

**The Impact of the Spread of E-commerce on the Saudi
Economy: Aa Applied Study on Saudi Consumers' Buying
Behaviors**

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Chapter 1: Introduction

1.1 Introduction

In recent years, e-commerce has presented a competitive space for organizations and countries. As a result, the electronic sector has rapidly developed and outperforming many sectors around the world. e-commerce has made great growth in trade market and allows all people to reach all markets around the world easily. For that, countries are taking e-commerce seriously and make efforts to expand the online trade. Investments in e-commerce companies have grown in recent years. A notable portion of the investments have flowed into Asia, where more than \$ 106 billion has been invested in e-commerce and technological firms since 2012 (communications and information technology commission, 2017). For the Kingdom of Saudi Arabia, the biggest e-commerce and online shopping website which is Haraj was established in 2007 by the Saudi engineer Yousef Al Rasheedi.. In addition, global E-commerce major plyers such as Amazon and Alibaba have entered the Saudi market by 2017. The development in the internet and mobile highly contributed to e-commerce growth in economics. By 2020, about 90% of the Saudi population had internet access and 80% of them had awareness about online shopping (statista research department, 2024). Recently, e-commerce has contributed to the diversification of the national economy and increase economic growth rates. The current study focuses on how the Saudi economy can be affected positively through studying the Saudi consumers' buying behaviour.

1.2 Problem Statement

The need to diversify the economy in the Kingdom of Saudi Arabia is now more important than before. Different authorities in the Kingdom have a role to play in making sure various sectors of the economy grow and help the country in doing away with oil dependence as the major driver of the economy. The communication and information technology commission is one of the bodies tasked with making better the electronical sector by providing new ideas and procedures toward improving the usage of the consumers of the e-commerce. The Saudi government has made efforts toward supporting the e-commerce sector by creating e-commerce law, easing restrictions on online shopping and establishing an e-commerce task force (Moammar & Zia, 2022). It works on allowing the international E-commerce companies to establish a footprint in the country by allowing the foreign businesses to invest in the country. More to that, government allows different types of e-commerce and provide social media platforms to easier the online shopping for all people (cognizance journal, 2024). Essentially, e-commerce plays an important role in the electronical industry, influencing overall Saudi economy. Since the outbreak of Covid 19 disease in 2019, consumers forced to turn to electronic commerce more than ever before. According to Le Tan et al. (2021) there are some factors that influenced consumer behaviors during the covid 19 pandemic which are: product diversity, convenience, payment method, trust, and psychological factors. The lack of acceptable payment methods was one of the biggest consumer issues when dealing with online shopping platforms. Trust also has a significant effect in consumer purchasing decisions since most of the online stores ask for credit card information. (Alflayyeh et al, 2020). It is worth noting that despite the efforts that have been made by the authority and the change in consumer buying behaviors the success level attained is not maximum and there's still opportunity for improvement in e-commerce sector. Further to that, there should be efforts toward increasing the demand and adoption of consumers and developing the supply side ecosystem.

1.3 Study Purposes

The main aim of this study is to investigate the different factors that affect consumer buying behavior. The research will discover the psychological, behavioral, and emotional aspects that influence consumers' decisions about what they buy, how much they buy, and how frequently they buy products and services through online stores. On the other hand, the study will cover the issues that affect the consumer buying behavior and how the consumer demand and adaption of online shopping can be developed. For the supply side, the study will focus on how suppliers can sell their products and services to a greater pool of potential customers to maximize their revenues.

1.4 Importance of the study

The perception of the consumer about the products and services that they are going to buy is very important. The study of the needs of consumers will allow suppliers to predict the market trends and identify market opportunities. As a result, the e-commerce and other companies will achieve their financial goals by making profits, which will lead to economic growth. E-commerce companies' marketers spend a lot of money to cultivating a positive and appealing image that will attracts more customers and build stronger brand loyalty. Even though the consumers behavior toward online shopping has been extensively studied, authors contend that there are still unexplored areas in this area. A logical investigation of a set of presumptions and beliefs is known as theoretical research. primarily, this kind of study involves defining or speculating how a consumer behaves and how that affects the e-commerce sector. Each study has its unique significance, and the current study has the following contributions. First, there are key factors that affects consumer decision making. Some factors are permanent, and others can be temporary. For psychological factor, the key idea in consumer behavior research and

related buyer behavior research is the need of a product or service. Selecting a product or service is the primary goal of consumer behavior research. the need for a product or service plays a significant role in decision-making since the perception of a product or service is important in selecting options related to any product or service. So, it's important to understand the consumer needs deeply. The other factor is the social factor which includes the effects of different sources such as recommendations, and social media impacts on people minds. More to that, the changes of market trends. It's important to keep up with everything new in the market to be able to exist in the industry. There are researches available on the factors that influence consumers decision making. Yet, the current study is in line to contribute to existing literature regarding the enhancement of e-commerce from a different perspective.

1.5 Study Questions

- 1- What is the impact of the e-commerce on Saudi economy?
- 2- What is the importance of studying Saudi consumers' buying behaviors?
- 3- What are the factors that affects consumers' buying behavior?
- 4- How understanding consumer's needs, and demand can affect the profits of the e-commerce companies?
- 5- How can suppliers attract more customers to maximize their revenues?

1.6 Research hypothesis

The proposed study aims to exploring the connection between the Saudi consumers buying behaviors toward e-commerce and the Saudi economy. The fundamental research hypothesis indicates a substantial positive effect which means the higher the consumers consume on online shopping, the better the outcomes for e-commerce businesses will be as

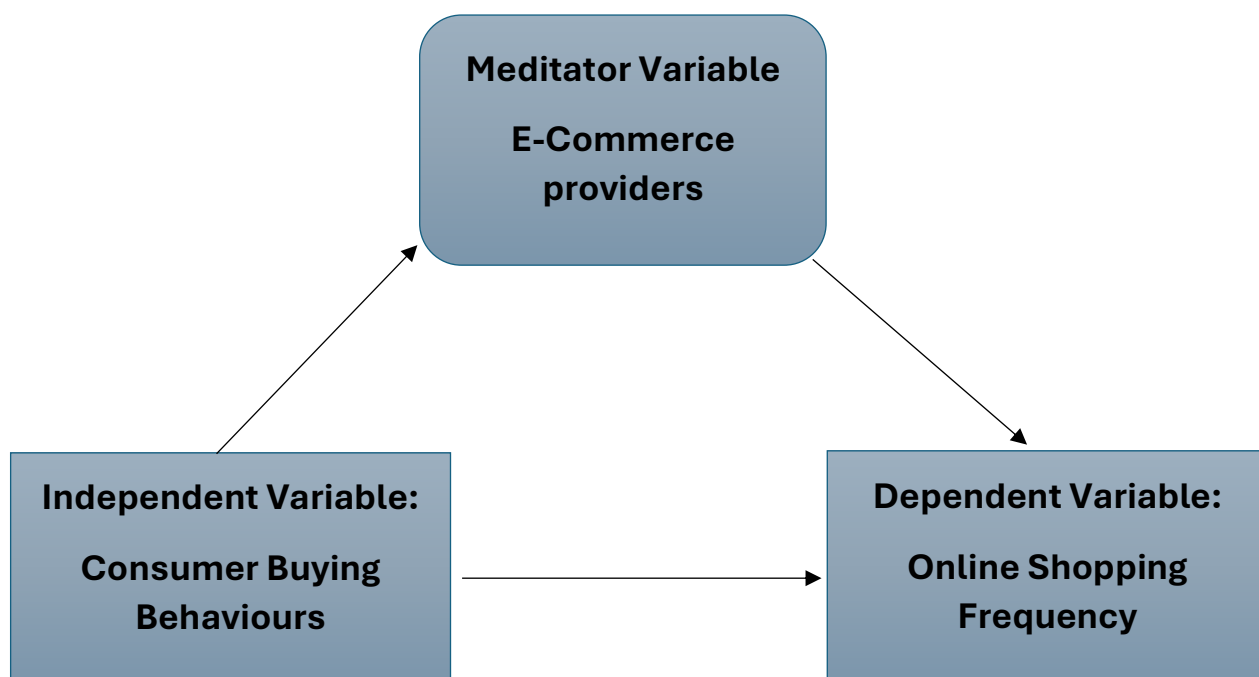
well. As a result, the overall Saudi economy will be affected positively. This hypothesis encapsulates that the consumer decision making is influenced by some key factors include psychological factors, social factors, cultural factors, economic factors, and personal factors. So, to understand the consumer behavior, it's important to know how each factor can affect a consumer decision.

1.7 Theoretical Model

As a roadmap for this study, a theoretical model has been developed to demonstrate the essential connections between the key factors under consideration. This diagram is meant to be a graphical representation of the debated relationship and interactions between the different components that help create an overall picture of the aims, similarity, the research, and the hypotheses.

1.8 Theoretical Diagram

Figure 1: Theoretical Diagram



The theoretical model demonstrates that the consumer buying behavior is the key factor that e-commerce providers must focus on. This independent variable, which is consumer buying behavior, is what directly affects the dependent variable, which is the online shopping frequency. The model posits that the understanding of the consumer buying behavior by the e-commerce providers correspondingly increase the levels of online shopping by the Saudi population, which will lead to Saudi economic growth. The model also employs that the online shopping frequently is a moderating element. It claims that the online shopping rate is a meditating factor that affects the long-term availability of e-commerce businesses in the Saudi market. Such a relationship is a good example of how significant the role of a consumer needs and experience is in sitting the development within the e-commerce industry, thus, making sure of its longstanding and lasting success. Additionally, the model incorporates a circular process that shows online shopping experience by the Saudi population affects the planning of and the development of future e-commerce industry. This mutual relationship, however, suggest the necessary to always follow up the consumer buying behavior changes toward keeping the electronic commerce stable in the Saudi market in the future. this operation creates a virtuous and ever-improving circle that meets the constantly Saudi economic growth.

