## Leszek Grabowska-Garczyńska

The factors creating internet shops' image in the opinion of "young adults"

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## PROBLEMY ZARZĄDZANIA, FINANSÓW I MARKETINGU NR 37

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LESZEK GRACZ\*

Uniwersytet Szczeciński

## THE FACTORS CREATING INTERNET SHOPS' IMAGE IN THE OPINION OF "YOUNG ADULTS"

#### **Summary**

The purpose of the paper is presenting and analyzing the image of online stores as perceived by "young adults". The image of online stores in the opinion of "young adults" is most of all created by the means of opinions of others (both close friends and anonymous internet users), interactivity of the web page and good contact with seller and own positive experiences from the past. Factors of medium importance are availability of various payment methods, easy to read and understand terms of use, possibility of picking up the product in stationary place and independent quality certificate. Factors that have lesser importance are web design and availability of credit.

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

#### Introduction

The study of e-consumer behavior is gaining in importance due to the proliferation of online shopping. Although numbers of new online shoppers are growing, a result of both rapid growth and fierce competition on the internet is that e-tailers are finding it difficult to maintain customer attention toward their marke-

<sup>\*</sup> leszek.gracz@wzieu.pl.

<sup>&</sup>lt;sup>1</sup> Ch. Dennis, B. Merrilees, Ch. Jayawardhena, L. Tiu Wright, *E-consumer Behavior*, "European Journal of Marketing" 2009, Vol. 43, No. 9/10, p. 1123.

ting messages, and also finding it a challenge to prevent customers from buying competitor products and services.<sup>2</sup>

The purpose of the paper is presenting and analyzing an important aspect of e-consumer behavior – the image of online store and the significance of this image in purchasing decision of "young adults". The perception of the image of an internet shop by young adults was evaluated in quantitative research that was conducted in 2012 as a part of research project "Buying behavior of "young adults" on the Internet".<sup>3</sup>

Researchers attempting to answer why people (e-)shop have looked to various components of the "image" of (e-)retailing.<sup>4</sup> This is considered in literature mainly for two reasons. First, "image" is a concept used to signify our overall evaluation or rating of something in such a way as to guide our actions. Second, this is an approach that has been demonstrated for traditional stores and shopping centers over many years<sup>5</sup>.

The choice of the "young adult" as the subject of the research of this paper is justified as this group is significantly different then older ones.<sup>6</sup> One can argue that next generations may have similar behavior due to similar conditions of growing up.<sup>7</sup> Young consumers are a target for considerable marketing investment as companies attempt to gain long-term loyalty from potentially affluent emerging adults.<sup>8</sup> 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 image of internet shops as perceived by "young adults" on the basis of quantitative research. The paper focuses on "young adults" perception of image according to selected factors creating the

<sup>&</sup>lt;sup>2</sup> Zee-Sun Yun, L.K. *Good, Developing Customer Loyalty From E-tail Store Image Attributes*, "Managing Service Quality" 2007, Vol. 17, No. 1, p. 4–5.

<sup>&</sup>lt;sup>3</sup> 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.

<sup>&</sup>lt;sup>4</sup> M. Wolfinbarger, M.C. Gilly, .comQ: Dimensionalizing, Measuring and Predicting Guality of the E-tail Experience, "Working Paper. Marketing Science Institute, Cambridge" 2002, No. 02-100.

<sup>&</sup>lt;sup>5</sup> Ch. Dennis, B. Merrilees, Ch. Jayawardhena, L. Tiu Wright, *op.cit.*, p. 1123.

<sup>&</sup>lt;sup>6</sup> I. Ostrowska, *Model ksztaltowania lojalności konsumentów w stosunku do marki*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2010, p. 220–223.

<sup>&</sup>lt;sup>7</sup> I. Ostrowska, *Poziom i możliwości kształtowania lojalności segmentu "młodych dorostych" w stosunku do marki usługodawcy (badania własne)*, w: *Zarządzanie produktem. Kreowanie marki*, red. J. Kall, B. Sojkin, Zeszyty Naukowe Uniwersytetu Ekonomicznego w Poznaniu 2010, nr 154, p. 90–91.

