An exploratory study on e-tailing in United Arab Emirates

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ABSTRACT

The advent of the internet has dramatically changed the retail landscape. Online shopping is a thriving market, it is assumed that retail e-commerce sales worldwide will be doubled between 2016 and 2020. Online purchases or e-tailing has been increasing annually since last several years, but it accounts a small percentage of total retail sales. With the potential for growth being relatively unlimited in e-tailing mode, many online businesses have emerged during the recent past. Today, the conventional retailers are questioning whether their current brick and mortar business model will continue to be successful or to meet the new challenges they should adapt to click and brick model i.e. adding the e-tailing mode to their conventional physical store model. They found that e-tailing has already evolved and accepted at large in many developed countries but the culture of e-tailing is yet at its infancy in the developing countries and regions like Middle East. The purpose of this paper is to examine the nature and scope of online business (e-tailing) in United Arab Emirates; with special reference to Dubai- a world-class destination for retailers and shoppers.

Contribution/ Originality
This study explores the behaviour of U.A.E. based shoppers and assesses their attitude towards online shopping mode. Not much of such studies are done in this region and this study is an attempt to fill this gap. Results of the study will be very helpful to retailers who want to attract shoppers to their web stores for booking more sales and increasing revenue thru online mode.

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1. INTRODUCTION

E-tailing is defined as the sale of goods and services through the internet (Shekar, 2015). The retailing conducted online, over the internet is called as electronic retailing or e-tailing. E-tailing includes B2B (Dell), B2C (Dell, Amazon) and C2C (e-bay). E-tailing is considered as one of the fastest growing retailing forms taking convenience to an entire new level where a shopper can make a purchase from anywhere at any time, regardless to the nature of the product and the distance from the marketer or retailer. Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the internet. An online shop, e-shop, e-store, internet shop, web-shop, web-store, online store, or virtual store; are a few common names analogous to online formats for shopping. These days online retailing is attracting many customers in many countries and in many cases like Dell Computers, Amazon.com and e-bay have already established a remarkable success and a worldwide popularity. With the invention of new and advanced technology of Internet, many retailers have now moved towards the e-tailing. Many of the retailers who perform their businesses primarily through physical stores, in addition have now added this new format of e-tailing in their operations. For example, Dell, Apple and many more companies serve their customers through both the modes i.e. the physical stores and online stores.

As per the study conducted by McKinsey in 2003, shoppers shopped more from those retailers who practice click and brick model instead of having only the click model. According to Neilson Company, in 2008 over 850 million consumers have shopped online – the number of internet shoppers up 40% in two years; and 85 percent of internet users have made purchases online. According to an April 2017 survey, 40 percent of internet users in U.S. stated that they purchased many items online at several times per month, and 20 percent said that they purchased online on weekly basis. In a study, McKinsey analyzed the 100 largest direct retailers in North America and found that direct retailers with physical stores captured 52 percent of Internet sales in 2003, while those without stores garnered just 31 percent. According to McKinsey, e-tailing has come a long way since the go-go years of the 1990s: it generated $90 billion in revenues for US retailers in 2004, compared with just $8 billion in 1998. It clearly indicates that e-tailing has come a long way since the go-go years of the 1990s. With the potential for growth being relatively unlimited in e-tailing mode, many online businesses have emerged during the recent past. It is seen these days that internet-savvy buyers are spending lot of their time in researching products and services online and reading online reviews in order to get best deal and a wise decision.

Today e-tailing is one of the fastest, cheapest and easiest ways to reach the consumers provided they are adequately exposed to the techniques in vogue (Dave et al., 2008). This increasing interest of shoppers has spawned a new type of business, void of bricks and mortar, called online retailers or e-tailers. With this business type in its relative infancy, successful operational processes and strategies have been relatively limited. While exact figures are nearly impossible to calculate, experts have estimated between 65 percent of online business fail in their first 18 months and 90 percent in their first five years (Harry, 2006). With such bleak success rate, it's highly important for retailers to understand shoppers' concerns and response towards their online format of retailing and must continually examine their e-tailing processes and practices to build and maintain a strong binding of trust and confidence with their online shoppers.

As per the statistics (https://www.statista.com/statistics/272391/us-retail-e-commerce-sales-forecast/) online retail sales in U.S. during the year 2016 was worth 360.3 billion US dollars and is projected to surpass 603.4 billion US dollars in 2021. Surprisingly United States rank behind many countries in terms of online retail sales as percentage of total retail sales. In 2016 almost one fifth (20%) of China's retail sales occurred via online mode compared to only 8.1 % in the United States. The UK, South Korea, and Denmark are also ahead of the U.S. in terms of share of online retail sales in the total retail sales.

