

Leszek Gracz

Loyalty of “young adults” towards internet shops

Problemy Zarządzania, Finansów i Marketingu 36, 39-49

2014

Artykuł został opracowany do udostępnienia w internecie przez Muzeum Historii Polski w ramach prac podejmowanych na rzecz zapewnienia otwartego, powszechnego i trwałego dostępu do polskiego dorobku naukowego i kulturalnego. Artykuł jest umieszczony w kolekcji cyfrowej bazhum.muzhp.pl, gromadzącej zawartość polskich czasopism humanistycznych i społecznych.

Tekst jest udostępniony do wykorzystania w ramach dozwolonego użytku.

LESZEK GRACZ¹
Szczecin University

LOYALTY OF “YOUNG ADULTS” TOWARDS INTERNET SHOPS

Summary

The purpose of the paper is presenting and analyzing an important aspect of “young adults” online purchase behavior – their loyalty towards internet shops. The level of loyalty in behavioral-attitudinal way has been determined. 54% of “young adults” who make online purchases manifest loyalty towards internet shops. The paper also indicates factors increasing loyalty of “young adults” towards internet shops. These are frequency of online shopping, income, occupational status and place of living.

Keywords: online purchase, loyalty, young adults, consumer behavior

Introduction

The study of e-consumer behavior is gaining in importance due to the proliferation of online shopping.² The purpose of the paper is presenting and analyzing an important aspect of e-consumer behavior – the loyalty of “young adults” towards internet stores. Their loyalty was evaluated in quantitative research that was conducted in 2012 as a part of research project “Buying behavior of »young adults« on the internet”.³

Representing one of the most important factors believed to explain consumers’ brand choice, it is no surprise that the concept of loyalty has aroused an

¹ leszek.gracz@wzieu.pl.

² Ch. Dennis, B. Merrilees, Ch. Jayawardhena, L. Tiu Wright, *E-consumer behavior*, “European Journal of Marketing” 2009, Vol. 43, No. 9/10, p. 1123.

³ Project was co-financed by National Science Center, State funded research no. NN112390840 “Buying behavior of »young adults« on the internet”, Agreement No. 3908/B/H03/2011/40.

enormous interest among academics as well as practitioners within the field of marketing and consumer behavior.⁴ It justifies the choice of loyalty as the aspect of analysis.

The choice of the “young adult” as the subject of the research of this paper is justified as this group is significantly different than older ones.⁵ One can argue that next generations may have similar behavior due to similar conditions of growing up.⁶ Young consumers are a target for considerable marketing investment as companies attempt to gain long-term loyalty from potentially affluent emerging adults.⁷ Therefore understanding this group can make a stable basis for adjusting marketing actions for future customer’s needs and preferences.

The objective of the paper is analyzing the loyalty of “young adults” towards internet shops on the basis of quantitative research. The paper focuses on “young adults” loyalty towards internet shops in general, their loyalty according to socio-demographic factors and their loyalty according to frequency of purchase made on internet.

E-consumer loyalty – literature overview

A review of the relevant literature reveals a vast number of different ways to define loyalty. Already in 1978 Jacoby and Chestnut quote 53 definitions concluding that there exists a considerable number of different brand loyalty measures, which can be categorized as either behavioral (e.g. number of repeat purchases of the same brand) or attitudinal (e.g. preferences for a particular brand to other alternatives) or a combination of these.⁸ According to Kaczmarczyk, the client’s loyalty may occur towards a brand, place of purchase or a seller.⁹ For the purpose of this paper the loyalty will be understood as the

⁴ J.M. Jensen, *Consumer loyalty on the grocery product market: an empirical application of Dick and Basu’s Framework*, “Journal of Consumer Marketing” 2011, Vol. 28, No. 5, p. 333.

⁵ I. Ostrowska, *Model kształtowania lojalności konsumentów w stosunku do marki*, Wyd. Naukowe Uniwersytetu Szczecińskiego, Szczecin 2010, p. 220–223

⁶ I. Ostrowska, *Poziom i możliwości kształtowania lojalności segmentu „młodych dorosłych” w stosunku do marki usługodawcy (badania własne)*, w: *Zarządzanie produktem. Kreowanie marki*, red. J. Kall, B. Sojkin, Zeszyty Naukowe Uniwersytetu Ekonomicznego nr 154, Wyd. Uniwersytetu Ekonomicznego, Poznań 2010, p. 90–91

⁷ T.D. Cassidy, H. van Schijndel, *Youth identity ownership from a fashion marketing perspective*, “Journal of Fashion Marketing and Management” 2011, Vol. 15, No. 2, p. 164.

