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Online shopping in the opinion of young consumers

1. Introduction

Increasingly common usage of the Internet and electronic devices in day-to-day life creates favorable conditions for the development of e-commerce, the value of which on the market of retail trade constitutes around 3.5% of the total retail trade. According to PMR, in 2012 it amounted to 17.9 bn zlotys. It is worth noticing that, despite the financial crisis, an income from e-commerce is clearly increasing - since 2008 it has increased by 7.4 bn zlotys (www.research-pmr.com- 09.02.2013). Researches indicate that 52% of people in Poland use the Internet on a regular basis - at least once a week - and the greatest activity is displayed by young people at the age of 16-24 years - 91% of the whole. The Internet contributed to changes in spending behavior of the consumers. The knowledge of them may play a very important role in developing e-strategy which might help to build up lasting competitive advantage.

The purpose of the paper is to present and analyze the results of research on the opinions of young consumers about online shopping.

In the testing procedure the author used the analysis of literature of the subject and results of her own survey research of 241 respondents who were selected from the age range 15-25 from lubuskie voivodeship. Research was conducted in January 2013.

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2. Development of electronic commerce in Poland

E-commerce is a particular type of E-business initiative that is focused around individual business transactions that use the Internet and/or traditional information and communication instruments as media of exchange (Hartman, Sifonis, Kador 2001, p. 474). Philip Kotler believes that that e-commerce is the general term for buying and selling processes supported by electronic devices (Kotler, Armstrong, Saunders, Wong 2002, p. 1055). E-trade can be divided into the following categories:

- B2B (ang. business to business),
- B2C (ang. business to consumer),
- C2B (ang. consumer to business),
- C2C (ang. consumer to consumer).

From the company's standpoint, the most important advantages of e-commerce are (Dąbrowska 2010, p. 504):

- possibility of selling miscellaneous products and services,
- flexibility - continuing and immediate possibility of updating the offer,
- making a wide range of information available to the customers, in the interactive form as well,
- wide range; inclusive of foreign markets, which enables among others to eliminate the negative effect of seasonality on the local market,
- possibility to reach niche customers,
- lower costs compared to the traditional trade - economizing on the costs of offices' operation and equipment, reduction in the number of personnel, shortening the distribution channels, increase in the simplicity of contact with customers, dispensing with warehouses completely or partially,
- motivating customers that are hard to reach through the traditional media,
- making the offer more attractive by organizing an auction,
- possibility of the extension of working time to twenty four hours without the need to incur additional costs,
- elimination of intermediate links - organizing sale directly by the producers,
- short shopping completion time,
- various forms of payment,
- convenient administration,
- fast and easy access to the economical information, e.g. about potential customers and competition.

In the UE-27 about 14% of turnover came from e-commerce in 2010 in case of companies with at least 10 employees. For Poland, this indicator came to

11% and was on similar level as for Spain or Portugal (figure 1). In the analyzed year about 15% of companies in the UE-27 received orders via the Internet

