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A profile of the Internet shoppers: Evidence from nine countries



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ABSTRACT

As the e-commerce industry continues to grow significantly across the world, the importance of understanding the similarities and differences among the consumers in diverse regions of the world is vital for businesses to stay relevant and sustain in the competitive market. Understanding customers' characteristics successfully and effective market segmentation globally are critical for the success of one's business. Previous studies have examined the profiles of Internet shoppers in six countries—the United States, Brazil, Bulgaria, New Zealand, England and China. This research extends the previous studies by examining the profiles of Internet shoppers and non-Internet shoppers in three countries–Malaysia, Singapore and Taiwan. The findings from this study reveal that the Internet shoppers respond positively towards the motivational and attitude aspects of online shopping. The implications of the findings for theory and practice are discussed.

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1. Introduction

The Internet, a mean for both firms and individuals to conduct business, has become very popular and is recognized as one of the most widely used non-store formats. Due to its popularity, online retail sales have been estimated to increase sharply from \$430.8 billion in 2008 to \$697.8 billion in 2012 (Caris and Company, 2010). Besides the US and European markets which are common for e-commerce, the Asian region has also shown a significant growth in retail e-commerce with an estimated value of \$161.9 billion of total sales in 2012 (Caris and Company, 2010). The contributing factors to the increased online sales include high penetration Internet rates, increasing income, and acceptance of online shopping in this Asian region. As the competition in the e-commerce industry intensifies, it becomes more important for online retailers to understand consumers' perception and acceptance of online shopping. Such knowledge is essential to customer relationship management, which has been recognized as an effective business strategy in the e-commerce platform.

Although online retailing has become an emergent trend throughout the world, comparison studies on Internet shopper profiling across countries are still limited. Prior research has examined the profile of Internet shoppers within specific countries. A notable study in this area is the one done by Donthu and Garcia (1999) on the Internet shoppers of the United States. The need on the profiling of Internet shoppers in a global context is very much neglected. The study done by Brashear et al. (2009) did extend their investigation outside the United States by examining the profiles of Internet shoppers of five countries namely Brazil, Bulgaria, New Zealand, England and China. However, Brashear et al. (2009) only looked into one Asian country—China, which is inadequate to generalize the findings to represent the Asian region. Since Asia is formed from a multicultural society, further investigation on the Internet shopper's profile among other Asian countries is very much needed. This can be seen as a deficiency in the e-commerce landscape that is worth to be explored further in the global context.

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The present study aims to extend the work of Donthu and Garcia (1999) and Brashear and his colleagues (2009) by examining Internet shoppers and non-Internet shoppers in three Asian countries namely Malaysia, Singapore and Taiwan. The results of these three countries were compared with those of the six countries done by Donthu and Garcia (1999) and Brashear et al. (2009). In doing so, this study seeks to expand the purview for the research to the global platform. The particular interest is whether the characteristics and profiles of the Internet shoppers differ across world regions or markets. This study will have profound implications for marketers and advertisers in the virtual business world.

This present study responded to the call for further study on Internet shopper profiling suggested by Donthu and Garcia (1999) and Brashear et al. (2009). In line with their approach, this study examined the similarity and differences between Internet shoppers and non-Internet shoppers on their motivational and attitudinal factors in relation to online shopping. Specifically, Internet shoppers and non-Internet shoppers were compared based on convenience seeking, innovativeness, impulsiveness, price consciousness, risk aversion, brand consciousness, variety seeking, attitudes towards online shopping, and attitude towards online advertising. The respondents in this study were Internet users from three Asian countries–Malaysia, Singapore and Taiwan.

The remainder of this paper is organized as follows. First, relevant literatures on the motivational and attitudinal factors in relation to online shopping were reviewed and hypotheses for this study were formulated. Second, the research methodology for this study was discussed. Third, the analyses and results from this study were presented. Lastly, the researchers discussed the implications of this research as well as the limitations of this study.

2. Literature review

With the increased usage of the Internet worldwide, the Internet has risen to become one of the most interactive tools that influence the decision of consumers in the context of shopping. The influences of the Internet on consumers' decision on shopping behavior have been widely acknowledged. Various studies have provided evidence that the consumers who shop online can be behaviorally different in shopping decisions in comparison to the non-Internet shoppers (Donthu and Garcia, 1999; Saprikis et al., 2010; Soopramanien and Robertson, 2007).

The Internet shoppers can be defined as those Internet users who make retail purchase with the use of Internet connection (Swinyard and Smith, 2003). Meanwhile, non-Internet shoppers are referring to those individuals who have made no such purchases using the Internet. Donthu and Garcia (1999) have revealed that the behaviors of Internet shoppers vary in terms of motivational and attitudinal dimensions from the non-Internet shoppers. Donthu and Garcia (1999) found that Internet shoppers were more likely to be convenience seeking, innovative, less risk averse and impulsive than the non-Internet shoppers. These types of motivational and attitudinal elements have been used across literatures in differentiating Internet shoppers from non-Internet shoppers in various shopping genre (Brashear et al., 2009). Therefore, in an effort to understand and compare more about the segments of Internet shoppers, this research focuses on the various motivational and attitudinal aspects of Internet shoppers across three Asian countries. In line with the studies by Donthu and Garcia (1999) and Brashear et al. (2009), the dimensions examined in this research encompassed of convenience, innovativeness, risk aversion, variety-seeking behavior, impulsiveness, brand consciousness, price consciousness, attitude towards online advertising and attitude towards online shopping.

2.1. Importance of convenience

Internet shopping is similar to other direct shopping methods where it is associated with convenience in the buying process. Convenience in e-commerce refers to the practices and services of online shopping websites that reduce customer effort and time in the transaction process (Yen and Gwinner, 2003). Online shoppers will enjoy multiple forms of convenience. These include less physical effort involved, flexibility in terms of when they want to shop, easiness in responding to promotions and advertising, and simple and user-friendly websites (Soopramanien and Robertson, 2007; Suki et al., 2008).

According to past studies, many of the studies have identified that convenience as an important factor contributing to online shopping. Convenience orientation has been widely supported as one of the motivational elements that influence customers' preferences and perception to shop online (Brengman et al., 2005; Choudhury and Karahanna, 2008; Girard et al., 2003; Kim et al., 2009; Rohm and Swaminathan, 2004). In the similar vein, this scenario also applies to the Malaysia and Singapore context (Hui and Wan, 2007; Suki et al., 2008; Haque et al., 2009). In relation to these findings, Internet shoppers have been found to be more likely to perceive that online shopping is more convenience than non-Internet shoppers (Brashear et al., 2009; Donthu and Garcia, 1999; Soopramanien and Robertson, 2007). Therefore, it is postulated that:

H1. Internet shoppers seek more convenience than non-Internet shoppers.

2.2. Personal innovativeness

In the aspect of IT, personal innovativeness refers to the willingness of an individual to try out and adopt new information technologies (Agarwal and Prasad, 1999; Leung and Wei, 1998). In the context of consumer behavior, it can be explained as the relative willingness of a person to try new products or services (Delafrooz et al., 2010; Hirunyawipada and Paswan,

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