E-tailing has already evolved and accepted at large in many developed countries such as United States, U.K. and Europe; but in many Asian countries, it is still in the evolving phase. Dubai mainly famous

as a tourist destination and is mainly considered as a shopping attraction place in the United Arab Emirates and in the whole Middle East, offers customers a wide variety of retail outlets mainly located within the super markets and huge shopping malls; but the culture of e-tailing is yet at its infancy. Some of the examples of online retailers in U.A.E are boutique1.com, ellamart.com, brownbag.ae, emiratesavenue.com, nahel.com, Souq.com, Dubizzle.com, Daylili.com, Ikea.com and Namshi.com; but how customers respond to online buying is yet to be checked.

The present study is aimed with the basic objective of knowing the shoppers' attitude towards e-tailing in UAE and what are the future prospects of this retail format in UAE. In order to get more accurate results, the main objective of this research is divided into very specific contexts which all explores the concept of e-tailing in U.A.E at the final point. One particular concept to examine is to find out the current attitude of the U.A.E population towards online shopping on U.A.E based web stores. Furthermore, it is vital to identify what this population looks to buy in general and specify which category of products they are mostly interested in. The other area to look at is to find out what commonly motivates the customers to go online and buy their preferred items instead of going to a physical shop. Finally, to discover how a typical online retailer performs in U.A.E in terms of security, costs, product offerings, and attracting customers. The final stage includes an analysis of the information and findings, hence a more in depth look at the whole issue. Therefore, a conclusion can be drawn to foresee the future of e-tailing in the UAE and how to succeed in this particular field.

2. LITERATURE REVIEW

2.1. E-tailing - adoption, requirements and attitudes

Ahead of television or catalogue shopping, Internet shopping, otherwise known as e-tailing or e-shopping, represents the most rapidly emerging form of non-store retailing today (Kennedy and Coughlan, 2006). Current advancements and innovations within the field of non-store retailing have drastically escalated the pressures of competition endured by many traditional, store retailers (Kennedy and Coughlan, 2006). Pure e-tailers (e.g. Amazon), in particular, which lack physical stores and promote and sell directly to customers via the Internet, pose a continual threat to traditional, store retailers by quickly penetrating global markets and seizing significant amounts of market share (Kennedy and Coughlan, 2006). Thus, the growing need for many traditional store retailers to incorporate e-tailing into their business becomes apparent. E-commerce statistics confirm the explosive pace at which this industry has developed as worldwide B2C e-commerce sales amounted to more than 1.2 trillion US dollars in 2013. According to popular e-commerce market data, US-founded Amazon is one of the leading e-commerce platforms worldwide. Asian competitors such as Rakuten or Alibaba are also constantly expanding their share within the B2C e-commerce market. (source: https://www.statista.com/markets/413/e-commerce).

"The Middle East is essentially the fastest growing hub for online businesses. From Gucci, Versace, LV and other designer wear, to SUVs and Super Cars such Lamborghini, Bugatti or Ferrari, everything is now just a click away to be next to your doorstep. In 2015 we witnessed the Ecommerce industry set its new benchmarks in the Middle East with juiced up online sales that hit the $15 billion mark, a figure that was never anticipated to achieve. However, it did happen and from the 4.44 million shoppers in the region, almost everyone contributed even to the smallest fractions" (https://www.fmeextensions.ae/blog/ecommerce-sites-uae-middle-east-dubai).

It is argued that non-traditional, multi-channel retailing is essential to the continued growth and success of businesses associated to the retail industry, both domestic and global (Kennedy and Coughlan, 2006). Whereas, instead of competing directly with the Internet, retail businesses should encompass it within their overall retail strategies by utilizing a combination of both "online and offline activity through a bricks and clicks approach" (Kennedy and Coughlan, 2006). In other words, retail businesses should engage in both traditional and e-tailing services simultaneously. However, this is easier said than done and, in fact, many established retail businesses experience varying degrees of

difficulty in transitioning themselves toward a multi-channel retailing environment (Kennedy and Coughlan, 2006).

The quick expansion of the Internet has enabled several organizations to utilize e-tailing to extend their markets and improve operational performance (Chen *et al.,* 2004). Thus, it is worthy to note why e-tailing positively impacts certain types of business more so than others, and which factors specifically impact their financial performance with regard to e-tailing.

Many reasons as to why discrepancies in profit associated to the use of e-tailing exist amongst different types of business. However, researchers argue that the most significant of these is the "industry-technology fit" theory, which states that the nature of the business determines the degree to which e-tailing is feasible and advantageous (Chen *et al*., 2004). In other words, the types of business whose characteristics are more suited to the adoption of e-tailing are expected to gain much more from it compared to those that have a poor fit.