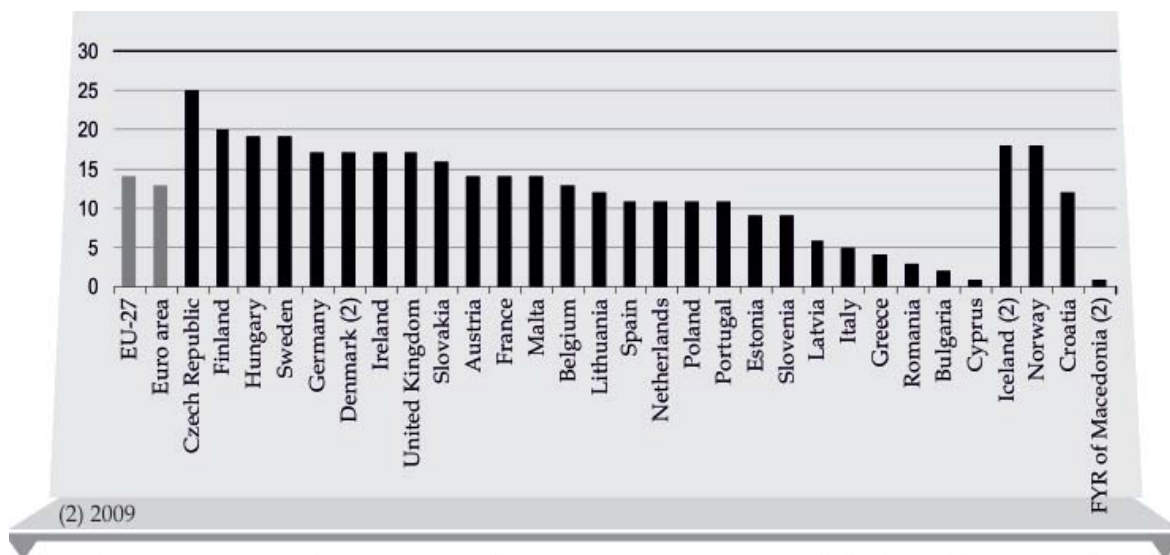


Figure 1. Enterprise turnover from e-commerce, 2010 (% of total turnover)

Source: <http://appsso.eurostat.ec.europa.eu>

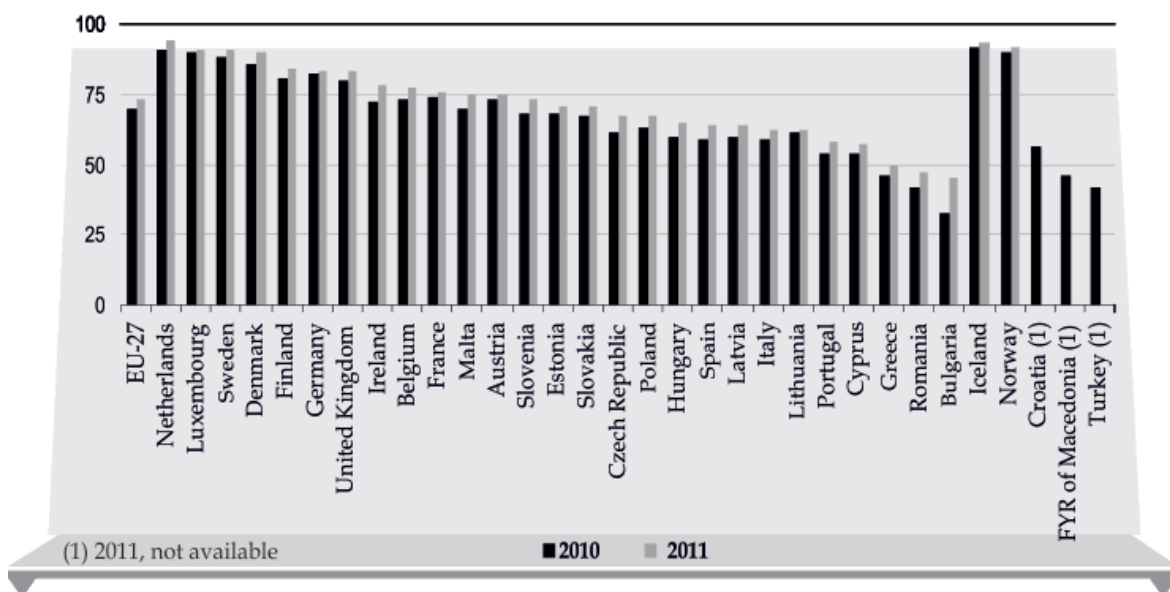


Figure 2: Internet access of households, 2010 and 2011 (% of all households)

