

Research and analysis of Chinese consumer behavior factors that influence consumer online shopping

Yan Zhe*
Asst.Prof.Dr.Kom Campiranon**

ABSTRACT

With the improvement of living standards and the rapid spread of the internet, online shopping has become a new way of shopping especially for the Chinese market which is one of the largest online shopping markets in the world.

The researcher has analyzed the factors that affect the behavior of Chinese consumers' online shopping from three aspects which are demographic profile, marketing mix, and lifestyle.

This research has found that different demographic profiles (e.g. income, occupation) can lead to different attitudes amongst customers towards online shopping. The marketing mix (e.g. product, price, promotion) also has effects on customers' online shopping behavior.

Findings from this researcher can provide useful information for businesses that aim to attract more Chinese online consumers.

* A student of MBA (International Program), Dhurakij Pundit University (DPUI), Bangkok, Thailand

** A research supervisor

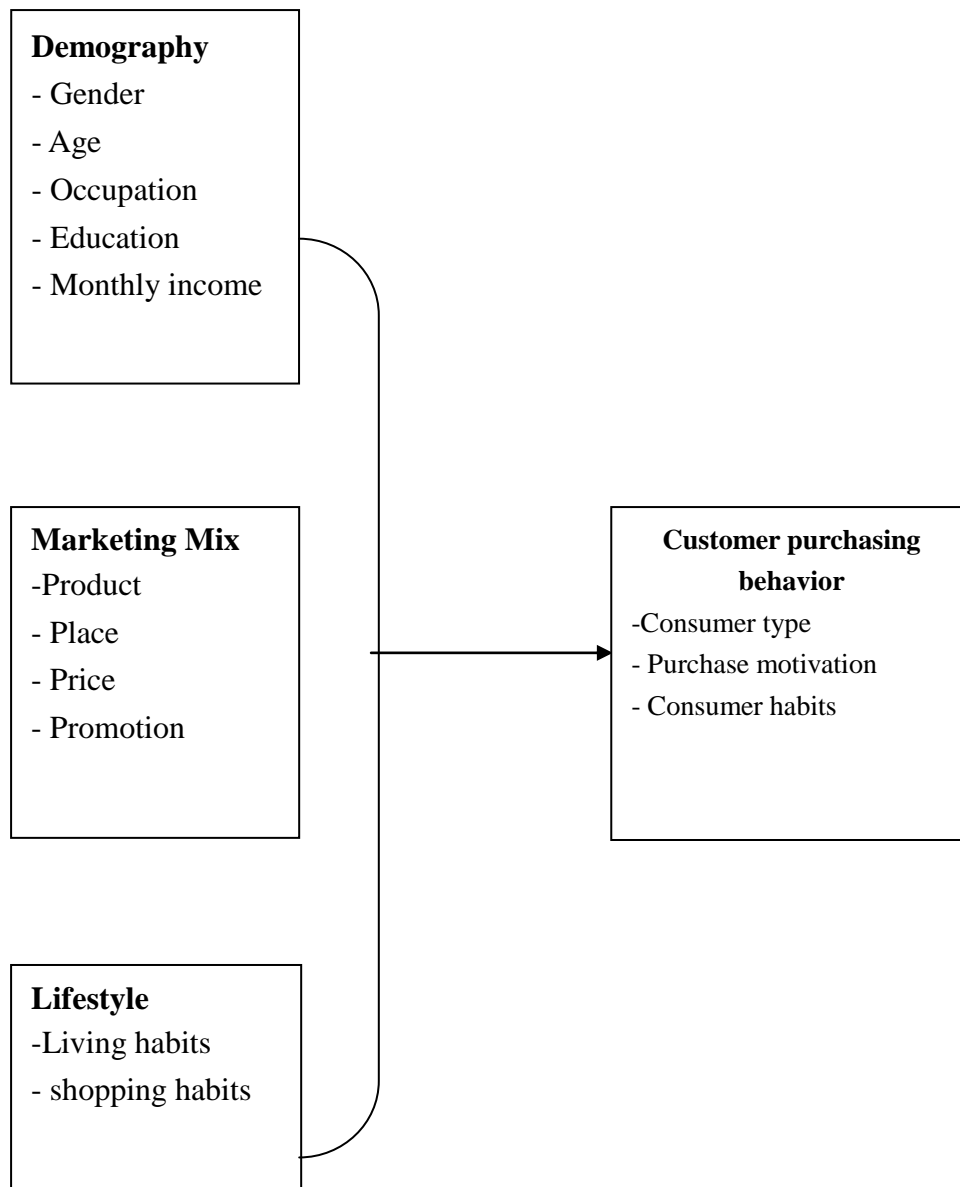
Introduction

According to the China Internet Network Information Center (CNNIC, 2009), there are over 1 billion online shopping customers in China. Digital 100 market research company's survey data showed that 84.5% of college students have online shopping experience, where 53% of college students purchased online at least once a month. The main groups of consumers are not just college students, but are also young white-collar workers and enterprise employees, and the total proportion of men and women is almost equal. The improvement in logistics system has brought more convenience to consumers.

Online shopping is the electronic networking of traditional purchasing behavior. With the development of the Internet, research on how to use the Internet to produce economic effects has greatly improved both in depth and breadth. However, research on consumer behavior change under the condition of Internet has not been paid attention to. Therefore it is necessary for us to study and analyze the factors that affect consumers' shopping behavior. Enterprises need to develop effective marketing strategies according to the factors that affect consumers' shopping behavior to facilitate survival and development. In the analysis of the impact of consumer online shopping behavior factors, we also want to understand the electronic commerce website marketing model to determine what kinds of marketing strategy would attract more consumers, and how e-commerce can enhance performance and allows for sustainable growth.

