which leads to their money being stolen, credit cards fees which are linked with religious issues, and problems when some credit cards are not accepted internationally.

Regarding the difficulty to get a credit card, Mrs Amal noted “some difficulties prevent me from buying online. One of these is not having a credit card. To have a credit card there are some conditions such as having a bank account and a regular monthly salary deposited into your bank account. I am not an employee and I do not have a regular salary”. Miss Rehab stated, “I am a student and I do not have a credit card.”

Regarding the fear of using credit cards, Mrs Afnan said, “people are afraid of having their private information (credit cards number etc) stolen which is the biggest factor for the community's hesitation to buy from the Internet. I also have the same perception. In Saudi Arabia, I will not use online shopping until the situation improves and people feel safe buying online.” Mr Moh remarked, “there are still concerns using the credit card on the Internet that maybe the number will be stolen or something like that. Alrajhi bank solved this by offering debit cards with limited amounts of money that customers can put in their accounts. There is still no trust in the community in using the Internet to shop, so providing these solutions are good.”

Regarding the religious issue, Mr Ayath remarked, “I can see that credit cards in Saudi Arabia still work according to the old system of taking interest. (This is called Reba and is forbidden in Islamic law). To avoid this problem, they prefer to deal with cash.”

Regarding the problem of some credit cards not being internationally accepted, Mr Osama commented, “this is like Alrajhi’s credit cards, which was not working to buy from eBay, but they solved this problem. I also know that three of my relatives complained because their credit cards from Alrajhi Bank were not accepted by Apple store, while those from other banks like Samba were. So, there is a problem with our banks.”

Mr Adel complained about the limitation of online payments methods, remarking that “to have a credit card from some banks, there are requirements with a specific amount of money in your bank account. To my knowledge, only two banks offer debit cards (Alrajhi and Alahli). However, this is not enough in terms of creating a competitive environment and motivating people towards e-commerce. A third problem is that Saudi banks’ credit cards do not have links or arrangements with global online payment companies like PayPal. There is a system in Saudi Arabia called “Cash you”, which is almost similar to debit cards; the money that you can use is the amount that you have in your account. The problem with this system is the high fees for card registration, each purchase and delivery. You may pay extra fees of 100 SAR when you use this method to pay online!” Mr Adel used to use PayPal and he feels satisfied with it, contending that “when you use a credit card and a problem between you and a seller appears, then the process of complaining is complicated compared to PayPal where you communicate in their online system (I mean in PayPal). Added to this problem, a security issue occurs when writing your credit card details every time you buy, whereas in PayPal, your credit card details are registered in a secure system and you are only required to put in your PayPal’s username and password to buy and PayPal automatically takes the money from your credit card account after accepting the process.”

4.1.3. No Clear Regulations and Legislation

The Saudi Ministry of Commerce established an e-commerce committee in 2001 as part of its role to prepare a general framework to plan for e-commerce systems in Saudi Arabia. This framework includes the improvement of various factors involved with e-commerce transactions. One of these fundamental roles is to implement IT infrastructures, payment systems, security needs, legislations and regulations, and delivery systems (Saudi Ministry of Commerce 2001). Moreover, Saudi Arabia contributes to the efforts of UNCITRAL (United Nations Commission into International Trade Laws) (Saudi Ministry of Commerce 2001). Despite all of this, no other resources have been established.
Perhaps the Ministry of Commerce is doing well in this regard; however, most of the participants mentioned that there are no clear regulations and legislation to protect all the involved parties’ rights in online shopping. Mrs Nawal reported there is “no clear rules and regulation of online shopping and also there is no third party to refer to should something wrong happen between an e-retailer and a customer”. Mr Adel stated that “systems of disputes in this matter are not clear. When a problem between a buyer and a seller appears, where should you go and to whom should you complain to?! A clear system and arrangement for this business does not exist.” Mr Muhammad remarked, “to my knowledge, the case of e-commerce and online shopping is not clear in Saudi Arabia. I do not know if a third party is supervising these activities or not!”