Source: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsiir040&plugin=1>

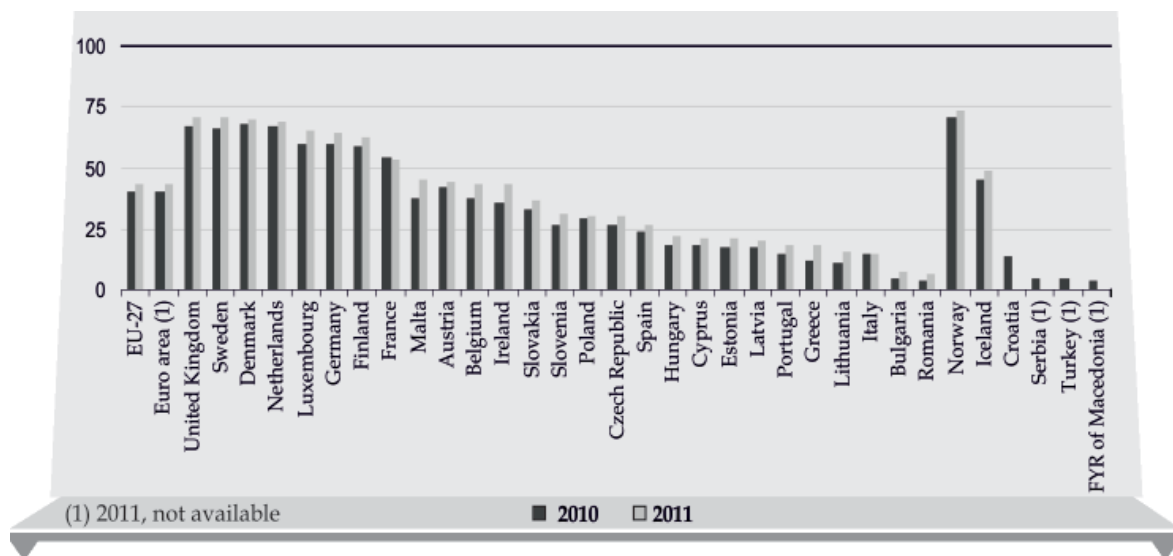


Figure 3. Individuals who ordered goods or services over the internet for private use in the 12 months prior to the survey, 2010-2011 (% of individuals aged 16 to 74)

Source: <http://appsso.eurostat.ec.europa.eu>

and the percentage of companies offering online sales was the highest in the accommodation industry (58%).

E-commerce, in order to function, requires information society, able to use modern technologies and universal access to modern technologies. In 2011 67% of Polish households had access to the Internet which placed us below average in the European Union for which this index is 73%. Similar level of access to the Internet have such countries as Czech Republic and Hungary (figure 2). However, we observe a steady tendency to the improvement of this index - in 2009 it was 59% and in 2010 as high as 63% which means that e-trade forecasts are good. In 2011 62% of people aged 16-74 used the Internet.

Polish Internet user uses the Internet mainly at home (93% of them), definitely less often at work or where they learn (table 1).

It is worth noticing that in 2011 - 30% of the Internet users in Poland ordered a product or a service online. This group is growing systematically - in 2009 it was 23% which means an increase compared to 2011 by one third (figure 3). This is an indication of growing popularity of the Internet as a distribution channel for goods and services. As we relate this to the trends observed in the European Union we can expect its further growth which is a positive forecast for the development of e-trade (Śnihur 2006, p. 180).

Table 1. Place of internet use, 2011 (% of internet users aged 16 to 74)

	Home	Place of work (other than home)	Place of education	Neighbour, friend or relative's house	Other place
UE-27	93	42	12	24	14
Poland	93	30	14	16	8

Source: <http://appsso.eurostat.ec.europa.eu>

3. The opinions of young consumers on online shopping

In the paper I used the results of empirical studies conducted with a standardized questionnaire. I conducted the survey of the customers living in lubuskie voivodeship. The respondents were young people, age 18-25, therefore the representatives of the group dominating the Internet. The main goal of the conducted survey was to know the respondents' opinions on online shopping. During the survey procedure 250 questionnaires were collected. Incomplete and improperly filled in questionnaires were eliminated. 241 remaining questionnaires were classified as complete and suitable for further analysis. The collected data were reduced and edited which enabled to analyze and interpret them. The conducted survey is of preliminary nature as it is the aim of the author to conduct more thorough research in the scope of analysis of online consumer's behaviors, as we choose online shopping more and more often.