Chapter 2: Literature Review

2.1 Introduction

The impact of the consumer buying behaviors on the frequency of online shopping and its effects on the country's economy studies remain the center of significant attention for e-commerce researchers. Scholars and practitioners alike continue to realize the enormous role that these consumer buying behaviors fulfil in shaping online shopping experience, decision making about products and services and the sustainability of a nation's e-commerce industry.

This literature review aims to provide a comprehensive exploration of the current knowledge on e-commerce and related frameworks both from a theoretical and empirical perspective within the context of the Kingdom of Saudi Arabia.

As the Kingdom continues to come up with plans to transform the economy and reduce its reliance on the oil industry, the e-commerce sector holds a strategic role alongside having the potential for fast and high growth. This stand to increase jobs and project Saudi Arabia's rich economic development plans on the global stage. In this regard, communications and information technology commission encourage the e-commerce businesses to provide products and services that meet Saudi population needs and desires to meet their financial goals.

This literature review provides the required foundation for understanding the complex relationship and role of the consumer buying behaviors in online shopping development and acknowledges factors that affects the Saudi consumers decision making about products and services. This review aims to provide grounded knowledge through a combination of current theories and research results to identify valuable insight and facilitate the development of relevant policies for the enhancement of online shopping experience while preserving the sustainability and prosperity of the Saudi e-commerce sector.

2.2 Dependent Variable: Online Shopping Frequency

Although this variable has witnessed sufficient exploration in researches the dependent variable of the current study will be the online shopping Frequency. This variable has undergone immense research and scrutiny in e-commerce scholarship with several scientific works underscoring the paramount importance of the degree of online shopping as an important indicator that measures the number of times a consumer buys within a given period (Alexandra Panaitescu, 2023). Actually, high levels of purchase frequency represent sustainable growth in e-commerce sector. More to that, the higher the purchase rates, the more opportunities to offer outstanding customer experiences that turn repeat customers into loyal customers. So, e-commerce providers must measure when consumers buy, how often they buy, and how quick they need to restock to keep up with market trends and expand the pool of consumers (Alexandra Panaitescu, 2023). People online shopping frequency is affected by some factors such as the payment convenience, competitive pricing, the number of family members and living in the city. Each factor has a strong effect on the number of times that consumers make purchase from any e-business (Ma, W., Gan, C., Vatsa, P. et al., 2022).

2.3 Independent Variable: Saudi Consumers' Buying Behaviors

The independent variable in this research is the Saudi Consumers' buying behaviors which affect the e-commerce directly. Consumer buying behavior is influenced by many different factors. Understanding the customer is an important factor in go-to-market success ((Katelyn Morgan, 2023). There are five major factors that affect consumer behaviors. First factor is the psychological factor. Human psychology is a major indicator of consumer behavior which is powerful enough to affect a buyer decision about an online product or service. The psychological factors include motivation, perception, learning and attitude. The

second factor is the social factor. People are social beings by their nature; they live and interact with many people who influence their decisions about online shopping. Some of the social factors are family, reference groups and roles and status. The third factor is the cultural factor. When a consumer comes from a specific community, his/her buying behaviors is highly affected by the culture relating to that community. The cultural factor includes culture, subculture and social class. Another factor is the personal factor which differ from person to another. The personal factors that affect a consumer decision are age, income, occupation and lifestyle. The last factor of these major factors is the economic factor which affect consumer buying habits and decisions depending on the overall economic situation of the country or the market. A prosperous nation leads to greater money supply and higher purchasing power for population. When a consumer has a higher disposable income, which is left after spending, he will tend to purchase highly (Katelyn Morgan, 2023).

2.4 Summary of Past Studies

Several decades of research including both literature and practice have explored the relationship between the consumers buying behavior and the success of e-commerce sector. However, most of the empirical studies undertaken so far focus on the consumer buying behaviors while being focused on the context of western nations. A review of the literature disclosed a dearth of research that examines the study's subject within the unique cultural and societal dynamics of the Kingdom of Saudi Arabia. Research by Das, D., Sarkar, A., & Debroy, A., (2022) focusing on consumer behaviors during Covid-19 pandemic. This report concluded how the pandemic affected the consumer behaviors and changed their way of life. Also, it provides insights to the policy planners in terms of improving appropriate intervention strategies for the affected consumers. Kathryn E. Bender (2022) studied the in-home consumers' behaviors during the Covid-19 focusing on the American population. She

mentioned how the households changed their food system including food acquisition, preparation, and management strategies that were response to the pandemic. In short, she focused only on the food system and how consumers have changed it. Another report by Front. Psychol.,2022 aims to explain the effect of consumer purchasing behaviors changes on the businesses that provide products and services. The research describes how the consumer services companies are experimenting with new technologies and platforms to meet the changes on the consumers demand and adoption. Yet, the searcher didn't mention the e-commerce specifically, and didn't talk about a specific community. In another study by Parcel Monitor, 2024, in terms of e-commerce in Europe, it had experienced significant growth in recent years. The writer explains that the online shopping in Europe is driven by a combination of factors which are the increased internet penetration, mobile usage, and changing consumer behaviors. This report again describes how the Covid-19 changed the consumer behaviors and how e-commerce has become even more firmly anchored in the European economy and society. In addition, there is a study by Dr. Durmaz Yakup & Dr. Sebastian Jablons, 2012, focuses on the factors that influence consumer purchasing behaviors in Poland. In this report, factors affecting the consumers' behaviors such as age and lifetimes, occupation, lifestyle and personality are studied. The writers investigate how each factor affect the consumer decisions.

Studies have emphasized different factors that affects consumers purchasing decisions and their effect on the e-commerce sector which should be taken into consideration regarding the situation in the Kingdom of Saudi Arabia.

2.5 Theoretical Framework of the study

The theoretical framework underpinning this study borrows from numerous foundational theories and concepts of economic literature including e-commerce. The strategy thus includes an amalgamation of concepts and perspectives from different disciplines which provide an all-encompassing and multidimensional perception of the link between the consumers buying behaviors and the frequency of online shopping and how this relation affects the country's economy via the perspective of the Kingdom of Saudi Arabia. The core of the theoretical model is comprised of consumer buying behavior which is rooted in the 5 stages decision model (Dewey J., 1910). According to the Dewey's model, there are some stages a consumer goes on before making a purchasing decision. In the first stage, the buyer recognizes the need of a product or service. For the second stage, the consumer starts to search for the product or service that will fulfill the need through internal path which depends on memories and experiences or the external path which relies on searching or social environment. In the third stage, the buyers start to choose the best alternative based on some factors including price, brand name, product attributes and country of origin. After that, the consumer makes purchasing decision based on the alternatives which have been evaluated before. For online shopping, consumers look for product variety, convenience, payment methods, trust and psychological factors. The last stage is the post-purchase. This stage relates to the core of the theoretical model since that the satisfaction of the consumer will directly affects the purchasing decision and frequency. So, e-commerce providers must get customers loyalty to expand their businesses. As a result, the e-commerce sector will show great growth through time.

In addition, the current study investigates some of the concepts of the customer loyalty. The four-dimensions scale of loyalty (Oliver, 1997) conceptualizes a sequential loyalty chain. The model presents loyalty as a consequence of direct and indirect relationships between

trust, perceived value, satisfaction and service quality. These factors control the customers loyalty.

Still, social, and cultural norms will be leveraged to define consumer behavior and choice with particular attention to Saudi Arabia's culture. Literature shows that social norms and religious beliefs are powerful factors in decision-making, behavior guidance and preparation (Tseng et al., 2021). The focus of this research is thus based on understanding how these cultural and societal factors shape the views and assumptions of Saudi Arabian consumers, ultimately impacting their satisfaction with online shopping.

Chapter 3: Methodology

3.1 Introduction

This chapter is used to show the method applied in the collection of data, in relation to the impact of consumer behaviors. According to Pandey and Pandey (2021) chapter, it is very important to provide information concerning the methods followed in the study. It describes the research design that was used in the study, and the reason behind choosing it. Besides, it explains the instruments used in data collection and the procedure followed. This chapter consists of the research design, population of the study, sample characteristics, sample size determination, data collection procedures and method of analysis.

3.2 Research Design

The research aims to explore the impact of the consumers' buying behaviors on e-commerce sector in the Kingdom of Saudi Arabia, and how this relation influences the country's economy. The research followed a qualitative nature, which used questionnaires.

According to Amanov (2023), a qualitative research design is based on the aspect that the collection of firsthand data gives the most meaningful results. Besides, the research chose this research design, since it gives large amount of data from limited number of participants. It aims to understand each participant's reality via his or her own lens. Besides, due to the subjective nature of the study and its inability to be objectively quantified, a quantitative assessment would not have been feasible. Besides, the best design to investigate on the consumers buying behaviors is qualitative, due to its ability on bringing out the participant's experiences, in both descriptive and exploratory forms. In this aspect, the researcher was able to interact with the participants in a continuous manner, thus understanding the truth meaning of their lives.

3.3 Population of the Study

According to Mishra and Alok (2022), a target population refers to a group of individuals with similar characteristics, in which the researcher can extrapolate the findings of their study. This study selected its sample from a larger population of consumers in Saudi Arabia, which included both citizens and residents. The final sample size consisted of 107 participants, who were chosen using a combination of random and stratified sampling methods. Random sampling involves selecting participants at random from the larger population, while stratified sampling involves dividing the population into smaller groups or "strata" based on certain characteristics, and then selecting a random sample from each stratum. This approach can help ensure that the sample is representative of the larger population and that all relevant subgroups are adequately represented.