⁸ J. Jacoby, R. Chestnut, *Brand Loyalty: Measurement and Management*, John Wiley & Sons, New York 1978, p. 3–5.

⁹ S. Kaczmarczyk, *Lojalność nabywcy i metody jej badania*, Prace Naukowe Akademii Ekonomicznej nr 1004, Wyd. Akademii Ekonomicznej, Wrocław 2003, p. 224.

tendency of some consumers to buying some products more often than others.¹⁰ This tendency has to be expressed in actual purchases and in attitude.

When talking about e-consumer's loyalty, one has to understand who e-consumer is. E-consumer is usually defined as an internet user who has bought a product or service on internet at least once.¹¹ Therefore e-consumer uses the internet not only for finding information and communication with the seller but actually makes a purchase with the use of internet. In Poland, as well as in most of the countries in the worlds, the number of e-consumers grows. The attempt to estimate the actual number of e-consumers in Poland has been made by many researchers. According to the Gemius report from 2013 *E-commerce w Polsce w oczach internautów 2012* 72% of internet users declares making at least one purchase with the use of internet.¹² It is a growing number, occurring especially in the case of “young adults”, as it will be presented later in the paper.

Summarizing the aspects of loyalty and e-consumers, the e-consumer loyalty is considered for the purpose of this paper in both behavioral way (in the meaning of repeated purchases) and attitudinal way (expressed as attitude towards the place of purchase in the internet) and it occurs towards a place of purchase, namely internet shop.

Methodology

The research on the buying behavior of “young adults” on the internet was conducted in 2012. It comprised, among others, the quantitative research, which was conducted in a form of CAWI on a sample of 770 “young adults” (18–29 years) during November and December 2012. The sample of “young adults” was determined based on data obtained from Central Statistical Office in Poland, about the current size and characteristics of the population in Poland. The quota sampling was used in the research. The minimum number was calculated from the formula for the volume of the sample with finite population of the assumed 95% confidence level and error of 4%, which amounted to 600 people. In fact, 770 “young adults” were researched, among them 91% were actual e-consumers (only 9% has never made any purchase on internet), thus the statistical significance of the research was achieved.

¹⁰ K. Mazurek-Lopacińska, *Zachowania nabywców i ich konsekwencje marketingowe*, PWE, Warszawa 2003, p. 104.

¹¹ L. Gracz, I. Ostrowska, *Młodzi nabywcy na e-zakupach*, Difin, Warszawa 2014, p. 54.

¹² Gemius “report *E-commerce w Polsce w oczach internautów 2012*”, <https://gemius.com/files/Raport%20e-commerce.pdf> (12.06.2013)

The loyalty of “young adults” as e-consumers was evaluated in a following way: a question was asked: “Do you have one or more favorite internet shops, where you made at least 3–4 purchases?” The question considered two aspects of loyalty: attitudinal (psychological) – by using the word “favorite” and behavioral – by presenting the minimum number of purchases. Actually, one can argue that even 2 purchases in the same internet shops can be perceived as an indicator of loyalty. However, the authors of the research decided to seek the loyalty understood as frequent repetition of purchases. The choice of 3–4 purchases as quantification of “the frequent repetition of purchase” was made, considering the characteristic of internet shopping in general, where dominant behavior of “young adults” is purchasing products several times a year – compare table 1.

Table 1

The frequency of “young adults” online purchases

Number of online purchases during a year	% of “young adults”
No online purchases at all	9
No online purchases made this year	6
One online purchase made this year	6
Several online purchases made this year	59
At least several online purchases a month	21
Sum	100

Source: own elaboration based on research results, $n = 770$.

The dominant of “young adults” make several online purchases a year. Thus the number of repeated purchases enough to be considered as loyal purchases was estimated at the range of 3–4 purchases.

The further research was conducted on the group of “young adults”, who actually were e-consumers. After excluding those, who do not make online purchases or do not plan to make the online purchases in foreseeable future, 643 “young adults”, who actually make purchases on internet were researched.