Analysis of the acquired empirical data proves that 9 out of 10 respondents shops online. The most numerous group of the respondents, because as many as 43% of them, indicated that they shopped online several times a year and almost 5 out of 100 respondents declared that they shopped online once a week (table 2).

Table 2. Frequency of shopping in the opinion of the respondents

Frequency of online shopping	Percentage of answers
Several times a week	0
Once a week	4.8
Less than 4 times a month	21.4
Less often than once a month	30.9
Several times a year	42.8
I shopped online only once in my life	0

Source: self-study based on conducted research

According to the conducted research, respondents most often buy online clothes and shoes (63.5% of respondents). A significant part of the respondents bought books online (almost half of the respondents). Next in terms of popularity groups of products are computers and accessories (42.3% of the respondents). None of the respondents indicated that they bought interior furniture and equipment which is not surprising as they were young consumers who do not run their own households. The respondents did not declare that they bought food online (Table 3.).

Table 3. Categories of products bought online (percentage of indications)

Categories of products bought online	Percentage of answers
Interior equipment	0
Food	0
Furniture	0
Paramedical and nutrients	7,7
Accessories for children	9,6
Leather products	9,6
Accessories and food for animals	11,5
Accessories for motor	11,5
Hobby	11,5
Aridest of housekeeping	13,5
Sports equipment	15,4
Jewelry and watches	21,2
Services	21,2
Equipment of RTV and accessories	23,1
Cosmetic and perfum	28,8
Computers and accessories	42,3
Books	48,1
Clothes and shoes	63,5

Source: self-study based on conducted research

Young consumers value online shopping mainly for money and time savings, as was declared by over half of the respondents. Products bought online are often cheaper than the ones available in the traditional stores. This is a result of the fact that operating costs of online sellers are considerably lower (lack of large retail spaces and the price excludes postage). Moreover, an unquestionable advantage of online shopping is also the possibility of browsing through various offerers and comparing both prices and technical parameters of selected products by using different browsers - 4 out of 10 respondents indicated that. E-commerce enables to eliminate geographical barriers as it is possible to do the shopping in other cities, even outside the country, which was appreciated by every fourth respondent. Almost every fourth respondent indicated also that online shopping enables to think through their decisions more rationally as it was possible to compare offers and there was no time pressure (figure 4).