3.4 Sample Characteristics

The research population for this study includes both Saudi citizens and residents who have buy from online stores in the Kingdom. To ensure a comprehensive understanding of the impact of consumers' buying behaviors on e-commerce businesses, a diverse sample of participants was chosen based on several factors like age, gender, nationality and educational level. By considering these factors, the study aims to create a well-rounded and representative sample of consumers, ensuring that the findings can be generalized to the broader population of individuals who buy from online shops in the Kingdom.

3.5 Sample Size Determination

As stated earlier, a sample size of 107 participants was chosen from citizens and residents in Saudi Arabia, to ensure representation across different cultural levels and backgrounds. Besides, the sample size was determined using both random and stratified sampling techniques. According to Pandey and Pandey (2021), a stratified method is used in collecting data from individuals with common characteristics, or from different levels. It allows collection of data from a sample population that best represent the entire population. On the other hand, random sampling technique is used to collect data from a large population. It guarantees that sample is the representation of the population in whole, thus guaranteeing every consumer a chance of expressing their opinions. This level of precision was necessary to ensure that a representative sample of the population could be captured while maintaining the feasibility of data collection and analysis.

3.6 Data Collection Procedures and Tools

The data collection procedures involved using of questionnaires - issuing questionnaires to the selected individuals. The main aim of the questionnaires was to collect data on the responses of respondents and firsthand accounts on the consumers' significant buying behaviors and how they affect e-commerce sector in Saudi Arabia. The surveys underwent pilot testing before being sent to make sure they were understandable and pertinent to the investigation's goals. The surveys administered were in form of closed ended, and Likert scale. Both open-ended and Likert scale are the easiest ways of interpreting the responses. Furthermore, measures were taken to ensure confidentiality and anonymity during the data collecting procedure in order to promote truthful and open feedback. For example, before issuing the questions to the respondents, they were made to understand that the main aim of the study was research oriented, and not a form of victimization. The respondents were also advised to keep their personal information private, by not including them in the questionnaires.

3.7 Study Determinants

The determinants of the study can be defined as the influences and factors that affect the research processes on a specific topic, and the researcher cannot control them. An example of this is the shortcomings, conditions, or influences that affect the research. There were some determinants in this study that could be addressed in future research. The most significant determinant is the time constraints. This research must be submitted during a short period of time. So, the time available to study the research problem and to measure the change over time can be considered as a practical issue. In addition, the study has a limitation of researcher bias. Since the researcher is also a domestic consumer in the Kingdom of Saudi

Arabia, personal opinions and preferences can spill into the study. However, objectivity was maintained throughout the study.

3.8 Methods of Analysis

After the collection of data, it was edited to maintain consistency, accuracy and avoid any incomplete data. Then, the qualitative analysis techniques were applied to the information gathered in 24 order to obtain significant insights and interpretations. Discovering recurrent themes, patterns, and variances in the responses required a systematic review, which is known as qualitative analysis. The researcher used a sequential interpretation method to look for subtle viewpoints and insights in the responses from the participants, and this was enabled by developing charts and graphs using Microsoft excel. Subsequently, the qualitative results were combined to offer a thorough comprehension of the study phenomena and to derive significant implications about the study goals.

Chapter 4: Practical Study

4.1 Data Analysis

The examination of the data that was gathered and the conclusions that were drawn are covered in this part. The analysis has been done in relation to the impact of consumers' buying behaviors on e-commerce businesses in the Kingdom, and the effects of this relation on the country's economy.

Age:

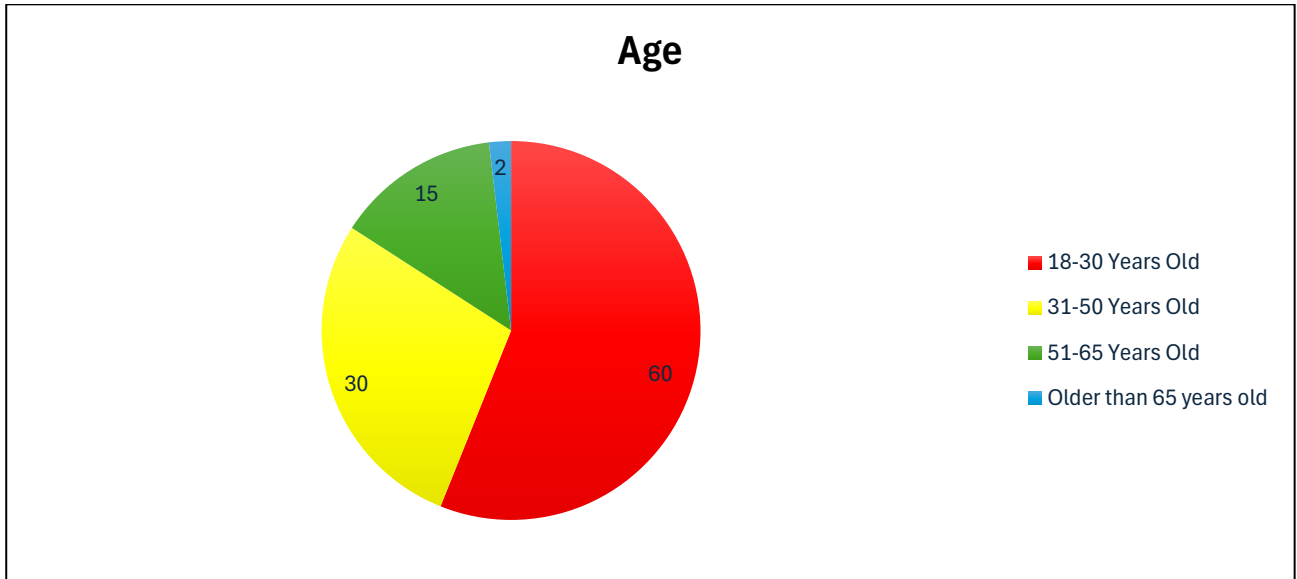


Figure 2: Age

This graph was used to show the age of the respondents who took part in the study. It aimed to give a good representation of the ages of consumers participating in the study. As observed, the highest number of respondents aged 18-30 years, representing 60. Besides, 30 respondents are aged between 31-50 years. Besides, 15 participants were aging 51-65 years, while the remaining two were older than 65 years.

Gender:

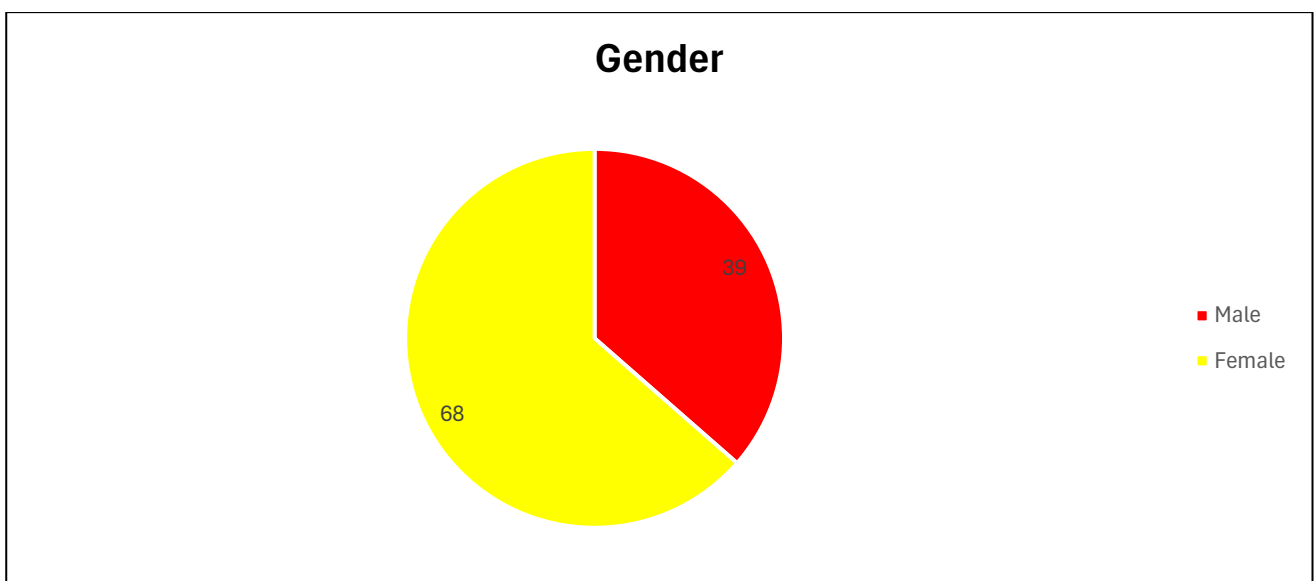


Figure 3: Gender

This chart was used to represent the participants, in terms of their gender. As observed, the highest number of participants are female, represents 68. Besides, the male was 39 out of 107.