The research of “young adults” online loyalty, having in mind the above consideration and the purpose of the paper (analyzing the loyalty of “young adults” loyalty towards internet shops), focused on following aspects: their loyalty in general, their loyalty according to socio-demographic factors, their loyalty according to frequency of purchase made on internet.

Following hypothesis has been stated:

[H1] the “young adults” are not loyal towards internet shops (where loyal means having at least one favorite online shop by more than 75% of them).

[H2] the “young adults” loyalty towards internet shops differs according to various socio-demographic factors.

[H3] the “young adults”, who are most frequent internet consumers, are more loyal towards internet shops than those, who purchase less often.

Research results – the general loyalty of “young adults” towards internet shops

The existence of loyalty of “young adults” towards internet shops has been researched by asking them, whether they have a favorite online shop, where they made at least 3–4 purchases. The results are presented in table 2.

Table 2

The existence of loyalty of “young adults” who are e-consumers towards internet shops

Loyalty	% of “young adults” making internet shopping
I do not have a favorite internet shop	46
I have one favorite internet shop	25
I have several favorite internet shops	29
Sum	100

Source: own elaboration based on research results, n = 643.

The loyalty towards internet shops occurred in the case of 54% of “young adults”. 29% of “young adults” making online purchases have more than one favorite internet shop, where they make frequent purchases; 25% of “young adults” making online purchases have one online where they make more than 3–4 purchases. 46% of them are not loyal towards any internet shops.

Research results – the loyalty of “young adults” towards internet shops according to socio-demographic factors: gender, residential status, occupation status and place of living.

The first demographic aspect that has been researched is gender. The table 3 presents the loyalty of “young adults” who are e-consumers according to their gender.

Table 3

The existence of loyalty of “young adults” who are e-consumers towards internet shops according to their gender

Loyalty	% of “young adults” making internet shopping	
	female	male
I do not have a favorite internet shop	49	41
I have one favorite internet shop	25	34
I have several favorite internet shops	26	25
Sum	100	100

Source: own elaboration based on research results, n = 643.

Young women are a little bit less loyal than young men. 49% of young women are not loyal to any internet shops, comparing to 41% of young men. Young men are more often loyal towards one shop: it is a case of 34% of them, comparing to 25% of young women. Similar percentage of both female and male are loyal towards several internet shops (respectively 26% and 25%). However those differences are not statistically valid.

The other demographic aspect researched was “young adults” residential status. It has been divided into following three categories: living with parents, living alone during the school year (in a dormitory or a rented place) and with parents during the rest of the year and living an independent life (in own or rented apartment/house). The table 4 presents the loyalty of “young adults” who are e-consumers according to their residential status.

Table 4

The existence of loyalty of “young adults” who are e-consumers towards internet shops according to their residential status

Loyalty	% of “young adults” making internet shopping		
	living with parents (42% of research young adults)	living alone during school year and with parents the rest of the year (23% of research young adults)	living alone in own/rented house/apartment (35% of research young adults)
I do not have a favorite internet shop	45	52	43
I have one favorite internet shop	26	21	27
I have several favorite internet shops	29	27	30
Sum	100	100	100

Source: own elaboration based on research results, n = 643.

There can be observed only minor differences in loyalty towards internet shops among “young adults” depending on their residential status. The most loyal are those, who are independent and live alone – 57% of this group declares loyalty towards at least one internet shop. Similar loyalty occurs in the group of “young adults” still living with their parents – 55% of the declares loyalty towards at least one internet shop. The least loyal group are those, who live alone for the time of their education and with family during the rest of the year – 48% of them declares loyalty towards at least one internet shop. However those differences are statistically valid.

Another aspect researched was “young adults” economic status. The income has been divided into four categories and its impact on “young adults” loyalty towards internet shops is presented in table 5.

Table 5

The existence of loyalty of “young adults” who are e-consumers towards internet shops according to economic status

Loyalty	% of young adults making internet shopping, with income:			
	less than 1000 PLN (19% of re-search young adults)	in the range of 1000–2000 PLN (37% of research young adults)	in the range of 2001–3000 PLN (26% of research young adults)	more than 3001 PLN (18% of re-search young adults)
I do not have a favorite internet shop	55	45	42	41
I have one favorite internet shop	27	25	27	24
I have several favorite internet shops	18	30	31	35
Sum	100	100	100	100

Source: own elaboration based on research results, n = 643.