Aside from the pressures of rival competition, Chen *et al*. (2004) describe two additional theories as to why retail businesses would adopt e-tailing. The first of these is called the "product fitness" theory, which states that retail businesses are more likely to utilize e-tailing if their products are "easily digitized", thus better suited to marketing and sale via the Internet, or if customers require a great deal of information regarding their attributes and/or use (Chen *et al*., 2004). The second is called the "transaction cost" theory, which states that e-tailing is more likely to be adopted if via its use, retail businesses are able to reduce product and transactions costs, thus enhancing their overall value (Chen *et al*., 2004).

Several requirements are involved in the implementation or foundation of online retail business. These generally revolve around having "viable business models, effective supply chain management, secure transactions, good website design, quality order fulfillment, and clear customer focus" (Rajan *et al.,* 2003).

In terms of computing, the most fundamental software necessary to facilitate e-tailing includes "a point of sale program, shipping software, and other electronic warehouse and fund transferring systems" (March and Ngai, 2006). According to them, it is, in fact, an organization's "technical resource competence" that ultimately decides whether or not it is capable of establishing online retail. "Firms which have the technical infrastructure and manpower are more ready for the adoption of e-tailing" (March and Ngai, 2006).

Contemporary research in e-tailing generally places a great deal of emphasis upon specific factors which directly impact quality. Such factors, which serve as necessities to successful e-tailing, include "website performance, features, structure, aesthetics, reliability, storage capability, serviceability, security, trust, responsiveness, product differentiation and customization, policies, reputation, assurance, and empathy (Rajan *et al*., 2003). Others mention factors such as "purchasing process, payment methods, delivery time and charge, speed of loading, timeliness of information, presence of search engines, and translation into multiple languages" as being of great importance as well (Rajan *et al*., 2003).

According to Brown (1987) consumers incur monetary (price) and non-monetary costs (time, energy and psychic) in making purchases and this online shopping mode offers consumers ease and convenience, freed from physical market location and other constraints linked with brick-and-mortar model of shopping. As per Rao (1999) retailers offering online shopping mode to consumers gain the advantage of wider market access and reducing the operating and procurement costs; which in turn offers better knowledge on offerings to consumers with a price advantage over competitive offerings. These views are quite similar to the views of Ratchford *et al*. (2001), who state that through internet, shoppers may gather information about various competitive offers and compare the offerings across

retailers at a low cost. They may gain enough knowledge about offerings and can easily find a low price for the specific product or service.

"From the retailer's point of view, technology is providing a platform for achieving competitive advantage" (Dave et al., 2008). Retailers are able to use latest and superior technologies in increasing productivity, reducing costs and improving overall customer shopping interactions and experiences. According to Lubis (2018) due to stable and faster internet presence, distance between retailer and buyer becomes meaningless. Communication and trade can occur in a short time without any significant pause. Due to new technologies information flows very fast and can reach to targeted market throughout the globe in a very short time.

Quality of information is particularly important to products that are entirely digital, as well as "information-augmented" products where, as mentioned before, customers require a great deal of information regarding their attributes and/or use (Miller, 2005). With both types of products, the overall, online shopping experience is likely to be negatively impacted if the quality of the information provided concerning them is perceived by customers to be sub-standard (Miller, 2005).

Additionally, Miller (2005) mentions that factors such as speed and reach, in particular, exemplify the environment for e-tailing. These factors affect the quality of information provided by impacting upon attributes such as "timeliness, completeness, and context" (Miller, 2005). Furthermore, Miller (2005) goes on to state that speed and reach have transformed the "inter-organizational dynamic regarding innovation". Generally speaking, before the introduction of the Internet, it was more difficult and took considerably more time for an organization to duplicate another's innovations in terms of products or product enhancements, as a result of barriers associated to "information access, product development, and customer response" (Miller, 2005). The same may be applied to the retail business. However, subsequent to the introduction of the Internet, aspects such as "website enhancements and new business practices" have become readily available and require much less effort to imitate (Miller, 2005). Developers of e-tailing websites may now obtain from other retail businesses what once took months or years, in matter of weeks, days or hours. "This altered landscape has affected information quality and its relationship to business success" (Miller, 2005).

Perotti et al. (2005) state that, similarly to traditional shoppers, online shoppers fall within two categories: those who shop as a means of enjoyment or entertainment (i.e. hedonic shoppers), and those who shop to fulfill a specific goal (i.e. goal-oriented shoppers). "Hedonic shoppers are motivated by their involvement with a class of product that directs their browsing of the Internet through to auction sites and visits to hobby-related sites" (Perotti et al., 2005). In other words, hedonic shoppers have need for a "product-specific online shopping experiences" (Perotti et al., 2005). Perotti et al. (2005) go on to state that, on the other hand, goal-oriented shoppers are driven by certain attributes associated to e-tailing, such as convenience, greater availability of information, greater range of products, and the means to control their online shopping experiences themselves. Additionally, others have mentioned motivational factors toward shopping online that include "social escapism, transaction security and privacy, information, interactive control, socialization, non-transactional privacy, and economic motivation" (Perotti et al., 2005).