Nationality:

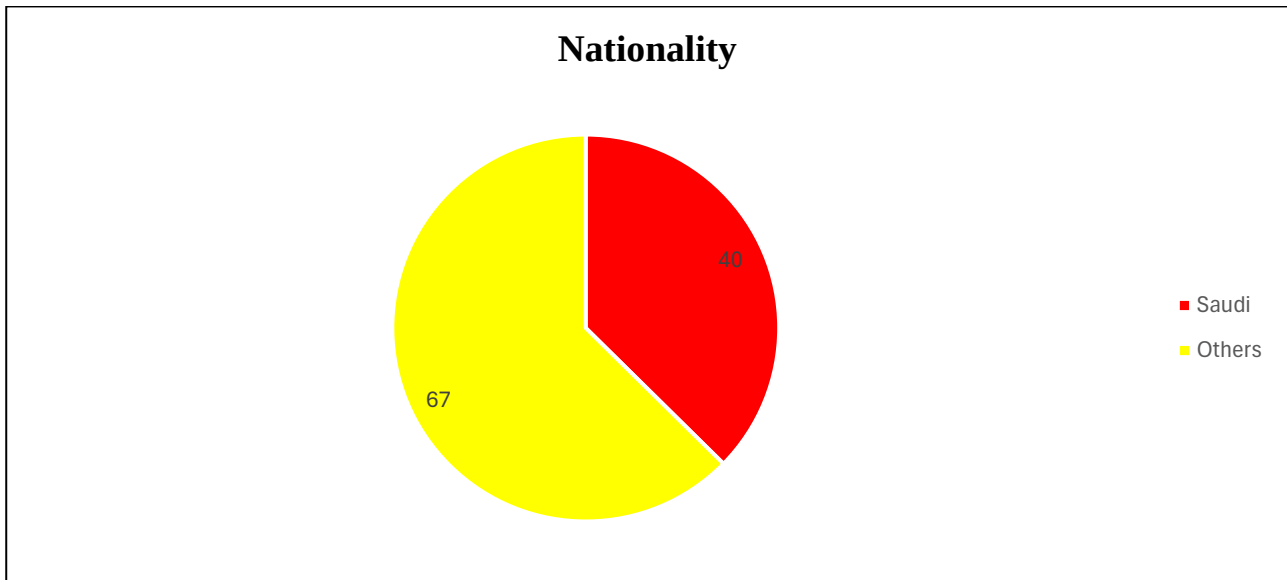


Figure 4: Nationality

Since the online shopping businesses targeting people from different nationalities¹, this chart aimed to enhance understanding of the number of Saudi individuals and other nationalities. The highest participants- 67 was from other nationalities, while the remaining 40 individuals are Saudis.

Educational level:

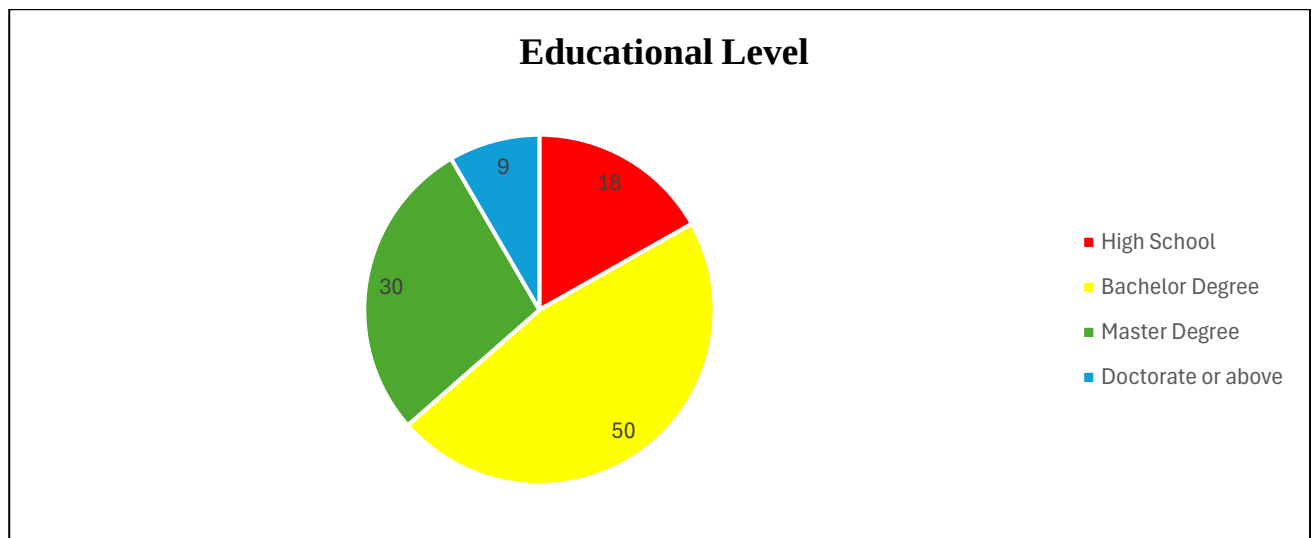


Figure 5: Educational Level

The pie chart above has been used to show the number of the participants, with their different educational levels. For example, as observed, the highest number of participants had attained bachelor's degrees, followed by those participants who had master degree, then the consumers that had attained high school and finally the ones with doctorate or higher levels of learning. These levels were represented by 50, 30, 18 and 9 respectively.

How often do you buy from online shops based in KSA?

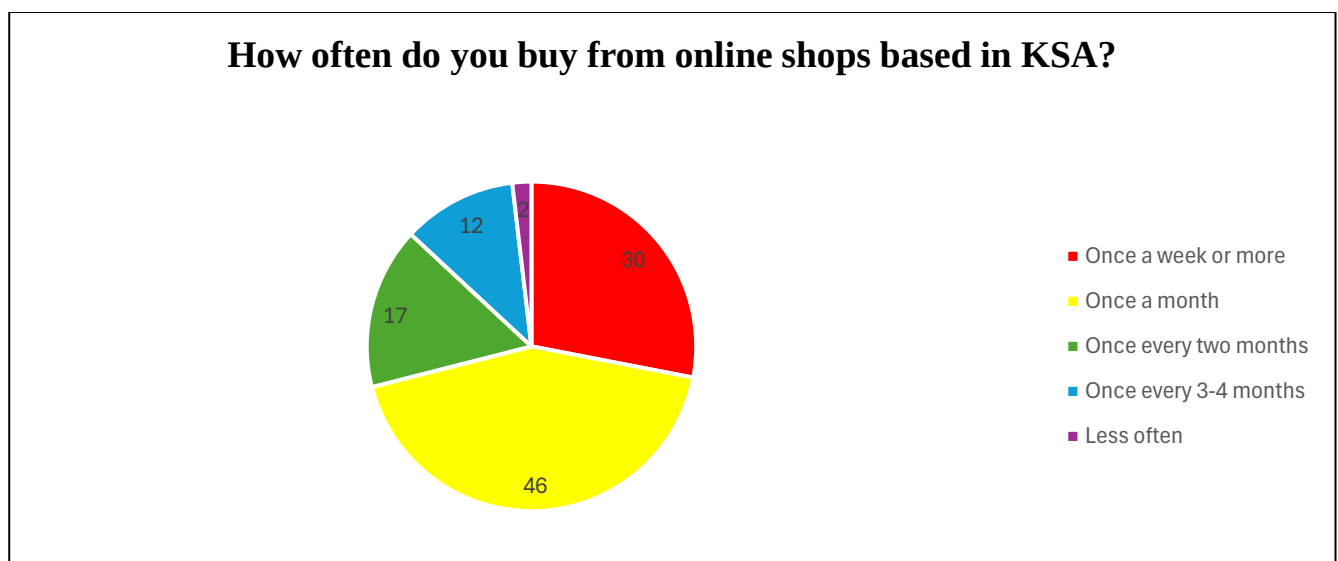


Figure 6: How often do you buy from online shopping?

The respondents were asked to how often they buy from online shops based in KSA. They were supposed to answer on the bases of once a week or more, once a month, once every two months, once every 3-4 months, less often, ranging from high level of buying to low levels appropriately. The highest number of respondents- 46 said that they buy from online shopping about once a month, meaning that most of the respondents buy from online shopping regularly. This number was followed by the respondents who once a week or more buy from online shopping which counted 30. In addition, 17 respondents buy from online shopping once every two months, while 12 respondents buy from online shopping once every 3-4 months. The least frequency were 2 respondents who said they buy from online shopping less often.

When you buy online, what is the most important part of the shopping experience?

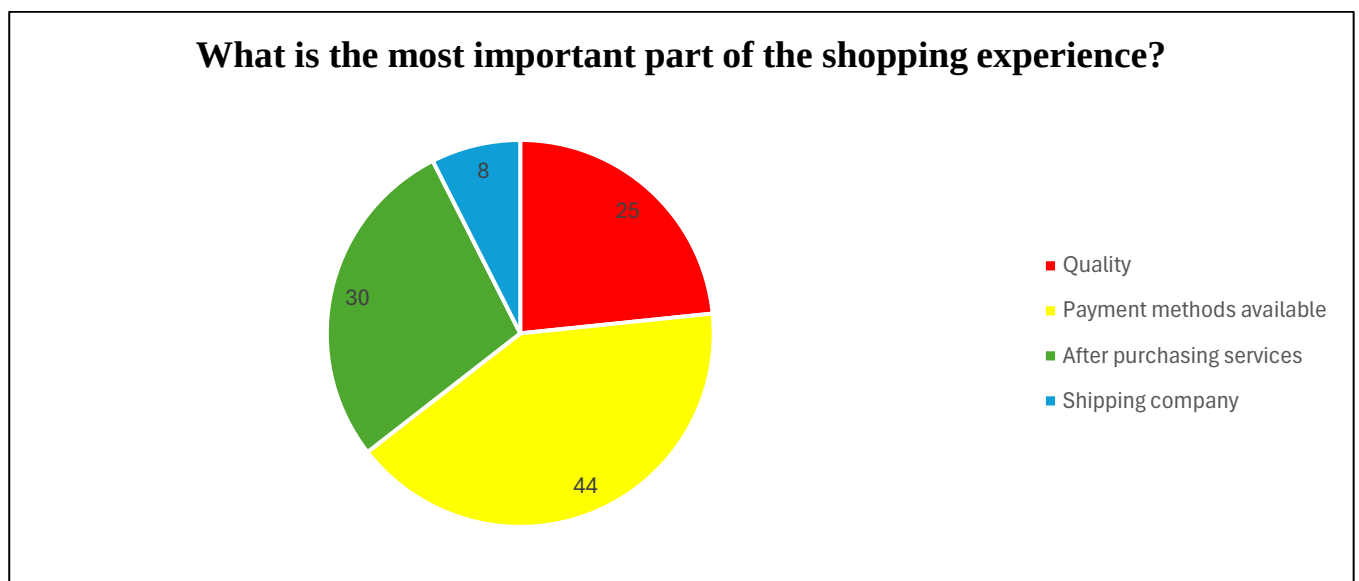


Figure 7: What is the most important part of the shopping experience?