4.1.4. ICT Infrastructure
When considering the ICT infrastructure in Saudi Arabia, the participants mostly discussed Internet connections, speed and costs. Most of the participants were not happy with the Internet services in Saudi Arabia. Mr Moh claimed that “the Internet services are still not good”. Mrs Nawal noted the current Internet services at a “low level with high cost”. Miss Rehab is not happy with the Internet, claiming that “Internet speed is very slow in small cities”.

Mr Ayath criticized the Internet connection and speed, remarking, “I have purchased airline e-tickets, but sometimes the system refused the order and sometimes the Internet speed is too slow. We still suffer from Internet connection problems. The Internet speed in Saudi Arabia is frustrating!” Mr Adel, as person with IT background, commented “40% of Saudis use the Internet and only 3 million or 10% have broadband connections. Even then, the connection speed is sometimes very slow because of poor infrastructure! The main cities in Saudi Arabia are mostly serviced with the Internet, but other cities and villages are still not served!”

4.1.5. Few e-Retailers in the KSA
Most of the participants answered ‘no’ when asked if they know any e-retailers in Saudi Arabia. Only a few did know any. Some indicated Saudi Arabian airlines as an e-retailer, while others did not understand the exact meaning of an e-retailer, believing that any business on the Internet is one. Mrs Amel remarked, “I know Eve Forums; this is how I bought a song. Here is also Shmoah forums, the same as Eve forums. Professional websites that sell online, I know Souq.com (like eBay), and Motat Altasouq. I am not sure if they are owned by Saudi companies, but I am sure they are Arabs.” Mrs Afnan added that “people can advertise on online forums and social networks about products that they want to sell such as dates and other things. But if you ask me if I know an official businessman/retailer, I do not know.”

Having only a few Saudi retailers running their businesses online is part of the problem. Among these e-retailers, only a few sell products that are needed by most people. Mr Muhammad mentioned that “the most needed products are not available to be purchased online in Saudi Arabia. For example, when you want to buy bedroom furniture for your children, no single company provides the option to buy online, or maybe there is but it is so expensive and middle class people cannot buy from them. Online sales services are not there in Saudi Arabia. When you want to buy a washing machine, fridge, TV etc, where are the companies that provide option to purchase online?! Where are the companies that make it available for customers to buy from their website and deliver to your house?!” Mr Adel agreed: “products that people need for their daily life are not available online. I have read a study that says that 1/10 Saudi company sell online! Also 60% of Saudi companies have a website displaying information about their companies or products.” Mr Osama commented, “I check on the Internet if there are websites selling online in the KSA or not. Yes, there are some websites, this is good. However, the current environment, evaluated in 2010 standards, is very bad and Saudi Arabia is a late adopter in the e-commerce field!”
4.1.6. Limited IT Knowledge

Naturally, when people do not understand the working process of something, they will feel frustrated by it. Some participants justify why they do not shop online, sometimes because they do not understand the online purchasing processes or find it difficult to understand the language if written in a language other than their mother tongue. Mr Muhammad said, “sometimes the website or some of its pages are written in English, which is difficult for me to understand”. Mrs Afnan reported, “sometimes I have difficulty in understanding the details of products when written in another language”. Miss Alshahrani agreed with this real difficulty of not understanding the language if it is written in a language other than Arabic.

Mr Osama, having an IT background, agreed that “being ignorant in online purchases weakens the intention to buy online... The fear of buying online is common among older people and those who do not have sufficient experience in the use of technology. So, the issue depends from person to person. For example, IT people are supposed to have more desire to buy online than other people, and young people are expected to be willing dealing with the Internet and make more purchases online than other age groups.” However, Mr Osama sees this fear as exaggerated: “I think that this thinking, not trusting purchase from the Internet or dealing by money through the Internet in general, came from the Saudi cultural background. But my studying here in Australia has totally changed my perception of online shopping, and the impact of colleagues around me also plays a role. After trying this process myself, I have become more confident in buying even expensive products. I have become familiar with online purchases. Five years ago, it was impossible for me to think of buying products from the Internet worth $300 to $500.” He also gave a clear example of exaggerated fear among Saudis: “many of my relatives express their negative feelings as they dislike registering for iPhone accounts, including credit cards details and they ask if there is another option to register without adding their credit card details as they feel this step is not safe and their money may be stolen! On the other hand, people who live here in Australia are familiar with using technologies and understanding IT processes and they know that there are specific steps one, two and three. However, as this technology and registering credit card information are new in the KSA, people do not feel not safe putting these details onto websites, fearing their money will disappear! They are not confident enough yet. I advise them that it is ok and they start feeling happy to do so and some of them encourage others to do so because I told them. They trust me because I am an experienced person.”