Alternatively, attitudes toward shopping online are negatively impacted by certain, generally perceived risks: product category risk and financial risk (Perotti et al., 2005). While as financial risk refers to the dangers of providing one's financial details over the Internet, product category risk concerns products that are priced highly and/or are technologically intricate. When determining who is more likely to purchase via the Internet, researchers' results and opinions are mixed. While some argue that this is based upon certain demographic factors (e.g. age, income, education, etc.), others feel as though such factors are not nearly as significant as one's attitude toward technology (Perotti et al., 2005). Additionally, Perotti et al. (2005) go on to mention that older users of the Internet generally prefer to shop online more so than younger users, even though younger users report greater hedonic and utilitarian advantages associated with it.

2.2. Advantages and disadvantages of e-tailing

From all the varied aspects of change in the internet age, the most popular and highly welcomed change by the marketing community today is the online shopping behaviour (Bourlakis *et al.,* 2008). According to Kennedy and Coughlan (2006), the process of transitioning a traditional retail business toward a multi-channel retailing environment poses benefits for both the organization, as well as its customers. In terms of the organization, benefits derive mainly from the relative ease with which they are able to carry-over their existing customer base toward the new, online retail environment, and utilize pre-existing retail networks and distribution channels (Kennedy and Coughlan, 2006). In terms of customers, benefits derive mainly from the fact that they would continue to deal with what they may have always perceived to be a trustworthy, reliable, and reputable organization, while additionally enjoying the positive aspects of shopping online (Kennedy and Coughlan, 2006). Thus, the potential exists for well-established retail businesses to leverage their brand equity onto the Internet and reduce costs, especially those that concern the acquisition of new customers.

According to study conducted by Shanthi and Kannaiah (2015) although many consumers are surfing on internet and are switching to online stores, still majority of the shoppers choose to shop directly at the traditional shopping places. Lubis *et al.* (2017) found that consumer preferences for shopping methods depends on individual's likes and dislikes for a particular mode of shopping and is not related to consumers' purchasing power. Still many researchers believe that the implementation of online retail into one's business would, in turn, compliment their business of traditional retail financially (March and Ngai, 2006). In line with this, Kennedy and Coughlan (2006) state that "selling through existing physical stores and through Internet channels allows retailers to leverage the strengths of each channel with stores and websites working well together, and so increasing the sales of both." Kennedy and Coughlan (2006) go on to mention that this may be partly attributed to the fact that many shoppers search for product information on the Internet, because of its easy access and comprehensiveness, with the intention of making their purchase in a traditional retail setting. Alternatively, customers with the intention of purchasing online (e.g. due to lower prices) may wish to examine a product in a traditional retail setting first-hand prior to making their purchase decision (Kennedy and Coughlan, 2006).

Furthermore, Kennedy and Coughlan (2006) state that by utilizing the Internet, retail businesses are able to enhance the value of their current operations by expanding their range of products, or by associating themselves with other retailers, suppliers, products or services, for example. The latter often results in what are referred to as an online shopping portal (e.g. Buy4Now), where separate retail businesses enter into a joint-venture, combining their skills and capabilities to create a "one-stop" shopping website that boosts customer experience and generates much traffic (Kennedy and Coughlan, 2006). However, the main advantage of online shopping portals is that they allow for retail businesses to have access to other businesses' customers through heightened exposure (Kennedy and Coughlan, 2006). In many cases, shoppers may visit an online shopping portal with the intent of make a specific purchase from a single retail business, only to result in making multiple unplanned purchases from several other businesses (Kennedy and Coughlan, 2006). Wang *et al.* (2005) states that online stores have become a fun place for consumers available 24/7. Access to online system makes it easy to communicate and approach customers (Katawetawaraks and Wang, 2013). Other benefits toward the adoption of e-tailing include the ability for customers to personalize or customize their products, the ability for retail business to access customers that are beyond their physical stores, and the general improvement to a business's perceived image or position (March and Ngai, 2006).

According to Lubis (2018) "Attendance of online shops provides various facilities in the aspects of buying and selling." Shoppers have easy access to information, may assess competitive advantages and disadvantages of each alternative option available to them for their specific requirement and choosing the best option among the product range and available shopping modes. Shoppers can decide wisely whether buying online will be a better option or should they go and buy from the traditional physical shop. "The conveniences offered by online stores to consumers make online shopping grows rapidly, reaching even 231% in 2007" (Rose *et al.,* 2011).