Customers' demographic profile, marketing mix, and lifestyle have been used regularly in consumer behavior research; therefore, this research aims to investigate the factors influencing the purchasing behavior of online Chinese customer shopping online and the possible influencing factors such as demographic profiles, marketing mix (e.g. product, price, place and promotion) and lifestyle (e.g. living habits and shopping habits). The conceptual framework of this study is depicted in Figure 1.

Figure 1: Conceptual Framework of the Study



According to the above research aims and the conceptual framework, the hypotheses of the study are as follows:

1. Demography is one of the factors that influences customer online shopping behavior.
2. Marketing mix is one of the factors that influences customer online shopping behavior.
3. Lifestyle is one of the factors that influences customer online shopping behavior.

Research Methodology

The study has collected Chinese customers' online shopping behavior data and the respondents were MBA students at Xiangtan University in China. Due to the limitation of time of the study, the researcher aimed to collect at least 100 respondents' data as a sample.

This research has adopted a convenience sampling method by distributing questionnaires to customers who were 2013 and 2014 graduate students at Xiangtan University in China. This study employed a convenience sampling method because the respondents were available and able to complete the questionnaire survey (Malhotra 2007).

In order to measure the constructs of the study, the research used the following items in each questionnaire section; Part I: respondents demographic profile including gender, age, occupation, education, monthly income, using internet time and average monthly online purchase.; Part II: the marketing mix consists of four main items which are product, price, place and promotion; Part III: lifestyle (e.g. online shopping frequency, acceptable delivery time, worry factor); and Part IV: the purchasing behavior of consumer online shopping (e.g. day, time, recommend online shopping to other people, online payment, online service)

100 questionnaires were distributed and received. The data were screened for a normal distribution which could be assumed with a Skewness value range of -1 to +1 and a Kurtosis value ranging from -2 to +2 (Tabachnick & Fidell, 2001).

Data Analysis

Each construct was analyzed by using descriptive statistical methods such as frequency, percentage, mean and standard deviation to find the descriptive results. The hypothesis test was conducted by using the chi-square.

Research Findings

This study collected data from MBA students at Xiangtan University in China, and the researcher distributed questionnaires through social networks (e.g.: We chat, QQ) to respondents. 100 responds were received, resulting in a response rate of 100%. The process of analysis focuses on the factors influencing consumer online shopping behavior.

