



# Insight of Online Shopping Trend: *An Empirical Study with relevance to Bahrain*

**Dr. Akram Jalal**

*Chair of MIS Department, College of Business and Finance, Ahlia University, Kingdom of Bahrain*

[ajalal@ahliauniversity.edu.bh](mailto:ajalal@ahliauniversity.edu.bh)

**Mazen Al-Maskati**

*College of Business and Finance, Ahlia University, Kingdom of Bahrain*

[contactmzn@gmail.com](mailto:contactmzn@gmail.com)

## ABSTRACT

Online Shopping is growing globally. However, there may be notable differences in the way people engage the online marketplace based on such factors as age, gender, and educational background (among others). This research focuses on the expanding trend of electronic retail (e-tail) in Bahrain. It examines various factors such as availability, knowledge, awareness, security and customer service which are expected to have an impact on online shopping popularity among different age groups and their educational background. The study challenges the growth of e-tail in Bahrain's heterogeneous market and highlights that the main dependencies that affect it can be either related to technology availability or lifestyle perspective of Internet users. The study hypothesizes that the highest online shopping activity is not sustained within a specific age group.

The research also discusses the advancement of online shopping in a country like Bahrain and how the business trend can be transforming from retail to e-tail. In conclusion it attempts to forecast the move towards e-tail and highlights the underlying factors such as product variety, cost, security and customer service. Another area that is moderately explored is online banking usage which is an area that is closely related to e-tail as it requires similar mechanisms.

## KEYWORD

Online

E-commerce

E-tail

Customer

Technology

Bahrain

Credit Cards

Internet

## **Dreface**

Before the 1990s, consumers had to go to great lengths to acquire things that made their life better. As time went by retailers and marketers continuously tried to come up with inventive ways in order to get their customers what they want. Along the way various technological advances helped guide the way to e-commerce. Newspapers, magazines, radio and television all helped pave the way for eager consumers to look for what they wanted to purchase and where they wanted to purchase it. Various mediums such as paper catalogues, telephones and postal services combined to allow the public to shop at the comfort and tranquility of their own homes. But the ultimate shopping experience was yet to come. It wasn't until the mid 1990s that businesses found the most ideal way to serve their valued customers. It took the combination of the pioneering technologies at that time: the personal computer and the Internet, to launch the true future of the electronic retail marketing. From that bubble burst started a whole revolution of technological advancements towards the shopping experience for both retailers and customers.

The fundamental concept behind Electronic commerce (e-commerce) constitutes the use of Information Communication Technology (ICT) to exchange of products and services between businesses, groups and individuals while facilitating and maintaining their external activities and relationships. This view has been supported in the work of [Davies<sup>i</sup>, 2004] and [Louis<sup>ii</sup> Et. Al, 2005].

Online shopping (also known as online retail or (e-tail) which extends from e-commerce can be summarized in the act of buying or selling goods, items, products or services through the Internet while using many different media forms. Online shopping has indeed evolved mutually with technology. Thus, Marketing Charts on Nielsen Research (2008) and Celent Report Figures published by Celent.net (2006) have both shown that it has become so popular that more than 85% of the world's online population has used the internet to make a purchase according to the latest Nielsen Global Online Survey on internet

shopping habits. "When The Nielsen Company conducted its first global survey into internet shopping trends in 2007, approximately 10% of the world's population (627 million) had shopped online," said Bruce Paul, VP, Customized Research, Nielsen US. "Within two years, this number has increased by approximately 40% (to 875 million)." As technology is further expanding worldwide it is allowing people to access the Internet and thus engage in online shopping. One must only have an Internet connection and a method of paying online perhaps through a debt or credit card. With online banking further facilitating bank account accessibility to customers the e-tail concept is growing more efficient than traditional retail. While credit cards seem to be the most popular means of paying for online goods and services there is in fact many different ways such as postal money order, SMS billing, cash on delivery or even various types of electronic money such as PayPal. Celent Research claimed that alternative online payments accounted for almost 26% of e-commerce in 2009 and will remain to grow in the future.