On the other hand, a number of potential drawbacks are common with the adoption of e-tailing. Kennedy and Coughlan (2006) state that "the move to internet retail operations is shrouded in uncertainty for firms in terms of consumer demand, unproven business models, high costs of staying abreast with technology, a fragmented online market space, and fierce competition for consumer traffic." Aside from competitive pressures, March and Ngai (2006) mention that channel conflicts may also arise as a matter of concern. "Channel conflict refers to the frequency, intensity, and duration of disagreements between a firm and its channel partners or intermediaries" (March and Ngai, 2006). Channel conflicts are liable to cause reprisal or uncooperative conduct from channel entities, which, according to March and Ngai (2006), would likely restrain retail businesses in their efforts to transition toward a multi-channel retailing environment.

In addition, Kennedy and Coughlan (2006) state that the actual delivery of products purchased via the Internet to customers is a cumbersome challenge for many online retail businesses. The issue with product delivery lies in the fact that the transportation of products within an online retail setting poses added costs toward retail businesses. While in a traditional retail setting, transportation is usually handled by customers themselves, thereby eliminating such costs. In order to compensate for product delivery costs, most online retail businesses charge customers a small delivery fee (Kennedy and Coughlan, 2006). However, in most cases, this involves outsourcing the task of delivery to a third-party: a process which, according to Kennedy and Coughlan (2006), may be difficult and require extra effort to manage. Also, with regard to the issue of product delivery, Kennedy and Coughlan (2006) state that "customer loyalty and retention is seen as the cornerstone of effective logistics, as the logistical costs of serving occasional customers' needs is substantially higher than those of serving the continuous needs of permanent customers."

However, according to McCrohan (2003), concern over security is the most dominating issue. McCrohan (2003) also states that both customers and retail businesses, alike, often question the safety of transacting via the Internet. Customers, especially, face the threat of having their personal and/or financial details stolen and duplicated by "cyber-criminals" each time they make an online purchase (McCrohan, 2003). Furthermore, McCrohan (2003) mentions that according to research conducted within the US, approximately two-thirds of American citizens doubt the safety of providing such details over the Internet, and feel as though existing security measures are insufficient in thoroughly protecting against online theft. Nugroho *et al.,* (2017) found that many online stores ask prospective shoppers to enter their credit card information on their web store page, which is very confidential and should not be shared with anyone.

"The reality appears to be that market forces will continue to fuel the rapid expansion of e-tailing, regardless of concerns over security. Additionally, it is difficult to encourage private sector investment in security solutions in the absence of a clear relationship between security and profitability, or a major commercial catastrophe" (McCrohan, 2003). A good online store must include third party security on its site. Lubis *et al.* (2017) argue that beliefs can moderate shoppers' behaviours leading to forming positive attitudes and gaining person's loyalty. Traditional way of shopping and modern way of online shopping both the modes have pros and cons, advantages and disadvantages. It is the sole discretion of shopper based on his /her own analysis of pros and cons of each mode of shopping for every individual need they decide what to buy online and when to go to physical store for shopping.

3. METHODOLOGY

Nature of the study is Exploratory in nature, both Primary and Secondary data has been used in the study. Primary data is collected by executing an online survey with the subjects. The online customer survey has been done on one hundred and twenty subjects as most statisticians agree that the minimum sample size to get any kind of meaningful result in an exploratory study should be 100. Subjects for the study were generated through social networking websites such as Face Book, email and forums all over U.A.E., as face-to-face (personal surveys) are not permitted in U.A.E. The survey questionnaire had twelve questions, which were straight, simple, to-the-point and easily understandable by the

participants. The participants were provided with multiple alternatives for eleven questions and for the last optional question they were asked to give an example of an online retail business in the UAE with which they are familiar with. It was ensured that participants could participate only once in the survey and the multiple response inquiry was not possible by the same respondent. Collected data has been analyzed by using appropriate statistical methods and has been represented through   pie charts and bar diagrams to conclude the findings and interpreting the results.