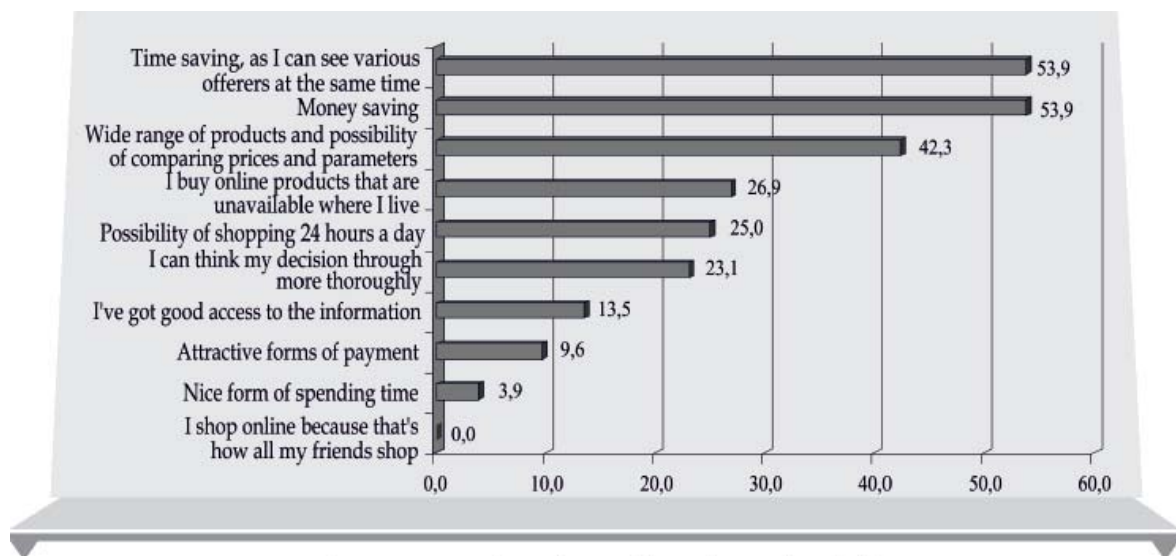


Figure 4. Motives for online shopping [%]

Source: self-study based on conducted research

Figure 4 presents the most common motives for online shopping. However, while analyzing these motives from an importance aspect it is necessary to point out that the most important motive for online shopping is money saving. Moreover, the author made an attempt to identify a e-customer in accordance with the concept of B. Eisenberg's who distinguished the following types: competitive,

spontaneous, humanistic and methodical (Krawatka 2012, p. 24). Straight majority of the respondents belonged to the group of so-called methodical e-customers. They stressed out that they wanted to make fully rational choice, compared products readily and selected them according to their attributes. They thoroughly analyzed the available offer, paid attention to references and attached importance to the certificates. They make decisions slowly and completely rationally. This was how 44% of the respondents described their purchasing behaviors. Next in terms of size group of respondents constituted so-called humanists. Typical of this group were frequent browsing through discussion groups, blogs, and social media as they valued the opinions of other people. Moreover, they often familiarized themselves with the results of various sorts of tests and rankings. 40% of the respondents belonged to this group. The representatives of the competitive group identified in the survey constituted 15% of the respondents. It was typical of them to make quick decisions regarding shopping based on logical premises. In the purchasing process they often uses best-sellers' lists or familiarized themselves with rankings that enabled them to determine the differences between a given offer and competition's offer. The least numerous group constituted spontaneous customers. They were distinguished by quick decision making, searching for opportunities and expecting strong experiences. It was typical of them to watch video presentations and read such lists as "HOT" or "most often purchased". It is worth noticing that the representatives of the individual groups expect different facilitations and have different expectations which should be taken into consideration while planning e-strategies. While planning them, one should take into consideration recommendations important for e-commerce which, depending on the type of e-customer, may have various forms:

- opinions about the products given directly in e-shop through such tools as: comment,
- systems of comments in auction services,
- opinions in the services (discussion forums, blogs, discussion groups),
- certificates, medals, awards and distinctions,
- audits confirming compliance with standards,
- media recommendations.

Limitations of online shopping are also worth considering. One per ten respondents believed that online shopping does not involve any particular risk. The other respondents as a main factor of risk pointed out the danger of receiving a product non-compliant with the order. This was the opinion of 71.15% of respondents. Every fifth respondent (19.23% of respondents) noticed the risk of

swindling money and every sixth (17.35% of respondents) was afraid of personal details extortion. According to the respondents, main limitations of the online transactions were: lack of possibility to check the product “tangibly” (65.38% of indications) and the need to wait for the product (59.61% of respondents). To few respondents online shopping was too complicated, gave less pleasure than the traditional and, which was important, delivery was to be paid.

4. Building competitive advantage on the Internet

Competition in the area of e-commerce is huge and is still increasing. The main goal of the competition with other market participants is customer acquisition. Competing process has many positive outcomes, such as diversification and extending the offer of goods and services. Competition has influence on the improvement of the quality of customer care, fall in prices, increase in the quality of goods and services, as well as increase in the convenience of access to given goods. Current researches and analysis of literature enable to point out the following ways of building competitive advantage in the e-commerce sector (Dutko 2010, p. 117-135):