In the context of this research online shopping, electronic retail (e-tail), e-commerce and e-buying will all refer to the former description.

The significance of this research can impose a great deal of help to the government of Bahrain and business entrepreneurs by exposing the scale and scope of the required approach to the e-business marketplace. When you understand who the people that are adopting online shopping and for what reasons they are using it instead of traditional retail can lead us to visualize a target in the market and assist in overcoming implementation challenges. The outcome could also suggest further research for global web vendors and website designers.

In the following section we will look at the advancement of Bahrain becoming a future e-business hub. Later in the Literature review section we attempt to compare similar researches conducted in a global scale that identified the age group brackets and educational level of online shoppers. We take a closer look at key examples to set a comparative discussion between the traditional retail market in Bahrain and the move towards the pure e-tail in Bahrain market as we look into some live examples.

The research will attempt to hypothesize and measure the adoption growth of online shopping trend in Bahrain through an empirical quantitative measure and attempt to identify which age groups and educational background as factors that stimulate it. A complete analysis of the results will be given under the findings and analysis section.

Finally a conclusion and recommendation will be provided for further studies in this discipline.

### **Background**

In a business world increasingly defined by global markets, connected consumers and volumes of digital information, The GCC (Gulf Cooperation Council) – despite being from the third world nations - stands as one of the most imperative yet eccentric global economical role players in the world. In particular, the consumer expenditure is prominent to be one of the highest when compared to all other countries in the Middle East. Consumer expenditure is marked as a multi-billion size industry in this region.

In a 2006 a study conducted by Abu Dhabi-based Arab Monetary Fund (AMF), Bahrain alone emerged as the fourth largest spender in the Middle East despite its relatively low oil wealth, with private consumption standing at \$5.6 billion or average of \$7,587 per person. Based on Business Monitor International (BMI) the traditional retail sales in the Middle East countries in 2009 amounted to an estimated US\$412.28bn while the total consumer spending for the region amounted to US\$704.94bn. In 2009 Bahrain's market share stood at 0.6% compared to the Middle East and is expected to increase to 0.8% by 2014. (Bahrain Retail Report Q2, 2010).

In 2005, 71.2% of the Bahraini population was described by the UN as economically active, with 40.7% in the 20-44 age range crucial for retail sales. By 2010, 72.7% of the population is expected to be economically active but the proportion of those in the 20-44 age band is forecast to fall to 39.9%. A very high level of urbanization is contributing to a vibrant retail sector. In 2005, more than 90% of the population was classified by the UN as urban, and this is forecast to increase to 91% by 2010. About 89% of the population lives in the two principal cities of Manama and Muharraq. (Bahrain Retail Report Q2, 2010).

Exploiting aggressive advertisement and competitive marketing campaigns retail

businesses in the region magnetize the average Middle Eastern countryman into spending. Money is spent on shopping, entertainment, luxury, telecommunication, transportation and many other obligations from main household goods and products to ongoing contracted services. With all this in perspective local and global businesses started to redesign their vision to extend their ventures and start looking into alternatives to further expand and grow in a challenging market such as the one in Bahrain. Thus, even with the credit crunch augmenting worries over average consumer expenditure and unemployment rates drastically increasing, it has become essential to overlook such issues by looking into alternatives when it comes to consumer expenditure on retail.

Many banks, financial institutions and businesses understand that their customers continuously demand more satisfaction. They expand their customer services to cover more ground and provide extended exposure to facilitate their reach to services and products. Hence, online banking solutions such as the ones provided from various Bahrain based banks such as Bank of Bahrain & Kuwait (BBK), HSBC or Ahli United Bank (AUB) has opened a whole range of new customer service possibilities.