<sup>&</sup>lt;sup>8</sup> 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.

image, which is followed by more detailed analysis of the importance of these factors according to selected demographic aspects of "young adults".

### The image of online store – literature overview

A given consumer's or target market's perception of all of the attributes associated with a retail outlet is generally referred to as the store image. The image of a store is a major determinant of first visits. Store images are also refined and redefined as the visit continues. Because the consumer regards shopping as a "total experience" it is not just tangible store benefits (e.g. lower price, greater assortment) that draw consumers to stores; they are also drawn by intangibles (e.g. friendly atmosphere, service experience). Such tangible and intangible attributes, when they are positive, create a favorable image. 10

"Store image" is a multi-faceted construct that has been rigorously researched for "traditional" stores. In an online environment however, the existing measures of this construct appear to be no longer adequate.<sup>11</sup>

Researchers have conceptualized store image as an overall impression of a store as perceived by a consumer. Retail store images have been viewed as a composite, a total impression, an idiosyncratic cognitive configuration and a gestalt. In general, one may say that consumers form an overall impression or image of a retail store and determine their attitudes, which are believed to simultaneously account for behavioral intentions and actual behavior.<sup>12</sup>

The image of online store, despite widely described in literature aspects of its importance, has a special meaning for online market, as it reduces the perceived purchase risk. Purchase risk is an important construct in marketing, particularly in studies of online consumer behavior. Several studies have produced empirical evidence suggesting that if a consumer is doubtful in their ability to evaluate a product online, or believes the internet is not secure place to purchase, chances are they will not go online to make the purchase.<sup>13</sup>

<sup>&</sup>lt;sup>9</sup> D. Hawkins, D. Mothersbaugh, *Consumer Behavior Building Marketing Strategy*, McGraw-Hill, New York 2009, p. 594.

<sup>&</sup>lt;sup>10</sup> Global E-commerce and Online Marketing: Watching the Evolution, ed. Nikhilesh Dholakia, Greenwood Publishing Group, Westport 2002, p. 129.

<sup>&</sup>lt;sup>11</sup> H. van der Heijden, T. Verhagen, *Online Store Image: Conceptual Foundations and Empirical Measurement*, "Information & Management" 2004, Vol. 41, p. 609.

<sup>&</sup>lt;sup>12</sup> Zee-Sun Yun, L.K. Good, op.cit., p. 6.

<sup>&</sup>lt;sup>13</sup> B.L.S. Coker, N.J. Ashill, B. Hope, *Measuring Internet Product Purchase Risk*, "European Journal of Marketing" 2011, Vol. 45, No. 7/8, p. 1146.

### Methodology

The research on the buying behavior of "young adults" on the Internet' was conducted in 2012. It compromised, 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.

Attitude towards website is found to be the strongest predictor of purchase intention. <sup>14</sup> The factors that constitute the components of online store image, were chosen mainly on the ground of the model proposed by H. van der Heijden and T. Verhagen, which included multiple-item measurements for components of a store image: online store usefulness, enjoyment, ease of use, store style, familiarity, trustworthiness, and settlement performance. <sup>15</sup>

The elaboration of these components into researchable factors resulted in 12 elements of image that supports the purchasing decision. These factors are: the overall design of the online store, the brand of online store, positive opinion of trustworthy friend, positive opinions of other customers found online, true interactivity and highly evaluated communication with e-retailer, positive experience from the past, availability of various payment methods, availability of credit, easy to read and understand terms of use, possibility of picking up the product in stationary place, independent quality certificate.

# Research results – the importance of selected factors for creating the image of online stores by "young adults"

The general research results of the importance of chosen factors for creating the image of online stores by "young adults" are presented in table 1.