4.1.7. Issues with Trust

Trust issues were greatly emphasized by the participants, particularly in terms of stealing credit cards numbers and poor quality products. The concern regarding stolen credit cards numbers is sometimes referred to as poor proficiency in providing a secure payment platform. Mr Osama sees “buying from outside Saudi Arabia safer than buying from an e-retailer inside Saudi Arabia.” Mr Moh commented, “people have perceptions that Arabic e-retailers are not trustworthy. Personally, I think Arabic online shops are not safe compared to westerns e-retailers. This is because e-commerce has started in the developed countries before our countries and they work professionally, whereas this is something new in the Arab world and it takes time to be professional and trusted.” Consequently, he sees that offering other type of online payments, such as debit cards, can solve this problem.

Regarding the second concern of trust in product quality, most of the participants said that sometimes the actual product is not similar to that specified on the website, or a seller shows incomplete details of product specifications, providing only the positive aspects for marketing purposes.

Mrs Afnan, Mrs Nawal, Mrs Reem, Miss Rehab, Miss Alshahrani and Mr Muhammad were concerned about receiving inferior products. As Mrs Aseah said, “there must be certain guarantees that the actual products are as specified on the website. These guarantees should be supported by a third party (supervision/control) where I can go and complain if something goes wrong. I do not know exactly the mechanism, but just an idea which will develop the trust and encourage people to purchase online.”
Mr Adel believes that both the customer and the seller may be to blame. “It can be a customer problem when they do not have enough experience to read and understand all the details to have clear idea about a product before buying it and they may imagine different specifications. Because of their misunderstanding, they may find the actual product is different!... On the other hand, the problem may be the e-retailer. They may exaggerate their products’ specifications or not reveal some details for marking purposes.”

4.1.8. Issues with Privacy
Misusing personal information was raised mostly by respondents. Mrs Afnan commented, “there is no trust in keeping personal information secret (other than credit card info like date of birth, mobile phone number, address, e-mail) and not be used for other purposes. This is sensitive, especially with Saudi girls if it is misused or given to third parties etc.” Miss Alshahrani also remarked that “there is another special effect for female customers in Saudi Arabia in the current cultural system regarding the sensitivity of girls’ information. This information is subject to misuse. For example, mobile phones numbers, e-mails, home addresses, date of birth etc are sensitive for girls. If information is misused, this will hinder female customers from buying online if there is no complete trust that an e-retailer will ensure the privacy of all her information.”

4.1.9. Issues with Product Quality
Obviously, consumers have concerns regarding product quality, both for online purchases and in normal purchases from local markets. Customers put a condition that an online product’s features must be fully explained and specified as such on the website. Mrs Afnan illustrated a family who buy their children’s clothes from a US e-retailer “because they do not have enough time to shop normally and the quality of the products is good”.. When a customer is concerned about the quality of a product, it minimizes the chance to complete the online purchase. Mrs Amal remarked, “some difficulties prevent me from buying online... not knowing the quality of the product is one of them”. Mr Ayath stated, “competitive prices in online shopping are incentives, but I still have concerns in terms of the quality. For example, you may be happy with the specifications and photos of a T-shirt and you buy it online, but when you receive the actual product you may find it is not similar to its specifications on the website. In this case, you prefer to buy from an e-retailer who sells known products. For example, when leading retailers they provide options for their customers to buy online, this will be incentive because they already know their products and are used to buying from them normally. Thus, knowing the product beforehand helps to remove the concerns of the quality of an unknown product.”