### **Why Bahrain?**

Bahrain is considered to be an emerging nation, which has recently entered into a significant period of development, growth and transition. This has led Bahrain to a market revolution in which it is marking its intentions in becoming the new Middle East hub for the global financial sector. Even with the recent conditions in the global financial market, interest to establishing a presence in Bahrain on the part of international institutions remains strong. Central Bank of Bahrain has licensed over 400 banks and financial institutions (as of 30 April 2010) which reflects the confidence of these companies in Bahrain's potential as a leading financial center. With ongoing attractive infrastructure development, the instigation of strong government laws that protect overseas investors together with the establishment of regulatory firms such as the TRA (Telecommunication Regulatory Authority), LMRA (Labor Market Regulatory Authority) and the e-GA (e-Government Authority), Bahrain is indeed confirming its strong desire to lead the region into a new business revolution. CEO of the e-Government Authority Mr. Mohammed Al Qaed agrees that well-developed comprehensive electronic national portals are a significant factor in the progress of nations when it comes to simplifying processes, increasing

efficiency across society, and facilitating and developing business and commerce. Today the UN e-Government Readiness Report ranks Bahrain as the first in the Middle East, third in Asia and 13th internationally in e-Government. (AMEINFO, Gulf e-Commerce Forum 2010)

The emergence of the Internet in Bahrain to the public since 1994 has played a major role in exploiting new opportunities and markets for many businesses. Today the Internet is considered to be an essential part of every business infrastructure and with the help of web technologies infinite advancement they are able to provide customer satisfaction easily and efficiently through a multitude of techniques.

World Economic Forum (2009-2010) showed that today the Kingdom ranks 29th out of 133 studied countries and second in the GCC in technological competitiveness, according to a 2010 Global Information Technology Report. As of September 2009, almost 55 percent of the Kingdom's population was using the Internet, the International Telecommunication Union (ITU) reports. To further overcome the difficulties that enterprises are facing when developing their e-business initiatives the e-GA is slowly yet confidently providing the appropriate policies and laws. Despite that, the lack of awareness and Internet business development remains to be a key issue that waits to be resolved in order to adopt e-business approach. Bahrain Internet Society (BIS) chairman, Ahmed Albaloooshi describes that the biggest issue for e-business in Bahrain lies in the business-class connectivity, its quality and affordability. The average Internet speed in Bahrain is 1.56 MB/sec (TRA) as against the Asian average of 4.12 MB/sec and the world average of 5.37 MB/sec. In a BIS survey, 71 percent of respondents said that they weren't satisfied with the overall quality of Internet service. The majority was disgruntled with the threshold limit of their Internet package and thought the quality of service needs to improve. Nevertheless, Bahrain remains to have an adequate business environment and there is a lot of potential from the government to help

support and facilitate local e-businesses to emerge. Ahmed Al Balooshi (2009)

Currently, there are no statistics for Bahrain when it comes to e-tail. According to Nielsen, the global e-commerce sales will contribute to 13 percent of overall sales by end of 2010. Eric Schonfeld (2010) indicated that e-commerce sales in the U.S. will keep growing at a 10 percent compound annual growth rate and 11 percent in Europe through to 2014. There is a lot of room for improvement in tempting consumers to cross over between e-tail and retail. A lot of businesses in Bahrain adopt a Western style retailing, hence, try to imitate and copy those market trends in the US and EU. Still most business owners, retailers and even customers remain on brick-and-mortar approach when it comes to shopping. Despite that with the growth we see from the western market towards online retails, it is still safe to say that e-business is bound to materialize eventually in Bahrain. The researcher will attempt to prove this by showing the influential factors of online shoppers in the Hypothesis number 3 from the next section. From the results we can perhaps deduce that there is no dearth of e-buyers currently shopping online from international e-business sites in Bahrain.

### **Hypotheses**

The researcher has set out to measure the validity of three hypotheses. The attempt is to identify that the highest online shopping activity is not sustained within a specific age group and in which educational qualifications has no significant affect. In general we might look into the main constraints that make people engage in online shopping, but in a country such as Bahrain there are perhaps additional influential factors that differentiate it from comparing it to the rest of the world. In particular is the adoption of online shopping focused on specific age groups. The hypotheses can be described as follows:

H1: There is an acceptable degree of willingness among the general public of Bahrain to adopt online shopping