<sup>&</sup>lt;sup>14</sup> K.M. Chu, B.J.C Yuan, *The Effects of Perceived Interactivity on E-trust and E-consumer Behaviors: The Application of Fuzzy Linguistic Scale*, "Journal of Electronic Commerce Research" 2013, Vol. 14, No. 1, p. 132.

<sup>&</sup>lt;sup>15</sup> H. van der Heijden, T. Verhagen, *op.cit.*, p. 609.

Table 1
The importance of selected factors for creating the image of online store in the opinion of "young adults"

Factors creating the image of online store	% of indication*
The brand of online store	70
Positive opinion of trustworthy friend	63
Positive opinions of other customers found online	58
True interactivity and highly evaluated communication with e-retailer	57
Positive experience from the past	56
Availability of various payment methods	46
Easy to read and understand terms of use	40
Possibility of picking up the product in stationary place	38
Independent quality certificate	30
The overall design of the online store	22
Availability of credit	11

<sup>\*</sup> The respondents could have chosen more than one answer, thus percentages do not sum to 100. Source: own elaboration based on research results, N = 770.

The first, most important factor creating the image of online store is the brand. More than 2/3 of "young adults" have chosen this answer. Therefore the image is highly associated with the brand. The online store brand is created and maintained in a similar way to the brand of any organization in the real word. It can be then summarized as the overall image of an online store.

The next factors creating the image of online stores are opinions of others. The opinion of trustworthy friends has been the second most often answer chosen by "young adults". A bit more than 63% of them chose this factor. What was the most surprising was the third factor – positive opinions of other customers found online was important for 58% or researched "young adults". Though it was widely researched and presented in the literature that the opinions found online have the impact on e-consumer, who actively look for such information, the importance of such information seems very high.

Those online opinions are even more important than own experience, which was indicated by 56% of researched "young adults". It means that there is a considerable probability that despite of own positive experience with a particular retailer, the anonymous opinions found online can make the "young adults" resign from shopping with this retailer.

Another aspect important for young adults is the interactivity of the page and good contact with retailer. 57% of "young adults" perceive this factor as important in creating the image of online store. On the contrary, the overall web design contribute to positive image of online store only for 22% of "young adults". It clearly shows that the direct contact is far more important than just the good design of the internet page.

Other factors often indicated by "young adults" were positive experience from the past (56%) and availability of various payment methods (46%).

What seems to be of smaller importance, besides above-mentioned overall web design were possibility of picking up the product in stationary place (38 %), independent quality certificate (30%) and availability of credit (11%).

The overall results are elaborated into more detailed analysis, considering the potential differences in the group of "young adults" according to demographic factors.

The table 2 presents the importance of selected factors for creating the image of online store in the opinion of "young adults" according to their gender.

Table 2
The importance of selected factors for creating the image of online store in the opinion of "young adults" according to their gender

Factors areating the image of culing store	% of indication*		
Factors creating the image of online store		Male	
The brand of online store	67	75	
Positive opinion of trustworthy friend	65	60	
Positive opinions of other customers found online	58	59	
True interactivity and highly evaluated communication with e-retailer	55	61	
Positive experience from the past	60	51	
Availability of various payment methods	45	49	
Easy to read and understand terms of use	43	36	
Possibility of picking up the product in stationary place	37	41	
Independent quality certificate	29	33	
The overall design of the online store	21	24	
Availability of credit	10	13	

<sup>\*</sup> The respondents could have chosen more than one answer, thus percentages do not sum to 100. Source: own elaboration based on research results, N = 770.

While general results presented in table 2 are similar to the overall opinion of "young adults", there are some small, yet statistically significant, differences between male and female. The brand of online store is more important in creating the image of online store for men than for women (75% male and 67% female indicated this answer). The opinion of a trustworthy friend is more important to women than to men (65% female and 60% male indicated this answer). True interactivity and contact with seller is more important to men than to women (61% male and 55% female indicated this answer). Positive opinion from the past is more important to women than to men (60% female and 50% male indicated this answer). Easy to read and understand terms of use are more important to women than to men (43% female and 36% male indicated this answer). The other differences are not statistically significant.