According to table 5, there is a statistically valid relation between loyalty and declared income of “young adults”. Among those with the lowest income (less than 1000 PLN) there are 45% of e-consumer who are loyal to at least one internet shop, and only 18% of them are loyal towards more than one shop. Among those with the highest income (more than 3000 PLN) there are 59% of e-consumer who are loyal to at least one internet shop, and 35% of them are loyal towards more than one shop.

The next socio-demographic aspect researched was “young adults” occupation. Their vocational status has been divided into four categories: those, who do not work; those, who own their own company; those, who work on the basis of full time employment and those who have temporary works from time to time. The impact of occupation on “young adults” loyalty towards internet shops is presented in table 6.

According to table 6 there can be observed important differences between “young adults” in their loyalty depending on their occupation status. The least loyal are those, who do not work at all – among them only 49% are loyal towards at least one internet shop. Those who work on either full time employment or temporarily are more loyal towards internet shops – it is respectively 60% and 56% of them. The group that differs most significantly are those “young adults”, who have their own company. In this group 81% is loyal towards at least one internet shop.

Table 6

The existence of loyalty of “young adults” who are e-consumers towards internet shops according to their occupation status

Loyalty	% of “young adults” making internet shopping, with occupation status declared as:			
	I do not work at all (47% of research young adults)	I have my own company (4% of research young adults)	I have a full time employment (17 % of research young adults)	I work temporarily (31% of research young adults)
I do not have a favorite internet shop	51	19	40	44
I have one favorite internet shop	24	37	27	25
I have several favorite internet shops	25	44	33	31
Sum	100	100	100	100

Source: own elaboration based on research results, n = 643.

Last demographic aspect researched was “young adults” place of living. Its impact on “young adults” loyalty towards internet shops is presented in table 7.

Table 7

The existence of loyalty of “young adults” who are e-consumers towards internet shops according to place of living

Loyalty	% of young adults making internet shopping, living in:			
	villages (21% of research young adults)	towns up to 99 thousand inhabitants (27% of research young adults)	towns with 100–199 thousand inhabitants (13% of research young adults)	towns with more than 200 thousand inhabitants (39% of research young adults)
I do not have a favorite internet shop	50	50	39	43
I have one favorite internet shop	26	24	32	33
I have several favorite internet shops	24	26	29	24
Sum	100	100	100	100

Source: own elaboration based on research results, n = 643.

The “young adults” living in bigger towns (with more than 100 thousand inhabitants) are a bit more loyal than those living in smaller towns (up to 99 100 thousand inhabitants) and villages. The difference is statistically valid.

Research results – the loyalty of “young adults” towards internet shops according to their frequency of purchases made on internet.

This part of the research is dedicated towards analyzing the loyalty of “young adults” according to their frequency of purchases made on internet. As it was presented in the table 1, the frequency of one online purchases was divided into three main categories: one online purchase made this year; several online purchases made this year; several online purchases a month. The table 8 presents the loyalty of “young adults” towards internet shops according to their frequency of online purchases.

Table 8

The existence of loyalty of “young adults” who are e-consumers towards internet shops according to their frequency of online purchases

Loyalty	% of young adults making internet shopping, who made		
	one online purchase this year (7% of research young adults)	several online purchases this year (68% of research young adults)	several online purchases this month (25% of research young adults)
I do not have a favorite internet shop	76	46	30
I have one favorite internet shop	10	28	23
I have several favorite internet shops	14	26	47
Sum	100	100	100

Source: own elaboration based on research results, n = 643.

According to the data presented in table 8, there is a strong relation between loyalty of “young adults” and their frequency of online purchases. 70% of “young adults” who made frequent purchases on internet declare loyalty towards at least one shop. 56% of “young adults” who made purchases on internet several times a year declare loyalty towards at least one shop. And only 24% of “young adults” who do not make frequent purchases on internet declare loyalty towards at least one shop. The data is statistically valid.

Discussion of the results

The hypothesis one [H1] concerned the “young adults” are loyalty towards internet shops. It was assumed that at 75% of them would not have a favorite internet shop to make repeated purchases. It was based on the fact, that according to many studies, e-consumers seek the lowest price without taking into account the shop they make their purchase. The hypothesis has to be verified negatively. It turned out that 54% of young consumers do have a favorite online

shop where they make repeated purchases. It is however questionable, as there are very few benchmarks in the literature. Whether the number 54% of “young adults” who are loyal can be called a strong appearance of loyalty or a little appearance of loyalty should be made on the basis of other similar research. Therefore this research can be a basic for benchmarking to other studies. Only after comparing the results the statement of the strength of loyalty existence can be stated.