H2: Age is not a factor affecting the adoption of online shopping in Bahrain

### **Literature Review**

There has been a lot of research done on online shopping most of it focuses on technical or psychological factors. Yet, there is still a need for closer assessment on e-commerce in specific countries. Swinyard & S.Smith (2003) agree that academic literature for Internet shopping has not reached mature development. Most of the literature reviewed had no focus on Bahrain online shoppers which indicates that Bahrain market has no

major global significance towards online shopping trends. The most comprehensive related researches found were conducted for US, EU and some Southeast Asian nations due to the fact that the greatest percentages of online shoppers seem to come from such nations. Nielsen found that among internet users, the highest percentage shopping online is in South Korea, where 99% of those with internet access have used it to shop, followed by the UK (97%), Germany (97%), Japan (97%); the US is eighth, at 94%. In South Korea, 79% of these internet users have shopped in the past month, followed by the UK (76%) and Switzerland (67%); the US is at 57%. (Marketing Charts on Nielsen Research, 2008)

Today with the recent global financial crisis, many of the leading e-commerce countries are now facing a shifting trend as luring expectations of introducing additional costs from registration and taxation on online retailing are coming their way. Beijing Bureau of Industry and Commerce announced back in August 2008 that web stores hosted in China will have to comply with tax policy but this has yet to be enforced as no web store has been registered yet until February 2010. (People Daily News, 2010)

In a similar case, the US congress has been attempting to file a policy which will privilege all states to tax online shops since 2007. Executive Director of Shop.org, Scott Silverman highlighted that introducing such costs will hinder the growth of e-tail as it compromises the advantage it has over brick-and-mortar traditional approach in retail.

In the other hand, Bahrain seems to be on a different level (even though it has also been hit by the global financial crisis) however would prove to appeal as an ideal location for such research to be conducted revealing much more accurate results due to the following facts:

- Dynamic business development & high level government support
- Small yet diverse Population (people share a lot of commonalities and are easily reachable e.g. Bahrain 2010 census will be conducted in a very short time)

- Location & land size (affecting the ease of delivery and meeting customer satisfaction)
- Lifestyle (consumer expenditure is high and has a rising potential)
- Market and consumer needs (conducting business is open, safe and protected, competitive and challenging)

An interesting research which recognizes some statistics of online shoppers in the Middle East was conducted by Pew, Nielsen and Forrester; in their global online shopping survey they calculated that 35% of the Middle East online shopping community had made purchases online within the last month (December 2009).

Formerly when we talk about online shopping one would assume that online shoppers would be high capacity internet users and possess higher education levels such that they are more aware and more knowledgeable. In the context of this research the focus mainly revolves around the aspect that Bahrain online shoppers do not lie in a certain age group or having a certain level of educational background.

Looking at relevant researches we notice that the few who involve age groups as a factor to the willingness and adoption of online shopping. Swinyard and S. Smith suggest that online shoppers are younger, wealthier, better educated, have higher computer literacy, spend more time on their computer, spend more time on the internet, find online shopping to be easier and more entertaining and are more fearful of financial loss from online shopping. Though their study seems comprehensible, yet within their studied sample the average age was approximately 49 years and that three-quarters of all their respondents were household owners and are married.

Pew Research Center surveyed (results for December 2009) the US online marketplace and found that 65 percent of Americans who shop online come from the age bracket 30-49 and 70% are with at least a college education. A similar survey conducted on a global scale found that 56% of online shoppers are females and the average age of online shoppers is 42. Their research also concludes that the highest percentage of internet users that shop online are between the age of 33 and 44. There could be many reasons behind these figures. Online shoppers would appear to be more mature, more financially stable, and knowledgeable in some level just as Swinyard and S. Smith suggested. Parallel to that, Bigne (2005) claims that if we look closely at the demographic characteristics of the in-home shopper, in general, the higher the level of education, income, and occupation of

the head of the household, the more favorable the perception of non-store shopping. This can be applied to online shopping perception too. Still one could argue that age as a factor cannot be taken as a dependency in correlation to online shopping adoption. This is because countries around the world have different population growth and age group structure. For example Bahrain population pyramid indicates that the highest percentage of the population is to those of age group between 35 to 39 years where as in the US it is between 40 to 44 years. This differs from country to another and hence a consensus study needs to be conducted on each country separately.