Even the differences that are statistically significant are not big enough to indicate any major differences between young women and young men in their perception of the image of online stores.

The table 3 presents the importance of selected factors for creating the image of online store in the opinion of "young adults" according to their income.

Table 3

The importance of selected factors for creating the image of online store in the opinion of "young adults" according to their income per one person in the household

	% of indication*			
Factors creating the image of online store	income less than 1000	income 1001	income 2001	income 3001 and
	PLN	- 2000 PLN	- 3000 PLN	above
1	2	3	4	5
The brand of online store	67	72	67	75
Positive opinion of trustworthy friend	66	62	64	63
Positive opinions of other customers found online	56	62	62	49
True interactivity and highly evaluated communication with e-retailer	54	56	58	62
Positive experience from the past	56	58	60	56
Availability of various payment methods	30	48	56	51
Easy to read and understand terms of use	41	41	39	38

1	2	3	4	5
Possibility of picking up the product in stationary place	31	39	38	46
Independent quality certificate	31	29	33	29
The overall design of the online store	14	25	22	23
Availability of credit	10	10	9	19

<sup>\*</sup> The respondents could have chosen more than one answer, thus percentages do not sum to 100. Source: own elaboration based on research results, N = 770.

The perception of factors creating the image of online store by "young adults" divided into four segments according to their income per one person in household, presented in table 3, shows no major differences to overall results presented in table 1. Some statistically significant differences can be perceived in such factors like availability of various payment methods, possibility of picking up the product in stationary place and positive opinions of other customers found online. However these differences are not big enough to indicate any major differences between "young adults" perception of the image of online stores according to their income.

The table 4 presents the importance of selected factors for creating the image of online store in the opinion of "young adults" according to their place of living.

Table 4

The importance of selected factors for creating the image of online store in the opinion of "young adults" according to their place of living

	% of indication*			
Factors creating the image of online store	village	town up to 99 thousand	town between 100 – 199 thousand	town with more than 200 thousand
1	2	3	4	5
The brand of online store	75	69	60	71
Positive opinion of trustworthy friend	62	61	58	67
Positive opinions of other customers found online	56	59	53	61
True interactivity and highly evaluated communication with e-retailer	57	59	53	59
Positive experience from the past	53	53	53	62

1	2	3	4	5
Availability of various payment methods	40	44	46	52
Easy to read and understand terms of use	40	37	43	42
Possibility of picking up the product in stationary place	32	37	37	43
Independent quality certificate	30	28	22	34
The overall design of the online store	17	18	22	27
Availability of credit	13	11	10	11

<sup>\*</sup> The respondents could have chosen more than one answer, thus percentages do not sum to 100. Source: own elaboration based on research results, N = 770.

The perception of factors creating the image of online store by "young adults" divided into four segments according to their place of living, presented in table 4, shows no major differences to overall results presented in table 1. Some statistically significant differences can be perceived in such factors like the brand of online store, independent quality certificate, availability of various payment methods and possibility of picking up the product in stationary place. However these differences are not big enough to indicate any major differences between "young adults" perception of the image of online stores according to their place of living.

#### Discussion of the results and managerial implications

#### 1. The importance of the overall design of the online store

According to many studies, among others S. W. Jeong, A. M. Fiore, L. S. Niehm, F. O. Lorenz "Current consumers increasingly expect engaging experiences and not just a process to purchase goods and services which suggests the growing importance of web site features that not only facilitate the purchase decision process, but also provide an enjoyable shopping experience. Research supports the influence of these features on experiential value and positive consumer responses towards products and web sites". 16

The results from the research presented in this paper prove the opposite. While it cannot be questioned that there is the expectation of certain level of

<sup>&</sup>lt;sup>16</sup> S.W. Jeong, A.M. Fiore, L.S. Niehm, F.O. Lorenz, *The Role of Experiential Value in Online Shopping The Impacts of Product Presentation on Consumer Responses Towards an Apparel Web Site*, "Internet Research" 2009, Vol. 19, No. 1, p. 106.