3.1. Major findings and results

When asked if the participants have ever purchased goods and services online, 54% replied that they have shopped online, followed by 21% who mentioned that they have never shopped online, while 20% said they were online shopaholics. These findings reflect that in general people in U.A.E. have an experience of online shopping, and around 21% have never had this experience before (Figure 1). By examining Figure 2, we may observe that 61% of the respondents have never shopped from the U.A.E websites, whereas 18% have shopped online a few times, and 16% saying once only; while 5% mentioned they were shopaholics on U.A.E websites. Below given comparative analysis of above findings (as shown in Figure 1 and Figure 2) clearly reflects that people have more liking and trust for the global web stores as compared to UAE based web stores.
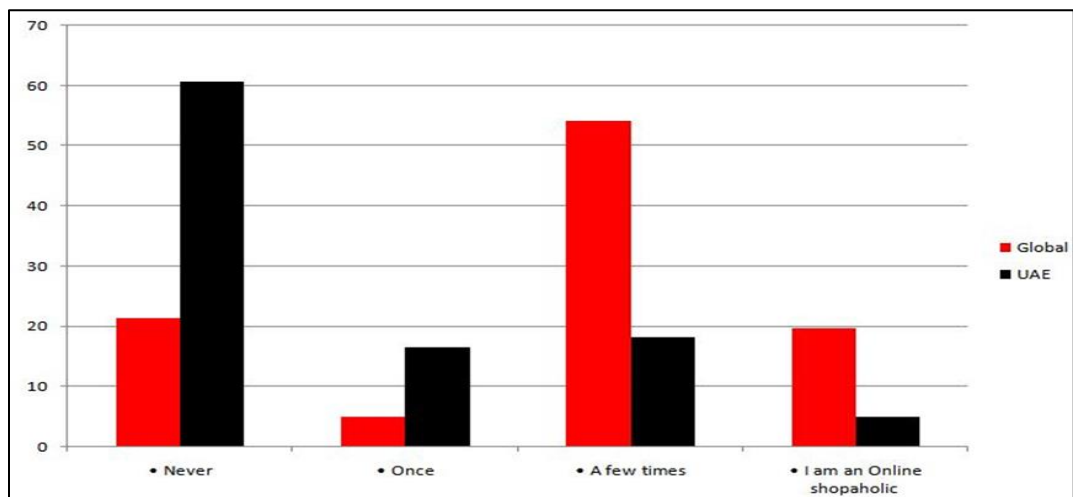
Further it is found in the study that mainly the shoppers go online because of convenience (36%), variety (25%) and price (23%). This shows that all these three aspects are important to customers while shopping online (Figure 3). When asked why shoppers hesitate to go online it was found that the majority are concerned with shipping costs (33%) or need to examine the product first (29%) or being concerned with security measures (28%). Only a mere 10% had issues with the payment terms (Figure 4). This shows that the three major issues (the shipping costs, examining the product and security) are all relatively important to shoppers and need to be examined thoroughly. Findings of the study reflect (Figure 5) that majority of the respondents (84%) buy only from trusted websites.

Figure 6 outlines that if the price offered by the online retailers are found competitive and reasonable, customers would prefer to buy online (44%). 35% of the respondents answer that the security is a major concern for them and they will buy if they are guaranteed for security measures. 16% of the respondents showed interest in the after sale service and only 5% said they found free shipping as an incentive to buy from U.A.E web sites. When asked whether the respondents trusted a brick and click business rather than stand-alone web site; 74% responded positively and only 26% responded with negative reply (Figure 7). This shows that a business that already have physical retail store have a greater chance of success.

When asked their preferred online payment method (Figure 8), only 5% preferred money transfer, while majority preferred the payment mode through PayPal (28%), credit card (31%), and cash on delivery (36%). When asked the most likely item to be bought by shoppers through online in U.A.E are shown in Figure 9 as specific purpose goods (66%) including the goods that cannot be found in the physical shops or are overpriced in the U.A.E. Other products in the category of Fashion and accessories (10%), gifts (11%), and entertainment and books (13%) were relatively similar.

As it can be seen in Figure 10, majority of the respondents agree that the appearance of the website is an important factor. 38% replied that appearance has a medium impact, while 54% regarded the issue as a high importance. Only 8% responded as the appearance being not important or has low importance. Therefore, it is important for the online retailers to pay attention to the web site design and the message it sends out. Figure 11 presents the importance of product variety offered through the website. 59% rated this issue as of high importance, and 26% rated it as of medium importance, and only 15% rated it as low or not important. This reflects that a wide variety of products should be made available in an online shop as product variety has a high concern for shoppers.

When asked about the rating of online retail in U.A.E (shown in Figure 12), a majority of respondents (72%) rated the U.A.E online shops as below average, followed by 25% as average, and 3% mentioned it was above average. No one thinks that they are outstanding (0%), it shows that the U.A.E is far away from being a major player in the online business world, although it is considered as a highly preferred shopping destination in the whole world.

Based on the findings and analysis above, it can be concluded that the current state of e-tailing in U.A.E falls below the accepted standards of online shoppers. It is seen that there lies a great potential for online retail stores in the U.A.E, as in general there is a positive attitude of shoppers for online shopping, but the future of e-tailing in the U.A.E depends on identified seven key factors (shown in below given figure) that need attention and if addressed efficiently and effectively will lead to the success of e-tailing in the U.A.E. These factors include competitive price, variety of products, user friendliness of the website, adapting multiple security measures, offering multiple payment methods, and finally having a professional appearance.

From the above findings of the study we may coclude, that in general people have positive thinking towards e-tailing and due to certain specific reasons they prefer to shop only a few selective items through e-tailing, not all the products. Although, people have interest in online shopping but there are a few serious concern of shoppers towards e-tailing mode, if retailers take care of those factors, then people in U.A.E. may also start buying online and e-tailing can gain momentum here as seen in many more advanced and developed countries.

