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Factors important for the selection of goods and services on the Internet in the opinion of students of the management faculties - current status and dynamics

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Abstract

The CoViD-19 pandemic caused drastic limitations in interpersonal meetings, which greatly limited the possibilities of trading in physical premises. In this situation E-commerce, which had already dynamically developed before, turned out to be of a great help. That was an important ground for the sector to experience very a strong growth during the pandemic. Therefore a strong need arises to deepen knowledge about the factors relevant to the choice of goods and services purchased online. This article presents the results of the study conducted in 2021, which was a follow-up to the study from 2012. Thanks to this, an insight was obtained not only into the significance of factors, but also into the dynamics of changes taking place in this area. The study has been conducted as a survey among students of management sciences at universities in northern Poland. It is worth mentioning, that most important outcomes, shown continuous importance of credibility in many dimensions. However, the most interesting finding is the rapidly rising importance of simple installment purchase option which is accompanied by a sliding importance of a low price factor whilst the price/quality ratio remains on the same level. This may show a new direction in e-commerce young consumers’ preferences.

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1. Introduction

Online commerce has been growing dynamically for years, and became one of the most important retail sales channels. These changes were aggravated by the CoViD-19 pandemic in 2020, which drastically limited the possibilities of moving around and making purchases in traditional stores. Often, online purchases remained as the only channels to be used. After a year of this experience, one can state that it has changed both the attitude and the perception of the significance of factors related to online transactions. Understanding consumer perception concerning importance of the factors influencing online shopping choice is crucial for effective websites development. It allows them to be structured in such a way for the purchasing interaction to be fruitful and encouraging for customers.

2. Literature review

One may find many different factors influencing online shopping described in the literature. A lot of research has been done on different levels. Some interesting examples may include research on factors at the frontiers of psychology, as well as impulse shopping, especially with previous larger amounts spent [10] or by a word-of-mouth [3], [4], [14]. However what is interesting, usually they are either narrowed or difficult to be used by small companies, that do not have their own research budgets and therefore need such information most.

Other studies focus on more technical factors, such as factors which facilitate or hinder the perception of online sites. Research shows that the tendency of customers to shop online increases in stores which have high usability, as it translates into a feeling of easiness in making transactions and understanding the purchase process itself. [6], [11] Factors such as page loading time, business content, efficiency and ease of navigation, security and focus on customer satisfaction in the marketing dimension are important here. This is because in case of online purchases, the website constitutes the impression (including the first, which is considered very important) and at the same time provides access to the subject of the business transaction. [7], [11], [18].

An additional impact on the perception of online shopping can be seen especially in the context of older people, as they have problems with the use of modern solutions based on the use of computer technologies. [8], [23] One of the main issues is the technology itself: ignorance of technology, not keeping up with changes, distrust of new solutions. In addition, when using on-line services, in the case of older people, one can notice some problems which often arise, related to the typical behavior of the elderly. It includes such behavior as that they react emotionally, blame themselves for failure, they are afraid to experiment, do not understand technical phrases too, do not understand English phrases, scroll the page (up-down), are afraid of downloading attachments, prefer to read larger font sizes (prefer lower screen resolution), need more time to complete the task and are not willing to click on links (hyperlinks). [20], [22], [23].

Other frequently cited factors negatively influencing online consumers include perceived purchase risk, which can have many different dimensions. The most visible dimension is financial one - the fear of experiencing a loss as a result of a fraud. [9], [25] Another risk may be the one of non-compliance related to the possibility of non-compliance by the purchased goods or service with the expected (and imagined on the basis of the description, without the possibility of physical contact) characteristics or properties. [1], [24] Further risks may also relate to mental comfort in areas such as privacy (risk of fraudulent use of personal data, including, in particular, sensitive data such as credit card number, PESEL number, etc.) [12] or social risk which may be related to the fear of negative reactions (such as blaming) relatives (such as family or friends) as a result of decisions which turned out to be wrong after the fact. [1]

The perceived usefulness of the purchase may be important or one of the most important for making purchasing decisions. The second most important factor may be the pleasure experienced, which has proven to be a factor more important than ease of use. [19], [15], [2].