Results of Demographic Profile

The majority of respondents were female (74.0%) followed by male (26.0%). The majority of respondents had income less than 2,000 yuan per month (33.0%). The majority of respondents were undergraduates (47.0%) and were college students (31.0%). Most of them were 24—28 years old (53.0%) and have been using the internet for 5-7 years (90.0%). For the average monthly online purchases, the majority of respondents spent 1,501 yuan and above per month (29.0%) followed by 501 yuan—1,000 yuan per month (28.0%) 1,001 yuan —1,500 yuan per month (23.0%) and 500 yuan or less per month (20.0%).

Results of Marketing Mix

1. Product

The majority of respondents tended to buy clothing, shoes, hats, bags (16.6%) on the internet; only 1% of respondents chose to buy home appliance products on the net. 79% of the respondents thought the major problem with online shopping is that the products are fakes. When customers experienced problems with online purchase, the majority of respondents tended to return goods (66.0%).

2. Price

The majority of respondents tended to agree shopping online is cheaper than shopping at stores (48.0%) and fewer disagreed (4%). The majority of respondents tended agree that the price affects the quality of the product (64.0%). When respondents shop online, there were 62.0% of respondents who felt the price and product quality was value of money, while the other 38.0% of respondents disagreed.

3. Place

The majority of respondents tended to use Taobao (76.0%) for online shopping. After the respondents had shopped online, 92.0% of the respondents chose online payment as the method of payment. Regarding the express company, the majority of respondents tended to use the Yuan Tong Company (44.0%).

4. Promotion

Regarding online shop promotion, the majority of respondents tended to like free delivery (35.8%), followed by discounts (32.6%). Most respondents know about the online store's promotional information from the internet (44.3%). The majority of respondents thought the frequency of online store promotion was once a month (34.0%).

Results of Lifestyle

The majority of respondents used the internet more than 5 times a day (74.0%), the online shopping frequency was 2-3 times a month (29.0%). The main reason for

online shopping was that online shopping is convenient and quick (25.5%), the worry factor for online shopping was that there is a difference between the pictures of products and the actual products (46.0%).

Results of Consumer Behavior

The following results are obtained based on the data analysis of consumer behavior. Regarding the question about repeated online shopping, the majority of respondents remained neutral (mean = 3.43 out of 5.00). The majority of the respondents remained neutral regarding recommending online shopping to other people (mean = 3.44). Regarding the question about satisfaction with the quality of online shopping products, the majority of the respondents remained neutral (mean = 3.21). The majority of the respondents remained neutral regarding the net purchases of goods and physical goods on the market with a clear competitive advantage (mean = 3.48). Regarding the question that online payment is convenient, the majority of the respondents agreed with this point (mean = 4.01). The majority of the respondents remained neutral regarding the online seller's service attitude being good (mean = 3.47). Regarding the question that after the purchase of goods, orders can be successfully completed delivery, the majority of the respondents agreed with this point (mean = 3.77). The majority of the respondents remained neutral regarding online stores providing full and complete product information (mean = 3.40). It was found that the majority of the respondents agreed regarding the security of online payment (mean = 3.56). Regarding the question that online shopping logistics distribution price is reasonable, the majority of the respondents remained neutral (mean = 3.44).

Result of Hypothesis Tests

H1: Demography is one of the factors that influence consumer purchasing behavior.

The study found that there was a relationship between demographic profiles and consumer behavior. The majority of respondents had income at less than 2000yuan and 3001- 4000yuan (35.9%) and agreed that internet purchases of goods and physical goods on the market have a clear competitive advantage. Undergraduate respondents (50.9%) were confident that their online orders would be successfully delivered. Respondents who have been using the internet for over 5-7 years will certainly shop online again (91.7%), will recommend online shopping to the people around them (94.7%), and agreed that online payment is convenient (95.2%).

Hypothesis 2

H2: Marketing Mix (4P's) is one of the factors that influence consumer purchasing behavior.