### **Moving from Retail to e-tail**

To indicate that there is actually an increasing growth in Bahrain population in adopting online shopping there are few examples we can focus on. First of all, (Business Monitor International) BMI's Q210 Bahrain Retail Report forecasts that the country's retail sales will grow from an estimated US\$2.66bn in 2009 to US\$5.26bn by 2014. Key factors behind the forecast growth in Bahrain's retail sales are a favorable long-term economic outlook as mentioned earlier and the growing interest in Western styles of retailing and a steady rise in disposable income and consumer expenditure. Bahrain's nominal GDP in 2009 was US\$15.13bn, with that year's decline of 0.1% expected to turn into growth of 1.3% in 2010 as the economy begins to recover. Average annual GDP growth of 1.95% is predicted by BMI between 2009 and 2014. With the population forecast to increase from 1.01mn in 2009 to 1.09mn by 2014, GDP per capita is predicted to rise to US\$26,547. (Business Monitor International, 2010)

### **E-tail vs Traditional**

There are various reasons both for customers to either choose traditional over electronic retail or vice-versa. Some may argue that shopping online is more transparent while others insist that traditional retail gives a customer the full experience of shopping. Yet,

by understanding what Beynon-Davies, Falk, Louis K.; Sockel, Hy; Chen, Kuanchin, we know that the common factor for e-commerce to remain successful a business reputation needs to be maintained.

In Bahrain the e-tail market is still in its infant stage. It would take time for concepts of e-tailing to be adopted by e-businesses here. To understand where it stands the researcher compares the brick and mortar approach with few real life examples of e-businesses in Bahrain:

### **Brick & Mortar**

Bahrain market is different to others within the GCC. It is much more competitive and challenging when it comes to retail. There are many factors that play a role in this, perhaps it is the size of the country or the population density and diversity. The mall-to-human ratio in Bahrain surely challenges even the most shopaholic of nations. The mall concept has been developed such that it provides a satisfaction pleasure to customers and ensures a successful experience to retailers. Retail sub-sectors that are predicted to show strong growth over the forecast period include automotives, with sales forecast to rise by more than 20% during the forecast period, from US\$0.86bn in 2009 to US\$1.03bn by 2014. Sales of consumer electronics are predicted to increase from US\$0.44bn in 2009 to US\$0.55bn by the end of the forecast period, a rise of 25%. Over the counter (OTC) pharmaceutical sales are expected to increase by almost 20%, from US\$0.013bn in 2009 to US\$0.015bn by 2014. Bahrain's retail sector is booming and is expected to contribute largely to the kingdom's gross domestic product in the future. (Business Monitor International, 2010)

### **Moving towards online shopping**

There are many challenges facing the adoption of online shopping in Bahrain. E-businesses are not very fond and comfortable with adaptation of the available payment systems provided from financial institutions and banks in Bahrain. Yet, the government has taken the initiative to impose it and use it publicly. People in Bahrain are aware of transaction facilities offered by available credit cards. But they remain a bit dubious with using credit cards comfortably for online payment systems. Hence, different payment options are made available. Perhaps cash on delivery and online banking can give a lot of assurances. From that perspective we tend to see many people using international online financial services such as PayPal which can also be adapted as a form of payment in a localized e-tail shop. One interesting e-business currently functioning in Bahrain is Communication Channels (com-

channels.com) which sells computer peripheral, network equipment and photography gear. Their service is slowly yet efficiently providing customers the experience of online shopping. Perhaps their web site is still in a premature state compared with global e-business enterprises such as amazon.com, but the fact that Communication Channels provides a localized online shopping experience to its customers gives some hope. Since its launch in October 2009, its Bahraini founder Ammar Al Haiky is still working hard to establish the security gateways with BBK's CrediMax Online Payment Services. Today Communication Channels sells to customers from all around the GCC with most of its customers coming from Saudi Arabia.