This chart aims to understand the perception of the participants, on the most important part of the shopping experience in order to know which aspect more affects the consumer decision making process. As observed, a high number of respondents -44 focus with the availability of payment methods. People acceptance of the payment methods is one of the

biggest consumer issues with online platforms. Consumers worry about giving their credit card information. For that, Saudi government works on increasing the security levels to provide safety online shopping experience for the customers. The following respondents, representing 30 individuals focus on the after purchasing services that online shops provide for them. Then, 25 participants said that they focus on the quality of provided products and services. 8 respondents care about the details that relate to the shipping company which deliver their orders.

The product or service essential information page including product images or videos, measurements and colors affect the consumer purchasing decision.

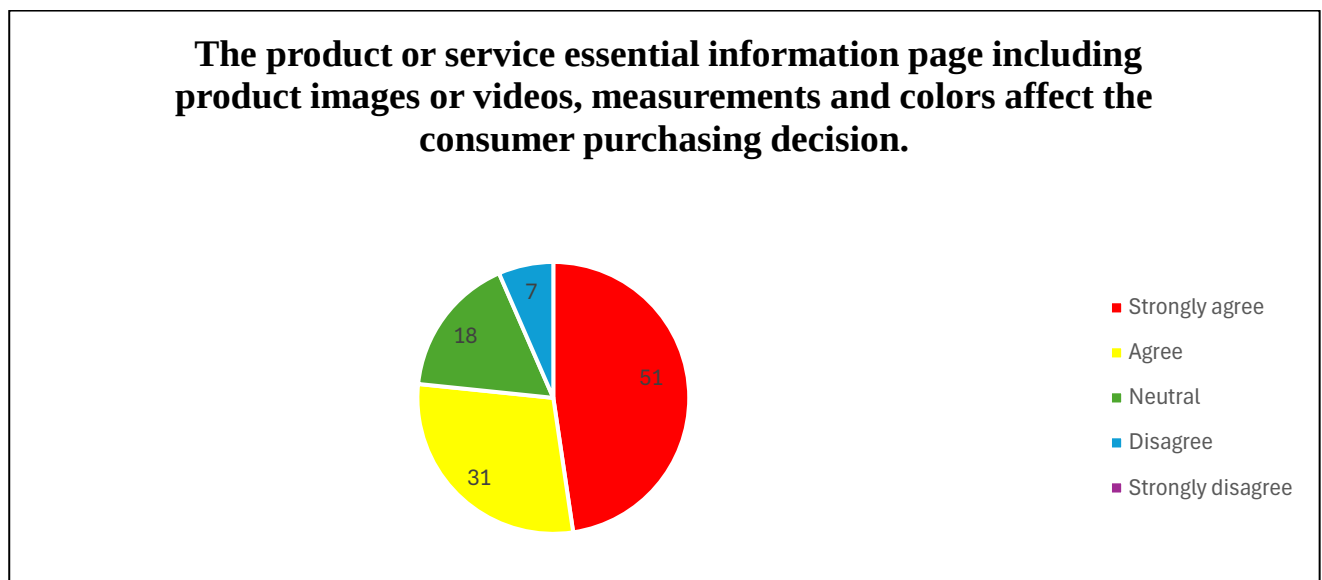


Figure 8: The product or service essential information page including product images or videos, measurements and colors affect the consumer purchasing decision.

The researcher wanted to know the importance of the product information availability to the consumer, and how that affects the purchasing decisions. The respondents that the researcher got were: 51 respondents strongly agree with the fact that the information page strongly affects a consumer purchasing decisions. 31 respondents were agreed with this matter. Showing again the importance of information page availability. 18 respondents were

neutral. Meaning that some people focus on the need of the product more than having information about it. Besides, 7 people were disagree about this matter.

Marketing campaign and advertising affects consumer purchasing decision of a product or a service.

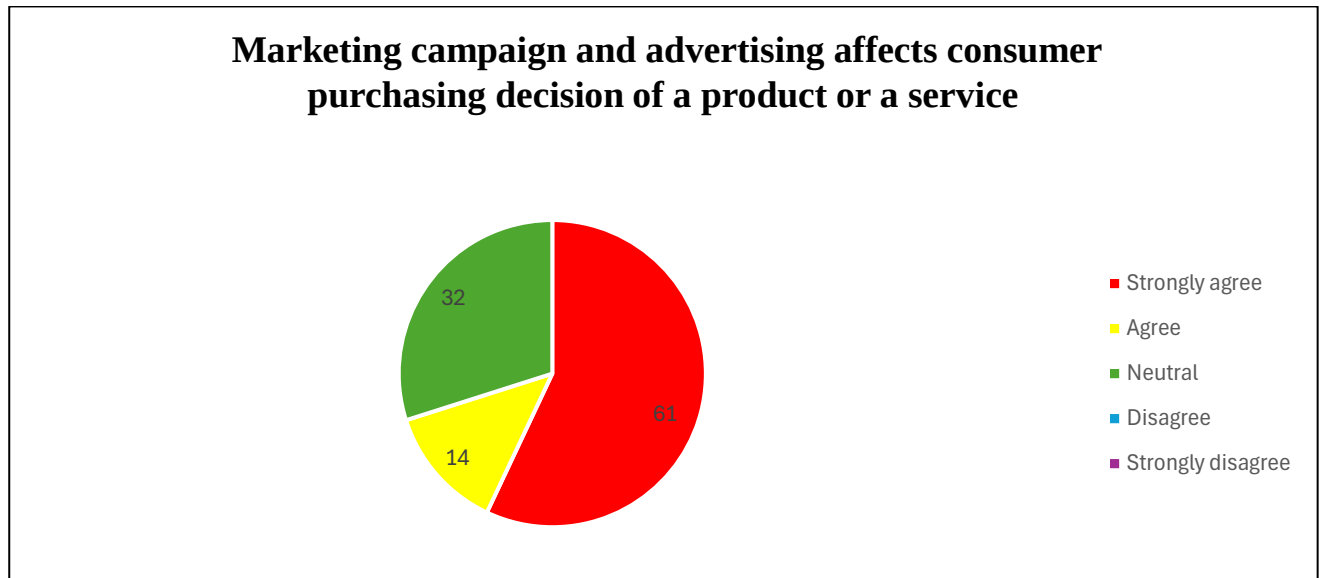


Figure 9: Marketing campaign and advertising affects consumer purchasing decision of a product or a service

The above chart was used to clarify the influence of the marketing campaign and advertising on the consumer purchasing decision. In this aspect, the highest number of the participants was strongly agreed, and this was represented by 61 individuals. Meaning that the efforts made by online shops to market their products/services are very important since that highly affects the purchasing decision. 32 respondents were neutral and the remain respondents were agreed. So, the researcher notes that there were no participants disagree with this aspect.

Does instalment service in payment methods encourage you to buy a product or service?

For example, Tabby and Tamara services.

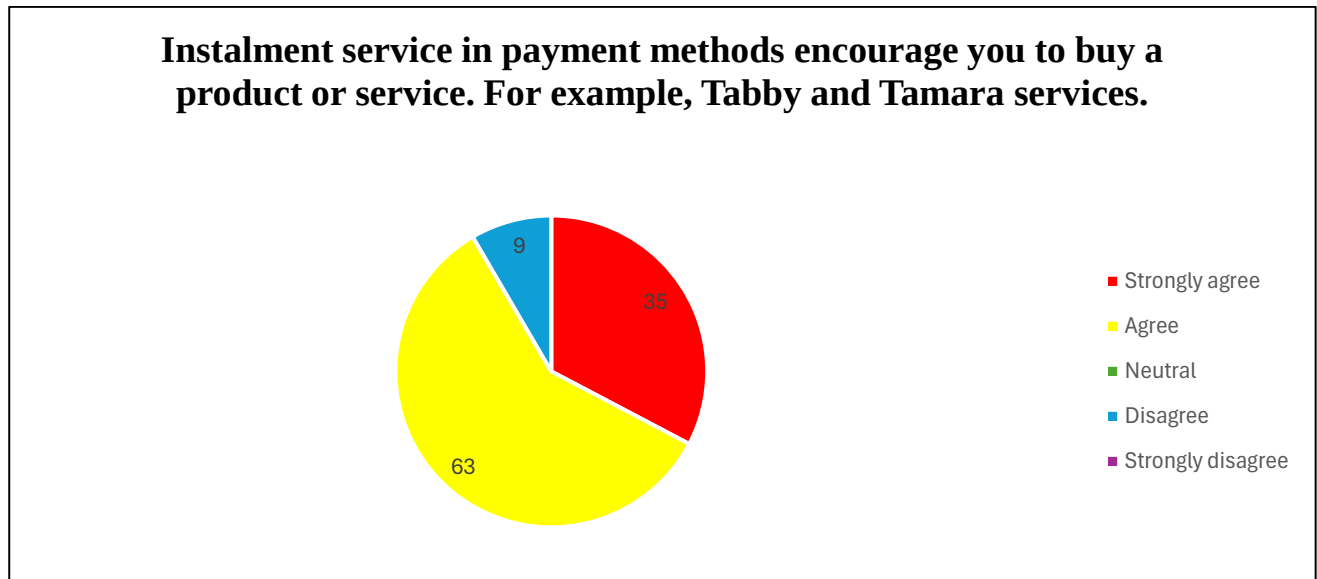


Figure 10: Instalment service in payment methods encourage you to buy a product or service. For example, Tabby and Tamara services.