The first part was product. About the product point of view that major problem when online shopping, the majority of respondents choose the major problem when

online shopping is the goods are fakes, most of them tend to keep neutral about this point that you will go shopping online again (84.8%).

The second part was price. There are three views regarding the price. The first point was “Do you agree that shopping online is cheaper than shopping at shopping stores?” The majority of respondents agreed with this point, and most of the respondents stated the following points of view: online payment is convenient (66.7%); after the purchase of goods, orders can be successfully delivered (62.9%); online stores provide full and complete product information (60.0%); the security of online payment can be trusted (80.0%); online shopping logistics distribution price is reasonable (85.7%).

The second point was “Do you agree that the price will affect the quality of the product?” The majority of respondents agreed with this point, and most of the respondents agreed with the items of consumer behavior such as: shopping online again, recommending to other people, satisfied with the product, online payment, online service, product information and online shopping logistics. The last one point was whether the consumer felt the price and product quality was value of money? The majority of respondents chose ‘yes’, and most of the respondents recommended to other people, were satisfied with the product, the product’s competitive advantage and online payment.

The third part was place. The majority of respondents chose Taobao for shopping online and chose online payment as the method of payment. Most of the respondents agreed with the items relating to consumer purchasing behavior, such as: the intention to shop online again, recommending to other people, online payment, online service and delivery. The majority of respondents chose the Yuan Tong Company as the express company, , most of these respondents agreed with this, but most of the respondents remained neutral about making recommendations to other people.

The last part was the promotion. Regarding getting the online store's promotional information from other people, the majority of respondents used this way to get the online store's promotional information, and most of these respondents agreed that they will recommend online shopping to the people around them.

Hypothesis3

H3: Lifestyle is one of the factors that influence consumer purchasing behavior.

Respondents who use the internet more than 5 times a day agreed that online shopping has a clear competitive advantage over offline shopping such as buying at the shopping malls. The majority of respondents stated that a product delivery time within 2-3 days is acceptable, and most of these respondents agreed that online payment can be trusted and online shopping logistic distribution price is reasonable. Regarding the main reason for online shopping, some respondents chose online shopping convenience and speed, and most of the respondents agreed that online

payment is convenient; some respondents enjoy online shopping, but most of these respondents were neutral attitude about the security of online payment and that the online shopping logistic distribution price is reasonable.

Conclusion and Recommendations

This research aims to identify the factors affecting the Chinese consumer online shopping purchasing behavior and to determine the relationships between different demographic profiles, marketing mix, and lifestyle on consumer purchasing behavior.

Through questionnaire data analysis, the study has found a significant relationship between the demographic profile of customer on online shopping behavior, such as monthly income, education level, occupation and customer using the internet time.

In addition, the study has found a significant relationship between the marketing mix (4P's) and customer online shopping behavior. Research indicates that the most important factors in the marketing mix are product quality, product information, online payment, logistics, price, promotion, and the degree of satisfaction. The marketing mix (4P's) (i.e. product, price, place and promotion) factors affect the customers purchasing behavior.

For the lifestyle factor, this research has found that different lifestyles will affect the customer's views on online shopping and online shopping behavior.

Implication of the Study

The lifestyles of customers who shop online are not the same. Older customers who do not often use the internet generally have less choice of online shopping. On the other hand, younger customers prefer online shopping as they use the internet very frequently. Younger customers also think that online shopping is convenient and quick, with a low price and can save their time. So now many consumers use networks to see a lot of business advertising on other media platforms is less to see the online store promotional advertising.

Therefore companies that offer online shopping should improve the quality and intensity of online advertising. Moreover, companies should come up with a logistics distribution system that is convenient for the customers, which is one of the major reasons why consumers choose online shopping. If a seller wants to highlight the advantages of convenience and fast online shopping, they do a good job in logistics support. Regarding the combination of network marketing and experience

marketing, businesses should make full use of the variety of means such as the display of real pictures of the product and the picture of the service environment to enhance consumer confidence in the purchase. They should also strengthen after-sales service; this is an important way to improve the credibility of online stores. Online stores should have a good after sales service system, for example, setting up free advisory telephone services for consumers to call; asking the customers to communicate by email, and by taking the initiative to help consumers solve problems. These help consumers to form positive post purchase behavior, and to encourage consumers to repeat purchase. On the other hand, consumers can also expand the influence of online stores through oral communication.