To summarise this section, the impediments to online shopping are represented in the Figure 1 below.

**Figure 1:** Impediments to buying from online retailers in Saudi Arabia
4.2. Enablers/Incentives for Buying from Online Retailers in Saudi Arabia

4.2.1. Government Support

In Saudi Arabia, people tend to trust the government due to the central role it plays. Thus, it can facilitate e-retail responsibly, based around three key functions: facilitation, supervision, and control. As Mr. Osama contended, “the government's positive role is incentive. Businesspeople may want to support this type of business if it useful and profitable for them. However, I’m talking about the enablers. Some people in the KSA do not trust the Internet at all, considering it as a hidden world with unknown processes. But when the government takes a strong and active role to enable e-commerce activities and takes responsibilities of control and supervision, I believe there will be more acceptance of the people. I’m not saying that all people will accept, but the majority. We should take advantage of the majority buying online. When there is a strong and active role of the government to protect customers and sellers right's, this will be great. Why not to have a governmental department as a third party regulator between the seller and the buyer?! A regulatory entity oversees the whole process. The government's role has an important influence and needs to provide facilities for the retailers, because they may face obstacles, and they also may not guarantee their rights.”

As a facilitator, the government can create a motivating environment for online shopping for both retailers and customers. This includes giving facilities and support for retailers who want to provide online sale solutions and participate in solving the problems that they face. This also includes government support for building reputations to help formulate trust. Mr. Ayath reported that “the Ministry of Commerce is supposed to motivate retailers and provide facilities for them to use e-commerce applications”. Mr. Osama contended, “I expect if there is cooperation between the government, companies and the people, there will be fast interaction with the event in order to develop the situation more than it is now. Companies and the private sector should play a significant role in the development of e-commerce... if they start selling online. However, I do not know what constraints will stop them from offering this service. We, as consumers, wish that the online selling option is available; for example, I am willing to buy online.” Mr. Moh suggested that “if there is a government commission, it can be the Ministry of Commerce, which has some arrangement in this field, it will be great. For example, if this commission has a system to rank e-retailers based on the feedback of their customers and the commission itself, too, this will help people to see the ranking and encourage e-retailers to improve their services and meet their customers’ needs to get a high ranking.”

Supervision and control roles were also emphasised by the participants. As this way of shopping is new in the Saudi environment, it needs to be supervised and controlled by a third party (i.e. the government) to protect all the involved parties’ rights. This step is a key successful factor for online shopping in Saudi Arabia in the eyes of some participants. Thus, it is important to make it clear to all involved parties that there are clear legislation and regulations for online shopping that most participants have concerns with. Mr. Adel informed that “a third party acting control and supervision of e-commerce activities does not exist... I expect people will have trust if there is a system legislating e-commerce activities”. Mrs. Nawal sees the “existence of a third party to act in a supervisory and controlling role to protect all involved parties' rights, finding independent means (not affected by seller-marketing) to obtain the feedback from customers about the products they want to buy, and have a governmental system like the stock trading system to supervise and control roles”, which are all incentives for online shopping in Saudi Arabia. While some participants see this role as an incentive to buy online, others see it as a condition to buy online. Mr. Muhammad recommended that “the first thing is to have a third party supervising and monitoring. In other words, e-retailers should be registered with this supervisory body to ensure that almost everything goes right.”

Mr. Muhammad suggests building a system for e-commerce similar to the stock trading system where “the commission of the capital market monitors all processes”. He said, “why shouldn't there be a commission of control handled by the Ministry of Communications and Information Technology for e-commerce activities. I mean that online shops should be registered with them first to help the customers trust them.” Mr. Adel also suggested that “it is good if the government takes the role of arranging e-retailing as they do in arranging normal retailing, but not fully similar. This arrangement
may give an e-retailer certification for meeting the minimum requirements so that customers know that a particular e-retailer is registered with the government and can be trusted.”