It was necessary to evaluate whether the installment service encourage consumers to buy from the online shops or not. The respondents were supposed to demonstrate their stand, on weather they would buy with the installment payment methods, if they were available for them. As shown in the figure, 63 individuals were agreed with that. So, online shops should provide the installment payment methods to expand their consumer's pool. 35 participants were strongly agreed, demonstrating the importance of this service again. The remain 9 participants were disagreed with that.

Consumer's family, friends and society play crucial role in molding consumer behavior.

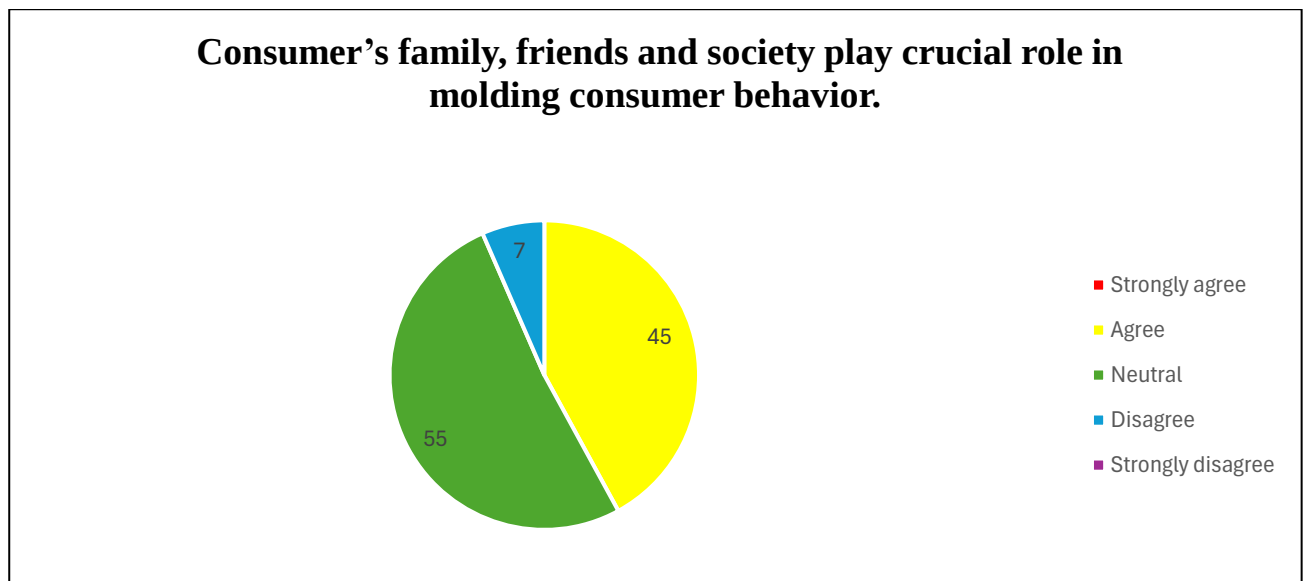


Figure 11: Consumer's family, friends and society play crucial role in molding consumer behavior.

In this graph, the researcher tried to understand the effects of the people live around the consumer on the consumer's buying behaviors. Here, 55 respondents were neutral with this matter and 45 respondents were agreed. Besides, 7 participants were disagreed. As a result, most respondents see that people who surrounding the consumer have high effects on his/her purchasing decisions.

Individual economic status has a huge steer on consumer behavior.

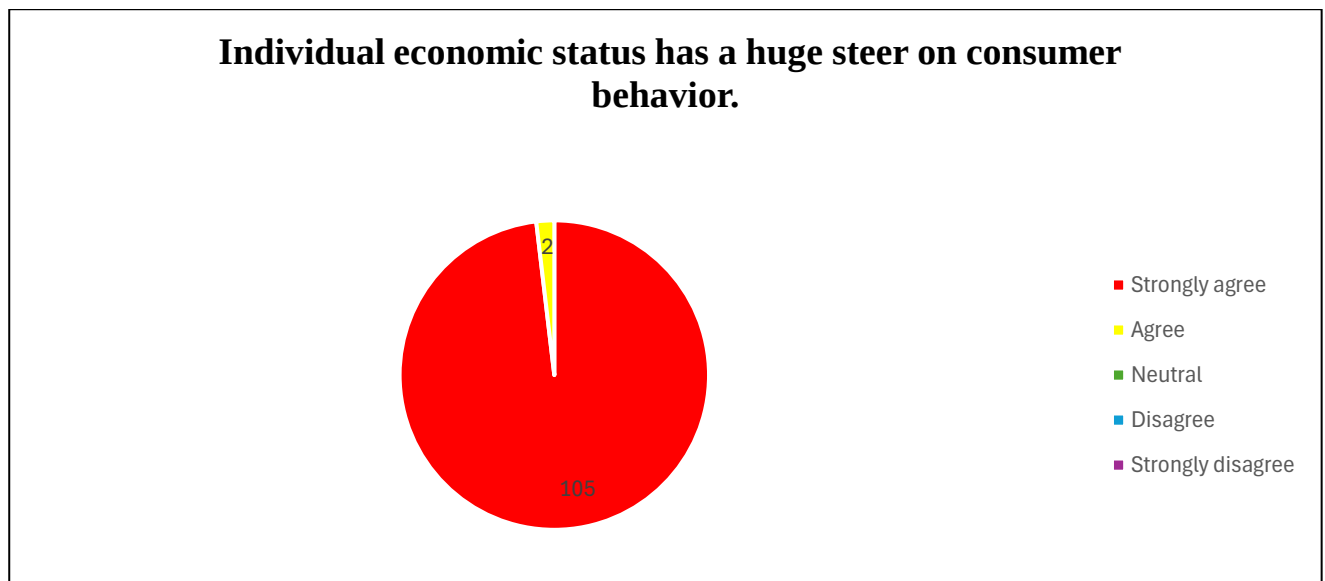


Figure 12: Individual economic status has a huge steer on consumer behavior.

The above chart shows how the economic status affects consumer's buying behaviors. 105 respondents were strongly agreeing that the economic status affects the consumer buying behavior. the remain 2 respondents were also agreeing that but with lower level of agreement. Meaning that the salary of the CEO presents the opportunity for a more indulgent lifestyle, while the manual worker will have to be less lavish in their spending habits.

The delivery speed of consumers' orders influences the consumer's buying decision

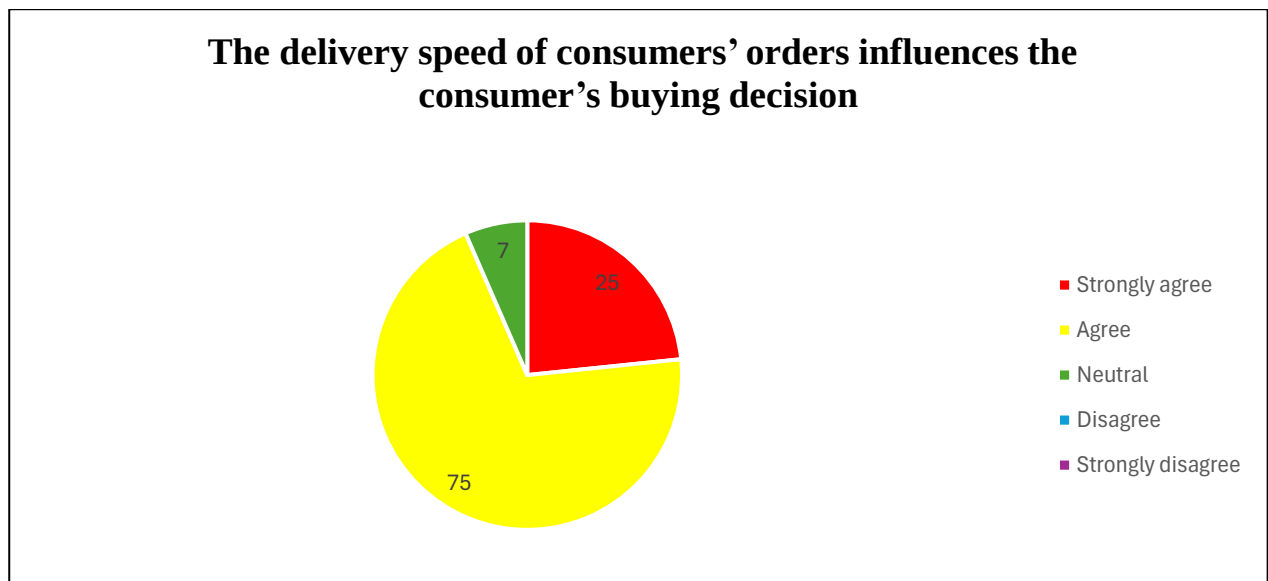


Figure 13: The delivery speed of consumers' orders influences the consumer's buying decision

The researcher wanted to know whether the delivery speed of consumers' orders affects the consumer's purchasing decisions, in relation to meet their needs appropriately. In this aspect, 75 participants agreed with the statement, 25 participants were strongly agreed, and 7 participants were neutral.

Internet and broadband connectivity levels impact the consumer experience and e-commerce adaption.