One of the possible solutions may be taking advantage of the methodologies influencing the use of feelings in design - such as the Kansei methodology. Two areas which deserve special attention in that case are semantic space expansion and property space expansion. In the first one, the process of identification of the key subjective impressions about the designed product is carried out. It enables collection of information often helpful in creating
specifications for the online services which are being created. The second area, on the other hand, is responsible for the correct identification of technical properties which makes it possible to identify the technical factors responsible for shaping the subjective imagination of users. Capturing the interactions related to feelings is rooted in the culture of the Far East, hence methodologies such as Kansei Engineering are of great help in this regard. [5], [16], [17].

Demographic factors in online consumer behavior may also have different dimensions than previously mentioned age and may include gender, for example. In this case, a desire to shop online among men as consumers is greater than among women. According to the literature they make more online transactions and spend more money than women. On the other hand on a similar level as women, they return to online shopping and usually like them (or more) prefer the electronic way of shopping. Women, however, have a higher fear of online sites than men and are more skeptical about e-commerce. Another demographic factor may be education, but in this case it gives different results in different studies. [26], [13], [21].

3. Study of the factors that may influence the choice when purchasing online

A potential desire to shop online can be studied in almost countless perspectives which may be more or less practical. The study presented meant to be of practical value, easily adaptable by small enterprises (SME sector), aimed at checking the perceived impact of the simplest, intuitive factors which may have a practical impact on the daily functioning of online retail channels, especially for selling products and services via the Internet. For catching not only simple momentum impression it additionally has been driven as a continuation of the study from 2012, which allowed to see the factors’ change and dynamics.

The study was conducted among students of the Faculty of Management of the UTP in Bydgoszcz in April 2021. There were 103 responses obtained. It was carried out as a follow-up of the survey conducted 9 years earlier, in April 2012, among students of the Faculty of Management of the Gdańsk University of Technology and students of Engineering Management and Engineering Logistics at WSB in Gdańsk. During this study, there were 90 responses obtained. Both studies were conducted using the interview method - electronic questionnaire using the Google Forms tool.

In the survey, respondents were asked about 17 selected factors which were identified as potential factors influencing the choice when buying goods or services online. They included:

a) an accurate and credible description of the good or service
b) low price
c) favorable price / quality ratio
d) the credibility of the manufacturer or brand of the product
e) the credibility of the seller
f) speed of home delivery
g) low cost of home delivery
h) opinions about the goods among customers of the same store
i) opinions about the goods found outside the store from which we buy
j) ease of purchase
k) the possibility of choosing a convenient form of payment (e.g. transfer / cash on delivery / card)
l) simple installment purchase option
m) the possibility of contacting the store or the seller
n) having a real-world facility by the store
o) ensuring that the purchased goods can be returned without giving any reason
p) shop reviews found on the Internet
r) attractive presentation of the goods

As a result of the received responses, there were identified factors which in the opinion of the respondents were of the greatest importance or their significance changed the most.

Three aspects related to credibility turned out to be the most important – ‘credibility of the seller’, ‘credibility of the
product description’ and ‘credibility of the manufacturer’. All of them obtained almost the highest number of the highest responses ('definitely yes') - in 2021: 58.25%, 57.28% and 56.31, respectively. It was similar like 9 years earlier, in 2012, when these proportions amounted to 60.00%, 57.78% and 47.78%, respectively. As one can see, only ‘the manufacturer's credibility’ grew more important, but, interestingly, if the answers 'rather yes' are also taken into account - then all three categories remained at an almost equal and almost unchanged level of 84-88% with a slight downward trend, between -1, 3 and -3.4%.

Fig. 1. The credibility of the seller [% of responses].