From another perspective Bahrain e-government portal (Bahrain.bh) has opened a new channel of facilitation to the citizens of Bahrain. The portal provides over 120 services including the electricity of water bill payment service, payment of traffic violations and renewing vehicle registrations. Since its inception (May 2007), the e-Government Portal has registered over 21 million visits (April 2010), processed over 180,000 financial transactions at a total value of BD 11,926,067. To further expand and facilitate the e-government services for all citizens (customers), the government has established a network of kiosk gateways all over the island. It has fully standardized its web site policies and processes while continuously running auditing and security checks to assure citizens that using the e-government is safe and secure. Of course citizens can still go through traditional channels, but the portal provides a unique and comprehensive experience that is less time consuming and very efficient.

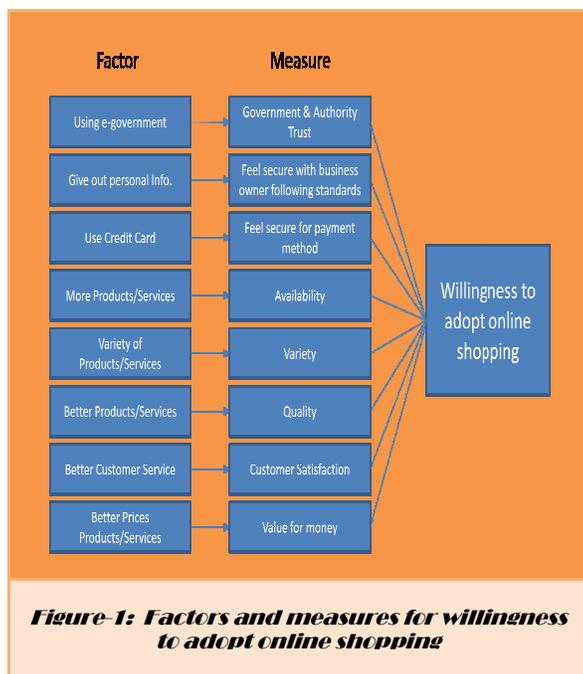
In another case, due to the global downturn a lot of businesses have defaulted. Many had to close their businesses to pay off expenses and loans. Conducted a quick survey on DVD rental shops around Bahrain revealed how comprehensive this issue has reached as many of them had to close in a very short time during 2009. Worst, it has become a pastime trend to Bahrain lifestyle to go to rental shops.

In spite of that an e-business called (Film2Go.net) which uses the Internet to provide DVD rentals at ease in Bahrain still stands. This is a good example of online shopping for Bahrainis, thus, Film2Go seems to be in the business of convenience. Hasan Haidar, one of the key founders agrees that the key advantage of the service is the delivery system at its heart. It is much easier to search for a movie title online rather than digging through hundreds while looking at DVD cases. Hasan believes that there is a significant opportunity in providing convenient, easy to use and great value service using the internet as the primary medium for interaction here in Bahrain. A lot of Bahrainis already use online service heavily such as Amazon, eBay and Google, and it should be even more convenient for them to use a locally based service. Our region is significantly behind the rest of the world in the development of locally based e-commerce services for consumers. We are hoping that this is just the first step in a greater leap towards harnessing the capabilities of the online world for our region. Bahrain has the skills and ambition to lead the rest of the region in the development of locally based online services.

### **Research Method**

The research uses a quantitative approach in which a digital online form was created using Google Documents in a questionnaire style. The link was then shared and publicized to Bahraini's through email channels targeting different working sectors as well as posting it on discussion forms and different society groups. Once a subject would answer the questionnaire the raw data will automatically be logged in a spreadsheet which can be only accessed and downloaded by the researcher. Since the questionnaire form was to be submitted online it guaranteed two things. First of all it targeted people who have internet access even though they are not necessarily considered online shoppers. Secondly, the collection of data will be done automatically, efficiently and that there won't be any loss of data as all questions need to be answered before submitting.

The first part of the questionnaire was related to demographic details while making sure to include a breakdown for the age groups and a break down for the education background. The second part of the questionnaire was designed to measure the subject's willingness to adopt online shopping. Eight questions resembled eight willingness factors and can be summarized from the diagram below:



Willingness will be combined into a hypothesis (W1) or H1 in this case.