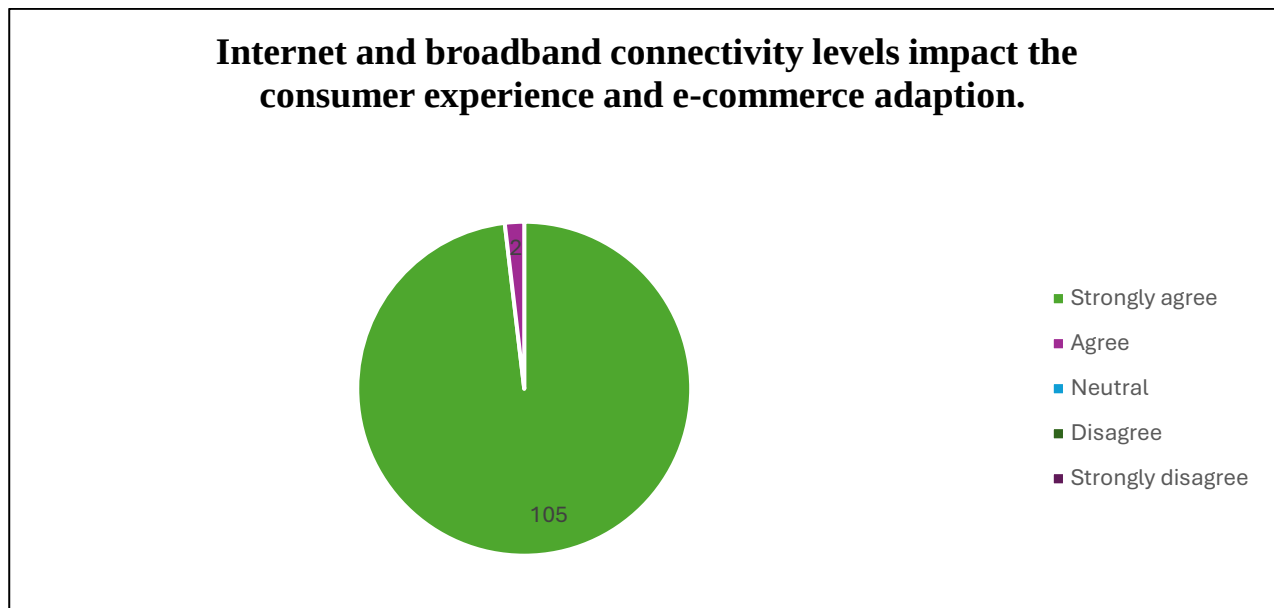


Figure 14: Internet and broadband connectivity levels impact the consumer experience and e-commerce adaption.

This chart has been used to show participants opinion about the internet and broadband connectivity levels in the Kingdom, and how that affects their online shopping experience. Most of the respondents were strongly agreeing the declaration with number of 105 individuals. The rest 2 respondents were also agreeing the declaration. Meaning that the improved quality and affordability of internet services highly affect a consumer online shopping experience.

The Saudi logistics ecosystem is facing challenges on multiple fronts, including low affordability, inconsistent quality, and inefficient last-mile delivery.

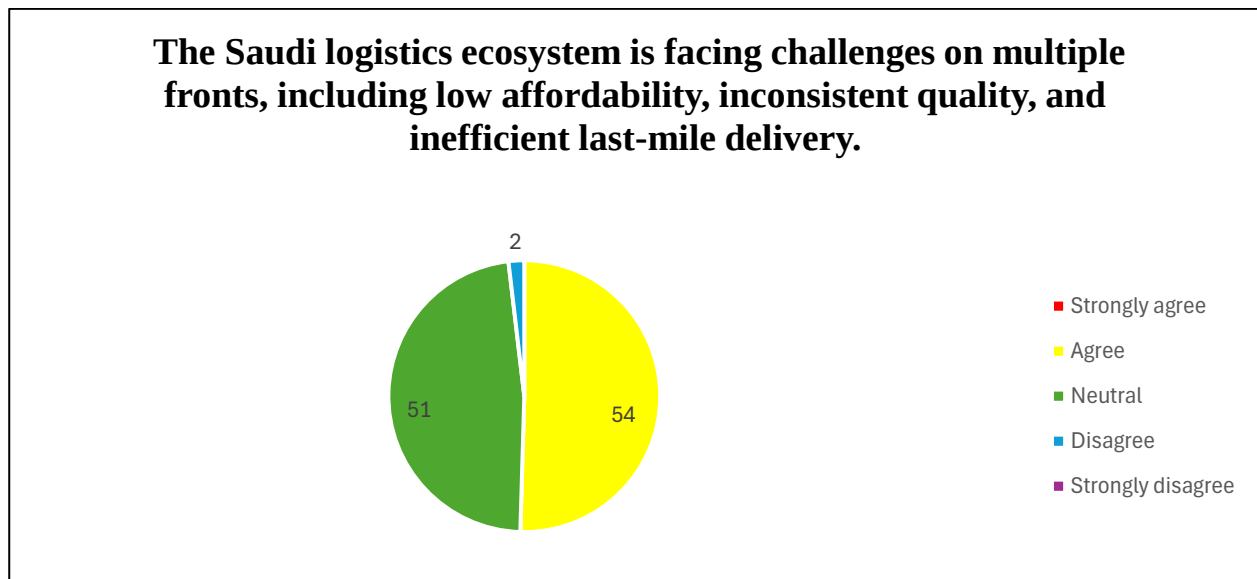


Figure 15: The Saudi logistics ecosystem is facing challenges on multiple fronts, including low affordability, inconsistent quality, and inefficient last-mile delivery.

In the above chart, the researcher tried to evaluate the logistics ecosystem in the Kingdom of Saudi Arabia from the participants perspective. 54 participants were agreed with that the Saudi logistics ecosystem need to be improved. 51 participants were neutral and 2 participants were disagreed.

4.2 Results Discussion

The comprehensive analysis of the data collected from the study provides a nuanced understanding of the intricate dynamics shaping consumer's buying behaviors with e-commerce in the Kingdom of Saudi Arabia (KSA). By delving deeper into various demographic factors and perceptions of online shopping and satisfaction, we can glean valuable insights that inform not only the effectiveness of consumer understanding but also broader strategies for enhancing consumer experiences and promoting online shopping engagement.

Demographic Insight

The demographic breakdown of participants serves as a lens through which to understand the diverse composition of online shoppers. This demographic trend reflects broader global patterns, where younger generations are increasingly drawn to new and easy shopping experiences that offer opportunities for entertainment, and cultural enrichment and economic growth. Moreover, the higher representation of female participants suggests the need for targeted marketing and programming strategies to cater to the specific preferences and interests of this demographic cohort. Understanding gender dynamics in online shopping can inform decisions related to the types of products and services offered, the quantity that cover the needs of consumers, and promotional efforts, thereby maximizing engagement and inclusivity. The significant presence of both Saudi and non-Saudi participants underscores the inclusive nature of online shopping in KSA. This diversity not only enriches the e-commerce sector but also highlights the role of such experience in fostering cross-social exchange and promoting Saudi Arabia as a good destination for global investments.

Consumer's Buying Behaviors Dynamics

The analysis of consumers' perceptions regarding consumer buying decisions unveils multifaceted insights into the key determinants of a positive online shopping experience. The high levels of satisfaction with the online shopping experience underscore the meticulous attention to detail and organizational prowess of e-shops providers. Online shopping has become an integral part of people lifestyle as they buy from online stores on a regular basis. Consumers focus on different parts when they think about buying online. They care about the payment methods available, quality of the products and services and alternatives, after purchasing services and shipping company. For that, e-businesses must provide safety and diversified payment methods in order to satisfy their customers. Actually, consumers' interest

in products and services quality reflects the importance of developing quality control by taking corrective actions and establishing steps to improve the quality. In addition, consumers' attention toward the after purchasing services demonstrate the significance of providing special after-sales services such as offering a loyalty program, providing a warranty for the products and offering flexible return or exchange policies. For products and services essential information page, it is important to include enough information that clarify the details of a product or service such as pictures and measurements because this information is vital to driving consumer confidence. For the shipping companies, if more logistics providers were permitted to operate, a competitive environment could be fostered within the local ecosystem. This environment can be achieved by easing the regulations and costs around licensing for more local logistics start-ups. As a result, the consumer satisfaction about the delivery methods provided by the electronic shops will be increased. The internet penetration influence consumers' purchasing decisions highly. For explication, the high internet penetration rate provides easy and efficient access to information, enabling consumers to compare brands and products, and facilitate online purchasing decision. Talking about economic status as a factor affects consumers behaviors is very important. Overall, economic statues influence how consumers perceive and engage in purchasing decisions. When a consumer income is high, he/she will have a higher opportunity to buy from online shops even if they don't have needs toward the product.

4.3 Research Findings

- Age Distribution: The majority of participants fell within the 18-30 age group (60 participants), indicating a significant youth demographic engaged in online shopping. Additionally, 30 participants were aged between 31-50 years, highlighting a broader age

range of shoppers. A smaller proportion included 15 participants aged 51-65 years, with two participants being older than 65 years.

- **Gender Representation:** Among the participants, 68 were female and 39 were male, indicating a higher representation of females in the study sample. This finding underscores the importance of considering gender dynamics in e-shops marketing strategies to ensure inclusivity.

- **Nationality Composition:** The study encompassed participants from diverse nationalities, with 40 individuals being Saudi nationals and 67 individuals representing non-Saudi nationalities. This diversity reflects the multicultural nature of customers in the Kingdom of Saudi Arabia and emphasizes the need for inclusive programming to cater to varied audience preferences.

- **Education Levels:** The study shows that online shoppers in the Kingdom of Saudi Arabia have different levels of education. These differences indicate the importance of considering the presence of people with different thoughts to supply products and services which suit their different needs and desires.