4.2.2. Owning Home Addresses
As discussed earlier, most of the participants expressed great concern regarding the Saudi mailing system, criticizing the government’s tardiness as they live in 2010 and still do not have clear and direct home addresses! In this regard, most of the participants believe that owning clear and direct houses’ addresses is a key factor for online shopping success. As Mrs Afnan commented, “each house must have a clear address (home number, street name, suburb name etc) with a mailing service”.

4.2.3. Trustworthy and Secure Online Payment Options
As discussed earlier, some participants have concerns about credit card use, and providing trustworthy and secure online payment options other than credit cards is an incentive to online shopping. Mr Adel believes that “providing more options for online payments motivates people to choose the method that they are satisfied with to buy online. In addition to the satisfaction, offering more options helps to remove concerns regarding security issues of online payment. By making it available for customers to choose the online payment that they prefer, of course this offer helps them to select not only the method that they feel happy with, but also the method that they feel secure to use. People are different regarding the payment methods with which they feel satisfied and secure.”

One online payment method suggested is debit cards. This option should be provided by local banks without restrictions. Mr Moh believes that “online payments methods other than credit cards, such as debit cards that have limited amounts of money, should be offered. And the banks should give their customers flexibility to increase or decrease their credit card limits using net bank services.” Mr Muhammad explained, “banks should provide easy options to pay online for two reasons: to give those who have concerns regarding credit card fees another way that they feel happy with, and to give those who have concerns using their open credit cards with limited ones that they can control and put the amount of money that they like.”

Another form of online payment that was recommended is PayPal or something similar. Mr Adel suggested that Saudi Arabia have an agreement with PayPal to operate in the country with an Arabic interface or to have a similar system. PayPal currently has different interfaces translated into several languages, but Arabic is not included. Mr Adel prefers using PayPal “because, I believe, it is a secure method and trusted too. Trusting PayPal comes from its way of keeping the money that is paid to a company for a specific period to make sure that nothing goes wrong between a seller and a buyer. Should something go wrong, the customer can communicate with PayPal’s team and explain the problem with the specific seller and then PayPal’s team investigates and fix the problem, if it exists, by returning the money to the buyer if their complaint is true.” Mr Osama agrees with this idea.

4.2.4. Educational Programs
Because online shopping is new in the Saudi environment, it needs educational programs to help its quick progress. Educational programs are important to help remove the exaggerated fear of online purchases, demonstrate the benefits of e-commerce, and clarify how people can shop online. Mrs Afnan asserted that “schools have to play roles in educating students of the benefit of online shopping and how to buy online”. She also sees TV channels as being involved. “Educational programs on TV channels and newspapers are useful too. People have to know the benefit and the processes.” On gaining this knowledge, “people’s fears of online shopping will be dispelled”. Mrs Reem recommended distributing brochures to explain how to deal with and use these systems. “This encourages people to know and try. I mean to build the awareness of e-commerce activities through TV channels, Internet, and magazines in shops to show and educate people that everyone can access these systems and buy.” For Mrs. Reem, this step is very important because nobody around her has told
about their experiences buying online. She said, “there are no encouragements to people to go online and buy and complete services online. Nobody, nobody!”

4.2.5. Enhance ICT Infrastructure
As discussed in the impediments section, the participants consider the current ICT infrastructure as mainly focusing on the Internet connections and its slow speed which is frustrating. Consequently, the ICT infrastructure needs to be strengthened, making access to the Internet at high speed available and reduce its costs so as to support e-commerce activities.

4.2.6. Competitive Prices
Some participants claimed that the competitive prices of online sales have the biggest attraction for them to buy online. As Mrs Afnan said, “Yes, there are several incentives to online shopping. One of these motivations is competitive prices.” Mr Ayath commented, “my relatives buy online from overseas because it is cheaper than buying from Saudi Arabia”. Mr Adel sees “competitive price” as “one of several factors that help to determine whether to buy online or not. If there is no big difference between the prices in the local market and on the Internet for a similar product, I will buy from the local market. This is because you know the shop and can visit it if there is something wrong with the purchased product.” When he asked what motivated him for his first online purchase, he replied “the prices are competitive; things sold for $100-$150 in the local market are $60-$75 online, excluding delivery fees. The first purchase was a baby trolley, but it was not completely online. I searched the same city where I live to go by myself to check, pay cash and pick it up to also save on the delivery fee. This (cheaper price) was what motivated me.”