- improvements in the offered services and products,
- offering innovative or niche products,
- quality of service - this means improving the service time, informing a customer about subsequent stages of order processing as well as general service culture,
- individualization of the order,
- opinions about the products and its supplier - creation of supplier's good reputation,
- attractive promotions which are necessary especially in the beginning of the business activity as they help the potential customers to learn about the existence of a given company,
- efficient system of presenting opinions about the company - this is one of the most important elements which is often disregarded and ignored and can influence the decisions of the potential e-customer,
- increasing the customers' convenience - it concerns the choice of the distribution channels that are most often selected by the customers and the highest possible number of forms of delivery and ways of payment,
- high functionality of points of sales which means that one's target is to reach the highest convenience of customers' usage of e-store or other offer of a given company; which consists in: readability, visual cohesion of the site, easy

browsing through the service, variety of functions, possibility of shopping without registration, availability of an offer or page to various groups of consumers,

- targeting the offer - one should target their offer and marketing operations related to it at their perfect customer as such action optimizes promotion expenses and creates specialized corporate image,
- providing premium benefits - giving customers option to return the product, free or paid service, consultancy before and after the purchase; such actions win additional points in their favor compared with competition that does not offer such solutions,
- added value - it has a very positive influence on the customers when the company, without mentioning it in their offer, gives their customer a small surprise gift,
- focusing on the corporate responsibility,
- lower shipping expenses,
- lower prices,
- system of secure payments,
- lead time.

The ways of building competitive advantages indicated above are confirmed by the research conducted by the author. The analysis of the empirical material proves that the Internet users notice the advantage of online shopping particularly in lower price offers (more than half of the tested indicated that the Internet shopping is primarily cost-saving), the comfort of purchase achieved due to the lack of time, territorial limits, convenient payment conditions, or the possibility to buy niche products. The research shows that transactions via the Internet make the risk perceived by some consumers much higher – it results from a high level of uncertainty as for the reliability of the seller, concerns related to the unauthorized use of personal data, the risk of financial fraud and much more. Therefore, one of the ways of building a competitive advantage can be: high quality of consumer service aiming to build trust and the use of advanced IT tools to ensure privacy policy. In the face of an increasing technical process of consumption, as well as an observed new trend of consumption, so called home-centrism, which is based on striving to transfer work and consumption to home, it is possible to expect in the future further increase of the importance of the electronic trade, therefore e-businessmen should concentrate their strategies more on building a sustainable competitive advantage.

Summary

Online shopping in the opinion of young consumers

Analysis of the statistical data indicates that 52% of people in Poland use the Internet on a regular basis - at least once a week - and the greatest activity is displayed by young people at the age of 16-24 years - 91% of the whole. The income from e-commerce clearly increases year by year and its further dynamic growth is expected. The Internet contributed to changes in spending behavior of the consumers. The knowledge of them may play a very important role in developing e-strategy which might help to build up lasting competitive advantage. In the following study the author presents the results of her own survey concerning purchasing behaviors of young consumers and presents their possible implications.

Keywords: *e-commerce, young consumer, internet, e-strategy.*

Streszczenie

Zakupy w Internecie w opinii młodych konsumentów

Analiza danych statystycznych pozwala zauważyć, że regularnie - przynajmniej raz w tygodniu - korzysta z Internetu w Polsce 52% osób w wieku 16-74 lata, a największą aktywność przejawiają ludzie młodzi w wieku 16-24 lata - 91% ogółu. Przychód z e-handlu z każdym rokiem wyraźnie wzrasta i nadal przewiduje się jego dynamiczny wzrost. Internet przyczynił się do zmiany zachowań nabywczych konsumentów, ich poznanie może być bardzo ważne w kształtowaniu e-strategii, która może się przyczynić do budowania trwałej przewagi konkurencyjnej. W niniejszym opracowaniu autorka prezentuje wyniki własnych badań ankietowych dotyczących zachowań nabywczych młodych konsumentów, wskazuje również na możliwe ich implikacje.

Słowa

klucze: *handel elektroniczny, młody konsument, Internet, e-strategia.*

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