- **Online Shopping Frequency:** A considerable majority of participants (46) said that they buy from online shops once a month, which means most of the consumers buy from online stores in regular bases. Online shops must maintain this pattern through implementing some special programs and providing special offers and deals for their customers.

- **Online Shopping Experience:** Through the study, it turns out that consumers care about different aspects while shopping online. They take into account the quality, payment methods, after-sales services and shipping company services. As a result, e-businesses should focus on these different aspects and try to achieve the highest level of each aspect toward

keeping their present customers and increasing the number of future customers. Going into these processes to cover the different needs will achieve customer satisfaction and loyalty.

- **Products/ Services information:** Respondents overwhelmingly acknowledged the importance of provided information about a product or service, with 51 participants strongly agreed and 31 participants agreed with this assessment. Information availability is pivotal in enhancing consumers shopping experience since it gives deep and clear description of the provided products or services.

- **Marketing Campaigns and advertisements:** A significant proportion of participants (61) strongly agreed that the marketing efforts made by the suppliers are highly affect the consumer buying decisions, reflecting the importance of identifying and evaluating the targeted audience to display ads and campaigns that fits their needs. More to that, e-businesses must highly invest in research and development (R&D) to keep up with market trends.

- **Socioeconomic Status:** Most of the respondents highly agreed that the social and economic status of an individual affect his/her purchasing habits and decisions. The socioeconomic status can be broken into three levels: high, middle and low based on individual's income, occupation and education. These variables influence consumers' behaviors since they shape their lifestyle, social class and purchasing decisions. Understanding these factors help businesses' strategies to meet the needs of different class group effectively.

- **Supply-Side Ecosystem:** The Saudi Logistics face low affordability, inconsistent quality, and inefficient last-mile delivery. As shown through the study, 75 participants agreed with that the delivery processes and speed influences consumers' buying decisions. For that, supporting local logistics start-ups by the government by easing the regulations and costs around licensing will lead to have a competitive environment with fostered local ecosystem.

- Internet Penetration: Regarding the study, the major respondents disclose that the internet and broadband connectivity impact consumers experiences with online shopping. So, improving national connectivity infrastructure and enhancing broadband reach and penetration will directly lead to consumers satisfaction and contribute to the growth of e-commerce in Saudi Arabia.

4.4 Conclusion

This research has provided valuable insights into the impact of the spread of e-commerce on the Saudi Economy. By examining demographic trends, perceptions of online shopping, and satisfaction dynamics, we have gained a comprehensive understanding of the factors influencing consumers experiences. The findings underscore the importance of understanding consumers' buying behaviors, effective communication, and inclusive programming in enhancing consumers satisfaction and fostering a thriving e-commerce industry. The demographic analysis revealed a diverse composition of online shoppers, with a predominant youth demographic and significant representation from both Saudi and non-Saudi nationals. This diversity highlights the inclusive nature of e-commerce in KSA and emphasizes the role of such businesses in promoting local economy. Furthermore, the analysis of consumers' perceptions demonstrated high levels of satisfaction with online shopping, logistics, and convenience value. Efficient internet penetration, coupled with payment methods variety and information availability, contributed to positive consumer experiences and enhanced overall satisfaction levels. In summary, this research contributes to both academic discourse and practical strategies for enhancing consumer experiences and fostering a sustainable and prosperous e-commerce industry in Saudi Arabia. By addressing the research questions and hypotheses, this study provides valuable insights into the complex

relationship between e-commerce, consumer's buying behaviors, and long-term economic growth in the Kingdom.

4.5 Research Recommendations

After conducting this investigation, the following recommendations were made:

- Developing online shopping experience by:
 - Better the understanding of consumers needs and desires through collecting customer feedback and act based on them.
 - Enhancing quality control by building proper processes and keeping clean workplace with ensuring that managers are properly trained.
 - Developing payment methods by offering cash on delivery method with lower fees since this method help stores reach a wider target audience and drive more sales.
 - Enhancing customer service and after-sales service by allowing the communication with the store for all day and train the customer service staff intensively.
 - Creating inclusive programming that suit the targeted customers needs to achieve their satisfaction.
 - Allowing consumers to choose the shipment company based on their interests.
- Developing supply side ecosystem by:
 - Supporting local start-ups logistic companies by the government through easing the regulations and reduce costs around licensing.
 - Transforming Saudi post into a commercial company and enhancing its capabilities to boost e-commerce sector growth.
 - Combining the Saudi post's national address system with the internal systems of private local, regional, and global logistics operators to improve last-mile delivery and geolocation.

- Connecting the e-stores with OTO, which is the first shipping gateway for e-commerce stores to ship, manage, track, analyze and return orders with different carriers from a single dashboard. This will ease and shorten steps and delivery processes.
- Developing internet penetration by:
 - Improving national connectivity infrastructure and enhancing broadband reach to directly contribute to the growth of e-commerce in Saudi Arabia.
 - Utilizing advanced technology and communication channels to enhance e-commerce value chain, including operations, customer service and advertising.
- Developing marketing and advertising by:
 - Adding articles made by experts related to the provided products in order to attract more customers and achieve customer loyalty.
 - Identifying the target audience and conducting market research to provide appropriate ads which suit the target customer's needs.
- Keeping up with market trend by:
 - Investing in research and development departments (R&D) which will contribute directly to the e-commerce sector improvement.
 - Studying the competitor's situation within the market in order to make informed decisions, and adapt market changes and gain competitive edge.

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Appendix

The Impact of the Spread of E-commerce on the Saudi Economy: Aa Applied Study on Saudi Consumers' Buying Behaviors

Questionnaire

Thank you for participating in this research study. The purpose of this questionnaire is to gather information about the impact of consumers' buying behaviors on e-commerce industry in the Kingdom of Saudi Arabia. Your responses will help us better understand the factors that influence consumers satisfaction and contribute to the improvement of customers experiences in the country. Your participation is voluntary, and all responses will be kept confidential. Please answer the following questions honestly and to the best of your ability.

Part 1: Demographic Information:

1. Age:

- 18-30
- 31-50
- 50-65
- Older than 65

2. Gender:

- Male
- Female

3. Nationality:

- Saudi
- Non-Saudi

4. Educational Level:

- High school or below
- Bachelor's degree
- Master's degree
- Doctorate or above

Part 2: Additional Information

1. How often do you buy from online shopping?

- Once a week or more
- Once a month
- Once every two months
- Once every 3-4 months
- Less often

2. What is the most important part of the online shopping experience?

- Quality
- Payment methods available
- After purchasing services
- Shipping company

Part 3: choose the most appropriate answer from (1 to 5) the following that truly express about your own opinion and experience: (Where 1 = Strongly agree, 2= Agree, 3= Neutral, 4= Disagree, 5= Strongly disagree).

	1	2	3	4	5
The product or service essential information page including images or videos, measurements and colors affects the consumer purchasing decisions.					
Marketing campaign and advertising affects consumer purchasing decision of a product or service.					
Installment service in payment methods encourage you to buy a product or service.					
Consumer's family, friends and society play crucial role in modeling consumer behaviors.					
Individual economic status has a huge steer on consumer behavior.					
The delivery speed of consumer's orders influences the consumer's buying decisions.					
Internet and broadband connectivity levels impact the consumer experience and e-commerce adaption.					

English Abstract

The present research study explores the degree to which the consumers' buying behaviours influences e-commerce sector within the Kingdom of Saudi Arabia. A qualitative research approach was adopted, employing questionnaires to amass data from a sample of 107 consumers. The findings of this research indicate that the majority of participants fall within the 18-30 age bracket, with preponderance of female respondents. The sample was diverse in terms of nationality. The results suggest that consumers rely on online shopping, but they need to enhance their shopping experience. In light of this finding, several recommendations are proffered to optimize the consumer's buying behaviours with e-commerce in the Kingdom of Saudi Arabia. These recommendations encompass bettering the understanding of consumers needs and desires, enhancing quality control, developing payment methods and customer service department. More to that, developing the supply-side ecosystem, developing internet infrastructure, and marketing campaign and keeping up with the market trends to reach costumers loyalty.

Keywords: Consumer behavior, E-commerce, Online shopping, consumer decision making.

تستكشف الدراسة البحثية الحالية مدى تأثير سلوكيات الشراء لدى المستهلكين على قطاع التجارة الإلكترونية داخل المملكة العربية السعودية. تم اعتماد منهج البحث النوعي، باستخدام استبيانات لجمع البيانات من عينة مكونة من 107 مستهلك. وتشير نتائج هذا البحث إلى أن غالبية المشاركين يقعون ضمن الفئة العمرية 18-30 عاماً، مع غلبة الإناث. وكانت العينة متنوعة من حيث الجنسية. وتشير النتائج إلى أن المستهلكين يعتمدون على التسوق عبر الإنترنت، ولكنهم بحاجة إلى تعزيز تجربة التسوق الخاصة بهم. وفي ضوء هذه النتائج تم تقديم العديد من التوصيات لتحسين سلوكيات الشراء لدى المستهلك مع التجارة الإلكترونية في المملكة العربية السعودية. وتشمل هذه التوصيات تحسين فهم احتياجات ورغبات المستهلكين، وتعزيز مراقبة الجودة، وتطوير طرق الدفع وإدارة خدمة العملاء. علاوة على ذلك، تطوير النظام البيئي لجانب العرض، وتطوير البنية التحتية للإنترنت، والحملة التسويقية ومواكبة اتجاهات السوق للوصول إلى ولاء العملاء.

الكلمات المفتاحية: سلوك المستهلك، التجارة الإلكترونية، التسوق عبر الإنترنت، اتخاذ القرار الاستهلاكي.