Fig. 2. An accurate and credible description of the good or service [% of responses]
The second group of answers are those which can be broadly described as shopping convenience. They include ‘the possibility of choosing a convenient form of payment’, which in 2021 received the largest number of 'definitely yes' responses among all being under evaluation (60.19%). The other two responses in this group were ‘ease of purchase’ and ‘speed of home delivery’ (which received 52.43% and 50.49 'definitely yes' responses, respectively). As in the case of credibility features, the shopping convenience features have remained almost unchanged since 2012, with a high level of positive responses (both 'definitely yes' and 'rather yes') ranging from 83% to 86%. An interesting increase in the significance of this category is the noticeable shift of responses from the 'rather yes' to 'definitely yes' category by about 12% in the case of responses regarding ‘the possibility of choosing a convenient form of payment’ and ‘ease of making a purchase’, to almost 22% in the case of responses with a ‘prompt response, home delivery’.
The third identified group of factors has one common feature: the largest decrease in significance among the examined factors in terms of the share of all positive responses (both 'definitely yes' and 'rather yes') and a twofold nature. A dual nature, because they are related to two areas. A dual nature as well, because of its ambiguity of this decline in significance. The first area is ‘opinions about a product or service available in the same store’ - with a decrease in significance by almost 6% (altogether for the answers 'definitely yes' and 'rather yes') - although this area is not clear-cut, due to the fact that in at the same time, the number of 'definitely yes' answers increased from 40% to over 45%. The second area is related to price. It includes responses pointing to a ‘favorable price/quality ratio’ and ‘a low price’. The first, despite a large drop (by over 6% in the share of positive answers 'definitely yes' and 'rather yes' between 2021 and 2012), still remains one of the most frequently indicated with a result of 54.37% of the answers 'definitely yes' and 29.13% of the answers 'rather yes'. The second one has a much lower share of positive responses, 33.98% 'definitely yes' and 42.72% 'rather yes', but it can be clearly related to the answer from the next group that gains the most importance.
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The last identified group of factors includes those which gain the most importance. These are: ‘having a facility in the real world by the store’, ‘ensuring the possibility of returning goods without giving a reason’ and ‘the possibility of simple purchase in installments’. Among the positive responses (both 'definitely yes' and 'rather yes') they gain 5.59%, 11.95%, and the last one as much as 27.57% (which, despite the small base effect, still remains a huge change).

Fig. 10. Having a real-world facility by the store [% of responses]

Fig. 11. Ensuring that the purchased goods can be returned without giving any reason [% of responses]

It can also be associated that the first two factors (‘having a store in the real world’ and ‘ensuring that the purchased goods can be returned’) are in some way related to trust, i.e. the most important identified group of factors.
The last factor, ‘the simple option of buying in installments’, or rather its great increase in importance, may explain the recorded decrease in the significance of the ‘low price’ factor at a stable level of the ‘favorable price/value ratio’ factor. At the same time, a very high dynamics thereof may indicate a serious gaining significance.

4. Conclusion

Among the factors under investigation, the most important ones for making a purchase decision over the Internet in both studies turned out to be three aspects related to credibility – ‘the seller's credibility’, ‘the credibility of the product description’ and ‘the manufacturer's credibility’. The factors supporting this area seem to be ‘the fact that the store has an outlet in the real world’ and ‘the possibility of returning the goods without giving a reason’, which are among the factors which gain the most importance. The other factors of great importance in both studies are ‘ease of purchase’ and ‘speed of home delivery’.

An interesting case are the factors which recorded the greatest decrease in significance in terms of a share of all positive responses (both 'definitely yes' and 'rather yes'). These are ‘opinions about a product or service available in the same store’ - with a recorded total decrease in significance while at the same time, the number of highest 'definitely yes' responses has increased. The second area is related to the price. It includes responses pointing to ‘a favorable price-quality ratio’, and especially ‘a low price’. However, it is probably related to the answer which recorded the greatest increase in significance – ‘the possibility of a simple purchase in installments’, which seems to be supported by the fact that in 2021 the answer about ‘the possibility of choosing a convenient form of payment’ received the largest number of 'definitely yes' answers among all listed (60.19%).

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