The questionnaire yielded 97 responses in total during a one week collection period.

**Results**

The population demographics indicate that the majority of the sample (56.7%) is male. Most of the sample came from either Banking & Finance (21.6%) or Information Technology (18.6%) sectors. This is perhaps why it is noticed that (68%) of the sample actually use online banking and that more than (80%) are comfortable in using a credit card for shopping online with a trusted website. When asked how much they use the internet the majority (67%) indicated that they use it more than 3 hours a day. The main purpose of the internet usage goes to reading emails (40.2%) while only (3.1%) indicated that they use the internet mainly for online shopping.

Most of the sample (61.9%) came from the age group (20 to 29 years). The age breakdown was compressed to four groups as the highest group (50 or above) only had two

records, therefore it was combined with (40 to 49) and renames (40 or above).

Based on the methodology a new computer value is calculated to indicate the willingness variable. This is done by combining the results for the last eight questions.

Table 1 shows a cross tabulation for the breakdown of Age based on gender:

**Table1: Age & Sex Cross Tabulation**

			Sex		Total
			Male	Female	
Age	20 or below	Count	4	3	7
		% of Total	4.1%	3.1%	7.2%
	21 to 29	Count	28	32	60
		% of Total	28.9%	33.0%	61.9%
	30 to 39	Count	16	6	22
		% of Total	16.5%	6.2%	22.7%
	40 or above	Count	7	1	8
		% of Total	7.2%	1.0%	8.2%
Total	Count	55	42	97	
	% of Total	56.7%	43.3%	100.0%	

**Analysis**

To investigate the willingness of the sample in adopting online shopping we had to combine the results of the last eight questions in to a hypothesis H1. We use a One Sample T-Test analysis to get the statistics in Table 2:

**Table 2: One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
W1	97	3.8595	0.53316	0.05413

We can see from Table 2 that H1 was supported as the data indicate from the T-test analysis that there is a high degree of acceptance and willingness from people to adopt online shopping. This is shown clearly by the

mean=3.85 which is greater than 3 and the standard deviation=0.5332

Table 3: One-Sample Test

Test Value = 3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
W1	15.878	96	0.000	0.85954	0.7521	0.9670

From Table 3 we identify that t-test value is (15.878) is greater than the t-table value (3.177) at degree of freedom 96. Also Sig. value is (0.000) hence we conclude that H1 is acceptable.

To investigate the relationship between age and willingness purchase online, the last two age groups were collapsed because of the small number of individuals in these groups. The willingness variable was obtained by adding up scores on the eight relevant questions. One-way ANOVA was used to compare the means of the four age groups on the willingness variable. Table 4 shows the mean and standard deviation of the four groups on this variable.

Table 4: The mean and standard deviation of the willingness variable according to age

	N	Mean	Std. Deviation
20 or below	7	32.29	5.99
21 to 29	60	30.68	4.14
30 to 39	22	31.05	4.50
40 to 49	8	30.63	3.29
Total	97	30.88	4.27

According to this table the means of the groups were fairly close. The largest mean difference was 1.66, which is not large when compared with the standard deviation of the last group whose mean was the smallest. The ANOVA results were consistent with the above results.

Table 5: ANOVA for Willingness mean differences as per the Age

	Sum of Squares	df	Mean Square	F	Sig.
B/W Groups	17.274	3	5.758	.310	.818
Within Groups	1729.241	93	18.594		
Total	1746.515	96			

As table 5 indicates, the mean differences were not statistically significant. It can thus be concluded that H2 is acceptable as the age groups were not different with regard to willingness to make online purchases.