# design, this factor is not as important for young generation as it may seem several years ago.

From the online stores point of view it makes the design of their web sites important, however not crucial.

### 2. The importance of online word of mouth

Word of mouth (WOM) communication, which can be defined as "all informal communications directed at other consumers about the ownership, usage or characteristics of particular goods or their sellers" is well established in academic literature. Recent studies also focused on this phenomenon online, using such expressions as online customers reviews (OCR) or electronic word of mouth (eWOM)<sup>18</sup> Acording to E.M. Steffes and L.E. Burgee "when eWOM is included as a source of information, users rate the information they gather from the anonymous non-existent tie online forum sources as more important than the strong tie or weak tie sources". 19

The results from the research presented in this paper confirms these thesis. The online word of mouth plays a significant role in "young adults" online purchasing behavior.

From the online stores point of view it proves the necessity of properly planed and managed word of mouth marketing actions, that are essential for the creating of the desired image of those entities.

## 3. The importance of interactivity and good contact with the seller

K.M. Chu and B.J.C. Yuan, in the research concerning the effects of perceived interactivity on e-trust and e-consumer behaviors, positively verified hypothesis about "the importance of both attitude toward website and trust with regard to perceived interactivity".<sup>20</sup>

The results from the research presented in this paper confirms this thesis. The interactivity and good contact with online retailer are one of the most important factors creating the image of online stores.

<sup>&</sup>lt;sup>17</sup> R.A. Westbrook, *Product/Consumption-based Affective Responses and Postpurchase Processes*, "Journal of Marketing Research" 1987, Vol. 24, No. 3, p. 258–270.

<sup>&</sup>lt;sup>18</sup> J. Lee, D.H. Park, I. Han, *The Different Effects of Online Consumer Reviews on Consumers' Purchase Intentions Depending on Trust in Online Shopping Falls*, "Internet Research" 2011, Vol. 21, No. 2, pp. 187–188.

<sup>&</sup>lt;sup>19</sup> E.M. Steffes, L.E. Burgee, *Social Ties and Online Word of Mouth*, "Internet Research" 2009, Vol. 19, No. 1, pp. 56–57.

<sup>&</sup>lt;sup>20</sup> K.M. Chu, B.J.C. Yuan, *op.cit.*, p. 132.

#### Conclusion

The paper has analyzed the various aspects of online stores as perceived by "young adults". The crucial aspects are the opinions of others (both close friends and anonymous internet users), interactivity of the web page and good contact with seller as well as own positive experiences from the past. Factors of medium importance are availability of various payment methods, easy to read and understand terms of use, possibility of picking up the product in stationary place and independent quality certificate. Factors that have lesser importance are web design and availability of credit.

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# CZYNNIKI KSZTAŁTUJĄCE WIZERUNEK SKLEPÓW INTERNETOWYCH W OPINII "MŁODYCH DOROSŁYCH"

#### Streszczenie

Celem artykułu jest analiza i prezentacja wizerunku sklepów internetowych w opinii "młodych dorosłych". Wizerunek sklepów internetowych w ich opinii jest przede wszystkim kształtowany przez zdanie innych (zarówno bliskich, zaufanych znajomych, jak i przez anonimowe opinie w internecie), interaktywność strony i dobry kontakt ze sprzedawcą oraz własne pozytywne doświadczenia z przeszłości. Czynniki o średniej wadze to dostępność różnych metod płatności, łatwy do zrozumienia regulamin sklepu, możliwość odbioru osobistego oraz niezależnie potwierdzony certyfikat jakości. Czynnikami o mniejszym znaczeniu są ogólne wykonanie strony oraz dostępność zakupów na kredyt.

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

Tłumaczenie Leszek Gracz