4.2.7. The Security of having Bricks to Support the Clicks
Bricks-and-Clicks is a type of e-retailing system where a company has an online distribution channel as well as physical stores (Laudon and Traver 2007, p. 69). This type of business seems to be the most preferable for some participants. For Mrs Aseah, this is good if something goes wrong so that she can visit the seller and try to solve the problem face-to-face. When asked what she means by guarantees and how to ensure them, she replied, “they can be in different forms. For example, an e-retailer has a shop or office where we can go to if there is a complaint”. Mrs Reem also supports this type of business as she wishes that the current retailers she used to buy from normally provide online selling services: “If they sell the same products online, I may buy them at the same price and if there are no more fees other than shipment fees.” Mr Moh supports “the current retailers having an e-retailing system. It is encouraging when there is a physical shop besides the electronic one, because customers can visit the shop and discuss when something is wrong.”

Mr Osama expects that “if there is a well known company such as IKEA selling online, surely people will deal with them and I will also buy as it's well known. I trust well known companies and I do not expect that they will lose their reputation in order to manipulate online activities and sales. I have to trust this is a big and well known company. However, buying online from a new e-retailer does not compare to my trust and purchases from IKEA, for example. I may buy from new e-retailers to try, and buy simple and cheap things to test their credibility. Buying online from big companies and brand names is different, it is more trusted”. “If Jarrier bookstore or IKEA as leading retailers as examples start putting an option to buy online, it will be an incentive. These leading companies play a significant role in the development of e-commerce if they start selling online.” Mrs Afnan believes that “well-known retailers should start applying online sales first. This will receive significant attention from people as they trust these companies and they will not misuse information, because they care greatly for their reputation.”

Mr Ayath said “if well-known retailers provide options for their customers to buy online, this will be an incentive, because they already know their products and are used to buying from them normally. Thus, knowing the product beforehand helps to remove the concerns of the quality of an unknown product... I support the current retailers having an e-retailing system.” Mr Muhammad
agreed, “companies which sell the most needed products to customers should start applying online systems, because these companies are needed the most.”

4.2.8. Website Proficiency
According to the participants, website proficiency means that the e-retailing website is easy to navigate, displays photos of the products and gives full details. Mr Adel said, “retailers who decide to sell online should consult e-commerce companies which have worked in this field for a long time and have very good experience. These companies have e-commerce software programs which can be adapted rather than building from zero. These companies advise the new e-retailer on how their website should look and incorporate processes that are easy for customers to follow. It is important for new e-retailers to consult experts to build people-friendly e-commerce websites.” Miss Rehab sees that it is important for websites to “display clear and full information about the products including photos, prices and so on”.

To summarise this section, the enablers for online shopping are demonstrated in Figure 2 below.

Figure 2: Enablers for customers to purchase from online retailers in Saudi Arabia

5. Conclusion and Future Work
This paper has explored the issues that positively and negatively influence customers to purchase from online retailers in Saudi Arabia. It established a number of impediments and enablers that were identified based on the qualitative method research design. The study comes up with a list of factors that influence the decision of Saudi customers to purchase from online retailers in the KSA. The inhibitors include factors related to physical inspection, e-commerce regulations and legislation, privacy, online purchase experience, trust, delivery, online payment, and website design. In contrast, what would positively influence customers to purchase online in KSA include existence of a physical shop besides the online shop, existence of government support, supervision and control, competitive prices, existence of online payment options other than credit cards, owning a home mailbox, professional and easy to understand design of the e-retailer’s website, including showing complete
specifications with photos of the products, easy access and fast speed of the Internet, provision of educational programs, and easiness to own a credit card.

However, future research is needed in order to test these findings in a large sample. A survey will be designed with open-ended questions to test the qualitative stage’s results and optional open questions if the participants wished to add information. The results of the survey will add value in terms of rating the current study results and may come up with new issues.

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