Recommendation for Future Study

This study had a sample size of 100 respondents. Future study may expand the sample size to collect more information from different respondents and to improve the questionnaire survey. Future research may need to conduct comparative studies as Chinese consumers' purchasing behavior and foreign consumers' purchasing behavior may be different. Regarding this study, the material to read is limited. Future research can refer to more information regarding other materials.

References

- Cheng xingyun. (2010). Marketing strategy. *The definition of marketing strategy*. Retrieved September, 2010, from Wiki database.
<http://wiki.mbalib.com/wiki/>
- China Electronic Commerce Research Center. *The maturity and stability of China's e-commerce*. Retrieved 2010, from
<http://www.100ec.cn/detail--6014291.html>
- CNNIC thirty-fifth survey report. *Personal Internet applications*. Retrieved February 03, 2015, from
<http://tech.sina.com.cn/i/2015-02-03/doc-iawzunex9713411.shtml>
- Eloise, C. (2006). *Digital Business*. Pearson Prentice Hall.
- Marketing Mix Strategies. *Formulating marketing mix strategy*. Retrieved October 26, 2012, from Baidu database.
http://baike.baidu.com/link?url=YymVrFqQCsfQFDiPLvt_JGa6FX6b3RjkFvJUKwI ntBB8oxzcVeK_qPa_Arb_92m3fWj2PCfPWisrLnL9xzg5qK

Hawkins & Mothersbaugh, D. (2013) *Consumer Behavior Building Marketing Strategy*. McGraw-Hill/Irwin.

Leon, G, S & Leslie, L, K. (1995). *Consumer Behavior*. Prentice-Hall International, Inc

Ling qijie. (2011). Shopping on the Internet. *On tax collection and management of online shopping*. Retrieved April 04, 2011, from Baidu database.

http://baike.baidu.com/link?url=hqYmMt8-oN_vAVCKF3ToH15tghvDC_5DTdLIEjd_h2K29XwzWEXm9f0BPmJSckJfsVc1PbWu59fx7CnEmjwnmm

Life style. *living manner*. Retrieved 2015, from Baidu database.

http://baike.baidu.com/link?url=XQ3ioQqWSCDaYEdPeihynxS4XJi_VBA-c-mQOg_LNkU7bLnD7ChoNbrYOaBY33DahFF6Tcyi55wlkCl3LkSMuXa

Liang hongming. (2010, March 23). *Analysis of influencing factors of consumer online shopping* (Dissertation defense, Jinan University)

Network consumer. Retrieved 2015, from Baidu database.

http://baike.baidu.com/link?url=sczxTjUcwlScEcHgE7I24Q5ZrXK6h3GZzxyP-DsIC_qgFs22EX_fJ19pA01U5CQazHqpY_EmQ-7bssJ5IC634Ya

Online marketing. *Network marketing four major systems*. Retrieved December 21, 2012, from Baidu database.

http://baike.baidu.com/link?url=weQ7OsIdUWNIAjMTA5mpDaRmXnv503bIrZ7C1_BgiRN9tq0isBQ9eKjVJVGXa2Rv4ZJvkO9kOllE2Pcgr8oY-pK

Online shopping mall. Retrieved 2015, from Baidu database.

<http://baike.baidu.com/view/71121.htm>

Online stores. *Risk of opening a shop online*. Retrieved 2014, from Baidu database.

http://baike.baidu.com/link?url=IYK1iRHhvroHlrLThb5vvcQHMEjTnIF_LSskDKMy_0VyWSixnYE2fMiIJ5rxaFwXFJABEmCNqERZ2szEq0XUygvq