Implications for Business Marketing Practice:

- Online retailers need to have a wide variety of products on hand. This method enables the customers to have a wide selection of products to choose from. Some items can be included that are specialized and cannot be found in the traditional retail stores. For example, gamers in the U.A.E who are not able to find certain games in shops they can purchase them online.
- The other factor which plays an important role for the online retail site is the user friendliness and convenience of the website. The user has to be able to create an account, and access personal information without any hassle. They should also be able to shop easily and be able to speak to online support at any given time.
- Security is considered as the other major factor in an online shop. As the major backbone for any IT infrastructure system security play a big role to provide assurance to the customers and safety to the retailers. Adapting to multiple security methods is a good way to bring out this assurance and the issue has to be communicated to the customers on the site. For example, having a VeriSign website and by using the SSL protocol, the customers are assured that their private information is not revealed to any non-authorized party.
- Another factor that plays a major role is offering the customers the choice to pay using their proffered methods. These include Cash on Delivery system, credit card payment, PayPal payment and money transfer.
- The online retailers must also understand that in order to be able to keep the shoppers on their websites and interested the website's appearance has to be professional and designed by a dedicated designed team.
- Competitive pricing is perhaps the most crucial element in attracting shoppers in the first place and making sure their return in the future for their purchasing needs. One advantage that online retailers have is that they can decrease their profit margins, since they do not have the extra costs of a traditional retailer, such as rent, utility and other costs.
- Online retailers can also use online shopping portals if they lack the skills to create and manage their own retail websites.
- Specialized pick up options can also be granted to the shoppers so that they can go ahead and deliver the products rather than paying for the delivery.
- In e-tailing as in any retailing business it must not be forgotten that elements of the marketing, advertising, promotions, etc. are required in order to attract, retain and maintain customers.

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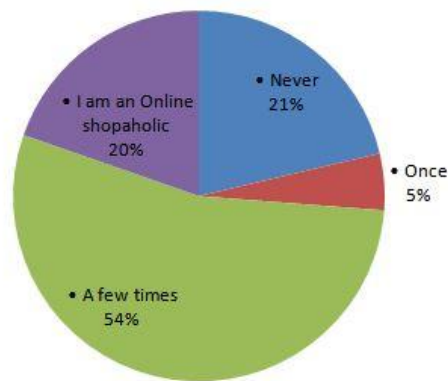## Appendix
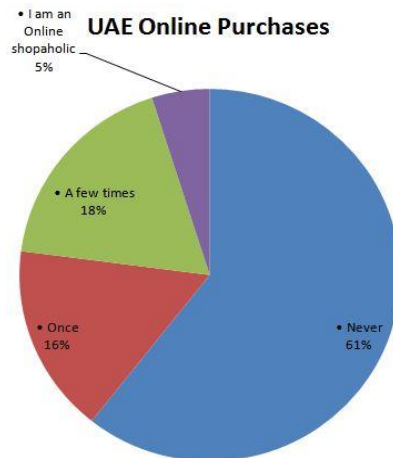

Figure 1: Global sites purchases

Figure 2: UAE online purchases

Main Purchase Reason

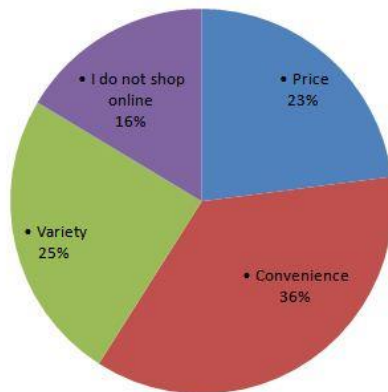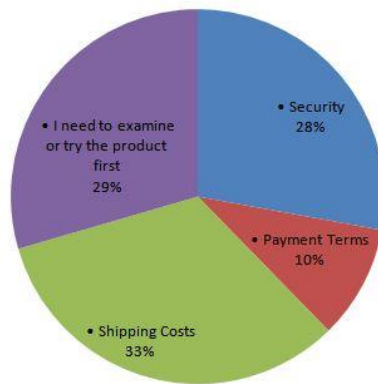**Figure 3: Reasons of main purchasing**