There are some socio-demographic aspects that influence “young adults” loyalty. Those are especially:

- the income (the more income they have, the bigger part of them are loyal towards internet shops),
- occupation status (especially the “young adults” who have their own company are very loyal, whereas those who do not work as less loyal)
- place of living (“young adults” living in cities with more than 100 thousand inhabitants are more loyal than those from smaller towns and villages)

There are also some socio-demographic aspects that do not influence “young adults” loyalty. Those are gender and living with/without parents. It enables to positively verify the hypothesis two [H2] that the “young adults” loyalty towards internet shops differs according to various demographic factors.

On the loyalty of “young adults” towards internet shops an important influence has their frequency of purchase. Those, who make lots of online purchases are much more loyal than those who make very few online purchases. It enables to positively verify the hypothesis three [H3] that the “young adults”, who are most frequent internet consumers, are more loyal towards internet shops than those, who purchase less often.

Conclusions

“Young adults” are active e-consumers, who make online purchases more often than average in Poland. They manifest some level of loyalty (54% of them) towards internet shops, which was bigger than anticipated by the author. Their loyalty is strongly influenced by their frequency of online shopping. Those who buy most frequently, are more often loyal. Their loyalty is also influenced by such socio-demographic factors as income, occupation status and place of living. What are not the factors influencing their loyalty are gender and living with/without parents.

Bibliography

- Cassidy T.D., van Schijndel H., *Youth identity ownership from a fashion marketing perspective*, "Journal of Fashion Marketing and Management" 2011, Vol. 15 No. 2.
- Dennis Ch., Merrilees B., Jayawardhena Ch., Tiu Wright L., *E-consumer behavior*, "European Journal of Marketing" 2009, Vol. 43 No. 9/10.
- Gemius report "E-commerce w Polsce w oczach internautów 2012"*, <https://gemius.com/files/Raport%20e-commerce.pdf>.
- Gracz L., Ostrowska I., *Młodzi nabywcy na e-zakupach*, Difin, Warszawa 2014.
- Jacoby J., Chestnut R., *Brand loyalty: measurement and management*, John Wiley & Sons, New York 1978.
- Jensen J.M., *Consumer loyalty on the grocery product market: an empirical application of Dick and Basu's framework*, "Journal of Consumer Marketing" 2011, Vol. 28 No. 5.
- Kaczmarczyk S., *Lojalność nabywcy i metody jej badania*, Prace Naukowe Akademii Ekonomicznej nr 1004, Wyd. Akademii Ekonomicznej, Wrocław 2003.
- Mazurek-Łopacińska K., *Zachowania nabywców i ich konsekwencje marketingowe*, PWE, Warszawa 2003.
- Ostrowska I., *Model Kształtowania lojalności konsumentów w stosunku do marki*, Wyd. Naukowe Uniwersytetu Szczecińskiego, Szczecin 2010.
- Ostrowska I., *Poziom i możliwości kształtowania lojalności segmentu „młodych dorosłych” w stosunku do marki usługodawcy (badania własne)*, in: *Zarządzanie produktem. Kreowanie marki*, eds. J. Kall, B. Sojkin, Zeszyty Naukowe Uniwersytetu Ekonomicznego nr 154, Wyd. Uniwersytetu Ekonomicznego, Poznań 2010.

LOJALNOŚĆ „MŁODYCH DOROSŁYCH” WZGLĘDEM SKLEPÓW INTERNETOWYCH

Streszczenie

Celem artykułu jest przedstawienie i analiza ważnego aspektu zachowań „młodych dorosłych” jako e-konsumentów – ich lojalności względem sklepów internetowych. Określono poziom lojalności w ujęciu behawioralno-psychologicznym. 54% „młodych dorosłych” dokonujących zakupów w internecie wykazuje lojalność w stosunku do sklepów internetowych. Wskazano również na czynniki podnoszące lojalność „młodych dorosłych” względem sklepów internetowych. Są to częstotliwość zakupu online, dochód, status zawodowy oraz miejsce zamieszkania.

Słowa kluczowe: zakupy online, lojalność, młodzi dorośli, zachowanie nabywców

Thumaczenie Leszek Gracz