**Discussion and Conclusion**

Based on the results and analysis of the questionnaire it is safe to conclude that there is actually a high growth of online shopping adopted in Bahrain. Most of the people are in fact utilizing online banking facilities. Furthermore, with the examples mentioned of Bahrain government promoting e-tail as well as several online businesses starting in personal and small businesses there is no doubt that a large sum of the population of Bahrain would gradually start considering more of online shopping. There is no doubt that brick & mortar retail will still be the favorable approach in Bahrain. Regardless of that on a more personal level, people in Bahrain are high capacity internet users in average as this can be concluded from the research results and the results from ITU (People Daily News, 2010). Even when it comes to traditional retail the study from BMI stated that the age range crucial for traditional retail sales is between 20 and 44 even though it mentioned that this is falling. This would indicate that even with retail there is no specific age group is in the lead. The main argument here is due to the fact that there will always be a specific age group which tends to be the highest

online shoppers in a specific country due to how the population demographics are made. In conclusion the results provide an optimistic overview on the growth of online shopping adoption trend in Bahrain. A lot of the individuals are already using online banking. Even more are optimistic and willing to use an e-government portal to pay for bills and services. This shows that people in general are comfortable to adopt e-commerce when it is supported and protected by government. Also in contradiction to international studies [12] with age groups adopting online shopping, age groups in Bahrain are almost identical in their approach towards using e-commerce.

## Reference

- Bahrain. [Online] Available: <http://www.ameinfo.com/220874.html> (August 13, 2010)
- V. World Economic Forum (2009-2010). The Global Information Technology Report. [Online] Available: <http://www.weforum.org/pdf/GITR10/TheNetworkedReadinessIndexRankings.pdf> (August 13, 2010)
- VI. Ahmed Al Balooshi, Bahrain Internet Society Chairman, (2009). Bahrain Internet Speed Ranking. [Online] Available: <http://internetbh.wordpress.com/2009/07/09/bahrain-internet-speed-ranking/> (August 13, 2010)
- VII. Eric Schonfeld. (2010). Forrester Forecast: Online Retail Sales Will Grow To \$250 Billion by 2014. [Online] Available: <http://techcrunch.com/2010/03/08/forrester-forecast-online-retail-sales-will-grow-to-250-billion-by-2014/> (August 13, 2010)
- VIII. [12] Swinyard, William, Smith, Scott, (2003). Why People (Don't) Shop Online: A Lifestyle Study of the Internet Consumer. Research Group, Brigham Young University, United States. [Online] Available: <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=10146453&site=ehost-live> (August 15, 2010)
- IX. People Daily News, China. Online shops facing registration, taxation. (2010). [Online] Available: <http://english.peopledaily.com.cn/90001/90778/90860/6883574.html> (July 13, 2010)
- X. Ryan Gibson on Scott Silverman, Executive Director of Shop.org, (May 2008). Eight Important Online Retail (and Marketing) Policy Issues. [Online] Available: <http://www.rimmkaufman.com/rkgblog/2008/05/28/online-policy-issues/> (August 10, 2010)
- XI. Bigne, Enrique.(2005) The Impact of Internet User Shopping Patterns and Demographics on Consumer Mobile Buying Behaviour. Journal of Electronic Commerce Research. Vol.6, PP. 3.
- i. Marketing Charts on Nielsen Research (29 January, 2008). Over 875 Million Consumers Have Shopped Online - The Number of Internet Shoppers Up 40% in Two Years. [Online] Available: <http://www.marketingcharts.com/direct/875mm-consumers-have-shopped-online-up-40-in-two-years-3225/> (July 17, 2010)
- I. Celent Report: Figures published by Celent.net (2006). [Online] Available: <http://reports.celent.com/PressReleases/20060525/OnlinePayments.htm> (July 11, 2010)
- II. Amy Glass. (2008). UAE tops Arab consumer spending. [Online] Available: <http://www.arabianbusiness.com/507709-uae-tops-consumer-spending-study> (August 12, 2010)
- III. Business Monitor International (BMI). Bahrain Retail Report Q2 2010, (March 2010), Page: 55. [Online] Available: [http://www.researchandmarkets.com/research/913386/bahrain\\_retail\\_rep](http://www.researchandmarkets.com/research/913386/bahrain_retail_rep) (August 13, 2010)
- IV. AMEINFO, Gulf e-Commerce Forum 2010 PRESS RELEASE, (Tuesday, January 12 – 2010) "Bahrain is ranked in first position for Arab Gulf countries, third for Asia, and thirteenth at the world level for e-government".



<http://www.karamsociety.org>