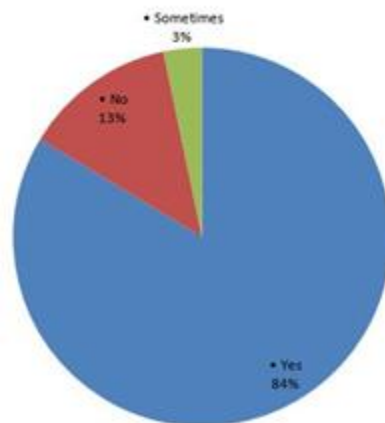## Hesitation Reasons to Buy Online

Figure 4: Hesitation reasons to buy online

Figure 5: Trustees website purchases

Will Purchases From UAE Sites If They Provide
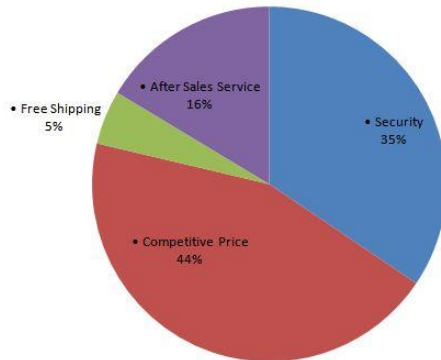
Figure 6: Willingness to purchase

Favourite Payment Method
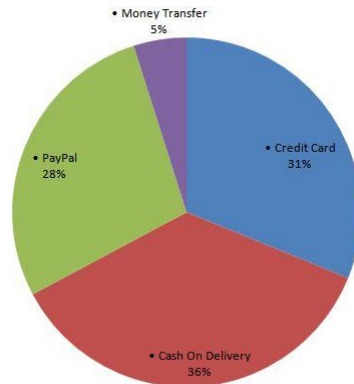
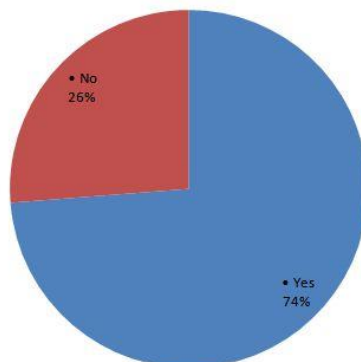**Figure 7: Mode of payments**

Trust Websites With Physical Stores

Figure 8: Trust websites with physical stores
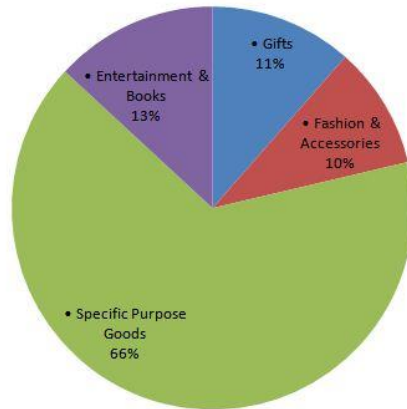
Most Likey Item To Purchase Online

- Gifts 11%
- Fashion & Accessories 10%
- Specific Purpose Goods 66%
- Entertainment & Books 13%

Figure 9: Most likely item to purchase online

Importance Of a Wbsite Appearance

- Not 5%
- Low 3%
- Medium 38%
- High 54%
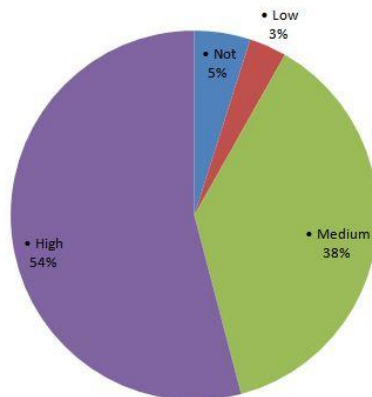
Figure 10: Importance of website appearance

Importance of Product Variety
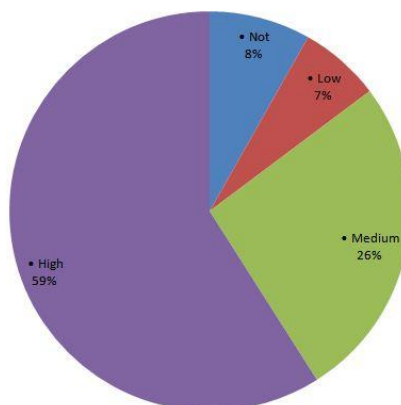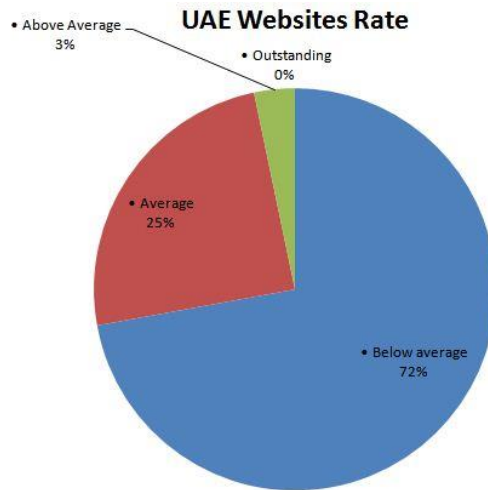
- Not 8%
- Low 7%
- Medium 26%
- High 59%

Figure 11: Importance of product variety

Figure 12: UAE websites rates